

ARE GOVERNMENTS INVESTING IN CARING AND JUST ECONOMIES?

Key takeaways from a gender and human rights assessment of COVID-19 fiscal response measures in Cambodia, Fiji, India, Indonesia, Malaysia, Papua New Guinea, the Philippines, Thailand and Viet Nam



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In 2020 and 2021, the COVID-19 crisis hit Asia and the Pacific hard, with catastrophic impacts on health, economies and societies. It reversed much of the progress on the global Sustainable Development Goals (SDGs) and worsened gender equalities in health, education and labour. It amplified pressures on weak health-care services and fragmented social protection systems.

Men, women, boys and girls experienced the crisis differently. It had a disproportionate impact on groups facing multiple and persistent forms of discrimination, including:

- Persons with disabilities
- Informal workers (including migrant and refugee workers)
- Ethnic, religious and caste-based minority groups
- Persons with diverse SOGIESC (sexual orientation, gender identity, gender expression and sex characteristics)

Between March 2020 and August 2021, an assessment considered a range of fiscal stimulus measures deployed

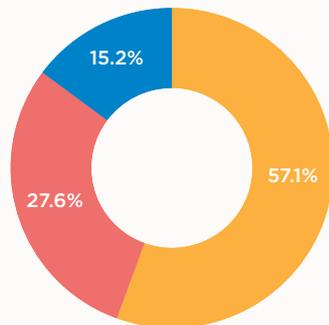
in nine countries: Cambodia, Fiji, India, Indonesia, Malaysia, Papua New Guinea, the Philippines, Thailand and Viet Nam, to respond to the pandemic. They operated alongside various virus containment efforts that led to the sudden suspension of economic and livelihood activities. **Social protection and jobs initiatives, notably cash transfers, appeared to be the main policy priorities in the fiscal responses** (Figure 1). These overlapped with other measures aligned with achieving different outcomes – most notably, protecting informal workers and improving access to health care. The bulk of fiscal response measures were short term, ending in 2020, and largely fell short of appropriately integrating gender considerations.

Figure 1: Composition of social protection and social assistance responses

Source: Based on social protection response measures identified in the IMF tracker on policy responses to COVID-19, <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19>; Gentillini et al. 2021; UNESCAP 2021.

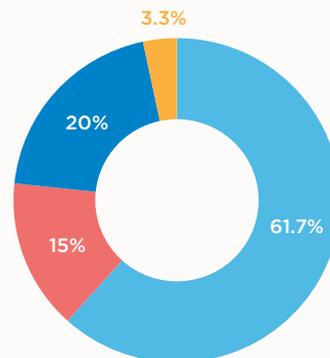
Composition of social protection

- Social assistance
- Social insurance
- Labour market



Composition of social assistance

- Public works
- In kind/voucher
- Tax relief/utility waiver
- Cash transfers



Across the nine countries, working hours lost due to the pandemic amounted to 7.7 per cent of hours worked on average before the crisis.

Progressively achieving the full realization of economic and social rights

At the time of the assessment, **most of the nine countries had signed, if not ratified, a series of key human rights treaties** (Figure 2). In doing so, they assumed obligations and duties under international human rights law to progressively achieve the full realization of social and economic rights, based on maximum available resources. But overwhelming gaps in data, particularly disaggregated by gender and on other key grounds, as well as a lack of systematic, reliable and timely information on fiscal stimulus measures are key challenges in assessing whether the design and potential impacts of these measures align with normative commitments by governments.

More data on policies and systems are needed in addition to systematic monitoring of fiscal stimulus measures that is focused on rights-holders. Such steps would improve the evidence base for policymaking and ensure countries make recovery processes gender-responsive.

Recommendations for States

- States must prioritize the collection of disaggregated individual data to address discrimination and entrenched inequalities during the pandemic and as part of socially just economic recovery.
- States should strengthen data and information transparency on policies, systems, budget allocations and spending, especially in the areas of labour, health and social protection. Such information should be made publicly available and accessible to enable participatory monitoring of measures taken.
- States should strengthen data collection systems generally and collect and make public anonymized disaggregated data on how measures impact those at risk of being left behind, at a minimum, by sex, age and disability. These data should inform health responses, recovery efforts and future stimulus measures.
- States should carefully assess, prior to adoption, the impact of fiscal consolidation policies such as regressive taxation and austerity on human rights and gender equality outcomes. Specific attention must be paid to groups and persons most at risk of being left worse off due to poorly targeted or designed recovery policies on top of the pandemic.

