ANALYSIS

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THE IMF AND ITS GENDER STRATEGY: GOOD NEWS FOR WOMEN IN THE GLOBAL SOUTH?

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Contents

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INTRODUCTION: THE (VERY) BRIEF HISTORY OF GENDER MAINSTREAMING AT THE IMF

Although the issue has recently gained a more prominent place on the agenda of international financial institutions (IFIs), it is important to recognize that interest in addressing topics associated with gender inequality in the economy began several decades ago. In particular, the World Bank began to pay attention to the specific impact of development policies on women since at least the 1970s, becoming an even more visible issue after 1995, following the institution's "mission crisis" and the return to the goal of poverty eradication (Bedford 2009). Although the Bank considers that it has made "serious efforts and substantial progress" since the implementation of its first Gender Strategy in 2001 (World Bank 2015: 29), members of academia and civil society organizations have qualified these assessments, concluding that its approach has been partial —as it has not contributed to revising the orientation of the agency and the type of policies it promotes (Berik 2017)— and instrumental —since the value of gender equality is contingent to its supposed ability to contribute to economic growth (Chant 2012)—.

Box 1.
The economic argument in favor of women's empowerment

The idea that improving women's access to education, credit, goods and the labor market in general is "smart economics" (in that it will contribute to the growth of the economy and thus benefit society as a whole) is not new. In fact, this focus on "economic efficiency" resonates strongly with the origins of Women in Development studies in the 1970s. However, this framing —known as *gender equality as smart economics*— gained even more traction in 2007, when the World Bank placed it at the center of its gender strategy, thus making the goal of gender equality compatible with the Bank's own mission of driving economic growth (Bedford 2009). Since then, the approach has been increasingly used not only by international organizations, but also by the private sector.

Notions such as the systematic underutilization of talent (distributed, at least in principle, randomly among all people regardless of their sex) associated with the lower participation of women in the labor market (OECD 2012; McKinsey Global Institute 2015) or that the lack of gender diversity in managerial positions has a negative impact on the speed of innovation and technology adoption in the economy (Esteve-Volart 2004) can be framed under this lens. Likewise, other conclusions that emerge from this approach are that improving the situation of women will have a positive impact on the human capital stock of the next generation, as women tend to be more likely than men to invest in the welfare of their sons and daughters (Duflo 2003; 2012) and exhibit a greater preference for goods and services that contribute to the human capital of their sons and daughters (De Hoop *et al.* 2017).

Amaia Pérez Orozco, a feminist economist, places this approach under the stream of "gender economics" whose "priority political objective [...] is to achieve the elimination of visible and invisible barriers..." that prevent full access to all economic spheres (i.e. commercial: employment, credit, property, etc.). Special emphasis is placed on areas of power, such as top management or the liberal professions. There is a focus on markets and a priority attention to the upper echelons of these. Ultimately, the spheres hegemonically understood as the economic are deified and the full participation of women in them is demanded, without questioning, on the one hand, to what extent these markets are sustained by the processes that occur outside them, nor, on the other, their hierarchical and competitive nature" (2014: 43).

For its part, the International Monetary Fund (IMF) has only begun to make inroads into these issues in the last decade. Recognizing itself as a latecomer in this field, changes began to take place initially within the Fund itself. On the one hand, specific roles have been created within its institutional machinery, including that of Senior Gender Advisor, established in April 2021 and occupied since then by Ratna Sahay. On the other hand, in order to increase diversity within the institution, more women have been incorporated into leadership roles: in addition to the fact that the last two people to occupy the highest position in the institution (Managing Director) have been women (Christine Lagarde, from 2011 to 2019, and Kristalina Georgieva from 2019 to date), 34% of management positions and 40% of department heads are currently held by female employees (IMF 2022). However, the incorporation of women has not been equal at all levels. As Pamela Blackmon (2021) points out, during Lagarde's tenure, despite some positive changes with respect to gender diversity at the IMF, it is not possible to identify a univocal positive trend. Moreover, most of the new appointments were at the professional rather than managerial level, thus demonstrating that there is a glass ceiling in the institution, even when the highest authority is exercised by a woman.

Chronology.
Gender mainstreaming in the IMF, author's adaptation based on Bürgisser (2019)

FMI

2013
The IMF decides to begin exploring various topics related with, among others, social protection, climate change and gender.

2015
"Gender" is included as a structural dimension to be (at least potentially) taken into account by technical staff in the drafting of supervision reports.

2016
The analysis of 124 supervision reports revealed that more than one in five reviews that year included explicit gender analysis in it.

The IMF issued its first explicitly gender-based conditionality: it called on Jordan to increase women's participation in the labor force, including through publicly subsidized childcare.

2018
The IMF published an internal guide (a "How to" note) to orient its staff on gender issues, in particular in the area of supervision, but also with reference to its financial assistance activities.

