

A decorative graphic consisting of a grid of dots in various shades of gray, with several dots highlighted in red. The dots are arranged in a way that suggests a world map or a network of connections.

Ending the »Crisis of Carelessness«

A Feminist and Southern Analysis of the Financial Crisis

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- We are in the midst of multiple crises that have brought to light a corrupted value system in which production and social reproduction are put at the service of the financial markets.
- Feminist movements for quite some time have been exposing the contradictions of the system, but their critiques have remained largely unheard by the mainstream – and even by some heterodox economists – which is unwilling to discuss the social norms and fundamental asymmetries that structure the global economic system.
- Today, still, reproductive care work, which is mostly carried out by women, is invisible in the mainstream view of economics. As a consequence of the financial crisis, this burden of care work on women's shoulders is even growing. The recognition of the centrality of »care« towards the functioning of the economy and society is at the core of a feminist alternative that aims at ending the »crisis of carelessness« by putting gender justice, sustainability and social needs above those of the financial markets.



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The financial crisis and its related crises – social, care, environmental, food – have unveiled the crisis of neoliberal globalisation. It is much like the tale¹ about a king who uses a suit that is »invisible for those that are stupid«. The king cannot see it nor can his ministers, but they all pretend so as not to look stupid themselves, until a child screams from the crowd: »The king is naked!«. The financial crisis has made it hard to continuing denying what has been obvious to social movements all along.

Much has been said about how the current crises can present an opportunity for achieving structural change. The analysis here is intended to contribute to this debate by discussing how deconstructing some old ideas and building upon some recent ones and other largely neglected older ideas is fundamental for consolidating a Southern and feminist alternative framework.

The financial crisis certainly means there is a more conducive environment for exposing systemic contradictions and bringing about change. Yet, this is not an easy task and it will only come about with countering the hegemonic forces and providing active resistance against attempts to maintain the status quo. Feminist resistance is fundamental in order to bring the care crisis to the multiple crises debate as well as making social reproduction a focus of concern, as it would otherwise be largely neglected.

Contradictions of Governance

The concept of global governance has no clear definition. It is commonly confused with the idea of »good governance« that was promoted by the World Bank and the IMF structural adjustment programmes as a set of neoliberal policies that would lead to an »efficient« economy.

Nevertheless, the fetish for the idea of efficiency has been used to depoliticise the debate and turn it away from the main political concerns that should be at the centre of the picture, such as structural inequalities, gender equality, women's empowerment, environmental debt, the right to development etc.

In a way, global governance is the realm where different global political forces (from states to multinational cor-

porations, international organisations and social movements) are at play in a movement that defines the paths of global politics. This »realm« is constituted by institutional and non-institutional spaces and by the intentional and unintentional actions taken by the diverse political actors and the consequences thereof.

For almost four decades, neoliberal globalisation has been the ideology that has framed global governance as well as created the breaches between promoters of and resistance forces to this hegemonic ideology. The counter-hegemonic movements – the social movements, including the »alterglobalisation« movement, that contest neoliberal globalisation and promote and push for an alternative to it that is socially just and environmentally sustainable – have denounced for decades how this hegemonic ideology has amplified class, gender, South-North (and within countries) inequalities and caused increasing environmental degradation. Furthermore, neoliberal globalisation has created greater obstacles to reversing the historical (financial, environmental, social and care) debts that the beneficiaries of these inequalities hold with the oppressed.

It is not possible to calculate the value of wealth and financial resources extracted from the South and directed to the North from centuries of colonisation and imperialist relations; nor is it possible to calculate the value of surplus obtained through the exploitation of workers in the capitalist system to create the wealth of the elites and ruling classes. Even more immensurable – due to the fact that no monetary value can be attributed to them – is the value of: the care debt due to gendered norms that assign care activities mostly to women through unpaid work; and the environmental debt due to natural resource overexploitation in the South, in the atmosphere and in the planet. The fact that natural resources and care activities are deliberately left invisible in the market gives the illusion that they are extra-economic and do not create value. However, ecological and social resources are fundamental for production and the social reproduction of the economy.

