

7 Reasons why Feminists Say **NO** to World Bank-IMF Neoliberalism



Who are **The World Bank** and **International Monetary Fund**?

The World Bank and the International Monetary Fund (IMF) were organised in 1944 purportedly to assist in post World War 2 reconstruction of Europe and in the 'development' of countries in Asia, Africa and Latin America.

Today IMF extends short-term loans to countries experiencing monetary exchange instability and balance of payments problems i.e. when a country fails to earn sufficient foreign currency—through exports or provision of services—to pay for its imports. In exchange for the loans, IMF imposes conditionalities consist of fiscal and monetary reforms (e.g. currency devaluation, expansion of domestic credits, and strict inflation targeting), taxation reforms (e.g. introduction of a value-added tax and other regressive taxes, tax holidays), land reforms (e.g. changes to law governing ownership of land by foreigners), reduction of government spending in public services or wage freeze. In other words, the IMF is like an international ministry of finance that sets financial policies for countries undergoing financial difficulties or adverse economic conditions.

The World Bank on the other hand is mandated to extend financial loans for longer term "reconstruction and development efforts". While the Bank's initial focus was on project lending such as financing of dams, now it includes other infrastructural projects, such as the construction of highways, telecommunications facilities, as well as social welfare projects, health and education sector. By the 1980s, the Bank also added structural adjustment programmes where it provides loans not just for projects but also for policies.

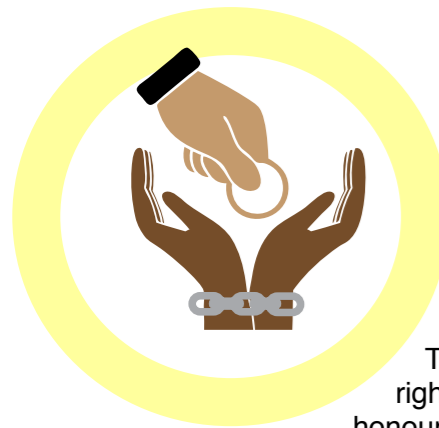
These two institutions are known collectively as the Bretton Woods Institutions (BWI). Together, the BWI imposes heavy debt servicing that have buried a number of countries in foreign debt, loan conditionalities based on what is termed the 'Washington Consensus', focusing on liberalisation—of trade, investment and the financial sector, deregulation and privatisation of state-owned industries and public services. They often ignore the political, social and economic impact these policies have on the population of countries, especially women who are farmers, migrants, workers, urban poor and indigenous, and take away resources for social protection and services.

The IMF version of "gender equality"

The IMF claims that it has advanced its work on gender issues in recent years through a number of policy analysis and research. They have core belief that gender equality can be promoted through integrating women into the workforce. The more women have access to labour market, the more the economic growth and benefits the country will receive. Consequently, it gives much emphasis on 'fixing' legal barriers that would prevent women from entering the markets such as ensuring that women have bank accounts to access financial services. IMF argues the more women become workers, entrepreneurs, business owners and have more seats in senior corporate positions, the more gender equality will be between men and women.

While it is crucial that women have equal access to markets and labour force as men, this approach of "female empowerment" is merely employing market-based solutions which IMF claims can reduce income inequality and strengthen economic resilience. However, having more women in the labour force in its current system that is founded on the basis of labour and resource exploitation, IMF's programmes will only result in more women becoming cheap, precarious and informal labour in the market.

How the World Bank and IMF undermine women's human rights



1 Market-based Solutions Not Human Rights-based Solutions

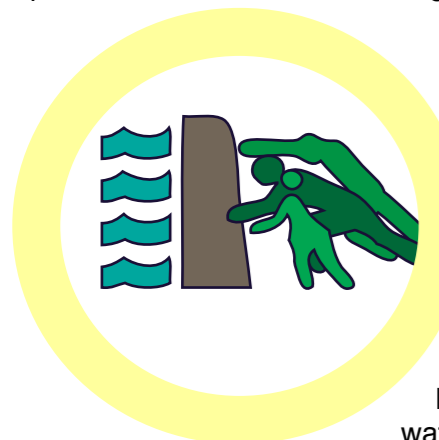
Both the World Bank and IMF continue pressing for increased reliance of purely-market based solutions, the neo-liberal philosophy that are characterised by privatisation, deregulation and trade liberalisation. These three policies feature strongly in the conditionalities imposed by the Bank and IMF on borrowing countries to advance a country's economic growth disregarding the boom and bust cycle of market and its impact on social costs. The Bank and IMF has always operated as if it was some sort of a "human rights-free zone" above international human rights law and only obligated to honour its charters and constitutions. There have been numerous studies and report showing that both the Bank and IMF ignore and violate human rights in many of its policies and practices.²

Human rights violations impact women differently because of deeply entrenched traditional patriarchal values. On one level women are not seen to have rights in the same ways as men. On another level when rights are withdrawn, these are often augmented by or falls heavily on the shoulders of women. A classic example of this is the privatization of public services such as healthcare; or redundancies in public sectors that result in women losing job at a higher rate of men. As major financial institutions, the World Bank and IMF need to be aware of the impact of their policies on human rights in general, how this worsens inequality with the disproportionate impact on women and other marginalised groups.



