awid women's rights

Brief 6

The crisis' impact on women's rights: sub-regional perspectives

The Global Financial Crisis and Women in West Africa: Developing Impacts and the Implications of Policy Responses

By Dzodzi Tsikata[1]

Preamble

This series of briefs entitled *The crisis' impact on women's rights,* published by the Association for Women's Rights in Development (AWID), includes sub-regional perspectives on the impacts seen to date of the current crisis on women and women's rights as well as those likely to come. These sub-regional analyses are a key input from women activists and analysts to inform development debates and decisions that are being made to respond to the crisis. The series also includes a cross-regional and global analysis.

We know that women are at the center of the fallout from the current crisis, which itself combines interlocking crises: a global economic recession, the devastating effects of climate change, and a deepening food and energy crisis. All of this is compounding the increasing poverty and inequality in different parts of the world, as well as the impacts of the HIV and AIDS pandemic. At the same time, traditional power relations among international players are shifting, the so-called 'middle income countries' with the BRICs (Brazil, Russia, India and China) assuming greater power (Brazil and China have become creditors of the United States, and important investors in the International Monetary Fund, and all of them hold some of the most important sources of reserves of the world). The current situation, a result of aggressive free-market capitalism pursued in the past decades, calls into sharp question dominant—and even many of the so-called alternative—models for development. The crisis is not new for most of the developing countries that have struggled with crises in the 70's, 80's, 90's and beginning of 2000's. This crisis, however, reached global proportions when it impacted hegemonic

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economies and their role in global arenas and put in evidence the interconnectedness of the diverse realities of countries in this globalized world.

This systemic crisis poses a huge challenge for governments, donors and every development practitioner, activist and policy-maker to reinvent the system in the long term, and reduce the negative impacts in the short and medium terms. In this sense, as many have said, the crisis also represents a historic opportunity to be bold, creative and attempt to right the wrongs of neoliberal development. As the crisis is now a driving force behind many development choices and processes (from the global to the local), and will shape approaches to development for years to come, the role of women and gender equality as a central goal must not be further overlooked. This is not simply because women are among those most negatively impacted by these crises, but also because they are key development players in most communities around the world, as well as relevant and vital actors in proposing effective approaches to mitigate the impacts of the crisis and expand the fulfillment of human rights, environmental sustainability and development commitments around the world. The exclusion of women, gender equality and women's rights as central to these processes is unacceptable and should be used as an indicator of the seriousness of proposed responses.

In preparation for the United Nations (UN) High Level Conference on the World Financial and Economic Crisis and its Impact on Development (New York from June 24th to 26th 2009), several women's rights groups expressed their concerns about the impacts of the crisis on women's lives[2] and their rights and the limitations of the actual responses to the crisis implemented or proposed so far. The Women's Working Group on Financing for Development, of which AWID is a member, has been very active and committed to promoting the UN's pivotal role as the legitimate space to address the crisis from a truly inclusive multilateral perspective.[3]

AWID is committed to engaging with and supporting collective initiatives to influence this process, as well as building alliances with actors from other social movements. Solutions that have been defined by the same actors who produced this financial and economic meltdown are unacceptable. Responses to the crisis must emerge from broad processes where both government and civil society engage in dialogue that is both enriching and makes decision-making more responsive to people's needs and the fulfillment of human rights. Both civil society and governments from all countries of the world, including low-income countries, should be central actors included in this global policy dialogue process. Multilateral venues under the UN are the most inclusive and balanced spaces existing in the international system, and the only spaces with clear mechanisms for the participation of developing countries and civil society actors.

Whatever the proposals and responses that emerge from such high level processes - they must be informed by analysis on how these trends are playing out in communities and how the impacts are differentiated among women and men and across different sectors. Allocation of

2 See the statement: The G20 committed to save the global economy at the cost of women, November 17, 2008, 11th AWID International Forum, from http://www.awid.org/eng/Enjeux-et-Analyses/Library/LE-G20-DECIDE-A-SAUVER-L-ECONOMIE-MONDIALE-AUX-DEPENS-DES-FEMMES/(language)/eng-GB

3 Women's Working Group on Financing for Development, Statement from the Second Women's Consultation convened by the WWG on FfD in New York from April 24-26, 2009 from http://www.awid.org/eng/About-AWID/AWID-News/A-call-for-structural-sustainable-gender-equitable-and-rights-based-responses-to-the-global-financial-and-economic-crisis

resources for these responses must also be implemented in a way that takes into account the gender dynamics at play, and ensures that key social development sectors, such as health or education, are not the ones to be defunded for the sake of economic growth and financial stability. The very social development achievements that have been made in the last two decades, as limited as they are, are currently at stake, if the focus of responses to the crisis is only economic growth and a return to 'business as usual'. In this sense, women's rights and gender equality commitments made by governments and other actors, such as the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), the 1995 Beijing Platform of Action, the Millennium Development Goals must not be trade-offs in the definition of responses to the crisis.

