

# Women push their development demands on the financing front

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The challenges of increasing inequality and exclusion and the feminisation of poverty have been exacerbated by the rapid globalisation of the world economy. However, the draft of the Monterrey Consensus document failed to challenge the current macroeconomic framework that perpetuates global imbalances, inequality and suffering.

The 1992 UN Conference on Environment and Development (UNCED) and Agenda 21 marked the start of a global agenda-setting process that has transformed public policy demands and allowed civil society more influence in policy-making.

At UNCED women from around the globe came together in all their diversity to strategise and to gain formal recognition of their crucial role in achieving development that is socially, economically and environmentally sustainable. At subsequent conferences on development, women advanced their agenda, winning government commitments to protect and advance women's human rights (Vienna), reproductive health and rights (Cairo), poverty and social development (Copenhagen) and a broad platform of political, economic and social advances for women (Beijing).<sup>2</sup>

But even as women have struggled to hold their governments accountable in the implementation of these commitments, the challenges of inequality and the feminisation of poverty have been exacerbated by rapid globalisation of the world economy. For women, therefore, the Financing for Development (FfD) process—with its focus on mechanisms to finance the development goals of the Millennium Forum and the 1990s conferences—held great promise.

For years, women's organisations and other NGOs have monitored six critical aspects of development finance: mobilising domestic resources; mobilising international resources for Foreign Direct Investment; trade; official development assistance (ODA); debt; and systemic issues such as reform of the international financial architecture. In the FfD process, civil society argued that the existing approach to economic globalisation is leaving many countries and people behind and that new approaches were needed. A growing number of governments, leaders of the international financial and trade institutions and some business leaders are beginning to agree.

Despite these efforts there has been a steady whittling away of the political will to reform the international financial and economic system. Governments have elected to stick with the failed policies of the Washington Consensus—deregulation, privatisation, and trade and financial liberalisation—that have swelled the ranks of the poor, particularly women, and led to growing global inequality. To our dismay, as the Fourth Preparatory Committee drew to a close in January 2001, the draft of the Monterrey Consensus document failed to challenge the current macroeconomic framework that perpetuates global imbalances, inequality and suffering.

Although it is generally accepted that women make up the majority of the world's poor,<sup>3</sup> the Monterrey Consensus is almost devoid of gender analysis or any clear commitment to gender equality. It ignores women's unique position within the labour market and the uneven and negative impact of global economic policies on the sectors where women predominate.

It expresses little understanding of the extra responsibilities of women in managing their households in addition to their income-generating activities. As social services are privatised, cut back or eliminated in the wake of globalisation, women get more household responsibilities and less income. This fact has not been considered in the official financing deliberations.

For the first time, gender is mentioned in the Mobilising International Resources section with businesses urged "to take into account ... the developmental, social, gender and environmental implications of their undertakings" (para. 21). And though the Systemic Issues section includes a call to "mainstream the gender perspective into development policies at all levels and in all sectors" (para. 58), this was watered down from an earlier and more specific call for gender mainstreaming in international financial and development institutions. The other three sections—Trade, ODA, and Debt—make no mention of the needs or concerns of women. The final document will almost certainly lack the kind of systemic changes or systematic gender analysis that would make a real difference to women.

Foreign direct investment, Official Development Assistance (ODA), free trade zones and other external forces that directly affect the social and economic restructuring of developing countries are key development issues for women of the South. For example, structural adjustment policies are celebrated by industrial nations as a means to promote effective, sustained economic growth, but in practice they open the economies, peoples and natural resources of developing countries to exploitation by external entities. This reality directly impacts the livelihoods of women in the South, but their perspectives have been marginalised thus far in the FfD process.

Women's perspectives and recommendations in the FfD process were explored at a WEDO/UNIFEM (United Nations Development Fund for Women) consultation at the Second Preparatory Committee in February 2001. The meeting brought together some 30 representatives of women's organisations from around the world to map out ways of bringing a feminist perspective to the FfD agenda. Representatives of six of the participating groups<sup>4</sup> developed recommendations from which advocacy materials were produced. The materials—a set of issue briefing papers and a document of specific proposals on each of the FfD themes—provided a point of reference for FfD delegates seeking ways to incorporate gender concerns into the process, and for other civil society organisations to engender their own sectoral proposals. The main points and recommendations made by the women follow.<sup>5</sup>

## Mobilising domestic financial resources for development

National governments play the primary role in development of the national financial sector, protection of social services, and provision of resources needed for the growth of human potential and capacity. But globalisation and market liberalisation place severe limitations on the ability of governments to provide social protection

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2 World Conference on Human Rights (WCHR), 1993, Vienna, Austria; International Conference on Population and Development (ICPD) 1994, Cairo, Egypt; World Summit for Social Development (WSSD) 1995, Copenhagen, Denmark; Fourth World Conference on Women (FWCW), Beijing, China.

