

Small Change or Real Change?

Commonwealth Perspectives
on Financing Gender Equality



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Commonwealth Secretariat

Gender Section
Social Transformation Programmes Division
Commonwealth Secretariat
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Pall Mall
London SW1Y 5HX
United Kingdom

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Contents

| | |
|----------------------------|----|
| Foreword | ix |
| Acronyms and abbreviations | xi |
| Introduction | 1 |

Part I: Tracking the Money for Gender Equality

| | | |
|---|---|----|
| 1 | Challenges to Financing Gender Equality: A Macroeconomic View <i>Mariama Williams</i> | 9 |
| 2 | Aid Effectiveness and Gender-responsive Budgets <i>Debbie Budlender</i> | 17 |
| 3 | Development, Aid Effectiveness and Gender Equality <i>Sarojini Ganju Thakur</i> | 41 |
| 4 | Micro-finance and Innovative Financing for Gender Equality: Approaches, Challenges and Strategies <i>Ramesh S Arunachalam</i> | 49 |
| 5 | Gender and Trade: Impacts and Implications for Financial Resources for Gender Equality <i>Mariama Williams</i> | 69 |
| 6 | Strengthening the Connection Between Gender and Growth <i>Growth Team, Policy and Research Division, DFID</i> | 87 |
| 7 | Gender Equality as Smart Economics: A World Bank Group Gender Action Plan <i>World Bank</i> | 93 |

Part II: Making a Difference to Gender Equality

| | | |
|---|--|-----|
| 8 | Promoting Democracy, Peace and Development in the Commonwealth Through Investing in Gender Equality <i>Khabele Matlosa</i> | 109 |
| 9 | Financing for Gender Equality: Post-conflict Reconstruction and Peace-building <i>Sherrill Whittington</i> | 125 |

| | |
|------------------------------|---|
| Small Change or Real Change? | v |
|------------------------------|---|

| | | |
|----|---|-----|
| 10 | Spreading the Gains of Globalisation: Linking Women with Global Markets <i>Marilyn Carr</i> | 137 |
| 11 | Financing HIV and AIDS Interventions: Implications for Gender Equality <i>Robert Carr</i> | 145 |
| 12 | Female Employment in Agriculture: Global Challenges and Global Responses <i>Stephanie Barrientos</i> | 173 |
| 13 | The Role of National Women's Machineries in Financing Gender Equality <i>Auxilia Ponga</i> | 181 |
| | Notes on the Contributors | 185 |
| | Index | 189 |

Boxes, Figures and Tables

| | | |
|-------------|---|-----|
| Box 2.1: | Gender-related vs. gender-disaggregated statistics | 35 |
| Box 4.1: | Some reasons why micro-finance focuses on women | 52 |
| Box 4.2: | WAM women in leadership survey 2005 | 57 |
| Box 7.1: | Uganda: engendering poverty reduction support credits (PRSCs) | 99 |
| Box 10.1: | Fairtrade and women producers in Ghana | 140 |
| Box 10.2: | Organic trade and women producers in Samoa | 140 |
| Box 10.3: | Apiculture export strategy and women producers in Uganda | 141 |
| Box 10.4: | Gum exports and women producers in India | 142 |
| Figure 4.1: | Evolving needs for low-income women | 53 |
| Figure 7.1: | Women's earnings, children's well-being and aggregate poverty reduction and economic growth – the pathways | 94 |
| Figure 7.2: | Progress in official indicators of gender equality and women's empowerment, by region, 1990–2005 | 95 |
| Table 4.1: | Impact of MFIs/micro-finance programmes on women's empowerment: Available evidence | 55 |
| Table 7.1: | Country examples of proposed budget allocations for scaling up gender specific and mainstream interventions | 101 |
| Table 7.2: | Projected average annual per capita (US\$2007) financial requirements to achieve gender equality (2006–15) | 102 |
| Table 8.1: | Global trend in gender breakdown of combined houses of parliament | 116 |
| Table 8.2: | Women in parliaments: world and regional averages | 116 |
| Table 8.3: | Top ten Commonwealth countries: women's participation in the national parliament/assembly, 1999 and 2007 | 118 |
| Table 8.4: | Characteristic features of the FPTP and PR systems | 121 |
| Table 12.1: | Comparison by country of selected high value agricultural production | 175 |

Foreword

Gender inequality is now generally recognised not only as a human rights issue but also as a barrier to poverty reduction and economic growth. Evidence from around the world shows that investments in women pay off in terms of both their own and their families' health, education and wellbeing. Moreover, as contributors to this publication show, involving women in post-conflict reconstruction is more likely to result in sustainable peace processes; increasing the number of women in politics can reduce corruption and have significant benefits for society as a whole; and addressing social and cultural norms that allow continued unequal and exploitative power relations can reduce the spread of HIV.

It is important to recognise, however, that putting in place the policies and programmes that will bring about gender equality requires that sufficient financial resources are available. Indeed, in the Communiqué from the 8th Commonwealth Women's Affairs Ministers Meeting, held in June 2007 in Uganda, Ministers agreed that increased investment in gender equality was a priority for sustained economic growth, democracy, peace, security and development and to achieve the Millennium Development Goals (MDGs). This was affirmed and endorsed by Commonwealth Heads of Government in their 2007 Kampala Communiqué.

Small Change or Real Change? Commonwealth Perspectives on Financing Gender Equality presents the latest thinking from experts around the world on key aspects of financing gender equality. These include implementation of the aid agenda, the implications for gender equality of financing HIV and AIDS interventions, the impact of trade policies on key sources of financing, and women's need for equal access to affordable finance. Of particular importance is tracking the gender impact of aid resources (including post-conflict aid) through mechanisms such as gender-responsive budgeting (GRB) and aid effectiveness modalities. GRB initiatives were pioneered by the Commonwealth, and it is significant that Commonwealth Finance Ministers now call for biennial reporting to their Ministerial Meeting on the progress made in implementing these initiatives in member countries.

The papers in this volume cover a wide range of issues. We would like to thank all the contributors - who come from diverse backgrounds - for sharing their insights and experiences. We are also grateful to Sarojini Ganju Thakur, Head of the Gender Section, for co-ordinating the publication; to Diane Elson, for her assistance in selecting the papers; to Tina Johnson for her editing skills; and to Guy Bentham, who facilitated the publication process.

Despite international commitments and promises of increased aid, progress towards improving the lives of women around the world, especially poor women, has been slow. It is hoped that *Small Change or Real Change?* will contribute to a better understanding of

how vitally important financing gender equality is for achieving sustainable development from which both women and men will benefit.

Ransford Smith
Deputy Secretary-General
Commonwealth Secretariat

Acronyms and abbreviations

| | |
|--------|--|
| AfT | Aid for Trade |
| AOA | Agreement on Agriculture |
| AU | African Union |
| BASEL | Basel Committee |
| BLCF | Business Linkages Challenge Fund |
| CARE | Cooperative for Assistance and Relief Everywhere, Inc. |
| CBA | Commercial Bank of Africa |
| CBO | Community-based organisation |
| CEDAW | Convention on the Elimination of All Forms of Discrimination against Women |
| CEE | Central and Eastern Europe |
| CETZAM | Christian Enterprise Trust of Zambia |
| CF | Challenge Fund |
| CGAP | Consultative Group to Assist the Poor |
| CHOGM | Commonwealth Heads of Government Meeting |
| CIDA | Canadian International Development Agency |
| CRIG | Community rural insurance group |
| CSCF | Civil Society Challenge Fund |
| CSO | Civil society organisation |
| DAC | Development Assistance Committee |
| DFCU | Development Finance Company of Uganda |
| DFID | Department for International Development, UK |
| DHS | Demographic and Health Survey |
| ETI | Ethical Trading Initiative |
| FAO | Food and Agriculture Organization |
| FDCF | Financial Deepening Challenge Fund |
| FINCA | Foundation for International Community Assistance |
| FMB | First Merchant Bank Limited |
| FMM | Finance Ministers Meeting |
| FPTP | First past the post |
| GAP | Gender Action Plan |
| GATS | General Agreement on Trade in Services |
| GDI | Gender development index |

| | |
|--------|--|
| GDP | Gross domestic product |
| GFATM | Global Fund to Fight AIDS, Tuberculosis and Malaria |
| GLICO | Gemini Life Insurance Company |
| GNP | Gross national product |
| GRB | Gender-responsive budgeting |
| HDI | Human development index |
| HIVOS | Humanistisch Instituut Voor Ontwikkelingssamenwerking (Humanist Institute for Cooperation with Developing Countries) |
| HPI | Human poverty index |
| HRD | Human resource development |
| HVA | High value agriculture |
| IASC | International Accounting Standards Committee |
| ICICI | Industrial Credit and Investment Corporation of India |
| ICTC | Integrated counselling and testing centres |
| IDA | International Development Association |
| IPR | Intellectual property rights |
| IMF | International Monetary Fund |
| IRDA | Insurance Regulatory and Development Authority |
| JAS | Joint Assistance Strategies |
| M&E | Monitoring and evaluation |
| MAP | Multi-Country HIV/AIDS Program |
| MDG | Millennium Development Goal |
| MFI | Micro-finance institution |
| MTBF | Medium-term budget framework |
| MTEF | Medium-term expenditure framework |
| MTS | Multilateral trading system |
| MUSCCO | Malawi Union of Savings and Credit Co-operatives Limited |
| NABARD | National Bank for Agriculture and Rural Development, India |
| NACO | National AIDS Control Organisation, India |
| NGO | Non-governmental organisation |
| NWM | National Women's Machinery |
| ODA | Official development assistance |
| OECD | Organisation for Economic Cooperation and Development |
| OSS | Operational self sufficiency |
| OVC | Orphans and vulnerable children |
| PEAP | Poverty Eradication Action Plan, Uganda |

| | |
|------------|---|
| PEPFAR | President's Emergency Fund for AIDS Relief |
| PLHA/PLWHA | People living with HIV and AIDS |
| PMTCT | Prevention of mother-to-child transmission |
| PoA | Commonwealth Plan of Action for Gender Equality 2005–2015 |
| PR | Proportional representation |
| PRBS | Poverty reduction budget support |
| PRSP | Poverty reduction strategy paper |
| RTA | Regional trade agreement |
| SACCOS | Savings and Credit Cooperatives |
| SADC | Southern African Development Community |
| SEWA | Self-Employed Women's Association |
| SHD | Sustainable human development |
| SHG | Self-help group |
| SME | Small and medium-sized enterprises |
| SWAp | Sector-wide approach |
| STI | Sexually transmitted infection |
| TRBC | Trade-related capacity building |
| TRIPS | Trade-related aspects of intellectual property rights |
| UN | United Nations |
| UNAIDS | Joint United Nations Programme on HIV/AIDS |
| UNCTAD | United Nations Conference on Trade and Development |
| UNDP | United Nations Development Programme |
| UNFPA | United Nations Population Fund |
| UNIFEM | United Nations Development Fund for Women |
| USAID | United States Agency for International Development |
| UTI | Unit Trust of India |
| WAMM | Women's Affairs Ministers Meeting |
| WBG | World Bank Group |
| WHO | World Health Organization |
| WTO | World Trade Organization |

Introduction

Sarojini Ganju Thakur

‘Women count. Count them up, and you reach 3 billion – half the people on this planet. Dis-count them, and you reach the state we’re in, where half of the people on this planet bear considerably more than half of its problems.... Our united voice must say that, for real development effectiveness, gender has to be at its heart.’

– Don McKinnon, Commonwealth Secretary-General (2000–2008)¹

The theme of the 8th Commonwealth Women’s Affairs Ministers Meeting (8WAMM) – held in Kampala, Uganda, from 11–14 June 2007 – was ‘Financing Gender Equality for Development and Democracy’. This theme was chosen not only for its intrinsic importance but also in view of compelling evidence that gender equality can lead to poverty reduction and is linked to economic growth.² In addition, it was felt to be timely in view of the meeting’s links with and potential to influence broader international processes related to financing for gender equality: the 52nd session of the Commission for the Status of Women in February/March 2008; the High Level Forum on Aid Effectiveness in Accra, Ghana, in September 2008; and the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus in Doha, Qatar, in November/December 2008.

8WAMM was significant in that it brought together 32 governments with multilateral and bilateral agencies and civil society organisations and created the opportunity to renew focus and share experiences on this issue. Its deliberations, messages and outcomes led to renewed political commitment within the Commonwealth to financing gender equality as reflected in the meeting’s final communiqué as well as the Kampala Communiqué from the 2007 Commonwealth Heads of Government Meeting.³ This volume brings together some of the key conceptual papers that informed the sessions and also fed into other international processes that focused on this subject.⁴

Internationally, commitments to gender equality and development goals establish a framework for action. The Beijing Platform for Action, the Convention for the Elimination of All forms of Discrimination against Women (CEDAW) and the Commonwealth Plan of Action for Gender Equality 2005–2015 broadly set out the road map for the pursuit of gender equality and women’s empowerment for Commonwealth countries. The realisation of the Millennium Development Goals (MDGs), which define the current global development agenda, is also closely linked with ensuring gender equality. MDG 3 directly refers to ‘gender equality and women’s empowerment’, but there are at least five other goals – related to poverty reduction, educational achievement, maternal mortality, infant

mortality and combating AIDS, malaria and TB – that cannot be achieved without addressing gender-based constraints and issues. The Monterrey Consensus being reviewed later this year also refers to the need for sustainable, gender-sensitive, people-centred development. Most Commonwealth countries have signed up to these commitments, and have further developed national policies and plans of action for women. However, national and state budgets and overall development plans have not reflected the same priorities; in other words, inadequate resource allocation has meant that these plans have not been implemented.

The theme derives even greater significance in the current context for aid. Commitments since 2005 have been scaled up significantly and there is an emphasis on improving the processes and quality of aid. The Paris Declaration on Aid Effectiveness focuses on the principles of country ownership, harmonisation, managing for results, alignment and mutual accountability. While a mention of gender equality is tucked away in one of the sections (para. 42), the challenge in the context of the ‘new’ aid modalities – joint assistance strategies, direct budgetary support, sector-wide approaches (SWAPs) and poverty reduction strategy papers (PRSPs) – is to ensure that there are more resources allocated for gender equality.

Numerous studies highlight the links between gender equality and growth. Investments to reduce gender gaps in education and health are critical as inequalities in these areas affect women’s choices in family planning, their employment opportunities and the well-being of children. Their reproductive role and their lack of participation in decision-making at all levels within the family and community, combined with their lack of access to land, credit and information, inhibit women’s capacity to take advantage of economic opportunities. However, despite widespread recognition that these issues have serious costs to societies, progress in formulating and implementing gender-sensitive policies and programmes has not been very systematic. To successfully mainstream gender, all individuals and departments in government need to consider this part of their task and responsibilities and be held accountable, but the principal responsibility for gender mainstreaming at national level has frequently remained the province of the national women’s machinery, whose resources and influence have been limited.