It is in that spirit, that the authors of the briefs included in this series accepted the challenge to explore answers to the following questions:

- Considering the diversity of situations in which women live, what are the main challenges for women in your sub-region in the context of the current crisis?
- Can you identify concrete actions or initiatives (responses to the crisis) that have already had either negative and/or positive impacts on women's lives?
- Are women's groups in your region experiencing increased discrimination as a direct or indirect result of the financial crisis?
- If stimulus packages are not inclusive of human rights and gender equality perspectives then are there any alternatives so that these packages are reshaped in order to include gender and rights dimensions?
- If the governments of the region/sub region (or regional bodies) have not set up any stimulus packages or measures yet: what do you expect will be the impact of not tackling the crisis in a timely way at the national and regional level?
- What are potential future impacts on women in your region in the context of a global recession? Which are the most outstanding weaknesses of the region in regards to the economic crisis?
- The UN Stiglitz Commission[4] and the G20 are trying to identify international initiatives to reduce the impact of the crisis on development. Do you think these global initiatives consider challenges confronted by women, and how to help women in your region face the crisis?

The sub-regional analyses presented in this Series are an initial attempt to contribute to identifying challenges, potential responses and proposals from a women's rights perspective, that builds on the different realities and impacts the crisis is having on different regions of the world. The analyses also aim to contribute to grounding responses to the crisis in gender equality and women's rights and promoting a profound transformation for a more inclusive and democratic international system. Various regions raised common areas of concern that reflect common challenges for women's rights around the world.

A lack of gender equality perspectives in the stimulus packages or policy responses to the crisis at the national level seems to be commonplace, as well as how women are particularly

4 See the Women's Working Group on Financing for Development Statements on the Stiglitz Commission from http://www.awid.org/eng/Issues-and-Analysis/Library/Women-s-Working-Group-on-FFD-Contributions-to-the-Stiglitz-Commission/(language)/eng-GB and the Stiglitz Recommendations from http://www.un-ngls.org/spip.php?page=cfr

affected because of their strong participation in the informal economy, and the non-recognition of their unpaid and reproductive work, as well as the high levels of discrimination and inequality they face. Amongst other important issues raised, these common findings call for a new understanding of the role of the state and how it affects women in particular through the care economy (in relation to the key reproductive roles that women play which sustain the current economic system at their peril), but also in terms of advancing the decent work agenda. When the role of the state was reduced, several of the social functions previously performed by the state - healthcare, caretaking and education - were absorbed by women across regions, usually in addition to their paid work. Thus, women have disproportionately shouldered the burden of the consequences of state reduction, particularly as they relate to the fulfillment of economic and social rights (such as housing, health and education).[5]

If a post-neoliberalism era is emerging, the new international system should build on community, national, regional and global experiences of development actors, and on historic women's rights agendas. These longstanding struggles should be reinterpreted and communicated broadly to promote alternative thinking around responses to the crisis.

Today we call for holistic responses to the systemic crisis. In doing so, our own efforts (amongst women's movements and organizations) for building alternative discourses and influencing the international system must be grounded in different kinds of knowledge (informal and formal). Our alternative discourse should also be based on a holistic/cross-cutting approach, ensuring full space for the voices of the most excluded groups.[6]

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Introduction

Via different aspects of the continent's economic relationships with the various regions of the world, as well as the generalised climate of insecurity generated by the global financial crisis, the crisis has spread to sub-Saharan Africa. One of the cruel ironies of the crisis is the constant reference to over a decade of unprecedented economic growth in sub-Saharan Africa that is now under threat. For example, a recent United Nations Economic Commission for Africa (UNECA) paper notes that economic growth rates of an average of 5%, accompanied by single digit inflation since 2000 are now at risk (UNECA, 2009).[7] As many in Africa have not enjoyed the fruits of economic growth, the looming threat of reversals is compounded by a struggle to come to terms with the unfamiliar idea of a positive outlook. Economic growth in the last decade may have been spectacular when compared with the growth figures of the eighties and nineties. However, for the majority of the economies in West Africa, it was made possible by good weather, stable prices for commodities and oil imports, relative macro-economic stability as a result of reforms, substantial inflows of aid and debt relief as well as the expansion of mining, construction and tourism. For Nigeria, an expansion of oil production was an important factor, while for Cote d'Ivoire, Liberia and Sierra Leone, conflict recovery and improved stability were important factors (UN, 2009; Ackah et al, 2009). This raises questions about the sustainability of the growth. Furthermore, it did not translate into fundamental changes in the agrarian character of African economies or their commodity dependence. Neither did it result in the creation of decent employment with social security. Instead, the economic liberalisation policies underpinning the growth resulted in the unprecedented growth of informal economies with insecure and precarious forms of work and widening income disparities (Tsikata, 2009).

The current and potential impacts of the global crisis therefore need to be understood in this already difficult context, which in 2008 was severely tested by two global challenges - a food and energy crisis constituting food price hikes and shortages, and escalating oil prices. The UN estimates that 125 million people in developing countries were experiencing extreme poverty because of the surge in global food prices since 2006 (UN, 2009). In the latter part of 2008, food riots became a telling response to the situation and West Africa had its share of them - in Senegal, Guinea, Mauritania, Burkina Faso, Cote d'Ivoire and Cameroon (Kamata, 2009).

Not surprisingly, the UN has observed that as a result of the financial crisis, developing economies, "including those with a recent history of strong economic performance, are deteriorating rapidly" (2009). That the crisis is affecting all countries in sub-Saharan Africa, irrespective of their economic performance, points to the fact that the matter goes beyond policy failures (UNECA, 2009).

