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**Beijing Declaration and Platform for Action:
Economic context and financing challenges 30 years later
A Latin American perspective**

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1. The economic and social context of the Declaration and Platform

The challenges of financing international commitments must be considered in light of the critical changes that have taken place in recent decades. However, there are persistent problems that the region has been unable to solve and others that reduced in relative importance for a few years but are returning with a vengeance.

When the Beijing Declaration and Platform were adopted in 1995, the Latin American region was implementing the Washington Consensus through structural adjustment policies (SAPs). The Declaration and Platform included warnings about the consequences of over-indebtedness and pointed to the need for tax reforms to raise more and fairer revenues to finance the proposed measures.

After 30 years, the current context has changed in some ways but not others. Public debt and inflation reappeared, along with fiscal and monetary austerity, bringing back old problems with similar policies that we already know were negative for women.

On the other hand, economic growth driven by the ‘commodity boom’ placed most Latin American countries among the upper-middle or high-income countries, according to the World Bank. Their high-income level leaves them out of Official Development Assistance and concessional credits despite persistent social debts and inequalities.

In 1995, out of 17 countries considered, two were low-income, ten were lower-middle-income, five were upper-middle-income, and none were high-income. In 2022, 3 are low-income, 11 are upper-middle-income, and three are high-income. In this period, 12 out of 17 countries increased their income levels, four remained the same, and 1 decreased one level. In 2022, 82% of the countries considered were upper-middle or high-income, up from only 29% in 1995.¹

A third element to consider as a new scenario is the climate crisis and the crisis of social reproduction and care resulting partly from the demographic transition. Projections indicate that between 1995 and 2025, the number of countries in advanced transition will double due to rapid population ageing. In this period, 10 out of 17 countries doubled the number of people over 65.

The return of debt is present 30 years later, but instead of structural adjustment programmes, they are now called austerity policies. As three decades ago, women's rights and needs are particularly affected.

In this context, Latin American women demand social and economic policies to guarantee their rights and redistribute the burden of social reproduction, the primary source of inequality.

¹ <https://blogs.worldbank.org/es/.opendata/clasificacion-de-los-paises-elaborada-por-el-grupo-banco-mundial-segun-los-niveles-de-ingreso>.

This requires resources. Without resources, there is no guarantee of rights or reduction of inequality. However, these resources must come from fair sources of financing.

2. The need to mobilise resources

Fiscal policy is the main instrument that states have to finance policies. However, tax revenues have structural limits in the region.

We have two problems in Latin America: we collect too little and unfairly. This results from low nominal direct tax rates, the high weight of indirect taxes, evasion and avoidance, and many tax privileges that benefit high-income earners and large corporations. If we solve some of these problems, we will have the resources to finance the policies that women demand.

Providing public services with low coverage and quality contributes to women's work overload and household indebtedness in human rights areas such as health, education, and care.

The absence of public provision opens the space for privatisation and new forms of financing, such as public-private partnerships (PPPs). These negatively affect women in two ways. Firstly, they tend to involve charging fees or tariffs, increasing the out-of-pocket expenses of households, especially women, who are the primary users of these services. Secondly, because of the feminised and precarious work they imply, especially when providing social services such as health services (Serafini, Zevaco, 2023; Rodríguez, Llavaneras, 2020). Public-private partnerships also generate debts for states despite their tax benefits (Argeñal, 2024).

Public-private partnerships, the financial inclusion of women through indebtedness, and the reforms of pension systems from solidarity-based to individual systems all have at their core the promotion of greater benefits to capital and are part of the process of financialisation of everyday life.

The increase in the profits of capital is only possible thanks to the transfer of the burden of the costs of social reproduction to families and within families to women because of the unjust sexual division of labour.

On the other hand, the second source of resources for financing care are social security contributions, which generally incorporate contributions from workers, employers and the public sector.

In Latin America, the combination of social security designs aimed at wage employment and growth patterns characterised by precarious and unstable jobs exclude a significant proportion of women from benefits such as parental leave and old-age pensions.

The result is a low proportion of women with access to contributory social security benefits, which is why they ended up as beneficiaries of social programmes that were installed in the framework

of segmented and non-contributory systems aimed at combating poverty and ‘vulnerable’ groups and with little capacity to achieve effective social integration, of lower quality and generosity than contributory ones (Midaglia, 2012; Sojo, 2017).

