3

Debt, Development and Gender

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1. Introduction

Austerity, associated with financial crisis, has long been shown to disproportionally affect women (Elson, 1993; Périvier 2018; Geoghegan and Fois 2021). This chapter makes the point that gender discrimination from sovereign debt relations is not, however, limited to crisis phases, and the seeds of women bearing the brunt of public debt burdens are sown during the expansionary phase of an economic development model dependent on debt-led growth. The chapter goes on to identify some of the pathways that link development policies, debt and gender discrimination throughout the debt-led growth cycle.

Section 2 sets the scene by describing the problem of debt-led growth and gender discrimination. In section 3, the growing indebtedness of developing countries is discussed. In section 4, we consider some of the channels impacting women during the debt-acquisition phases and austerity phases of debt-led growth. Section 5 concludes with some proposals on the sovereign-debt agenda, including a revised conceptual framework for considering debt sustainability that employs a development lens to address gender equality.

2. Debt-led growth and discrimination

There is a widespread acceptance among economists from different traditions that, apart from mobilizing domestic resources, developing countries also need to channel external resources to grow and meet development challenges. To address this, in 1961, a United Nations (UN) General Assembly resolution called on member states 'to pursue policies that lead to an increase in the flow of development resources, public and private, to developing countries'.[1] But six decades on, the mechanisms of international financial debt architecture still fail to generate the necessary quantum of funding and financing at a price that enables such development. Instead, net financial transfers (or net resource flows) continue to flow *from* developing countries to advanced ones, creating a paradox (Kregel, 2004): external resources are deemed necessary to fund development, but this in turn generates return flows of interest payments and profit remittances which may dominate the current account in excess of capital flows (UNCTAD, 2020). Raúl Prebisch, who later became the first Secretary General of the UN Conference on Trade and Development (UNCTAD), pointed out, 'as the stock of foreign capital increases, its financial services also grow, which will demand an increasing proportion of resources from exports, and the more the proportion of these services grows, the less there will be room for importing capital goods with these resources' (Prebisch, 1950: 480, authors' translation).

For this reason, some economists have argued that development hinges on the terms of trade and development aid (Prebisch, 1952).[2] But much-desired aid from developed countries has mostly disappointed and better trade conditions for developing countries have failed to materialize (see section 3). Instead, with foreign direct investment difficult to attract, the default option for growth strategy has become debt-led growth, resulting in a debt treadmill for developing countries: rising indebtedness of developing countries has increased vulnerability and undermined growth prospects, with the impact on women most visible during the austerity phases. In the debt-led growth model, financial markets and mounting financial leverage drive the real economy and, increasingly, the debt sustainability of developing countries is no longer in the hands of the affected sovereigns. In an environment of fragility and spillovers, falling commodity prices and weakening growth, or monetary policy decisions, in developed economies can quickly lead to unsustainable debt burdens in developing countries (UNCTAD, 2019).

Under this debt-led growth strategy, developing countries can be seen to alternate between debt acquisition and austerity phases, and while this may not be entirely binary, it is useful to the later discussion in this chapter to differentiate between them.

In the debt acquisition phase, capital inflows put upward pressure on exchange rates and reserve accumulation takes place. The exchange rate appreciation tends to reduce the competitiveness of the domestic industry (Kregel, 2018), which serves to chill domestic export-led enterprise and export earnings in general. Given that developing countries tend to import capital goods, a long-term reduction in export earnings may undermine the ability of the country to import necessary inputs for investment. More insidiously, as capital flows inward, developing countries have shown a strong predilection to accumulate foreign exchange reserves. Rising reserve accumulation means an opportunity forgone in terms of much-needed investment and social expenditure (Elhiraika and Ndikumana, 2007).

In the austerity, or crisis, phase, the country is obliged to prioritize repayment of creditors, particularly external creditors. Current notions of debt sustainability as the ability of a government to meet its current and future payment obligations without exception arrangements or default thus depends on the willingness and ability of governments to sacrifice domestic objectives to meet foreign claims (7). By doing so, governments put aside human rights commitments, once resources to ensure the realization of economic and social rights are diverted to pay debt claims. While Kregel calls for a new definition of debt sustainability that supports the long-term process of development, which UNCTAD is in the process of fleshing out (see section 5), countries faced by financial crisis have been obliged to reduce fiscal expenditure, in the attempt to generate enough resources to avoid default.