Figure 2: Ratification status of key human rights treaties by the nine countries

Source: OHCHR data dashboard on the status of ratification, <https://indicators.ohchr.org/>. Note: ICERD stands for the International Convention on the Elimination of All Forms of Racial Discrimination, ICESCR for the International Covenant on Economic, Social and Cultural Rights, CEDAW for the Convention on the Elimination of All Forms of Discrimination against Women, CRC for the Convention on the Rights of the Child, ICRMW for the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families and CRPD for the Convention on the Rights of Persons with Disabilities.



Protecting informal workers

Informal sector workers in the nine countries are more likely to receive low, irregular incomes and belong to poor households than workers in the formal sector. This renders them particularly vulnerable to dramatic collapses of income and livelihoods such as those occurring due to the COVID-19 pandemic. Among the most vulnerable workers are those in part-time jobs or gigs and those without social insurance – they are most likely to be women.

The COVID-19 crisis laid bare the precarious situation of many working women and men, especially those in the informal economy. In Asia and the Pacific, the first months of the pandemic cut income by an estimated 21.6 per cent and spurred a 14.4 per cent increase in relative poverty for informal workers and their families.¹ Governments responded with emergency measures to temporarily extend social protection to informal sector workers, with some including migrants. Even though the impacts of the crisis continued to be felt by millions of informal economy workers and their families throughout 2021, however, most schemes were implemented and expired in 2020. This left millions unprotected and more vulnerable – and may increase inequality.

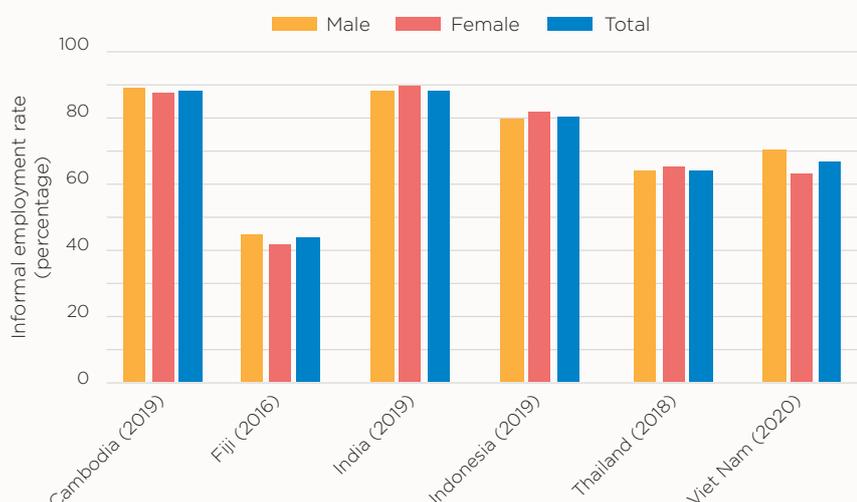
As the crisis recedes, temporary emergency measures should become sustainable mechanisms that close gender inequalities and gaps in social protection coverage and adequacy. This would guarantee the effective protection of workers in all types of employment.

Recommendations for States

- States should extend statutory coverage to previously unprotected workers, including those in the gig economy and non-salaried agricultural workers. They should recognize and provide minimum protections to all workers in national labour codes. They must pay specific attention to barriers faced by women informal workers concentrated in the most precarious and poorly remunerated sectors and occupations.
- States should expand social security coverage to all informal workers through universal tax-financed benefits and affordable social insurance. Benefits, contributions and administrative procedures must be designed to incorporate the needs and constraints of workers in the informal economy
- States should at a minimum ratify ILO Convention 189 on domestic workers, a group that disproportionately constitutes of women informal workers, and often internal rural-to-urban or foreign migrants with little to no job protection.
- States should ensure that continued stimulus packages and other responses to mitigate the impacts of the ongoing pandemic adequately support groups most affected by job and income losses, such as informal and independent workers without access to unemployment benefits, and more generally, persons and groups without social protection.²

Figure 3: Informal employment rate by sex, latest year available

Source: Various country labour force, employment and informal employment survey data from the ILOSTAT data catalogue, <https://ilostat.ilo.org/data/>, indicator code: EMP_NIFL_SEX_RT_A, last updated 7 November 2021. Note: Figures were unavailable for Malaysia, Papua New Guinea and the Philippines.



