

► Policy Tool

UN Women – ILO Joint Programme Promoting Decent Employment for Women through Inclusive Growth Policies and Investments in Care

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How to Assess Fiscal Stimulus Packages from a Gender Equality Perspective¹

Key points

- The policy support tool aims at embedding gender equality concerns in national fiscal stimulus packages as well as in the design of national policy responses.
- First, it identifies the transmission channels by which gender is salient in contributing to inequality and material deprivation, based on COVID-19 specific gendered effects.
- Second, it discusses the adequacy of the size of fiscal packages relative to the size of the problem they are meant to solve.
- Third, fiscal stabilization and stimulus packages are assessed from a gender equality perspective, identifying areas that macro-level policies can effectively target to address gendered impacts of the crisis, with guidance on indicators that can be used in policy assessments.
- Fourth, monetary policy is similarly assessed from a gender equality perspective.
- Fifth, the tool considers the role of gender budgeting in the development and evaluation of fiscal and monetary stimulus packages.

► I. Introduction

The United Nations Secretary-General has issued an urgent call to action. The COVID-19 pandemic is one of the most dangerous challenges this world has faced in our lifetime. It is above all a human crisis with severe health and socio-economic consequences. As the virus is unprecedented in our lifetime, it requires an unprecedented response. This is a moment that demands coordinated, decisive, and innovative policy action from the world, including a comprehensive, large-scale fiscal response. The UN Secretary General has proposed that in order to adequately address the crisis, fiscal packages should equal 10 percent of global GDP.²

¹ This policy tool was prepared by Stephanie Seguino and benefited from comments by Anuradha Seth, Senior Advisor, Gender and Macroeconomics, UN Women and Valeria Esquivel, Employment Policies and Gender Specialist, ILO. The views and suggested approaches in this publication do not necessarily represent the position of funding partners.

² United Nations. (2020). "United Nations Secretary-General Launches Plan to Address the Potentially Devastating Socio-economic Impacts of COVID-19." Press Release, March 1, 2020. <http://www.unodc.org/unodc/en/press/releases/2020/April/united-nations-secretary-general-launches-plan-to-address-the-potentially-devastating-socio-economic-impacts-of-covid-19.html>

Heeding this call, and faced with a socio-economic crisis of unprecedented proportions, national leaders have introduced fiscal stabilization and stimulus packages to respond to COVID-19. According to the IMF's policy tracker on key economic responses to COVID-19, 193 countries have adopted some form of a fiscal policy to stabilize their economies.³ *Bloomberg News* estimated that by mid-April 2020 governments would have dedicated more than US\$8 trillion to fight the pandemic in the form of direct spending, bank guarantees, and loan and equity injections.⁴ Given the duration and intensity of the crisis, many countries have rolled out several iterations of fiscal stabilization and stimulus packages in the span of just a couple of months. Many more countries will follow suit. How those funds are spent matters greatly, not only for alleviating the worst effects of the economic calamity countries face, but also for building resiliency for the future.

Crises, be they induced by environmental, economic, social or health factors, build on and exacerbate pre-existing race, gender, and class inequalities. The negative effects of crises are intensified for those who fall into more than one of these three categories. Thus, low-income women of colour or indigenous women, for example, are particularly hard hit in times of crisis. Governmental responses to crises can serve as an equalizer, however, if policies are tailored to robustly address the needs of those with limited material and social resources, and who are more negatively impacted by crises.

Given the disproportionate adverse impacts that the crisis has on women and girls, it is imperative that gender equality concerns are embedded in national fiscal stimulus packages as well as in the design of national policy responses. This policy support tool serves that purpose. It builds on the guidance note prepared by UN Women on assessing and engendering fiscal stimulus packages to respond to the socio-economic impacts of COVID-19. It is intended to guide UN Women and ILO country offices and their partners in civil society to both assess and engender the fiscal stimulus response at national levels. This policy support tool outlines target areas and principles to assist in the evaluation of national governmental responses to the COVID-19 health and economic crisis for their gender impact, with attention to the compounding negative effect of intersectionality, on alleviating the worst effects of the crisis.

The policy support tool is structured as follows. First, we identify channels by which gender is salient in contributing to inequality and material deprivation, based on COVID-19 specific gendered effects. This is followed by a discussion of the adequacy of the size of fiscal packages relative to the size of the problem they are meant to solve. In the subsequent section, we then identify areas that macro-level policies can effectively target to address gendered impacts of the crisis, with guidance on indicators that can be used in policy assessments. The following section repeats that analysis for monetary policy. Finally, we consider the role of gender budgeting in the development and evaluation of fiscal packages. While there are some similarities across countries regardless of differences in stage of development and economic structure, the emphasis in this note is on developing countries.

► II. Gender Effects of the COVID-19 Health and Economic Crisis: Transmission Channels

In order to evaluate governmental policies in response to the COVID-19 health and economic crisis for their gender-equalizing or disequalizing effects, it is useful to outline key areas in which effects of the crisis are gender-differentiated. This section outlines in broad strokes areas of focus in review of fiscal and monetary policies.

³ The IMF Policy Tracker on Policy Responses to COVID-19 can be found at: <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#>. The fiscal packages in some countries represent reallocations from rather than an increase in total fiscal spending. The proportion of fiscal packages that represents "additional" funding to the budget can only be determined on a case-by-case basis.

⁴ Jamrisko, M. and G. Hunter. (2020). "When \$8 Trillion in Global Fiscal Stimulus is Not Enough." *Bloomberg News*, April 22. <https://www.bloomberg.com/news/articles/2020-04-23/when-8-trillion-in-global-fiscal-stimulus-still-isn-t-enough>

The evidence is not yet robust, but early assessments indicate that men have a higher death rate from COVID-19 than women.⁵ According to Global Health 5050, men accounted for 64 percent of deaths from COVID-19 globally as of March 27, 2020. As we continue to assess the gender effects of this crisis, men's higher death rates are worth considering in more depth. Men's higher mortality rates are potentially linked to gender norms of masculinity. This is most obvious during times of war, but health stressors tied to masculinity could also lead to higher mortality, as well as higher rates of smoking and alcohol consumption.

In contrast, women's disproportionate vulnerability to economic and health crises stem from two key areas: 1) gender norms and stereotypes that result in women sharing the greatest burden for care work, paid and unpaid, and 2) institutional policies that privilege men as workers and entrepreneurs, and disadvantage women, leaving a larger share of women in precarious economic situations—and as a result, harmful social situations such as exposure to domestic violence because of lack of income to leave dangerous relationships.

The vigorous use of fiscal and monetary policies can offset gender inequalities in private markets and institutions, such as labour markets, enterprises, banking, etc.

In order to understand how to evaluate the efficacy of fiscal and monetary policies to alleviate the disproportionate effect of COVID-19 and the economic fallout on women, we need to identify key areas of inequality. Here we discuss five key areas: livelihoods; social protection; health; food security; and public infrastructure and housing.

A) Livelihoods

Employment and Conditions of Work

- *Job segregation* – Women tend to be segregated in low-wage, insecure jobs with low compensation and benefits like paid sick leave. Many of these jobs are public-facing and thus women have been hard hit by the unemployment that ensued as a result of stay-at-home orders. Support for workers in this category should be a priority.
- *Informal employment* – In many regions, women have higher rates of informal employment than men. For example, in sub-Saharan Africa (excluding Southern Africa), 95 per cent of women workers are informally employed compared to 89 per cent of men workers. In Southern Asia, 91 per cent of women workers are informally employed compared to 87 per cent of men workers. And in Latin America and the Caribbean 55 per cent of women workers are informally employed compared to 53 per cent of men workers.⁶ Women's greater concentration in informal employment increases their economic vulnerability because of the precarity and lack of social benefits tied to such jobs, such as paid sick leave. Policies should be designed to ensure workers in the informal economy benefit. In low- and middle-income countries, relative poverty levels among informal workers are estimated to increase by 56 percent due to the COVID-19 crisis, while in upper middle-income countries the increase is estimated to be 21 percentage points.⁷
- *Unemployment* – During economic hard times, women are perceived as less deserving of scarce jobs than men (due to male breadwinner norms), contributing to their likely higher unemployment rate. In LAC, for example, women are twice as likely as men to be unemployed, despite having on average higher educational attainment.⁸

⁵ UN Women. (2020). "COVID-19 and Ending Violence Against Women and Girls." <https://www.unwomen.org/-/media/headquarters/attachments/sections/library/publications/2020/issue-brief-covid-19-and-ending-violence-against-women-and-girls-en.pdf?la=en&vs=5006>

⁶ ILO. (2018) *Women and men in the informal economy: A statistical picture. Third edition*, Geneva: ILO. https://www.ilo.org/global/docs/WCMS_626831/lang-en/index.htm

⁷ International Labour Organization (2020). "COVID-19 Crisis and the Informal Economy: Immediate Responses and Policy Challenges." ILO Brief. https://www.ilo.org/wcmsp5/groups/public/--ed_protect/--protrav/--travail/documents/briefingnote/wcms_743623.pdf

⁸ UN Women. (2017). *The Progress of Women in Latin America and the Caribbean 2017: Transforming Economies to Enforce Rights*.

