1 Introduction

Although the historical antecedents of modern-day women's movements go back at least to the previous century, particular attention has been paid during the last three decades to the concerns of women in the development process. Starting with the pioneering effort of Ester Boserup (1970), considerable effort has been expended by researchers, activists and policy-makers in analysing gender relations in the context of development, in understanding their practical consequences for women and men, and drawing out the policy implications thereof.

Defining Gender

Gender can be defined as the set of characteristics, roles and behaviour patterns that distinguish women from men which are constructed not biologically, but socially and culturally. The sex of an individual is biologically determined, whereas gender characteristics are socially constructed, a product of nurturing, conditioning, and socio-cultural norms and expectations. These characteristics change over time and from one culture to another. The concept of gender refers not only to women and men but, importantly to the relations of power between them. Gender relations are constantly being renegotiated in the context of changing political, economic, social, and cultural environments at the local, national and international level.

Mandates for Gender Equality and Equity in the Finance Sector

UN Mandates

A succession of international women's conferences organised under the auspices of the United Nations, and culminating in the Fourth World Conference on Women in Beijing in 1995, have been effective in focusing policy attention on women's needs in almost all policy areas – poverty, health, education, employment, rural development, violence etc. An examination of the Platform for Action that was ratified by governments at Beijing reveals how wide-ranging the discussion of women's interests has become. If governments are truly to implement what their delegations ratified in Beijing, this would entail significant changes in the policies, procedures, regulations and functioning of almost every ministry, as well as in the overall political and legal systems within which policy-making is embedded.

The Beijing Declaration and the Platform for Action put forward a number of strategic objectives and associated actions to be taken which bear directly upon the work of Ministries of Finance, including the following (UN, 1996):

Strategic Objective A1: Review, adopt and maintain macroeconomic policies and development strategies that address the needs and efforts of women in poverty.

Actions to be taken by governments include:

- analyse, from a gender perspective, policies and programmes – including those relevant to macroeconomic stability, structural adjustment, external debt problems, taxation, investment, employment, markets and all sectors of the economy, with respect to their impact on poverty, on inequality and particularly on women;
- pursue and implement sound and stable macroeconomic and sectoral policies that are designed and monitored with the full and equal participation of women, encourage broad-based economic growth, address the structural causes of poverty and focus on eradicating poverty and reducing gender-based inequality within the overall framework of achieving people-centred sustainable development;
- restructure and target the allocation of public expenditures to promote women's economic opportunities and equal access to productive resources and to address the basic social, educational and health needs of women, particularly those living in poverty; and
- generate economic policies that have a positive impact on the employment and income of women workers in both the formal and informal sectors, and adopt specific measures to addresss women's unemployment, in particular their long-term unemployment.

Strategic Objective A3: Provide women with access to savings and credit mechanisms and institutions.

Actions to be taken by governments include:

- enhance the access of disadvantaged women, including women entrepreneurs, in rural, remote and urban areas to financial services through strengthening links between the formal banks and intermediary lending organisations, including legislative support, training for women and institutional strengthening for intermediary institutions with a view to mobilising capital for those institutions and increasing the availability of credit; and
- encourage links between financial institutions and non-governmental organisations and support innovative lending practices, including those that integrate credit with women's services and training and provide credit facilities to rural women.

Strategic Objective A4: Develop gender-based methodologies and conduct research to address the feminisation of poverty.

Actions to be taken by governments include:

- develop conceptual and practical methodologies for incorporating gender perspectives into all aspects of economic policy-making, including structural adjustment planning and programmes; and
- apply these methodologies in conducting gender-impact analysis of all policies and programmes, including structural adjustment programmes, and disseminate the research findings.

Strategic Objective F1: Promote women's economic rights and independence, including access to employment, appropriate working conditions and control over economic resources.

Actions to be taken by governments include:

- devise mechanisms and take positive actions to enable women to gain access to full and equal participation in the formulation of policies and definition of structures through such bodies as Ministries of Finance and trade, national economic commissions, economic research institutes and other key agencies, as well as through their participation in appropriate international bodies;
- undertake legislative and administrative reforms to give women equal rights with men to economic resources, including access to ownership and control over land

and other forms of property, credit, inheritance, natural resources and appropriate new technology;
- review and amend laws governing the operation of financial institutions to ensure that they provide services to women and men on an equal basis;
- facilitate, at appropriate levels, more open and transparent budget processes; and
- use gender impact analysis in the development of macro- and microeconomic and social policies in order to monitor such impact and restructure policies in cases where harmful impact occurs.