Improving access to quality and affordable health care for at-risk groups

Health systems in most assessed countries have been in transition in the last decade. Many show growing commitment to ensuring access to relevant, quality and affordable health care for all. **Health-care investments remain inadequate and inefficient, however** (Figure 4). Low levels of public health expenditure with high levels of out-of-pocket spending, have real human rights and gender related impacts. Access to sexual and reproductive health is limited, particularly for young, unmarried people and persons with diverse SOGIESC.

The pandemic highlighted the importance of universal access to quality and affordable health care. Widespread economic inaccessibility has left individuals without treatment at a critical time. All assessed countries have provided some form of budget allocation for health infrastructure; a few even cover the cost of COVID-19 treatment for all patients. Yet large swathes of their populations remain without access to the freedoms and entitlements contained in the right to health, as recognized in numerous international human rights instruments.

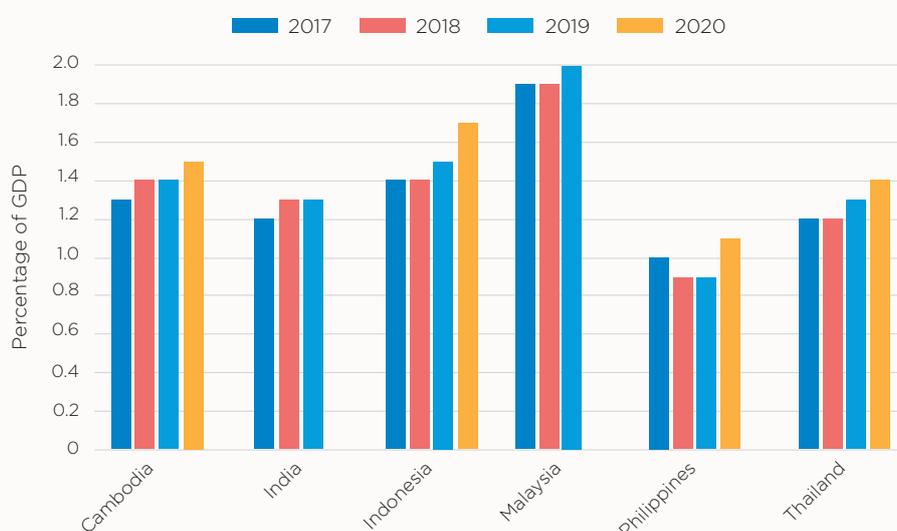
Governments should take progressive steps towards ensuring the availability, accessibility, acceptability and high quality of health information and services for all.

Recommendations for States

- Overall, States should use maximum available resources at the national and international levels to ensure the availability, accessibility and quality of health care as a human right that should be enjoyed by all without discrimination.³
- States should prioritize and adequately invest in core health system functions, specifically primary health care in rural and remote regions. Such functions are fundamental to protecting and promoting the health and well-being of vast proportions of their populations.
- States should prioritize and adequately invest in improving the quality and accessibility of health facilities and services, including for sexual and reproductive health and for women and girls who have experienced violence. These should be part of primary health-care provisions and accessible to all.
- States should recognize sexual and reproductive health services as a life-saving priority and integral to the COVID-19 health response.⁴
- States should take progressive steps to achieve free universal health-care coverage through affordable health insurance and waivers, including the urgent suspension of user fees for COVID-19 and other basic health care.

Figure 4: Government expenditure on health care as a percentage of GDP, 2017–2020

Source: Asian Development Bank Key Indicators Database, <https://kiddb.adb.org/>). Note: Budgetary data for 2017–2020 were unavailable for Fiji, Papua New Guinea and Viet Nam. Data on health spending for 2020 were unavailable for India and Malaysia.



Expanding social protection

Despite rapid socioeconomic growth over the past decade, most assessed countries have insufficient social protection systems and no social protection floor. **Weak and fragmented social protection systems – coupled with underinvestment – have excluded larger population shares from the social security system.** While poverty levels are high and many people experience swings in income, concepts of the “poor” and “non-poor” continue to dominate social protection thinking and planning. In reality, the vast majority of people would benefit from social protection.