2022
The IMF adopts its first strategy for gender mainstreaming.

Although the actions discussed above represented a starting point, the adoption of this strategy is a historic milestone in that it implies an explicit recognition not only of the link between gender gaps and the economy, but also of the implications this has for the IMF's work. Although it is still in the early stages of design, in general terms, the proposed strategy seeks to mainstream a gender approach in the institution's main activities: surveillance, lending and capacity development. However, this does not imply an expansion of the Fund's mandate, since issues related to gender inequality will only be taken into account to the extent that they are "macro-critical".

Box 2.
Speaking the same language as the IMF: What does "macro-critical" mean?

In general terms, an issue is considered "macro-critical" when it is crucial for the achievement of macroeconomic and financial stability. Given the difficulty in drawing clear boundaries between purely economic issues (generally contemplated under the IMF mandate) and social or political issues (broadly considered outside the IMF mandate), the concept appears as a resource to allow for the treatment of these issues without implying an explicit extension of the IMF mandate (Hackney 2020).

In addition to gender inequality, corruption and climate change have also been recognized as potentially macro-critical issues.

1

THE IMF'S GENDER STRATEGY: A CRITICAL VIEW FROM FEMINISMS

The news concerning a new IMF gender strategy was received with apprehension (Latindadd 2022) by activists and scholars in the field of feminist economics, given the history of disappointments accompanying previous announcements by international financial institutions about their interest in abandoning their more orthodox positions (Berik 2017; Oxfam 2017).

But what does the IMF's gender strategy say specifically? In this section we will review the main points that emerge from it, and we will also provide a brief analysis of these points from the feminist perspective.

MOTIVATION

The strategy begins by stating the reasons that led the institution to finally decide to include a gender perspective in its activities. According to this document:

> Reducing gender disparities in opportunities, outcomes, and decision-making roles raises economic growth and enhances macro-financial stability (…) Closing these gender gaps can also help lower income inequality and increase economic diversification, which in turn contribute to economic growth and macroeconomic resilience (IMF 2022: 6).

Thus, it is clear from the first paragraph that the IMF takes a position on gender equality and the importance of addressing it resonates with that of the "economic argument" discussed earlier (*see Box 1*). According to this view, reducing gender gaps is a valid objective insofar as it contributes to economic growth and stability.

Although the "gender equality as smart economics" approach enjoys some popularity in international financial institutions and within the private sector, feminist economists have identified several problematic dimensions. First, the framework has been strongly criticized for its instrumentalization of women and girls, as it reinforces the idea that they only deserve support as long as they can contribute to the economy (Elson and Rodríguez Enríquez 2021). Thus, the enjoyment of their human rights appears to be conditional on their participation in the market as entrepreneurs, workers or consumers.

In turn, this approach reproduces a hyper-simplified view of gender inequality and its causes, erroneously assuming that once the individual obstacles to women's "economic empowerment" are removed, women will be able to participate fully in the same political, social and economic spaces that systematically and structurally oppress them.

Finally, the idea of gender equality as smart economics implies a shifting of responsibilities on two levels. First, it presupposes that, as "policy conduits" (Molyneux 2006), women are capable of (and therefore responsible for) providing solutions to economic crises. Second, by ignoring the structural factors behind gender inequality, this approach pre-assumes that, once formal barriers are removed, women should be able to manage their own "economic empowerment" (Chant and Sweetman 2012).

POSITIONING THE IMF

We will discuss here what specific role the IMF can play in closing gender gaps and what kind of support it can provide to member countries through its main activities.

> The Fund can help its members address macro-critical gender gaps in the context of carrying out its core functions: surveillance, lending, and capacity development: (IMF 2022: 10)

- In *surveillance*, where gender gaps are judged to significantly influence present or prospective BOP [balance of payments] and domestic stability, these issues should be covered in Article IV Consultations. This assessment will need to be made on a case-by-case basis, reflecting country circumstances, and the coverage in surveillance will be limited to areas in which the IMF has expertise. Once their macro-criticality has been established, in addition to fiscal, monetary/exchange rate, and financial sector policies that have an impact on gender outcomes, bilateral surveillance discussions should also cover other policies related to narrowing gender gaps and promoting women's economic empowerment. (IMF 2022: 11)

Box 3.
Speaking the same language as the IMF: What does "macro-critical" mean?

Although the IMF's surveillance activities for member countries are ongoing, they usually include an annual meeting between IMF staff and representatives of each country at which the policies implemented and their economic and financial performance are discussed in a comprehensive manner. These meetings are usually referred to as "Article IV Consultations" because they are established by Article IV of the IMF's Articles of Agreement, adopted in 1944.

As explained above, the concept of "macro-criticality" allows the IMF to address issues that are typically outside its mandate as long as they are considered to have an impact on the macroeconomic or financial stability of the country under assessment. Thus, IMF surveillance activities could include an assessment of gender gaps, as well as the impact of different policies to the extent that these are "macro-critical". However, as Emma Bürgisser (2019) points out, existing guidance material to date "falls short of providing IMF staff with clear guidance on how to determine whether and which gender equality issues are macro-critical and where the boundaries of their mandate lie" (p. 5). The latter is particularly problematic, as the looseness of the concept opens the door to a discretionary use of the concept that may result in IMF staff overstepping its application and further increasing their relative power and scope of action.