How different people are experiencing the global downturn in West Africa is conditioned by their location in the economies and societies of their countries. However, there are particular social groups who are badly affected. These include: households living in poverty in rural and urban areas and in inhospitable agro-climatic zones; food crop farmers, particularly those operating on a small scale or assisting with family farm enterprises; informal workers, particularly those in precarious forms of work; and unemployed persons, especially young school drop-outs. These persons constitute the majority of the population in West Africa, and a significant proportion of them are women.

7 As well, net private capital flows to Africa have increased from $17.1 billion dollars in 2002 to $81 billion in 2007.

Many women in West Africa are particularly vulnerable to crises of this nature, due to gender inequalities in the division of productive and reproductive labour, the gender segregation and segmentation of the labour force, and inequalities in access to and control of productive resources - particularly land, capital and labour. Women food farmers and urban women in the small scale trading and service sectors of the informal economy, constitute a large segment of the poor, and they are not likely to have financial reserves and other resources to survive the global downturn. They and their households – particularly in situations where they are the sole breadwinners – are vulnerable to deeper impoverishment. Experience indicates that while women often experience impacts more deeply, but also in very unique ways, their situation is worsened by unfavourable policy choices to mitigate the impacts of crises.[8] Therefore, the various analyses about the crisis need to keep in constant view the fact that implications and impacts are not experienced in a uniform manner.

In this paper, some of the already observed and likely future impacts of the triple crisis - financial, food and energy - on women in the West Africa Region are discussed, with emerging policy responses analysed and recommendations made for ways out of the crises that are developmental, gender equitable and sustainable.

1. Background to the Crisis in West Africa.

West Africa has experienced decades of low intensity crises of economic, social and political dimensions – even before the global downturn. Something it has in common with the rest of Africa. Economies continue to be fundamentally unstable and unsustainable because they depend on one or two primary commodities for export, and are indebted and aid dependent. Thus they have experienced cyclical economic crises caused by falling commodity prices (cocoa, coffee, cotton and groundnuts, but also gold, diamonds, manganese, bauxite and uranium, and in the case of Nigeria, oil) and difficulties with balance of payments (United Nations Conference on Trade and Development (UNCTAD), 2008). This is compounded by the fact that West Africa has the majority of Africa's least developed countries,[9] with large areas that suffer cycles of drought and floods with the attendant loss of life, property and livestock and dislocation. The result is that large sections of the population in the region live in endemic chronic poverty.

For several countries in the sub-region, these difficulties have been exacerbated by civil conflict. Liberia and Sierra Leone, for example, are only now emerging from decades long damaging civil wars that also affected life in neighbouring Guinea. Cote d'Ivoire still struggles to reunite its Northern and Southern parts and put an end to its civil war. Nigeria, Guinea, Ghana and Senegal as well have long-standing localised civil conflicts which periodically erupt. These conflicts have destroyed life and property, causing severe dislocation and disrupting already fragile livelihoods. They have also generally affected personal and social security across the West Africa sub Region because of the proliferation of small arms that disaffected social groups have deployed for settling longstanding localised conflicts and armed robbery. The annual meeting of the African Development Bank in Dakar in 2009 reported that the post conflict countries of the region would have particular difficulty coping with the crisis because of their underlying fragilities and smaller space to manoeuvre (IRIN, 2009).

8 Studies of the impacts of the economic crises and economic liberalisation policies since the 1970s established that gender inequalities in access to and control of resources and in livelihood outcomes tend to be exacerbated unless strong economic and social policies are put in place to tackle these impacts (Tsikata and Kerr, 2000).

9 Only three of ECOWAS' (the Economic Community of West African States) fifteen members- Nigeria, Ghana and Cote d'Ivoire are not classified as Least Developed Countries (LDCs).

The food crisis - which preceded the financial crisis - has been recognised as a result of long years of neglect of food crop agriculture, which has turned most West African countries into net food importers.[10] This is in spite of increases in the production of crops.[11] Under structural adjustment programmes since the 1980s, there has been official support for export crops, but not food crops. Food self-sufficiency as an important policy goal was not considered, as healthy export earnings could be deployed for purchasing food and other needs. Measures such as import liberalisation and the removal of subsidies on agricultural inputs took their toll on food production. As well, the neglect of storage, markets, roads and other infrastructural requirements harmed food production and contributed to the impoverishment of food crop farmers and traders of West Africa, the majority of whom were women. Land tenure problems that also contributed to the food crisis were ignored - such as growing land scarcity, the challenge of reconciling competing land uses, exorbitant land prices, tenure insecurities and gender and inter-generational inequalities in the control of land, which have been longstanding threats to food production and food security. More recently, trans-national corporations have commandeered large swathes of land in Ghana and other countries for the production of bio-fuels (West Africa Observer, 2009, p. 11). While in the short term, bio-fuels production can increase incomes, it will threaten food security in the medium and long term if not managed. These problems of food crop agriculture have resulted in a growing food import bill and the undermining of the diversity of the West African food basket of roots, tree crops, vegetables and cereals by imported rice and maize.