Reviews of the success of gender mainstreaming in bilateral and multilateral organisations have also indicated the extent to which this agenda has been ghettoised within these agencies or there has been total ‘policy evaporation’. The renewed focus on the importance of gender equality has led all major funding agencies to re-examine their strategies. In this context, the World Bank has developed a Gender Action Plan – Gender as Smart Economics, and the UK Department for International Development (DFID) has finalised a Gender Equality Action Plan. The UN system has also recognised the critical importance of enhancing resources for gender equality, and the High Level Panel on System-Wide Coherence has recommended the creation of a single agency – merging the Division for the Advancement of Women (DAW), the Office of the Special Adviser to the Secretary-General on Gender Issues and Advancement of Women (OSAGI), the United Nations Development Fund for Women (UNIFEM) and the United Nations

International Research and Training Institute for the Advancement of Women (INSTRAW) – and providing it with appropriate status and funding.

Within the Commonwealth, Finance Ministers recognised at their 2005 meeting the critical importance of gender-responsive budgeting (GRB), and agreed to report biennially on the issue. ‘Gender Responsive Budgets in the Commonwealth: Progress and Challenges’ (2005) presented a mixed picture of the degree to which member countries were able to track their investment in gender equality. The positive side was that in recent years some of the best practice and progress in GRB internationally had been in Commonwealth countries such as India, Uganda and United Republic of Tanzania. But the other side of the picture was that of 52 countries in the Commonwealth, only 30 reported making any advance in GRB, and for the majority progress was extremely slow. Most countries at that time were in an environment-building and awareness-raising phase and had not taken the next steps towards capacity-building and then integration of gender into the budget process.⁵

The 2007 progress report at the Commonwealth Finance Ministers Meeting (presented after 8WAMM) noted that while some countries – Bangladesh, Pakistan, Malawi – stood out as having made definite headway, this is not the time to be complacent.⁶ Countries needed to go beyond the pilot stage, commit long term to the process and adopt a practical and task-oriented approach. They needed technical budget-related skills, such as those related to the development of indicators, and skills in gender analysis. Budgets are political documents and reflect spending priorities. Since achieving development goals depends on gender equality, it is clear that budgets need to reallocate resources to ensure that both women and men benefit from policies and programmes.

The purpose of this volume is to share more widely a selection of the papers that were presented at 8WAMM and/or prepared for *Financing Gender Equality: A Commonwealth Perspective*, an accompanying commemorative volume for the meeting that drew on contributions from many individuals and organisations.

The first section, Tracking the Money for Gender Equality, defines the challenges to financing gender equality, the macroeconomic and development context, the diverse mechanisms and sources for funding for gender equality and also how one can monitor and keep track of the nature of funding. The first paper, ‘Challenges to Financing Gender Equality’, strongly emphasises the need for macroeconomic policy to take into account more systematically the critical role that social reproduction plays in both the formal and informal economy. The care that women provide for children and other adults at various stages of the life cycle is critical to overall economic development and has major implications for economic policy, the nature of social spending and the priorities accorded to basic social services.

The next two papers on ‘Aid Effectiveness and Gender-Responsive Budgets’ and ‘Development, Aid Effectiveness and Gender Equality’ examine ‘how’ to track financing for gender equality, also taking into account the ‘new’ aid modalities, the Paris Declaration on Aid Effectiveness and the focus on country-led processes. The first emphasises the key importance of GRB as a means of promoting gender equality and monitoring progress,

while the second outlines strategies, priorities and opportunities at country level and for development partners.

This section recognises that although budgetary resources are critical, they represent only one aspect of financing gender equality. Micro-finance has been viewed by some as the magic bullet for the empowerment of poor women. The paper on 'Micro-finance and Innovative Financing for Gender Equality' reassesses its role and also focuses on private sector and innovative sources of finance as alternative routes to serving low-income women. The next paper on 'Gender and Trade: Impacts and Implications for Financial Resources for Gender Equality' looks at how the impact of the relationships between trade liberalisation and trade reform on resources available to finance gender equality. It also examines how the multilateral trading system can support the mobilisation of such resources, with a focus on the areas of trade reform, aid for trade and trade-related capacity building.

The last two papers in this section are 'Strengthening the Connection between Gender and Growth' (from DFID) and 'Gender Equality as Smart Economics' (from the World Bank) and describe the rationale for the renewed focus and emphasis on gender mainstreaming in development agencies, and the need for this to translate into investment in programmes and policies. As the first one puts it, gender is at the 'heart of development', and the paper outlines the clear evidence for the links between gender and growth – issues related to investment in human capital, education and labour force participation. The World Bank paper, an action plan for gender equality, is also based on the business case and links between gender equality, poverty reduction and improved well-being. It focuses on constraints to productivity and income because of failure to access labour, land, financial and agricultural product markets. It seeks to increase opportunities and access to make these markets work for women and to identify policy level interventions to make this happen.

The second section, Making a Difference to Gender Equality, examines how financing gender equality can make a difference to both development and democracy. The sectors and areas that are focused on in this section resonate with the areas that have been identified as critical in the Commonwealth Plan of Action for Gender Equality 2005–2015:⁷

- Gender, democracy, peace and conflict
- Gender, human rights and the law
- Gender, poverty eradication and economic empowerment
- Gender and HIV/AIDS

The first paper, 'Promoting Democracy, Peace and Development', sets out the importance of investing in women's political participation and empowerment for building and sustaining democracy, advancing development and building peace. It advocates the need to mobilise resources for the provision of incentives to promote affirmative action for women's empowerment, electoral reform and voter education. In the second paper, on 'Financing for Gender Equality: Post-conflict Reconstruction and Peace Building',

there is a strong emphasis on the need to track provisions in budgets to ensure investment is taking place to advance women's rights and empowerment and to build capacity of women parliamentarians, finance ministries and national women's machineries (NWMs).

The next two papers, 'Spreading the Gains of Globalisation: Linking Women with Global Markets' and 'Female Employment in Agriculture: Global Challenges and Global Response' focus on women producers and women workers respectively. They both reflect on the new opportunities that are arising from economic globalisation and how governments, non-governmental organisations and women's associations can help enable women to benefit from these.

The following paper, 'Financing HIV and AIDS Interventions: Implications for Gender Equality', examines how donor policy and national level programming need to take financing for gender equality into account when programming for HIV and AIDS and points to some of the lessons learned to ensure gender equitable programming.

'The Role of National Women's Machineries in Financing Gender Equality', the final paper, looks at the institutional mechanisms that have been established in many countries to take the lead on mainstreaming gender in planning, policy formulation and monitoring and evaluating projects and programmes. It is clear that they need to be strengthened if they are to play an effective role.

Overall, this collection of papers highlights some of the key issues and priorities for action in financing gender equality for development and democracy. As stated earlier, national, regional and international commitments to work towards the achievement of gender equality already exist. However, progress has been slow and on the whole performance has not measured up to the stated commitments. The story so far has been of small change for gender equality. For real change, investments for gender equality need to be stepped up and tracked by governments, donors and the private sector.

Notes

1. Addressing the 8th Commonwealth Women's Affairs Ministers Meeting (8WAMM), Kampala, Uganda, June 2007.
2. While there are earlier studies of the subject, some of the latest literature includes the *Global Monitoring Report 2007: Confronting the Challenges of Gender Equality and Fragile States* (World Bank, 2007) and *Gender Equality and Growth: Evidence and Action* (DFID, February 2008).
3. 'Heads of Government reaffirmed that gender equality and women's empowerment, including greater progress in their economic empowerment, are fundamental for the advancement of human rights and the achievement of MDGs, development, democracy and peace. They welcomed the priority given by Women's Affairs Ministers... to financing gender equality, and endorsed their call for implementation of international, regional and national commitments to achieve gender equality and women's empowerment. Heads of Government also endorsed their call for the effective monitoring and tracking of resources for gender equality and women's empowerment through gender responsive budgeting and other gender analysis tools, and through strengthening aid effectiveness to improve accountability and the impact on gender equality. They also supported the call made by Finance Ministers in Guyana in October 2007,

to specifically incorporate a focus on gender equality in the aid effectiveness agenda during the Third High Level Forum on Aid Effectiveness in September 2008.' Kampala Communiqué, Commonwealth Heads of Government Meeting, Kampala, Uganda, November 2007.

4. See, for instance, references in 'Financing for Gender Equality and Empowerment of Women: Report of the Expert Group Meeting', Oslo, 4-7 September, 2007, paras 48 and 62; and in 'Financing for Gender Equality and the Empowerment of Women, Report of the Secretary-General', Item 3(a) of the provisional agenda, 52nd Session of the UN Commission on the Status of Women, 25 February-7 March 2008, E/CN.6/2008/2, para. 28.
5. 'Gender Responsive Budgets in the Commonwealth: Progress and Challenges', presented at the Commonwealth Finance Ministers Meeting, 2005.
6. 'Gender Responsive Budgets in the Commonwealth: Progress Report 2005-2007', presented at the Commonwealth Finance Ministers Meeting, 2007.
7. The section does not, however, focus on certain areas such as human rights and the law as these were not a primary focus of 8WAMM.

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Commonwealth Secretariat 2007, *Financing Gender Equality: Commonwealth Perspectives 2007*, Commonwealth Secretariat, London.

Part I

Tracking the Money for Gender Equality

CHAPTER 1

Challenges to Financing Gender Equality: A Macroeconomic View

Mariama Williams

The theme of ‘financing gender equality for development and democracy’ raises the stakes on gender mainstreaming and gender policy to a new level. It is asking governments to ‘put their money where their mouth is’. This poses many challenges for governmental economic decision-makers: it will involve re-thinking and re-examining a wide range of decisions about economic management and governance.

The issue of financing gender equality brings to the fore at least seven underlying systemic challenges:

1. The need for a deeper examination of both the content and processes of the macro-economic, financial and trade policies that shape the environment in which spending and financing decisions are made;
2. How to track money intended for economic development and poverty reduction projects and programmes, including opening up frameworks such as poverty reduction strategy papers (PRSPs) and raising the social and equity considerations involved in issues of debt sustainability and the transfer burden of debt servicing, including how to distribute the burden more equitably;
3. The issue of gender and domestic resource mobilisation, including the generation and retention of national and domestic saving;
4. The domestic regulation and operation of financial markets and monetary policy;
5. The issue of remittances and private capital flows and the issue of regulation of the capital account;
6. Official aid flows and the adequacy, responsibility and accountability of development cooperation;
7. The social content of trade reform, aid for trade and trade-related capacity building.

These are all issues that must be explored if there is any serious intention of financing gender equality adequately and successfully in the context of development and democracy. This chapter provides a brief macroeconomic overview.

The Macroeconomic Policy Environment

Macroeconomic policy is often designed and implemented in a void without much consideration of the linkages and reinforcing effect of policy instruments on the primary and secondary incomes of citizens, especially those who have few economic and social resources. There seems to be a general lack of awareness of the critical role of social reproduction in the formal and informal economy. Macro policy designers at the World Bank, International Monetary Fund (IMF) and national ministries of finance often view their domain as a technically neutral, ultra scientific space where they design instruments that have the precision of guided missile systems. For example, the public expenditure design of the medium-term expenditure framework that underlies PRSPs focuses on the links between 'inputs' and 'outputs', apparently shuttling towards politically neutral predetermined outcomes. But what constitutes the 'inputs' and 'outputs'? What are these outcomes, who or what determines them and how do they take gender and other social dimensions into account?

In prioritising the objectives and targets of economic policy, less attention is paid to how policy variables will impact on social infrastructure such as childcare and housing or to the kinds of subsidies that could help to compensate for the structural and other changes generated by policy shifts that impact on the livelihood and adaptability of individuals and households in the care economy and that may also have implications for micro, small and medium-sized domestic enterprises.

Fiscal policy has been shown to have asymmetric effects on women. Typically it focuses on ensuring the proper rate of growth of the capital stock. The general prescription of fiscal policy reforms is to offer tax relief to capital (either in the form of tax credits on structures and equipment or tax cuts on corporate income). In either case, this imposes an increase in the tax burden on the poor in terms of loss of benefits and earnings as governments reduce expenditure by laying off workers or cutting social expenditure. The reduction in social expenditure, which tends to increase the burden of social care in households and communities, tends to have a disproportionately negative impact on women due to the unequal burden of responsibilities that women shoulder.

Women's primary responsibility for the household means that they must try to protect household budgets and ensure stable food management by increasing food preparation at home or seeking additional income to maintain family living standards. In addition, women are more likely than men to attend to sick family members who no longer have access to care. Women themselves are likely to be more vulnerable to declining health and rising morbidity because they have less food and more restricted access to medicines.

The burden of home-based care rests heavily on the female members of families. Research by UNAIDS has shown that HIV/AIDS increases women's unpaid work as women are forced to carry more responsibility for sick relatives as well as compensate for loss of income from parents, spouses or siblings who are affected by the disease. Yet fiscal policy does not attempt to take into account the externalities of such unpaid care work. A gender-sensitive approach to fiscal policy would seek to ensure the supply and quality of

goods and services that would impact positively on home-based care activities (UNDP, 2004).

In general, the prioritising of the objectives and targets of fiscal policies leaves much to be desired. Firstly, priorities are rarely open to discussion. Secondly, less attention is paid to how policy variables impact on social infrastructure such as childcare and housing. As a result, reform of fiscal policy has typically focused on measures to address budget deficits and tax reform in favour of business and capital. Nevertheless, there is a direct and reinforcing link between the budget and social policy. Restrictive fiscal policy measures such as the imposition of value added taxes or a rise in sales taxes on consumer items have a pronouncedly negative effect on social equity because these instruments impact directly on household budgets. World Bank research confirms that 'indirect taxes increase poverty due to their regressive nature' (World Bank, 2001: 70). It is also well-known that higher taxes on consumer goods increase the relative price of such goods. What is less frequently acknowledged is that given increases in the relative price of consumer goods in the context of static incomes, women will seek to produce these goods themselves in order to protect their family's consumption patterns rather than purchase them in the market (UNDP, 2004).

Monetary policy has differential impacts on women and men in terms of access to credit for consumer durables, housing and investment funds. In the context of gender bias in the loan market, which may be coupled with gender inequality in terms of ownership of land and other collateral, high interest rates and tightened credit conditions that squeeze domestic investment are likely to crowd out women's demand for investment finance more than men's. Even in fairly stable and unconstrained credit markets women are at a disadvantage to men due to existing gender biases, low income (given a gendered segmented labour market and women's predominance in temporary and casualised jobs) and lack of access to conventional collateral items, such as land titles. The latter problem has historically shunted poor women into informal and micro lending. But a credit-constrained environment will impact on even middle- and upper-class women as tightened credit requirements, loan eligibility and higher borrowing costs come more into play.

Bakker (1994) has detailed the asymmetric impact of both fiscal and monetary policy instruments on women. The use of gender-sensitive budget analyses can further elaborate how the welfare burden is shifted from the capital budget to the social sector and from the formal economy to the informal and household economies, with implications for women's labour, productivity and access to productive resources.¹

Debt Management

Conventional thinking on debt analysis assumes that the welfare burden of debt servicing affects men and women equally. However, it is now widely recognised that the adjustment burden of debt payment has disproportionately negative impacts on women, especially the poorest.

