
Impact of Financial Crisis on Women and Families

PREM Gender and Development, World Bank

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3 Main Messages

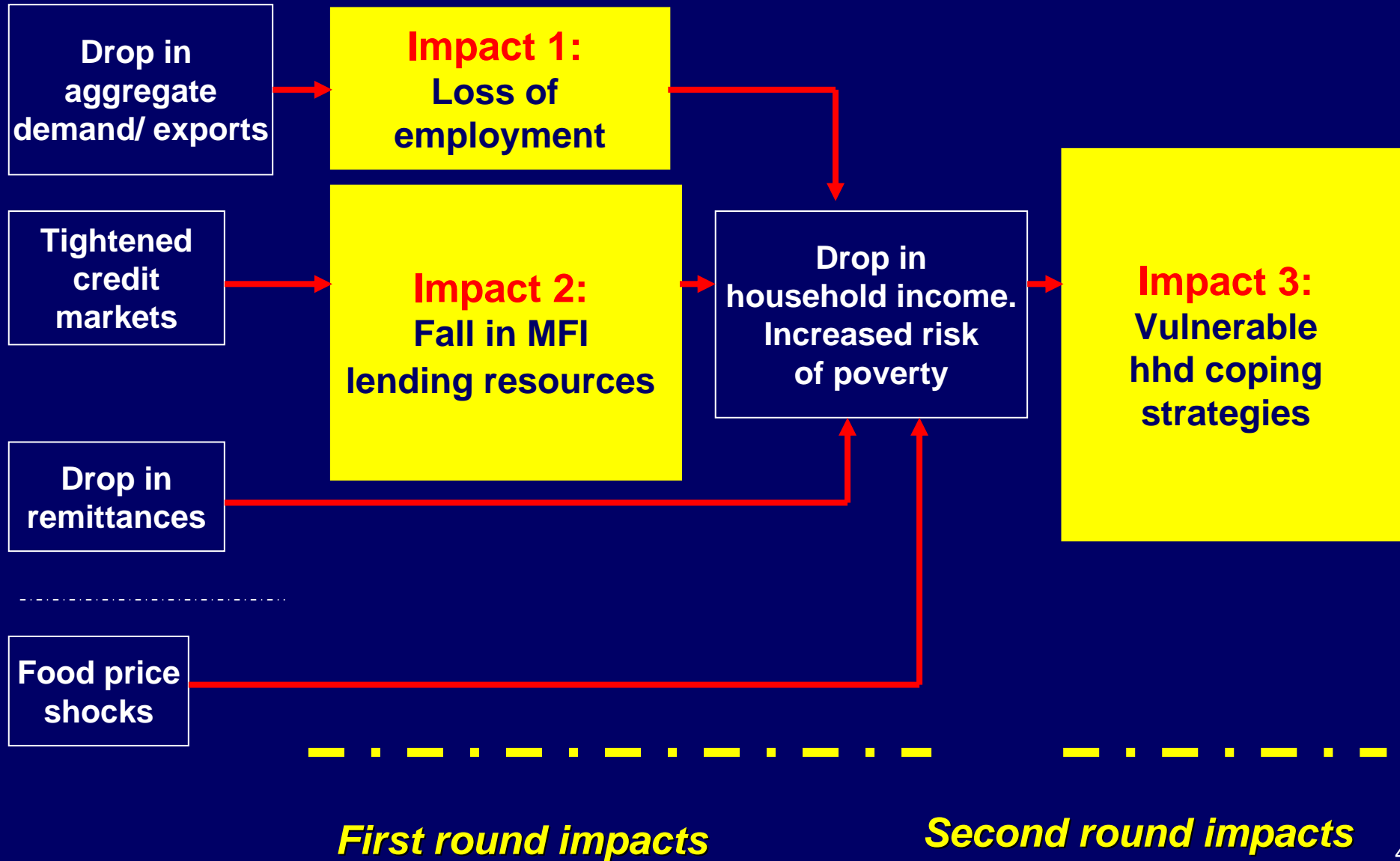
- The financial crisis will have **gender-specific impacts**.
- Effects on women and children, if ignored, will both increase current poverty and imperil future development.
- Effective policy responses should build on women's roles as economic agents.