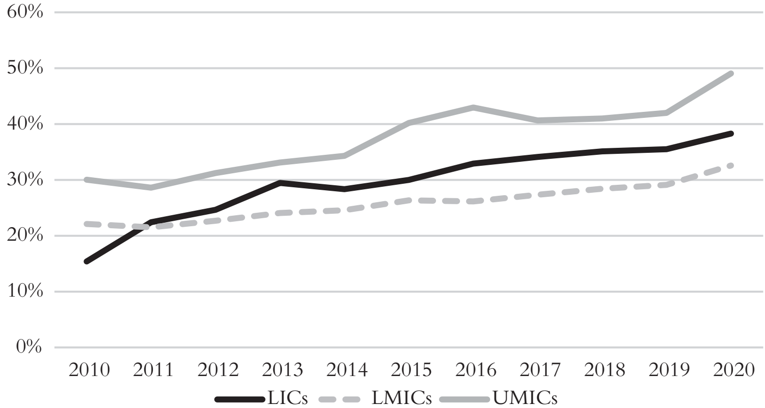
Gender equality is a crucial component of successful development. Financial crisis can force a disproportionate cost on women, increasing their economic vulnerability, and affecting societal outcomes (Floro and Dymski, 2000). Conversely, economic growth that leads to increased female labour force participation without compensatory investments in social care provisioning and better distribution of caregiving responsibilities will ultimately compromise investment and growth (Braunstein, Seguino and Altringer, 2021).[3] Since improving women's status and economic activity has macroeconomic benefits for economic growth and development (Stotsky, 2006), wherever rising debt burdens and debt service payments compete with scarce fiscal resources for health, education and social assistance in normal times – or lead to the cutbacks associated with austerity – progress on gender equality is undermined and development outcomes are unwound.

Building on this, the chapter traces three key dimensions of women's engagement with society and the economy – as employee, as caregiver and as citizen – each of which creates pathways to gender discrimination during the cycle of debt-led growth, not only during crisis. The analysis suggests that the acquisition of sovereign debt itself may inhibit the possibility of necessary compensatory investments in social care provisioning for equality-inducing investment and growth (see section 4). Instead, in developing countries where debt is attracted at interest rates which far exceed those associated with the cost of capital in developed countries, the acquisition of the sovereign debt creates a servicing requirement which imposes a ceiling on investment in public and social services (Persaud, 2022), effectively locking in inequality and ultimately a lower development path.

3. Growing indebtedness of developing countries

During the last 20 years, external debt levels have increased at an unprecedented pace in developing countries, with the total external debt stock for low- and middle-income countries (excluding China) rising from US$1.9 trillion in

Figure 3.1: External debt stocks as share of GDP, by income group (excluding China), 2010–20



Note: LIC = lower-income country; LMIC = lower-middle-income country; UMIC = upper-middle-income country

Source: Own elaboration based on World Bank (WB) International Debt Statistics and International Monetary Fund (IMF). Classification as per WB (2022)

2000 to US$6.7 trillion in 2020. Given market liquidity preferences during the COVID-19 pandemic, external debt stocks for low- and middle-income countries (excluding China) slightly declined in 2021 (about US$100 billion). But this decline – which highlights the difficulties of developing countries issuing debt when they most need resources – is an exception for the 20 years tendency when external debt stock for middle-income countries more than tripled,[4] while it doubled in low-income countries.[5] As figure 3.1 shows, external debt stocks increased faster than GDP in the ten years up to 2020, hence, for lower-income countries (LICs), debt-to-export ratios increased from 15 per cent in 2010 to 38 per cent in 2020, while for lower-middle-income countries (LMICs) they increased from 22 per cent to 33 per cent and for upper-middle-income countries (UMICs) – excluding China – from 30 per cent to 49 per cent in the same period.

The increase in the debt stock in low- and middle-income countries, in part at least, reflects the insufficiency of alternative sources of external financing: Although Official Development Assistance (ODA) rose to US$167.9 billion in 2021, representing 0.31 per cent of the gross national income (GNI) of donor countries (OECD, 2022), ODA flows have consistently failed to reach the UN target of 0.7 per cent GNI of developed countries.[6] Between 2000 and 2020, the accumulated ODA gap (the difference between the target amount and that actually transferred) accounts for US$3.4 trillion, which represents roughly 70 per cent of the debt stock increase in low- and middle-income countries (excluding China).[7]

The increase in external debt stock over the past two decades featured broadened participation of private lenders in addition to more traditional official lenders (bilateral or multilateral). While official creditors still dominate in LICs, the share of exposure to commercial banks and bondholders tripled to 12 per cent in 2020 from 4 per cent in 2010. Private lenders' largest increase was to LMICs, where this share increased by 20 per cent (from a base of 25 per cent in 2010). For UMICs (excluding China), the exposure increased by only 2 per cent, but private lenders already held 68 per cent of UMICs' debt stock in 2010. The change in composition of the creditor base has worsened borrowing conditions for developing countries (WB, 2022), and the share of debt servicing to private lenders exceeds their holdings by a margin for all country groups. For example, while private creditors make up 12 per cent of the debt exposure of LICS, they receive 22 per cent of LICs' debt servicing. In terms of borrowing costs, loans from private lenders are priced on average 300 basis points more than from official lending. Moreover, official lenders offer longer maturity periods (on average 26 years) than private lenders (average 12 years), with borrowing from private lenders increasing the risks of refinancing at less favourable market conditions.