- *Safety and health standards* – Safety and health standards in the workplace are essential to protect workers who retain their jobs during the crisis. In the absence of such standards being met, women workers in this group are threatened with loss of their jobs if they cautiously choose to protect family members and themselves from COVID-19 by staying at home. The provision of personal protective equipment are needed to protect this group of workers.
- *Unpaid care work* – Women have disproportionate responsibility for unpaid care work in the household, from care of children and adults to maintaining the household, thus limiting their ability to engage in paid labour. Childcare needs in particular weigh heavily on women, requiring affordable childcare options for women to be able to engage in paid labour. In the context of the pandemic, given the increase in home childcare and home schooling, combined with working at home for those who can work remotely, unpaid care burdens increase dramatically. Fiscal responses should discuss this time pressure that women will face and offer ways to redistribute and reduce unpaid care work, as best we can with social distancing..

Entrepreneurs

- *Debt and risk of bankruptcy* – Women are more likely to be owners of micro and small enterprises (MSEs) than larger enterprises, and such businesses have fewer reserves to weather economic hard times. Women-owned MSEs' limited retained earnings make them disproportionately more in need of debt support and limits on evictions, foreclosure, and monetary consequences of inability to repay debts. Debt build-up during a recession makes recovery more difficult and so addressing this issue with policy is not only good for gender equality; it will bolster the recovery for all businesses.
- *Credit* – Women-owned businesses face credit constraints due to a) the small size of their businesses which typically comes with higher borrowing costs and fees and b) women's lack of collateral due to limits on land and property rights. Bank discrimination against women can constrain access to credit, hence this should be monitored as fiscal policies are implemented (with a great deal of liquidity flowing through banks).

B) Social Protection

Social assistance

- *Income support/replacement* – Income support is particularly needed for women (not just to the household or household head) who are more likely to be in low-wage, part-time, and insecure employment, self-employed, or informal workers or not in the labour market.
- *Child and childcare allowances* – Women have primary responsibility for emotional and physical care of children and higher propensity to spend on children's wellbeing. Child and childcare allowances improve women's ability to fulfil this role.

Social insurance

- *Health care coverage* – Women are less likely to be employed in jobs that offer health care coverage in countries where insurance is linked to employment, and are more likely to be in informal employment which by definition excludes social and legal protections.
- *Unemployment and sick leave benefits* – Unemployment benefits and paid sick leave are essential ingredients of any fiscal package designed to ensure the burden of the crisis does not fall disproportionately on women. Women are disproportionately in those jobs that do not qualify for unemployment insurance in developed countries, requiring a revision of eligibility in order to equitably cover women workers. With regard to paid sick leave, low-wage essential workers may not have paid sick leave, which puts them in risk and contributes to spreading infections.

C) Health

- *Reproductive care* – Women’s reproductive role in terms of bearing children makes them vulnerable to economic and social crises if their access to pre- and post-natal care and reproductive health are limited.
- *Domestic violence* – Isolation and household stress contribute to increases in domestic violence. Early reports are that since the beginning of mobility restrictions due to COVID-19, domestic violence rates have increased 30 percent.⁹
- *Essential workers* – Women comprise the largest share of public-facing “essential” workers most exposed to social contact. This group includes health care workers, custodial staff, and clerks/cashiers in retail stores. Essential service sector workers are often in low-paid jobs with no social protection or benefits. Moreover, work conditions may be unsafe if employers have not adequately provided personal protection equipment and met other safety and health standards for addressing contagion in the workplace.
- *Migrant workers* – International migrant workers in some instance (e.g., in the US, in meat-packing plants, in Gulf states’ construction projects) may be forced to work under unsafe working conditions. They are especially at risk and vulnerable because, in addition to working without adequate safety and health standards in their workplace, they frequently lack social protections such as health insurance. They often also live in crowded housing conditions further exacerbating the risk of contracting COVID-19.
- *Women of colour or any subordinate racial/ethnic group within countries* – This group has greater vulnerability due to “weathering” – the accelerated deterioration of bodies due to stress from poverty and social, economic, and environmental racism.
- *Women in poor neighbourhoods (barriadas, favelas, townships)* – Due to the housing conditions, women in these neighbourhoods are not able to isolate themselves or their families. Many engage in supporting community networks providing food (soup kitchens) and care, frequently without protective gear.

D) Food Security

- *Gender and access to food* – In a number of countries, social norms put women at the back of the queue for food, contributing to their hunger and compromising their health. Women are also responsible for children’s access to food in some countries, and thus women’s weaker bargaining power in the household redounds also on children’s health. Food security measures should prioritize women’s access to food and, as a result, children’s.
- *Children and hunger* – Children are especially vulnerable to food shortages in terms of its impact on their brain development and overall health. Many schools that had feeding programmes have closed, worsening childhood hunger.
- *Agricultural production* – Agricultural production has been interrupted due to COVID and small farmer in particular are unable to continue production as their incomes plummet, due to lack of resources to purchase inputs. This further exacerbates food insecurity, potentially leading to shortages that drive up the price of food.

E) Public Infrastructure and Housing

- *Transportation and mobility*
 - *Public transportation* – Women are more likely than men to rely on public transportation. This is due both to gender norms, as well as to women’s weaker economic position. Availability of safe, reliable public transport in the COVID period, then can be gendered equalizing.

⁹ UN Women. (2020). “Issue Brief: COVID and Ending Violence Against Women and Girls.” <https://www.unwomen.org/-/media/headquarters/attachments/sections/library/publications/2020/issue-brief-covid-19-and-ending-violence-against-women-and-girls-en.pdf?la=en&vs=5006>

- *Mobility* – Cultural norms in some countries inhibit women’s mobility. Their mobility, however, is also limited due to risk of violence in public spaces.
- *Sanitation and clean water*
 - *Gender roles in unpaid care work* – During the COVID pandemic, lack of easily accessible clean water can exacerbate transmission of the disease. Women’s care obligations include providing clean water for their households, a labour-intensive activity that carries with it risks associated with women’s mobility in addition to the toll it takes on women’s bodies and their time for economically remunerative activities. The lack of sufficiently available clean water then can raise women’s care burden, and at the same time, risks the spread of the disease with women’s care time spent on ill family members increasing.
- *Social infrastructure spending*
 - *Health infrastructure* – For many years, public investments in hospital beds and other health sector infrastructure has been in decline. As a result, public health infrastructure may be inadequate in general and especially during the crisis, when demands on health systems have dramatically increased.
 - *Childcare support* – School and childcare centre closures increase the care work required at home. This is especially challenging for parents and caretakers who are unable to stop working (due to low earnings, because employers require them to come to work in order to retain their job, or because they are teleworking), a burden falls disproportionately on women.
- *Housing*
 - *Loss of housing* – Women as single parents are especially challenged in their ability to ensure shelter for themselves and their children. The interaction of their low wages and low savings exacerbates their inability to maintain housing during the crisis if they cannot afford rent or mortgage payments.
 - *Temporary housing* – Quarantines of affected household members will require access to temporary housing. The absence of such alternatives makes it more likely that the virus will be transmitted to other household members, increasing women’s care burden and health risks.

► III. Fiscal Stabilization and Stimulus Packages

Governments have responded to the pandemic by mandating public health policies, including stay-at-home orders that result in a sharp decline in aggregate demand and a precipitous decrease in employment or hours worked. Unlike in previous crises, the goal of fiscal policy in these early stages of the COVID-19 pandemic is not to put people back to work. Rather, the objective is to keep businesses and households solvent until economies can gradually reopen and/or a vaccine is found. For this reason, it may be useful to think of the fiscal spending in early stages of the crisis as a stabilization policy that replaces income, rather than a policy designed to stimulate household and business spending. As economies begin to open again, very likely at a slow pace, the focus of government spending may take on the character of a fiscal stimulus to stimulate consumers to spend again and businesses to hire. Thus, fiscal policy should flexibly adapt to the impact of COVID on the economy as threat levels decrease (or resurge).

