Feminist Economics, 2013
Vol. 19, No. 3, 4–31, http://dx.doi.org/10.1080/13545701.2013.806990

Critical Perspectives on Financial and Economic Crises: Heterodox Macroeconomics Meets Feminist Economics

Sakiko Fukuda-Parr, James Heintz, and Stephanie Seguino[1]

ABSTRACT

This contribution brings together various strands of analysis about the causes, consequences, and policy ramifications of economic crises, with a specific focus on distributional dynamics. It aims to facilitate a conversation between macroeconomic theorists of crises and instability and feminist economists and scholars of intergroup inequality. Macroeconomic analyses of the Great Recession have centered on the causal role of financial deregulation, capital flow imbalances, and growth of income and wealth inequality. That work tends to be divorced from research that analyzes broader distributional impacts, prior to the crisis and subsequently, transmitted through economic channels and government responses. This study's framework emphasizes the role of stratification along multiple trajectories – race, class, and gender – in contributing to economic crises and in shaping their distributional dynamics. The study underscores the long-run effects of the 2008 crisis on well-being, highlighted in feminist economists' research on social reproduction and often missed in the macroeconomics literature.

KEYWORDS

Stratification, financialization, macroeconomics, crisis

JEL Codes: Z13, B54, E44

INTRODUCTION: THE UNHAPPY COLLISION OF ECONOMIC CRISIS AND INEQUALITY

Periodic crisis is a feature of capitalist economies, long noted by Marx, Keynes, Minsky, Kindleberger, and a plethora of heterodox economists. So, too, is the reproduction of intergroup inequality, whether by race, gender, or class. The large number of economic crises over the past several decades – originating in both developed and developing countries – has weighed more heavily on economically and socially subordinate groups. But increased inequality is not only an effect of economic crisis. At the most basic level, economic inequality is a structural vulnerability that can itself lead to financial crisis.

Some observers have gone so far as to suggest that gender inequality is at the root of the 2008 global economic crisis (Elisabeth Prügl 2012). France's then Finance Minister, Christine Lagarde (2010), for example, claimed that had the Lehman Brothers been the Lehman Sisters, financial managers would likely have exhibited a greater sense of responsibility and pragmatism. Others, such as Scott E. Page (2007), have argued more generally that homogenous organizations that lack intellectual, ethnic, and gender diversity perform more poorly than more heterogeneous organizations. Inequality as evidenced by homogeneity, Page argues, limits the breadth of ideas and perspectives and, as a result, hampers the quality of decision making.

The various strands of crisis theory, and their relationship to distributional dynamics, have not yet come together to form a unified whole. In part that is because assessments of the distributional effects of the crisis are fragmented. Most heterodox macroeconomic studies examine income and employment effects while feminist studies not only disaggregate these effects by gender, but also frame the issues in a broader conception of well-being and nonmarket dimensions of the economy. Another reason is that assessments differ in the degree to which they encompass a framework that identifies the structural factors that lead to the crisis in the first place. Moreover, there is often a weak understanding of the role of different forms of inequality as a causal factor in creating conditions of fragility that are conducive to crises. Heterodox macroeconomists and those concerned with intergroup inequality therefore have a lot to learn from each other in providing a deeper analysis of economic crises.

In this introduction, we do not provide a synopsis of the contents of the studies making up the special issue, but rather take a different approach. The primary goal of this introduction is to sketch a framework for bringing together the various strands of analysis about the causes, consequences, and policy ramifications of economic and financial crises, with a specific focus on distributional dynamics. Specifically, the framework presented here aims to facilitate a conversation between macroeconomic theorists of crises and instability, on the one hand, and feminist economists and scholars of intergroup inequality, on the other. The studies in this volume elaborate on various aspects of these themes. Our goal here is to show how these threads are intertwined. By bringing these avenues of scholarship under one roof, we wish to generate the intellectual cross-fertilization that can yield a more robust analysis of crises, with an ability to highlight multiple forms of inequality and not only short-run but also longer-run impacts.

This contribution begins with a review of explanations of the 2008 crisis coming primarily from heterodox and structuralist macroeconomics, including the relationships between inequality and economic crises, Hyman Minsky's financial fragility hypothesis, and the role of global imbalances. Building on the idea that much of the analysis of economic crisis remains too narrowly focused, this study also examines how an alternative normative framework, one rooted in the capabilities approach, affects our interpretation of and response to crises. We then ask the question: what is the value-added of feminist economics to the analysis of financial and economic crises? We highlight the important contributions of stratification economics and gender analysis in enriching our understanding of economic crises. One of the contributions of feminist thinking has been to identify aspects of the economy that profoundly affect well-being, but that are ignored by most macroeconomic analysis, such as unpaid care work.

HETERODOX MACROECONOMICS: WHAT DO THE THEORIES SAY ABOUT CRISIS?

Two key trends in the developed world form the backdrop of the 2008 global financial crisis.[2] The first is the growth of household income and wealth inequality, and the second is the process of financialization. We discuss these two trends in turn, and link them to the emergence of global imbalances involving the high-income countries of the Global North and increasingly influential players from the Global South. Since the proximate causes of this crisis could be found within the United States economy and financial markets, much of the following discussion centers on the US. However, a similar analysis can be applied to crisis situations in other countries and at other points in time, with the details varying with the circumstances.

Expanding inequalities

The growth of household income inequality within and between countries has been evident since the 1970s, coinciding with the onset of the most recent period of trade, financial, and investment deregulation. These trends can be linked to an asymmetric relationship between owners of productive capital and institutions controlling financial assets, on the one hand, and workers and governments, on the other. The unevenness of power emerges because more mobile resources – fixed and financial capital – have a global range of options for production and investment and, as a result greater bargaining power than labor and governments. These unequal power dynamics have contributed to greater inequality and provide one explanation for the rising Gini coefficient within a number of countries (including the US) as well as between countries.[3]

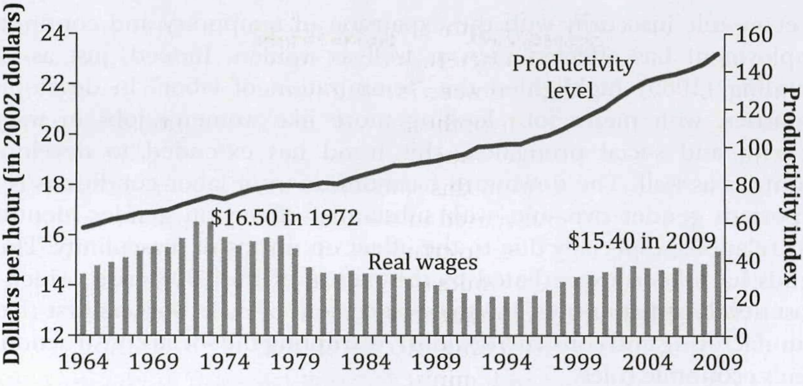

Figure 1 Average real wages of production workers and productivity in the US, 1964–2009
Source: Bureau of Labor Statistics (2013).

Focusing on the tails of the distribution of household income, José Gabriel Palma (2011) argues that country-level Gini coefficients fail to capture what really matters, the income shares of the rich. Using an international dataset, he finds that the share of the middle is relatively stable from 1947 to 2007, and that redistribution is primarily to the top 10 percent from the bottom 40 percent. The latter group, Palma argues, lacks the bargaining power to claim its fair share of the economic pie, even as productivity has risen. Figure 1 provides a stark example of this for the US, with real wages falling as productivity has risen since 1974. Palma's findings are consistent with studies showing a rising profit share of income, and in particular, rentier income, in countries at varying stages of development (Philip Arestis and Elias Karakitsos 2011; International Labour Organization 2011).

These regressive distributional shifts stand in contrast to the post-war period of wage-led growth in industrialized countries of the Global North – the so-called "Golden Age of Capitalism" from 1945 to 1973. Over that time, wages rose along with GDP, and firms reinvested their profits to expand output to meet rising demand. This created a virtuous cycle of low unemployment, rising wages, increased demand, and profitable new investment opportunities. However, the golden age was far less golden when we consider distributional outcomes along other dimensions, such as gender, race, and ethnicity (Robert B. Reich 2008). For instance, the US economy typified the golden age, yet in the 1950s and 1960s economic opportunities available to women were sharply curtailed, and inequalities based on race were extreme, relative to what they are today.