- In *lending*, if narrowing gender gaps and supporting women's economic empowerment is considered by the IMF as critical to achieve the objectives of the relevant Fund-supported program or monitoring program implementation, then these issues can be addressed through program design and conditionality, to the extent that the measures are in the country's control. (IMF 2022: 11)

Already in its 2007 report, the IMF's Independent Evaluation Office had recommended reducing the number of structural conditionalities included in IMF programs (often referred to as "parsimony"). However, the 2018 update did not detect substantial improvements in this area (IEO 2018). Thus, the idea of adding gender conditionalities is a shift in the opposite direction from what is recommended (ActionAid *et al.* 2022).

In this context, it is not surprising that even Board members have raised concerns about including gender-related conditionalities at such early stages of strategy implementation (IMF 2022: 2). Moreover, the idea of incorporating gender-related conditionalities becomes even more problematic if one takes into account that the IMF has recognized itself as an actor that is just taking its first steps and training in this field.

Finally, and more structurally, conditionalities represent an advance on the political and economic sovereignty of member countries. Adding this term to the equation means paving the way for the IMF to impose its own vision of what gender equality is and how it should be achieved, potentially displacing treaty bodies with specific mandates in the area (such as the Convention on the Elimination of all Forms of Discrimination against Women, CEDAW) and even the demands of local women's movements (Bretton Woods Project 2022a).

- *Capacity development* (technical assistance and training) in areas of Fund *expertise* can also supportmembers in addressing gender gaps to improve member's macroeconomic outcomes and/or support economic and financial stability (IMF 2022: 11).

Lastly, the IMF mentions the possibility of providing technical assistance for capacity development at a national level. However, as the IMF itself recognizes that it is a latecomer in this field and that it still has a long way to go in terms of developing expertise in this area, it is not entirely clear what type of technical assistance it is prepared to provide. On the contrary, as a report by ActionAid International (2022) points out, the IMF should prioritize in its work assessing the impact of the very economic policies it promotes on gender equality rather than advising countries on what gender policies they should implement.

VISION

One of the central points of the IMF's gender strategy is the recognition that mainstreaming a gender perspective necessarily implies rethinking and transforming the way in which the organization carries out its activities.

> Mainstreaming gender therefore entails a shift in the mindset on how to conduct IMF core activities while remaining consistent with the institution's mandate. This approach envisisages integrating gender issues that are relevant for macroeconomic outcomes in exchange rate, monetary, fiscal, financial, and structural policy discussions with member countries. At the same time, staff policy advice must prioritize domestic and external stability. If recommended or implemented measures (for example, eliminating fuel subsidies, cutting other public expenditure, introducing a value-added tax) widen gender disparities or lead to other adverse distributional effects, a comprehensive policy package should include an assessment of the gender and distributional impacts of these policies and mitigation measures (such as social spending) targeting the most vulnerable. (IMF 2022: 13)

Thus, the first sentence of the paragraph is a promising insight into the issue in that it seems to move away from the typical "add women and stir" approaches that simplistically seek to incorporate women into analyses as one more variable without substantial consideration of how gendered structures operate in reality. Even more promising is the subsequent recognition that the very measures imposed by the IMF may have potential negative effects on gender gaps.

However, as the last part of the excerpt makes clear, the solution seems to fall back on the old formula of applying targeted social policies to counteract undesirable distributive impacts. On the other hand, macroeconomic policies are once again out of the question. As a report by ActionAid (2022) points out, this passage makes two central points clear. The first is that the objective of macroeconomic and financial "stability" overrides any interest in contributing to narrowing gender gaps. Second, although a "comprehensive policy package" is mentioned, it is emphasized that this should be focused on the most vulnerable groups.

This approach, far from being a step forward, is a step backward with respect to the more progressive recommendations included in the 2018 staff note on how to implement the gender approach in the IMF's work (ActionAid 2022) and a continuation of a strategy that Diane Elson and Nilufer Çagatay identified and problematized as early as 2000. According to these economists, the IMF and the World Bank were already at that time beginning to show greater interest and openness in discussing the social impact of economic policy, but not its social content. Under this paradigm, although the door is open to consider the application of social policies to counteract or alleviate the negative effects that certain economic measures may cause, there is no discussion possible on what are the appropriate macroeconomic policies. In view of the limitations of this approach, Elson and Çagatay point out that there are potentially transformative alternatives, but that their development requires the creation and/or support of spaces that foster social dialogue.

Thus, the vision articulated in the gender strategy exhibits difficult-to-solve structural problems that undermine and limit its ability to contribute to improving the situation of women in the Global South. This issue will be discussed in greater depth in the next section.