Regardless of whether policy objectives are to replace income or to stimulate private sector spending, governments are likely to have to borrow to fund fiscal policies of the magnitude required by this crisis. The International Monetary Fund (IMF) predicts, for example, that the pandemic will result in a 6.6 percent decline in economic growth in 2020 in developed economies and 1.0 percent in emerging and developing economies. This is based on an assumption of a gradual easing of containment measures in the second half of 2020.¹⁰ Projections for individual developing economies vary widely, however. South African’s GDP is predicted to decline by 5.8 percent in 2020, compared to just 1.6 percent in sub-Saharan Africa as a whole. The OECD estimates, in contrast, a 2 percent decline in GDP each month that containment measures

¹⁰ IMF. (2020). World Economic Outlook. <https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020>

are in place.¹¹ The largest contractions are predicted to be in the service sector: accommodation and food services; wholesale and retail trade; arts and recreation; and transport. Manufacturing is also predicted to be hard hit, and to a lesser extent, construction.¹²

These estimates give an indication of the magnitude of fiscal spending that will be required in coming months. Evidence from previous crises reveals that countries with larger fiscal stimulus packages experienced a more rapid and stronger recovery, both in terms of income and employment.¹³ Developed economies have greater fiscal space to deficit spend (through borrowing) than do poor countries. This is because they are allowed to borrow in their own currencies and their central banks can facilitate this process by buying government debt. Further, their currencies are typically in higher demand, reducing market risks of borrowing that would lead to interest rate penalties or capital outflows.

Lower income countries face several shocks in addition to the pandemic: a steep drop in export demand, dramatic declines in commodity prices, higher borrowing costs in financial markets. They also have much less fiscal space to borrow than richer countries. Significant capital outflows from emerging economies, falling revenues from direct, indirect and trade taxes, fear of downgrades from credit rating agencies, as well as already high and unsustainable external debt burdens, limit the fiscal space available to most developing countries to undertake crisis mitigation measures in the short-run, and economic recovery measures over the medium to long-term. As a result, their ability to respond to the crisis will depend to a large extent on the decisions of major international financial institutions and bilateral donors. The G-20 countries have suspended 2020 debt service payments from low-income countries, which will free \$20 billion in fiscal space for these countries.¹⁴ This is far from enough. Sub-Saharan Africa will alone need \$100 billion in budget support, of which interest payments on debt for 2020 are estimated to be \$44 billion.¹⁵ Bilateral and multilateral development organizations are also considering debt relief and foreign assistance options. Given these challenges, the United Nations has urged that debt alleviation must be a priority. UNCTAD has called for \$1 trillion in debt relief to developing countries.¹⁶

Although the fluidity of fiscal policy actions makes it impossible to say with any concreteness what the size of fiscal packages will be, we can make some observations. A review of national fiscal stimulus packages in developing countries indicates that, as of this writing, the size of the fiscal stimulus packages varies considerably between developing countries (from 0.5 percent in Afghanistan to 10.0 percent of GDP in South Africa).¹⁷ In contrast, in Japan, the fiscal package is 21% of GDP. The size of such packages has implications for women as it determines the volume of expenditures available for investing in gender equality along the dimensions cited above.

The size of packages will of necessity be country-specific because the nature of the health and economic crisis varies across countries. Stimulus packages will also need to be calibrated for the size of the output gap (between potential and actual output) that results from the crisis. For maximum effect, fiscal packages should come from new allocations, rather than a reallocation of existing budgets. Some countries and development agencies have instead elected to reallocate funding from existing budgets. For example, South Africa and India have fiscal packages that include a reallocation of funds. Where funding comes from a reallocation, the impact of fiscal packages on aggregate demand and employment will be smaller. In those cases where countries lack the fiscal space or external support to avoid reallocations, cuts in other areas then must be well targeted. Countries should consider adopting priority goals to guide cuts. For example, ensuring at least that

¹¹ OECD. (2020). "Evaluating the Initial Impact of COVID-19 Measures on Economic Activity." <http://www.oecd.org/coronavirus/policy-responses/evaluating-the-initial-impact-of-covid-19-containment-measures-on-economic-activity-b1f6b68b/#figure-d1e231>

¹² ILO. (2020). "ILO Monitor: COVID-19 and the World of Work." https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/briefingnote/wcms_740877.pdf

¹³ Blyth, M. (2013). *Austerity: The History of a Dangerous Idea*. Oxford University Press.

¹⁴ Wainer, A., S. Gupta, and M. Plant. (2020). "While Creating Fiscal Space for COVID-19 in Developing Countries, Be Sure to Consult Civil Society." <https://www.cgdev.org/blog/while-creating-fiscal-space-covid-19-developing-countries-be-sure-consult-civil-society>

¹⁵ UNECA. (2020). "African Finance Ministers call for coordinated COVID-19 response to mitigate adverse impact on economies and society." <https://www.uneca.org/stories/african-finance-ministers-call-coordinated-covid-19-response-mitigate-adverse-impact>

¹⁶ Note that UNCTAD's call for debt relief is not restricted to very poor and small economies. UNCTAD (2020). "The Coronavirus Shock: A Story of Another Global Crisis Foretold and What Policymakers Should be Doing About It." *Trade and Development Report Update*.

¹⁷ IMF Policy Tracker, <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#S>. Accessed May 26, 2020.

inequality does not increase (and ideally, that it is lessened) and measures to address climate change should be prioritized and funding for these endeavours protected from cuts.

Note that fiscal packages include both direct budget support (spending and tax waivers) as well as public sector loans, grants, and loan guarantees. While the portion of the packages allocated to spending will have a multiplier effect, stimulating aggregate demand and employment, the economic impact of loans and grants depends how much they are taken up and spent by the targeted recipients. Whether loan guarantees should be considered in estimating the size of the fiscal package is debatable. Loan guarantees may expose the governments to risks if the guarantees were called in at a later date. But they impose no immediate burden on fiscal budgets, and thus have different implications for public finances in the near term than spending, lending, and grant measures.

To limit the drain on public finances, tax relief measures in lower-income countries may benefit from offering targeted support to the low and middle income households and small- and medium- sized enterprises. In contrast, broad-based tax cuts risk losing needed revenue to fund health and other COVID related expenditures. General reductions in corporate and personal income tax rates are ill-suited to the current crisis. Corporations have significantly more retained earnings with which to weather the economic crisis, as do high income households.

For poor countries that lack the fiscal space or external support to mount large fiscal packages, alternative sources of revenue could be pursued. Solidarity taxes—taxes that are temporary and redistributive, placed on the highest income groups—meet the objective of sharing the burden of the crisis, limiting increases in inequality, and creating fiscal space. There may be other viable sources of tax revenue, such as taxes on wealth and inheritances, that should also be pursued.¹⁸ Carbon and other environmental taxes might also be considered, supporting the goal of a reduction of global warming and budgets to alleviate the effects of the health and economic crisis. Taxing cross-border activity and offshore assets can provide additional sources of revenue. This requires increased international tax cooperation, including the support and active participation of developed economies to promote further reforms. Other possible measures include taxing back additional income earned during the crisis. The clawback system could be designed to accomplish distributional goals such as reducing inequality.

In addition to fiscal policy, governments may rely on expansionary monetary policy (cutting the policy interest rate) and other central bank interventions to complement fiscal measures. Many central banks have in fact already lowered interest rates.¹⁹ Some countries, including Sri Lanka, have announced a debt repayment moratorium on bank loans for specific sectors.²⁰ Additional steps taken include a reduction of reserve ratio and capital buffer requirements, loan guarantees, and direct lending or grants to businesses or to the government.

The willingness of central banks to adopt alternative monetary policies can have an important impact on their effectiveness in addressing the economic crisis. Loan guarantees, for example, can incentivize private banks to lend to strategic sectors or groups, such as MSEs, and women entrepreneurs and farmers. These guarantees reduce a private bank's risk exposure, allowing it to lower the cost of lending to borrowers. Moreover, loan guarantees can substitute for collateral, leveraging access to credit and potentially bringing informal businesses into the formal sector.

Another tool that central banks could use is asset-based reserve requirements (ARRs). In this case, ARRs would require private banks to hold a certain proportion of their loans in designated, high-priority areas or else hold the same proportion of their total assets in non-interest bearing reserve accounts. This is an additional flexible method for directing credit to priority sectors.

In short, the credit allocation policies of central banks can direct credit flows to different sectors of the economy, including microfinance institutions and MSEs – both of which are critical to ensure women's financial inclusion and employment. Further, as noted above, central banks can issue guidelines (and some have), directing lending institutions to allow for a

¹⁸ Landais, C., E. Saez, and G. Zucman. (2020). "A Progressive European Wealth Tax to Fund the European COVID Response." Vox CEPR Policy Portal. <https://voxeu.org/article/progressive-european-wealth-tax-fund-european-covid-response>

¹⁹ IMF Policy Tracker, *Ibid.*

²⁰ IMF Policy Tracker, *Ibid.*

debt moratorium for all borrowers, including women-owned enterprises. In keeping with the Secretary-General's call for action, UN Women, the ILO and development partners are advised to advocate for macroeconomic policies that will both enhance fiscal space for investing in women and ensure that such policies are gender-responsive.