The promoters of the hegemonic ideology were, of course, those who benefited most from it. And they were profuse in arguing how this system would eventually promote overall wealth – not necessarily equally redistributed, but at least spread widely throughout the world.

1..From Hans Christian Andersen, *The Emperor's New Clothes*.

As we unfold the failed neoliberal ideology, which has framed global governance in recent decades, it becomes clear how this system is reproduced through diverse fundamentalist concepts.

On the one hand, market fundamentalism attempts to delegitimise critiques by framing these demands as utopian and naïveté while presenting their own ideas as truths for which there are no alternatives. It presents everything as a matter of technical understanding, thus depoliticising the debate: you either talk within the analytical framework of neoliberalism – where the market is an independent entity with a life of its own and data »speaks for itself«, as if the interests of those analysing the data were not determinant to the analysis – or you are clueless about how the world »really works«.

In this sense, feminist movements did their homework, exposing the contradictions of the system through highly sophisticated economic language. This critique remained largely unheard by the mainstream – and even by some heterodox economists – which was unwilling to listen to any arguments that discuss the social norms and fundamental asymmetries that structure the system.

Yet, from a feminist perspective, the financial crisis is a foretold tragedy: feminist movements and academics have for decades been analysing how structural adjustment programmes of international financial institutes have had a negative impact on women specifically. This is one of the most consistent denouncements of market fundamentalism in the core of the neoliberal international institutions. Ironically, the financial crisis in the world's most powerful economy presented neoliberal promoters as being the most clueless of all: How could they not predict or prevent something they so much professed to master?

In the quest to consolidate market fundamentalism, global economic integration and trade liberalisation were promoted as political tools to achieve development. Liberalisation was not exclusively for the trade in goods, such as in the case of export-oriented agricultural policies or NAMA (non-agricultural market access) policies. Liberalisation of financial and social services, government procurement and investment has also been central to the neoliberal development model. The dominant thinking was that economic integration per se was good for development and the free trade agreements

(through WTO or bilaterals) were negotiated under this fundamentalist discourse.

Besides, overproduction demands increased consumption, whether through expanding markets or the fetish of ever-growing consumerist desires. A minority consume a much wider share of the world's resources, while so many starve and lack basic services such as sanitation and water provisions. Women often suffer more as gender roles traditionally assign women to food security provision for the family. Furthermore, women's unpaid work in the household is likely to increase when basic services are not properly provided by the state or the market.

Environmental degradation is also part of the equation of overproduction and overconsumption, with climate disasters and the resulting humanitarian catastrophes becoming one of the most horrifying sides of this story. The dissemination of ever more complex financial instruments has created diverse financial assets with no link necessarily to the real economy. Financial market bubbles are the utmost fallacious aspect of the neoliberal market fundamentalism: financial resources are used to create more financial resources and not to serve production and social reproduction needs of societies. Market fundamentalism represents the obsession with the conservative and unsustainable idea that the logic of profit is self-legitimated.

After the financial crisis outbreak in 2008, it became rather difficult for conservative forces in economic think tanks and policymaking institutes to deny that the neoliberal economic and development model – long criticised by feminist and other social movements – is unsustainable and deeply flawed. It led to systemic instability and crisis, leaving developing countries even more vulnerable to crises emanating in the North; it threatened people's livelihoods, gender equality and women's empowerment, and environmental sustainability. In that sense, the financial crisis cannot be looked at separately from the multiple crises the world is facing – such as food, environmental, social and care – which are a result of this failed model.