STRATEGY

The gender strategy is supported by four pillars: data and analytics, governance, external collaboration and resources.

- *Data and analytics:* The first pillar envisages creating a centralized data hub and deepening analytical and policy tools, building on the model-based work done in recent years, to enable staff to provide tailored and granular policy advice to countries. Dedicated staff would develop easy-to-apply templates, additional model-based tools, and macro-relevant databases in support of area department teams. Seminars and training would be offered to staff on the tools (IMF 2022: 16).

Although reference is made to the development of a set of tools for gender analytics, both the content of the strategy and the practical application in some specific reports (as in the case of Argentina, which will be discussed in depth in section 4) make it clear that the use of economic models in general (and DSGE models in particular) will play a central role. This approach brings with it problems on several fronts.

Box 4.
Speaking the same language as the IMF: What is a "DSGE model"?

An economic model is a simplified representation of the functioning of an economic process or phenomenon. Although the use of mathematical tools gives it an appearance of objectivity or neutrality, the process of creating an economic model is highly subjective, since it is the judgment of the person who designs it that determines which variables are included and which are left out, or which are the underlying assumptions, among other issues.

Dynamic stochastic general equilibrium models (also known as "DSGE models") are a specific type of macroeconomic model used to explain the evolution of economic variables, as well as to make projections:

- **General equilibrium:** simultaneously considers the interaction between the different markets, seeking to explain the overall functioning of the economy.
- **Dynamic:** takes into account the passing of time.
- **Estocástico:** contemplates the existence of random phenomena.

At the practical level, it is yet quite unclear how the IMF plans to ensure the necessary human and financial resources for the development and calibration of these models for all member countries, as recent experience shows that this is an intensive and demanding process. Similarly, there is also no path mapped out on how to address the lack of sex-disaggregated data (Bürgisser 2019).

At a theoretical-conceptual level, the very essence of economic models —which are necessarily a simplification of reality— raises questions about the implicit assumptions of the model, the decisions about which policies (or even which dimensions of these policies) will be evaluated or which variables will be taken into account to measure their results in terms of gender impact. As Diane Elson and Corina Rodríguez Enríquez point out, "Models based on neoliberal assumptions tend to support neoliberal policy recommendations" (2021: 299).

Moreover, the predictive capacity of DSGE models has been questioned by a large number of economists from different disciplinary areas and schools of thought. Feminist economists in particular have criticized, among other things, their omission of the social relations of power that condition and determine people's actions, which considerably affects their ability to explain reality and, even more, to predict future events. In the face of these limitations, there are alternatives, such as impact analyses based on micro information that make it possible to recognize from concrete evidence (and not from neoliberal theoretical assumptions) the variety of possible responses of people based on their different characteristics and those of the households in which they live (Elson and Rodríguez Enríquez 2021).

Finally, the opacity of this type of econometric models (due to their technical complexity, but also because they are often based on information that is not publicly available) makes it difficult or even impossible to evaluate them externally. Thus, issues of lack of transparency or deficits in the area of accountability can also be added to the list of potential problems.

Section 3 will return to this point by analyzing the case of Argentina in order to show concrete examples of these problems.

- *Governance:* The second pillar would set up a robust governance framework and internal organizational structure to ensure prioritization based on the level of macro-criticality of gender, evenhanded and consistent treatment of members, support to country teams, and accountability of departments. (IMF 2022: 16)

As mentioned above, the IMF has progressively increased its staff assigned to work on gender issues, reaching the equivalent of 18 full-time staff members in a total of 13 departments by fiscal year 2022 (IMF 2022). These efforts will be complemented by the creation of a specific unit to centralize this work within the institution.

It is striking that this area is not expected to be covered mainly by "gender experts" but by "fungible" (i.e., interchangeable) macroeconomists. Although the IMF shields this position behind a desire to "mainstream" the gender perspective (IMF 2022), at the same time it is ignoring the particular expertise of those working in this field and the need for this specific knowledge in the implementation of its strategy.

- *External collaboration:* The third pillar would strengthen collaboration and establish modalities of engagement with other international institutions to benefit from knowledge sharing and peer learning, leverage complementarities and maximize the impact on the ground. (IMF 2022: 16).

According to the strategy, there is ample scope for collaboration with external institutions on gender issues, taking advantage of the expertise and experience of those that have been working in the area for the longest time, and bringing in the particular view of the IMF and its focus on macroeconomics and financial stability. Although different types of organizations are mentioned, it is clear from the strategy that the main focus is on the World Bank, UN Women and regional development institutions. Much less clear is the planned articulation with sectors of civil society and academia, which so far has been scarce and inconsistent (ActionAid *et al.* 2022). In this regard, the voices of the communities that will potentially be most affected by this strategy (women in the countries of the Global South) are conspicuous by their absence.

- *Resources:* The fourth pillar foresees a central unit to realize economies of scale and avoid duplication of efforts across departments. A central mechanism would ensure efficient knowledge sharing and learning across departments. (IMF 2022: 16).