The food crisis continues. Reviews of the food situation have found exceptionally high prices for millet, sorghum and maize in the first quarter of 2009 with recorded increases of between 15% and 35%. Imported rice in Burkina and Niger costs 50-60% more than it did a year before. With both food producers and traders stockpiling food, the situation is very difficult. World cereal prices fell at the end of 2008, but they began rising again in 2009. The situation with rice - a significant part of the import bill - was exacerbated by the world's rice producers reducing the export of their crops. High food prices also have implications for livestock production, particularly in the Sahel and North Eastern Nigeria (West Africa Observer, 2009).

The food and fuel crises have resulted in a worsening of West African governments' fiscal position. In Ghana for example, the budget deficit was 12% of GDP - partly because government had to spend to alleviate the impact of the food and fuel price increases (Ackah et al, 2009). In addition, international food pricing increases have been transmitted to local food markets, affecting the prices of locally grown foods because of the substitution effect.

West African governments instituted a mix of policy responses to the food crisis. These included tax reductions of food staples, trade restrictions, trade liberalisation, consumer subsidies, social protection and supply increases - with different countries adopting particular mixes. Trade liberalisation and efforts to increase supply were the two most popular responses, while trade restrictions and tax reductions were the least popular. As well, there are moves by the ECOWAS Commission to implement the Regional Offensive for Food Production and Against Hunger - adopted by heads of state and governments in June 2008. This seeks to coordinate national and regional initiatives and aims for a reduction in price volatility and food nutritional security for vulnerable groups (West Africa Observer, 2009, p. 11) through rapid and sustainable growth in food production; structuring of agro

10 Rice and wheat are Ghana's main food imports, with two-thirds of the rice and all the wheat consumed in the country imported (Bauer and Mahama, 2009).

11 Cereal and rice production are reported to have increased by 17% and 44% respectively, between 2007/2008 and 2008/2009 farming seasons.

food value chains; and regulation of markets. For these measures to work, it is important to resolve the tension in food policy between the need for consumers to have low food prices on the one hand, and guaranteeing decent prices to farmers on the other hand. Even more critically, the gender inequalities permeating agriculture, from resource control to policy biases, have to be addressed.

2. Channels of Transmission and Impacts of the Crisis on West African Countries

Discussing the impacts of the financial crisis on West African countries is complicated by problems of attribution - what to attribute to the crisis and what is being caused by the underlying problems of West African Economies. As well, the crisis is still unfolding and it is not always clear whether observed impacts are short or long term. Then there are differences in the economies of the various countries[12], the lack of reliable gender disaggregated data and analysis on the impacts of the crisis and differences in analytical standpoints of commentators.

While some analysts stress the underlying fragilities of West African economies as a critical factor in the likely impacts of the unfolding crisis, others are more narrowly focused on questions of economic growth and inflation and therefore often strike a positive note in suggesting that Africa is better prepared to deal with the crisis than it would have been a decade ago. For example, the 2009 African Economic Outlook is reported to have argued that because many African countries have been engaged in macro-economic policy reforms (which have strengthened fiscal balances and reduced inflation) and because they have enjoyed significant debt relief and have low debt service export ratios, they are better positioned to withstand the challenges ahead (myjoyonline.com, 2009).

In spite of these differences, there is a growing consensus that the financial crisis is likely to have several major impacts on African countries. Commentaries on the crisis have identified six pathways of impact or channels of transmission to the developing world: the slowing of export growth as a result of lower export volumes and falling commodity prices; the reduction of portfolio and Foreign Direct Investments (FDI) and more expensive foreign capital; exchange rate losses; rising interest rates; a decline in remittances and foreign aid; and a down-turn in tourism (McCulloch, 2008; UNECA, 2009; Bauer and Mahama, 2009). In sum, the financial sector impacts of the crisis are expected to be felt in stock markets, banking sectors and in the reduction of FDI, while real sector impacts are to be experienced in shortfalls in remittances, trade, tourism and aid (Ackah et al, 2009).

The World Food Programme has conducted a global risk analysis and contended that countries that are most vulnerable to the adverse impacts of the crisis are those with the following characteristics: high levels of remittances; heavy reliance on trade; low international reserves; high FDI; weakened exchange rates; high current account deficits; dependence on Official Development Assistance (ODA); and low GDP per capita (WFP, 2009). All West African countries share these characteristics to different degrees. In addition, they are symptomatic of the structural factors that predispose sub-Saharan economies to cyclical crises. In the discussion that follows, particular transmitters will be discussed using available statistics for various West African countries. This is because the lack of space and data does not allow a more detailed discussion of particularities of country experiences.