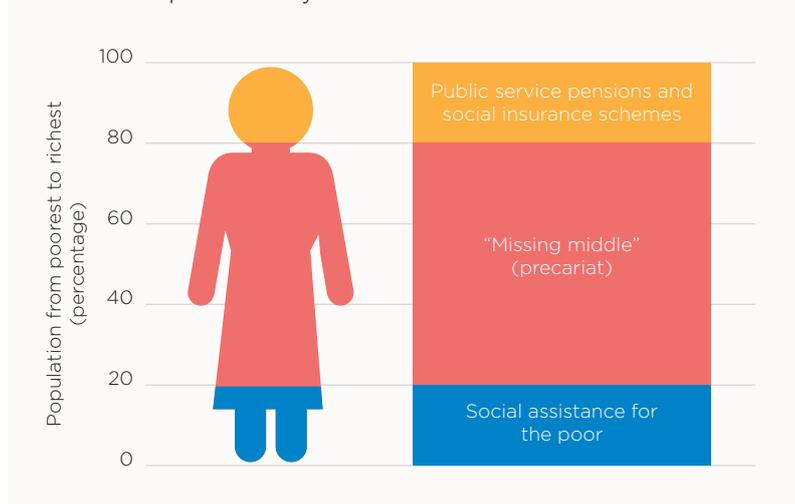
Accurately targeting a fixed group called “the poor” is problematic for many reasons. For example, those at the bottom of the wealth distribution constantly change; targeting and selection criteria for programme inclusion can be both complex and expensive; and most poverty-targeting programmes actually fail to reach the poor due to substantial targeting errors. This approach is also contrary to international human rights standards and the right to social security, under which everyone has the right to social protection when needed.

The COVID-19 pandemic brought these gaps into sharp focus. Social protection and jobs responses were the main policy priorities in fiscal responses to the pandemic in all nine assessed countries. The extent to which social protection coverage expanded, however, depended heavily on existing systems. Even if social protection coverage grew during the worst stages of the pandemic, most people in need were still excluded.

As countries continue to recover from the crisis, governments should invest in universal life cycle and gender-responsive social protection measures to support people to both weather storms and become less vulnerable to crisis.

Figure 5: The social protection model found in many countries in Asia and the Pacific

Source: Development Pathways.



Recommendations for States

- States should progressively guarantee the right to social security for all, at a minimum providing protection from life cycle risks. Social protection can subsequently be expanded to protect populations from rising uncertainty in labour markets and the environment, all of which have gender-specific dimensions.
- States should work towards introducing a universal life cycle and gender-responsive social protection system. Such a system should consist of core programmes that, at a minimum, include universal child benefits; paid maternity benefits; paternity, paternal and other family leave benefits; unemployment benefits; disability benefits and old-age pensions.
- In line with their commitments, States should progressively and significantly increase public investments in social protection and avoid retrogressive measures such as austerity.
- States should ensure redistribution of wealth through progressive taxation and address other tax financing gaps. They should guarantee income security through inclusive, universal social protection instead of poverty-targeted schemes that often fail to reach the intended “extreme poor” and exclude many people with insecure jobs and low incomes.
- States should take steps to create one system for social protection, bringing together existing systems of contributory social security, social insurance, and tax-financed benefits and services. A multitiered design would ensure they develop in tandem, as part of one system rather than as disconnected components.
- To achieve gender equality and socially just economic recovery, States (with the support of international financial actors) must move beyond rationalizing public resources from a purely technocratic standpoint and focus on redistribution in compliance with relevant national and international human rights standards. They should ensure the active and meaningful participation of women, marginalized groups and those facing multiple and persistent forms of discrimination.

Prioritizing women's economic empowerment and the care economy

Governments in Asia and the Pacific do not yet sufficiently prioritize issues affecting women's everyday lives and work – including care obligations, pervasive violence, and gaps in access to decent work, income security and health care.

Women's labour force participation in the nine countries has remained relatively low despite significant economic growth (Figure 6). Employment segregation by gender is still prevalent. Since women are overrepresented in the informal sector, they are particularly vulnerable to dramatic collapses in income. They also do much of the work in the care economy, which is mostly informal or unpaid. Women in all nine countries were less likely to receive social protection benefits largely because they are concentrated in informal activities and unpaid care work.