2 Corporate Interest Over And Above Human Rights

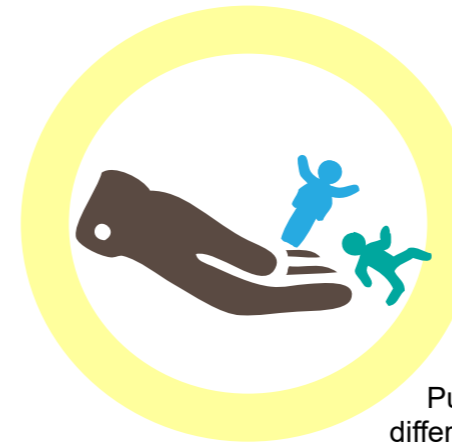
The World Bank is the home of the International Centre for Settlement of Investment Disputes (ICSID), an investment tribunal in which foreign corporations/investors can sue governments on the basis of trade and investment agreements - more commonly known as the Investor-State Dispute Settlement (ISDS). Though it is not the only investment tribunal that operates in the world, ICSID is one of the largest of its kind, with a membership of more than 160 countries. It carries out the administration of ISDS cases by maintaining its own pool of arbitrators, provides privileges and protects "corporate rights" to profit at the expense of human rights and undermine sovereign states' obligation to punish human rights perpetrators. ISDS has been used to challenge legitimate public policy and extract compensation from governments to protect human rights and the environment.³



3 Facilitating Land And Resource Grabbing

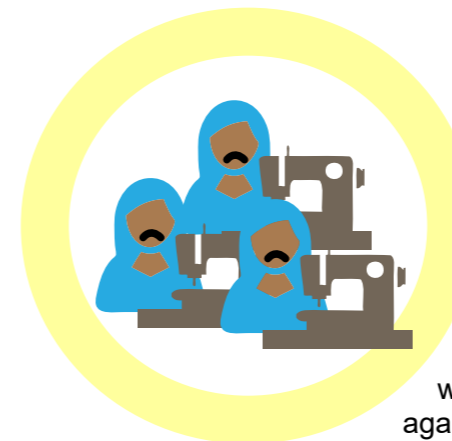
The World Bank has been found to be responsible for an estimated 3.4 million persons who have been physically or economically displaced by the projects it has funded.⁴ Women, particularly indigenous women, are gravely affected as their ancestral lands are subjected to land acquisition; and left to face with the major problems such as displacement, loss of livelihood and loss of other income. In fact, the Bank's own internal watchdog has found that forced displacement is one of the most common and intractable harms experienced by communities affected by World Bank projects, and

the Bank has repeatedly failed to conduct human rights impact assessments, nor properly plan resettlement or compensation to communities it has affected. Asia Pacific is storied with communities being displaced without their free, prior and informed consent by Bank funded project, from Cambodia, Indonesia, Myanmar, India to Pakistan in constructing dams, highways, airports, palm oil plantations and eco-tourism projects.



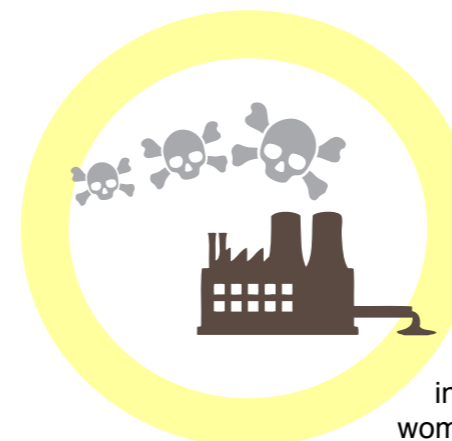
4 Privatising or Scaling Down on Public Services

Among the most common conditionality set by the IMF on borrowing countries has been the cutting government expenditures in the form of public sector employment, subsidies, and social services, or introducing user fees for those basic services. They also encourage public-private partnerships (PPPs) for essential infrastructures such as water service or electricity, sometimes with devastating effects.⁵ Public spending cuts adversely and disproportionately affect women in different ways. While it is true that given privatisation, everybody is denied this basic health service. But since unpaid care work is the primary role of women within a patriarchal system, women sacrifice their health needs and prioritise that of her family; and they do also take on the burden of caring for their sick and elderly family members. Cuts to social services also often intensify the demand for unpaid care work, which is disproportionately carried out by women and girls (notably in poor households). It significantly undermine women's women's economic and social rights in particular including access to these basic services while increasing women's unpaid care work.⁶