For years, there has been broad criticism concerning the lack of legitimacy of the G8. This has been intensified by the G8's interrelation with neoliberal globalisation, denounced as a failed ideology and the platform of institu-

tional arrangements (from Bretton Woods institutions to the WTO) intrinsic to its promotion – or even imposition. At a time when the contradictions of these institutions and neoliberal globalisation are being exposed more than ever before, it is not hard to imagine the G8 appearing as a symbol of this failure and decadence. The expansion of the G8 to the G20 is thus an attempt to appear more adequate to the visible changes in global governance. These changes did not happen suddenly, though. They reflect a gradual change in the correlation of forces in recent decades with the growth of emergent countries' participation in the world economy.

At the same time, emergent economies have shown a growing tendency towards strategic discourse and foreign policy that is focussed on South-South alliances, partnerships and regional integration to establish their positioning in a globalised world. In this context, the reason for these gradual changes, which have only now begun to consolidate their entry into a private club, is not so hard to guess: create tensions within the oppressed in a system – especially by co-opting the strongest among them who would potentially create problems – and you have a good recipe for maintaining the status quo.

The expansion of the G20 is definitely symbolic of the changing times. Yet, a curious observer from the South cannot overlook an important matter: How included are we? What purpose does this »inclusion« serve?

G20 defenders claim that it is representative of most of the world's population and wealth, but the outsiders are not consulted, and the excluded countries have not in any way mandated the G20 countries to decide for them about future international financial coordination. In the June 2009 UN Conference on the World Financial and Economic Crisis and its Impact on Development, there was a broad-based boycott by G20 countries against attempts to bring the debate about a new financial architecture to the UN General Assembly – the only democratic institutional space in global governance today. Apart from its non-transparent, illegitimate and undemocratic format, what about G20 policy content? So far, commitments made have had at least one significant impact: they have brought the IMF back from the living dead. The G20 is an ad-hoc group with no constitution under international law, no legally binding policies, nor an executive institutional body of its own with enforcement capacity.

So far, the G20 has not come through in actually debating a new financial architecture. In this sense, the G20 is much less than it claims to be: we are not seeing a new Bretton Woods-like process put in place, but rather only political promises for cosmetic changes at the country level with little coordinated action at the global level. So far, attempts of coordinated action in some areas have either proven to be mistaken – such as reinforcing the IMF lending programmes – or frustrated, such as the talks on eliminating tax havens.

In such a context, there is critical need for alternatives and for a Bretton Woods-like process to discuss a new international financial architecture and a new system that goes well beyond the current G20 format and content.

The Need for Alternatives

As the global economic and financial crisis unfolded, different accounts of its causes and aspects were offered and debated. Although some of these accounts are somewhat hegemonic and although we cannot say that the different visions are so clearly delimited as outlined below, we may say that the richness of the debate is very much related to the renewed space for different ideas to be expressed away from the there-is-no-alternative-to-neoliberalism environment that has dominated academic and global governance circles in recent decades – even though we may say resistant voices were not at all quiet, with Seattle offering one of the high points of this overall debate.

On one hand, there are those that focus on the parallels with the Great Depression, arguing that the current crisis – which some call the Great Recession or the Great Credit Crisis² – has similar patterns to the 1930s crisis. In fact, when this narrative is offered, there is a tendency to reinforce the unique historical character of the current crisis and to look back in history for lessons in order to not make the same mistakes. Accordingly, there is a general sense that government's rapidity in taking countercyclical measures – a different approach than that taken during the Great Depression – might mean more optimistic prospects.

2. Miguel Almunia, Agustín S. Bénétrix, Barry Eichengreen, Kevin H O'Rourke and Gisela Rua, *From Great Depression to Great Credit Crisis: Similarities, Differences and Lessons*, 50th Economic Policy Panel Meeting (23-24.10.2009).

Concurrently, other accounts are based on the argument that this is one of the cyclical crises that are inherent to the capitalist system. While not denying the severity that makes the parallels with the Great Depression rather obvious, this sort of account tends to make connections with the dotcom crisis in 2001; the Asian, Russian, Argentinean, Mexican etc. crises in the 1990s; the 1970s crisis and so on, in order to criticise the logic of accumulation and concentration of capital as the basis of a system fated to fail sooner or later.