These gender-differentiated impacts stem from several factors:

- Societal and gender bias that ensures that women shoulder the primary role in social and community reproduction. Thus women are responsible for most unpaid work.
- Existing gender inequalities, such as access to land, credit, training and social capital, work to the disadvantage of women. This raises the issue of women's and men's different constraints in terms of opportunities, capability, security and empowerment.
- Gender bias in macroeconomic, labour market and social policies privileges men and male heads of households. This affects women's employment opportunities, their efforts to earn decent wages and gain access to adequate social protection such as unemployment compensation, sick leave, and disability and old age pensions. Women receive significantly lower wages than men for comparable work and are more likely than their male counterparts to work in lower-paid jobs or the informal sector and have less access to credit.

Research shows that in many countries women and children shoulder the main responsibility for collecting, storing and distributing essential goods, such as water and fuel, within the family and community. The PRSPs of Ethiopia, Malawi and Zambia made specific reference to women's 'water bearing burden', while others made linkages between 'reproductive health and women's water carrying burden' (Zuckerman and Garrett, 2003). Lack of easy access to water and fuel imposes a tremendous burden on women's time and their health, as they are often required to expend substantial amounts of time and energy in meeting these responsibilities. Contrary to conventional expectations, the privatisation of essential services, as implemented under structural adjustment programmes and continued within the PRSP and trade liberalisation agendas, has not improved women's access to health care and other necessities.

The Effects of Trade Agreements

Current approach to trade policy-making in Commonwealth countries is driven by trade agreements, negotiated multilaterally in the World Trade Organization (WTO) and increasingly in regional or multilateral fora. In general, most trade policy targets and policy instruments are focused on market access, with the presumption that this will generate the necessary employment. However, less attention is paid to the after effects of import liberalisation on the livelihoods of poor women and men. This includes the potential negative effects of liberalisation-induced fiscal and monetary policy on income and asset distribution. For example, monetary policy may support trade liberalisation by shifting credit towards the export sector at the disadvantage of the domestically oriented sector. This has implications for employment, business development and housing construction. Additionally, tight money policy has implications for liquidity for other sectors of the economy such as small and medium-sized businesses and the housing sector.

Likewise, the fiscal budget is expected to support different aspects of the trade reform agenda such as customs reform and trade facilitation efforts, producing a trade-off between different items and areas of the fiscal budget. As with general tax policies,

discussed above, the fiscal effects of tariff reduction and the elimination of licensing fees have particularly negative consequences for social sector aspects of the budget.

The adjustment costs of trade liberalisation have been a source of considerable tension in multilateral trade negotiations. The resulting impacts of these costs on development, as well as on social and gender equity, have also been a source of concern for those working on poverty eradication, women's economic empowerment and gender equality. As a result, over the last ten years increasing attention has been paid to the need for additional financing for trade and trade-related development. To this end, in the Doha Round greater attention has been paid to aid for trade as a potential mechanism for redistribution and compensation. However, there remains some debate around this issue.

Aid for trade is relevant to the discussion of women's economic empowerment and gender and trade because of its wide scope, which ranges from the issue of trade policy and regulation, trade development and trade-related infrastructure to trade-related adjustment. In the area of trade policy and regulation, women, in their multiple roles as workers, community and household caretakers and business actors, are impacted by reforms of trade policy and trade regulation arising from trade-offs, trade disputes and the institutional and technical support that aims to facilitate the implementation of trade agreements. Women business owners, who are usually under-capitalised and have less access to finance and credit than their male counterparts, must grapple with complying with rules and standards emanating from changing trade policy and trade regulation. Likewise, women and men workers in the import-competing sectors are also differently impacted by trade rules that liberalise these sectors.

[Trade issues, including the debate around aid for trade, are discussed in greater detail in Chapter 5.]

Moving Beyond Poverty Reduction to Address Structural Inequality

Ultimately, the macroeconomic, trade and debt management policy instruments and policy targets that are currently in vogue in Commonwealth countries tend towards regressive income and asset distribution, as signalled by persistent and growing poverty and inequality. This not only reinforces a false choice between efficiency and equity, but engenders commitment by governments to a limiting anti-poverty framework, which in turns muddies the water for gender equality, women's empowerment and community development.

Currently, there is very little interaction between macro-level planning, macro phenomena (fiscal policy, trade liberalisation, financial liberalisation and privatisation) and gender mainstreaming at the level of policy analysis and application. Thus at the level of the economy there has been less rapid movement in transforming bargaining power to determine or define the use of resources, resource ownership rights and control between men as a group and women as a group. Yet the public and private infrastructure

available to individuals, households and businesses is critical in enabling individual functioning and capabilities. To the extent that there are adequate social (childcare and early childhood support) services and physical infrastructure such as water, electricity, land and housing, individuals and families have a good base from which to undertake the process of securing sustainable livelihoods.

Thus any economic framework for women's and community empowerment must focus attention on housing, sanitation, health care, education and skills training, with particular attention to unpaid work, the care economy, basic schooling, employment and enterprise development, and the development of public infrastructure within communities.

Likewise, the simplistic appeal to (micro-credit driven) community development must be replaced by a comprehensive and 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 a 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 creating new types of poverty and inequalities. Gender equality must be reaffirmed as an end in itself and not simply a means to an end.

This will require 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. The focus of economic decision-makers must shift from the current over-emphasis on generating the primary surplus as the main target of fiscal policy towards more people- and gender-sensitive budgets. The targeting of the primary surplus has led to over-emphasis on fiscal restraint and decreased or stagnant growth. This has occurred even in the context of structural unemployment and low interest rates growth (Celasum et al., 2005; Marano, 1999). Tight fiscal policy has had significantly negative outcomes for policy options to generate employment and for the growth and competitiveness of the domestic economy. This means that more balanced attention needs to be paid to alternative options such as increasing public investment and lowering interest rates. This may mean reducing the primary surplus in order to create real resources for the economy.² Increasingly, research shows that a reduction in the primary surplus can co-exist with a reduction in debt (especially when there is a rise in GDP due to the re-launching of economic growth). This can also be consistent with debt sustainability.

Conclusion

It is clear that shifts in macro-policy impact on the provision of care in households and communities. Caring for men and women in their various life cycles and in preparation for life in the labour market and as citizens who contribute to society is critical to overall economic development, growth and performance. Social reproduction, which has primarily been the work of women, is the lifeblood of the economy. Therefore,

economic decision-makers should work to better orient economic policy to support social reproduction. This can be achieved partly by promoting access to basic social services and the reduction of public poverty, and partly by directing shifts in the financing of social spending in a more balanced way in the allocation between different sources of revenue. In addition, in order to meet the needs of, and to prioritise, social reproduction, macroeconomic policy must have broader goals and an extended time horizon. Greater attention must be paid to the distributional impact and the high cost of procyclical macroeconomic management. Thus, in order to be more effective for social reproduction needs, macroeconomic management should be designed to counter the business cycle's 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.

Notes

1. For a more in-depth discussion, see Williams (2003).
2. Some models suggest that a 1 per cent reduction in the primary surplus can yield as much as a 0.5 per cent increase in structural GDP, in some cases higher. See simulations for Belgium, Italy and Turkey.

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CHAPTER 2

Aid Effectiveness and Gender-responsive Budgets

Debbie Budlender

Introduction

This chapter attempts to make the case for financing gender equality for development, and to explore how this can be done. Because the issues related to financing gender equality for development are so numerous, it is obviously not possible here to discuss all in equal detail. Particular attention is thus paid to the ways in which the context of such financing has been changing. These include the Monterrey Consensus and Paris Declaration on Aid Effectiveness, the Millennium Development Goals (MDGs), the new aid modalities and other aspects of donor priorities and instruments. The paper places special emphasis on gender-responsive budgeting (GRB) as a means of promoting gender equality and monitoring progress.¹

For the purposes of this chapter, GRB is understood first as involving analysis of the government budget in terms of its reach and impact on women and men, girls and boys. It is thus, in effect, a form of policy analysis from a gender perspective. However, GRB work does not focus only on the monetary numbers contained in the budget. It focuses as much – if not more – on the policies and programmes underlying those numbers. The ‘added value’ of GRB initiatives in terms of policy analysis is that they recognise that any other government policies or programmes will not be effective unless adequate resources are allocated to implement them. Second, GRB initiatives also involve attempts, on the basis of the analytical findings, to formulate and implement budgets in a more gender-sensitive way. Ideally, they also focus on what happens when the policies and programmes are implemented – whom they reach and what impact they have. In this sense, GRB goes to the heart of mainstreaming gender in government activities.

The last few years have seen a number of significant developments in respect of financing for development. In particular, 2005 has been labelled a ‘landmark’ year in this respect (Thakur, 2006). The events that are seen as making this a landmark year include the signing of the Paris Declaration in March, the G8 meeting at Gleneagles in June, the Commission for Africa report and the Millennium Summit Outcome Document. At all these events, major donor countries committed to significantly increasing the amount of aid they would give to poor countries. In addition, they developed principles and targets aimed at enhancing the effectiveness of aid. At many of the events, recipient countries also committed to playing their part in ensuring that aid is utilised effectively.

The principles and targets developed in 2005 were, in fact, not always as ‘new’ as sometimes thought. Budget support, for example, had already been used for many years in aid to some developing countries, and some donors had made serious attempts at harmonising their aid in different ways. From the side of some developing countries, there had also been serious attempts to get donors to give aid in line with national development plans. The events of 2005 were nevertheless important in stating that these principles should apply to all countries and donors – or at least to the 35 donor countries, 26 multilateral agencies, 56 countries that receive aid and 14 civil society organisations (CSOs) that signed up to the Paris Declaration.

Thakur (2006) points out, however, that 2005 also saw a negative development from a gender perspective – the realisation that the 2005 target for MDG 3, to eliminate gender disparities in primary and secondary education, had been missed. She could, no doubt, have expanded this point and noted gender aspects of under-achievement in respect of other MDGs.

The ‘Landmark’ Developments

The Millennium Development Goals

Both the Monterrey Conference for Financing Development of 2002 and the G8 Summit in 2005 explicitly recognised that significant additional donor funding would be necessary if developing countries were to reach the MDGs by 2015. It was estimated that the annual amount of donor aid would need to increase by around US\$50 billion a year by 2010.

There are eight MDGs, of which only two refer explicitly to gender or women. Thus Goal 3 focuses on achieving gender equality in respect of education, and includes a few gender equality indicators that go beyond education, and Goal 5 focuses on maternal mortality. The Millennium Summit Outcome Document (2005) emphasises the need for further measures of gender equality and women’s empowerment, but these have not as yet been fully institutionalised.

Nevertheless, the other goals will not be achieved if attention is not paid to gender equality. The reasons for this assertion can be roughly stated as follows:

- *Goal 1: Eradicate extreme poverty and hunger:* In all countries, more women than men are likely to live in poverty-stricken households. At the individual level, women are less likely to be earning an income than men and, when they do earn an income, it tends to be lower than that of men. If poverty is to be eradicated, more women will need to earn more.
- *Goal 2: Achieve universal primary education:* In many developing countries, girls’ enrolment is lower than that of boys. In these countries, special efforts will be needed in respect of girls if universal primary education is to be achieved. Even where this is not the case, universal education cannot be achieved without provision for girls.

- *Goal 4: Reduce child mortality:* Biologically, young boy children are more vulnerable than girls. In some countries, however, these biological patterns are reversed as a result of the lesser value accorded girl children and thus their greater relative neglect and under-nutrition. In these countries, reduction of child mortality will require attention to these social patterns. More generally, in all countries infant mortality is strongly influenced by maternal health.
- *Goal 6: Combat HIV/AIDS, malaria and other diseases:* Where HIV/AIDS is found mainly among those engaging in heterosexual sex, women tend over time to have higher prevalence than men. The overall rate of infection is also influenced by women's relative power in sexual relationships, and their ability to refuse sex or to insist on use of a condom. In addition to higher rates of infection, women are disproportionately affected as carers for family members and others, and girls are more likely than boys to leave school to care for ailing relatives.
- *Goal 7: Ensure environmental sustainability:* In many developing countries women are more likely than men to be working on the land – often on an unpaid basis – and to live in households that are partly dependent on the produce of the land. Women are also more likely than men to be responsible for collection of fuel and water when more convenient sources are not available in the dwelling. These patterns require that women's needs are considered when planning for environmental sustainability.
- *Goal 8: Develop a global partnership for development:* This goal does not talk directly about people, and in that sense gender might seem irrelevant. Nevertheless, insofar as the goal's targets cover issues such as official development assistance (ODA), market access (and thus trade) and debt sustainability, this goal talks directly to issues dealt with in this chapter.²

One problem with the MDGs is their generic nature, in that the same goals, with relatively minor adaptations, are set out for all countries. The danger is that this approach conflicts with the emphasis on national ownership of national development plans in instruments such as the Paris Declaration. It is especially evident in the area of gender, where equal educational enrolments – the focus of the core gender MDG – is no longer a key issue in a growing number of developing countries. The question of potentially conflicting international and donor pressures is discussed further below.

The Monterrey Consensus

The Monterrey Consensus of the International Conference on Financing for Development was reached in March 2002, with achievement of the MDGs as the core focus. More specifically, the goal of the Consensus was expressed as being 'to eradicate poverty, achieve sustained economic growth and promote sustainable development as we advance to a fully inclusive and equitable global economic system' (www.un.org/esa/sustdev/documents/Monterrey_Consensus.htm).

The Monterrey document is very wide ranging, covering far more than the new aid modalities focused on in the later Paris Declaration. As a consensus document, it

encapsulates a range of different approaches and solutions to development. Topics covered, in addition to aid, include debt relief, trade and local revenue-raising. It also places as many, if not more, demands on governments of developing countries as it places on donors.

The Monterrey document mentions gender several times. As early as paragraph 8, for example, it refers to the need for 'a holistic approach to the interconnected national, international and systemic challenges of financing for development - sustainable, gender-sensitive, people-centred development'. The danger, as evidenced in this paragraph, is that gender is included alongside multiple other 'nice-to-have' elements in a document that attempts to satisfy the demands of a wide range of stakeholders with sometimes differing interests. The question is where the focus will lie when resources are constrained, as they almost always are.

In addition, there is some likelihood of contradictions. For example, paragraph 11's promotion of 'gender equality' immediately followed by 'market-oriented policies' could cause difficulties when some free market policies are found to have gender-inequitable outcomes. Similarly, the commitment to trade liberalisation in paragraph 26 ignores the many findings on how liberalisation has impacted negatively on poor people in many countries, and women in particular. While paragraph 28 acknowledges that developing countries and those in transition have 'concerns' around trade, these are described as arising from 'distortions' rather than from unequal starting positions. The document notes, however, that for many countries trade currently constitutes the single largest external source of development funding. It thus cannot be ignored.

While aid is only discussed in section D of the document, there is explicit recognition of the need for a 'substantial' (paragraph 41) increase in aid if the MDGs and other development objectives are to be achieved. The document commits signatories to further cooperation to ensure that aid is more effective than in the past. Specific targets are set for developed countries, namely 0.7 per cent of gross national product (GNP) as aid to developing countries and 0.15 to 0.20 per cent of GNP to least developed countries.