12 For example, an oil exporting country such as Nigeria is experiencing the crisis in ways quite different from the oil importing countries of West Africa, while the prices of commodities exported by Ghana – gold and cocoa have not declined as much as cotton and uranium prices of Sahelian West Africa

Impacts of the Crisis on Economic Indicators

Several countries are already experiencing the projected impacts of the crisis. Economic growth has reduced in all countries for which figures are available. The UN notes that economic growth in Africa in 2008 reduced to 5.1% from 6% in 2007, and while it was still above 5% for a fifth consecutive year, it was expected to reduce further to 4.1% in 2009 (UN, 2009).[13] Financial systems have also been adversely affected. While developing countries were expected to be protected from the spectacular bank failures and credit crises in developed countries, they are facing a secondary problem caused by investors pulling out of emerging markets and investing in more established markets that are presumed safer. As well, some banks had to face the problem of non-performing loans - a problem expected to increase. Countries where foreign ownership of banks is high, such as in Cape Verde and Cote d'Ivoire, are considered vulnerable to the repatriation of resources by their parent banks and a resulting liquidity crisis. Banking upheavals have implications for the availability of credit for businesses of all sizes. Reports of a crisis in micro-finance in Africa (Bonyo, 2009), for example, are extremely worrying. A report issued by the Global Call to Action Against Poverty (GCAP) finds that the survival of many Micro-finance Institutions (MFIs) in Africa, is threatened by sharp increases in loan repayment defaults of their low income debtors as a result of the crisis. This has major implications for small and medium enterprises who are key lenders, and for many rural dwellers who rely on these institutions as their only source of credit. The report notes that MFIs are responding with conservative lending approaches, including the tightening of credit and collection policies and staff retrenchments.

Currencies in the West Africa Region such as Nigeria, Ghana, Sierra Leone, Mauritania, Cape Verde and Guinea were expected to depreciate by between 27% and 13%, reversing a few years of currency appreciation. All indications are that currencies remain vulnerable to further depreciation. Various countries are now experiencing double digit inflation. In Ghana, it was at 20.3% in February 2009. Currency depreciation and inflation have contributed to the rising prices of food and fuel imports which have ramifications throughout the economy. As well, the Nigerian stock exchange has shrunk by 30% since March 2009 (McCulloch, 2008). [14]

The volatility of commodity prices which enjoyed highs from 2003 to the middle of 2008 and have since been going down rapidly is a serious problem for many West African economies. The prices of mineral raw materials – oil, gas, metals, and certain plant produce such as coffee, cotton and timber - have declined, some by as much as 20% between 2008 and 2009. In Ghana, although cocoa and gold prices have generally held up in spite of a small decline from peak prices in 2008, export earnings have been affected by a drastic decline in timber (27%), horticultural products and shea-nut exports. Oil prices have been the most volatile, enjoying windfall earnings from extraordinary in 2008. The sharp decline in prices from the latter part of 2008 has created difficulties for the Nigerian economy which is oil dependent with 95% of its export revenue coming from crude petroleum exports. The decline, however, has brought a measure of relief to most West African economies, which are oil importers (West Africa

13 The IMF estimates a lower growth rate for sub-Saharan Africa at 3.25% as against earlier estimates of 5.25% (West Africa Observer, 2009).

14 Other statistics are even more dramatic. The decline of the market capitalisation of the Nigeria Stock Exchange has been put at 60% (a decrease from 12,600 billion naira to 4,520 billion naira) between March 2008 and March 2009. In January 2009 alone, investors lost 2,800 billion naira, with the result that NSE managers resigned. Other stock exchanges which have suffered decline are the Ghana stock exchange and the UEMOA (West African Economic and Monetary Union) Regional Stock Exchange in Abidjan (West Africa Observer, 2009, p. 6).

Observer, 2009; UNECA, 2009). In addition, the growth rates of exports have also fallen, thus compounding the decline in export revenues. The additions of debt servicing and high budget deficits are putting pressure on the balance of payments.

These create serious implications for the ability of countries to service debts and pay for imports. As well, they constitute a risk for the viability of domestic firms and banks, production and employment (UNECA, 2009). They are also affecting public expenditure on wages and social programmes (Bauer and Mahama, 2009; West Africa Observer, 2009). In order to reduce the deficit, Ghana has had to return to IMF tutelage and a regime of policy conditionalities that will affect its policy choices for addressing the crisis. The Nigerian government has cut its revised 2009 Budget in response to lower oil prices and this is expected to affect investments in education, electricity and infrastructure. Public revenue shortfalls have also been compounded by the collapse of share prices in Nigerian banks. Credit availability for private enterprises has reduced and is causing congestion in Nigerian ports and shortages of certain imported goods (UN, 2009; Barret, 2009).

FDI, especially in the mining sector, has not been dramatically affected. Contrary to world trends, in 2008 FDI increased to more than 60 billion US Dollars. However, most of it was in mining. Investment in Nigeria's offshore oil continues, and new agreements have been signed to exploit uranium in Niger and Iron ore in Liberia. Arab investments in infrastructure, telecommunications and the banking sectors in all the countries in the region, especially Senegal, Nigeria and Ghana are also continuing. And yet, several sovereign funds are intervening in their home countries to support declining stock exchanges amongst other things (West Africa Observer, 2009).

