EGM/FFGE/2007/EP.15 Draft 30 August 2007 ENGLISH only

United Nations
Division for the Advancement of Women
Expert Group Meeting on financing for gender equality
and the empowerment of women
Oslo, Norway
4-7 September 2007

# FINANCING FOR GENDER EQUALITY AND THE EMPOWERMENT OF WOMEN: SOME THEORETICAL AND PRACTICAL ISSUES FROM A TRADE AND MACROECONOMIC POLICIES PERSPECTIVE

### **Mariama Williams**

Division for the Advancement of Women
Department of Economic and Social Affairs
United Nations, New York
Fax: (212) 963-3463
daw@un.org
http://www.un.org/womenwatch/daw

The views expressed in this paper are those of the author and do not necessarily represent those of the United Nations.

#### Introduction

Currently, the international political economy is dominated by a plethora of reform agendas: aid reform, debt reform, financial sector reform, public sector reform and trade reform. Associated with these reforms are issues of aid effectiveness, good governance, financial accountability, market access, public-private partnership and trade liberalization with emphasis on private sector development, micro finance and debt sustainability. None of these reform contents, instruments and modalities are gender neutral nor can any single one be taken to automatically result in gender equality outcomes. All, however, impact to different degrees, the policy space, policy autonomy and conditions by which developing countries' governments can exercise decision-making about expenditure and revenue generation, which have implications for gender equality and women's empowerment commitments made over the last twenty years. Undeniably, the national budgets of developing countries have become key intersectional points for all the varied reform agendas.

Unquestionably, budgetary issues have profound implications for the accessibility and availability of, livelihoods, public services, social reproduction, and the sexual health and reproductive health and rights of men and women. So it is not surprising that at the same time as these various reform agendas have been evolving, there have been significant counter moves in the forms of gender responsive budgeting, gender sensitive microfinancing and gender and trade analysis and advocacy to promote gender equality and the empowerment of women. These activities are all occurring in the shade of the millennium development goals and in the backdrop of the Monterrey Consensus.

Today we are exploring the critical issue of financing gender equality and the empowerment of women, a topic that it is important to examine in the context of these ongoing reform processes. But before moving to examine in greater details how these processes impact on the financing of gender equality, it is important to refresh our understanding of the key elements and underlying issues at stake in this debate.

# The dimension of gender inequality and women's lack of empowerment

report did not undertake a wide or deep discussion on gender issues, these issues must be advocated for as paramount to policies, programs and policies of poverty eradication, development and gender equality. This is particularly so in a '... discourse on the link between the multilateral trade regime negotiations and Aid for Trade (which) puts *Trade* at the center of growth promotion and poverty reduction strategies at the national, regional and multilateral level' (Isodor2006).

Trade related capacity building, though having its own parameters and independent existence, is central to the wider issue of aid for trade. TRCB is variously defined as: i) a spectrum of activities ranging from intangible (skills and knowledge building) around issues such as sanitary and phyto sanitary measures to more tangible efforts (roads, ports and ICT) in order to relax supply constraints and diversify exports; ii) a two or three pronged approach encapsulating negotiation, implementation and or adjustment to deal with developing countries' challenges around market access, market entry and trade readiness; or very narrowly as, iii) technical assistance for the implementation of trade reform which may or may not take into account adjustment costs<sup>7</sup>. However, broadly or narrowly conceived TRCB activities tend to focus on trade policy & regulation and trade development with great emphasis on micro (enterprise) level support, industrial level and institutional interventions.

Since TRCB programs tend to operate at the enterprise and institutional level, it would seem to be one aspect of trade that has great synergy with gender mainstreaming and wide scope for the integration of gender considerations, especial with regard to financing gender equality and women's empowerment. However, to date this has not been the case. With the exception of CIDA, which has developed a framework for engendering TRCB, there has not been much focused national, or regional attention on ensuring the gender equality dimensions of trade development or trade readiness<sup>8</sup>. The Commonwealth

its final (nine pages) recommendations to the WTO General Council July 27-28, 2006. The report was endorsed by the General Council in its 10 October 2006 meeting.

<sup>&</sup>lt;sup>7</sup> See OECD-WTO data base on TRCB. The IMF and the Bank also have their own approach to the issue and donor organizations, such as CIDA, are evolving their own particular take on the matter. While the

Therefore, simplistic appeal to (micro-credit driven) community development must be replaced by a comprehensive and deeply structural plan to eliminate public poverty and at the same time create the dynamics for generating sustainable livelihoods for men and women based on their strategic gender needs and interests. This is especially important for communities where the structural effects of long history of neglect and abuse are pervasive.

Thus, there is a need to move the discussion and action agendas beyond poverty reduction to look at structural issues of inequality and economic injustice that reinforce old forms of poverty as well as creates new poverty and inequalities. Gender equality must be reaffirmed as an end in itself and not simply a means to an end.

With regard to the broader macroeconomic policy domains:

There will need to be a shift in perspective from seeing and treating the national budget as only a device for debt and debt services payment to re-integrating the social function of the budget.

Economic decision-makers' focus need shift from the current over emphasis on generating the primary surplus as the main target of fiscal policy towards a more people and gender sensitive budget. The targeting of the primary surplus as the key focus of fiscal policy led to over emphasis on fiscal restraint and decreased or stagnant growth (Celasum et al 2005 and Marano 1999). This has occurred even in the context of structural unemployment and low interest rates (Celasum et al 2005 and Marano 1999 cited in Williams 2007b).

There need to be more balanced attention paid to alternative options such as increasing public investment and lowering interest rate. Tight fiscal policy has had significantly negative outcomes for policy options to generate employment, growth and competitiveness of the domestic economy. This may mean reducing the primary surplus in order to create real resources for the economy. Increasingly research is showing that a reduction in the primary surplus can co-exist with reduction in debt (especially when there is a rise in GDP).

Specific recommendations in the area of trade policy and trade reform, therefore are that:

Each country develops a framew TEnurp that:thade pgna5.76i

iby changng thade policy.

d oSMEs,as twellas ,io che )sector in the a

mocus d ornporoeoing thade prladngss ond tTJ-15.93601.145 TD0.0139 Tw(m)8.52arkt aetry dncr

In conclusion, shifts in macro-policy impact the provisioning of care in households and communities. The activities of caring for men and women in their various life cycles and in preparation for life in the labour market, entrepreneurial activities and as contributing citizens to society are critical to overall economic development, growth and performance. Social reproduction, which is primarily the work of women, is the life blood of the economy. Therefore, economic decision-makers should work to better oriented economic policy to support social reproduction. This can be achieved, in part, by promoting access to basic social services, the reduction of public poverty, and, in part, by directing shifts in the financing of social spending in a more balanced way in the allocation between the different sources of revenue. In addition, in order to meet the needs of, and to prioritize social reproduction, as noted by ECLAC, macro economic policy must have broader goals, extended time horizon and greater attention must be paid to the distributional impacts, and the high costs of pro cyclical macroeconomic management. Thus in order to be more effective for social reproduction needs, macroeconomic management should be designed to counter the business cycle's up and down swings in economic activities.

It is only through such thoughtful approaches to the management of the economy that sustainable financing for promoting gender equality can be undertaken.

## REFERENCES

Williams, Mariama 2007a, 'Gender and Trade: impacts and implications for financial resources for gender equality.' Prepared for the <u>Plenary</u>: Tracking the Money for Gender Equality, Financing Gender Equality for Development and Democracy, 8<sup>th</sup> Women's Affairs Ministers Meeting (8WAMM) Kampala, Uganda, 12 June, 2007.