Alongside its many other calls, the document, explicitly names the area of 'social and gender budget policies' in paragraph 19. Paragraph 64 calls for mainstreaming of a gender perspective 'into development policies at all levels and in all sectors'.

The challenge with the Monterrey document is that it promises too much. Thus, just as we need GRB initiatives to check whether gender elements of policies are falling off the table when budgets are allocated, we need some monitoring of which elements of Monterrey are followed through and which are not. The Paris Declaration is probably the strongest step to date taken in following through. As discussed below, this Declaration is weak on gender if measured in terms of explicit mentions. It does, however, provide space for gender advocates to take further action.

The Paris Declaration on Aid Effectiveness

The Paris Declaration was developed as a follow-up to the Monterrey agreements, the Declaration at the High Level Forum on Harmonisation in Rome in 2003, the core principles developed at the Marrakech Roundtable on Managing for Development Results of February 2004 and the G8 Summit in Gleneagles in 2005. The Paris targets and indicators were subsequently endorsed by member States at the September 2005 World Summit at the United Nations. As with Monterrey, there are as many, or more, commitments in the Paris Declaration for developing countries as for donors.

The Paris Declaration focuses more narrowly on aid than the much wider-ranging Monterrey agreement. In particular, it emphasises management of aid, national ownership, alignment with national plans and objectives, harmonisation between donors, managing for results, and mutual accountability of donors and recipient countries. Its targets and indicators focus on these aspects rather than on whether aid has assisted in achieving national development goals. The Declaration thus places more emphasis on process than on content. Gaynor (2006) describes this as a difference between ‘aid and agency efficiency (generic mechanisms and processes or “nuts and bolts”) rather than broader development effectiveness (substance and results)’. There is, however, at least one exception in this respect in that the Declaration includes a commitment to carrying out environmental impact assessments.

The Paris Declaration mentions gender only once, in paragraph 42, when discussing harmonisation. It states, somewhat vaguely, that ‘[s]imilar harmonisation efforts [as those in environment] are also needed on other cross-cutting issues, such as gender equality and other thematic issues including those financed by dedicated funds’. Despite the relative gender-blindness, Gaynor (2006) suggests that openings exist for influencing implementation and monitoring and evaluating what is achieved.³ She also suggests that there are a number of areas of ‘considerable congruence’ between the Declaration and gender equality objectives:

- The focus on *ownership* means that the voices of local women as well as men must be heard and incorporated in plans and processes.
- The focus on *alignment with national plans and objectives* means that recipient country commitments in respect of gender equality must be reflected in donor funding.
- The focus on *managing for results* implies that results in respect of gender equality must be included in performance assessment frameworks.
- The focus on *mutual accountability* mechanisms must include accountability to women. In addition, monitoring and reporting should be done using gender-responsive indicators.

While Gaynor does not find any clear way in which harmonisation is congruent with gender equality, she states that gender equality will need to be taken into account when processes for harmonisation are developed.

The Paris Declaration includes proposals for indicators, timetables and targets. Twelve indicators and corresponding targets to be achieved by 2010 were agreed, with monitoring to take place in 2006 and 2008. The Declaration refers to three sets of indicators: to measure processes such as the building of national ownership, harmonising and aligning aid flows and assessing impact; to measure the presence of 'reliable country systems' and, in particular, financial management systems; and to assess progress against the national development strategies. The document itself provides only the first two sets.

The proposed indicators and targets for 2010 reveal, implicitly, how bad the situation is currently in respect of the goals of the Paris Declaration. Thus one target is for 'at least 75%' of partner countries to have 'operational development strategies'; another is that '50% of technical cooperation flows are implemented through coordinated programmes consistent with national development strategies'; a third that '40% of donor missions to the field are joint', and a fourth that '66% of country analytic work is joint'. The latter targets indicate the extent to which donor funding to date has been uncoordinated and thus presumably places a larger than necessary burden on recipient countries.

Gaynor (2006) notes that the indicators are 'of a highly technical nature and focused on delivery mechanisms and thus are not amenable to meaningful gender equality mainstreaming'. More optimistically, she points out that the review of progress planned for 2008 will also require a progress report on all 556 commitments as well as on the general spirit of the commitments.

In 2006 UNIFEM produced a pamphlet that reflected the outcomes of discussion at a November 2005 consultation jointly organised with the European Commission. The pamphlet suggests that, if the new approach to aid is to support the achievement of gender equality, it should include:

- 'adequate financing for programmes that respond to women's needs;
- accountability systems for governments and donors to track and enhance their contributions to gender equality; and
- gender-sensitive progress assessments, performance monitoring and indicators for aid effectiveness.' (UNIFEM, 2006)

These suggestions reflect the same approach as this chapter, namely that gender should not be done separately from the main initiatives in a country. Instead, gender should be an enhancement of the main initiatives. Thus the Paris Declaration states that donor financing should be in line with the recipient country's national development goals. UNIFEM's first point implicitly picks up on this in that gender equality is among the national development goals of almost all countries. The Paris Declaration promotes accountability and aims to achieve an improvement in aid in terms of both quality and quantity. UNIFEM's second point requires accountability in respect of the gender-related commitments made by both donors and government. The Paris Declaration introduces a range of indicators for aid effectiveness. UNIFEM's third point suggests that these indicators need to be gender-sensitive and be accompanied by other forms of assessment and evaluation.

Implications of these Developments

National development plans and national leadership

As noted, the Paris Declaration emphasises the importance of aid being in line with national development plans and objectives. The concern over national ownership also suggests that aid should be provided for implementation of nationally developed plans rather than of plans and objectives that are perceived as being imposed by donors.

The documents that describe national development plans vary greatly in terms of length and details. The latest Poverty Eradication Action Plan in Uganda, for example, is nearly 300 pages long, while Botswana's Poverty Reduction Strategy Paper (PRSP) is a more modest 15 pages. The length clearly determines the extent to which policies and activities can be developed in detail. The length is also likely to influence the extent to which gender issues are discussed.

Even in the longest papers, there will not be the sort of detail found in sector policy papers, still less the operational detail found in annual planning and budgeting documents. Further, while the stated intention is that documents such as PRSPs should drive budgets, the budget figures are not always included in these documents. Where they are, this is generally done at a very broad level, allowing significant leeway to governments (and donors) as to what is done and which aspects of the broad objectives they focus on. This is an area where focused monitoring, awareness raising and advocacy by gender advocates could be important.

The broad ambit of most national development plans allows other room for slippage in respect of gender. Gender reviews of a number of PRSPs have revealed that many of them have gaps and weaknesses. Some, for example, discuss gender in respect of the social sectors but do not do so in respect of economic sectors, despite the supposed emphasis on poverty. Some discuss gender in the situation analysis, but are silent on this topic when it comes to policy prescriptions. Holvoet (2006) lists a range of common weaknesses in PRSPs in respect of gender relating to both content and process. In terms of content, she points out that:

- Gender increasingly disappears as one progresses from diagnosis to selection, budgeting, implementation, monitoring and evaluation.
- Integration of gender issues is more common in social sectors in relation to capabilities than in economic and other sectors relating to opportunities.
- National and sectoral gender policy documents are often ignored.
- Gender-relevant data are insufficiently utilised.
- The approach tends to adopt a women-in-development and anti-poverty approach, rather than reflecting gender equality. There is often an assumption that reduction of poverty will automatically result in greater gender equality and that, conversely, increasing women's economic engagement will automatically result in poverty reduction.

- There is limited analysis of gender-specific constraints, needs, resources or opportunities that could explain why sectoral objectives are not being achieved and provide remedies.

In respect of process, Holvoet notes limited participation by ‘gender actors’, including national machineries, sector experts within line ministries and women’s groups and representatives. Where these gender actors are present, they often have limited capacities in respect of policy (and budget) analysis. Meanwhile the ‘mainstream’ actors generally have limited, or no, gender expertise.

To combat such weaknesses, many countries have provided for special initiatives to ensure gender is addressed in the national development and sector plans. These include the establishment of special gender working groups, inclusion of women/gender experts of other working groups, post-hoc reviews of draft documents and so on. As a result, it would be rare today to find a national development or social sector plan that does not discuss gender to some extent.

Mentions of ‘gender’ and ‘women’ are not, however, in themselves enough to ensure effective actions to promote gender equality. Some national development plans consider gender, or women, as one among a range of ‘vulnerable groups’ or ‘cross-cutting’ issues that should be addressed. In some cases, this is mirrored organisationally where particular agencies, or even government as a whole, establish a unit responsible for a variety of issues including women, the poor (sometimes referred to as ‘communities’), youth, children, the HIV-affected, those with disabilities and so on. The danger where documents adopt these approaches is that this often results in a call to take ‘vulnerable groups’ into account without due consideration as to the differences in their situation and needs, leading to solutions that are inappropriate for many of the groups or issues. Another challenge is that where there are many such groups or issues to be addressed, it can easily become overwhelming for implementers, who will simply ignore these injunctions as too difficult. Alternatively, they may choose to focus on only one or two of the groups or issues.

A further problem is that national development plans are usually over-ambitious. As a result, only some portion of the planned actions will be effected. This represents the classic situation that GRB is intended to question – the extent to which good (gender-responsive) intentions encompassed in policy ‘fall off the table’ when it comes to allocating budgets and to implementation.

The above problems point to the need for gender advocates to engage beyond the broad national policy debate. Engagement in processes such as PRSPs is certainly important, as once gender is entrenched there it greatly increases bargaining power around the detail at sector level. Statements in a PRSP, however, will not be enough to ensure that annual plans, budgets and implementation are gender-sensitive. That would be letting the national planners ‘off the hook’ too easily.

Gaynor (2006:11) quotes a gender audit in Malawi commissioned by the UK Department for International Development (DFID) that distinguished three different ways in

which gender could disappear from the agenda, even when incorporated in policy documents. These are:

- evaporation, where commitments disappear at the time of implementation;
- invisibilisation, where there are weaknesses in monitoring and reporting; and
- resistance, where those responsible see gender as too time-consuming or not particularly important.

GRB can assist in tackling all three elements. Evaporation and invisibilisation are at the heart of what GRB is set up to prevent in that it asks that gender be explicitly discussed and reported on in budgets and related implementation. Resistance can be addressed if GRB can be presented as an approach that is in line with, and adds value to, the new public finance management methods being introduced in many developing countries (see below). In particular, resistance is likely to be lessened if the approach to GRB is designed to fit in with the way in which a particular government does its budgeting. Where, for example, a government is introducing input, output and outcome indicators in its budgeting approach, the demand is that these indicators be sex-disaggregated where appropriate and include gender-specific indicators such as maternal mortality or gender-based violence. Unfortunately, the need for tailoring to a particular country's approach means that there are no simple recipes or formulas for GRB.

Perhaps in recognition of the gaps between national development plans, budgets and aid, some countries have opted for joint assistance strategies. These are intended to indicate where a country would like donors to focus their aid. Such strategies are relevant in terms of the new aid modalities (see below) in that they propose that particular donors take the lead in specific sectors, while others play a partnership role in which they delegate power to the lead agency. This arrangement could be useful in avoiding unnecessary duplication of effort on the part of aid agencies. For gender advocates in-country, it means that they need to establish which donors are the lead agencies in particular sectors and establish strong relationships with them, rather than simply continuing with historical partnerships with donor agencies that may have little power.

There is also a need for more thinking as to how national gender action plans relate to other national development documents. Most countries have named gender equality, women's empowerment or similar goals in the list of what is to be achieved through their national development strategies. In addition, UNIFEM (2006) states that more than 120 countries have national action plans for the advancement of women. The organisation notes further, however, that these plans are usually not properly integrated into national development plans, and that an adequate budget is not allocated for implementing them. In effect, many of them constitute wish lists. While – as pointed out above – this might also be true to some extent of many national development plans, there has been increasing pressure on developing countries to have a clearer link between their national development plans and budgets. Such pressure has not been applied in respect of national gender action plans. This allows all concerned to make the national gender action plans as politically correct and wishful as they want, but severely decreases the likelihood that they will be implemented. This again provides the classic

situation that stimulated the earliest GRB initiatives – a desire to ensure that budgets follow policy and that gender does not disappear at the budgeting stage.

Schematically, two options are possible in respect of national action plans. The first would see gender advocates arguing for a separate budget to implement the national action plan. The second would see gender advocates ensuring that the activities envisaged in the national action plan are included in the country's sectoral and overall national development plans. These two alternatives represent the two 'legs' of gender mainstreaming, with the first being the affirmative action, targeted approach and the second constituting provision for gender in general provisions. The first approach might seem attractive to gender advocates who want a simple way to monitor what is being done in respect of gender, a clear focus for advocacy and the ability to claim credit for specific actions. Ultimately, however, the second approach might be wiser in terms of sustainability. This is especially true with the focus of donor funding shifting into new aid modalities such as budget support and away from funding of specific projects.

The new aid modalities

Many see the core of the Paris Declaration as its promotion of 'new' aid modalities. These modalities reflect the Declaration's support for alignment with national development plans, national ownership and harmonisation between donors. They are intended to avoid a plethora of 'projects' with different donors, and the resultant burden in terms of negotiations, financial and other bureaucracy and reporting, as well as the dangers of duplication or, alternatively, 'gaps' in funding. The following are their main features:

Sector-wide approaches (SWAs) envisage government and donors together developing a policy for a particular sector (typically education, health or agriculture), and donors subsequently contributing to a single fund that is used to implement the policy. This fund may be referred to as a 'common pool' or 'basket'. The said policy might include an overall strategic framework, a medium-term expenditure framework and annual budget, and methods for monitoring and reporting. In some cases, SWAs have a close relationship with the PRSP.

Direct budget support typically, but not always, goes beyond a specific sector to provide funding in support of a national development programme such as a PRSP. In some cases it constitutes direct input into the main government budget system without specific reference to a particular national development plan. The basis for support is similar to that in respect of SWAs to the extent that donors are generally relatively heavily involved and influential in the drawing up of national development plans as well as in the related monitoring and reporting. Where money is provided for the overall budget, this can be termed 'general budget support'. General budget support is extremely unlikely in countries where aid accounts for a small proportion of the government budget as donors will in these cases not have the assurance that their contribution is likely to make a difference in a direction that they support. In some cases, even though there might not be a SWAp, general funding is targeted to a specific sector. In this case, it is termed 'sector budget support'.

A recent United Nations Population Fund document (UNFPA, 2006:11) depicts the continuum from general budget support to stand-alone project funding as follows:

| | | | | |
|--|---|--|---|--|
| General budget support | Sector budget support | Earmarked budget support | Project type support | Stand-alone project |
| No earmarking, funds go to the Treasury. | Funds earmarked to particular sectors, e.g. health. | Funds earmarked to specific programmes within sectors, e.g. reproductive health. | Funds earmarked to specific activities within Government sector programme, e.g. establishment of a training centre. | Funds earmarked to specific activities outside sector programme with funding channelled outside the sector budget. |
| Less earmarked | | | | More earmarked |

More generally, these different types of funding seldom exist in pure form and in isolation in any country or in any donor's 'portfolio'. Thus Budlender (2004) quotes an undated DFID note that explains that SWAps can 'encompass a wide range of instruments, from a set of coordinated projects to the provision of sector budget support'. Similarly, she draws on Subrahmanian's quoting of Hoole to the effect that a SWAp 'typically contains a mix of project and aid and other modalities'. Hoole notes further that the 'bulk' of SWAp money is usually not disbursed through the government system.