Under a slogan highly familiar to the IMF, the text points out that "limited resources increase the importance of maximizing efficiency and implementing the strategy at a moderate pace" (IMF 2022: 27). The allocation of sufficient resources was one of the central points raised by a civil society group in the consultation phase prior to the adoption of the gender strategy.

While it is expected that by fiscal year 2024 there will be a total of 24 people working full-time on gender issues (6 in the Gender and Inclusion unit and the rest distributed in various departments), Ratna Sahay herself acknowledged that although the Board of Directors increased allocations for these tasks, resources are still scarce (Bretton Woods Project 2022b).

2

THE ELEPHANT IN THE ROOM: CAN THE IMF CONTRIBUTE TO GENDER EQUALITY?

Beyond the specific criticisms that can be made of the proposed strategy (some of which were addressed in the previous section), the elephant in the room is the question of whether a gender perspective is compatible with the IMF's theory of change and the conditionalities derived from it. As early as 2018, a report by the UN Independent Expert on Debt and Human Rights compiled and systematized the abundant evidence collected over decades by feminist and human rights activists, scholars and academics on the impact of IFI-driven financial reforms on women (Bohoslavsky 2018).

This evidence overwhelmingly and unequivocally indicates that fiscal consolidation and structural adjustment policies disproportionately and negatively impact women through at least three channels, impeding the enjoyment of their human rights and exacerbating gender gaps. First, they have a negative impact on women as workers: in many countries women are overrepresented in public employment, particularly in sectors such as education and health, which tend to be those where budget cuts are most rapidly implemented. In turn, women tend to occupy the most precarious positions (temporary positions, informal contracts, etc.), which makes them more vulnerable in the event of a decrease in available funds. Secondly, because when the State reduces its participation in the provision of care, it is households (and ultimately women) who must cope with this situation, substantially increasing the burden of the unpaid work they carry out. Finally, women are also affected by austerity policies as users of public services. When funds earmarked, for example, for maternity, contraception or gender-based violence are cut, women suffer an effective reduction in their well-being (Bohoslavsky 2018).

However, despite the fact that the gender impacts of austerity policies have been precisely documented, evidence shows that these types of measures continue to be widely used within IMF financial assistance agreements (Van Waeyenberge *et al.* 2013; Ortiz and Cummins 2022). In this regard, a group of civil society organizations conducted a review of 267 country reports (January 2020 - April 2022) prepared by the IMF, and found that there is currently a significant range of austerity policies being implemented or considered by governments around the world (Ortiz and Cummins 2022). The following table compiles different types of policies that can be broadly considered within the austerity policy spectrum and illustrates the potential gender impacts.

Table 1.
IMF-driven economic policies and their gender impact

Type of policy (Ortiz and Cummins 2022)	Number of governments implementing or considering implementing policies (Ortiz and Cummins 2022)	Potential impacts on women
Targeting and rationalizing social protection	120	This type of measure tends to reorient (and limit) social policy towards the poorest segment of the population, thus excluding other vulnerable groups. This approach contrasts with the proposal for the implementation of universal social protection floors, which (as has been shown) are essential for closing gender gaps, especially in terms of access to health care and income security.
Cutting or capping the public sector wage bill	91	Globally, the public sector represents the main employer of women, especially in the education and health sectors. Thus, if public salaries are cut or capped, women will be directly affected as workers (Mukhtarova et al. 2021).
Eliminating or reducing subsidies	80	The elimination of subsidies, and the consequent increase in the cost of basic services, often has disproportionate effects on women in several ways. For example, a cut in energy subsidies leads in many households to opt to use alternative sources which implies higher unpaid workloads for women, in addition to potential risks to their health (Laan et al. 2017).
Privatization of public services / Reform of state-owned enterprises	79	The privatization of public services often entails a reduction in the corresponding benefits, which in many cases must be covered through the increase in unpaid work time performed by women and girls. For example, privatization of water and sanitation services can be detrimental to the expansion of piped networks when these are not profitable, negatively influencing the time that must be allocated to water collection tasks, an activity that is mostly performed by women and girls (PSI 2019).
Reforming pensions	74	Women not only live longer than men on average, but are also more likely to face situations of economic instability during old age, as a result of less consistent work trajectories throughout their adult lives. Reforms to pension schemes such as increasing the retirement age or minimum contribution periods and modifying the formulas used to calculate pensions downwardly, further increase the economic vulnerability of women in old age (Ortíz and Cummins 2022).