Impacts



The crisis has first and second round impact on women and families



Impact 1: Women workers in export industries lose jobs

Export Manufacturing

Country	Industry	% of workforce female
Malaysia	Garments	78%
Bangladesh	Garments	85%
Philippines	Electronics	More than 50%



High Value Export Agriculture

Country	Industry	% of workforce female
Uganda	Cut flower	85%
Ecuador	Cut flower	70%
Thailand	Fruits	80%



Impact 2: Tightening credit markets can squeeze MFI loans to women producers

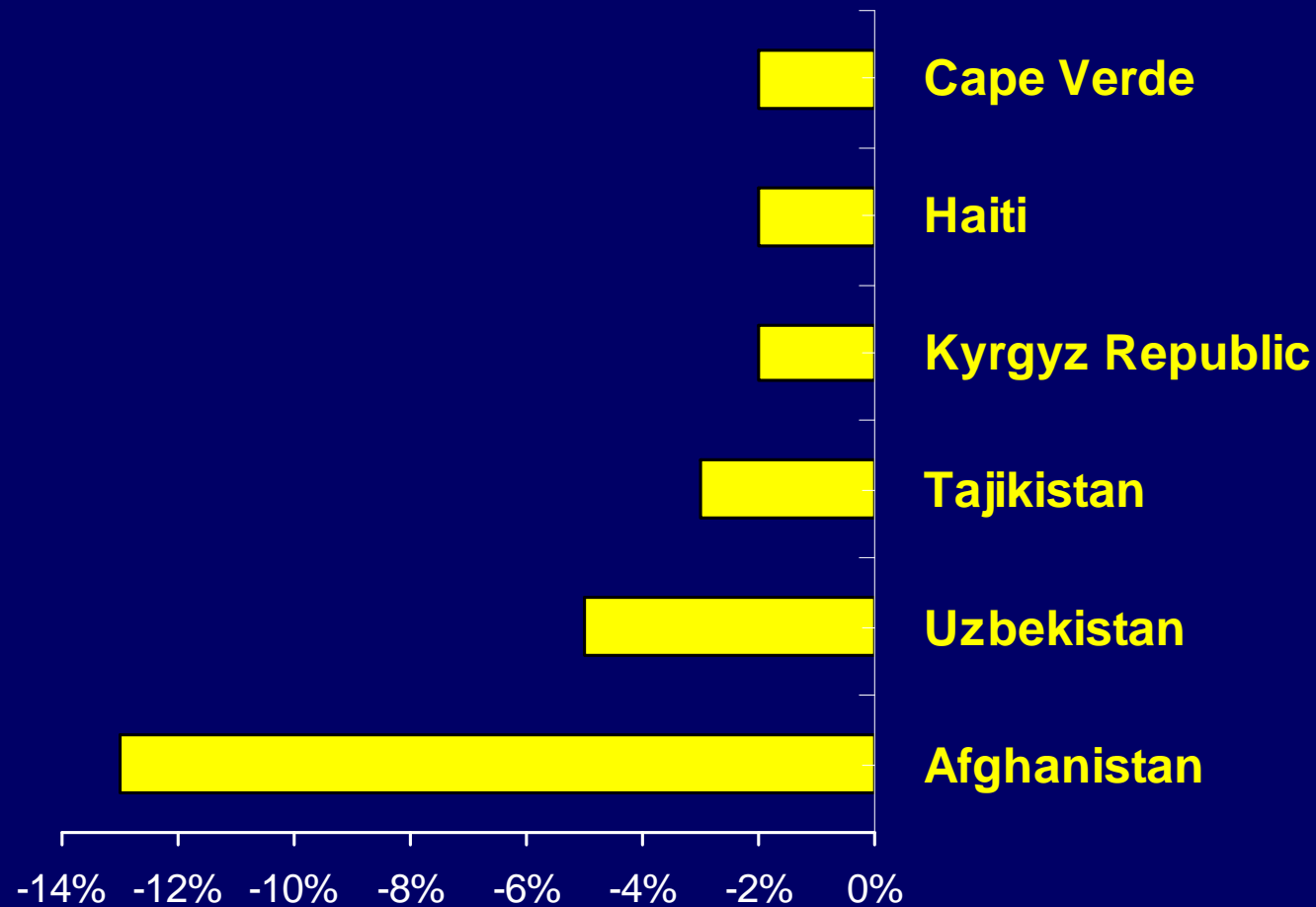
- **MFIs typically lend to women:**

- **Over 3,330 MFIs reached 133 million clients in 2006**
- **93 million of the clients were among the poorest when they took their first loan**
- **85% of these poorest clients were women**