Much of the care economy remains invisible, falling outside the scope of traditional labour relations discourse and social and fiscal policy, even as it enables the functioning of the “visible” economy. With COVID-19, women were more likely to lose jobs and incomes and less likely to return to work in part because they took on increased care demands within homes.

Women in the informal economy and care work are also more vulnerable to violence in the absence of decent and safe working conditions. Notably, lockdowns increased women's exposure to domestic violence across the region, creating a “shadow pandemic”.

Women and girls in Asia and the Pacific confront multiple forms of violence, ranging from physical to economic. They are deprived of equal rights in most spheres of private and public life.

Recommendations for States

Labour market

- As part of extending statutory coverage to all informal workers, States should prioritize including women informal traders, owners of micro-, small and medium enterprises (self-employed), and domestic workers who fall in the informal sectors of the paid care economy.
- States should expand social security coverage through tax-financed benefit schemes and affordable social insurance for women in the informal economy and in rural areas, irrespective of their marital and parental status.
- States should introduce appropriate labour code reforms to reconcile paid employment and unpaid care for both women and men. This could involve passing legislation that prohibits pay discrimination against women, ensures the right to equal remuneration for work of equal value, promotes gender pay transparency or minimum wage regulations to close gender pay gaps, and provides parental leave irrespective of one's gender and marital or family status.

Care economy

- States should create a robust, resilient and gender-responsive care system, prioritizing the creation of integrated care systems. These would, for instance, invest in childcare services and long-term care, towards covering care needs across the life cycle. They would entail collective and rights-based solutions instead of relying heavily on unpaid work. Such services would be a pillar of public services, building on a universal social protection floor, that are critical to women's economic empowerment, security and autonomy.
- States should reorient macroeconomic policies to enable the paid care economy to thrive and to value unpaid care as essential, critical work. This involves sufficient policy and fiscal support provided to both caregivers and those entitled to support and care, such as children and persons with disabilities. Measures should include better pay and job protections for paid care workers, such as health-care and education support staff, domestic workers, etc., and introduce caregiver allowances and family benefit schemes.

Contextual investigations should examine push and pull factors for women’s participation in the labour force.

- States should prioritize and adequately invest in paid care economy sectors such as health care and social care, as this may initially generate more employment for women due to their overrepresentation in these sectors. But they also need to restructure the labour market in the long term.⁵ Prioritizing and valuing paid care sectors in the informal economy would better protect women workers and eventually help to change gender stereotypes and redistribute unpaid care work within homes and the wider society.