3. Recommendations

The construction of a feminist fiscal policy must place human rights at the centre and, in the case of women, the redistributive role of this policy must be centred on the costs of social reproduction. Women cannot be seen only as the engine of growth by taking advantage of the gender bonus, as is the current approach of financial organisations such as the International Monetary Fund.

(a) Strengthening the role of the state in guaranteeing rights in the face of financialisation

The social contract must focus on guaranteeing the state's capacity to finance rights and solidarity-based financing of the costs of social reproduction, with capital contributing a fair share through taxes and social security contributions.

To meet these objectives, it is necessary to reduce opportunities for state capture. State capture undermines the social contract by diverting state power away from its legitimate function of representing and serving the general interest and instead favouring powerful groups.

When the state is captured by special interests, conditions are created to perpetuate inequalities and erode citizens' trust in the social contract, as they feel that the state no longer acts in their interest, but in the interest of the few.

The legitimacy of the state, based on consent and the general interest, can be compromised if state capture leads to governance that does not reflect the needs and desires of the majority. This challenges the fundamental premise of the social contract that state power must derive from the consent of the governed.

One of the most important consequences of the primacy of particular interests, in this case capital, is the process of financialisation.

The growing role of the financial sector in the global economy is increasingly affecting economic and social life. This phenomenon called the ‘financialisation process’ is not new; what is relatively new is its focus on households and, in particular, on women through multiple channels such as indebtedness and commodification or privatisation.

The financialisation of everyday life (Lazarus, 2017), the financialisation of social reproduction (Bushell, 2020) or the financialisation of care (Durano, 2022) involves all of the above phenomena but not at the level of companies but of households, implying not only deregulation but also state involvement to drive the phenomenon, contrary to the ‘freedom of the market’ promoted at the beginning of the phenomenon's growth.

The process of financialisation, which initially remained in the sphere of companies, over time turned to households because capital needed to expand its accumulation possibilities, diversifying its mechanisms in the face of the risks of economic instability or slowdown. The international financial crisis of 2009 is probably the most visible case, but it is clearly not only not the most important but far from the only one.

Transparency, accountability and citizen participation to preserve the legitimacy and effectiveness of the social contract.

(b) Boosting domestic revenue collection through measures that promote progressivity

Latin America has the opportunity to raise nominal tax rates on personal income, inheritance, wealth, and large properties, depending on each country's current structure, to increase not only tax revenues but also their progressive nature.

On the other hand, evaluating and reducing tax exemptions is necessary. Exemptions have created a race to lower taxes among countries to attract foreign direct investment; however, the impacts are not known because there are no rigorous evaluations. What is known is that they detract from the resources that countries need to expand fiscal space.

Third, it is essential to reduce levels of evasion and avoidance with better monitoring and reporting instruments, including those arising from the existence of illicit financial flows.

Increased resources should be directed towards expanding fiscal space to guarantee women's rights and reduce gender gaps. Given the region's high level of debt, debt sustainability cannot take precedence over life sustainability.

(c) Promoting changes in international taxation

A significant part of the problems affecting national tax systems outlined in the previous sections cannot be solved without joint and united action by all countries. In August 2024, thanks to pressure from governments and civil society, an Ad Hoc Committee approved the establishment of a United Nations Framework Convention on International Tax Cooperation.² The objectives are a) Establish fully inclusive and effective international tax cooperation in terms of substance and process, b) Establish a system of governance for international tax cooperation capable of responding to existing and future tax and tax-related challenges on an ongoing basis, and c) Establish an inclusive, fair, transparent, efficient, equitable, and effective international tax system for sustainable development, to enhance the legitimacy, certainty, resilience, and fairness

² https://financing.desa.un.org/sites/default/files/2024-08/Chair%27s%20proposal%20draft%20ToR_L.4_15%20Aug%202024____.pdf?_gl=1*10iniqt*_ga*NjYwMTE5NTkwLjE3MjM2MDgzODM.*_ga_S5EKZKSB78*MTcyNDA5MTAyMC4zLjEuMTcyNDA5MTA2Mi4xOC4wLjA.*_ga_TK9BQL5X7Z*MTcyNDA5MTAyMC4zLjAuMTcyNDA5MTAyMC4wLjAuMA

of international tax rules, while addressing challenges to strengthening domestic resource mobilisation.

In the Latin American region, in 2023, governments formed the Latin American Tax Platform (PT-LAC)³ to (i) Facilitate the construction, articulation and development of regional positions for a better inclusive, equitable and sustainable international tax system that contributes to the fight against inequality, to contribute to global agendas or spaces in this area, and (ii) Contribute with analysis, exchanges and technical guidance that help inform decision-making on inclusive, sustainable, equitable and growth-friendly tax policies in member countries, based on international experiences and the needs of the region and each country.