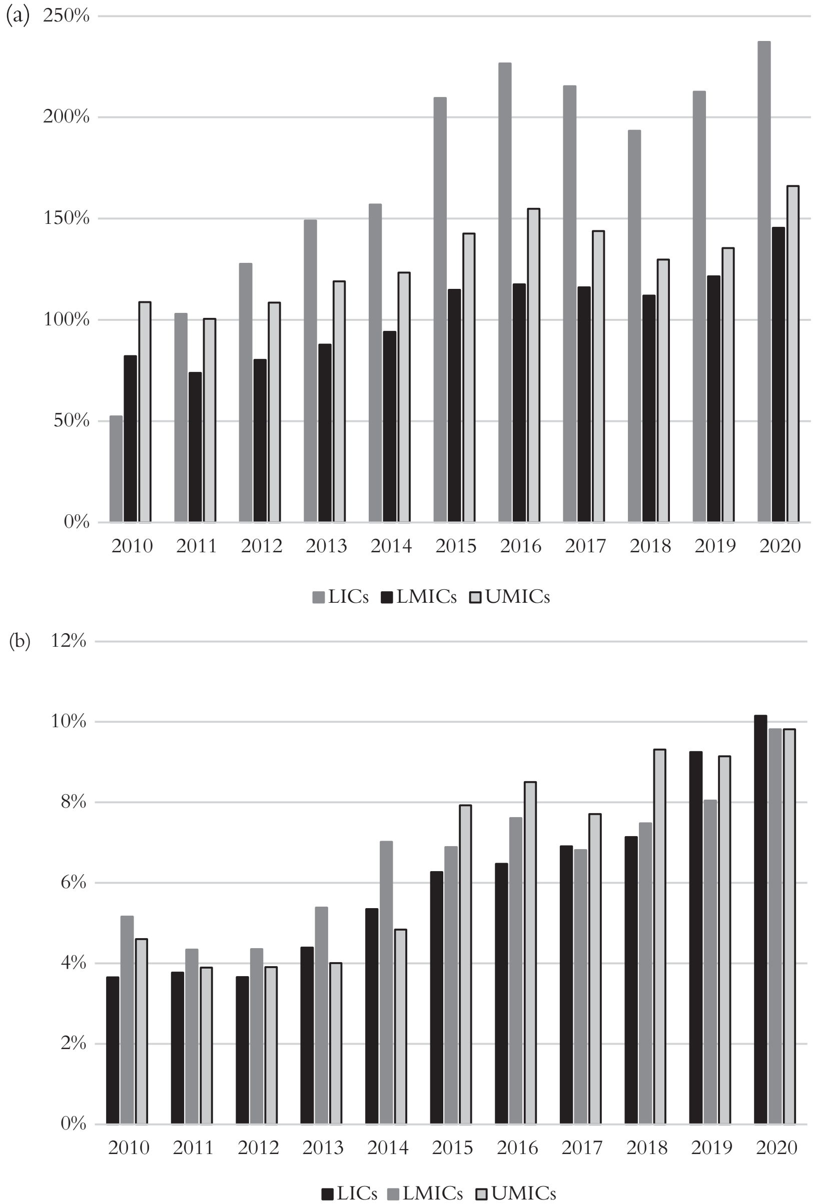
The growing debt stocks and the deteriorating borrowing costs has meant that debt sustainability indicators have deteriorated for developing countries. For instance, external debt stock as share of exports – a general indicator for external debt solvency – deteriorated for all income groups between 2010 and 2020. For LICs, this ratio increased from 52 per cent in 2010 to 237 per cent in 2020, while for LMICs it increased from 82 per cent to 145 per cent, and for UMICs from 109 per cent to 166 per cent in the same period (see figure 3.2.a). Another relevant debt sustainability indicator is external public and publicly guaranteed (PPG) debt service as share of government revenue, which indicates government capacity used to service external debt. Figure 3.2.b shows how debt service has typically doubled for all country groups, reaching a level of around 10 per cent in 2020.