The 1995 Commonwealth Plan of Action on Gender and Development

The 1995 Commonwealth Plan of Action on Gender and Development, which was endorsed by Commonwealth Heads of Government in Auckland in 1995, gave the Commonwealth Secretariat a mandate to advise and assist governments in mainstreaming gender in all their policies, programmes and activities.

The Plan of Action identified 15 government action points as being desirable elements of national gender and development action plans, including the following:
- integrate gender issues into all national policies, plans and programmes;
- build capacity in gender planning;
- conduct gender policy appraisal and impact assessment on macroeconomic policies;
- implement action for women's participation in decision-making; and
- instigate action for sustainable development, poverty alleviation and the eradication of absolute poverty.

Ministries of Finance and Gender

Despite these Commonwealth and global mandates, however, Ministries of Finance appear largely to have escaped careful scrutiny in attempts to sensitise different divisions of government to gender concerns. In gender terms, both Commonwealth and non-Commonwealth Ministries of Finance have tended to remain singularly untouched by the winds of gender change that are beginning to blow through other ministries. An examination of a range of Commonwealth Ministries of Finance reveals no real attempt to consider gender at the policy level, barring the Women's Budget initiatives in Australia, Canada and, most recently, South Africa and Sri Lanka.

Nor have women's organisations in many places demanded that Ministries of Finance should consider gender seriously. While women's groups have, during the Beijing conference and in different national settings, expressed considerable concern about the implications of structural adjustment reforms for women, this has generally been targeted to agencies or governments generally, not to Ministries of Finance specifically (for example, see DAWN, 1995). This has been the case even though women's groups are generally aware that the lead agent of structural reforms within countries is usually the Finance Ministry.

The reasons for this yawning gap in the attempts to mainstream gender in policy-making lie in the content of what Ministries of Finance do, in their prevailing ethos and attitudes, and in the relatively weak capacity of many women's organisations to engage in macroeconomic policy debates. When it comes to engendering the policies or actions of Ministries of Finance, there are some inherent constraints posed by the substantive content of the work that they are expected to perform. Ministries of Finance do not directly deal with people in their subject matter, but rather with monetised variables – revenues and expenditures, taxes and subsidies, allocations and appropriations. Their concerns with the budget or the aggregate money supply in the economy are by and large at the level of macroeconomic aggregates.

Figure 1 **Gender Inequality as an Efficiency Issue**

Gender inequalities exact costs in terms of lower output, lower development of human resource capacities, and lower levels of leisure and wellbeing. If women enjoyed higher levels of economic empowerment, many countries could have some combination of greater output, greater human resource development, more leisure and greater wellbeing. Gender inequality is therefore economically inefficient.

Research on agricultural productivity in Africa shows that reducing gender inequality could significantly increase agricultural yields. For example, giving women farmers in Kenya the same level of agricultural inputs and education as men farmers could increase yields obtained by women by more than 20 per cent (Saito and Spurling, 1992).

Research on economic growth and education shows that failing to invest in education lowers Gross National Product. Everything else being equal, countries in which the ratio of female-to-male enrolment in primary or secondary education is less than 0.75 can expect levels of GNP that are roughly 25 per cent lower than countries in which there is less gender disparity in education (Hill and King, 1995).

Research on gender inequality in the labour market shows that eliminating gender discrimination in occupation and pay could increase not only women's income, but also national income. For example, if gender inequality in the labour market in Latin America were to be eliminated, not only could women's wages rise by about 50 per cent, but national output could rise by 5 per cent (Tzannatos, 1991).

Gender inequality also reduces the productivity of the next generation – the World Bank reports mounting evidence that increases in women's wellbeing yield productivity gains in the future. The probability of children being enrolled in school increases with their mother's educational level, and extra income going to mothers has a more positive impact on household investment in nutrition, health and education of children than extra income going to fathers (World Bank, 1995.)