3 Seventy percent is the commonly-used estimate, but since "gender-sensitive income-poverty indicators have yet to emerge...there is no way of estimating the extent of feminisation of poverty." *Biennial Report: Progress of the World's Women 2000*. UNIFEM, 2000. p 95.

4 Association for Women's Rights In Development (AWID), Canada; Freedom From Debt Coalition, Philippines; Gender and Trade Network, Washington, DC; World Council of Churches Ecumenical Team (WCC/ET), New York; Women's Environment and Development Organisation (WEDO), New York; Women's Eyes on the Multilaterals, Mexico.

5 Partly derived from a paper commissioned by UNIFEM: M. Floro. "Gender Dimensions of the Financing for Development Agenda". April 2001.

and invest in human resources. Governments are instead confronted with the dilemma of creating a “competitive” economic environment from policies that result in social and economic devastation. Liberalised markets intensify women’s subordination in numerous areas such as literacy, life expectancy, and access to land, information, technology, and education. Taxation policies could be a useful tool for redistributing wealth and redressing social inequities, but the ability of governments to generate tax revenues is inhibited by IMF/World Bank-type reforms that favour predominantly male, middle-to-high income brackets while reducing or eliminating subsidies on basic goods such as milk, bread and cooking gas, on which poor communities, particularly women, rely.<sup>6</sup>

### Women’s recommendations

- Develop gender-disaggregated analyses of national budgets to obtain the facts about women’s labour—paid and unpaid, formal and informal—in comparison with men, from which economic development policies and strategies that are truly equitable and efficient can be devised.
- Adopt and enforce transparency measures in financial decision-making bodies, government agencies and institutions. Such measures would increase public awareness and involvement in policy-making processes, thus promoting good governance and democracy and reducing incidences of corruption.
- Incorporate gender-aware analyses into all macroeconomic decision-making. Micro-credit alone cannot eliminate the barriers women face in accessing markets and financial resources. Macroeconomic policies involving trade and loan agreements, agribusiness, land distribution, and tax administration must be developed with awareness and consideration of their gender implications.

### Mobilising international resources for development: foreign direct investment and other private flows

Gender awareness is crucial in the mobilisation of international financial resources involving the transfer of funds. Policies and institutions are not gender-neutral: they affect women and men differently. Women constitute half the global population but control fewer than 10% of the resources and earn less than men for comparable work. Gender-sensitivity is necessary if investment and trade policies are to be effective since gender inequalities and biases constrain women’s ability to use available opportunities, respond to policy initiatives or engage in productive advances in terms of land rights, credit, and technology. The guiding question must be how to mobilise international resources for development, in the context of gender-aware economic and financial policy-making, to ensure that the concerns of women and girls are addressed.<sup>7</sup>

### Women’s recommendations

- Prioritise gender-sensitive sustainable human development as an integral part of economic growth. A mechanism to facilitate this policy could be the establishment of a gender desk in national finance ministries.
- Enact gender- and environmentally-sensitive regulatory frameworks to monitor global capital flows and employment practices of global corporations and multinationals.

- Establish gender-sensitive Sustainability Impact Assessments of public-private sector partnerships that review fiscal and social risks of joint investments and ventures as well as social responsibility, accountability, transparency and the participation of women’s and other civil society organisations and unions.
- Develop gender-sensitive programmes that link small business development with foreign enterprises and encourage the transfer of information and technology to small businesses and the informal sector.