Beginning in the 1970s, firms have experienced greater bargaining power vis-à-vis workers, resulting in downward pressure on real wages. The rise in economic insecurity with the expansion of temporary and contingent employment has affected men as well as women. Indeed, just as Guy Standing (1989) highlighted the "feminization of labor" in developing countries, with men's jobs looking more like women's jobs in wages, security, and social protection, this trend has extended to developed countries as well. The downward harmonization of labor conditions is an important gender dynamic, with substantial effects on gender identities and relations, especially due to the effect on norms of masculinity. These trends have been exacerbated by the nature of the 2008 crisis, which in most developed countries, led to displacement of male workers first (from manufacturing and construction jobs), disrupting the social construction of men's economic roles.

The changes in employment and labor markets we have noted were accompanied by growing financialization of these economies. Financialization can be defined as the increase in the quantity, velocity, and complexity of financial transactions in the global economy; the expansion of financial motives in the operations of the economy; and the expanded role and power of financial interests. Opportunities to realize short-run returns through financial investments have trumped investments in fixed capital that allow firms to expand output in the medium to long run. Moreover, increased risk has accompanied the process of globalization. This is due to volatility in exchange rates and financial markets resulting from financial liberalization, making physical investment in new factories and equipment less attractive (Engelbert Stockhammer 2010).

Financialization has triggered a shift toward short-termism in the productive sector accompanied by corporate strategies to maximize shareholder value. In particular, corporate strategies have shifted from "retain and reinvest" (that is, retain profits) to "downsize and distribute" (William Lazonick and Mary O'Sullivan 2000: 18). The leveraged buyout and hostile takeover strategies of the 1980s reflected mergers and acquisitions that were pursued because of short-term financial incentives rather than long-run concerns over efficiency. Share buybacks, whereby firms repurchase some shares from existing shareholders to raise asset prices in the short run, have been one use of excess cash that firms decline to employ in expanding output and bolstering long-run profits from productive activity.

During periods of high liquidity, in which credit and financial resources are readily available, financial markets become flush with funds as investors seek out new profit opportunities. The resulting inflow of funds to the financial sector in some ways led to a situation akin to that of the big banks during the decade of the OPEC oil crisis. It will be recalled that the dramatic increase of oil prices in the mid 1970s left major banks awash with cash ("petro dollars"), which they then were propelled to lend to developing countries. The banks' tactics in lending petro dollars led them to be labeled "loan pushers" by some, reflecting the pressure they applied to sovereign governments to borrow and their willingness to lend to authoritarian leaders whose track record for effectively using loan funds was at best doubtful (William Darity, Jr. and Bobbie L. Horn 1988).

In the current period, financialization of industrialized economies, which led to a surfeit of loanable funds in the hands of financial institutions, enticed banks and other financial institutions to develop exotic loans at teaser rates and other financial instruments to expand lending into the housing sector. As Tayyab Mahmud (2012) notes, relations between capital and wage labor are increasingly financialized with the expansion of interest-paying financial transactions embedded more extensively and deeply in developed economies. This allowed financially strapped households to sustain consumption levels for a time.[4] But without the prospect of improved incomes for those at the bottom and middle, the inevitable result was unsustainable leveraging (Michael Kumhof and Romain Rancière 2010; Raghuram G. Rajan 2010).

Analysts have noted that many of the so-called subprime loans were "predatory" (a term that refers to loans made under unfair, deceptive, or fraudulent conditions in the loan origination process), targeted to people of color and single female heads of households (Gary Dymski, Jesus Hernandez, and Lisa Mohanty 2013; this volume). The rise of predatory lending meant that groups previously excluded from credit markets, on the basis of race and/or gender, were increasingly included, but on unfavorable terms (James Heintz and Radhika Balakrishnan 2012). Indeed, what we observe in this period is a process of reverse redlining: rather than the exclusion of people of color from lending, they were the targeted borrowers.

These were the very same households that were struggling to cope with declining economic conditions of low or falling real wages, higher healthcare and education costs, an increasingly weak social safety net, and reductions in employer contributions to pension plans. For example, while women's average earnings have increased more than men's since the 1990s in the US, single-mother households (a growing share of all households) have not fared so well. Rising poverty rates in all racial groups of women-headed households with children under 18 have been registered since the early 2000s, standing at 40.9 percent by 2011. Similar trends are in evidence for blacks and Hispanics, whose poverty rates by 2011 stood at 24.2 and 22.9 percent, respectively (US Census Bureau 2012).

If, however, we consider gender trends in the US without reference to race or household structure, women's wages have risen, but the median male worker experienced a decline in earnings of roughly 28 percent between 1970 and 2011 (Adam Looney and Michael Greenstone 2012). Ajit Zacharias and Melissa Mahoney (2009) confirm that not only have trends in wage rates diverged, but the male wage share of income has fallen while the female wage share has risen between 1982 and 1997. This is not due to structural change but rather to distributional shifts within sectors.[5] There is some evidence that these trends have contributed to the decline in marriage rates and thus the growth of both female- and male-headed households.[6] The gender story is thus complex and account must be taken of the more negative effects on male incomes of reductions in the wage share, with consequent effects on household structure and thus single-mother families.

One caveat to declining male (relative to female) income is in the financial sector. Philip Arestis, Aurélie Charles, and Giuseppe Fontana (2013; this volume) highlight how gender and racial norms are reinscribed in new occupations as the US economy structurally shifts to an expanded role of the financial sector. They find evidence that high earnings are associated with financial occupations, and that, in turn, gender and racial hierarchies disproportionately reserve high-wage financial and managerial job slots for members of dominant groups.

As a result of the economic stresses resulting from downward pressure on compensation and social protection, many vulnerable families in the US turned to new sources of mortgage credit as the housing bubble expanded, borrowing against the equity in homes in order to maintain their living standards. During the height of subprime lending, many borrowers were engaging in a coping mechanism to survive the declining fortunes of many middle- and low-income families in industrialized countries. Borrowing was incentivized on the demand side by economic distress, but also on the supply side by the rising price of houses, the accommodative monetary policy of the US Federal Reserve Bank, and aggressive lending practices (Arestis and Karakitsos 2011; Michael D. Bordo and Christopher M. Meissner 2012).[7] Mahmud succinctly summarizes these dynamics: "In this context of a financialized economy, precarization of labor, and demands for enhanced skills, increasing reliance on debt to retrain, indeed to live, became the only available option for the working classes and racial minorities" (2012: 481). To the list of the vulnerable, we would add lone-mother households in the US, which have been particularly open to such pressures due to employment discrimination and the harsh effects of welfare reform since 1995.

Financialization and Minskyian fragility

The process of financialization has been accompanied by dynamics within capitalist economies that produce conditions of economic fragility along the lines described by Hyman P. Minsky (2008). During an economic upturn, demand for credit grows as expectations about the future become increasingly positive and debt-financed investment increases. In Minsky's framework, the supply of credit is endogenous, responding to demand, as borrowers look to debt financing to take advantage of investment opportunities with the expectation that growing profits would provide the cash flows needed for repayment in the future. As Minsky writes (2008: 177):

> Demand for capital assets is determined by their expected profitability. In an economy in which the debt financing of positions in capital and financial assets is possible, there is an irreducible speculative element, for the extent of debt-financing of positions and the instruments used in such financing reflect the willingness of businessmen and bankers to speculate on future cash flows and financial market conditions.

The speculative demand for credit creates a positive feedback loop, with liquidity being channeled into a variety of markets for both financial and capital assets, leading to higher asset prices. Asset price inflation reinforces positive expectations about the future trajectory of the economy and further bolsters demand for credit. The result is an increase in indebtedness relative to current income – that is, an imbalance with regard to future cash flows and the claims on those flows. The economy becomes increasingly vulnerable to a shock that disrupts income flows used to service the debt or that lowers asset prices.

Minsky's arguments apply not only to businesses and financiers, but also, in the 2008 crisis, to households in the US as well. Figure 2 shows household credit market debt as a share of employment compensation and as a share of the value of financial assets owned by the household sector for the US economy from 1980 to 2011. Prior to the 2008 financial crisis, there had been a significant expansion of household debt relative to employment compensation, creating conditions of increasing vulnerability. Much of the debt build-up can be attributed to mortgage debt, both new subprime mortgages and home equity loans. As previously argued, this growing indebtedness can be linked to an expansion of inequality. However, indebtedness is also fueled by Minskyian dynamics in which there is an exuberant increase in the availability of credit, partly directed at new markets such as subprime lending, during the boom years.