Women's time burdens are an important constraint on growth and development – women are an over-utilised, not an under-utilised resource. The benefits of reducing this gender-based constraint can be considerable. For example, a study in Tanzania shows that reducing such constraints in a community of smallholder coffee and banana growers increases household cash incomes by 10 per cent, labour productivity by 15 per cent, and capital productivity by 44 per cent (Tibaijuka, 1994).

Research shows that gender inequality hampers a positive supply response to structural adjustment measures by reducing women's incentives to produce tradable goods and increasing women's time burdens (Brown, 1995).

Source: Elson (1996)

The impact of a Finance Ministry's actions on gender/women (or on people more generally) is felt only indirectly through the impact on macroeconomic policies and variables. This is quite different from education, health, rural development or even other so-called economic ministries such as agriculture or industry whose policies, programmes and actions directly affect the wellbeing of people. Incorporating an analysis of gender relations into the work of these ministries, while doubtless challenging, is in a sense simpler than engendering the work of Ministries of Finance. For example, it is a relatively straightforward proposition to trace the gender impacts of a drug policy announced by the Ministry of Health in terms of its potentially differential effects on women and men as drug consumers or as health care providers. No such direct tracing is possible in respect of the Finance Ministry's decision to alter the money supply, although a set of indirect gender effects may need to be explored. Partly for this reason perhaps, it has not been possible to find Commonwealth Ministries of Finance that have taken much action towards engendering what they do.

The content of the work of Ministries of Finance also affects the ethos of the people who work there and the ambience that surrounds their work. Macroeconomics, even at its simplest, can be quite incomprehensible for non-economists or those who are not specialists in finance; it carries with it an aura of technical expertise and mystery. Those who work in Ministries of Finance often come to feel themselves more powerful on the basis of superior knowledge and skills that few others can penetrate, and hence are less open to challenge by those outside the discipline.

Institutionally the Finance Ministry, especially today, is high within the pecking order of government. Working within it carries prestige and authority that Social Development Ministries can rarely aspire to. By contrast, government institutions (whether ministries, departments, special branches or other) responsible for gender issues are often handicapped by their small size, newness, uncertain futures and poor access to resources. Although their role may include providing advice to, or vetting the work of, other ministries including Ministries of Finance, they rarely wield the institutional authority to actually do so effectively.

Women's organisations working outside and alongside governments have often had an important role in putting pressure on governments to mainstream gender in their work. But their capacity to do this to Ministries of Finance has not been very strong, because of their insufficient knowledge of macroeconomics. The setting up a few years ago of the International Association for Feminist Economics marked the potential for strengthening the capacity of women's groups to work with Ministries of Finance on their own terms, but this potential has yet to be realised. The capacity and skills of women's organisations in this area need considerable upgrading before they can play such a role.

The barriers to engendering the work of Ministries of Finance therefore include the following:

- insufficient analytic clarity regarding the Finance Ministry's work and, in particular, its changing role during the recent period of globalisation and liberalisation of economies;
- the absence of a clear conceptual understanding of how gender is linked to that role;
- non-conducive institutional structures and ethos within which Ministries of Finance function;
- a weak understanding of the attitudes prevalent among those who work within Ministries of Finance, and how these have been changing over time; and
- insufficient knowledge and capacity among women's organisations to engage effectively in macroeconomic policy debates.

In the absence of past experiences which can be drawn upon in engendering Ministries of Finance, understanding these challenges is essential to designing effective practical steps. Accordingly, the rest of this manual is divided into the four following sections: Section 2 analyses what Ministries of Finance do and how this has changed in the last decade; Section 3 examines how gender relations and women are affected by what Ministries of Finance do; Section 4 evaluates the institutional and attitudinal barriers to successfully engendering a Finance Ministry; and Section 5 summarises and consolidates the practical steps identified in previous sections.

The responsibility for managing macroeconomic policy and setting such instruments as exchange rates and interest rates varies from country to country. In many cases, a considerable part of this responsibility lies not with the Finance Ministry as such but rather with the Central Bank. For the purposes of this manual, the discussion of Ministries of Finance applies equally to Central Banks, and the measures suggested for engendering the Ministry of Finance can also be effective in the Central Bank of a given country.