The DFID note also explains that poverty reduction budget support is always likely to be only one among many instruments. In defending projects, the note suggests that they 'can be strategic (changing the wider institutional environment); they can act as policy experiments; they can demonstrate alternatives; they can transfer skills; and they can assist the non-state sector'.

Collinson (2006) notes that direct budget support constitutes a form of 'programme aid' i.e. non-project funding intended to finance the government budget. She goes on to point out that that programme aid is far from new in that the International Monetary Fund's and World Bank's support for structural adjustment programmes in the 1980s took this form. The main difference is that the more recent programme aid is usually intended to support national development plans and, in particular, poverty reduction strategies.

UNIFEM (2006) warns that if an increasing proportion of aid financing happens through direct budget and sector support, gender will run an even greater danger of falling off the table as there will be less opportunity for the special donor-funded 'gender projects' that have been used to address at least some parts of the national action plans. The new aid modalities could, in this sense, worsen the situation in respect of gender equality.

However, Holvoet (2006) is more optimistic. She points out that programme-based funding should have a greater impact than isolated projects if one can ensure that the underlying programme is gender-sensitive. She notes further that many of the principles and reforms underlying programme-based funding increase the potential for gender sensitivity and, in particular, for GRB. She highlights the attention paid in these reforms to the process of policy-making, implementation, monitoring and evaluation and 'inclusiveness'. The 'results orientation' and emphasis on evidence-based policy-making also provide openings in that GRB offers more concrete and differentiated evidence. She nevertheless points out that these opportunities do not automatically result in gender-sensitive budgets and programmes. Active and deliberate engagement by gender advocates and others is needed to ensure that this happens.

To date, SWAps have focused primarily on sectors that traditionally receive significant shares of development aid. Among these, gender has often received specific attention in the education, health and agriculture sectors, but Thakur (2006) notes that this has been less common in the water, transport and rural infrastructure sectors. As is also evident elsewhere – for example, in PRSPs – gender and women are taken into consideration in the social sectors, not in the harder 'economic' sectors. Agriculture might seem an exception in this respect, but has in some countries come to be seen as a 'social' sector, perhaps due to the preponderance of poor people and women within it.

Despite their signing of the Paris Declaration, most donors are likely to retain some portion of their funding outside general budget support. This on the one hand provides the potential for gender-targeted financing. On the other hand, it also allows the possibility for donors (and governments) to 'do' gender in the form of such targeted activities, and then to feel that there is no need for serious gender mainstreaming in activities supported through general budget support.

More positively, non-general budget support funding can be used to support piloting. This is being done on a large scale in many countries, where donors who strongly support the new aid modalities have established special projects to support reform of financial and budgeting systems. In these cases, the project support is intended to help bring about changes that will later constitute the mainstream. A similar argument can perhaps be made for non-general budget support for gender initiatives in particular areas, i.e. where the intention is to pilot approaches (such as GRB) that will later become mainstream.

There are also some donors who strongly resist the new aid modalities. The United States Agency for International Development (USAID), in particular, has resisted direct budget support and basket funding. Instead, it prefers to have separate agreements with recipient countries, including generally onerous separate reporting. The large amounts of money being channelled to many AIDS-affected countries under the US President's Emergency Plan for AIDS Relief (PEPFAR), for example, thus comes in a separate stream with separate conditionalities and reporting requirements from other HIV/AIDS funding.

De Renzio (2006) notes that some donors resist the new aid mechanisms because they fear that their own contribution will not be easily measured and they will thus not be able to account to their own 'donors' in the form of their home government and parliament. What this argument does not recognise is the reporting, monitoring and management burden that an insistence on a myriad of different projects has created for the recipient governments. In effect, this backfires on the donors too, as they cannot get a clear picture of where they fit into an overall picture.

Project financing, even though sometimes hidden under the prettier name of programme financing, imposes considerable burdens that needlessly waste money, human resources and energy. Thus Collinson (2006) quotes the OECD to the effect that in 2003 a typical African country was required to submit 10,000 quarterly reports to donors each year and host more than 10,000 different missions. For gender advocates, this should raise a concern as to the additional burden (and resentment) placed on recipient governments by separate gender projects and gender missions. While the specific government officials directly involved might feel that these burdens are worthwhile given the personal benefits and prestige they enjoy as a result, overall there is clearly a cost. For gender advocates, a way needs to be found to mainstream gender that is not seen to pose a significant extra burden on government officials, especially those who are not particularly convinced of the importance of gender equality.

Finally, we must not over-emphasise the extent to which the new aid modalities are in effect. On the one hand, they are not new to the extent that programme aid was evident in the 1980s and SWAps were introduced in some countries in the mid-1990s. On the other hand, the spread of these new modalities has been relatively slow. Thus de Renzio (2006:3) quotes surveys commissioned by the Strategic Partnership with Africa (SPA) that found that general budget support accounted for only 27.8 per cent of the total aid from SPA donors to a sample of African recipients in 2005. For the individual donors, it constituted 18 per cent of total aid in 2005.

The countries covered in the surveys were, in fact, among those most likely to use these modalities. De Renzio also quotes data from the OECD's Development Assistance Committee (DAC) suggesting that general budget support accounts for only 5 per cent of total ODA. Within Africa, Collinson (2006:65) contrasts the United Republic of Tanzania, where budget support increased from US\$88m in 1999/2000 to US\$398m in 2004/5, and Uganda, where it increased from US\$91m in 1995/6 to US\$365m in 2004, to Malawi, where budget support constitutes less than 5 per cent of national government spending.

In addition, de Renzio suggests that initiatives such as the Paris Declaration have had a greater effect on changes in aid modalities than in the amount of aid. In particular, the substantial increases in aid promised by G8 countries through the UK's Commission for Africa (2005) and the UN Millennium Project (2005) have not materialised at anywhere near the promised levels. In some cases, the increases have been seen in technical assistance, where there is arguably as much benefit to the donor country as to the recipient one. For gender advocates, the message is that there is not necessarily more money available now than in the past. Instead, they need to ensure that there is not a

decrease in the extent to which funds that, at best, might be modestly increasing, promote gender equality.

Budget reform

About ten years ago a previous Commonwealth Meeting of Ministers Responsible for Women's Affairs recognised the potential of GRB by agreeing to establish pilot projects. Since that time the Commonwealth has provided both financial and practical support for developments in this area through publication of manuals and other technical guides, advocacy and sharing of good practice. GRB processes have been initiated in at least 30 Commonwealth countries, although many have not been fully institutionalised. Commonwealth countries such as Uganda and the United Republic of Tanzania, nevertheless, stand out internationally as examples of good practice. Commonwealth Finance Ministers have also agreed that all member countries should report on a two-yearly basis on progress made in respect of GRB.

Several elements of the Paris Declaration focus on the extent to which the recipient country has 'reliable country systems' in respect of financial management and procurement. This focus is clearly driven by a concern from donors that their money is well spent, as well as concerns around corruption. These concerns can be used to good effect by gender advocates. First, reliable and honest systems of reporting, if they include gender-sensitive elements and provide for disaggregation, will give a good record of what is being done and achieved and thus indicate potential gaps. Second, reduction in corruption should leave more money available for gendered development purposes, both because less is wasted and because donors are more likely to give money to governments they perceive as not being corrupt.

GRB initiatives have, over recent years, increasingly engaged with the budget reforms that are ongoing in many developing countries. Typically these involve the introduction of a medium-term expenditure/ budget framework (MTEF or MTBF) and some form of performance-oriented budgeting. The MTBF element requires budgets to be planned over more than one year – typically three, but sometimes more. The parliament votes each year only on the budget for the immediate upcoming year, but information on the other years is made publicly available and is potentially open for discussion and lobbying.

The motivation for the MTBF from the side of the international financial institutions and donors is probably as much (or more) about control of the deficit than about better planning in terms of policy goals. It is also somewhat ironic that donors promote this reform when their aid contributions to the budget are typically the main source of lack of predictability. This lack of predictability has, if anything, reportedly increased rather than decreased with the introduction of new aid modalities such as general budget support. Nevertheless, the reform presents opportunities for gender advocates in allowing more time for lobbying and advocacy.

The performance-oriented aspect of the reforms is generally introduced more slowly than the multi-year budgeting. The approach varies quite significantly across countries, but the main thrust remains the same – that budgets should follow policy rather than

vice versa, and that budget reporting should include not only the financial numbers, but also an indication of what was bought and delivered with the money. As a first step, budgets should reflect outputs, such as how many people were reached through various types of service delivery. Ideally, budgets should also reflect outcomes – the changes in the situation of the country’s people achieved through this expenditure.

This aspect of the reforms also holds significant potential from a gender perspective if those responsible can be convinced that the output and outcome indicators should be gender-responsive, i.e. sex-disaggregated where they relate to individuals, and include gender-relevant indicators.

Some achievements have been notched up in this respect. DFID is one of the main providers of both financial and technical support for these reforms in many countries. Support is provided through teams of long-term consultants, some of whom have been open to ideas about including gender and recognised that this fits in with the overall aims of the reforms. This is not, however, always the case. It is doubtful that gender skills are ever written into the terms of reference for the teams that do this work. It is also doubtful that this is an aspect that is monitored by DFID in assessing the team’s performance. This is perhaps an area where the Commonwealth could apply pressure, given that DFID is a lead player.

The budget reforms often place a heavy emphasis on introducing new accounting systems. This results in the teams often being led by accountants, and the job as a whole contracted out to accountancy firms. Such teams may favour an approach that can ‘label’ certain allocations as being gender allocations, so that one can get a simple number or percentage of the budget allocated for gender equality. This might at first seem appealing. Unfortunately, GRB is not as simple as this. An approach that looks for a single number will typically rely on counting only those allocations specifically targeted at women or girls, or allocations for the national women’s machinery. While both these types of allocations can be important, they should be seen as support for mainstreamed allocations rather than the main element of government’s approach to addressing gender equality. Finding a way to analyse the gender sensitivity of other allocations is unlikely to yield a single number, but it will result in better policies and programmes that have more chance of addressing gender equality in the medium to long term. Promoting this approach may for some women’s machineries feel like acting against their own interests, but is required if one is to see beyond immediate institutional and personal interests.

Assessments of the success of the budget reforms are often sobering. A World Bank representative at a workshop in 2005 on aid, budgets and accountability (de Renzio, 2006) suggested that donors had put more effort into diagnosing the problems with government budget systems than with implementation of reforms. He noted further that PRSP and public expenditure management reforms are often treated as separate processes, thus contradicting one of the main ‘messages’, namely that budgets should follow policy.

Similarly, de Renzio quotes Dorotinsky and Floyd's 2004 paper to the effect that public finance management reforms have often improved budget formulation, but have had less impact on budget execution (implementation) and budget accountability (monitoring). Yet it is these aspects that are most important from a GRB perspective if we are to go beyond commitments on paper to impact on people's (women's and men's) lives. Ultimately budgets constitute just another form of policy document, while GRB endeavours to ensure that policy documents are implemented and have impact. Dorotinsky and Floyd found that fewer than three in ten of the 20 surveyed countries had a close match between expenditure and allocations, and nine in ten did not produce final audited accounts within 12 months of the end of the fiscal year. If countries cannot even produce audited accounts in respect of the budget figures, they will be even less able to do so in respect of output and outcomes.

Killick's study of Ghana (also quoted by de Renzio, 2006) provides further evidence from a single country. This study suggests that budgeted expenditures are a 'façade' that is intended primarily to keep donors happy. This and other studies suggest that all too often the budget reforms are thought up, designed and implemented by donors, with very little commitment from inside the country. This is clearly an overstatement to the extent that key leaders in particular countries have seen the potential of these reforms. Commitment is, however, often not widespread and these reforms, by their nature, require buy-in by a wide range of actors as they envisage far more (government) people than previously participating in budget formulation and monitoring.

Adding to the tensions in many countries are conflict and power struggles between the agencies responsible for planning and finance. Historically, in many countries the planning commission or ministry was responsible for the development budget, which was largely funded by donors. As such, it had significant powers over 'projects'. These were often specified in the form of a multi-year national development plan spanning the different sectors. The finance ministry was meanwhile responsible for the recurrent budget, which financed basic government operations, and which was developed on an annual basis. Because local revenue was limited, and there was very little space for strategic decisions within the recurrent budget, the planning ministry was often regarded as more prestigious and powerful than the finance ministry.

Ongoing public expenditure reforms generally advocate abandoning the separation between the development and recurrent budget, alongside the abandonment of projects. As a result, the focus and power has shifted to finance ministries, which are now seen as responsible for the full budget, which must cover all programmes and their associated capital and current expenditures. Ironically, given the Western world's antipathy to centralist planning in the former communist countries, these budgets must now be based on what are called 'national development plans' in the form of PRSPs. In the process, some ministries of planning have lost many of their powers. In other countries these ministries have been allocated responsibility for the PRSP, while the ministries of finance are responsible for budgets. Given the tensions created by the shifts in power, this allocation is unlikely to result in optimal cooperation and good linking of budgets to plans.

A further problem is the reliance on outside experts in many of these reform processes. This raises questions of the sustainability of the forms. There is a clear need to develop national expertise, as well as to ensure that these national experts understand the opportunities and requirements in respect of gender. Moreover, staff in finance and planning ministries will need to gain skills and knowledge in the 'softer' social areas while staff in national machineries will also need learn more about the areas of planning and budgeting (while also realising that these not require sophisticated economic skills).

A plethora of initiatives

Some donors might lay the blame for poor implementation of budget reforms as well as national development plans on recipient governments. The latter must accept part of the blame, but definitely not all. Donors have surely contributed to confusion and scattering of efforts by their constant introduction of new initiatives touted as 'solutions' to a myriad of problems. The PRSPs constituted such a solution during the 1990s. In the United Republic of Tanzania, the requirements of the PRSP process put a halt to the process of developing a Tanzanian Assistance Strategy into which all funders would fit. It is ironic that close on ten years later, such a national assistance strategy is being touted as a 'solution' by many donors.

Uganda managed to avoid some of the fragmentation by insisting that their Poverty Eradication Action Plan be regarded as their country's PRSP. Some years later, however, many countries are being required to adapt their home-grown PRSPs to align them with the MDGs, a more generic product.

The budget-related reforms occur alongside these broader development planning initiatives. In theory, the budget reforms should support implementation of the broader development plans. In practice, it seems that the international financial institutions and donors are sometimes more interested in the financial budget aspects than what is effected with the money. Of importance to us is that with this bias in interest, gender will usually lose out, as gender is more about 'development' than about technical processes.