Figure 2 shows that household debt relative to the value of household financial assets does not show the same upward trend. The growing value of financial assets (and residential buildings, which are not included in Figure 2) made households feel wealthier and helped to support greater borrowing. Subprime and other borrowers increased their debt with the expectation that housing prices would continue to rise. For those in the middle of the income and wealth distribution, over the period 1988–2007, average net worth (total assets less total debt) increased faster than average income (Arthur B. Kennickell 2009). This suggests that the economic interests of households were increasingly linked to the assets they owned and the dynamics of a bubble economy. We can think of this process (the growing indebtedness and greater reliance on the value of financial assets and real

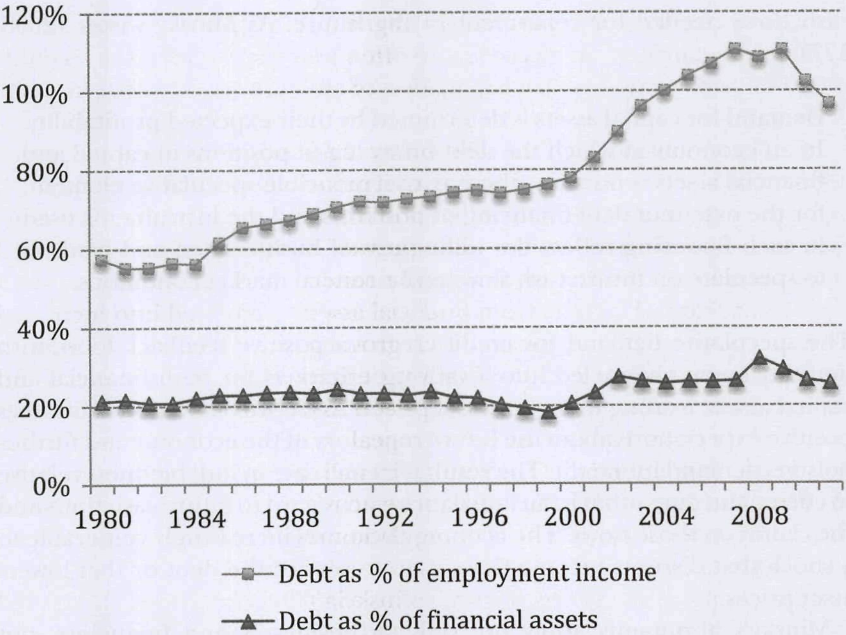

Figure 2 Total credit market liabilities of US households as percentages of employment income and financial assets, 1980–2011
Source: US Federal Reserve Board of Governors (2012).

estate) as the financialization of households in the middle of the income and wealth distribution. Those at the bottom of the income and wealth distribution were left behind, however, while those at the top experienced huge increases.

The financialization of the economy produced new forms of financial innovation that further contributed to the fragility of the economy, dynamics that post-Keynesian economists have emphasized. Again, Minsky writes (2008: 178):

> During periods of tranquil expansion, profit-seeking financial institutions invent and reinvent "new" forms of money, substitutes for money in portfolios, and financing techniques for various types of activity: financial innovation is a characteristic of our economy in good times.

The process of securitization, in which mortgages were bundled and then sold as new financial products, and the rise of shadow banking were at the heart of many of these innovations. The development of various mortgage-backed securities, such as collateralized debt obligations, provided new investment opportunities and linked institutional investors, such as pensions and mutual funds, to the increasingly fragile mortgage market. Positions in these new financial products were also often leveraged, creating a financial house of cards resting on the foundation of an increasingly risky mortgage market.

The financialization of the economy had other political economy implications beyond the housing and asset price bubbles, subprime lending, and the emergence of new derivatives and financial products that ultimately endangered the entire system. The growth of the financial sector and redistribution of national income to the rentier class (those who derive a significant share of income from financial assets) translated into increased political power for that group. The growing share of wealth held by these interests helped to fund lobbying efforts to convince government officials to deregulate financial markets and to provide less supervision and oversight of financial activities. The repeal in 1999 of the Glass–Steagall Act, legislation intended to create a firewall between everyday banking activities and financially risky speculative activities in the US, was only the culmination of a long period of deregulation that began under the Carter administration.[8]

To get a more complete picture, Minskyian dynamics must be linked to inequality as a root cause of crisis and instability. This confluence of the financialization of economies and deregulation was fueled by growing inequality and, in turn, has propelled the continued expansion of inequality. As a consequence, the economy is more volatile, and household incomes and transfers more uncertain, heightening stresses on the capacity for adults to provision (Karen Dynan, Douglas Elmendorf, and Daniel Sichel 2007).

International imbalances and the global financial architecture

The discussion to this point has primarily focused on dynamics within one economy, with an emphasis on the US, and the financial institutions and markets operating within that economy. However, international inequalities, financial globalization, and imbalances in the world economy also contribute to modern economic crises. As US households sought to borrow more relative to their income, backed by rising asset prices, their consumption became dependent on savings that took place elsewhere in the global economy. The US consumes more goods and services than it produces, as indicated by sustained trade and current account deficits. The US current account deficit can therefore be linked to the patterns of consumption and the effects of growing inequality previously discussed (Rajan 2010). This situation is only supportable if other countries finance US consumption through saving – that is, if they consume less than what they produce. These other countries, which run sizable current account surpluses, finance the US current account deficit.[9]

Specifically, large exporting economies such as China and South Korea represent important sources of such financing. The existence of sizeable pools of foreign savings from important emerging economies that are seeking returns in US financial markets has been called a "global savings glut." It has been argued that this large supply of savings relative to demand helped keep US interest rates on long-term government securities low, even as the Federal Reserve raised the policy interest rate (the federal funds rate) substantially between 2004 and 2006 (Ben S. Bernanke, Carol Bertaut, Laurie Pounder DeMarco, and Steven Kamin 2011). Persistently low interest rates contributed to the housing and asset price bubbles in the US economy, linking international financial flows to the Minskyian dynamics of growing indebtedness, endogenous credit, and asset price inflation.

This suggests that in addition to expected returns, capital flows respond to perceptions of risk, influencing the effectiveness of monetary policy in terms of the scope for short-run policy rates to influence long-term interest rates. Research suggests that the so-called "global savings glut" countries (those with large current account surpluses) primarily invested in US treasuries, which were perceived to represent low-risk global assets. However, in the years preceding the 2008 financial crisis, there was also significant foreign investment in mortgage-backed securities and related securities, much of which was also considered to be low risk due to excessively favorable credit ratings. This investment did not come primarily from countries with large current account surpluses, but appears to have originated in several European countries that financed investment in US asset-backed securities through capital inflows of their own (Bernanke et al. 2011). This created a pathway through which the problems in the US subprime mortgage market could be transmitted to economies in Europe.

The structure of international finance does not only affect the dynamics leading to economic fragility and the channels through which crises are transmitted from one country to the next. It also impacts policy responses. Larger, more systemically influential economies are able to respond to economic shocks differently than smaller and more "peripheral" economies. Some economies, such as the US and China, were able to respond to the 2008 crisis by implementing countercyclical fiscal stimulus policies in an effort to at least partially offset the negative consequences of the financial shock.[10] However, a similar economic shock would have different effects on less well-positioned economies, which may experience capital outflows as financial investors seek out safe havens. More vulnerable economies may implement pro-cyclical policies such as higher interest rates and cuts to government spending in an effort to stem financial outflows (José Antonio Ocampo and Rob Vos 2008). The result is unbalanced policy responses to a global crisis – austerity for many and stimulus for a few. Isabel Ortiz and Matthew Cummings (2013; this volume) document the projected fiscal responses in the years following the 2008 crisis across a large number of countries, providing insights into the uneven policy reactions. Similarly, Alma Espino (2013; this volume) points to pro-cyclical responses to the 2008 crisis in Central America and the Dominican Republic.

There are parallels between intergroup inequality and international inequality with respect to the crisis. In both cases, inequality contributes to economic fragility that increases the likelihood of a widespread economic crisis. This occurs through imbalances in both domestic and global economies. Once a crisis strikes, inequalities are reinforced as the ability to respond to the shock differs between more powerful and weaker players. Financial dynamics, including the process of financialization, provide a critical channel through which inequalities and imbalances translate into economic crisis. Various heterodox approaches to macroeconomics and crises provide insight into these dynamics, but we arrive at an even richer understanding by examining the intersections between "stand-alone" theoretical explanations for the origins and effects of economic crises.

WHAT IS THE VALUE-ADDED OF A FULLER NORMATIVE APPROACH TO CRISIS THEORY AND ANALYSIS?

One major contribution of feminist thinking has been to identify issues that most macroeconomic approaches overlook, but which have a fundamental impact on well-being and the long-run health of the economy – such as unpaid care work. By recasting the effects of economic crises to include outcomes that are excluded from most analyses (that is, nonmarket processes and shifts in the burden of care work), feminist insights enrich the theoretical framework for understanding the nature of crises. We can take this contribution further and ask: on what basis should the effects of an economic crisis be evaluated and what desired outcomes should be identified in order to formulate effective policy responses?