Much less common are arguments on the capacity of the market to self-regulate back to stable conditions if deregulation is maintained or even increased. Yet, this obsessive view is oddly implicit at least in one global governance arena: the WTO and its Doha Round, where there is insistence to further deregulate financial services under the General Agreement on Trade in Services (GATS). The most stunning hypocrisy associated with this idea is that free market obsession lasts while the financial market is profitable, with interests shared among very few conglomerate private entities. Once risks and losses abound, governments are welcome to intervene – but only momentarily – to socialise losses. Now that financial markets are showing signs of recovery, talk of financial regulation is losing terrain in global governance agenda all over again.

All of these interrelated views might differ due to different sets of data and types of methodology used in the analysis, but there is a missing element at the core of that difference: the underlying ideology of each account is crucial in order to analyse the extent and nature of the critique of the system, the expected role of the state in the economy and the needed responses. For instance, are we looking for ways of only managing a system that has cycles of crisis built into its structure? When we say the financial market should be at the service of the real economy, what does that mean? Is regulation enough? Or should a whole new system emerge, with a different production and development model in place?

No less than the last option should be at the core of the social movement agenda: a model that entails different capital-labour relations; the gendered division of labour is overcome so that social reproduction is more equally shared between and across the government, market, households and between women and men; an intrinsically sustainable relation with nature and its resources

that understands nature's recovery cycles, especially, but not limited to, the energy matrix of the production model and the need to put an end to unbridled consumerism; placing the financial resources to serve the production and social reproduction needs of societies; putting a stop to the perpetuation of centuries of exploitation based on an unjust international division of labour.

At a time when there is a growing diversity of views, ideological debate might be having a comeback, although the use of the word ideology remains a taboo. Despite the fact that the new and old labels are rarely expressed explicitly, ideological backgrounds might be read between the lines, yet drafted in a much more complex and diverse fashion than in the past.

In this context, the Left has a unique role to play. After an initial period when everyone seemed to be trying to understand how a crisis largely unforeseen by financial authorities and investors came about, we are now in a moment when the debate and struggle for »alternatives« seems to be the most important quest. Some activists evaluate that we might have missed the opportunity, that the crisis appears to have abated and governments' use of countercyclical policies might have been enough to surpass the critical times. However, this is not a consensual view. Paradigmatic changes always take an incalculable amount of time to consolidate, and their beginnings are always filled with broad scepticism about whether real change will come.

In any case, the progressive social movements have a much more favourable environment than they did one or two decades ago. Barely anyone would defend free market, deregulation and pure neoliberal rationale openly. Those who dominated the global economic governance agenda for over three decades have lost the arrogance to defend their old arguments together with having lost a part of their profits – in the case of financial investors – and have experienced a diminishment in their credibility of being capable to predict and prevent³ instability and bubbles at the very centre of the global economy.

3. Nevertheless, it is shocking that these very same international financial institutions that blamed »bad governance« for the crises in the 1980s and 1990s – while not even for a second considering the possibility of blaming the US government's behaviour now – are being called upon by the new self-appointed global economic governance authority – the G20 – to be part of the solution, which up until now has been insufficient.

In the case of the role of the Left – including progressive social movements – to provide alternatives, a brief comparison with 1929 leaves us in very different terrain. Eighty years ago, not all progressive forces were necessarily socialist and the socialist experiences that were actually lived⁴ in the decades after the Great Depression were not necessarily the point of reference they would like to have in place. However, the mere existence of an »alternative other« to capitalism made it evident that the capitalist system was not the only way of organising the economy and the society. No matter how much one rejected the existing »alternative other«, it was there and it meant alternative was possible. In that sense, even the widespread Keynesian post-War establishment in capitalist economies became the acceptable middle way, somewhat as a response to the fear of the Right in many countries that the »alternative other« existence elsewhere would become the rule or the sought experience by many.