Type of policy	Number of governments implementing or considering implementing policies (Ortiz and Cummins 2022)	Potential impacts on women
Labor flexibilization reforms	60	Although policies framed under the umbrella of labor flexibilization contribute to making working conditions more precarious for all workers, there are specific channels that particularly affect women. In particular, they hinder the labor market insertion of working mothers as they contribute to the conceptualization of maternity as an additional cost for employers.
Reducing employers' social security contributions ("tax wedge")	47	Although the IMF tries to promote these measures through the expression "reduction of tax wedges", it is important to highlight that employers' social security contributions are part of workers' wages as they constitute income deferred over time. In line with the differentiated impacts of a reform of the pension scheme discussed previously, a reduction in employer contributions would be particularly detrimental for working women (Ortíz and Cummins 2022).
Cutting health expenditures	16	Cuts in health spending have a negative impact on women in three ways: as workers (since they make up 70% of the global workforce in the health sector), as the main caregivers in the home (since responsibility for health care is redirected to the home, where it is women who perform most of these tasks) and as users (since it is common for the provision of services used mainly by women, such as those related to contraception or maternal care, to be reduced or restricted).
Increasing consumption taxes / VAT on goods and services	86	Consumption taxes tend to be regressive in that they disproportionately affect lower-income people. Since women are over-represented in the poorest segments of the population, an increase in these types of taxes (particularly VAT) will hurt them the most.
Strengthening public-private partnerships (PPPs)	55	Several studies on PPPs across the Global South have demonstrated the negative impacts of these types of initiatives on women's social and economic rights. Among them, it is worth mentioning how the strengthening of PPPs has contributed to exacerbating the inequalities faced by women with respect to access to land and natural resources (DAWN Feminist 2021).
Fees/tariffs for public services	28	As with the elimination of subsidies, the introduction or increase in utility rates has a disproportionately negative impact on women, substantially increasing the cost of living and forcing low-income households to consider survival strategies. That women tend to operate as "poverty shock absorbers" is a trend reported in the literature. An example of this is the decrease in caloric consumption among mothers to preserve, as far as possible, the nutrition of their children.

Source: Author's adaptation of Ortiz and Cummins (2022).

Thus, it is clear that austerity policies —in all their forms— continue in full force within the activities carried out by the IMF and that they will have a disproportionate negative impact on women.

3

THE CASE OF ARGENTINA

Finally, questions also arise about how and in which cases these gender impact assessments will be carried out. In this regard, the Argentina case and the 2017 Article IV Consultations provide some clarification.

Box 5.
Argentina and the IMF, two old acquaintances

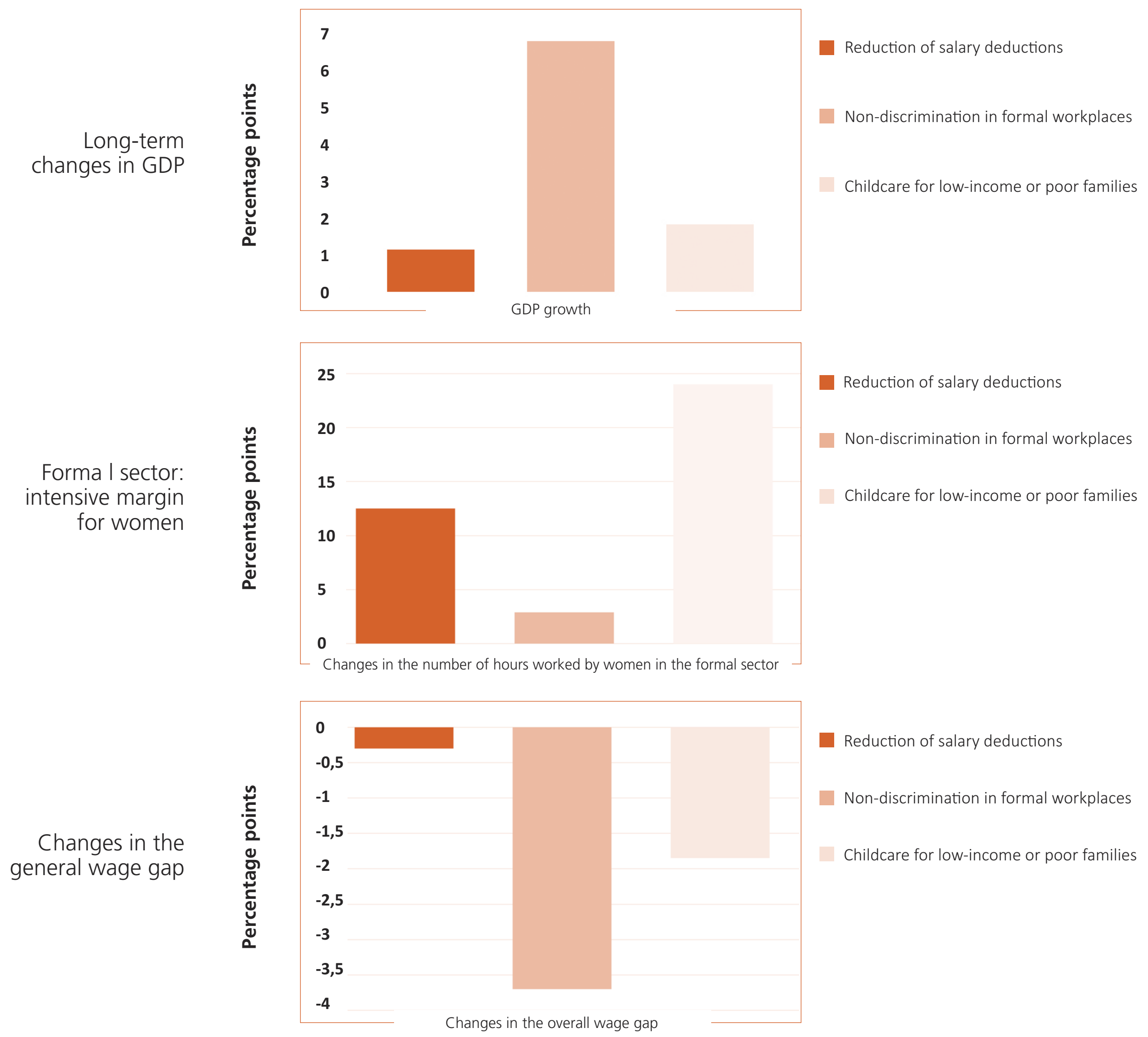
Argentina joined the IMF in 1956, beginning what would be a long-lasting, but no less problematic, relationship. Of the 65 years between then and 2021, Argentina spent a total of 41 years under IMF programs, making it the longest-serving middle-income country in this condition. Throughout this period, Argentina signed twenty-one strong conditionality agreements with the IMF (Brenta 2021).