Drop in remittances lowers income available to HHS

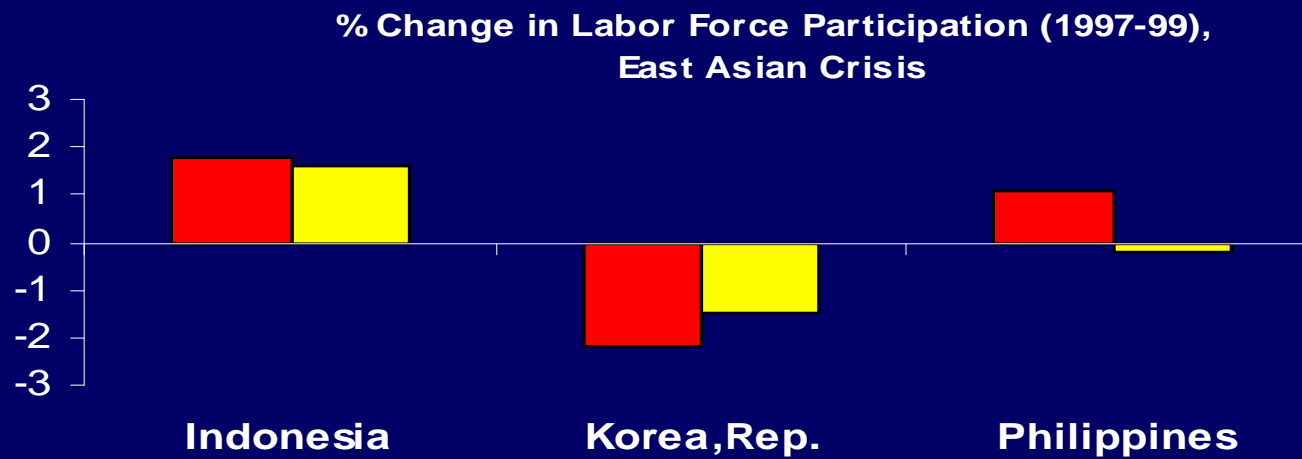
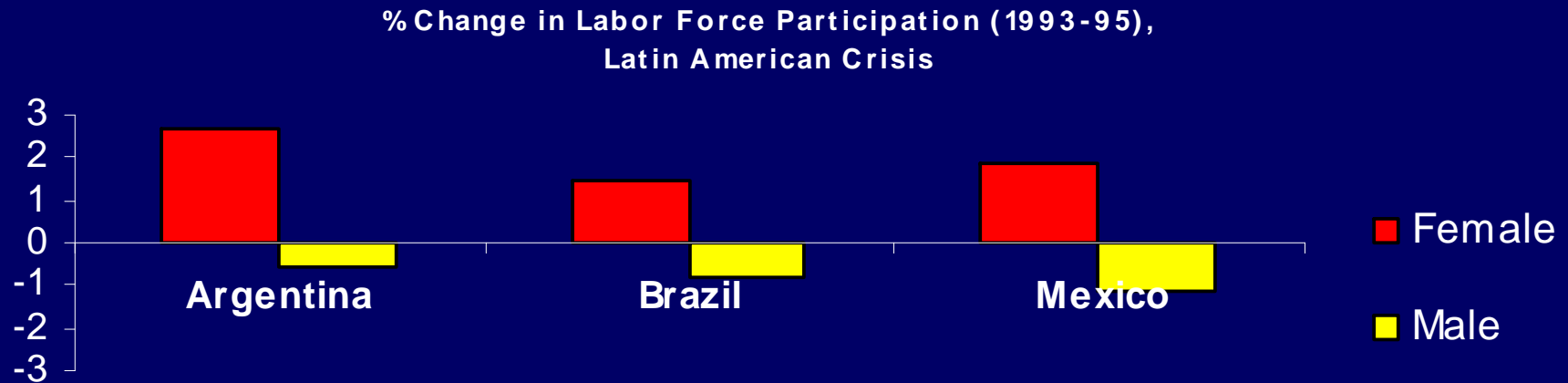
Falling Remittances to Developing Countries (as % of GDP)
2008-2009