The heterodox macroeconomic literature on the crisis is motivated by the search for measures to prevent future crises in order to maintain economic growth and stability, but also by concern with the impact of the crisis on human well-being. However, this literature does not develop these latter concerns well. It neither articulates what is meant by human well-being, nor does it analyze how the crisis affects well-being directly and indirectly. The analysis is instead more narrowly focused. The issues studied tend to be limited to employment and earnings, as well as income inequality and instability, all of which essentially are about income outcomes. We know, however, that income alone is an inadequate measure of well-being. We have learned from the literature of feminist economics, sustainability, human development, and other strands of heterodox economics that well-being is multidimensional and has a complex relationship with income. Moreover, economic growth does not always produce sustainable improvements in well-being.

What would a more complete normative framework of well-being look like, and what would it add to crisis theory and analysis? Here, the capability approach, pioneered by Amartya Sen and Martha Nussbaum, is helpful.[11] This approach, also referred to as the human development approach and elaborated in the series of UNDP Human Development Reports, provides a normative framework for the assessment of individual well-being and social outcomes, as well as for the evaluation of public policies. It is built around the concept of capabilities, meaning what people are effectively able to do and be, and it is the expansion of capabilities that gives people freedoms (Amartya Sen 1985; Martha Nussbaum 1995). Social evaluations focus on the extent to which capabilities are enhanced. This approach, which contrasts with other frameworks that focus on material goods and use material consumption, income, or desire fulfillment, challenges the application of utilitarianism that underpins mainstream economic analysis (Ingrid Robeyns 2005). On the other hand, it is compatible with much of feminist economics, and the two sets of literature have intersected considerably.

Important features of this approach are helpful in broadening the analysis of the consequences of the financial crisis and evaluating policy responses. First, the approach differentiates between means and ends; economic growth may be an essential means but not an important social end. It is human well-being – capability expansion – that has intrinsic value. This goal helps clearly define important individual and social priorities, many of which are emphasized in the feminist literature such as education, health, social security, and the protection of fundamental human rights. According to Sen, each society must define what those important social goals are, but there is consensus around the world that part of such minimum social priorities might be ensuring all individuals are able to meet basic needs and eliminating basic injustices.[12]

Second, the approach emphasizes the multiple dimensions of important capabilities for individuals. Individuals want to be healthy, but also want to be well educated and knowledgeable, enjoy the respect of others, and have a say in public decisions that affect their lives and that of their community. Amartya Sen (1999) identifies five essential freedoms: economic facilities, social opportunities, transparency guarantees, protective security, and political freedom. The approach highlights the importance of each of these multiple freedoms and resists the reductionism that is inherent in conventional economic analysis of policy design.

Third, the ends and means framework helps differentiate the value of well-being achievements as intrinsically important ends, but also as means. Capabilities give people agency and the ability to act. Recognizing the agency of individuals to improve their own lives is another core feature of the capabilities approach (Robeyns 2005).

Fourth, considering income as a means helps broaden the analysis to consider a range of other means necessary for expansion of capabilities, notably the provision of care work that does not enter into national accounts. The consequences of economic crises on household care work and the importance of unpaid work and its unequal distribution between men and women are important issues that have been highlighted in the feminist literature on evaluation of economic reform policies during the 1980s and early 1990s.

Fifth, an important concern in policy-related evaluations of financial crises is stability. Here again, the capability approach provides a broad framework that accommodates downside risks as they affect the well-being of people. An important strand of the capabilities and human development literature has been to investigate threats to security in multiple dimensions including income, food, health, environment, community, and political freedom (UNDP 1994; Sadako Ogata and Amartya Sen 2003).

Finally, while inequality in the heterodox literature on financial crises is highlighted as an important causal issue, the capabilities and human development literature stresses equality as a matter of ends, not means, as a social value. Used as an evaluative framework, the capabilities and human development approach emphasizes the freedoms of every individual and the equitable distribution of public resources and expansion of opportunities as a priority concern in the design of policies.

ENRICHING THE ANALYSIS: THE INSIGHTS FROM FEMINIST ECONOMICS

Stratification and the origins of the crisis

Diane Elson (2010) identifies an analytical framework for understanding the causes as well as effects of the 2008 global financial crisis, which can be organized around three foci: the *financial* sphere of the economy; the *productive* sphere, where goods and services are produced and which generates labor income; and the *reproductive* sphere, where human labor and capital are reproduced with paid and unpaid care work, with effects on the economy that span generations. Within this framework, analysis of the crisis would explore first-round effects on dynamics in the financial and productive sectors; second-round effects, via the impact on household adjustment to economic shocks, thus encompassing the reproductive sphere; and third-round effects of two kinds – fiscal effects of crisis-induced budget deficits and the even longer-run effects on economic growth of these adjustments, especially apparent in the reproductive sphere.

The contribution of gender analysis has largely been on distributional effects of the Great Recession both in the productive and reproductive spheres, as well as the long-run implications of these distributional effects for human well-being. In contrast, there is a relative dearth of feminist analytical attention to the macrostructural causes of the crisis or to the role of other forms of stratification in contributing to the causes and distributing the costs of the crisis.[13]

As emphasized earlier, different forms of stratification interact with processes of financialization, endogenous money, and, more generally, economic liberalization and deregulation. Gender stratification is only one form of inequality. While gender identity is always operational in social and economic relations, it may not always be the most severe or relevant form of stratification. Moreover, to the extent that gender matters, men's disadvantage in labor markets can be a serious problem that exacerbates women's disadvantage via changes in the structure of households, in the distribution of unpaid labor, and in labor markets (Rhoda Reddock 2009). Other forms of inequality are clearly relevant in the origins and perpetuation of the current crisis, including race/ethnicity and class.

The systemic forces that reproduce these various forms of stratification differ. Unequal gender outcomes have been linked to social and economic processes that perpetuate a gender division of labor. Care work, defined as "women's work" to varying degrees across countries, results in lower average material outcomes (such as wages, wealth, and income) than for men, and this contributes to status differences that perpetuate inequalities.

Racial inequality is reproduced through a number of channels, including spatial segregation, which then feeds into occupational segregation and the perpetuation of racially biased norms and stereotypes that influence access to and control over resources. Like gender, racial hierarchies are reinforced by material desires of the dominant group to maintain its status. What is common to both forms of stratification is the ability of dominant groups to disproportionately garner economic rewards and to repel economic costs, which are then shouldered by subordinate groups.

That said, in a number of economies, white men tend to dominate both gender hierarchies and racial hierarchies, yet some white men also populate subordinate groups, a problem that has become more severe during the period of financial globalization.[14] Some members of the dominant racial and gender group, in other words, may occupy a subordinate class position. Economic crises interact with this complex system of stratification, with dynamic effects on race, gender, and class relations. Research as yet has not yielded a fully developed theoretical framework on how forms of stratification (along both gender and racial lines) play out in response to economic crises or the role of public policy in affecting the relative intensity of various forms of stratification. One important exception is Jill Rubery (1988; forthcoming) who has developed a framework for analyzing the effects of recessions and austerity specifically focused on women's employment, labor supply, and the longer-run dynamic effects on gender relations. The development of a more generalized theory of stratification that includes both gender and race dynamics (and their interaction) is a task that remains for scholars. This is challenging, given that context matters. In particular, the state plays a critical role in structuring labor markets and in influencing the level of care and social safety net spending through its welfare state policies.

Another complexity of stratification analysis is that people can be members of multiple groups, occupying different places within the hierarchy of each. The challenge is to understand the competing and sometimes contemporaneous discrimination and disadvantage faced by multiple out-groups. That said, whatever dimension of stratification is explored, the common analytical denominator is the exploration of the structural factors that constrain the equality of outcomes for the subaltern group. As noted earlier, structural factors that contributed to the crisis were rooted in racial inequality, a worsening class distribution of income, and the particular vulnerability of lone-parent households. The effects of the crisis spread along multiple hierarchical paths, as well, and gender effects were in stark relief in both developing and developed countries.[15]

Crisis and gender stratification

An important aspect of intergroup inequality to understand is how dominant groups manage to shift the costs of economic crisis to subordinate groups. It is here that feminist economists have made a significant contribution. A well-developed intellectual history has produced a body of research evaluating macroeconomic phenomena in terms of gender effects, beginning with structural adjustment in the 1980s, globalization since the 1980s extending to the Asian crisis, and now the Great Recession.

The emphasis on gender is particularly valuable since most analyses focused on the class dimension of the economic crisis depend on the household or individuals as the unit of analysis. Concentration on the distribution of income or household inequality obscures gender inequality within households and the resulting gender dynamics. Similarly, by focusing on income and employment, observers miss the effect of crisis on unequal burdens of unpaid labor.