### International trade as an engine for development

Trade liberalisation is proceeding rapidly with little consideration of the cost to women and men in developing countries or its impact on gender and social equality. This lack of attention poses particular challenges to women in the areas of food security and protection, agricultural livelihood and rural development, health and health care, and access to public services, biological diversity, and technology. Additionally, restrictive investment measures have serious implications for the growth and development of micro and small businesses, where women are concentrated.<sup>8</sup>

### Women’s recommendations

- Undertake a comprehensive gender and social impact assessment of the current General Agreement on Trade in Services (GATS) framework followed by re-negotiation to meet the needs of developing countries.
- Remove Agreements on Agriculture, Trade-Related Aspects of Intellectual Property Rights (TRIPS) and Trade-Related Investment Measures (TRIMS) from the WTO discipline; agriculture and investment decisions should be left at the national level.
- Design gender-sensitive and socially equitable development systems that protect traditional knowledge by recognising the contribution of men and women farmers, the nature of the benefit sharing, and prior consent provisions.
- Ensure that linkages between foreign direct investment and trade policies result in equitable, safe, and sustainable employment. Export processing zones are replete with examples of the negative impacts this linkage can have on workers, particularly women and children.

### Increasing international financial cooperation for development

To effectively eradicate poverty, financial assistance must focus on women and girls, who constitute the majority of the world’s poor and who suffer most the effects of poverty. ODA and other forms of international financial assistance play a significant role in defining the macro economic frameworks and their related processes. Yet some important new strategies that have the potential to improve donor coordination and local ownership of development models—Country Development Frameworks, Poverty Reduction Strategy Papers (PRSP), SWAPs, and so on—are gender neutral. Given the experience of past economic reform policies, these new approaches are likely to have equally destabilising impacts, and negative effects, particularly on women. These new strategic frameworks must be revised to support sound socio-economic policies and enable development entities in receiving countries to direct the implementation of ODA, focusing on environmental protection, labour rights and gender equality.<sup>9</sup>

6 N. Johnson. “Mobilising Domestic Resources: Women’s Consultation Briefing Paper”. September 2001, New York.

7 J. Goodson Foerde. “Mobilising International Resources: Women’s Consultation Briefing Paper”. September 2001, New York.

8 M. Williams and M. Riley. “Trade: Women’s Consultation Briefing Paper”. September 2001, Washington D.C.

9 J. Kerr. “Official Development Assistance: Women’s Consultation Briefing Paper”. September 2001, Canada.

## Women's recommendations

- Industrialised nations must increase ODA to 0.7% of GNP in keeping with commitments made at the Millennium Forum and Third UN Conference on the Least Developed Countries. A timetable must be established to meet this target, starting with a commitment to the UN Secretary General's challenge to double contributions to USD 100 billion within the next two or three years in order to reduce by half the number of people living in extreme poverty by 2015.<sup>10</sup>
- ODA must support technical assistance for institutional capacity building in gender analysis, including resources and technical assistance for gender disaggregated data such as policy impacts on different groups of women and men; and must strengthen programme design and management and operational policies and procedures within developing countries and countries in economic transition.
- Finance global public goods in addition to ODA, and include the eradication of HIV/AIDS and other major infectious diseases, environmental protection, poverty eradication, and gender equality among these goals.
- Focus international cooperation on meeting the internationally agreed upon development goals, including those in human rights treaties, in outcome documents of UN conferences of the 90s and in the Millennium Declaration.

## Sustainable debt financing and external debt relief

Foreign debt is growing exponentially and debt relief continues to be an exercise of power and control through structural adjustment policies imposed by the international financial institutions that drain debtor nations of precious resources. Present debt-management proposals—the Heavily Indebted Poor Countries (HIPC) Initiative and the Enhanced HIPC—offer too little too late to too few countries since they are devised by creditors for debt collection not debt relief. But unless present debt-management plans are transformed into effective, equitable, development-oriented and durable debt release opportunities, the devastating cycle of debt accumulation will repeat itself, condemning millions more people to suffering.

Structural adjustment policies give priority to debt repayments over spending on health, education, sanitation, clean water and other social needs. This undermines accountability by debtor governments to their people and erodes local democratic institutions. Debt and loan negotiations are conducted in secret between elites in the North and elites in the South, fostering corruption. Caught as they are at the divide between the productive and reproductive spheres of life, women have borne the full impact of debt dependence, adherence to SAPs and underdevelopment.<sup>11</sup>

## Women's recommendations

- Cancel the debt of low-income countries and the illegitimate debts of all countries of the South, with immediate effect.
- Institute immediate debt relief for severely indebted middle-income countries.
- Ensure the active participation of civil society in decision-making to determine the allocation of funds from new loans and debt relief.
- Starting with the heavily indebted poor countries in Africa, eliminate

conditions attached to new loans and debt relief that perpetuate indebtedness, as articulated in the PRSP and the enhanced HIPC initiatives.