▶ IV. Assessing Fiscal Stabilization and Stimulus Packages from a Gender Equality Perspective

A review of the fiscal stimulus packages introduced by countries shows that many of these have focused on areas that are critical to mitigate/minimize impacts on vulnerable groups, including poor households, as well as measures that support economic recovery. What is less clear is how specific measures may or may not support women and girls, and gender equality. In this context, five policy areas are especially critical: Livelihoods; Social Protection; Health; Food Security; and Public Infrastructure and Housing. This section provides guidance on the key questions to be asked and identifies indicators that can be used to assess national fiscal stimulus packages from a gender equality perspective. Indicators are of two types: those related to expenditures, a quantitative measure, and those that are related to regulatory and policy pronouncements, a qualitative measure.

A. Livelihoods

1. Employment and Labour Market Policies

The economic crisis associated with COVID-19 is likely to disproportionately impact women in the labour market. At present, women constitute 70 percent of the world's health and social sector workers (including education, retail services, and hospitality). Women are also heavily concentrated in export and labour-intensive manufacturing (such as garments, electronics, textiles). Moreover, a majority of women in developing countries work in the informal economy. Young women constitute an especially vulnerable population in this context: it is estimated that globally, 77 percent of youth are informally employed, and this percentage is even higher for young women in low and lower-middle-income countries.²¹

The distribution of women in the labour market is highly country-specific. Given the sectoral/occupational concentration of women as well as their employment status, the broad question is whether fiscal stimulus packages include specific measures to address impacts on women's employment and conditions of work. In addition to fiscal policies that have a cost associated with them, a variety of regulatory measures can also support employment. For example, making access to business loans contingent on retaining workers as conditionality is "costless" for government but this requirement can expand the impact of funds spent on supporting businesses.

Quantitative Indicators

Assessing fiscal stimulus packages for their gender response to employment effects of the crisis will require several types of information:

- *Gender-disaggregated employment data by sectors and occupation* – What sectors and types of employment (e.g., formal or informal, wage workers or self-employed, fixed contract vs. irregular) are women concentrated in?
- *Sectoral/occupational employment effects of economic crisis* – What sectors and occupations have had the highest increase in unemployment in this crisis? Are these sectors/occupations in which women are concentrated?
- *Direct support to unemployed* – What percentage of fiscal packages is devoted to income supports for unemployed workers?

²¹ ILO. (2020). "Preventing Exclusion from the Labour Market: Tackling the COVID-19 Youth Unemployment Crisis." ILO Policy Brief. https://www.ilo.org/wcmsp5/groups/public/--ed_emp/documents/publication/wcms_746031.pdf

- *Wage subsidies* – What percentage of the fiscal packages is devoted to giving wage subsidies to businesses in order to limit the increase in unemployment and retain workers? Fiscal packages should be evaluated to determine whether sectors and occupations that women disproportionately hold are covered by payroll support.
- *Public employment/employment guarantee* programmes – What percentage of the fiscal package is devoted to public employment/employment guarantee programmes? How many jobs will such programmes create?
- *Active labour market policies* – What percentage of the fiscal package is devoted to covering the cost of active labour market policies such as assisting workers find employment or retrain??

Regulatory/Policy Indicators

- *Unemployment benefits duration and eligibility* – Are unemployment benefits designed to continue for the duration of high unemployment? Are restrictions on unemployment eligibility relaxed? (For example, in some countries, pre-COVID eligibility required that a person be actively seeking employment. Has this requirement been suspended?)
- *Coverage of informal workers* – Have unemployment and income-replacement benefits been extended to non-formal sector, self-employed, part-time workers, and freelance workers (such as artists and musicians)?
- *Work sharing* – Does the government advocate for reduced working hours (work sharing) in order to spread the negative employment effects of the recession?
- *Hazard pay* – Do fiscal packages fund hazard pay for essential workers in public-facing occupations?
- *Paid sick leave eligibility* – Has paid sick leave been extended to workers who previously did not have this benefit?
- *Training and employment services* – Is there support in the fiscal package for firms to strengthen training and skills acquisition and do women have equitable access to such training? Do fiscal packages include employment services (e.g., assistance in finding employment, relocation)?
- *Workplace safety* – Are employers required to provide personal protective equipment to public-facing workers and in on-site workplaces? Are female-dominated occupations and sectors covered by such requirements? Have guidelines on testing and safe workplace practices been developed and disseminated to businesses?
- *Conditionalities* – Is business access to government support contingent on businesses extending paid family leave or paid reductions in work time to accommodate unpaid care responsibilities? Is a condition of government-funded wage support that employers retain workers?

► Employment and Labour Market Policies

Quantitative indicators	Regulatory / policy indicators
• Gender employment impact of crisis	• Unemployment benefits – duration and eligibility expansion
• Income support	• Informal employment support coverage
• Wage subsidies	• Work sharing
• Public employment	• Hazard pay
• Active labour market policies	• Paid sick leave eligibility
	• Training and employment services
	• Conditionalities

2. Business supports

Government bailouts and support measures should address the needs of large- and medium-sized enterprises, but also micro and small businesses where women entrepreneurs are more likely to be represented and more generally, sectors in which women's employment is concentrated. The following indicators can be used to assess fiscal packages for gender-equitable business support.

Quantitative Indicators

- *Fixed cost supports* – Identify the percentage of business support that goes to covering fixed costs, such as utilities and rent.
- *Support for MSEs* – Identify the percentage of business support (loans) that is targeted to micro and small enterprises and for minority- and women-owned (MWO) businesses. Is the share reserved for MWO businesses proportionate to the share of a country’s businesses that are MWO?
- *Support for businesses in female-dominated sectors* – What is the percentage of financial support to businesses in sectors where female workers are concentrated?

Regulatory/Policy Indicators

- *Loan guarantees* – Are loan guarantees offered to incentivize private bank lending to MSEs and MWOs at low interest rates?
- *Grants* – Are there conditions under which loans may be turned into grants for MSEs and MWOs? Are low-interest loans available to MSEs and MWOs?
- *Tax reductions/suspensions* – Has the government instituted a temporary waiver of business taxes and other social contributions such as social security for MSEs?
- *Restrictions on use of funds* – Are employers prohibited from using government support/loans for bonuses, share buybacks, salary increases for managers and supervisors? Are employers prohibited from firing workers who are not able to work due to health reasons, including care of sick family members?

► Business supports

Quantitative indicators	Regulatory / policy indicators
<ul style="list-style-type: none"> • Fixed cost supports 	<ul style="list-style-type: none"> • Loan guarantees
<ul style="list-style-type: none"> • Support for MSEs and MWOs 	<ul style="list-style-type: none"> • Grants/low interest loans
<ul style="list-style-type: none"> • Support for businesses in female dominated sectors 	<ul style="list-style-type: none"> • Tax reductions/suspensions
	<ul style="list-style-type: none"> • Restrictions on use of funds

B. Social Protection

Social protection refers to the set of policies and programmes designed to reduce and prevent poverty and vulnerability throughout the life cycle.²² Social protection falls into three categories: social assistance (based on non-contributory programmes), social insurance (funded by contributory programmes) and labour market protections (such as unemployment insurance).²³ We discuss the first two here, and refer the reader to the section on livelihoods for a discussion of labour market protections.

Enhanced social protection has been a key component of most fiscal stimulus packages, to mitigate the short-term impacts on households of lost income due to the sharp rise in unemployment and business disruptions. Despite significant progress over the past two decades, gender gaps in social protection systems remain widespread.²⁴ Even where women are relatively well covered, their benefit levels tend to be lower than men’s. Because women continue to face significant labour market disadvantages vis-à-vis men and assume a disproportionate responsibility for unpaid care and domestic

²² In recent years, feminist economists have begun to label some types of social protection as investments in *social infrastructure*. Expenditures on early childhood education, education, and health, for example, contribute to economy-wide improvements in productivity and income. This type of spending is an investment rather than a form of pure consumption. As incomes rise in response to investments in people, more resources are generated at the state level to pay for these expenditures. In essence, such expenditures create fiscal space in the medium term. Moreover, investments in people “crowd in” private sector spending because they raise labour productivity.

²³ Health care spending is also considered part of social protection. That topic, however, is covered in the following section.