5 Race to the Bottom for Lower Labour Standards

The World Bank has been a champion for promoting deregulation and flexibilisation of labour. Employing its neoliberal worldview, the Bank views that unregulated labour market is a favorable factor for economic growth, and therefore advocates countries to do away with regulations providing workers with minimum wage, decent working conditions and protections against dismissal. Such recommendations have regularly appeared in its earlier editions of its annual Ease of Doing Business reports, and more recently in its draft World Development Report (WDR) 2019 where it recommends that companies no longer take responsibility for workers' social security and protection so that it can 'create' more jobs, contradicting its own WDR 2013 report that concluded labour regulation had no impact on employment level. Because of patriarchy, the majority of working women in the world are often concentrated in precarious, informal, unregulated and low-wage jobs such as domestic work, service sectors and the bottom end of the global value chain.⁷ Therefore women have often relied on government intervention through labour, fiscal and industrial rules and regulations to overcome this. For the Bank to suggest that governments make away with such policies and regulations, it is promoting a race to the bottom with women workers being at the bottom.



6 Financing Dirty Energy And Techno-fixes

The World Bank has declared that it intends to end coal financing by 2025 but it still continues to ally with neoliberal development agencies and governments to pitch for undemocratic, centralised, techno-centric climate solutions, even bypassing civil society engagement rules and safeguards. The Bank still finances false solutions such as "geothermal energy", "resilient infrastructure", "climate-smart agriculture" and carbon offsets that place women and marginalised persons in increased vulnerabilities and disaster-risks,

violating their fundamental right to life and livelihoods. Natural disasters — which are expected to become more severe as the world heats up — are more likely to kill women than men. Women and girls are also most likely to be responsible for gathering water and fuel for fires for their families which are becoming increasing harder as the climate changes.⁸ In every context, women are more vulnerable to the effects of climate change — primarily as they constitute the majority of the world's poor and are more dependent for their livelihood on natural resources that are threatened by climate change. Real climate actions instead require collective commitments to localised, fossil fuel free, feminist solutions that the Bank in its current approach discredits, disempowers and destroys.



7 Deepening Sovereign Debt Crisis

The impacts of sovereign debt on women's human rights are well known, especially through the diversion of resources in debtor countries from social services, and by the policy conditionalities frequently attached to international debt relief mechanisms.⁹ The most frequent reform measures that have been considered by governments under advice from the IMF in light of public debt are rationalisation of social safety net, health care system reforms, labour flexibilisation or a downsizing of the public sector. IMF and World Bank, as the primary creditor institutions, bear substantial responsibility for the social and economic impacts of deepening debt crisis when

it prescribes and designs structural adjustments and fiscal consolidation policies without any safeguards for human rights, let alone be sensitive to its gendered impacts. The Bank and IMF must be held responsible for undermining sovereign states' obligation on human rights, including the right to development of peoples.

Notes

1 Special Rapporteur on extreme poverty and human rights report A/70/274 to the General Assembly (August 2015).

2 The most notable of such report was the 2017 report of the Independent Expert on the promotion of a democratic and equitable international order two reports in 2017 on the World Bank (A/72/187) and the IMF (A/HRC/36/40) to the UN General Assembly and UN Human Rights Council respectively.

3 *Veolia Propreté v. Arab Republic of Egypt*, Minimum wage <http://investmentpolicyhub.unctad.org/ISDS/Details/458>
Chevron v. Ecuador, Amazonian oil pollution. http://www.italaw.com/sites/default/files/case-documents/ita0155_0.pdf

4 See the 10 year study between 2004 - 2013 by the International Consortium of Investigative Journalism (ICIJ) <https://www.icij.org/investigations/world-bank/explore-10-years-world-bank-resettlement-data/>

5 *The Economist*, "Water war in Bolivia", 10 February 2000. <https://www.economist.com/the-americas/2000/02/10/water-war-in-bolivia>

6 Report of the Independent Expert on the effects of foreign debt and other related international financial obligations of States on the full enjoyment of all human rights, particularly economic, social and cultural rights - Impact of economic reforms and austerity measures on women's human rights (A/73/179)

7 ILO News (2 May 2018) "More than 68 per cent of the employed population in Asia-Pacific are in the informal economy" http://www.ilo.org/asia/media-centre/news/WCMS_627585/lang--en/index.htm

8 http://www.un.org/womenwatch/feature/climate_change/downloads/Women_and_Climate_Change_Factsheet.pdf

9 See the Report of the Independent Expert on the effects of foreign debt and other related international financial obligations of States on the full enjoyment of all human rights, particularly economic, social and cultural rights - Impact of economic reforms and austerity measures on women's human rights (A/73/179)

The Asia Pacific Forum on Women, Law and Development is the region's leading network of feminist organisations. For 31 years we have been carrying out advocacy, activism and movement building to advance women's human rights and Development Justice.



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