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Feminist economics for all

In Latin America, feminist movements are advancing new ways of thinking about economics, driving innovation and involving more women in policymaking

Not everyone has lost out from the 'polycrisis' that we are now enduring. Perversely, both extreme wealth and extreme poverty have increased simultaneously for the first time in 25 years. Worse, a host of other problems also now demand our immediate attention – from high and rising debt and increasing job precarity to inflation, climate change and food insecurity.

To reconfigure our economies for growth and sustainable development, we must go back to the intellectual drawing board to identify elements of economic theory and practice that have been overlooked. For example, even though the pandemic exposed deep flaws in how we think about care, many governments and businesses continue to neglect this dimension of the economy.

Positive examples from Latin America

But notable exceptions can be found in Latin America, where a feminist economics has brought the care sector to the forefront. This intellectual and political movement is advancing entirely new ways of thinking about economics, driving innovation in public policy and bringing more women into the economic policymaking process.

Feminist economics calls attention to the gendered nature of economic inequality. We know that women generally earn less than men, face more obstacles in the labour market and do most of the unpaid work in the home. These disparities explain why poverty disproportionately affects women globally. And gendered inequalities have only deepened with the pandemic, owing to the health, economic and care crisis that it created. Many women were forced to abandon the labour force, and their return has been much slower than men's. At the end of 2021, Argentina, Bolivia and Ecuador were the only Latin American countries to have recovered to pre-pandemic levels of female labour-force

participation.

Argentina's case is revealing because the country is home to a vibrant, creative feminist movement that has pushed policymakers to adopt new theoretical frameworks and metrics that better account for gender dynamics in the economy. Women politicians with close connections to grassroots organisations have worked together to ensure that a feminist approach informs political decision-making, and these contributions were crucial in the country's COVID-19 response. It was no accident that Argentina topped the rankings in the United Nations' COVID-19 Global Gender Response Tracker.

These efforts were the fruit of activism by a diverse array of women's networks, and they paid off in the form of increased women's employment and economic participation.

Early in the pandemic, feminists in the Argentine cabinet pushed for cash transfers to mothers; increased investment in care infrastructure; stimulus measures to incentivise employment of women in male-dominated sectors such as technology, energy and mining; rule changes to formalise the status of domestic workers; and pension-system reforms to recognise unpaid labour. This high-level advocacy also led Argentina to develop its first National Gender Budget, which uses gender-based indicators to help design and implement policies more effectively.

These efforts were the fruit of activism by a diverse array of women's networks, and they paid off in the form of increased women's employment and economic participation. But the job is far from complete, especially when one considers the increasingly apocalyptic global outlook. With the conventional economic policymaking approach, when inflation rises above target, it hardly matters if the world is facing a recession, debt crises, inflation, food and energy scarcity and a climate emergency. The response will still be the same: hike interest rates and impose austerity.

Failing to support the labour force

Yet, such measures not only threaten to make a bad situation worse; they also will perpetuate a regime in which international financial institutions exploit an asymmetry of power that continuously targets spending – on health, education and infrastructure, for example – that is most important to the most vulnerable. With Latin America and other regions facing critical levels of poverty, boosting investments in women and girls is more important than ever. Addressing the care crisis with better

infrastructure, decent jobs and fairer wages must take precedence over spending cuts. As the pandemic showed, the care economy is a critical strategic sector.

It may seem obvious to a layperson that failing to support an economy's labour force must come at a cost. Yet, conventional economic models render this fact nearly invisible or simply wave it aside. Likewise, political debates too often treat the feminist or gender-based perspective as a side issue, rather than as a central concern. Yet, this dimension of inequality pervades economic policymaking and macroeconomic outcomes. As such, it holds the key to building a more inclusive, sustainable and well-functioning economy.

The old formula of 'grow, then redistribute' should be inverted: we need to redistribute in order to grow.

Gender policies are not just about raising awareness. They require resources and sustained attention from policymakers across all levels of government. Meaningful progress cannot be made without the presence of feminist women in government. In this respect, recent elections in Latin America offer some hope. Francia Márquez, the first black woman to be elected vice president of Colombia, is an iconic human rights and environmental activist. Chilean President Gabriel Boric's cabinet includes more women than men. And Brazilian President Luiz Inácio Lula da Silva has nominated two highly respected women, Marina Silva and Anielle Franco, to oversee the administration's environment and equality portfolios, respectively.

Mainstream economic theory and practice are stuck in the past. We need not just new thinking but also a democratisation of economic and fiscal knowledge. Only then can we demystify the intentionally obscure policies and theories that have kept women, young people and other marginalised groups from participating in the economic decisions that affect them.

The fiscal path is narrow, and multilateral organisations such as the International Monetary Fund will be pushing austerity in the months ahead. Faced with a looming recession and another round of unfair, regressive policies that will only exacerbate existing inequalities, we must speak up and demand a break from tradition. The old formula of 'grow, then redistribute' should be inverted: we need to redistribute in order to grow.

Feminist economics can show us the way. With tools such as gender-sensitive budgets and wealth taxes – and with spending on gardens, schools, elder centres and other care infrastructure – we can better accommodate twenty-first-century society's productive needs and social demands.

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