²⁴ UN Economic and Social Council. (2018). “Social Protection Systems Access to Public Services and Sustainable Infrastructure for Gender Equality and the Empowerment of Women and Girls.” Commission on the Status of Women 63rd session. <https://undocs.org/E/CN.6/2019/3>

work, they face particular challenges in insurance-based systems where benefits are strongly tied to a worker's employment trajectory (although these systems can and have been reformed to be more inclusive and egalitarian). This highlights the importance of social assistance programmes, including unconditional cash transfers and child-related assistance, to support women's incomes through the crisis.

The COVID-19 crisis has also exposed significant holes in social protection systems for informal workers, who are often not considered "poor enough" to qualify for social assistance yet lack the capacity to make regular contributions to social insurance. This includes large numbers of women in informal employment (casual and agricultural workers, self-employed market and street vendors, home-based workers, and domestic workers). From a gender perspective, it is therefore crucial that fiscal packages include measures to increase coverage, raise benefit adequacy and simplify eligibility rules and administrative procedures for women in informal employment as well as those who are outside of the labour market altogether and engaged in unpaid care and domestic work.

Against this backdrop, several countries have already taken measures that go in the right direction. Numerous countries are providing cash transfers to informal workers, including in Argentina, Bolivia, Jordan, Namibia and Thailand where new cash transfers target anyone who is unemployed and unregistered in social security or grant systems.²⁵ Such modifications are necessary to ensure gender-equitable expenditures in fiscal packages. While many governments have underlined that these measures are temporary, long-term investments in universal, gender-responsive social protection systems will be critical for achieving economic recovery and building long-term resilience to shocks.

The following questions and indicators can be used to assess whether social protection measures in the context of fiscal stimulus packages are responsive to women's differential need for support. As in the section above, answering these questions will require data on the fiscal package(s) with disaggregation by components as well as data/analysis of women's and men's position in the economy of each country (e.g., employment by sectors and firm size, status in employment formal/informal, feminized occupations in both the formal and informal economy), and sex-disaggregated data on the coverage of existing social protection schemes.

1. Social Assistance

Social assistance covers a broad swath of policies that provide income and other resources to vulnerable households and groups. The design of social assistance programmes will determine whether women are adequately covered and whether that design supports women in carrying out care obligations.

Even prior to the pandemic, women, globally, performed on average more than twice the amount of unpaid care work as men. Due to school, childcare, and social service closures, and attending to the care needs for the elderly, children, sick and other dependents within the household, women have experienced an exponential increase in unpaid domestic work. This not only implies an increase in time poverty but can also adversely impact women's employment and upward job mobility.

Some countries are addressing the childcare problem. For example, Costa Rica is providing funding of childcare costs for essential workers, and Canada is making childcare free of charge for three months.²⁶ In the longer run, investments in the expansion of care services is critical not only to reduce and redistribute unpaid care work, but are also powerful policy levers for creating decent employment for women and creating the conditions for gender-equitable, inclusive and resilient growth.²⁷

In addition to the well-known categories of social assistance such as cash, in-kind contributions, child allowances, and childcare support, we include forms of social assistance offered to households during the COVID-19 pandemic, such as

²⁵ WIEGO (2020). "Government Responses to COVID-19 Crisis." <https://www.wiego.org/government-responses-covid-19-crisis>

²⁶ For more details, see Gentilini, U., M. Almenfi, P. Dale, G. Demarco, and I. Santos (2020). "Social Protection and Jobs Responses to COVID-19: A Real Time Review of Country Measures." Mimeo. https://www.ugogentilini.net/wp-content/uploads/2020/05/Country-SP-COVID-responses_May22.pdf

²⁷ ILO (2018). Care Work and Care Jobs: For the Future of Decent Work; Kim, K., I. Iplikaracan, and T. Kaya (2017). "Investing in Social Care Infrastructure and Employment Generation." De Henau, J., S. Himmelweit, Z. Lapniewska, and D. Perrons (2016). "Investing in the Care Economy: A Gender Analysis of Employment Stimulus in Seven OECD Countries," International Trade Union Confederation. http://oro.open.ac.uk/50547/1/care_economy_en.pdf

funding to cover utility bills and broadband access. Households may be unable to pay their utility bills during the economic crisis as a result of falling incomes with low-income households most vulnerable. Measures to fund the cost of utilities, including Internet, can alleviate some of the economic burdens of the crisis. In cases where utilities are publicly owned, suspending utility payments is an easy way to get economic support to households. If utilities are privately owned, price controls as well as measures to prohibit utility services from being disconnected due to non-payment for the duration of high unemployment can also be effective in supporting families.

Quantitative indicators

- *Social assistance cash allocations* – What percentage of the fiscal package is allocated to cash-based social assistance? Identify the level of cash transfer payments per month, as well as the size of the payments as a percentage of a living wage. Identify the duration of a government's commitment to cash assistance.
- *Social assistance in-kind allocations* – Identify the share of the fiscal package that is allocated to in-kind social protection (such as continued provision of school meals, food vouchers, food-for-work)?
- *Childcare support* – What percentage of fiscal packages are earmarked for childcare support for parents who are working parents (especially essential workers) and/or support to childcare centres?
- *Informal workers* – Identify the percentage of social assistance (cash and in-kind) that is targeted to informal workers.
- *Utility bills* – Identify the percentage of the fiscal package that is dedicated to providing free utilities or subsidies for utilities and the duration of these measures.
- *Broadband access* – Identify the percentage of the fiscal package that is dedicated to covering households' broadband (Internet) costs.

Regulatory/policy indicators

- *Cash assistance coverage* – Does spending on cash and in-kind assistance represent an increase in benefits and an expansion of coverage to previously uncovered groups?
- *Conditionality* – Are cash assistance payments conditional or unconditional (the latter is preferred)?
- *Recipients of cash transfers* – Are there provisions for payments directly to women in the household?
- *Elderly and disabled* – Does the fiscal package include cash assistance for the elderly and disabled?
- *Child support grants* – Does the fiscal package expand child support grants (child allowances)?
- *Childcare for essential workers* – Does the fiscal package cover childcare costs for essential workers?
- *Gender focus of assistance* – Do the design features of cash and in-kind social assistance equitably cover women, based on their position in the economy (active/inactive; formally/informally employed, full-time/part-time employment; male dominated/female dominated sectors) and family status/household structures (e.g. with/without children; single parent, widowed etc.)?
- *Tax relief/deferral for workers* – Does the fiscal package offer tax relief or tax deferrals for workers? The unemployed?
- *Payment extensions* – Does the fiscal package allow for postponement of payment for utilities?
- *Moratoria on service disruption* – Have governments banned the disconnection of utilities due to non-payment for the duration of high unemployment?
- *Utility price controls* – For privately owned utilities, has the government introduced price controls?
- *Broadband access* – Does the fiscal package include measures to cover the costs of Internet access for households?

► Social Assistance

Quantitative indicators	Regulatory / policy indicators
<ul style="list-style-type: none"> • Cash allocations • In-kind allocation • Childcare support • Informal workers • Utility bill spending 	<ul style="list-style-type: none"> • Cash assistance expansion • Cash assistance conditionality • Recipients of cash assistance • Restrictions on use of funds • Elderly/disabled eligibility • Childcare assistance for essential workers • Gender focus of assistance • Tax relief/deferral for workers/the unemployed • Utility payment extensions • Moratoria on service disruption • Utility price controls • Broadband access

2. Social Insurance

Quantitative indicators

- *Health care coverage* – Identify the percentage of the fiscal package that is allocated to strengthening health care coverage (such as individual contributions to national insurance systems) in response to COVID-19.
- *Unemployment insurance*²⁸ – Identify the share of the fiscal package allocated to income replacement for workers who have lost their jobs due to COVID-19.
- *Paid sick leave* – Identify the share of the fiscal package that is allocated to covering the cost of paid sick leave for workers who were previously not covered by this benefit.

Regulatory/Policy indicators

- *Unemployment insurance coverage* – Do design features improve women’s to access unemployment benefits based on their employment status (active/inactive; formally/informally employed, full-time/part-time employment; male-dominated/female-dominated sectors; self-employed; freelance)?
- *Informal workers* – Do unemployment insurance design features ensure coverage of feminized occupations in the informal economy such as domestic workers, home-based workers, and small-scale farmers?
- *Paid sick leave eligibility* – Do design features of social insurance components of fiscal packages cover wage costs of workers who must take time off because they or family members are ill? To what extent does such coverage, if it exists, include female-dominated sectors?
- *Work-family conflict protection* – Do governments prohibit the firing of employees who are required to miss work due to care responsibilities?

²⁸ Although unemployment insurance has been addressed in the section on employment, it has been included here as well to ensure an appropriate capture of the issue.