- Introduce an independent, transparent arbitration process for negotiating international debt cancellation that ensures losses and gains are shared equally, and establish ethical lending and borrowing policies to prevent future debt crises.

## Systemic issues: enhancing the coherence and consistency of the international monetary, financial, and trading systems in support of development

Reforming the international financial architecture, improving global governance, and strengthening the role of the UN are the three major dimensions to this contentious issue. At stake is the direction that development financing will take beyond Monterrey. Women and other NGOs argue that the global human ecosystem is being jeopardised by severe imbalances in productivity, resource mobilisation, and the distribution of goods and services resulting from the policies of the Washington Consensus, which promotes deregulation, privatisation, and trade and financial liberalisation. This model, which subordinates poverty eradication and gender equality to economic growth, is economically and politically unsustainable. The challenge is to change the existing governance structure and rules to a system that will help achieve sustainable human development.

## Women's recommendations

- Monitor global economic conditions, policies, and institutions from the perspective of overall development goals, including poverty eradication and gender equality as established in the UN Charter, Millennium Declaration, and all UN conferences of the past decade.
- Include all sectors of civil society, particularly women, in the design and application of trade, fiscal, and financial policies, at national, regional, and international levels.<sup>12</sup>
- Establish the primacy of the UN in addressing the lack of institutional democracy and transparency in the international financial and trade institutions—the World Bank, IMF and WTO.<sup>13</sup>
- Support government efforts to achieve full and effective implementation of the Beijing Platform for Action.

## Regional perspectives

Women have been organising at both the regional and national levels to ensure that gender is integrated into all economic development financing and decision-making. Meetings between economists, activists, and in some cases government officials, have taken place in India, the Philippines, and Denmark, and new networks such as the Cartagena Initiative in Latin America have formed.

Women policymakers and activists have recognised that women organisers at the grassroots level are shut out of the official FfD process. To address this critical problem, WEDO and UNIFEM sponsored a joint initiative to help facilitate gender-sensitive policy and decision-making in the FfD process. As part of this partnership, regional workshops for Africa, Central and Eastern Europe/Newly Independent States, and Asia/Pacific were organised. These workshops brought together government officials, grassroots women activists, and feminist economists to share experiences,

10 FfD NGO Caucus Statement to the Press, 22 January 2002, New York.

11 Lerner, G., Lozada, R., and Torres, V., "Debt: Women's Consultation Briefing Paper", September 2001, New York and Philippines.

12 Laura Frade, Women's Eyes on the Multilaterals, "Women's Consultation Recommendations, FfD PrepCom III", 2-8 May 2001, New York.

13 FfD NGO Caucus Statement to the Press. *Op.cit.*

strategise, and network around FfD issues in their regions. These workshops aimed to attract regional attention to the FfD process and catalyse further advocacy efforts at the national, regional, and global levels.

The Africa regional workshop, organised by the African Women's Economic Policy Network (AWEPON), was held in Kampala, Uganda, and covered the regional dimensions of economic and social governance, gender and trade, external debt, security and peace, HIV/AIDS, technical aid, food security, and domestic resource mobilisation.

The Central and Eastern Europe/Newly Independent States regional workshop was held in Kiev, Ukraine, and was organised by the Liberal Society Institute. Issues of concern included corruption, access to micro-finance, domestic resource mobilisation, social protection, new forms of violence against women, sex trafficking, and the recent emergence of external debts.

The Asia/Pacific workshop was organised by South Asia Watch and held in Kathmandu, Nepal. Regional and sub-regional issues identified were the external debt crisis, women's high illiteracy rates, lack of food security, the supply and demand side of corruption, sex trafficking, and the exploitative labour of women and children fostered by current neo-liberal FDI and trade frameworks. The need to decentralise power and increase state autonomy was highlighted.

These workshops provided an arena to inform, strengthen networks, and develop strategies for future activities such as information sharing, research and education, training, lobbying and advocacy, publishing, and participation. They also developed advocacy statements and concrete language proposals for the Facilitator's outcome document. Connections were made between FfD and the World Summit on Sustainable Development—recognition of the need to form linkages between development financing and economic, social, and environmental sustainability. The discussions were both informative and inspiring, and the combined networks of the participants demonstrated the potential for women's advocacy around the impact of macroeconomic issues at the national, regional, and global levels, and at the Monterrey Conference and beyond.