(d) Changing the international financial architecture of debt

The rapid increase of debt in the least developed countries demands structural changes so that the burden of debt does not fall as usual on citizens while the world generates more and more wealth and profits for capital.

Civil society demands the establishment of a UN Framework Convention on Sovereign Debt. Therefore, the UN is a normative space and is the right space to set norms on debt. This Framework Convention implies (i) a new approach to debt sustainability analysis and fiscal rules from a gender perspective, (ii) national legislation to ensure the participation of all creditors, including private creditors, in debt renegotiation and debt relief processes, (iii) regulation of credit rating agencies, (iv) debt burden reduction through a fair and transparent debt cancellation and restructuring mechanism, (v) automatic debt service cancellation to protect Southern countries from extreme events and shocks/crises, (vi) binding principles of responsible lending and borrowing.

(e) Adapt debt sustainability analysis and fiscal rules to protect not only capital but also human rights and women's rights

These two instruments – debt sustainability analysis and fiscal rules – as they are in force in the region, have the main objective of guaranteeing debt repayment, leaving aside the role of the state in guaranteeing rights and reducing inequalities.

In Latin America, debt sustainability analysis (DSA) is carried out according to the parameters established by the orthodox paradigm of the International Monetary Fund. In the past, it has been translated into the postulates of the Washington Consensus, giving rise to structural adjustment policies.

³ <https://www.cepal.org/es/ptlac/acerca>.

The experience of recent debt crises shows that governments and financing agencies have also taken sides when it comes to debt repayment by honouring loan contracts and passing on the costs of the crisis to citizens.

In recent decades, debt sustainability has been ensured by so-called austerity policies, which are accompanied in the region by the widespread implementation of fiscal rules. Fiscal rules are necessary for international financial institutions such as the IMF and the IDB to foster fiscal discipline and support debt sustainability.

Some countries even have fiscal responsibility laws that place ceilings on spending and tax increases to the detriment of citizens. Sustainability of life must come before debt sustainability.

This scaffolding must be modified to include conditions in both instruments that prioritise the needs and rights of the population (Serafini and Miranda, 2023).

(f) Building knowledge and a feminist economic agenda

On the expenditure side, we need to advance empirical evidence that facilitates advocacy for more resources to guarantee human rights, particularly women's rights. Although Latin America has increased its fiscal effort to finance public policies, it continues to invest less than other regions that have achieved higher levels of well-being.

For example, in the area of care, in recent years, UN-Women and other organisations have carried out studies that show that investments in care are not a cost but have high social and economic returns.

On the other hand, it is necessary to create mechanisms to monitor human rights principles in fiscal policy so that austerity policies do not result in setbacks or failure to comply with the obligation to adopt to the maximum of available resources.

Using the analytical tools provided by feminist economics, it is necessary to permanently monitor and evaluate austerity policies, debt, public-private partnerships and debt management instruments such as sustainability analysis and fiscal responsibility laws that define fiscal rules.

Monitor not only the effects of the climate crisis but also the financing mechanisms that increase public indebtedness.

Despite advances in open data, impact assessment and transparency mechanisms, tax systems remain opaque, with no assessment of the effects of tax exemptions that are ultimately implicit subsidies. This is in contrast to subsidies targeted at the poor, where we have records of beneficiaries, impact assessments and transparency in the amounts delivered. In tax policy, greater transparency and accountability must include data on the impact of taxes on inequalities, particularly gender inequalities.

Advances in the design of mechanisms for monitoring fiscal policy instruments from a gender perspective that consider fiscal policy in a comprehensive manner to overcome the compensatory nature of social policies aimed at women due to the ineffectiveness of tax and debt policies that bring with them austerity.

In particular, the financial architecture of debt must be questioned and reformed in areas such as crisis resolution, debt sustainability analysis, fiscal rules and monitoring indicators from a human rights perspective. Sources of resources should include non-repayable and non-conditional financing, including special drawing rights and access to concessional financing under criteria that go beyond per capita income classification. Reforms must put human rights, social reproduction and sustainability first.

Finally, although household debt is not usually considered in the fiscal policy evaluation, this results from low levels of social investment, coverage and quality of public services and the privatisation of public services. It is necessary to monitor household debt, particularly women's debt, and question the financial inclusion objectives focused on credit access.

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