► Social Assistance

Quantitative indicators	Regulatory / policy indicators
<ul style="list-style-type: none"> • Health care insurance • Unemployment insurance • Paid sick leave 	<ul style="list-style-type: none"> • Unemployment insurance coverage • Informal worker unemployment insurance • Recipients of cash assistance • Paid sick leave eligibility • Child supports grant expansion • Work-family conflict protection • Gender focus of assistance • Tax relief/deferral for workers/unemployed

C. Health

If there is one thing that COVID-19 has exposed, it is weak health sector systems. Inadequate public investments over several decades have weakened the ability of governments to address key public health concerns. To address this deficiency as well as the increased health care costs in countries with sound health care systems, fiscal spending must increase. There is a risk that spending on reproductive health will be reduced, due to budgetary considerations or as a means to restrict women’s reproductive rights. Thus, monitoring of spending on reproductive care during this period is important to ensure there is no backsliding.

Finally, the evidence of increases in domestic violence, associated with increased social isolation, indicate that it is important for governments to develop specific policies and measures to protect women in abusive relationships but finding innovative methods for women to seek help.

Quantitative indicators

- *COVID-related health care spending* – What percentage of spending goes to free or subsidized access to COVID-19 prevention, testing and treatment?
- *Health care spending* – What percentage of the fiscal packages is dedicated to health sector spending?

Qualitative indicators

- *Health care coverage* – Is additional spending on healthcare geared towards achieving universal access to COVID prevention, testing and treatment, particularly among the un- and underinsured?
- *Women and personal protective equipment (PPE)* – What percentage of health expenditures in fiscal packages are dedicated to providing PPE for public-facing workers?
- *Hygiene kits* – Are governments providing hygiene kits to vulnerable families?
- *Reproductive health* – Is spending earmarked for continued provision of sexual and reproductive health services, including adaptation of modalities and service delivery models to the situation of lockdown? Are countries restricting access to reproductive care? Have provisions been made for women to be able to access pre-natal care during shutdowns?
- *Domestic violence protection* – Have mechanisms been put in place to promote women’s ability to report domestic violence? Have governments provided mechanisms for those women and their children who are experiencing domestic violation cases to shelter?

► Health

Quantitative indicators	Regulatory / policy indicators
<ul style="list-style-type: none"> • COVID-19 spending • Health care spending 	<ul style="list-style-type: none"> • Health care coverage • Women and PPE • Hygiene kits • Reproductive health • Domestic violence protection

D. Food security

Evidence indicates that food insecurity has increased as a result of the ongoing pandemic and related economic slowdown. Food insecurity increases result from: a) income losses due to rising unemployment and declining economic activity, and b) school closures and suspension of school-based feeding programmes. Evidence from intra-household consumption patterns in several countries indicates that during crises, women tend to eat less than other members of the family. This not only impacts women’s health. It also influences a key aspect of women’s bargaining power and fall-back position within the household. Addressing food insecurity is thus key to gender equality.

Regarding schools as food providers, so far, 191 countries have implemented nationwide or localized school closures, resulting in over 91 percent of enrolled students, or 1.5 billion children and youth unable to attend school. With school closures, the World Food Program estimates that 368 million children have missed school meals, and 47 percent of these are girls.²⁹

In addition to funding for food vouchers or direct provision of food, some fiscal packages include support for farmers, representing policies to address the longer-term challenges of food insecurity. For instance, some fiscal stimulus packages expand access to concessional credit to farmers; provide funding for agricultural inputs and animal feed; offer supports to strengthen agricultural infrastructure; and policies to manage marketable surpluses. These longer-term policy measures are important from a gender perspective as women play a key role in agri-food systems, working as food producers, farm managers, and in food processing. There is, thus, a clear need to enhance the capacity of small-scale producers, processors, and distributors in the policy design of fiscal stimulus packages. If managed properly, the recovery and strengthening of food systems can be a fundamental sector that drives medium-and longer-term economic recovery in many economies whilst ensuring food security.

Quantitative Indicators

- *Food security* – What percentage of the fiscal package is dedicated to expanding food security?
- *Children and food security* – What percentage of the fiscal package is allocated for addressing food security of girls and boys from vulnerable households, given school closures (for example, through take-home rations, home-delivery of foods, provision of cash or vouchers)?
- *Agricultural support* – What percentage of the fiscal package is directed to the agricultural sector? Compare this to the share of agricultural in GDP to determine if agricultural support is proportionate to its share of GDP.

Policy Indicators

- *Food security eligibility* – Do food security measures cover migrants, immigrants, displaced persons, and refugees?
- *Loans to farmers* – Do stimulus measures include concessional loans or grants to farmers?
- *Women farmers’ access to agricultural supports* – Are there measures that ensure women farmers/cooperatives will be able to access loans (such as government loan guarantees) and any other supports to the agricultural sector?

²⁹ UN. (2020). *The Impact of COVID-19 on Women*. <https://www.unwomen.org/-/media/headquarters/attachments/sections/library/publications/2020/policy-brief-the-impact-of-covid-19-on-women-en.pdf?la=en&vs=1406>

► Food Security

Quantitative indicators	Regulatory / policy indicators
<ul style="list-style-type: none"> • COVID-19 spending • Health care spending 	<ul style="list-style-type: none"> • Food security eligibility • Loans to farmers • Women farmers' access to agricultural supports

E. Public Infrastructure and Housing

Public infrastructure plays an even more important role during the health and economic crisis countries are facing. Specifically, spending on public services, such as public transportation, water, and sanitation is a way government can help to cushion the blow of the economic effects of the crisis because these expenditures stimulate employment. Fiscal packages can be evaluated for the extent to which they prioritize such spending.

1. Public Infrastructure

Public infrastructure spending has been in decline as a share of GDP in many countries in recent decades. Hospitals, health clinics and schools, and transportation, water, and sanitation systems have suffered from lack of investment. Each of these types of expenditures has gendered impacts. For example, women are more likely than men to use public transportation, and therefore providing safe means of transportation while also addressing the need for social distancing is important during this crisis. Further, women's role in unpaid work suggests that measures to ensure safe access to water and sanitation during the crisis will reduce their burden.

Quantitative indicators

- *Hospitals and clinics* – What percentage of the fiscal package includes funding for building or renovating hospitals and clinics?
- *School infrastructure* – What percentage of the fiscal package includes funding for building or renovating school buildings?
- *Public transportation* – What percentage of fiscal packages include funding to support and/or expand access to public transportation (for example, fee waivers)?
- *Water and sanitation* – What percentage of the fiscal package is dedicated to improving access to clean water, sanitation, and hygiene?

Qualitative indicators

- *Safe transport* – Do fiscal packages include measures that provide for social distancing in public transport? Do they also address women's physical safety concerns?
- *Water and sanitation* – Have measures been taken to support access to (with proper social distancing) clean water and sanitation in developing countries?

► Physical Infrastructure

Quantitative indicators	Regulatory / policy indicators
<ul style="list-style-type: none"> • Hospital and clinics • School infrastructure • Public transportation spending • Water and sanitation spending 	<ul style="list-style-type: none"> • Safe transport • Safe water and sanitation access

2. Housing

Because of the loss of income and the inadequacy in many cases of income support, families are susceptible to losing their housing if they are unable to pay rent or meet their mortgage payments. Policies that require a moratorium on evictions and foreclosures are needed. Expenditures on housing are also important for the recovery. This is because, if households are in arrears on their rent or mortgage payment, they accumulate debt, slowing the recovery (since increased income as employment opportunities return is needed to support debt repayment).³⁰

Temporary housing is also needed during the COVID-19 epidemic, especially for those infected so they do not have to return home and risk infecting other family members. Apart from the importance of such housing to reduce the spread of the virus, this is a gender issue in that caring for the ill in the family typically falls on the shoulders of women

Quantitative indicators

- *Housing* – What is the value of rental and homemaker housing assistance relative to the size of the fiscal package?

Qualitative indicators

- *Eviction and foreclosure moratoria* – Does the fiscal package prohibit evictions of renters and foreclosure on homes when payments are in arrears and if so, for how long?
- *Late payments* – Does the fiscal package require lenders to accept late payment of mortgages without penalty?
- *Rental supplements* – Does the fiscal package offer temporary rent supplements during the crisis?
- *Rent exemptions* – Does the fiscal package allow for rent exemptions in publicly-owned housing?
- *Temporary shelter* – Does the fiscal package provide for temporary shelter for those infected with COVID-19, migrant workers, or the homeless?