Source: World Bank (2009)

HH Coping Strategy

HHs send women to work



HH Coping Strategy

HHs pull girls (and boys) out of school

Low income countries:

- Madagascar (fall in ag income) → girls more likely to drop out of schools.
- Cote d'Ivoire (drought) → enrollment decreased 11 ppts for girls and 14 ppts for boys.

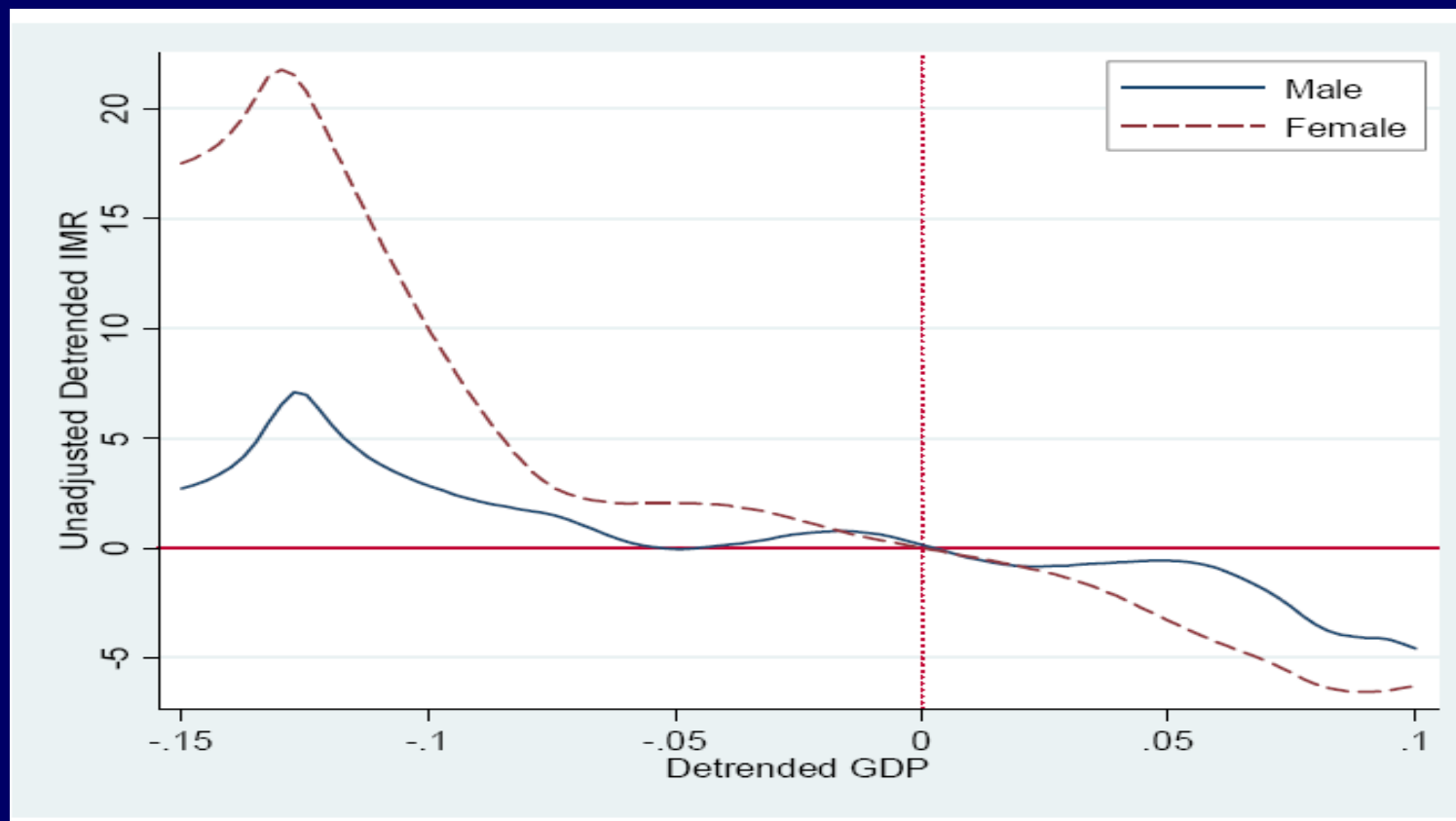
Middle income countries:

- Mexico (peso crisis) → girls attendance fell by 8%, no impact on boys.
- Peru (1980s crisis) → no impact on school enrollment for either girls or boys, schooling increased.