As for other government and civil society actors, the plethora of initiatives causes difficulties for those in national machineries as they stretch a staff that is often already overstretched. In countries where national machineries retain implementation for some service delivery aspects, such as micro-credit or literacy, there is a danger that the policy-oriented engagement will lose out. A focus on delivery-oriented activities might seem preferable and more likely to yield concrete benefits for real people than endless engagement in consultations, training workshops and meetings. Such a choice must be made with caution, however, as engagement that can change systems in a gender-sensitive way might ultimately have greater impact on more women (and men) than delivery of concrete services in the short term. The challenge is to distinguish between meetings and events where one has a real opportunity to have an impact and those where there is not this opportunity.

Monitoring, indicators and statistics

UNIFEM (2006) notes that the tracking of results-based aid at the country level is envisaged as being achieved through country performance assessment frameworks made up of a set of indicators based on national development strategies and programmes. PRSPs and similar frameworks are obvious candidates here, as they generally already include a set of indicators.

The extent to which this is good news from a gender perspective depends on the extent to which gender has been integrated in the standard set of indicators. In some countries there has been no real attention to gender at all. In others a separate set of gender indicators has been drawn up. In yet others there has been some attempt to make the 'mainstream' indicators for the development plan gender-sensitive.

The third approach would appear to have the most potential. Many countries struggle even to report on the agreed standard indicators. A separate gender list of indicators is then unlikely to receive much attention. Even where no significant difficulties are encountered in reporting on the agreed indicators, a separate gender list is likely to catch the attention only of those who are already converted. Our aim with mainstreaming must be to attract the attention of the 'main' decision makers within both the government and the aid community. It is only if these actors have their attention caught that they are likely to take responsibility.

In some cases the MDG indicators are likely to be used. This raises at least two problems. The first is that the MDGs are a generic set of goals with generic indicators. Unless these are adapted for a particular country, they are unlikely to adequately reflect its particular situation. The gender education indicators, in particular, are irrelevant for many countries, including some in the Commonwealth, as gender parity in enrolments has already been achieved or even 'exceeded'. This leads on to the second problem, which is the lack of integration of gender in the indicators for all but the third MDG and the goal relating to maternal mortality.

The weaknesses are eloquently explored in the Millennium Project's task force reports on gender and maternal health. These reports include useful suggestions as to how the weaknesses can be overcome. UNIFEM (2006) notes, in particular, the need for sector-based results to move beyond the MDG's maternal mortality rates and sex-disaggregated school enrolment ratios to measure achievements in respect of poverty, employment opportunities and political participation from a gender perspective.

Thakur (2006) indicates that there have been many initiatives, some more successful than others, in the area of strengthening gender-related statistics in developing countries. These initiatives are important to address the too-often-cited complaint that progress in achieving gender equality is hampered by the lack of gender-related statistics (see Box 2.1). Such data are important, for example, when drawing up PRSPs to show how problems affect women/girls and men/boys differently. Gender-related statistics are also important in highlighting issues that are often ignored in policy, such as unpaid care work. This is particularly critical for those countries affected by HIV/AIDS, where women

Box 2.1: Gender-related vs. gender-disaggregated statistics

The term 'gender-related statistics' is preferred to the commonly used 'gender-disaggregated statistics' because the necessary statistics encompass more than tabulations comparing the situation of men/boys and women/girls. Gender-related statistics thus includes sex-disaggregated statistics, which show these tabulations, as well as statistics on gender issues that might not affect both women and men. Statistics on maternal mortality, for example, or violence against women cannot list men compared to women but are nevertheless important indicators for gender equality.

bear a disproportionate burden not only in terms of infection but also in terms of caring for others who are ill.

Programmes for statistical strengthening have, however, often not paid sufficient attention to administrative data. These are the data produced by government agencies as they go about their business. They include, for example, school enrolments, clinic attendance and receipt of assistance by agricultural extensionists. The first of these is routinely collected and reported by sex in most countries. The second is routinely recorded, because it is of material importance to a health clinic whether a patient is male or female, but the information is rarely collated and reported at a higher level in sex-disaggregated form. The third item, assistance by agricultural extensionists, is not necessarily even collected with any indication as to the sex of the person receiving assistance.

Administrative data are particularly important when engaging with budgets in countries where some form of results-oriented budgeting has been introduced. They are, or should be, the main source for the output indicators that are central to such systems, in recording what is produced or delivered with government funds. Survey data are not usually appropriate for these purposes because they take too long to produce and cover only a sample, rather than the full extent of delivery. Some countries have now introduced specific requirements in their budget call circulars for line agencies to report on delivery in sex-disaggregated form. Agencies in these countries will need administrative management information systems that produce sex-disaggregated data.

Civil society

National machineries in many countries are responsible for liaison with and support for civil society and civil society organisations (CSOs) alongside gender/women. In some cases this liaison is expected to focus on gender/women's issues. In other cases ministries and other agencies have simultaneous responsibility for civil society relations more generally. This responsibility, where it exists, raises the issue of what the new aid modalities mean for civil society.

In addition, to the extent that civil society is often one of the strongest sources of support for gender equality in a country, including a source of gender expertise, the question of the impact of the new aid modalities on civil society seems relevant. CSOs are also seen by governments as parallel service delivery agents in areas such as

reproductive health, gender-based violence and others. Yet the shift to programme-based funding combined with a focus on gender mainstreaming has tended, over time, to channel funding away from gender-oriented CSOs (Clark et al., 2005).

There is relatively little thought given in most mainstream discussions about the new aid modalities as to what these mean for funding of CSOs and their activities. In some cases governments argue that all funding for CSOs in their country should be channelled through them, as the CSOs should be contributing to the national development effort and this should be coordinated by government. This approach, however, can constrain the independence of CSOs as they will be wary of being effective watchdogs if by so doing they could starve themselves of funds.

From a gender perspective, the experience in GRB work is that it is seldom sustainable without the active support and engagement of civil society. This was the case in Australia, the pioneer of GRB work, and subsequent experience is confirming this. A government can take some steps on GRB on its own. It can change budget call circulars, adapt formats and conduct training for officials. Unless, however, there is an external demand for accountability and a monitoring of the budget documents produced, GRB is unlikely to move beyond being a one-off project because those responsible will perceive neither effective demand nor meaningful sanctions for not persevering.

Collinson (2006) assesses the extent to which donors' increasing emphasis on national development plans such as PRSPs, alongside a belief in the need for civil society participation in the formulation and monitoring (and perhaps implementation) of these strategies, has enabled non-governmental organisations (NGOs) to influence policies.⁴ The study uses Malawi, Uganda and the United Republic of Tanzania as case studies, and the findings might therefore be different in other countries. These three countries, although all in sub-Saharan Africa, nevertheless have important differences. Especially important from our perspective is the difference in terms of dominant aid modalities. Thus Tanzania, followed by Uganda, has gone fairly far along the road to the new aid modalities, having started on this process long before the Paris Declaration. Malawi, in contrast, as yet receives very little aid in the form of direct budget support although there is some move to sector-based funding.

The study finds that, overall, NGOs are able to participate more than before, especially during the consultative processes of the original formulation and subsequent review processes. There has, however, been much less achieved in respect of influence over budgeting. This is in part due to the fact that the review processes 'invariably remain delinked from the budgeting process'.

More seriously, the report suggests that all three governments have failed to treat NGOs as 'serious partners' and have largely ignored their inputs, even though donors such as DFID had provided increased funds to organisations in the policy and advocacy field. There is also ongoing mistrust between governments and NGOs, but the report indicates this is not necessarily the result of changes in aid delivery mechanisms. Overall, the report suggests that while the new aid modalities might have increased governments' accountability to donors, they had not done so in respect of citizens. It confirms

that although NGOs are included in consultations, they are excluded from the dialogue between donors and government on issues such as conditionalities, budget allocations, spending limits and performance assessment frameworks. There is an acknowledgement that NGOs should not necessarily be party to these negotiations, but a strong feeling that the final agreements should be made public.

While DFID was reported to be providing more funding to NGOs in policy and advocacy than previously, funding by recipient governments of NGOs of any sort was less than the researchers had expected given the increased aid they had received with the introduction of direct budget support.

Conclusion and Recommendations

Among donors there is much talk of the Paris Declaration and other agreements and aid modalities. Such talk is probably far less common inside most recipient countries, except in very restricted circles. In particular, gender machineries are unlikely to be part of meetings that focus on these topics.

This chapter suggests that national machineries and other gender advocates should, nevertheless, take an interest in these developments and learn what they are about and what opportunities they offer and challenges they pose. For some countries, these investigations might reveal that the developments have little meaning and impact. For others, the investigations might reveal important developments that gender advocates ignore at their peril.

In these countries, gender advocates need to acknowledge both the opportunities and challenges. The challenges must be recognised not so that we can bemoan how the cards are stacked against us, but rather so that we can plan how to deal with them. The opportunities must be understood so that we can take full advantage of them. In particular, GRB and related initiatives can play a role in taking advantage of some of the opportunities and ensuring that the 'reforms' have a better outcome in respect of gender equality.

Finally, there are a number of recommendations that are implicit or explicit in the chapter as follows:

- Countries should ensure that their MDG indicators are sex-disaggregated wherever appropriate.
- Women's machineries should be involved in both the development and monitoring of national development plans, and the processes through which particular elements of these plans are prioritised and budgets allocated for implementation. Their responsibility in this respect should not be confined to a 'gender chapter'.
- Staff of women's machineries should gain at least basic numeracy and literacy in respect of financing and budgets.
- Staff of finance and planning ministries should gain skills and knowledge in the 'softer' social areas.

- National gender action plans and national development plans should be aligned.
- Gender advocates need to monitor that the new aid modalities do not mean that less money is available to promote gender equality. To be able to do this, they need to find ways to monitor 'mainstream' money rather than focusing only on 'project' money.
- Gender advocates in countries in which budget reforms are being instituted should investigate ways of ensuring that gender is addressed in the new emphasis on performance monitoring. They should also take advantage of the advance notice of plans and budgets afforded by multi-year budgeting in planning their advocacy.
- Countries should insist that the expert teams that provide assistance in respect of budget reforms have adequate gender expertise, and that this expertise is built among local people.
- Attention should be given to strengthening the gender-sensitivity of administrative data alongside the attention in this respect that has to date centred primarily on survey and census data.

Notes

1. The Commonwealth, which has been a leader in this field, has produced several related documents and handbooks from the mid-1990s (see, for example, Budlender and Hewitt, 2003). There is also a growing wealth of experience from governmental and non-governmental actors.
2. For an eloquent and detailed account of the need for engendering the MDGs, see United Nations Millennium Project, 2005.
3. Gaynor's paper, in contrast to this one, is directed more at gender advocates within donor governments than at recipient governments and offers suggestions that may be particularly useful for those in national machineries.
4. The Collinson report does not discuss participation by ordinary citizens beyond NGOs.

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CHAPTER 3

Development, Aid Effectiveness and Gender Equality

Sarojini Ganju Thakur

The Millennium Development Goals (MDGs) are accepted as the international framework for development until 2015. While all eight of the MDGs have gender equality dimensions, it is clear that at least six of them cannot be achieved without integrating a gender perspective. Issues of gender equality, therefore, are central to the aid effectiveness agenda.

In March 2005, 35 donor countries, 26 multilateral agencies, 56 countries that receive aid and 14 civil society organisations (CSOs) signed up to the Paris Declaration for Aid Effectiveness. The Declaration focuses on improving the quality, management and effectiveness of aid and on increasing its impact on development. It defines principles and processes – country ownership, alignment, harmonisation, managing for results and mutual accountability – to ensure that aid benefits those for whom it is meant. Its targets and indicators are also related to these aspects. The Declaration makes only a passing reference to gender equality (para. 42), and this is mainly in the context of harmonisation. Nevertheless, it offers a real opportunity, through its implementation and monitoring and evaluation processes, to bring gender centre stage.

It is of particular importance at this stage, therefore, to assess the manner in which gender equality is being brought into the implementation of the Paris Declaration agenda. This is both from the perspective of a continuous assessment of the way in which gender equality is being addressed, and also in preparation for the Accra High Level Forum on Aid Effectiveness, ‘Assessing Progress and Deepening Implementation’, which will take place in September 2008. This forum will assess how the principles of the Paris Declaration have been operationalised, identify good practices and problem areas, and chart the way for the remaining years of the Declaration’s programme; in fact, it is a mid-term review of its implementation. It will also examine issues related to broadening participation, mutual accountability and the choice of aid instruments.

The focus of this chapter is twofold. First, it examines the extent to which gender equality has been promoted in the implementation of the aid agenda; second, it proposes actions that can be taken by various stakeholders to ensure that gender moves from the margins to the centre of this agenda.

The Story So Far

From the mid-1990s onwards several factors have combined to lead to greater awareness, both in countries and partner agencies, of the need to promote gender equality for development. These include events like the Fourth World Conference on Women, which agreed on the Beijing Platform for Action, widespread commitment to the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) and the adoption of the MDGs as the international development framework.

The last ten years have also seen major changes in the way in which aid is disbursed. Project approaches found to be non-sustainable, donor driven and non-strategic have given way to other aid instruments. This section, based on existing reviews and evaluations, focuses on the manner in which the new aid modalities and country-led planning processes promote or impact on gender equality and related development outcomes.

Direct budget support

In theory, direct budget support offers an opportunity to enhance policy dialogue between donors, civil society and other actors, and the harmonisation aspects can increase institutional capacity for results-oriented planning and budgeting. In practice, reviews have indicated that equity issues are not automatically addressed. A joint evaluation of general budget support 1994–2004 undertaken through the Development Assistance Committee (DAC) network indicated that gender was ‘boxed in’ rather than mainstreamed (Gaynor, 2006). The first-hand experience of advisers for the UK Department for International Development (DFID) also emphasises that for direct budget support the principal interlocutors are usually the ministries of finance and planning, and that not only do the issues of social exclusion and gender take a back seat but also the organisations that represent these issues barely have a voice in determining priorities (Social Development Direct, 2006).

Sector-wide approaches (SWAps)

The experience of SWAps is better, but the positive experiences mainly relate to education, health and agriculture. Approaches like the Fast Track Initiative for girls’ education illustrate the nature of progress that is possible when donors come together to harmonise their work and align it with country programmes. In other sectors, such as water, transport and rural infrastructure, gender perspectives are rarely integrated.

Poverty reduction strategies

Analytical reviews of poverty reduction strategy papers (PRSPs) highlight the gender blindness of the first generation strategies. A study of 13 PRSPs completed in 2002 (Zuckerman and Garrett, 2003) indicated that while three were gender sensitive, eight dealt with gender primarily in a limited context – reproductive health and education – and two did not address gender issues at all. The joint staff assessments for funding were found to have only superficial gender analysis.

However, there are several examples where in second generation PRSPs special efforts have resulted in gender being taken into account. In Uganda, as a result of a process driven by the Ministry of Gender, Labour and Social Development, a Poverty Eradication Action Plan (PEAP) gender action team has been established with membership from CSOs. In Pakistan, a special paper on gender was commissioned with a view to integrating its findings into the new poverty reduction strategy. However, it should be pointed out that the lapse between the original strategy and the introduction of gender has taken seven years.

