

Africa's Debt Crisis and Pan-African Feminist Perspectives

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Outline/Focus

Overview of Debt in Africa

Feminist political issues

Debt Crisis is a Feminist issue

Big questions towards
alternative solutions



Overview on Debt in Africa (1)



- **Global Economic and Financial design & governance-** Illicit Financial Flows , unfavorable terms and conditions for trade, and for borrowing leads to the need for continuous borrowing and unsustainable debt
- **Cost of borrowing** is unjustifiably higher for Africa than all other regions due to perceived risks reflected by /global credit rating institutions despite data showing that default rates are lower in Africa than in other parts of the world.
- **Interest rate on debt is at its highest:** Africa will pay out USD163 billion to service debt in 2024 up sharply from USD 61 billion in 2010
- **Beyond Sovereign Debt:** Bilateral debt now represents 27% Vs 52% in 2000 whereas commercial debt accounts for 43% of total debt up from 20% in 2000.



Overview on Debt in Africa (2)

- **Policy environment** : Securing and payment of debt typically comes with various macroeconomic policy conditions from creditors to borrowers commonly including measures pushing governments to reduce expenditures in critical social investments and public services (see Observer Spring 2018). Such measures often include cuts to social protection, healthcare, and care services and infrastructure)
- **Lack of transparency on Debt** : There is often missing or sparse information about government debt. For example, the London branches of Credit Suisse and VTB Capital gave \$2 billion to state-owned companies in Mozambique in 2013. Most of the loans were secret, and only came to light in 2016. None of the loans were authorized by the Mozambique parliament.

Feminist framing on debt

- **Systems of oppression** – capitalism, racism & white supremacy work together with patriarchy to design and uphold unequal global economic and financial system
- **Power imbalances** between the Global North and the Global South –or the colonizers and the colonized – inserting dominance and control for benefits of a few
- This system is **gender exploitative by design – systematic undervaluing of social reproductive work (public & domestic e.g an Engineer Vs a teacher)**
- The divide between the **Productive and Social reproductive work**
- **Assumptions based on gender roles-** men as breadwinners , women as homemakers/nurturers
- **GDP** as a measure of success

Debt Crisis is a feminist issue (1)

- Negative implications of Debt conditionalities and repayments **fuel existing gender inequalities**
- Research shows that between 2014 -2018, **government expenditures on public services dropped by 15% in Sub-Saharan Africa**
- **25 African countries spend more on debt repayment than on education**
- **34 African countries spend more on external debt servicing than on healthcare and /or education**
- **Reduction of expenditures in public services and infrastructure** has a disproportionate impact on women who are the majority of users of these services and disproportionately work in these sectors due to existing inequalities that determine gender roles and responsibilities, while undervaluing their contribution.



Debt Crisis is a feminist issue (2)

- **Austerity measures** : Research shows that for example, IMF programmes in 2016 and 2017 have predominantly pushed for austerity in 23 out of 26 borrowing countries. Government expenditure is subsequently cut in areas such as education, health services, sexual and reproductive health and rights and care
- **The gendered Impact of Debt conditionalities on Care** (paid and unpaid) and its intersectionality nature : When cuts are made in healthcare, it is women who take care of the sick, and it is especially women in lower income categories that do so. When cuts are made in education.



Debt Crisis is a feminist issue (3)

- **Labour rights-** public service sector wage bill-retrenching affects women more- women are often employed in less secure jobs.
- **Regressive Tax policies:** Condition and pressure for governments to raise revenues often lead to increasing indirect taxes such as VAT even on essential goods and services affects women more disproportionately. E. G in Kenya – taxes on sanitary pads, in Ghana VAT exemption on fuel removed
- **Increased cost of living** affects low-income households overrepresented by women more. For example, in Ghana low income household were found to spend more than half of their income on food.
- **PPPs:** Extractivism on Women's bodies and life





Feminist Alternatives to build upon

System Change-Dismantling and rebuilding a new Economic and financial system- that centers wellbeing, human rights and social justice where all voices matter

Social Organisation of Care work must be integral to a new system

Decolonization approach- debt cancellation through reparation. Unconditioned financial contribution to replace ODA

The role of the State- to mobilize maximum available resources and provide quality, accessible and gender responsive public services and infrastructure

Meaningful participation and voices of diverse feminists and their Organisations in shaping the future.