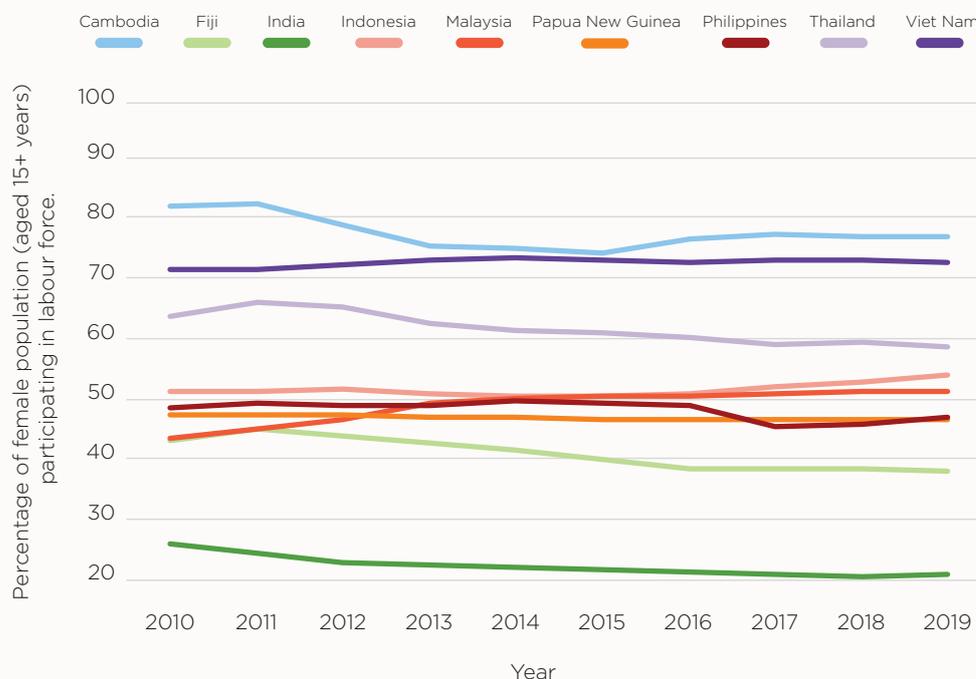
Violence against women and girls

- There is a need to urgently strengthen administrative data collection on violence against woman and girls in the assessed countries and the wider region to inform policymaking on violence prevention and responses.
- States should recognize all prevalent forms of violence strictly and explicitly as criminal acts, irrespective of the relationships between survivors and perpetrators and the circumstances in which such acts occur. For this, better data will be essential.
- Political commitment to ending violence should include strengthening the enforcement of civic status and family laws and taking steps to dismantle patriarchal and harmful social and religious laws that normalize certain forms of violence, particularly all forms of intimate partner, domestic and economic violence.

Figure 6: Female labour force participation rate as a percentage of the female population aged 15 years and above, 2010–2019

Source: World Bank Development Research Group, <https://data.worldbank.org/indicator/SL.TLF.CACT.FE.ZS>.

Data retrieved from the ILOSTAT data catalogue, <https://ilostat ilo.org/data/>, 15 June 2021.



Additional considerations: government fiscal priorities and policy options for economic recovery

Government fiscal and economic decisions highlight historical and deep-rooted gender inequalities and power imbalances across institutions and societies. Analysis of policy challenges and vulnerabilities in the nine countries suggests that fiscal policy is still determined through a top-down process that is heavily influenced by those with the most political, economic and financial power within a country and globally.

Appropriate policy actions are only adopted when vested political interests and priorities allow. Since these precede government resource allocations, they establish a “prioritization hierarchy” in public spending. Longer-term damages are likely in countries that adopt fiscal austerity as the pandemic subsides. Such a move indicates that States are ignoring the lesson taught by the COVID-19 crisis, that **they must invest in building strong, inclusive institutions and social protection and health-care systems. These will determine whether equality is realized or not, and whether another crisis of this magnitude can be avoided.**

Our Common Agenda, released by the UN Secretary-General, highlights how multiple crises – COVID-19, climate change and economic and financial downturns – increasingly intersect. Devastating impacts on already vulnerable populations underline the need to renew the social contract and rebuild trust and solidarity through appropriate investments in people and the planet. These must ensure that roughly half the population, women and girls, are not left out. **Governance should deliver public goods to all, including universal social protection, health coverage, education and skills, decent work and housing, and access to the Internet.**⁶

Fiscal space is a matter of gender, social and economic justice. According to guiding principles on assessing the impacts of economic reforms on human rights, States should ensure that “economic reforms should prevent any kind of discrimination based on gender, promote transformative gender equality and human rights impact assessments should always include a comprehensive gender analysis”.⁷

The COVID-19 pandemic opens opportunities to invest in more inclusive systems and expand coverage gaps that have left individuals and societies as a whole very much unprepared. There are two takeaways to consider. First, the prioritization hierarchy in fiscal decisions is intricately shaped by existing gender norms and social hierarchies defining who should be valued, who should benefit and what activities should be valued. Second, the precedent set by fiscal and economic policy choices that are not gender-responsive will inevitably lead to detrimental outcomes for women and girls, more so during a crisis. **A fundamental shift needs to happen in recognizing how gender shapes global and national political economies. This would entail making women’s work and priorities central to economic and fiscal thinking and decisions.**

There should be greater transparency around how well (or not) fiscal response measures align with normative commitments made by governments. **Monitoring fiscal measures should be participatory and focused on people who stand to benefit. There should be accessible channels for users to report on their experiences and scope to make adjustments in case impacts are negative.**

It is urgent to shift global power structures and paradigms that underpin global policy and economic discourses, and move towards sustainability and social justice.

Endnotes

1. ILO 2020.
2. Guterres 2020.
3. Ibid.
4. OHCHR 2020b.
5. Perrons, De Henau and Himmelwelt 2017.
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