Joint assistance strategies (JAS)

JAS make it easier for countries to coordinate donor interventions and align them with national priorities, and to mainstream gender equality. In Ghana, Kenya, United Republic of Tanzania and Zambia, government JAS are being or have been developed. While it is too early to assess their impact on implementation, resource allocation and prioritisation, it is clear that in these countries 'gender' is more visible than in the earlier aid modalities.

In Ghana, various mechanisms are in place such as the Aid Harmonisation and Effectiveness Action Plan and a partnership strategy in preparation the drawing up of a JAS for 2007-2010. A Gender Equality Standing Team has been formed to harmonise an approach to gender equality and women's rights. Although policies are in place, resource allocations to the Ministry of Women's Affairs and Children are insufficient for it to influence the process. The Ministry was not invited to take part in the JAS consultation processes and had to fight for observer status (UNIFEM, 2006).

In Kenya, a Harmonisation Alignment and Coordination Group has been formed to draft a JAS. UNIFEM is working on engendering the process through the recruitment of a gender adviser. In Zambia, a pilot country for the aid harmonisation and alignment agenda, donor partners have supported the Government in the development of the Fifth National Development Plan. Gender has been identified as a cross-cutting issue, but also recognised as a sector within the plan. The impact of this on implementation has yet to be seen.

Gender audits of donors

A recent review of the approach of DAC members to gender equality presented to the OECD Gender Network summarised the progress thus:

Almost all DAC members have gender equality policies and many members have strengthened these policies since 1999. But almost none of them have the staff, budgets and management practices needed to implement these policies. Lip service looms large, practice remains weak. (Mason, 2006)

The review concluded that while on the one hand the MDGs had helped to focus attention on gender equality, the move to country ownership and programme-based approaches had made the promotion of gender equality far more dependent on country

views. However, 'what partner countries emphasise often reflects the incentives that donors provide'. Only three of the donors (out of 27) reported that 'most' of their programmes take gender into account – in other words that they have successfully mainstreamed gender into all their activities (Gaynor, 2006).

The majority of agencies perceived the lack of concern of some partner governments as a constraint to official development assistance being used to promote gender equality. Issues identified ranged from poor participation of CSOs in consultation to the problems of conducting a dialogue on gender equality in a country where the issue is not a priority. However, at country level this is viewed differently. In Zambia, for instance, the UN is the lead cooperating partner for gender. This highlights two issues: first, the very important point made by a Zambian official about the 'low levels of interest exhibited by most cooperating partners in being selected to the gender cross-cutting issue' (Lupunga, 2007); and second, that the UN will be dependent on other bilaterals to support this agenda.

National action plans for gender equality and women's empowerment

Since 1995 many countries have developed national action plans to promote gender equality and promote the implementation of the Beijing Platform for Action. This process has invariably been led by the national women's machineries (NWMs), which have inadequate resources and usually are not strategically located where they can have a significant influence on other departments and ministries. National policies for gender equality and women's empowerment have not always translated into the necessary prioritisation and mainstreaming of gender into the planning process or the allocation of resources. In fact, as noted above, most of the first generation PRSPs were completely gender blind.

Thus while there may be greater awareness of the need for gender equality, this does not always translate into country-led processes. Moreover, the recent experience of Ghana and Zambia in the formulation of JAS indicates that 'gender' does not appear to be a priority concern for external partners. The neglect of gender mainstreaming can seriously jeopardise the achievement of development outcomes, however. For development, aid has to be linked to these.

Gender Equality and Development Outcomes: Strategies and Opportunities

In the context of the transformation of the aid environment and the very significant scaling up of aid, the central issue – especially given past experience and the critical role of gender equality – is how to take advantage of opportunities and influence current strategies to promote and impact on gender equality for development effectiveness.

This section sets out some of the strategies, priorities and opportunities on which it is important to focus in order to effect change within the framework of country-led harmonised processes for administering development assistance.

At country level

Participation of and consultation with organisations representing women's interests in all planning processes

In order to ensure that national plans and strategies reflect women's needs and interests, the systematic and regular participation of NWMs and CSOs in the planning processes (including PRSPs) and consultations is essential. 'Ownership' must include both men's and women's voices. Women's organisations have made a big contribution through analysis of the existing situation and have influenced policy changes. Examples are the Tanzania Gender Networking Programme in the United Republic of Tanzania, the Women's Budget Group in the UK and the Self-Employed Women Association (SEWA) in India.

While many national plans include women, quite often the association is limited to specific sectors, especially education, health and welfare. But many other sectors impact on the lives of women – including transport, rural and urban infrastructure and legal reforms – where there is a need for their interests to be represented. There should be participation at all stages – planning, policy formulation, programme implementation, and monitoring and evaluation.

Gender-responsive budgets

As increasing amounts of aid will be passing through the budgetary process it is important to be able to track the gender impacts of expenditure and revenue-raising measures. Analysis and tracking of the resources allocated for women's needs and interests and assessment of their impact on gender equality are critical for achieving development outcomes. In a way the importance of this has been recognised – almost 60 countries worldwide have adopted gender-responsive budgeting (GRB), and Commonwealth Finance Ministers at their meeting in 2005 made a commitment to report every two years on the progress made in their countries. Many countries are still at an initial stage of awareness raising and capacity building, but some, such as India, Uganda and the United Republic of Tanzania, have gone beyond this, so that the budgetary processes, called circulars, take gender into account.¹ In some cases, analysis of the impact of user fees and land registration systems have resulted in policy changes that are friendly to women.

Capacity building of NWMs and other organisations

NWMs and CSOs that represent women's interests are not always well equipped to deal with issues related to macro-economic processes. In order for them to participate meaningfully in consultations it is important to enhance their capacities to enter into dialogue. For example, the Commonwealth Secretariat has launched a series of regional workshops on gender, trade policy and export promotion with a view to integrating gender analysis into trade policy formulation, implementation and planning. The participants include NWMs, trade ministries, export promotion boards and CSOs, as well as multilateral and bilateral organisations.

Capacities also need to be strengthened for gender audits and monitoring so that NWMs and CSOs can contribute effectively to monitoring and evaluation processes (discussed next).

Monitoring and evaluation of processes

- *Improving statistical systems for generating sex-disaggregated data:* The lack of information and availability of data on access to resources by women and men, and girls and boys often limits the design and understanding of various developmental issues. In the case of the Zambian JAS, strengthening the Central Statistical Office has been given priority. This is an area where development partners can often help to share good practice across the world so that time is not lost in re-inventing the wheel. For instance, countries such as Australia, India and New Zealand could share some of their experiences of time-use studies.
- *Impact assessment and evaluations:* As in the case of the environment, systems need to be adopted that ensure that there is a gender audit or impact assessment of all new proposals. In New Zealand, all cabinet proposals are accompanied by a statement setting out their gender implications. Indicators in national planning processing and PRSPs need to be able to measure progress against gender equality objectives to strengthen accountability. Joint evaluations and monitoring should build in gender assessments.

Public sector performance

In many countries, there has been tremendous progress since the 1990s. ‘Gender’ has entered the development jargon, but this has not been accompanied by the necessary attitudinal changes, mainstreaming and prioritisation in the public sector as a whole. The adoption of GRB and gender impact assessments of all proposals would bring about some change in the public sector, but this needs to be accompanied by gender sensitisation across departments. In order to deal with much of the resistance that exists in this area and enhance accountability for gender equality performance appraisal, it is important to make the promotion of and impact on gender equality a key parameter. Needless to say, this will depend on political will.

For development partners

Influencing the Paris Declaration agenda

Multiple ways have been identified (Gaynor, 2006) to influence the Paris Declaration agenda. The GenderNet of OECD-DAC has been working very systematically on ‘engendering’ the Declaration. It has pioneered and disseminated papers and is working closely with other DAC networks and the working party on aid effectiveness, whose main remit is to facilitate and monitor the Declaration’s implementation.

A recent example of this collaboration was a workshop on ‘Development effectiveness in practice: Applying the Paris Declaration to advancing gender equality, environmental

sustainability and human rights', jointly organised by these networks in Dublin in April 2007. The purpose of the workshop was to assess what lessons had been learnt so far from the field about the implementation of the Declaration, and to identify what needs to be done to improve its implementation for cross-cutting issues. There was a strong view that indicators need to be developed under the five principles of the Declaration to reflect progress on gender equality.

Peer review

The impact of peer review of policy and practice within donor agencies on the implementation of gender mainstreaming has been cited as one of the most useful mechanisms for assessing the progress and commitment of various agencies to gender equality in the aid effectiveness agenda. At the Dublin meeting it was felt that this should be systematic and frequent.

Mainstreaming gender within agencies

Donors need to work towards mainstreaming gender in their own internal processes. This means consciously working towards enhancing capacity across the organisation for gender mainstreaming, greater accountability for meeting gender equality objectives and increasing the number of gender specialists and financial resources committed to this. While GRB measures commitment within countries, donors can apply the same principles to their own budgets.

Strengthening country processes and mutual accountability

Donors need to consciously support all interventions that will strengthen the commitments of countries to gender mainstreaming. It is also important to work together with the countries to meet broader international commitments and to ensure that gender equality forms part of performance assessment frameworks. The observation cited above in the case of Zambia suggests that mainstreaming gender as an approach in JAS has been problematic when it comes to implementation. In the case of Ghana too it was observed that:

... although development partners in Ghana have adopted gender policies there is limited policy alignment among them due to differing political agendas. As a result there is an uneven level of commitment and accountability for gender-responsive development outcomes. (UNIFEM, 2006)

It is clear from other cases that it is often easier to support gender as a sector rather than mainstream it.

Aid instruments

There is evidence, especially in education and health, of the effectiveness of SWAs and a harmonised approach, resulting in significant progress. Before the Accra High Level Forum in September 2008 it is important to evaluate the impact of different aid instruments on the promotion of gender equality. This will help in reviewing the manner in

which resources are allocated for gender equality, and in understanding the importance of looking beyond the public sector to the financing of CSOs that work on gender equality and women's rights.

Conclusion

While the struggle to promote gender equality and empower women in development assistance continues, and the approach to gender equality tends to be dominated by functional and instrumental arguments about its impacts on development, it is important to remember that gender equality is not a means of development; it is actually the end and goal. There can be no development without gender equality.

Notes

1. Two country studies on India and Uganda were published in 2008 by the Commonwealth Secretariat.

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CHAPTER 4

Micro-finance and Innovative Financing for Gender Equality: Approaches, Challenges and Strategies

Ramesh S Arunachalam

Introduction

Micro-finance, which is widely recognised as a strategy to fight poverty, evolved and developed in many countries out of the women's/gender equality movements. Yet, as it exists today, micro-finance is more about finance and less about gender. A significant proportion of the billion poor people worldwide who still lack access to financial services are women. The needs of women are different from those of men, and they often face the dual burden of productive and reproductive roles – providing livelihood security for their families and physically looking after their household as well as bearing children. Any attempt to tackle poverty and address the first Millennium Development Goal (MDG) must have a major focus on women. Micro-finance must thus be made to re-discover its original mandate as it moves forward in its journey of empowering the poor, especially women.

Interestingly, the private (corporate) sector appears to have sensed an opportunity in delivering financial services to so-called 'bottom of pyramid' clients. Some of them are already trying to pilot innovative financial services to cater to the special needs of low-income people (including women) in different contexts. While it is very early days, the initial set of results available to date indicate that private sector financing could be a viable alternative mechanism to reach out to low-income women, in ways convenient to them and their needs. It is critical to understand this growing set of stakeholders, who are keen to serve low-income women in a customer-friendly and sustainable manner and who, more importantly, can leverage a lot of resources towards achieving this.

Accordingly, the objectives of this chapter are to provide a brief overview of recent developments in micro-finance; to isolate specific issues (access versus control of resources) that need greater understanding from a gender perspective in micro-finance; to identify some of the gender challenges of micro-finance; to briefly outline some basic strategies to redress these challenges, including private sector financing, with global examples; and to offer pragmatic recommendations so that micro-finance and private sector finance can be incentivised to really empower women.

The Origins of Micro-finance: A Tool for Women's Empowerment

From the early 1970s, women's movements in a number of countries became increasingly interested in the degree to which women were able to access poverty-focused credit programmes and cooperatives. In India, several organisations¹ with their roots in women's and labour movements viewed enhancing access to credit as the key to the success of their work with women workers in the informal sector. What we today call micro-finance suddenly began to be seen as the magic wand that would eradicate poverty and ensure economic empowerment of women through access to credit initially and later financial services.² With increasing evidence of the centrality of gender equality to poverty reduction, combined with the higher credit repayment rates achieved by women, a general consensus emerged on the desirability of targeting women, and this became a major plank of donor poverty alleviation and gender strategies in the late 1980s/early 1990s. Not only 'reaching' but also 'empowering' women became the second official goal of the Micro-credit Summit Campaign.

Several characteristics made the early micro-finance programmes/institutions an attractive alternative in serving poor women:

- They provided services to marginalised and vulnerable people – by and large, their typical clients were poor women who did not have a savings bank account, were illiterate or with (at most) some primary education, needed collective bargaining through group mechanisms, mainly belonged to the most economically and socially backward communities and were generally daily wage earners, piece rate workers, etc.
- They were perceived to be less intimidating and more easily accessible than formal financial institutions.
- In many cases they provided doorstep delivery and recovery of loans, which was extremely convenient for the poor and women as they did not have to miss out on their work/household chores. It also meant lower travel and related expenses for them – all of which reduced transaction costs of access.
- They typically did not ask for collateral, margin money and/or loan security – social collateral was substituted for physical collateral.
- Their documentation was simple and informal with speedy loan sanctioning and disbursement. While it took many visits by poor women to formal institutions to get a loan and there was no guarantee, just 1 or 2 visits were required to get a loan from micro-finance programmes/institutions.
- They provided loans with shorter lead times that could be easily accessed at all times, including emergencies. They were really 24-hour banking solutions for the poor.
- They offered credit at affordable interest rates when compared to the local informal sector (money lenders, etc.) as well as formal institutions (which had high transactions and access costs).

Micro-finance today is very different as institutions are being created to meet the twin objectives of expanding outreach (to include greater numbers of poor people) and enhancing the sustainability of micro-finance institutions (MFIs). As micro-finance goes to scale, institutions and programmes are trying to put adequate mechanisms in place with regard to various components – governance, management practices, human resources management, financial resources management, micro-finance programme design (product packaging including services, pricing, delivery mechanisms, etc.) and stakeholder relations. This concern for a professional approach is the biggest focus of institutions and programmes, which perceive having competence in the above areas as essential for scaling up micro-finance activities.

Micro-finance: Growth Trends, Scaling-Up and Performance

Worldwide, micro-finance programmes and MFIs have grown at a burgeoning pace over the period 2001-2004. Their growth in outreach is visible in terms of not just numbers of active borrowers but also gross loan portfolio and total assets.

Not to be left behind, government-sponsored programmes have also tried to enhance their outreach. The role of the National Bank for Agriculture and Rural Development (NABARD) in India in multiplying women's self-help groups (SHGs) is a classic case of how a state-led mainstreaming strategy of linking women to banks has worked, and it offers critical lessons concerning replication and scaling up. As at March 2006, over 33 million women had been linked to banks for financial services through 2.2 million SHGs. The SHGs are a household name, and many stakeholders recognise them as an effective distribution mechanism for delivery of financial services to low-income people.