Remittances from abroad are particularly significant for Senegal, Nigeria, Sierra Leone and Togo, representing around 5% of their GDP in 2007. For Cape Verde, Liberia and the Gambia, remittances represent over 10% of GDP. Almost three quarters of remittances coming into West Africa are destined for Nigeria and another 1/12 going to Senegal. Therefore, it is these countries which would be most affected by the fall in remittances. Senegal, for example, is expected to lose 10% of its remittances (West Africa Observer, 2009). Anecdotal evidence and some statistics point to this. Countries such as Ghana, are also suffering. One money transfer business recorded an increase from US$4.8 million in January 2008 to $8 million in October 2008, and a then a decline to $6.8 million in January and $6 million in February 2009 (Ackah, 2009). According to Ghana's Central Bank governor, inward transfers - to non-governmental organisations, embassies, service providers, and to individuals through banks in the first quarter of 2009 - suffered a 7.3 percent decline compared to the same period in 2008. Remittances to households constitute on average 5% of their income in Ghana. The Ghana Living Standards Survey found that households receiving international remittances had the highest mean per capita expenditure and the lowest levels of poverty (Adams et al, 2008). Given the importance of remittances for a broad range of families - for the education of children, to supplement living expenses, and to make investments in housing and small businesses - the implications of reductions in remittances are serious.

Adverse impacts on pledged aid flows have not yet been noted. However, there are fears that compromises in disbursements and future commitments will be seen because ODA flows tend to reduce in times of crisis. Of the 23 African countries identified as highly vulnerable to reductions in ODA flows, a number are from the West Africa Region - Liberia, Sierra Leone and Guinea Bissau. These are countries whose net ODA flows between 2000 and 2007 averaged between 44.7% and 34.1% of their gross national income. Others are Mauritania, Cape Verde, Gambia, Niger, Mali, Burkina Faso and Ghana, for whom average net aid flows within the same period was between 16.5% and 11.6% (UNECA, 2009).

There are a number of ways in which women as distinct from men will be affected directly and indirectly by these transmitters of the global financial crisis. In the next section, we will discuss these impacts in two main areas-livelihoods and social development.

3. The Crisis and Women's Livelihoods in West Africa

One of the expected impacts of the crisis in Africa is the stagnation of employment growth, higher rates of unemployment and a further growth in informal work (UN, 2009). The expected employment squeeze will affect women more because of their skills and time deficits and longstanding discrimination in employment. According to the UNECA, it is expected that the crisis will affect employment as firms reduce production or close factories. Based on ILO estimates, the report argues that the unemployment rate in Africa will increase by 0.6%, relative to the 2008 rate of 7.9%. This represents an increase of 3 million in the numbers of unemployed. Unemployment rates have generally been higher for women and this pattern can be expected to remain the same.

The employment situation has implications for the carrying load and decent employment creation capacity of the already over-crowded informal economy. Typically, it is the survivalist sectors of the informal economy that grow in times of crises and it is in these spaces that women are predominantly located. As already mentioned, the crisis does not have uniform impacts across and within countries, and some groups are suffering more than others.
Given the volatility of commodity exports, households involved in the production of exports are likely to experience adverse impacts. In West Africa, this includes farmers involved in cocoa, palm oil, cotton and horticultural products such fruits and spices and those involved in the collection of shea nuts. As well, it involves households relying on incomes from workers in timber, mining and tourism. With the exception of shea, these sectors are controlled by male entrepreneurs and employees, who enjoy higher incomes and lower levels of poverty compared with other sectors. However, they are facing retrenchment and reductions in earnings. Their own households and others they remit to will be affected. Women growers of cotton, cocoa and other agricultural exports as independent farmers, who are a small minority, are more vulnerable to the adverse impacts of recession because they operate on a smaller scale, suffer more from production constraints such as land and labour, and therefore will be harder hit if commodity prices do not recover in the near future.

West Africa's shea nut collectors, processors and traders are in a class of their own. Apart from being predominantly women, they are often among the poorest in their communities. Shea is a quintessentially West African Sahelian tree that grows wild whose nuts are picked by women who either sell or process the nuts before sale to supplement their incomes. Shea grows in eighteen countries in a 5,000 kilometre expanse of guinea and sahel savannah woodland.[15] The major shea countries are also among the poorest in the world (Elias and Carney, 2007). Burkina Faso has the highest concentration of shea, covering about one quarter of its total land mass, and is West Africa's largest exporter, with its annual output estimated at 850,000 tonnes, with only 50,000 tonnes harvested a year (Harsch, 2001; Elias and Carney, 2007). Shea represents a substantial portion of some rural women's incomes. This income is seasonal, however,

15 In West Africa, these include Benin, Burkina Faso, Cote d'Ivoire, Guinea, Mali, Niger, Nigeria, Senegal, Ghana and Togo.

coinciding with the lean season between May and August. Shea helps to alleviate seasonal food insecurity.[16] While the West African market consumes most of the butter,[17] before the crisis, there was a growing export trade to Europe, where it was used in the chocolate and cosmetic industries. The dramatic reduction in shea prices on the international market is being felt within West Africa. Price declines in Ghana, are estimated at 50% to 75% and women have observed the absence of shea buying companies in their communities (Bauer and Mahama, 2009). The situation in Burkina Faso, Mali and in other shea areas of West Africa is likely to be even more serious. The shea situation has additional ramifications because of the poverty of the women, who do not have the traditional attributes of people involved in the cultivation of cash crops.

Among small-holder food farmers, women farmers are likely to face some of the most severe impacts of the crisis. Those women who work on household farms in return for maintenance are likely to see reductions in what support they receive. Theoretically, the hikes in food prices should benefit women farmers. However, farm gate prices have traditionally been below production costs because of the seasonal glut and the inability of farmers to store food until prices recover. A combination of urgent money needs, the rising costs of inputs and credit, the lack of adequate storage and the existence of alternative sources both within and across borders disables them.