Seçil A. Kaya Bahçe and Emel Memiş (2013) and Günseli Berik and Ebru Kongar (2013), in this volume, address that lacuna in very different contexts – Turkey and the US, respectively. Kaya Bahçe and Memiş find that a rise in spouse's unemployment risk disproportionately increases both women's paid and unpaid labor time. Men's unpaid labor time increases with spouse's unemployment risk, but by a substantially smaller margin (and there is no effect on paid work time). In both studies the impact on paid work is consistent with the "added worker" hypothesis, whereby women's labor supply rises with declines in men's employment and thus household income.

In the US case, Berik and Kongar show that the recession narrowed the gap between women and men's paid work hours. They also find that instead of men taking on more of the unpaid care burden, the extended recession widened the prerecession total unpaid work disparity among full-time employed mothers and fathers. There is more to learn about how household dynamics are affected as norms of masculinity are threatened, with men beleaguered in their ability to assert themselves in the role of breadwinner. The effect of men's declining economic fortunes on household dissolution and the rise in lone-mother households, for example, is an extended feature of economic crisis as yet not fully explored.

Gender analyses of the crisis with regard to the impacts on the productive sphere have reached more contradictory conclusions. A frequent observation has been that the job losses of the Great Recession – and therefore economic consequences – have weighed more heavily on men than women. This observation is accurate only insofar as we focus on the first-round effects of the crisis in developed countries. The hardest hit sectors early on, construction and manufacturing, were indeed male-dominated in employment, and male unemployment rates in the US rose more than female rates in the first two years.[16]

Yoonyoung Cho and David Newhouse (2013) provide evidence that this pattern also held in seventeen middle-income countries in the intermediate aftermath of the crisis and emphasize the disastrous negative employment effects on youth. By contrast, Huayong Zhi, Jikun Huang, Zhurong Huang, Scott D. Rozelle, and Andrew D. Mason (2013; this volume) find that women and men in China were laid off at roughly equal rates after the crisis. They do not find large and statistically significant gender differences in either exposure to shocks or ability to find new employment. This latter result contrasts with evidence that women in China disproportionately bore the effects of job losses and layoffs in the late 1990s during the process of economic restructuring (Günseli Berik, Xiao-yuan Dong, and Gale Summerfield 2007).

In contrast to Cho and Newhouse, other research offers evidence of the differentially negative employment effects on women in developing countries, concentrated as they are in export-sector employment (Caroline Sweetman and Ruth Pearson 2011). Furthermore, the initial emphasis on the finding of a "man-cession" has been modified in subsequent research. Caren Grown and Emcet Tas maintain (2010: 3) that:

> Labeling the worst economic downturn faced by the U.S. economy since the Great Depression as a 'man-cession' leads to misidentification of the most vulnerable groups who should be the explicit beneficiaries of economic recovery policies. It also masks the fact that key gender gaps – in earnings, underemployment rates, and other dimensions – continue to persist and merit policy attention and resources to redress.

They provide evidence that the hardest hit groups in terms of job losses were African American and Hispanic men and women and single

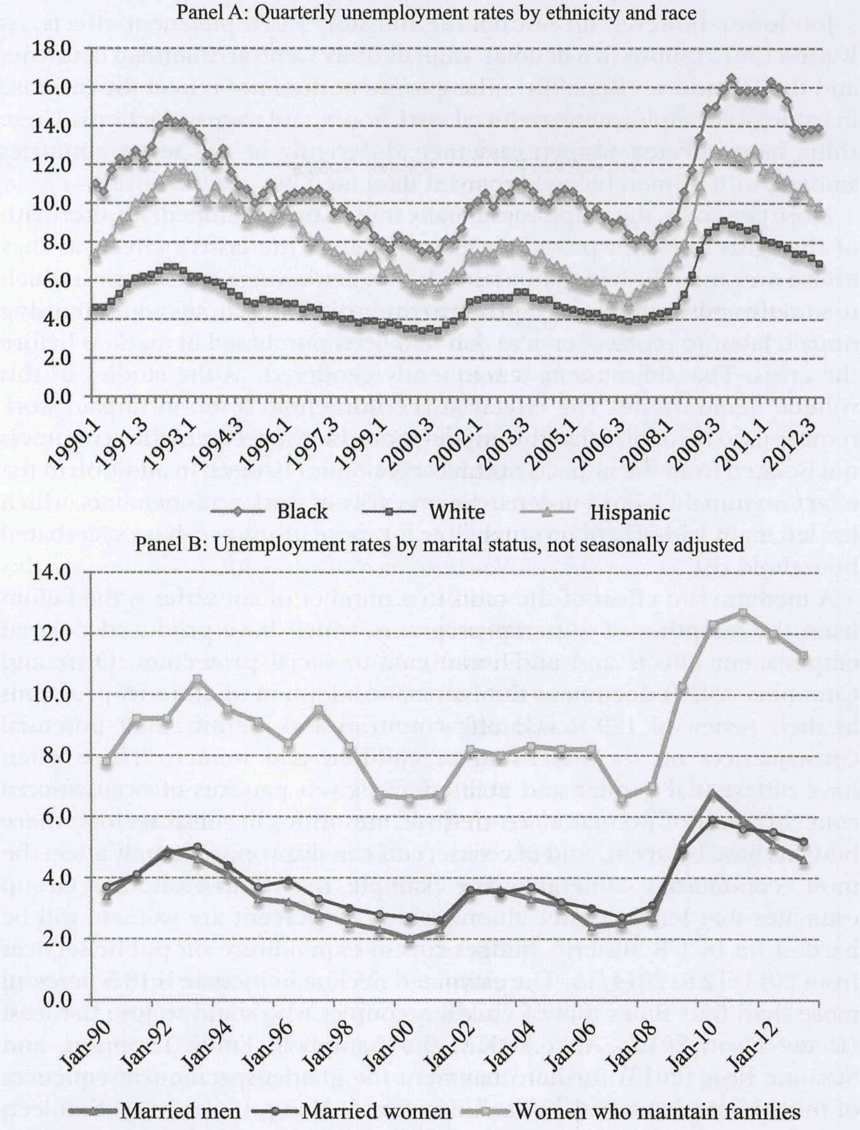

Figure 3 US unemployment rates, 1990–2013
Source: Bureau of Labor Statistics (2010).

mothers. As the data in Figure 3 show, stratification, reflected in different group probabilities of being unemployed, are evident. Race/ethnicity and structure of household matter more than gender. Together, these findings imply that the role of gender in distributing the burden of job losses is complex and not ubiquitously carried by women or men.

Job losses, however, do not tell the full story of employment effects. As Espino (2013) shows in a detailed analysis of six Central American countries and the Dominican Republic, unemployment does not reflect the increase in vulnerable employment, reduced work hours, and wage reductions. These shifts have affected women and men differently in the seven countries studied, with women being harder hit than men in some countries.

More generally, the emphasis of many studies on the immediate aftermath of the crisis does not provide a full portrait of the crisis's effects as they evolve over time. Indebted households have few savings or assets with which to smooth consumption in response to the crisis. Households adjust by using unpaid labor to replace services that had been purchased in markets before the crisis. That adjustment is frequently gendered, as the studies in this volume demonstrate. The effects at the household level on unpaid work require us to recognize that the unpaid reproductive sector of the economy is not isolated from the impacts of macroeconomic changes. In addition to the effect on unpaid labor burdens, the precarity of work arrangements, which has left many laid-off workers ineligible for social insurance, has exacerbated household risk.

A medium-run effect of the crisis in a number of countries is the fallout from the adoption of austerity programs, which have produced delayed employment effects and additional cuts to social protection. Ortiz and Cummins (2013) document the systematic adoption of austerity programs in their review of 129 developing countries and identify their potential consequences on the well-being of children and women. These often have differential gender and race effects, given patterns of occupational concentration of women and/or ethnic minorities in social sectors where budgets have been cut. And of course, cuts can disproportionately affect the most economically vulnerable. For example, the Women's Budget Group estimates that lone parents, among which 95 percent are women, will be hardest hit by UK austerity budget cuts to expenditure on public services from 2011/12 to 2014/15. The estimated decline in income is 18.5 percent, more than four times that of childless couples who stand to lose the least (Diane Elson 2012). Ailsa McKay, Jim Campbell, Emily Thomson, and Susanne Ross (2013) further document the gender-specific consequences of the crisis and austerity in the UK context. Along similar lines, Kathleen A. Lahey and Paloma de Villota (2013; this volume) use a comparative analysis of Canada and Spain to explore the gender sensitivity of responses to the crisis, showing that different policy approaches are possible with potentially important implications for gender inequality. The situation in many high-income countries pursuing austerity measures contrasts with some middle-income countries such as Brazil and Argentina, where social protection programs have provided an economic cushion and governments have been resilient, due to countercyclical fiscal stimuli (Deepak Nayyar 2011).