In June 2018, in a context characterized by economic recession and exchange rate crisis, the IMF approved a new stand-by agreement with Argentina for an amount equivalent to USD 50 billion, which was quickly adjusted to 57 billion in October of the same year. This agreement was extraordinary not only because of its amount (since it was the largest disbursement of funds made by the IMF) but also because it far exceeded the limits established by the regulations for this type of arrangement (Rua 2021). As Magdalena Rua (2021) explains, under normal conditions the IMF expects to lend up to 435% of each country's contribution to this entity: the agreement with Argentina represented 1277% of its quota. Moreover, despite the possibility of accessing this type of agreement by exceptional means, Argentina did not comply with three of the four conditions required.

In March 2022, after several months of intense negotiations, the government of Argentina reached an agreement to refinance a large portion of the debt taken in 2018. The Extended Facilities Agreement giving access to the equivalent of US$45 billion contemplates a total of ten quarterly reviews to be carried out over a total span of 30 months (ME 2022).

On that occasion, IMF staff conducted a first test of the application of a dynamic stochastic general equilibrium (DSGE) model developed by the institution and calibrated specifically for Argentina (IMF 2017a). Through this model, the potential impacts on three variables (economic growth, income inequality and female participation in the formal labor force) of three macroeconomic measures were estimated: i) a reduction of the “tax wedge” on labor income (lowering social security contributions for both male and female employees and male and female employers to 10%); ii) measures that reduce discrimination against women in the formal sector (focused on the gender wage gap, and more specifically on the "unexplained" portion of the wage gap11); and (iii) a subsidy to childcare to low- and mid-income female workers. The application of the model found positive effects on the parameters indicated in the implementation of the three measures independently, highlighting the last one for its capacity to simultaneously promote economic growth and generate public income, while contributing to reduce income inequality (IMF 2017a). However, in the subsequent staff report the action that was chosen to highlight — although it was not the measure with the greatest impact on any of the three variables selected (see Graph 1)— it was the reduction in social security contributions, in line with the IMF's more general recommendation to make the labor market more flexible.

Graph 1.
How do these policies change GDP and the gender wage gap?



Source: IMF Country Report No. 17/410, p. 83.
https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwi2p9zizaH9AhWG7qQKHRlBDC4QFnoECAsQAQ&url=https%3A%2F%2Fwww.imf.org%2F~%2Fmedia%2FFiles%2FPublications%2FCR%2F2017%2Fcr17410.ashx&usg=AOvVaw1Bp-J7CHFlnYi81gUcf8Yy

1 This concept refers to the difference between men's and women's labor income that cannot be explained by observable labor market characteristics (such as the number of hours worked, seniority, economic sector, years of education, among others). The "unexplained" wage gap is often considered to give an approximate measure of the "discrimination" suffered by women. However, feminist economics renders this conclusion even more complex, since gender discrimination conditions women's labor market insertion in many other ways that are not captured by this indicator.

Beyond the criticisms that can be made of the over-reliance on DSGE models for determining gender impacts (as previously discussed), at least two additional problematic aspects emerge from this experience. The first relates to the limited view of gender impacts and their evaluation that emerges from the model. Part of the problem is the extremely narrow definition of gender equality, which appears to be equivalent to closing gaps in labor market participation and income. However, this problem is exacerbated by the partial analysis of the policy and its impacts. As shown in Table 1, employer contributions to social security are part of the wages of male and female workers insofar as they constitute income deferred over time, and their reduction would be particularly detrimental to women, since they experience higher levels of economic vulnerability in old age (Ortíz and Cummins 2022). None of these dimensions was addressed in the model or through a complementary analysis.

