



Why global financial decisions matter for women

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During the corona pandemic, many women around the world have struggled harder than ever to find the money to survive. Both the formal and informal economies have been affected by lockdowns, women's income has dropped more than men's, and their unpaid domestic and care work has increased. Women's rights and self-determination have been set back, and progress on gender equality has been undone.

So how are the daily financial problems many women face linked to the international financial system, and can solutions be found there? Let's zoom in on the meetings of the **Group of Twenty (G20)**, where important decisions about global finances are made by a small group of finance ministers and central bank governors from the world's largest and richest countries. Their non-transparent decisions, often in their own financial interests, have consequences for women's rights, their daily lives, and gender equality, especially in many low-to-middle-income countries that are excluded from the G20.



Tax dodging harms women

Women are disproportionately poor in comparison with men, as they do more unpaid domestic and care work for their extended families and communities. An effective way to reduce and redistribute this work is to provide affordable and functional public social services, including health care, nurseries, schools and transport systems.

What is the G20?

The G20 consists of the European Union plus 19 countries: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, the United Kingdom, and the United States.

G20 finance ministers, central bank governors, their officials, and heads of state discuss global financial problems, oversee decisions of other global financial institutions, and approve measures that aim to avoid financial crises.

These essential services often provide women with opportunities to access paid formal jobs.

Governments need sufficient tax income to finance these services. However, countries around the world are being defrauded via tax avoidance and evasion by multinational enterprises (MNEs) and rich or corrupt individuals. In 2021, the G20 finance ministers finally endorsed an agreement to tax MNEs at a low minimum rate of 15%. However, this failed to deliver additional revenues for developing countries as the G20 agreed that MNEs would pay taxes on their profits in their home countries. This has ultimately deprived lower-income host countries of crucial revenue, estimated at the equivalent of the amount required for half of their health care services.

- ▶ **Bold G20 action is needed to stop corporations and individuals from dodging taxes in their own countries and around the world. This will allow the financing of public services that reduce and redistribute women's unpaid domestic and care work.**

Debt relief needed to unburden women

Due to insufficient income connected to tax dodging and corona lockdowns, many poorer governments increased their borrowing during the pandemic. As a result, a growing part of their budgets is now devoted to repaying debts at high commercial interest rates.

G20 finance ministers agreed in 2020 and 2021 that debt payment by the poorest countries should be delayed, restructured or cancelled. However, this has not resulted in sufficient debt relief as commercial lenders were not forced to comply with these requirements. Additionally, the G20's debt relief provisions failed to focus on supporting the specific needs of women. Many low-income countries were forced to cut spending in essential public services or were unable to compensate poor families for income losses. This led to a disproportionate number of girls in poor families leaving school. Furthermore, women who were unable to combine paid work with additional unpaid domestic and care work often faced a spiral of personal debt.

- ▶ The G20 must urgently speed up global debt relief, especially poor country debt held by G20 countries or commercial banks and investors based in G20 countries. Debt cancellation must specifically focus on bolstering women's rights as well as the basic needs and well-being of poorer citizens.

'Sustainable finance' must include women's rights

The G20 is currently promoting 'sustainable finance', including the voluntary and profitable 'green' financing of climate friendly activities by commercial banks and investors. However, ensuring women's participation in decision making about these green initiatives is not a priority, nor is equal pay or the avoidance of negative impacts on women's livelihoods. For example, G20 discussions around financing for 'sustainable infrastructure', including roads, public transport and new energy provisions, are neglecting women's specific needs for safe and affordable transport, local connections and a transition to sustainable energy.

- ▶ G20 discussions about 'green' climate friendly projects and 'sustainable financing' by companies, banks, investors or governments should be more environmentally and socially comprehensive and promote women's rights and participation in decision making.

Can women benefit from new commercial investments?

Wealthier women and young people tend to invest in socially and environmentally beneficial projects and companies. This growing trend in sustainable finance includes loans and investments that specifically support women. Commercial banks and investors appreciate such projects, as women have good track records in producing results and repaying debts, and governments want to stimulate economic growth by supporting more women in the formal labour force. Such investments can benefit women's businesses and improve their access to digital financial services. They aim to boost companies focused on improving women's participation, equal pay and safety.

However, involvement in these financing processes by gender experts, from the UN or even better from civil society or academia, is crucial. Their expertise is needed to prevent these investments and loans from indebting women while commercial creditors profit; in ensuring that unpaid domestic and care work does not continue to burden women; and in taking care that women in the informal sector and in small businesses are not excluded.

- ▶ The G20 should integrate minimum criteria and verification by gender experts for all sustainable financial instruments it promotes, at the very least for those that claim to support women and their human rights.

Act now!

Decisions by G20 finance ministers have substantial impacts on women's rights, lives and self-determination. What can we do?

- ▶ Women's organisations and civil society groups should raise awareness about how various G20 financial decisions negatively affect women's human rights, and ask their national finance ministers to promote gender issues at G20 level and in other international financial institutions.
- ▶ The female ministers of Indonesia, which chairs the G20 until December 2022, have committed G20 support for women's "empowerment". Their pledge should be strongly integrated in G20 decisions on tax, debt, 'sustainable finance' and other financial reforms.



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