In the next section, we consider gender discrimination and the debt acquisition and servicing phases, as well as austerity phases of debt-led growth.

4. Pathways of gender discrimination during the debt-led growth cycle

Gender impacts the different roles men and women play in society, and economic and political life. Considering these differences, economic policies and dynamics affect both genders through distinct channels (Périvier, 2018; Ghosh, 2021; de Oliveira and Alloati 2022). In this chapter, we emphasize three – not exhaustive – roles that women perform in the economy and society: as citizens, as caregivers and as employees, to better understand the gendered impacts of the debt-led growth strategy.

Figure 3.2: External debt sustainability indicators, by income group (excluding China), 2010–20



Note: LIC = lower-income country; LMIC = lower-middle-income country; UMIC = upper-middle-income country

Source: Own elaboration based on WB International Debt Statistics and IMF. Classification as per WB (2022)

By 'women as citizens' is meant the right to access basic and adequate social services and protection, including – but not limited – to healthcare, education and pensions. Regardless of the equal rights men and women may enjoy in any given society, women are made more vulnerable by deficiencies in basic public services for a variety of reasons, including their specific healthcare requirements, gendered expectations around education and work, and the increased likelihood of economic dependency during their working years. As 'caregivers', it is acknowledged that women are still the main providers of social reproduction activities, including household unpaid labour (for example, childcare, elderly care, managing domestic resources and so on). Moreover, 'women as citizens' highlights how these unpaid duties interplay with economic policies and development. Finally, as 'employees', we consider the employment pattern of women in the public sector and the interaction with public spending. Although the three dimensions described here are interrelated, they provide a conceptual device to understand how the debt-led growth cycle affects women not only during austerity, but also during the debt acquisition phase.

Tables 3.1 and 3.2 summarize the discussion, considering the dimensions of the economic and social engagement of women and girls with the

Table 3.1: Phases and dimensions of debt-led growth in expensive debt regimes

Phase of debt cycle/ dimension of gender discrimination	**Debt acquisition phase**	**Austerity phase**
Women as citizens	Inadequate basic provision of hospitals and schools – women may forgo treatment or be forced to pay for health services on credit.	Public expenditure cuts result in hospital closures and/or under staffing; access to these services declines.
Women as caregivers	Inadequate social structures and lack of sharing of caregiving responsibilities means general pressure on care-time of women, giving them less time to secure better paid jobs through human capital investment, for example.	Public expenditure cuts mean women are required to provide more care for the elderly, infirm and the young, increasing the disproportionate cost of austerity on women.
Women as employees	Possibility of greater labour market participation of women, but not necessarily at competitive wages. Public sector employment (where most women are employed) may not necessarily increase.	Public expenditure cuts lead to loss of female employment (represent largest share of public sector workers), leading to loss of income and health insurance, increasing vulnerability and making personal debts more difficult to bear.

Source: Own classification

Table 3.2: Life stages and gender discrimination throughout the phases of debt-led growth

Stage of life	Gender discrimination in each stage
Childhood	**Education:** • When education services are scarce and expensive (or rationed during austerity), households may prioritize the enrolment of boys rather than girls. • Girls are more likely to be pulled out of school due to economic necessity. **Food security:** • Girls (and women) more likely to suffer food insecurity relative to men and boys. **Unpaid care and domestic work:** **1.** Girls (rather than boys) perform most of the household chores, including child and elderly care. Reduces schooling years for girls during childhood.[a]
Adulthood	**Employment and remuneration:** • Fewer women participate in labour market. • More women are employed in low wage sectors, including informal sector. • Gender-based discrimination affects gender pay gap. • Women are more likely to lose their job because of budget expenditure cuts, or be the subject to a wage freeze. **Health:** • Insufficient health provision for women during reproductive age affects income earnings and longevity. **Unpaid care and domestic work:** • Women perform most of the household chores – this impedes female labour market participation.
Old age	**Retirement:** • Pension systems may pass on lifetime earning inequalities.

[a] https://data.unicef.org/topic/gender/gender-norms-and-unpaid-work/

debt-led growth cycle. The novelty of our contribution has to do with the systematization of gender dimensions and the explicit examination of the acquisition phase of debt, as well as the austerity phase when debt is no longer sustainable. We focus on the provision of health services as an obvious channel as to how these dimensions come into play.