Today, even though we have elements of what an alternative system should include, elements that are present in theoretical works and in social movements' agendas, there is no consistent alternative framework. Nor is there an actually lived »alternative other« experience anywhere, apart from some experiences in countries such as Bolivia, Ecuador and Venezuela, which are also subject to criticism, but nevertheless inspire progressive social movements since they are at least attempts of »real alternatives«.

The absence of a widely representative, actually lived »alternative other« might mean our task is now harder than it ever could have been in 1929. In this environment, countercyclical policies seem to be part of a very progressive agenda – and it is, when we consider the hegemonic thinking of the last decades – thus leaving less space for being more audacious to think beyond the common sense.

Besides, 80 years ago trade unions and political parties were critical in bringing tension to the system and promoting disruption. Nowadays, trade unions seem to be in »survival mode« and much weaker than in the past. On the other hand, no social movement has been able

to replace their historic strength and that absent political subject is fundamental.

Depicting the Southern Alternative

There is an overall feeling that Southern voices are missing from the debate about the crisis and for alternative frameworks. A South perspective has to entail a class and gender analysis in order to account for different sorts of oppression not easily defined by the North-South dichotomy. It has to be clear that it is this »South« we are talking about: the political space of the oppressed in terms of different constructs such as nation, class, gender and ethnicity, and thus transgressing the old dichotomy of developed versus developing countries.

The current crisis was not only felt later in the South, it was also felt differently. Southern countries' financial markets were on average not as integrated as those of the Northern countries. Therefore, the so-called toxic assets were not as widespread in the South as in the North. Southern financial markets were much more protected and safe.

Trade has been the main channel of transmission of the crisis to the South. The crisis was thus felt in the South as a consequence of the credit crunch in the North, which led to less demand for Southern countries' exports and for Southern countries' services. It also led to less foreign direct investment being directed to the South, less remittances from migrants in the North and decreases in official development assistance. We may say that the crisis impacted the South much more directly in the real economy, thus making the Southern experience different. That difference means Southern analysts feel uneasy with the common accounts offered for the crisis, usually coming from the North. That difference is also important to understand the limited criticism from the global Left up until now: there has been little consensus framework to start with across South and North.

One of the consequences of all this is that a South perspective sees the financial crisis through the lenses of the real economy and not through the lenses of the financial markets. It directly poses questions about the mode of production dependency on a financial market that has put profits ahead of the production and social reproduction needs of societies. It raises questions about the overproduction that this model encourages and the con-

4. The use of term »socialist experience actually lived« and not »socialist experience« serves to indicate that those experiences might not be necessarily representative of all socialist ideas that motivate movements to struggle for a socialist perspective.

sequent need for finding new frontiers for profit-making – in non-real economy, outer virtual spaces of financial transactions and inner biological spaces of the genetic code. Furthermore, the wealth super-accumulation intrinsic to this mode of production leads the few oligopolies to struggle to share the profits in the new frontiers, creating ever more virtual and unreal – in the sense of not been backed by reality – profits.

Another fundamental aspect that differentiates the Southern experience of the crisis is the idea that we have always been in crisis in the South. In this sense, the current crisis is more the rule than an exception to the Southern experience.

The appropriation of the Northern exception-like catastrophe scenario discourse in speaking about the crisis is hardly representative of the Southern reality and actually weakens the critique. It makes it look as if the always-present social crisis in the South is more a result of the exception catastrophe of the current financial crisis and not the permanent catastrophe the excluded in the South have to face on a daily basis.

This account presents the crisis as an antagonism to a »normal« scenario of stability and welfare, thus configuring like an exception period. In contrast, an always-present social crisis is the rule, not the exception, to huge segments of the populations in the South.