► Housing

Quantitative indicators	Regulatory / policy indicators
<ul style="list-style-type: none"> • Housing expenditures 	<ul style="list-style-type: none"> • Eviction and foreclosure moratoria • Late payments • Rental supplements • Temporary shelter

► V. Monetary Policies

The twin Keynesian stabilization tools for promoting economic stability are fiscal and monetary policy. Conventional monetary policy has typically focused on changing interest rates (and in development countries, exchange rates) to affect aggregate demand. During demand-side crises, lowering the policy interest rate is intended to stimulate borrowing and spending, and currency devaluations intended to stimulate export demand. This time is different. As noted in a previous section, the crisis we face is due to the contraction of economic activity that has been mandated for health reasons.

The primary goal during this time is not so much to stimulate spending as to keep the economic “patient” alive during an induced coma. Fiscal policies, for that reason, have focused on income replacement although government spending also has a salutatory demand-side effect on those businesses that can remain open. Though the interest rate policy tool is important, monetary policy’s additional goals are to provide liquidity to governments (by buying up government bonds to

³⁰ While eviction moratoria temporarily preserve access to housing, they do not avoid longer-term debt build-up. To avoid this, grants and concessional loans to landlords and mortgage banks are required. Typically, central banks would provide this type of support and thus, this aspect of supporting access to housing will be discussed in the section on monetary policy.

finance fiscal packages), households and businesses so that they can avoid bankruptcy, which would slow the recovery. It is also to avoid debt build-up, which could also slow the recovery. The provision of liquidity by central banks has been done in unprecedented fashion in developed economies, although again, developing countries have much less space for their central banks to engage in such large-scale lending.

This crisis can be an opportunity to resurrect developmental central banks—banks that act as agents of economic development.³¹ There is a strong case to be made that in this crisis, central banks could expand their policy role by helping countries meet their key challenges in responding to COVID-19. These challenges include promoting economic development by reducing unemployment, helping to allocate investment to productivity-enhancing activities, and addressing the challenges of climate change. Some central banks, such as in the US, have taken the unusual step of lending or providing loan guarantees directly to the business sector. In other cases, it is the national government that provides loan guarantees.

Because monetary policy is not distributionally neutral, it deserves scrutiny for the gender impacts of its response to the crisis. Research shows that monetary policies can have unequal race, gender, and class effects.³² For example, women, people of colour, and workers may benefit from monetary stimulus in the form of lower interest rates, due to the positive effect on aggregate demand and thus employment. The reverse is true when interest rates are raised because women and people of colour tend to be at the back of the job queue and higher unemployment reduces worker bargaining power to raise their wages. Policies such as loan guarantees and incentives to banks to lend to priority sectors or groups³³ are another channel by which women, people of colour, and workers can be included or excluded. Banks typically favour large borrowers; interest rates and access to credit are more difficult and expensive for small enterprises. Gender-aware policy actions then would include targeted lending and loan guarantees to small businesses in particular, with stringent measures to monitor bank discrimination against women and small businesses. Not all of this can be tracked with the information we have available.

To evaluate monetary policy for their gender effects, we consider three types of indicators: 1) interest rate and reserve policies, 2) quantitative easing, lending, and loan guarantees, and 3) exchange rate policies and capital controls, and 4) alternative monetary policies.

A. Interest Rate and Reserve Policies

Several challenges with regard to using interest rates to address the crisis are noteworthy. First, lowering interest rates to stimulate the economic may have gender unequal effects. Some industries are more interest rate sensitive than others. For example, durables goods manufacturing, is an interest sensitive industry, because consumers may have to borrow in order to finance the cost of large purchases. Although lower interest rates may not have an impact on the types of jobs women are employed in (i.e., small-scale enterprises in the services sector), they will reduce the cost of consumer debt for households and will have a salutary effect on business borrowing that can stimulate employment. Second, for developing countries, interest rate policy is constrained due to its effect on exchange rates. Lower interest rates can lead to capital flight, for example, constraining the use of this policy for stimulating aggregate demand.

Quantitative indicators

- *Interest rates* – Did the central bank lower interest rates and if so by how much?
- *Reserve requirements* – Did the central bank lower reserve requirements and if so by how much?

³¹ Epstein, G. 2015. "Development Central Banking: A Review of Issues and Experiences." ILO Employment Working Paper No. 182. http://www.peri.umass.edu/fileadmin/pdf/working_papers/working_papers_351-400/EMPLOYMENT_ILO_WP.pdf

³² Sequino, S. (2019). "Macro Policy Tools to Finance for Gender Equality." *Development Policy Review* 37(4): 504-525

³³ Asset-based reserve requirements are a policy tool that central banks can use to direct credit to targeted sectors.

B. Quantitative Easing, Lending, and Loan Guarantees

Quantitative easing (QE), widely used during the Great Recession, is a monetary policy whereby a central bank buys government debt and corporate debt in the form of bonds in order to inject money into the economy to expand economic activity. The goal is also to put downward pressure on long-term interest rates. Developing countries are restricted in their ability to create money to fund these purchases but their governments may be able to offer loan guarantees to banks that lend to small business.

Quantitative indicators

- *Quantitative easing* – What is the size of asset purchases, private and public, relative to GDP?
- *Lending to MSEs and MWO businesses* – What is the size of lending packages designated for MSEs and MWO businesses and what is their share of total lending packages?

Qualitative indicators

- *Loan guarantees* – Are central banks or national governments offering loan guarantees, targeted to MSEs and MWO businesses?

C. Alternative Monetary Policies

A variety of other tools are available to creative, innovative central banks. Below is a list of a variety of possible measures that may be used as qualitative indicators to assess the gender awareness of alternative monetary policies. Although policies may not be explicitly gendered, they can be gender equalizing if women are disproportionately beneficiaries.

Qualitative measures

- Is the central bank advising private banks to implement a credit holiday (i.e., postponement of principal repayments and interest on loans)?
- Is the central bank advising private banks to suspend dividend distributions, retaining more capital for lending purposes?
- Has the central bank targeted credit or subsidized credit to green businesses, women farmers, and MWO businesses?

D. Balance of Payments Policies

Global economic crises often lead to a rush to “safety” – that is, a preference to hold liquid assets denominated in safe currencies such as US dollars that results in large capital outflows. The COVID-19 induced economic crisis is no different. Capital outflows from emerging market and developing economies have been pronounced since the onset of COVID-19. Capital outflows from developing countries in just March of 2020 totalled \$83 billion, more than three times greater than capital outflows early in the 2008 financial crisis.³⁴ The result has been sharp currency depreciations, especially for those countries also facing the effect of falling commodity prices.

There are several tools in the hands of governments to respond to the balance of payments effects of capital outflows, exchange rate volatility, and currency depreciations. One is of course to do nothing, simply letting exchange rates float as many countries have, with the hope that depreciated currencies stimulate demand for exports. That may not be sufficient to buffer developing economies from exchange rate and trade-related shocks. Export demand from rich countries is not

³⁴ Ghosh, J. (2020). “The Pandemic and the Global Economy.” International Science Council. <https://council.science/current/blog/the-pandemic-and-the-global-economy/>

likely to be robust enough in response to currency depreciations to bolster demand and overcome the currency losses related to falling commodity prices.

There are steps countries may take to address these problems. One is to institute capital controls³⁵. These would limit the outflow of capital that has caused pressure on developing country exchange rates. It is harder for individual countries to adopt controls due to the negative reputational effect amongst investors. As a result, regional and international co-operation for the collective imposition of capital controls would be important. A few countries have eased existing capital controls on inflows, but the adoption of measures to curb capital outflows has been very limited. Even with restrictions on capital outflows, countries still have a need for foreign exchange.

In order to address exchange rate shortages, countries could engage in currency swaps with the major central banks. Swap arrangements provide access to US dollars and other major currencies. They help to stabilize domestic financial markets and provide recipient central banks with foreign currency, alleviating some pressure on developing countries currencies to depreciate.

Additionally, while some countries have allowed their exchange rates to float without restriction, steps can be taken to reduce volatility and smooth shocks. For example, in order to save on foreign exchange, countries may impose limits on imports of luxury goods as Nepal has done. Countries may also engage in foreign exchange interventions to smooth excessive volatility and stabilize the exchange rate in order to promote financial stability and to protect the domestic economy against rising costs of imported necessities such as medical equipment and pharmaceuticals. Further, central banks could restrict domestic banks' ability to sell dollars or other major currencies to clients.