The impact of gender discrimination emerging from sovereign debt relations is not exclusive to adulthood. Instead, during different stages of a woman's life – childhood, adulthood and old age – debt-led growth affects women and girls in distinct ways, given gender biases and asymmetries in access to resources and opportunities throughout their life. Discrimination towards girls influences later outcomes and access to resources and opportunities (for example, fewer years of schooling affects employment opportunities, lower paid positions during adulthood affects old age retirement). Table 3.2 gives some examples of gender discrimination in different life stages.

Achieving gender equality is a Sustainable Development Goal (SDG 5), and to achieve this goal, it is crucial to support other SDGs through public expenditure, in particular SDGs 1–4 (no poverty, zero hunger, good health and wellbeing, quality education). While investing in SDGs 1–4 support both men and women, investment in care, health and education services is seen as female-oriented social investment (for example, Cozzi and De Henau, 2015).

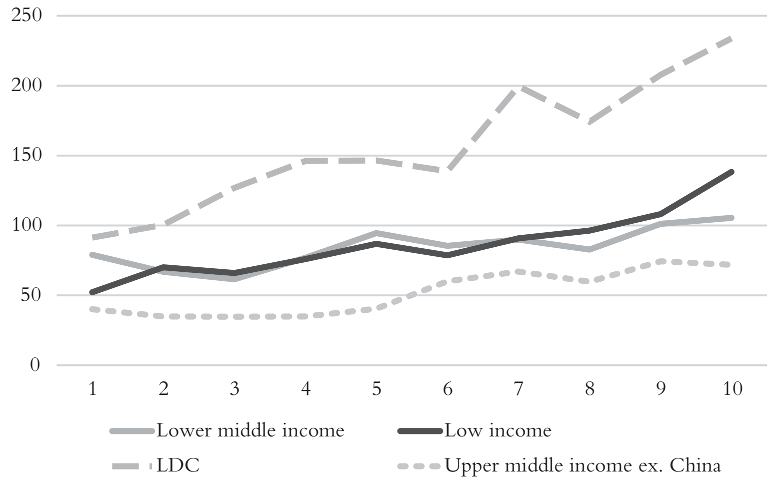
Women as citizens

It is noticeable that during austerity phases, which may include the imposition of a structural adjustment programme, the opportunity cost of privileging debt-servicing and debt-reduction over other fiscal demands means that health facilities in a country may be closed down, not built or be understaffed (Pandolfelli, Shandra and Tyagi, 2014). This has disproportionate impacts on women, as childbearers: for example, sub-Saharan African countries subject to structural adjustment programmes have higher rates of maternal death relative to countries without such a programme (Pandolfelli, Shandra and Tyagi, 2014).

During the debt acquisition phase, women may also have their right to adequate healthcare circumscribed or denied as increasing debt burdens limit social progress since debt service payments compete with scarce fiscal expenditure (WB, 2022, xi). As Figure 3.2 shows, in the last ten years, there has been a tendency for PPG debt servicing to increase faster than health expenditure for all developing country groups.

The situation is most dire for the poorest and most economically vulnerable countries, where the lack of healthcare is often fatal for women. For example, the 46 low- and middle-income countries classified as Least Developed Countries (LDCs) by the UN[8] show that while the external PPG debt service of LDCs already consumed an equivalent share of government revenues as the healthcare budget in 2011, by 2019 (the latest year for which there is data), PPG debt service in LDCs was, on average, 2.5 times larger than health expenditure. Data from the World Health Organization (WHO, 2017) show that the maternal mortality ratio (MMR) in LDCs is 415 per 100,000 live births (where it is 11 per 100,000 live births in high-income countries). While the MMR for LDCs has decreased considerably since 2000 (when the MMR was 763), it is far above the SDG target of 70 deaths per 100,000 live births by 2030. While globally over 80 per cent of births were attended by a professional in 2018, this ratio was 60 per cent for LDCs (WHO, 2021). LDCs currently deploy around 4 per cent

Figure 3.3: Public and publicly guaranteed debt service as share of health expenditure budget, by country groups, 2000–19



Source: Own elaboration based on WB International Debt Statistics and IMF. Classification as per WB (2022)

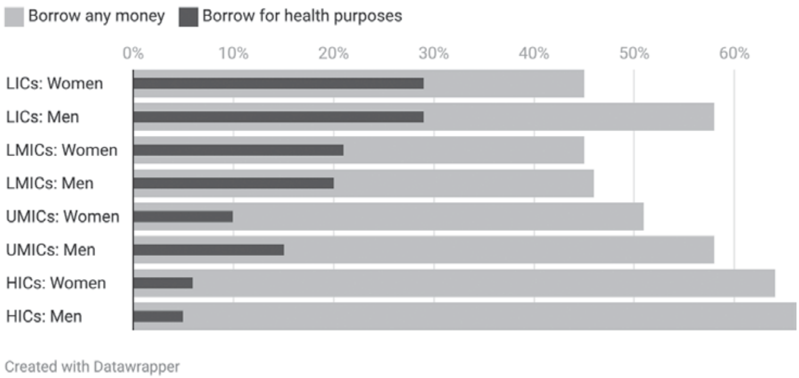
of GDP on health expenditure, less than half the global average of 9.8 per cent (WHO, 2021).