Rural women are predominantly in charge of food processing and distribution, in addition to their farming and gathering activities. They either process their own and their husbands' produce, or purchase produce for processing. Food processing includes cassava processing into *garri* and *atieke*[18] in several parts of the region, particularly Nigeria, Benin, Ghana and la Cote d'Ivoire, and palm oil and copra processing in Nigeria, Ghana and la Cote d'Ivoire. The decline in international demand and prices of edible oils has negatively impacted women's earnings from processing. Women's work in the horticulture industry as labourers has also been impacted as the decline has affected the availability of work and wage levels.

Women's work in the urban informal economy consists mostly of trading and artisanal services, for example, sewing, hairdressing, and cloth dyeing. Although urban livelihoods have varied sources of incomes - self employment, petty trade, remittances and casual labour - women have had a much narrower range of economic activities than men. They are predominant in the survivalist segments of the informal economy and less well represented among the growth enterprises. Their location has translated into a low capital base, low incomes, and persistent livelihood insecurity (Tsikata, 2009). Their situation is likely to become even more precarious and insecure, hiding many cases of underemployment as the crisis deepens. This is because the loss of urban incomes is likely to affect demand for their goods and services, including food (Bauer and Mahama, 2009).

The deteriorating credit situation will make the situation of women in informal work even more difficult. Many women, who have had to rely on micro credit with all its limitations for supporting productive investments, could find these sources drying up as part of the downstream impacts of the credit squeeze.

16 A recent study in Ghana found that shea nut gathering and processing contributes a third of women's income in the shea areas. One estimate is that between 300,000 and 400,000 women in Burkina alone are involved in the production and trade of nuts (Harsch, 2001).

17 Shea is used mainly as edible oil, body and hair pomade, medicinal cream, and in the artisanal and industrial manufacture of soap, tanning and tobacco curing in the region. It also serves as fuel for light, can be applied to musical instruments, used to prepare corpses before burial and is used for both human and veterinary medicine because of it antibacterial properties and as a beauty aid to protect the skin from the dryness of the savannah climate (Chalfin, 2004)

18 Important staple foods in Nigeria, Benin, Togo, Ghana and la Cote d'Ivoire.

This is likely to affect traders, small service providers, artisans and farmers. In the short term, traders in Ghana appear to be more concerned about the high costs of goods, the collapse of consumer demand and the difficulties with recovering debt, than with credit (Bauer and Mahama, 2009).

High food and fuel prices are especially difficult for low-income households. The urban poor in some countries in the Region spend close to 70% of their incomes on food and this expenditure is now purchasing less than it did a year ago. Women's involvement in food production, distribution, procurement and cooking puts them in the frontline of suffering from rising food prices. It affects their incomes, their purchasing power and places on them the burden of working out coping strategies. Already, focus group discussions in Ghana have recorded a reduction in the quality and quantity of food consumed, whether it is an increase in carbohydrates and reduction in protein, or the eating of inferior grains and the reduction in the number of meals or the quantity of food served at each meal (Bauer and Mahama, 2009). Poor nutrition, even for only a year, is damaging for women in their reproductive years, particularly when pregnant or breastfeeding. It is also damaging for their children, whose poor health from bad nutrition places additional burdens on their mothers. It is expected that education, health and transport will be affected by food price increases (Bauer and Mahama, 2009).

Discussions on remittances in relation to the crisis tend to assume they are from nationals living abroad. However, remittances circulating within national borders are equally critical, particularly for poor households (WFP, 2009, Bauer and Mahama, 2009). Cuts in remittances to households are likely to deepen the consumption challenges, particularly of female-headed households.

The reduction in economic growth and government revenue has implications for the ability of to address key social policy obligations and this has trickle down effects on households and their members. Budgetary cuts in response to the crisis will affect education and health provision and this is likely to impact women's social development gains. Safety net programmes such as cash transfers, food for work, public works, health insurance and basic free education - although more needed than ever - are subject to cuts if the expected cuts in ODA occur. This is because most African countries rely on aid funded social protection programmes.

4. Looking to the Future: How to promote West Africa's recovery from the Crisis

Fundamental changes in the development model are required to tackle the impacts of the global crisis in ways that promote West Africa's development. The reinstatement of currently prohibited policy goals such as food security, decent employment creation and equity in income distribution is also required. Recovery demands policy sovereignty for governments in the West Africa Region. Thus far, however, policy responses to the crisis have been cautious and disappointing. Since the global crisis broke, African finance ministers have met only twice to discuss approaches to the crisis. Their resolutions, while useful in parts, have basically reaffirmed the neo-liberal economic model, which is heavily implicated in the current crisis. These resolutions include an insistence that economic liberalisation is the key to resolving the crisis and the endorsement of new instruments put in place by the International Financial Institutions (IFIs). Whilst calling for an agenda of economic diversification and regional integration, it is still to be implemented within a framework of prudent macro-economic policies and governments are to refrain from protectionist tendencies. These expressions are essentially code words for the maintenance of the neo-liberal development model.