Crisis and masculinities

Increasingly, gender analysis recognizes the importance of a comparative focus on outcomes for men, and the role of masculinities in responding to changing economic conditions. Understanding how crisis affects men is thus a critical component of gender analysis. This is especially so since gender hierarchies are dynamically produced, challenged, and reproduced in intimate relations between men and women in households. Here we can see that class inequality, with attendant effects on men and dominant ethnic groups, transmits disruptions to household gender relations.

There is evidence from recent financial crises that, due to norms of masculinity, there is a greater tendency for unemployed men to suffer from shame and inadequacy upon loss of their breadwinning status, so much so that in some countries men's suicide rates rise in periods of crisis (Emel Memiş 2012). The economic transition in Russia contributed to rising joblessness and financial insecurity, and as a result, greater self-destructive behavior of violence and alcoholism in men. Russian men have registered a sharp increase in mortality rates and a decline of life expectancy, standing at 59 years compared to 72 years for women in 2007 (Christine Danton 2007).

Reddock (2009) reports negative effects on men in the Caribbean stemming from the financial crisis and economic deregulation in the previous decades that contributed to social and economic insecurity. Reddock summarizes the economic pressures on norms of masculinity in this way:

> The retreat into the physical, one of the last remaining areas of male dominance through, for example, sport and violence and other forms of hypermasculinity therefore become one means of reclaiming masculine power and identity. (2009: 26)

Gendered constructions of masculinity and the significance of violence within it, coupled with inadequate job opportunities, have contributed to high and rising level of (male) violent crime as one of the most troubling problems in the region. The recent crisis and the last three decades of neoliberal policies have also increased the burdens placed on families and especially mothers who receive little financial or other support from the state or relatives. The negative economic effects noted are most pronounced in low-income Caribbean households from which the majority of the youth involved in gangs, the drug trade, and criminal violence derive. Adult male violence, expressed in the domestic sphere, is also a response to economic dislocation and lack of opportunities, underscoring the impossibility of separating the fortunes of women from men. Unfortunately, we know much less about how norms of masculinities have adapted to or responded to changes in developed countries that were at the epicenter of the crisis.

Crisis, gender equality, and economic sustainability

Another important contribution of feminist economics to macroeconomic crisis analysis is the large body of research that examines the relationship between gender, unpaid caring labor in the reproductive sector, the production of labor power, and thus long-run economic well-being. The societal costs of erosion of the household's ability to provide caring labor and, in particular, invest in the well-being of children can be substantial (Nancy Folbre 2001). Due to gender norms that shape the provision of caring labor, numerous studies find that greater gender equality is a stimulus to long-run economic growth and development (Pierre-Richard Agénor, Otaviano Canuto, and Luis da Silva 2010; Elissa Braunstein, Irene van Staveren, and Daniele Tavani 2011; Esther Duflo 2012; Stephanie Seguino 2012). Crises and policy responses that disproportionately harm women's job access and social supports or create perverse gender dynamics that affect households' ability to provision can boomerang, undermining their ability to ensure children's well-being and, in the long run, harming a country's standard of living (Randy Albelda forthcoming). This would suggest that just as class inequality is not sustainable, due to its negative macroeconomic effects, so too is gender inequality. And it cautions policymakers that disproportionately shifting the burdens to women in countries in which women perform the bulk of caring labor is also unsustainable.

CONCLUSION

Financial crises undermine individual capabilities and reduce individuals' substantive choices. Loss of employment, wealth, and income – even for a relatively short period of time – can have long-run consequences. Austerity predicated on cutbacks to government spending – on health, education, and public investment – similarly has long-run effects and undermines community capabilities. Foreclosures in low-income neighborhoods have negative impacts on community relations and public infrastructure and institutions, for example, even for those who remain employed and can pay their mortgage.

We can think of retrogression in individual capabilities as a lack of sustainability. The 2012 United Nations conference on Sustainability Development, called "Rio +20" since it took place two decades after the Conference on Environment and Development held in Rio de Janeiro, defined sustainability in terms of the ability to meet the needs of present societies without jeopardizing the ability of future generations to similarly meet their own needs. Recast in terms of capabilities, we define sustainability as the ability to realize current capabilities without compromising the ability to maintain and enhance those capabilities over time, including the capabilities of future generations. Therefore, financial crises and macroeconomic volatility compromise the sustainability of human development.

Broadly framed, sustainability has multiple dimensions, comprising the economic, social, and environmental. As this study argues, inequality is a source of economic fragility and imbalance and, as such, is a threat to economic sustainability. Yet inequality also compromises sustainability across its multiple dimensions. An unequal distribution of income and wealth not only creates the conditions for crisis, but is itself a source of political and social conflict. Unbalanced consumption poses threats to the global environment.

Feminist economists have shed light on important aspects of sustainability that are often ignored or seen as lying outside of what is typically meant by the economy. Unpaid labor and nonmarket care work, that is, the vast amounts of time and effort spent raising the next generation, are a fundamental aspect of sustainability, with important macroeconomic dimensions. If nonmarket caring labor did not take place, the economy would eventually grind to a halt; as an essential factor of production, the labor force would be compromised. At the same time, the current way in which this labor is organized, with women shouldering much of the burden in most economies, represents a structural source of gender inequality. This creates a fundamental tension: the current ways in which societies reproduce themselves – an essential aspect of sustainability – perpetuates inequalities that compromise capabilities and human development.

Efforts to eliminate the kinds of financial crises that have occurred around the world in recent decades are an essential part of the broader agenda to realize sustainable human development. However, as we argue in this contribution, such crises are not purely cyclical and have structural causes that also need to be addressed. Insights from feminist economics and heterodox macroeconomics contribute to finding appropriate solutions and policy responses, including taking into account distributional dynamics and nonmarket aspects of social reproduction.

This implies taking steps to implement proper regulatory policies. But the issues raised here suggest that the policy agenda must go beyond financial regulation. Addressing threats to the sustainable development of capabilities requires macroeconomic management that is sensitive to the distributive consequences of policy choices and targets. Policies should identify and address structural sources of inequality along multiple dimensions, including gender dimensions. In a world of financial globalization, the implementation of effective policy responses requires international coordination. Such coordination demands that we critically examine the existing global institutions involved in economic policy coordination and, where these institutions are found wanting, to design new approaches to global governance. As Ilene Grabel (2013; this volume) shows, the crisis has led to new opportunities for institutional innovation at the global level, which may open doors for improved economic governance. However, it remains unclear what these various changes will ultimately amount to. Without a concerted focus on establishing the appropriate set of institutions to support international coordination, economic crises will likely remain a feature of global capitalism, reproducing inequalities with regard to income, wealth, and the realization of capabilities.

Sakiko Fukuda-Parr
International Affairs, The New School
66 West 12th St., New York, NY 10011, USA
e-mail: fukudaps@newschool.edu

James Heintz
Political Economy Research Institute, University of Massachusetts, Amherst
418 N. Pleasant Street, Amherst, MA 01002, USA
e-mail: jheintz@peri.umass.edu

Stephanie Seguino
Department of Economics, University of Vermont
340 Old Mill, Burlington, VT 05405, USA
e-mail: stephanie.seguino@uvm.edu

ACKNOWLEDGEMENTS

The authors thank Randy Albelda, Philip Arestis, Gary Dymski, Marilyn Power, Frances Stewart, and the participants in the joint IAFFE/UN Women symposium held in New York, January 21–22, 2013, for helpful comments on and suggestions for this introduction. We are grateful to the Swedish International Development Cooperation Agency for generous financial support for the symposium as well as to UN Women for their collaboration and financial support. Finally, we are indebted to a large number of colleagues and scholars who served as reviewers of papers and workshop discussants.

NOTES

1 Authors are listed in alphabetical order. Each author contributed equally to this project.

2 We date the beginning of the crisis to 2008, since that is the year in which the true global extent of the crisis became evident. However, signs of the crisis, particularly within the United States economy, were clearly evident in 2007.

3 Branko Milanovic (2007) has developed three global inequality measures (Concepts, 1, 2, and 3), using a Gini index based on unweighted country per capita GDPs, a weighted

Gini, and a Gini based on household surveys, respectively. All three indicate that global inequality has risen since the 1980s.