HH Coping Strategy

HHs cut back on health investments,
affecting girls disproportionately

Girls' (IMR) exceeds boys' during economic downturns



Data from 59 developing countries, different years ranging from 1985 to 2004

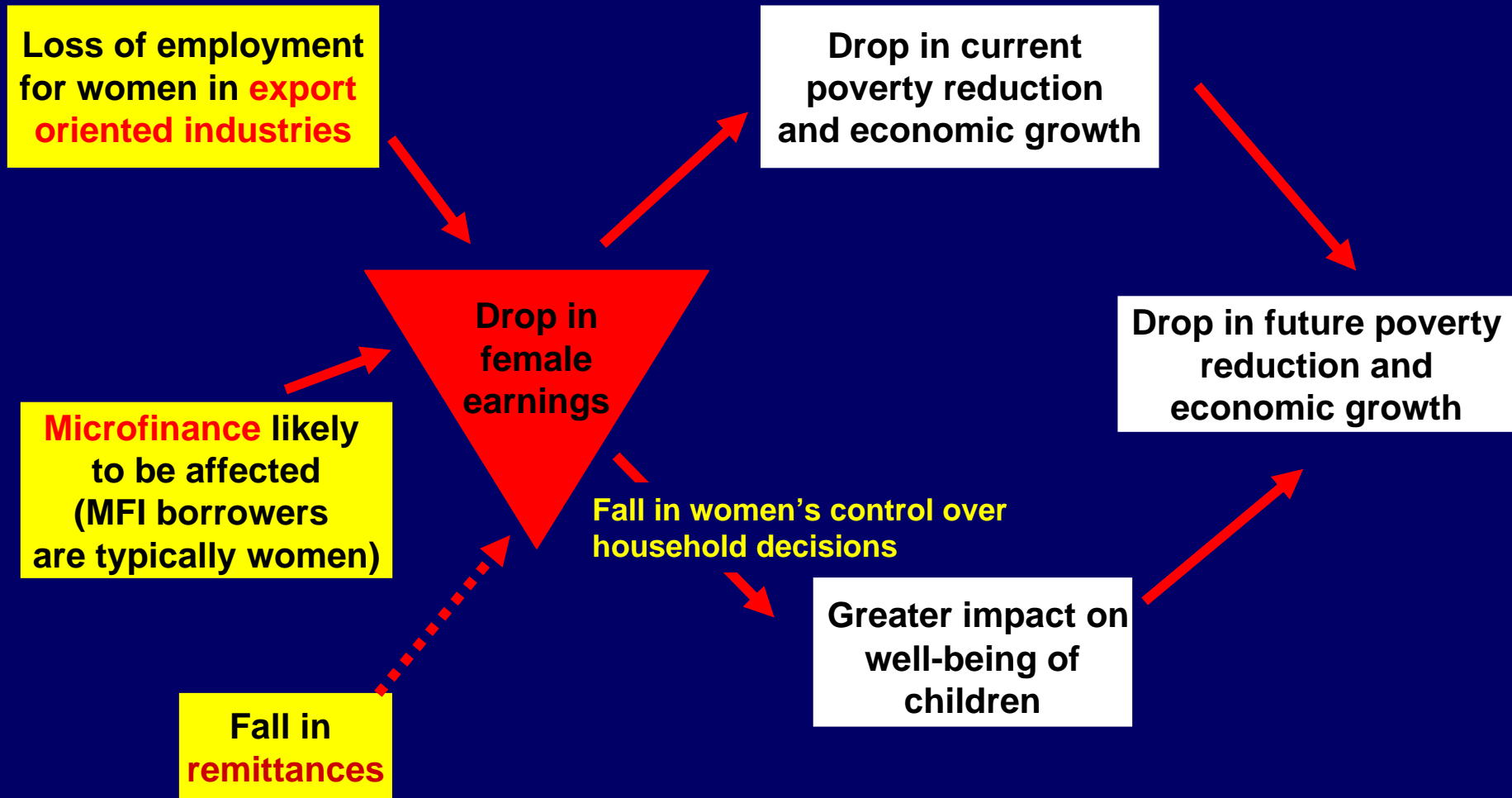
Policy implications



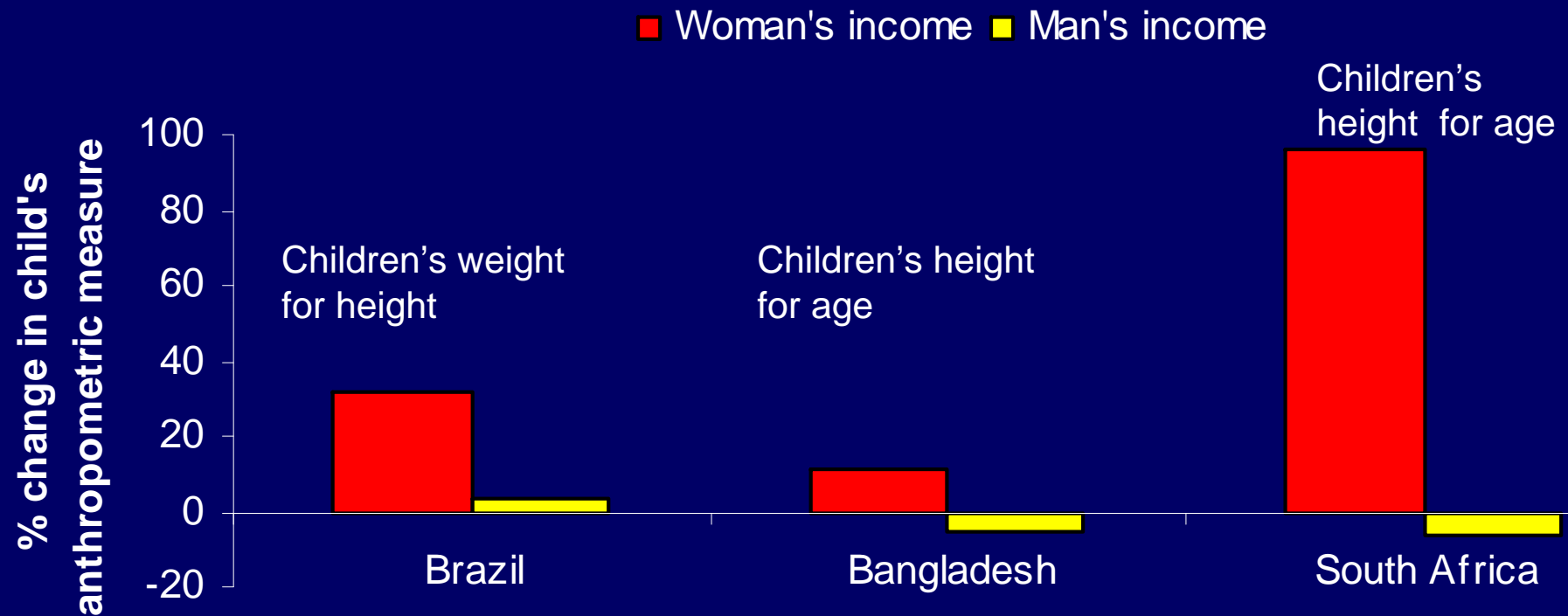
Priority Investment:

**Put income in women's hands in poor hh
because....**

...because loss of women's earnings can have long-term welfare impacts

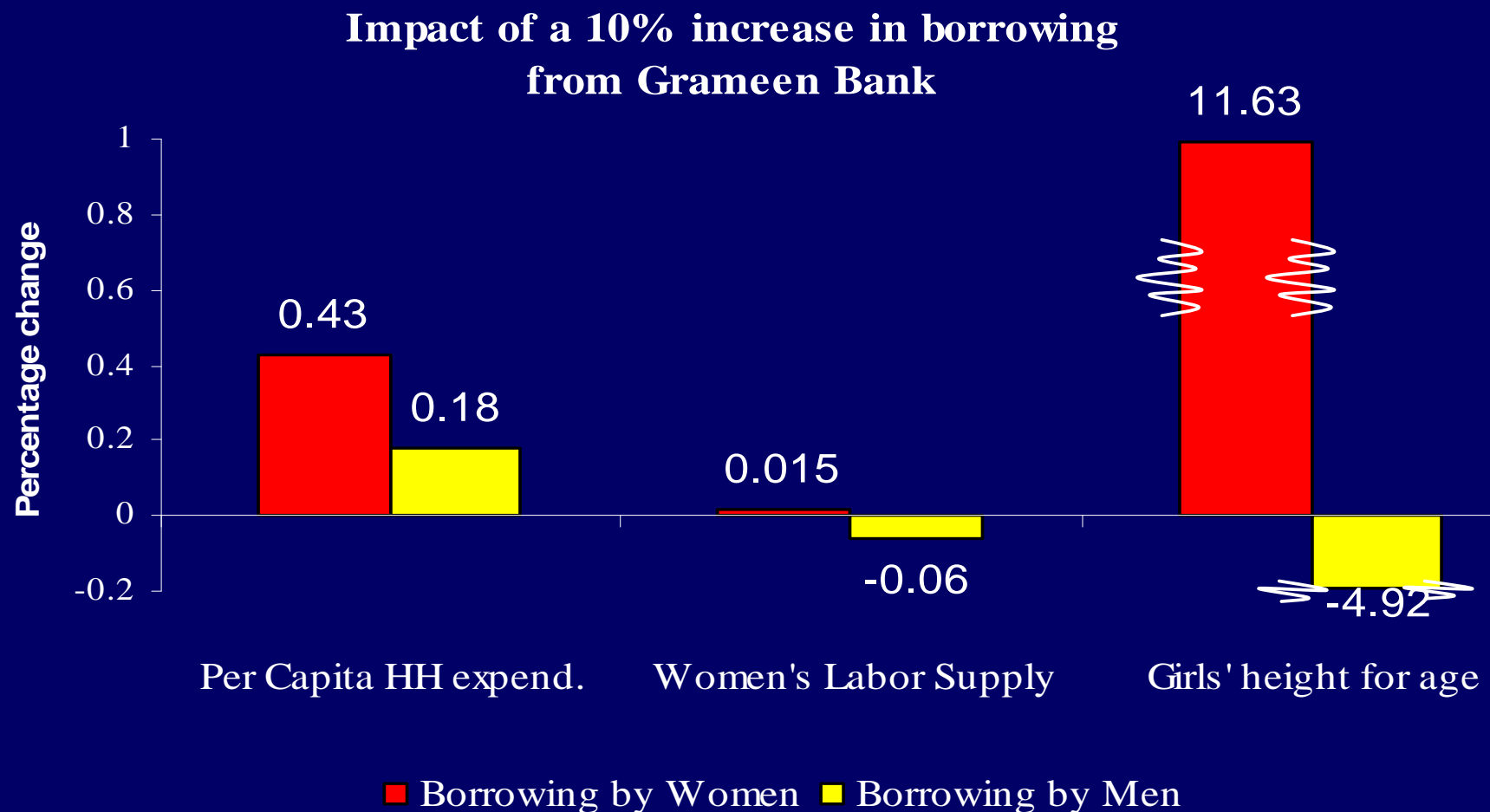


...because income transfers to women have larger effects on children's nutritional status than similar transfers to men.



Source: Thomas (1990) for Brazil, Khandker (1998) for Bangladesh, and Duflo (2003) for South Africa.