Other developing countries also face similar debt-servicing challenges, as can be seen in Figure 3.3. Ninety-four per cent of all maternal deaths occur in low- and middle-income countries (WHO, 2023), where debt-service outweighs expenditure on health – except for upper-middle-income countries (excluding China). During the pandemic, in 2020, some 62 countries spent a larger share of their budget on servicing debt than healthcare expenditure, and for 36 countries, debt servicing was larger than education expenditure (Munevar, 2021).

The lack of an adequate public healthcare system may impose a personal financial burden on women. Lower public expenditure on health is likely to deprive outlying areas of hospitals, clinics and medical personnel, and forgoing treatment may be a poor woman's only option (Smith, 1999). Moreover, given the accumulated backlog in healthcare provision, and the emphasis on generating sufficient public revenues to service the debt, governments are more inclined to acquiesce to pressure to privatize public services, and adopt a user-pays system, while at the same time shifting budget from social services to ensure adequate debt servicing (see for example, the case of Ecuador in Muchhala and Guillem, 2022).

User-pays systems are regressive and the most vulnerable are simply excluded from what should be universal, publicly provided services (Elson, 1993). Both costs and geographical proximity are correlated with women's

Figure 3.4: Share of respondents that 'borrowed any money' versus 'borrowed for health purposes', by income group, 2021



Note: LIC = lower-income country; LMIC = lower-middle-income country; HIC = high-income country

Source: Own elaboration based on WB Findex Database 2021

use of healthcare services, with women from poorer households seeking less or delaying treatment as it becomes more expensive or less accessible. (Dupas and Jain, 2021). Such behaviour can be detrimental to women's health, particularly to pregnant women, and ultimately results in a higher mortality rate (Taneja and Jadhav, 2022).

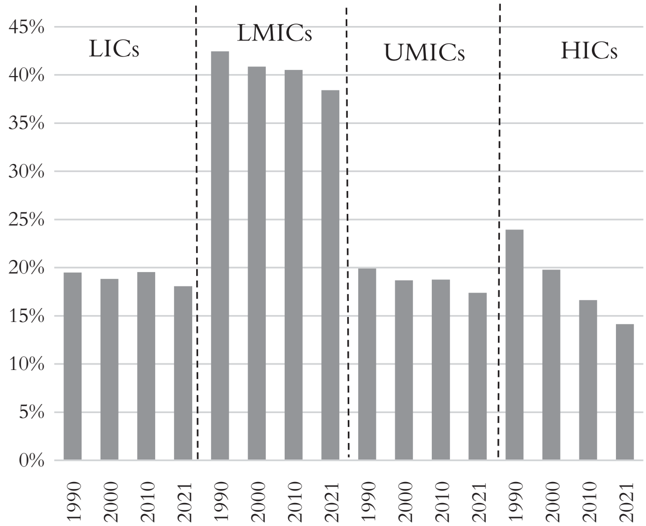
For those who are obliged to incur debt burdens to pay for healthcare, this can lead to impoverishment. According to the WHO (2020), in 2015 alone, out-of-pocket health expenditure pushed 89.7 million people into extreme poverty (below US$1.90 per person per day). The same report indicates that, as of 2015, there were at least 927 million people that incurred catastrophic health spending, meaning they spent over 10 per cent of their income on a health crisis or chronic condition. For 200 million people, it corresponded to over 25 per cent of their income, leading in many cases to unmanageable debt.

The use of debt to pay for health expenditure (see Figure 3.4) shows that women tend to borrow as much or more than men (the exception being in upper-middle-income countries), although men are typically more financially included and a larger proportion of them incur debt than women. The tendency for women in poorer nations to borrow more for health services highlights the importance of having a well-resourced, publicly funded healthcare system.