## Women's participation

The FfD process has provided women the opportunity to bring gender analysis and feminist perspective to the macroeconomic discussion. While WEDO, DAWN, the World Council of Churches/Ecumenical Team, the International Confederation of Free Trade Unions (ICFTU), and a number of women activists have sought to provide this analysis and these perspectives and were a constant presence and reminder of the importance of gender concerns, overall women's participation has been limited.

Part of this results from the objective limitations of financial and human resources among women's NGOs. But a major problem lies in the lack of women in economic decision-making and amongst the larger civil society movement against financial globalisation. Despite the gains women have made in many fields, they are still poorly represented in decision-making bodies. Women comprise only 13% of those in national legislatures. Among government ministers worldwide, women fare only slightly better at 14%, and they are largely concentrated in sectors typically seen as the least powerful, such as education, health and sports. The number of women heading those government sectors with the most clout in the power structure is particularly low, with only 9.4% in the legal area and less than 5% in economic, political and executive positions.<sup>14</sup> In the IMF women are 2.2% of governors (4 out of 179) and there

are no women among the 24 directors.<sup>15</sup> At the World Bank it is not much better: 5.5% of governors (10 out of 181) and 2 out of 24 directors.<sup>16</sup>

Unless women are present in critical numbers and empowered to share their different experiences, perspectives, concerns, and needs, these will not be recognised in the policy debate. This is true not only in governmental and inter-governmental institutions but among civil society organisations as well. Women are still under-represented in the anti-globalisation movement, which has been in the forefront of redefining a new approach to globalisation focused on promoting sustainable development and addressing income inequality. Women activists must organise around globalisation issues and seek to influence the agendas not only of governments but also of NGOs.

## Future engagement: first steps

At the UN it will be very important to carry forward the FfD discussions and outcomes into the preparations for the World Summit on Sustainable Development, to be held in Johannesburg in August 2002. The vision and reach of WSSD will rest in part on the financing possibilities and commitments reached in Monterrey.

WSSD presents an opportunity to apply a broader gender lens to the Millennium Development Goals—combating violence against women and addressing the issues of women's equality and empowerment in eradicating poverty are significant inclusions but cannot in themselves adequately meet the overall needs of women, nor their role in development. To successfully attain the Millennium Goals of eradicating poverty and hunger, achieving universal primary education, reducing child mortality, improving maternal health and combating HIV/AIDS, it is critical to document and understand the different positions of men and women, girls and boys in society.

In addition to the social and economic indicators in the Millennium Development Goals, commitments for achieving environmental sustainability are also given prominence. Thus the WSSD is an opportunity to unify the social, economic, and environmental components of sustainability within the context of the Millennium Goals and UN conferences and agreements of the past decade.

Women know that the various financing mechanisms on the table at FfD are means to a larger end, that of human development. These finance mechanisms are discussed in many other forums—WTO, IMF, World Bank, regional development banks and multinational corporations. However, there is no single institution that is looking at how each of them is appropriated or at the relationships between them. The social consequences of their policy decisions are secondary considerations. Thus, the UN provides the only forum for formal intergovernmental discussion linking financing to social development. This feature of FfD is what makes it unique and what lends it such importance for women.

Women forged a visionary agenda during the past decade of global meetings on development from the heady days of Rio to the triumphs in Beijing. But while we can celebrate some successes in gaining implementation of these commitments—gender budgets in several countries; new gender equity laws; improvements in electoral legislation—it is not enough. As WEDO's founder Bella Abzug declared, *"We have the words, now we need the music, and the music is the action."* To turn the words into action at the global level, women must take FfD forward to the forum on Sustainable Development. And, we must do so in larger numbers—working at national, regional and global levels—as we press forward to full equality in the social, political and economic arenas. ■

Women's Environment and Development Organization (WEDO)  
<[www.wedo.org](http://www.wedo.org)>

14 S. Reyes. "Women Working with Women: Breaking Down the Barriers"; "Getting the Balance Right: Strategies for Change". WEDO, 2001, New York.

15 IMF Annual Report, 2001.

16 <http://www.worldbank.org/about/>