- Currency swaps with major central banks
- Capital controls
- Exchange rate management to reduce volatility and shocks
- Limits on imports of luxury goods
- Restrictions on banks' ability to sell major currencies to clients

► **Monetary Policies**

	Quantitative indicators	Regulatory / policy indicators
Interest rate and reserve policies	<ul style="list-style-type: none"> • Interest rates • Reserve requirements 	<ul style="list-style-type: none"> • Loan guarantees
Quantitative easing, lending and loan guarantees	<ul style="list-style-type: none"> • Asset purchases • Lending to MSEs and MWO businesses 	
Alternative monetary policies		<ul style="list-style-type: none"> • Credit repayment holiday • Suspension of dividend payments • Targeted credit
Balance of payments policies		<ul style="list-style-type: none"> • Currency swaps with major central banks • Capital controls • Exchange rate management to reduce volatility and shocks • Limits on imports of luxury goods • Restrictions on banks' ability to sell major currencies to clients

³⁵ UN (2020) "Financing for Development in the Era of Covid-19 and Beyond: Menu of options for the Consideration of Heads of States and Governments (Part I and II)", New York: United Nations.

▶ VI. Role of Gender Responsive Budgeting as a Monitor Tool

Evidence from previous crises indicates that after the adoption of fiscal stimulus packages in the short term, governments have typically adopted austerity policies. In part, this is on account of limited fiscal capacity. If fiscal stimulus has depended on borrowing from external markets and/or loans from multilateral institutions, then debt service payments can result in further narrowing fiscal space – thereby slowing economic recovery in the medium to long-term. This in turn can slow progress towards achieving a gender equitable growth process.

For instance, in the aftermath of the 2008 crisis, many governments phased out fiscal stimulus measures and moved to fiscal austerity – even as unemployment was still growing in 2010. Countries reduced social spending, pursued reduction in health budgets, cut or capped public sector wages and increased taxation, as rising public debt generated financial stress. This move towards fiscal austerity, which in many cases became protracted, affected GDP growth and employment negatively.

Gender responsive budgeting includes a wide range of tools to monitor the design and impact of COVID-19 stimulus packages. The analysis and data these tools generate can support governments and civil society in assessing the extent to which the stimulus package promotes gender equality. These are also important in monitoring how the stimulus package is operationalized and implemented as there can be many obstacles to financial support reaching people, especially low-income women, even if the package makes provision for them.

Specifically, the tools that are most useful for monitoring the operationalization and implementation of the package include:

- A publicly available gender budget statement in which the government sets out how it expects the package to support women and promote gender equality;
- Support to parliamentarians in scrutinizing the package through parliamentary questions and committee hearings;
- A real time expenditure tracking system to monitor disbursements of the package and to issue reports on how far this is reaching women and supporting gender equality;
- Auditing of the expenditures by the state auditing institution, including an assessment of the gender equality impact of the expenditures actually disbursed;
- Support for a social audit by civil society organizations to monitor service delivery on the ground and how well it is responding to women's needs and priorities. It could also assess the extent to which packages include support for women's organizations, many of whom are engaged in frontline service delivery (such as VAW and/or SRHR).

It is also important to assess the operation of the public finance management system and the way it may hinder or shape operationalization of a package. Where countries are able to create fiscal space for a COVID-19 package, they also need to ensure that public finance management systems (PFM) have adequate flexibility to absorb new financial inflows, reallocate existing resources and rapidly disburse funds. The PFM system may be an obstacle to these objectives as once annual budgets are agreed, it may be difficult to move or re-allocate resources easily.

However, there are a number of options to increase 'budgetary space' by modifying budget rules to allow more flexibility (for instance, China has exercised flexibility to advance appropriation and fast-track payments to meet spending needs); introducing supplementary budgets (Morocco introduced a special pooled fund making \$33 billion available to address COVID-19 socio-economic impacts); increasing spending within existing lines (e.g., health system investments for vaccine development or the purchase of PPEs); introducing new schemes including tax holidays or 100 percent loan guarantee schemes for MSEs (e.g., United Kingdom). Many countries have also introduced a mix of these fiscal measures along with expedited procedures for budget approval (e.g., Canada).

While it is critical to have more nimble PFM systems, it is equally important that mechanisms for accountability (check and balances) are maintained or even strengthened. This is particularly important with respect to contracting and outsourcing, as governments may be tempted to suspend normal rules in the interests of speed, as have happened in UK with outsourcing of testing and tracing to the private sector.

Indicators to assess the implementation of these tools to monitor gender responsive budget action include:

- *Gender budget statement (GBS)*: Has the government provided (as part of its budget submission) a gender budget statement of the COVID-19 budget package? If yes, does the GBS include:
 - a clear description of gender objectives to be achieved?
 - a breakdown of resource allocations for the identified gender objectives?
 - output indicators to measure performance in meeting the stated gender objectives.
 - a public statement?
- *Parliamentary scrutiny*: Has Parliament raised questions on gender -responsive budgets in their review/scrutiny of the COVID-19 package?
 - Have parliamentarians asked questions on the gender budget statement, including on adequacy of budget allocations to achieve gender objectives?
 - Have parliamentarians asked questions about the gender impacts of proposed budget reallocations and/or cuts?
 - Have parliamentarians requested progress reporting on the extent to which gender objectives (in GBS) are being achieved through budget execution?
- *Expenditure tracking*: To what extent has government put in place a real time tracking system that captures gender-responsive expenditures of the package?
 - Is sex-disaggregated data on expenditures captured, including information on which individuals within households receive specific benefits (i.e., cash transfers, unemployment benefits, childcare credits)?
 - Does the expenditure tracking system include a tagging/classification of gender-responsive spending?
 - Is there a public report of expenditures that includes specific information on gender-responsive spending?
- *Gender audits*: Has an audit of the package been conducted? [Specify if audit is done by state institution or civil society], If yes, has the audit included:
 - an assessment of the extent to which budget expenditures contributed to gender equality objectives?
 - a review of the services delivered through budget expenditures and who benefitted from these?
 - an ex-post impact assessment of package budget and corresponding results to determine extent to which these promote gender equality?

► Table 1. COVID-19 Responses in Selected Developing Economies

Countries	Livelihood		Social Protection		Health			Food Security		Public infrastructure and Housing		Monetary Policy			
	Employment & work policies	Business support	Social assistance	Social insurance	Health care spending	Reproductive health	Domestic violence	Food security	Agricultural support	Public infrastructure	Housing	Interest rate	Lending	Alternative policies	BOP policies
Argentina	✓		✓	✓	✓			✓			✓		✓		✓
Colombia	✓	✓	✓	✓	✓		✓	✓				✓			✓
Egypt	✓		✓	✓	✓				✓			✓	✓		✓
Ethiopia	✓		✓	✓	✓			✓	✓		✓				
India	✓	✓	✓	✓	✓			✓	✓				✓		✓
Mexico	✓	✓	✓	✓	✓										
Morocco	✓	✓	✓	✓	✓							✓	✓		✓
Philippines	✓	✓	✓	✓	✓			✓	✓						
Rwanda	✓	✓	✓	✓				✓	✓						
South Africa	✓	✓	✓	✓		✓		✓					✓		
Vietnam	✓	✓	✓	✓						✓	✓	✓	✓		✓

Note: Data from the IMF's Policy Tracker, <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#S> and Gentilini, U., M. Almenfi, P. Dale, G. Demarco, and I. Santos. (2020). "Social Protection and Jobs Responses to COVID-19: A Real Time Review of Country Measures." Mimeo. https://www.ugogentilini.net/wp-content/uploads/2020/05/Country-SP-COVID-responses_May22.pdf Accessed June 15, 2020.

▶ VI. Conclusion

To conclude, assessing, informing, and monitoring gender equality in the context of fiscal and monetary stimulus will require attention to four key issues: the size of fiscal stimulus - as this has bearing on how much of available funding is available to meet the needs of women and girls; the design of the fiscal stimulus package as this will determine if specific policy measures account for and prioritize the needs of women; monetary policies which can also have gendered effects; and the monitoring role of gender budgeting analysis.

This guidance note offers a method for evaluating country fiscal and monetary policies for their gender awareness. Indicators are both quantitative—typically related to the amount of spending in various areas as well as qualitative indicators that reflect regulation and/or policies that influence how funds will be allocated, the responsibilities of businesses, and steps taken to mitigate debt build-up and bankruptcy. This note also offers guidance on how to use a gender-budgeting lens to evaluate a country's expenditures.

Table 1 applies the indicators in this paper to an assessment of the COVID-19 related fiscal and monetary policies of 11 developing countries. All of the eleven countries have made expenditures and adopted employment policies to support workers. Similarly, all have allocated funding for social assistance and insurance. Noteworthy is the dearth of attention to reproductive health or domestic violence prevention. Similarly, few have taken the opportunity of this crisis to increase spending on physical infrastructure or housing that could be gender enabling. Finally, while a number of countries have extended lending to the private sector and lowered interest rates, few have available themselves of alternative monetary policies. It should be noted that countries are responding dynamically to the challenges of the COVID and economic crisis, and so up-to-date information should be sought out in order to assess countries' expenditures and policy responses to the crisis.

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