4 Mahmud aptly characterizes this process as "paradoxical financial Keynesianism" (2012: 476).

5 In particular, productivity growth declined in the female-dominated services sector more than wages, leading to a rising wage share of income.

6 Married families have done better, with poverty rates holding steady at around 4.9 percent until the onset of the crisis, and then rising to approximately 6.2 percent (US Census Bureau 2012).

7 Bordo and Meissner differ from many others in arguing that inequality was not at the root of the crisis, though they would appear to be missing the demand side of the credit equation with this claim.

8 The 1999 Financial Services Modernization Act (that is, the Gramm–Leach–Bliley Act) removed barriers established by the Glass–Steagall Act of 1933, which prevented a single financial institution from simultaneously operating as a commercial bank, an insurance company, and an investment bank.

9 Here, too, the role of inequality is evident. Instead of relying on domestic demand to stimulate growth, developing countries rely on the demand stimulus from exports. The resulting global competition puts downward pressure on wages in developing countries as well as developed economies.

10 Indeed, much of the developing world coped better with the crisis than developed economies. In addition to China, Brazil, and India proved to be more resilient to the crisis, due to their ability to mount expansionary countercyclical policies, as well as social safety nets already in place, and favorable initial macroeconomic conditions – low inflation, large foreign exchange reserves, and solid growth in preceding years (Deepak Nayyar 2011).

11 See Ingrid Robeyns (2005) for a succinct and complete review of the capabilities approach, its concept, theoretical debates, and applicability to policy evaluation.

12 Human rights are closely related to capabilities (see Polly Vizard, Sakiko Fukuda-Parr, and Diane Elson [2011]) and the list of essential capabilities developed by Martha Nussbaum (2003).

13 There are some exceptions, including Devaki Jain and Diane Elson (2011) and Stephanie Seguino (forthcoming). For a more general critique of mainstream macroeconomic policy and theory from a feminist but not exclusively gender perspective, see Diane Elson and Nilüfer Çaðatay (2000).

14 A recent *New York Times* article underscores this phenomenon, observing that men's dominant position relative to women has been eroded with the structural changes in the US economy and decline in full-time employment in the manufacturing sector (Hanna Rosin 2012). Stephanie Coontz (2012) argues persuasively that the myth of male decline is exaggerated, although she does emphasize the stagnating effect of norms of masculinity that prevent men from adapting to the new economy.

15 The trajectory of repercussions differed widely, however, as a result of collective action. For example, the Occupy movement transformed the debate on austerity measures in the US. So, too, did efforts to roll back the public sector and reduce workers' bargaining power in states such as Wisconsin. We are grateful to Randy Albelda (personal communication) for emphasizing these points and the role of agency in influencing the impact of the crisis.

16 Construction and manufacturing were also male-dominated in European countries affected by the crisis, and therefore these countries also experienced large initial negative effects on men's employment. See Ailsa McKay, Jim Campbell, Emily Thomson, and Susanne Ross (2013; this volume) and Maria Karamessini (forthcoming) for the gendered labor market dynamics in the UK and Greece, respectively.

REFERENCES

Agénor, Pierre-Richard, Otaviano Canuto, and Luis da Silva. 2010. "On Gender and Growth: The Role of Intergenerational Health Externalities and Women's Occupational Constraints." Working Paper 5492, World Bank Policy Research.

Albelda, Randy. Forthcoming. "Gender Impacts of the 'Great Recession' in the United States." In *Women and Austerity: The Economic Crisis and the Future for Gender Equality,* edited by Maria Karamessini and Jill Rubery. London: Routledge.

Arestis, Philip, Aurélie Charles, and Giuseppe Fontana. 2013. "Financialization, the Great Recession, and the Stratification of the US Labor Market." *Feminist Economics,* http://dx.doi.org/10.1080/13545701.2013.795654.

Arestis, Philip and Elias Karakitsos. 2011. "Current Crisis in the US and Economic Policy Implications." In *An Assessment of the Global Impact of the Financial Crisis,* edited by Philip Arestis, Rogério Sobreira, and José Luis Oreiro, 12–35. London: Palgrave MacMillan.

Berik, Günseli, Xiao-yuan Dong, and Gale Summerfield. 2007. "China's Transition and Feminist Economics." *Feminist Economics* 13(3–4): 1–33.

Berik, Günseli and Ebru Kongar. 2013. "Time Allocation of Married Mothers and Fathers in Hard Times: The 2007–09 US Recession." *Feminist Economics,* http://dx.doi.org/10.1080/13545701.2013.798425.

Bernanke, Ben S., Carol Bertaut, Laurie Pounder DeMarco, and Steven Kamin. 2011. "International Capital Flows and the Return to Safe Assets in the United States, 2003–2007." International Finance Discussion Paper 1014, Board of Governors of the Federal Reserve System.

Bordo, Michael D. and Christopher M. Meissner. 2012. "Does Inequality Lead to A Financial Crisis?" Working Paper 17896, National Bureau of Economic Research (NBER) Working Paper Series.

Braunstein, Elissa, Irene van Staveren, and Daniele Tavani. 2011. "Embedding Care and Unpaid Work in Macroeconomic Modeling: A Structuralist Approach." *Feminist Economics* 17(4): 5–31.

Bureau of Labor Statistics. 2013. "Current Population Survey", http://bls.gov/cps/.

Bureau of Labor Statistics. 2010. "Quarterly Census of Employment and Wages", http://www.bls.gov/cew/.

Cho, Yoonyoung and David Newhouse. 2013. "How Did the Great Recession Affect Different Types of Workers? Evidence from 17 Middle-Income Countries." *World Development* 41: 31–50.

Coontz, Stephanie. 2012. "The Myth of Male Decline." *New York Times,* September 29.

Danton, Christine. 2007. "The Health Crisis in Russia." *Topical Research Digest: Human Rights in Russia and the Former Soviet Republics,* Graduate School of International Studies, University of Denver.

Darity, William, Jr. and Bobbie L. Horn. 1988. *The Loan Pushers: The Role of Commercial Banks in the International Debt Crisis.* Pensacola, FL: Ballinger.

Duflo, Esther. 2012. "Women Empowerment and Economic Development." *Journal of Economic Literature* 50(4): 1051–79.

Dymski, Gary, Jesus Fernandez, and Lisa Mohanty. 2013. "Race, Gender, Power, and the US Subprime Mortgage and Foreclosure Crisis: A Meso Analysis." *Feminist Economics,* http://dx.doi.org/10.1080/13545701.2013.791401.

Dynan, Karen, Douglas Elmendorf, and Daniel Sichel. 2007. "The Evolution of Household Income Volatility." Finance and Economic Discussion Series (FEDS) 2007-61, Division of Research & Statistics and Monetary Affairs, Federal Reserve Board.

Elson, Diane. 2010. "Gender and the Global Economic Crisis in Developing Countries: A Framework for Analysis." *Gender and Development* 18(2): 201–21.

———. 2012. "Women Are Paying the Price for Economic Austerity." The Conversation, October 11.

Elson, Diane and Nilüfer Çağatay. 2000. "The Social Content of Macroeconomic Policies." *World Development* 28(7): 1347–64.

Espino, Alma. 2013. "Gender Dimensions of the Global Economic and Financial Crisis in Central America and the Dominican Republic." *Feminist Economics,* http:/dx.doi.org/10.1080/13545701.2013.801558.

Folbre, Nancy. 2001. *The Invisible Heart: Economics and Family Values.* New York: The New Press.

Grabel, Ilene. 2013. "Global Financial Governance and Development Finance in the Wake of the 2008 Financial Crisis." *Feminist Economics,* http://dx.doi.org/10.1080/13545701.2013.798021.

Grown, Caren and Emcet Tas. 2010. "Gender Equality in the US Labor Markets in the 'Great Recession' of 2007–2010." Working Paper, American University.

Heintz, James and Radhika Balakrishnan. 2012. "Debt, Power, and Crisis: Social Stratification and the Inequitable Governance of Financial Markets." *American Quarterly* 64(3): 387–409.

International Labour Organization. 2011. *World of Work Report 2011: Making Markets Work for Jobs.* Geneva: International Labour Organization.

Jain, Devaki and Diane Elson, eds. 2011. *Harvesting Feminist Knowledge for Public Policy: Rebuilding Progress.* New Delhi: SAGE.

Karamessini, Maria. Forthcoming. "Structural Crisis and Adjustment in Greece: Labour Market Effects by Gender and Changes in the Gendered Division of Paid Work." In *Women and Austerity: The Economic Crisis and the Future for Gender Equality,* edited by Maria Karamessini and Jill Rubery. London: Routledge.