... **because** the effect of female borrowing on hh welfare is larger than the effect of male borrowing (e.g. Bangladesh)



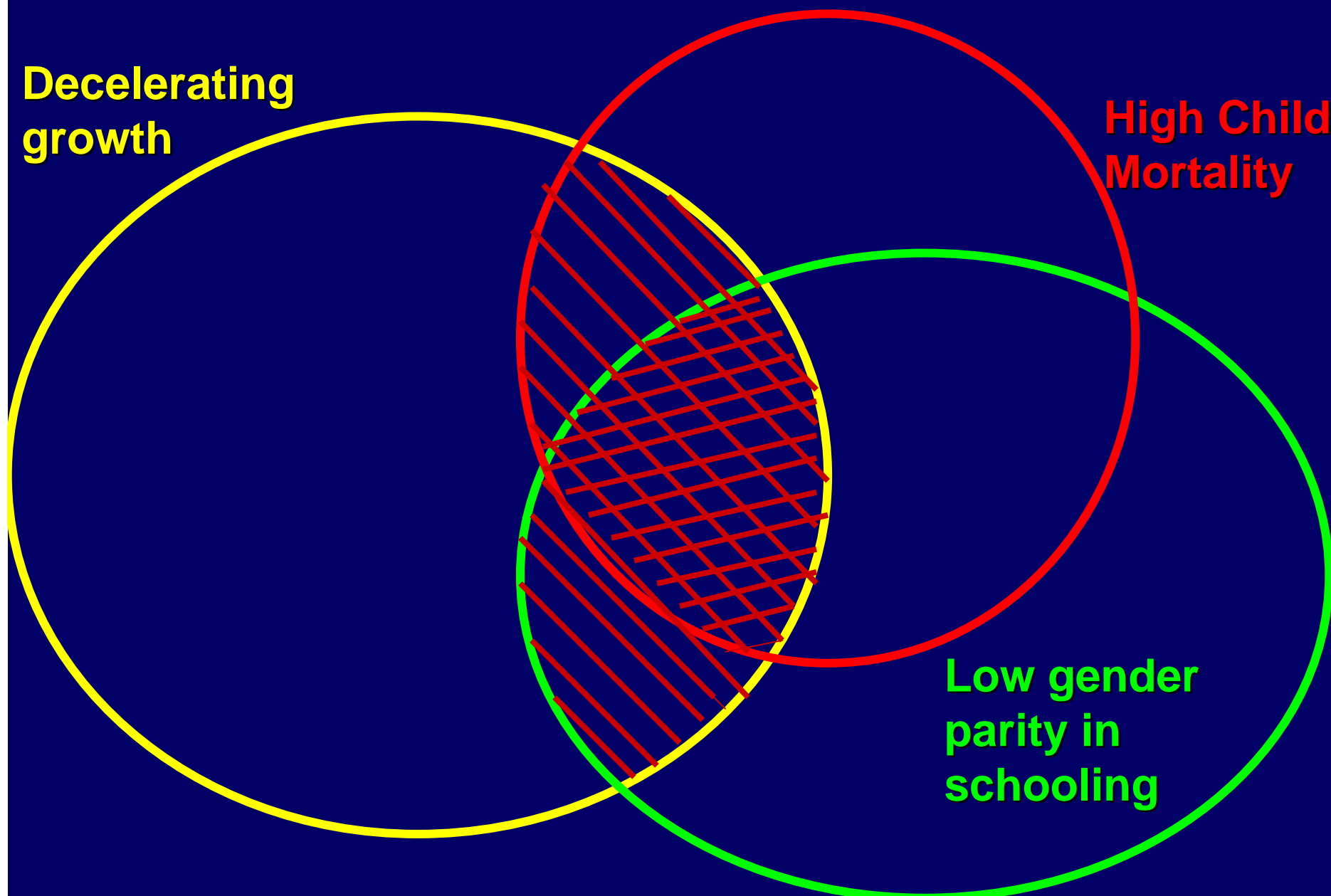
..especially in more than half in a sample of countries, where women are most vulnerable to effects of the crisis.

**Women & girls in 50% of countries in the sample (of 90)
face moderate to high exposure to negative impact of crisis**

**Decelerating
growth**

**High Child
Mortality**

**Low gender
parity in
schooling**



Bank's Response



Mapping impacts to policy

Impacts

Policy/programs

Women's employment



Employment generation programs

Women and girls'
human development



Cash transfer programs
Other social safety net programs

Women producers



Capitalization of microcredit

Bank's Response

- **World Bank Group's Gender Action Plan** will allocate its financial resources in 2009 to assist in ensuring that WBG responses to the crisis maximize women's income, especially in those countries where women and girls are most vulnerable to the effects of the crisis.