The second aspect to highlight is the discretionary nature of the application of the model. As pointed out in a report by the Bretton Woods Project, it is not clear why it was decided to apply the DSGE model to this group of policies and not to other recommendations in the same report, such as reducing public employment (Bürgisser 2019). Similarly, there was also no convincing explanation as to why, if the impacts of three different policies were evaluated, the report chose to recommend one that did not show the best performance.

Putting both elements together, Argentina's experience shows that the application of the DSGE model is carried out in a discretionary manner and does not seem to be aimed at choosing the best possible policy in redistributive terms, but rather at justifying the proposals defined ex ante by the IMF itself. Thus, the concern articulated by many feminists that what motivates the gender strategy is to confer legitimacy to the organization (Latindadd 2022) does not seem unfounded.

Box 6.
We want ourselves to be alive, free and free of debt

Considering the broad, diverse and important women's movement in Argentina and the relevance of the IMF in the country's economic history, it should come as no surprise that both dimensions have progressively converged, making indebtedness an increasingly central axis within feminist spaces.

In this context, Luci Cavallero and Verónica Gago (2020), members of the ”Ni Una Menos” movement, propose a *feminist reading* of the debt, which:

- *opposes the bodies and the concrete narratives of their functioning to financial abstraction;*
- *aims to detect how debt is linked to violence against women, lesbians, transgender people and transsexuals;*
- *maps and understands the forms of work from a feminist perspective, making domestic, reproductive and community work visible as spaces of valorization that finance sets out to exploit..*

Source: Cavallero y Gago 2020.

4

CLOSING REMARKS

Although it is too early to determine whether the introduction of the IMF's gender strategy will have a positive or negative impact on women, previous experiences of the IFIs' approach to gender issues together with the problematic initial implementation of the strategy (Argentina's case) paint a bleak picture. A global reflection that emerges from this analysis is that including a gender perspective without substantially altering the IMF's actions will not be enough to dismantle the structural and systemic barriers that shape gender relations in the economy and make it impossible for women to fully enjoy their human rights. Moreover, as has been explained, it is the IMF itself that has often contributed to the creation and maintenance of these same barriers, something that the organization does not seem to be entirely willing to review.

In this context, a number of central points emerge which, while not guaranteeing that the IMF's gender strategy has a truly feminist imprint, at least build the necessary foundations for a broader debate and prevent it from being a mere pinkwashing strategy (i.e. a simple facelift to give the appearance outwardly of being more inclusive). These points are:

- As a first step in the implementation of its gender strategy, the IMF should commit itself to carry out a comprehensive evaluation of its actions, reviewing the policies and measures it recommends (or forces) its member states to implement from a gender perspective. This evaluation should be carried out with tools developed from Feminist Economics that allow for an intersectional approach and should be applied to all policies and measures, not only to a discretionary selected segment. Finally, the IMF must show a real commitment to change its recommendations according to the results of these analyses, and not simply adapt them to justify proposals developed *a priori*.

- The IMF should avoid including gender issues as conditionalities in its lending. The IMF's role should be restricted to providing technical assistance only in cases where it is requested by member states, and then only once the organization develops its own *expertise* on the issue

- The IMF should recognize the specific expertise involved in incorporating a gender perspective into macroeconomic and financial policy, and hire staff with the appropriate training to carry out this task. At the same time, although the strategy of relying on other institutions with more experience in this area is reasonable, it is important to broaden and diversify this group in order to guarantee the existence of a multiplicity of perspectives. In particular, and in pursuit of an alternative perspective, it is important to include organizations and institutions from the Global South in this group.

- The spaces for consultation with civil society and the recommendations or observations that emerge from them must be taken seriously in the implementation of the gender strategy and not simply be used as a legitimization mechanism. To this end, it is also necessary to ensure broad and inclusive participation, prioritizing women's organizations from the Global South that wish to participate, as they represent the groups most affected by the gender strategy.

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THE IMF AND ITS GENDER STRATEGY:
GOOD NEWS FOR WOMEN IN THE GLOBAL SOUTH?

→ → →

In July, 2023, the Board of the International Monetary Fund (IMF) approved the first strategy for gender mainstreaming in the institution. In broad terms, it seeks to mainstream gender in its main activities: surveillance, lending and capacity development. Although the adoption of this strategy is a milestone and a step forward in the recognition of links between financial and macroeconomic policy and gender equality, the news was greeted with caution and even rejection by activists and scholars in the field of feminist economics. Beyond the specific criticisms that can be made against the proposed strategy, there is a big elephant in the room when we ask ourselves a question: "Is a gender perspective compatible with the Fund's theory of change and the conditions that derive from it?"

In particular, feminist economists have shown that the economic model and austerity measures promoted by the IMF have a disproportionate and negative impact on women.

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