Kaya Bahçe, Seçil A. and Emel Memiş. 2013. "Estimating the Impact of the 2008–09 Economic Crisis on Work Time in Turkey." *Feminist Economics,* http://dx.doi.org/10.1080/13545701.2013.786182.

Kennickell, Arthur B. 2009. "Ponds and Streams: Wealth and Income in the U.S., 1989 to 2007." Working Paper 2009-13, Finance and Economics Discussion Series (FEDS). Federal Reserve Board, Washington, DC.

Kumhof, Michael and Romain Rancière. 2010. "Inequality, Leverage and Crises." IMF Working Paper 10/268.

Lagarde, Christine. 2010. "Women, Power and the Challenge of the Financial Crisis." *New York Times,* May 11.

Lahey, Kathleen A. and Paloma de Villota. 2013. "Economic Crisis, Gender Equality, and Policy Responses in Spain and Canada." *Feminist Economics,* http://dx.doi.org/10.1080/13545701.2013.812267.

Lazonick, William and Mary O'Sullivan. 2000. "Maximizing Shareholder Value: A New Ideology for Corporate Governance." *Economy and Society* 29(1): 13–35.

Looney, Adam and Michael Greenstone. 2012. "The Marriage Gap: The Impact of Economic and Technological Change on Marriage Rates." The Hamilton Project, Brookings Institution.

Mahmud, Tayyab. 2012. "Debt and Discipline." *American Quarterly* 64(3): 469–94.

McKay, Ailsa, Jim Campbell, Emily Thomson, and Susanne Ross. 2013. "Economic Recession and Recovery in the UK: What's Gender Got to Do with It?" *Feminist Economics,* http://dx.doi.org/10.1080/13545701.2013.808762.

Memiş, Emel. 2012. "Visible and Invisible Impacts of the 2007–2009 Economic Crisis: A Gender Perspective on Developing Countries." Mimeo, Department of Economics, Ankara University, Turkey.

Milanovic, Branko. 2007. *Worlds Apart: Measuring International and Global Inequality.* Princeton, NJ: Princeton University Press.

Minsky, Hyman P. 2008. *Stabilizing an Unstable Economy.* New York: McGraw Hill.

Nayyar, Deepak. 2011. "The Financial Crisis, the Great Recession and the Developing World." *Global Policy* 2(1): 20–32.

Nussbaum, Martha. 1995. "Human Capabilities, Female Human Beings." In *Women, Culture, and Development: A Study Of Human Capabilities,* edited by Martha Nussbaum and Jonathan Glover, 61–104. Oxford: Oxford University Press.

———. 2003. "Capabilities as Fundamental Entitlements: Sen and Social Justice." *Feminist Economics* 9(2–3): 33–59.

Ocampo, José Antonio and Rob Vos. 2008. "Policy Space and the Changing Paradigm in Conducting Macroeconomic Policies in Developing Countries." BIS Papers 36, Bank for International Settlements.

Ogata, Sadako and Amartya Sen. 2003. *Human Security Now.* New York: United Nations.

Ortiz, Isabel and Matthew Cummins. 2013. "Austerity Measures in Developing Countries: Public Expenditure Trends and the Risks to Children and Women." *Feminist Economics,* http://dx.doi.org/10.1080/13545701.2013.791027.

Page, Scott E. 2007. *The Difference: How the Power of Diversity Creates Better Groups, Firms, Schools, and Societies.* Princeton, NJ: Princeton University Press.

Palma, José Gabriel. 2011. "Homogeneous Middles vs. Heterogeneous Tails, and the End of the 'Inverted-U': It's All About the Share of the Rich." *Development and Change* 42(1): 87–153.

Prügl, Elisabeth. 2012. "'If Lehman Brothers Had Been Lehman Sisters…': Gender and Myth in the Aftermath of the Financial Crisis." *International Political Sociology* 6(1): 21–35.

Rajan, Raghuram G. 2010. *Fault Lines: How Hidden Fractures Still Threaten the World Economy.* Princeton, NJ: Princeton University Press.

Reddock, Rhoda. 2009. "What Now for Caribbean People and Their Leaders? Reflections on the Current Economic and Social Crisis: A Gender Perspective." 10th W. G. Demas Memorial Lecture, Caribbean Development Bank, Providenciales, Turks and Caicos Islands.

Reich, Robert B. 2008. *Supercapitalism: The Transformation of Business, Democracy, and Everyday Life.* New York: Vintage.

Robeyns, Ingrid. 2005. "The Capability Approach: A Theoretical Survey." *Journal of Human Development* 6(1): 93–117.

Rosin, Hanna. 2012. "Who Wears the Pants in This Economy." *New York Times,* August 30.

Rubery, Jill, ed. 1988. *Women and Recession.* London: Routledge.

———. Forthcoming. "From 'Women and Recession' to 'Women and Austerity': A Framework for Analysis." In *Women and Austerity: The Economic Crisis and the Future for Gender Equality,* edited by Maria Karamessini and Jill Rubery. London: Routledge.

Seguino, Stephanie. 2012. "Macroeconomics, Human Development, and Distribution." *Journal of Human Development and Capabilities* 13(1): 59–83.

———. Forthcoming. "Financialization, Distribution, and Inequality." In *The Re-making of Social Contracts: Feminists in a Fierce New World,* edited by Gita Sen and Marina Durano with the DAWN Steering Committee. London: Zed Books.

Sen, Amartya. 1985. *Commodities and Capabilities.* Amsterdam: North-Holland.

———. 1999. *Development as Freedom.* Oxford: Oxford University Press.

Standing, Guy. 1989. "Feminization through Flexible Labor." *World Development* 17(7): 1077–95.

Stockhammer, Engelbert. 2010. "Neoliberalism, Income Distribution and the Causes of the Crisis." Discussion Paper 19, Research on Money and Finance.

Sweetman, Caroline and Ruth Pearson. 2011. *Gender and the Economic Crisis.* Rugby, UK: Practical Action.

United Nations Development Programme (UNDP). 1994. *Human Development Report.* Oxford: Oxford University Press.

US Census Bureau. 2012. "Poverty Status of Families, by Type of Family, Presence of Related Children, Race, and Hispanic Origin: 1959 to 2011." www.census.gov/hhes/www/poverty/data/historical/hstpov4.xls.

US Federal Reserve Board of Governors. 2012. "Flow of Funds Accounts," http://www.federalreserve.gov/apps/fof/.

Vizard, Polly, Sakiko Fukuda-Parr, and Diane Elson. 2011. "The Capabilities Approach and Human Rights." *Journal of Human Development and Capabilities* 12(1): 1–22.

Zacharias, Ajit and Melissa Mahoney. 2009. "Do Gender Disparities in Employment Increase Profitability? Evidence from the United States." *Feminist Economics* 15(3): 133–161.

Zhi, Huayong, Jikun Huang, Zhurong Huang, Scott D. Rozelle, and Andrew D. Mason. 2013. "Impact of the Global Finanical Crisis in Rural China: Gender, Off-Farm Employment, and Wages." *Feminist Economics,* http://dx.doi.org/10.1080/13545701.2013.809137.

NOTES ON CONTRIBUTORS

Sakiko Fukuda-Parr is Professor of International Affairs at the New School. She is a development economist who has published widely on a broad range of development policy related issues including poverty, gender, technology, capacity development, and agriculture. She is best known for her work as director of the UNDP Human Development Reports 1995–2004. Her recent publications include *Human Rights and the Capabilities Approach, An Interdisciplinary Dialogue* (co-edited with Diane Elson and Polly Vizard; Routledge 2012) and *A Handbook on Human Development* (with A. K. Shivakumar; Oxford University Press 2010).

James Heintz is Associate Director and Research Professor at the Political Economy Research Institute, University of Massachusetts Amherst. He has written on a wide range of economic policy issues, including job creation, global labor standards, the distributive consequences of macroeconomic policies, and human rights. He is co-author of several books, including, with Nancy Folbre, *The Ultimate Field Guide to the U.S. Economy.* He has worked on collaborative projects with numerous United Nations agencies, including ILO, UNRISD, the Economic Commission for Africa, UNDP, and UNIFEM.

Stephanie Seguino is Professor of Economics at the University of Vermont and Professorial Research Associate at the School of Oriental and African Studies (SOAS), University of London. Her current research explores the relationship between intergroup inequality by class, race, and gender, on the one hand, and economic growth and development, on the other. She has also explored the economics of stratification, including the gender and race effects of contractionary monetary policy. She has consulted with a wide variety of international organizations, including the UNDP, UNRISD, UNCTAD, World Bank, AFL-CIO, USAID, ECLAC, ILO, and African Development Bank.