West African countries are taking measures which differ from country to country and depend on the size of a country's foreign reserves and therefore the degree of its policy autonomy. The ability of non oil economies in Africa to adopt so-called counter cyclical measures and fiscal stimulus packages is very limited (UNECA, 2009, p. 8). Significant measures include: the injection of money CFA zone markets; interest rate cuts by Nigeria; recapitalisation of domestic banks (Mali); and fiscal stimulus packages in Cape Verde and Nigeria; fiscal restraint (Benin, Nigeria and Ghana); trade policy measures (Liberia and Mali); and domestic resource mobilisation (Burkina Faso, Cape Verde and Senegal) (UNECA, 2009).

Analysts have argued that reliance on market mechanisms to address this crisis would be a repetition of the policy mistakes of the 1980s. Instead, a mix of policies that combine government intervention and market mechanisms would be more useful (Ajakaiye, N'zue and Kulundu, 2008, p.16).

So far, the African finance ministers' resolutions and much of the analysis of the crisis have been silent on the impacts of the crisis on social groups already suffering from decades of policy neglect such as women. The starting point of efforts to tackle the crisis should be to protect and strengthen the livelihoods of the citizens of West Africa in ways that are sustainable, gender equitable and will promote the development of the sub-Region. In involves identifying which policies will help particular groups - food farmers, small-scale traders, small artisans and service providers and their employees - to maximise their productive activities, and increase the scale on which they operate to promote accumulation, growth and job creation.

European Union (EU) pressure on West African countries to sign the Economic Partnership Agreements (EPAs) represents a looming threat to African initiatives. Given the economic uncertainties created by the global crisis, it is not prudent for governments to enter into agreements that will constrict the space available to them to develop policies which are favourable for their recovery and long term development. African finance ministers have called for a moratorium on debt servicing and the removal of aid conditionalities that prevent innovative solutions to the crisis. This is an important call because the IFIs and bilateral donors have traditionally used debt and aid to leverage unpopular policies in Africa. The policy space promised to Africans whilst Europe and America focus on the global financial crisis is rapidly disappearing. Governments in Ghana, Nigeria and Burkina Faso, amongst others, are pursuing policies and austerity measures to reduce state spending under the tutelage of a resurgent IMF as chief doctor to countries suffering from the impacts of the crisis. This is paradoxical, given that the discussions in capitals of the North are about stimulus plans and astronomical bail-outs of companies accompanied by measures to cushion suffering families. While it may be that apart from Nigeria, few countries in West Africa have the reserves to bankroll a stimulus plan (Makombe, 2009), the present conjuncture is hardly the time for austerity budgets.

What is needed is a broad vision of economic restructuring which aims at achieving an agrarian transition resulting in mixed economies to replace the monocultures of the West Africa Region. Key to this would be the strengthening of the productive sectors and the creation of decent work, which is equitably distributed between rural and urban centres, across regions, and among different social groups, particularly between men and women. Overcoming labour market segregation is critical and a way to achieve this is through the recognition of the importance of reproductive activities.

Such a framework would form a good basis for some of the recommendations emerging from the literature on the crisis, which include public investment in infrastructure, food production, energy and social development and social sectors such as health and education (Seguino, 2008; McCulloch, 2008; Ajakaiye et al, 2008; United Nations, 2009; Makombe, 2009). West African countries should implement the commitment of African governments under the New Partnership for Africa's Development (NEPAD) to spend at least 10% of national budgets on agriculture and rural development. These investments aim to increase the outputs and productivity of food farmers, diversify export commodities and create a viable intra-West African market for goods and services. Particularly in agriculture, policies should privilege those segments of the economy where women predominate, as a correction of decades of costly policy neglect. In this sense, the potential of products such as shea should be recognised and supported with substantial investments, while guarding against take-over by trans-national corporations and male dominated national enterprises.

In addressing the impacts of the credit crisis, policies should target producers in the informal economy, particularly women. Financial sector reforms should ensure that small producers can access credit from formal institutions with a larger resource base so that loans can improve their productivity and scale of operations significantly. This should involve domestic resource mobilisation to increase government revenue and policy space for development as well as provide resources for private sector and local development.

Tackling labour force gender segmentation and providing support for the care economy should be a key priority on the economic reform agenda. Social security and protection reform should aim at universal coverage in order to remove the need for targeted instruments such as cash transfers in the long term. The global crisis should become an opportunity for the overhaul of economic and social policies.

States have an important role to play in economic development. Many analysts are writing about returning to the concept of the developmental state as part of the effort to correct the overdependence on market solutions. These market solutions, which have failed in pushing broad development goals, have actually contributed to deepening inequalities in income and development indicators. Policy choices must involve civic dialogue and the expansion of democratic spaces. So far, governments have not involved citizens in discussions about policy responses to the crisis. Instead, finance ministers and other policy technocrats have taken centre stage, creating conditions for superficial responses.

The cornerstone of all these efforts should be the promotion of regional integration with all its ramifications. Intra-regional trade should be a priority, for example. A regionally integrated, conflict-free and prosperous West Africa in which women producers and service providers can operate freely alongside men in a favourable policy environment which unleashes the productive potential of enterprises and promotes the creation of decent employment, income equity and social security for all is a legitimate vision, most especially in these troubled times.

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