Therefore, a South perspective of the crisis has an intrinsic account of continuity rather than exception. Within this account, we are able to expose the contradictions of a system that is socially unjust, environmentally unsustainable and that is based in deep inequalities founded on nationality, class and gender. It is only by exposing these contradictions that we can move in the direction of overcoming the oppressed alienation of how this unjust system is highly dependent and reliant on the perpetuation of nation-, class- and gender-asymmetric relations.

The Centrality of »Care« to a Feminist Alternative

There is an overall agreement, at least among heterodox economists, that the artificial separation between the financial markets and the so-called real economy has set the context for a model that is conducive to the type of speculation that has led to the crisis.

But the current debates fail to account for another artificial separation that is at the core of this failed mode of production. When we ask ourselves »what is hidden?«, we find the fundamentally artificial separation between the market economy and social reproduction. This separation is at the heart of the current failed system but it is rarely, if ever, criticised.

This means, for example, that the current system and the analysis surrounding this system ignore the added value and the production value of unpaid care work and regard it as extra-economic. Thus, this model externalises the social and ecological costs from the markets to individuals (especially women), communities and the environment.⁵ Unpaid care work – mostly performed within households and at the community level – is not accounted for as a cost for production and as being necessary to the maintenance and regeneration of social resources, although, according to the UNDP Human Development Report 1995, the value of unpaid work equals about 16 trillion US dollars, adding another staggering 70 per cent to the 23 trillion US dollars of global output.

In fact, while the mainstream accounts for three market-oriented categories of economic activity (production, distribution and consumption), feminists expanded the analysis to a fourth category: resource maintenance.⁶

Not accounting for the fundamental importance of social reproduction to people's well-being allows the model to neglect its own unsustainability by placing special burdens on some individuals, women especially.

In times of crises, this aforementioned larger share of burdens that women carry increases. The costs of unemployment, deterioration of work conditions, trade contraction and decreasing public spending are directed to households. Women within households are hit especially hard as they will very often carry out additional unpaid work to fill the gaps in basic service provisions for example, and/or resort to informal work and/or migrate in order to survive. In this context, the crisis is likely to reinforce not only existing inequalities between and within countries but also gender inequalities.

5. Christa Wichterich, »Re-embedding the Economy in Social Relations and Sustainable Relations with Nature«, *WIDE*, March 2009.

6. Nelson and Goodwin as cited in Kristin Sampson, »A Feminist Political Economic Analysis of the U.S. Chicken Industry«, *Development*, December 2008 51(4): 547-554.

Although the resulting document of the UN Conference on the World Financial and Economic Crisis and its Impact on Development, held in June 2009, recognises in its preamble that the human costs of the crisis are greater for women and that »women also face greater income insecurity and increased burdens of family care« (para. 3), there follows no specific proposals on how to solve this problem or how to account for women's active role in responding to the crisis. It also does not recognise that this crisis is not only a financial crisis but also a systemic crisis of an economic and development model that, as said before, is based on overproduction and overconsumption patterns and that is structured with various asymmetries that allow it to continue existing. Gender inequalities are among these asymmetries.

In order to change the structural causes of women's specific burdens that are at the core of the failed model, responses must have a fundamental, long-term component that is directed to changing those gender norms. Care work within families and communities must not be viewed as a primarily female responsibility. It has to be taken

as the responsibility of the society. And that means public provision of basic services so that the costs of these basic activities for human well-being are shared by the whole of society, across states, markets and households. It also means that activities that families decide not to hand over to the state but to actually keep inside families and/or communities – such as part of children's education and food preparation – must be also equally shared between women and men.

If societies continue to deny the crucial importance of care for social and economic life, they will not be able to care properly for their citizens. The current system puts production and social reproduction at the service of the financial markets, making profits more important than the production and care needs of societies. Challenging this corrupted relationship and developing alternatives is a difficult and cumbersome task. However, in this regard, there hardly is an alternative if we do not want to continue in the careless way that has brought us the current multiple crises.



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