Women as caregivers

Around the world, women spend more time performing unpaid household work (cooking, cleaning, fetching water and firewood, taking care of children and so on), and in some countries, their unpaid workload is ten times longer

Figure 3.5: Labour participation gap between men and women, by income country group, 1990, 2000, 2010 and 2021



Note: LIC = lower-income country; LMIC = lower-middle-income country; UMIC = upper-middle-income country; HIC = high-income country

Source: Own elaboration based on WB Gender Data Portal

than that of men (Ferrant et al, 2014). Consequently, women are constantly time-poor which often limits or even impedes their participation in paid remuneration (Périvier, 2018). This problem is reflected in the gap between the labour participation rates of men and women.

As Figure 3.5 shows, for all income groups, female labour participation is considerably and consistently lower than for men, and in 2021, the difference between female and male labour participation remained stubbornly high at 38 per cent in lower-middle-income countries. Although the labour market participation gap is decreasing, a decline in the gap of 10 per cent between 1990 and 2021 was achieved only in high-income country groups.

Public expenditure is key to lowering the burden of caregiving on women and freeing them to increase their (renumerated) labour market participation rates. Publicly funded social services, including childcare, have been shown to be of paramount importance, with provision of day care for children increasing maternal employment (Thévenon, 2013; Nishitateno and Shikata, 2017; Andresen and Havnes, 2019). In general, country comparisons show that a decrease in women's unpaid care work by two hours a day may increase women's labour force participation rate by up to 10 per cent (for a given level of GDP per capita, fertility rate, female unemployment rate, female education, urbanization rate and maternity leave) (Ferrant et al, 2014).

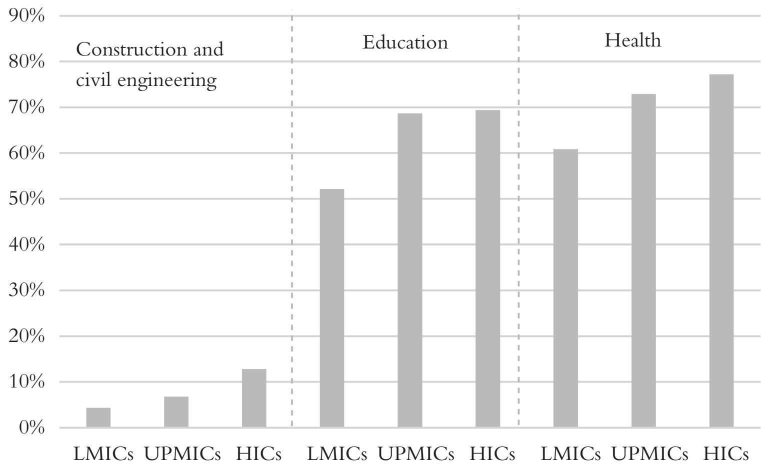
Public-sector spending in infrastructure (including electricity, roads, water and sanitation) can ease the barriers for women entering the labour market (Dinkelman, 2011; Lei, Desai and Vanneman, 2019; Fabrizio et al, 2020). Electrification brings general benefits, but women's relative household responsibilities means access to electricity can improve efficiency in time-intensive activities like laundry, food preparation, storage and cleaning, freeing up women to pursue paid work. Despite historical improvements in access to energy, in 2019, for over 940 million people (or about 13 per cent of the world's population) living without electricity was still a reality (Ritchie et al, 2022).

Women as employees

The public sector is the largest employer of women, and globally women represent 46 per cent of the public sector workforce compared with 33 per cent in the private sector (Mukhtarova et al, 2021). Data from the International Labour Organization (ILO) show that in 2019, in 78 of an available sample of 96 advanced and developing economies, the share of women working in the public sector is higher than in the private sector.

This pattern may be explained by the size of public budgets in healthcare and the gendered division of labour. Globally, women make up to over 70 per cent of workers in the health sector, predominantly as nurses and midwives. As figure 3.6 demonstrates, women can be considered over-represented in healthcare and education sectors while the same cannot be

Figure 3.6: Female participation in construction and civil engineering, education and human health sectors, by income group, 2019



Note: LMIC = lower-middle-income country; UMIC = upper-middle-income country; HIC = high-income country. Given lack of data, low-income countries are not included

Source: Own elaboration based on International Labour Organization. Classification as per WB (2022) said for construction and manufacturing sectors. The latter sector can be considered better renumerated and less subject to fiscal budgetary cuts. Both of these factors – the gendered division of labour and the lower rate of pay in women-dominated sectors – serve to disadvantage women.

Given the fact that the public sector is a key employer of women, austerity measures as well as constraints of public budgets are detrimental to female employment. While employment losses caused by public expenditure cuts in areas dominated by women – like healthcare – are an obvious concern, the lack of public investment in the healthcare system curbs job opportunity-creation, which therefore affects mostly female workers. Supporting the public health system brings double benefits for women: as citizens, they would have better healthcare conditions, and as employees, higher employment opportunities. This, in turn, is associated with gains in development (Bargawi and Cozzi, 2017).

5. A feminist debt agenda is a development agenda

To build a feminist agenda on debt, it is crucial to rethink the prevailing growth model reliant on external debt, especially from private creditors who offer worse borrowing conditions for developing countries when compared to multilateral and official lenders. A debt-led growth model makes developing countries fragile to external shocks, which in turn worsens gender inequalities. During the debt acquisition phase, increasing debt burdens limit social progress as debt service payments compete with scarce fiscal expenditure for health, education, social assistance and infrastructure investment – areas where public expenditure is essential to improve the socioeconomic condition of women. During the austerity phase, hard-earned improvements in social expenditure tend to be undone, directly and indirectly increasing gender inequality through women's vulnerability to reduced social provision, social protection and employment opportunities. This in turn undermines development.

Supporting developing countries to get out of debt-led growth and expand fiscal space for gender equality-boosting development requires an alternative approach to debt sustainability that can account for social and economic goals, putting human rights at the forefront of this discussion. The UN Human Rights Council has advanced towards this goal by setting up 'Guiding principles on human rights impact assessments of economic reforms', as presented by the UN Independent Expert on debt and human rights in 2018 (Independent Expert, 2018), and with following an adopted resolution (Human Rights Council, 2019) which emphasizes the need to consider debt issues to respect human rights. Part of this shift also requires a new approach to debt sustainability assessments that better bridge creditor and debtor needs and commitments, from an evaluation of short-term flexibility in meeting domestic and foreign claims of creditors to one where more flexibility into servicing debts is introduced, without sacrificing long-term development objectives (Kregel, 2007). In an effort to contribute to this shift, UNCTAD has developed the Sustainable Development Finance Assessment (SDFA) framework for policy makers of developing countries with explicit focus on the achievement of basic development goals and structural development. The UNCTAD SDFA aims at assessing a country's development finance needs to achieve structural transformation through the first four SDGs (mentioned earlier) while at the same time ensuring the sustainability of the external and public sector financial positions (Hawkins and Prates, 2021). This framework incorporates sustainable development finance as a whole, considering all sources of external financing, that is, foreign direct investment (FDI), foreign portfolio investment, remittances and external debt (both public and private). Its objective is to underline that there are a range of policy options to maintain external financial and public sector sustainability while also achieving the SDGs, with the SDFA framework allowing the assessment of these options (UNCTAD, 2022).

A sea-change in debt sustainability analysis that allows for, rather than sacrifices, development is needed. Debt sustainability is linked to the perceived fragility of developing countries and their ability to withstand external shocks. Strategies to scale up development finance need to minimize the exposure to external shocks, cross-border capital flows and external debt service burdens (UNCTAD, 2019). This in turn requires the rekindling of multilateralism to boost official development assistance, the staunching of illicit financial flows and a redesigned international financial architecture where developing countries have access to affordable debt and timely and orderly debt workouts.

Such an approach to debt sustainability upholds gender equality as part of a development agenda which ensures public finances deliver necessary public services. Without this, a feminist development agenda will remain elusive.

Acknowledgements

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Notes

1 General Assembly resolution 1710 (XVI), "United Nations Decade – A programme for international economic co-operation", A/RES/1710(XVI) paragraph 2 (19 December 1961), available from undocs.org/en/A/RES/1710(XVI).

2 For more about this debate, see Fajardo (2022).

[3] Braunstein et al do not explicitly consider the role of debt in their analysis of growth.

[4] From 2000 and 2020, the increase was from US$644 to US$2,399 billion for lower-middle-income countries, and from US$1,180 to US$4,127 billion for upper-middle-income countries.

[5] Increased from US$79 billion to US$166 billion between 2000 and 2020.

[6] UNCTAD II (1968) adopted resolution 27(II), entitled "Growth, Development Finance and Aid", considered a supplementary target for net ODA of 0.75 per cent of the gross national product (GNP) of developed countries in addition to an overall target of financial resource transfers "of a minimum net amount of 1 per cent of the GNP". UNCTAD II was instrumental in putting development finance and ODA on the international agenda. In 1970, UN General Assembly (UNGA) resolution 2626 (XXV, § 43) adopted a 0.7 per cent of GNP target for ODA, changed to a 0.7 per cent of GNI target in 1993.

[7] Authors' own calculation based on WB International Debt Statistics and Organisation for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC) Creditor Reporting System (CRS).

[8] A full listing is available here: https://unctad.org/topic/least-developed-countries/list

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