In all regions, the largest client 'segment' continues to be 'women'. This varies from MFIs having almost 100 per cent women clients in Asia to about 59 per cent in Latin America and Caribbean as well as other regions. There are a number of reasons for this (see Box 4.1). As Cheston (2006) points out,

the U.S. Agency for International Development (USAID)... targets women at a higher rate than men because of the empirical evidence that 'cash surpluses controlled by women are more likely to be invested in the well-being of children and the household than are surpluses controlled by men,' as well as the 'higher rates of social and economic exclusion' that women experience.

While performance in terms of outreach has indeed been spectacular, the financial performance of micro-finance programmes and MFIs – in terms of parameters like operational sustainability, portfolio at risk and return on assets – has been equally phenomenal. Portfolio quality has improved over the years 2001-2004, as have financial returns and profitability.

Box 4.1. Some reasons why micro-finance focuses on women

- Women have proven to be good clients and borrowers, at least from a micro-finance perspective. Better performance is reported for MFIs with a large proportion of women clients on parameters such as portfolio at risk.
- Women are considered as less of a credit risk. As a client segment, they have generally tended not to wilfully default.
- Women are perceived as an easy client group to handle.
- Women are said to have immense saving potential.
- Working with women is seen as an entry point to work later with the household.
- Various governments and other stakeholders including donors have specified working with women as an important agenda item.
- Providing women with credit is said to have a greater impact on the wellbeing of families through improved nutrition, health and education.

Micro-finance and Increased Access for Women: But for What Services?

It was noted in the above section that the number of low-income clients who have gained access to financial services has gone up. However, two aspects require qualification of this statement.

First, there is still a paucity of accurate data with regard to absolute number of women clients and poor women served. Also, the data are largely self-reported information and hence there are issues of double counting across levels of analysis, lack of confidence in the data provided by individual micro-finance programmes/MFIs and the like. Second, while micro-finance has done well in terms of extending access to financial services to low-income women, its focus has largely been in terms of delivery of credit. And within credit the focus has tended to be on consumption loans and very small production loans. In reality, several critical financial needs are yet to be satisfied. As Mayoux (2007) notes,

Individual women need a range of different types of savings and loan products for different purposes... larger loans... loans for new activities, health, education, housing... a range of savings facilities which include confidential higher interest deposits with more restricted access to enable them to build assets protected from demands of other family members... and loans to reinforce and strengthen male responsibilities for household well-being, including that of their wives and daughters e.g. loans for daughter's education and for a daughter to take with her on marriage.

The gender gap in terms of access to other financial services like formal/flexible voluntary savings (the most basic insurance product), health, asset, accident and life insurance, larger production and livelihood credit, etc, to name a few, remains to be addressed

for a large majority of women.³ Figure 4.1 illustrates some of the range of financial services required by low-income women to counter the risks and vulnerability that they and their families face in their daily struggle for survival. Indeed, micro-finance has a great business opportunity and social obligation in facilitating on-going delivery of these risk-mitigating financial services at the required scale.

Access to Versus Control of Resources for Women

This then takes us to the most important aspect addressed in this chapter. While it is true that larger numbers of women have gained access to financial services such as credit, the key question is: so what? What has access to a basic credit/savings product done for low-income women?

There are four discernible broad-level impacts of micro-finance:

- It has enabled women to have a collective bargaining mechanism at the local level.
- It has facilitated women to move beyond their households and build relationships with various stakeholders.
- It has given women a platform to combat various social oppressions.
- The self-management that micro-finance has fostered in some models (like the village banks and/or SHGs) has perhaps, more than the money received, led to some empowerment of women.

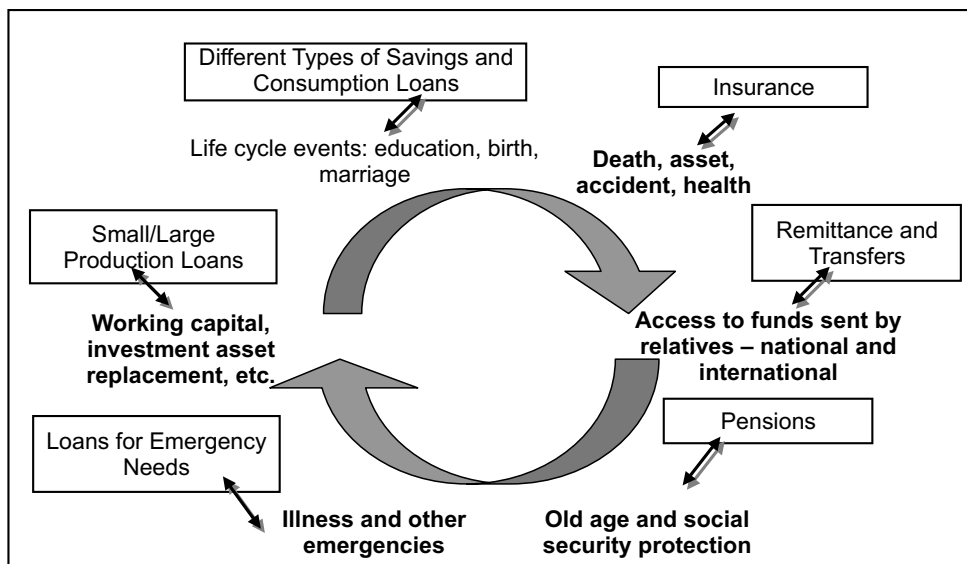


Figure 4.1: Evolving needs for low-income women

Source: Adapted from Helms, 2006.

Thus, while the key point that micro-finance has got women together and also empowered them (in a basic sense) is well taken – enabling them, for example, to set up enterprises, bring about change in gender relations in the household and become leaders in their community – very little⁴ is known about what it has achieved in terms of closing the gender gap on aspects such as (but not limited to) women's:

- ownership of and control over assets;
- holding custody of income;
- gaining access to domestic and community economic/other resources;
- productive versus reproductive roles, etc.; and
- indebtedness.

While success stories are touted at every conference or seminar on micro-finance, whether global or local, and incredibly attractive statistics are reeled off, certain critical questions remain. One is with regard to access to resources and finance and the other is with regard to control over these resources and finance – the latter being very critical for true empowerment of women as well as sustained poverty alleviation. While the picture may seem rosy on the surface, it is perhaps not so rosy at a deeper level. Mayoux (2007) notes that:

An increasing body of evidence suggests that contributions to women's empowerment of micro-finance *per se* cannot be assumed and current complacency in this regard is misplaced... Credit is also debt. Savings, loan interest and insurance premiums are potentially also foregone investment in businesses, children's education and health or necessary consumption. In many cases women continue to earn very low-incomes in increasingly saturated markets. Women's access to even these very small incomes may lead to men withdrawing their contribution to household expenses. Group formation for debt repayment takes up women's precious time and does not necessarily lead to changes in women's status.

As noted earlier, poverty undoubtedly has an important gender dimension and any serious attempt to reduce it must be holistic and address the gender aspects. Mere provision of credit cannot tackle poverty in the absence of ensuring that women really hold custody of the income that they earn. There are too many instances of women earning the money and men using it for alcohol and/or other indulgent expenditure. Consequently, while women have been extremely 'good' to micro-finance and MFIs as clients, borrowers and members, it is unclear whether micro-finance has been really good for women in terms of financial, social and personal empowerment. Some of these aspects have been mapped in Table 4.1 below.

Thus, as suggested in the table, even on the aspect of access, several issues remain unanswered. Two are very relevant and are addressed here. First is whether micro-finance programmes have really provided access to credit and financial services for all of their target clientele. While it cannot be denied that the micro-finance sector has

Table 4.1: Impact of MFIs/micro-finance programmes on women’s empowerment: Available evidence⁵

| <i>Strong evidence available re impact</i> | <i>Partial evidence available re impact</i> |
|---|---|
| <ul style="list-style-type: none"> • Women in micro-finance support other women in various ways such as paying for missed loan instalments or compulsory savings • Increased personal savings for women • Increased confidence and assertiveness of poor women • Greater respect at home for women • Greater access to basic savings/credit at an affordable interest rate for women • Experience in dealing with local government officials for women • Enhanced self-confidence for women • Better understanding and dealings with markets for women • Improved knowledge of banking procedures for women • Enhanced women’s ability to understand accounts, interest rates, etc. • Emergency coping mechanisms for women and families • Creates pressure on banking institutions to improve services to poor women | <ul style="list-style-type: none"> • Women participate in community action on various social issues like tackling dowry, alcoholism, etc. • Women learn more about things like going to a bank, dealing with the outside world, etc. • Repayment of old loans by women and families • Release from indebtedness for women and families • Reduced abuse/injustice against women • Pledged articles redeemed by women and families • Political participation of low-income women in local government bodies (e.g. <i>panchayats</i>) • More interaction with local or other government officials for women • More interaction with formal financial institutions and banks for women and families • Increased access to timely and affordable credit in sufficient quantity for women • Greater respect/support from husband for women • Greater courage to participate in local politics • Family members are happy because of new support system of micro-finance • Enhanced incomes for women • Enhanced ability to cope with crisis/emergencies at individual and household level • Changes in men’s attitudes to women |
| <i>Clear evidence not yet available re impact</i> | <i>No serious evidence available re impact</i> |
| <ul style="list-style-type: none"> • Enhanced role for women in community decision-making • Freedom from tied and exclusive transactions with landlords, moneylenders, brokers and traders for women and families • Improved food security for women and families • Increased attendance in schools for girls and children • Investment in education by/for women and families • Investment in housing by/for women and families • Reduced alcoholism and violence against women • Wider access to new resources and arenas, particularly for women | <ul style="list-style-type: none"> • Reduced workloads for women • Provides women greater control over their income/assets • Women have control over spending patterns • Increased time for self/leisure • Reduced time spent on monotonous/invisible work for women • Increased ownership of other assets like jewellery for women • Increased women’s role and influence in financial decision-making (such as personal/household expenditure, investment, borrowing, use of income/profits) • Enhanced women’s role and influence in aspects like marriage, education • Reduction in dowry and dowry-related incidents on women |

achieved some degree of success in terms of providing access to credit and financial services to a good number of women, including those living in remote areas, one can only say that, at best, a beginning has been made. The number of poor, and women in particular, who are yet covered by micro-finance is still very large. And this question of access will continue to be a matter of debate as long as credible gender and poverty disaggregated data remains unavailable with regard to micro-finance.

Second is the issue of control, which also requires serious attention. Are micro-finance programmes ensuring women's empowerment merely by enabling access to credit and financial services? What checks are in place to ensure that the women who avail the credit actually have control over the use of the funds? Moreover, without a significant change in perception in the minds of the women themselves of their rights and privileges vis-a-vis the men in the household, providing credit and financial services will only provide a veneer of empowerment and not (em)power in the true sense of the word. As Feiner and Barker (2007) point out,

The evidence on micro credit and women's empowerment is ambiguous. Access to credit is not the sole determinant of women's power and autonomy. Credit may, for example, increase women's dual burden of market and household labor. It may also increase conflict within the household if men, rather than women, control how loan moneys are used. Moreover, the group pressure over repayment... can just as easily create conflict among women as build solidarity.

Gender Challenges and Micro-finance

Several gender challenges for micro-finance therefore need to be addressed if it is to truly empower women:

1. The question of how to enable greater access to the vast majority of unreached women. Even in countries like India with supportive policy frameworks, a large number of women are still excluded from access to a wide range of financial services.
2. Micro-finance primarily targets women who already have very little access to assets. So, from a financial standpoint, by increasing debts for women, it may perhaps be contributing to making women's net worth negative, at least at a basic level.
3. Micro-finance pushes the debt and poverty burden almost exclusively on women, as it considers women more credit worthy and less of a credit risk.
4. Micro-finance has traditionally supported women in group settings and has done very little to enhance women's access to larger individual loans required for establishing and running small and medium-sized enterprises (SMEs).
5. Most MFIs deliver financial services through field workers/loan officers, who generally tend to be men rather than women. There are several issues that arise in such a situation that requires urgent attention from a consumer protection and

gender standpoint. Added to this is the fact that there are fewer women chief executive officers/heads of MFIs as well as women in senior management of MFIs (see Box 4.2).

6. Most micro-finance programmes work through group-based delivery mechanisms. There is a challenge that such mechanisms place an extra burden on women to make them bankable in terms of attending weekly meetings (loss of livelihood and related aspects), record-keeping and compliance on all aspects required by the MFI/SHG. The net result is a significant increase in transaction costs. The real question here is how women really feel about activities that the micro-finance sector has generally assumed them to be happy about. Operationally, it can be seen that women are perhaps hassled and sometimes actually skip meetings and/or do not stay for the full time. Also, there is an instrumentalist approach to micro-finance delivery in the group setting. The women in groups (especially, SHGs) are used for routing a wide range of government-sponsored development messages and schemes, and the burden of work, saving and repayment is on the women alone.
7. Members belonging to marginalised groups, such as tribal communities or migrant workers, as well as women-headed households are often unable to save or repay regularly – a precondition for most micro-finance programmes. As a result there is perhaps an exclusion of the poorest.

It is critical that micro-finance address these gender challenges and re-discover its original mandate of empowering women. This is possible only if various stakeholders participate holistically and firmly resolve to quickly address these challenges.

Box 4.2: WAM women in leadership survey 2005

Women Advancing Micro-finance (WAM) carried out a survey in 2005 of 198 institutions in 65 countries – of which 163 were MFIs and the remainder made up of micro-finance networks, service providers, funders and others in the industry – in an attempt to obtain data on the numbers of women board members, managers, field officers and clients. In terms of the MFIs (including those practicing in Northern countries), women made up an average of 36 per cent of board members, 44 per cent of managers and 49 per cent of field officers. Women on boards ranged from a high of 40 per cent in sub-Saharan Africa to a low of 27 per cent in Asia. The United States had the highest number of women managers (62 per cent) and Western Europe had the lowest (34 per cent). Asia had the highest percentage of women clients (86 per cent) followed closely by sub-Saharan Africa (83 per cent) and Latin America (80 per cent). However, female field officers did not generally reflect the customer base, hovering between 41 and 49 per cent, except in Latin America (64 per cent) and the US/Canada (76 per cent).

Source: Cheston, 2006.

Private Sector Financing: An Alternative Route to Serving Low-Income Women

It is opportune that the private sector appears to have sensed a great business opportunity in servicing bottom of pyramid markets, especially those pertaining to women. Some of them are already trying to cater to the special needs of low-income women in different contexts. While it is very early days for many of these projects, they nonetheless promise to deliver a lot, at least in terms of being client-oriented and gender-sensitive.

Engaging with the private sector: The challenge fund approach

Challenge funds as a mechanism to route money for social and economic development projects have attracted increasing attention over the last few years. The Department for International Development (DFID), UK – which pioneered the design of challenge funds through the Financial Deepening Challenge Fund (FDCF), Business Linkages Challenge Fund (BLCF), Civil Society Challenge Fund (CSCF) and others – has used this approach to support development projects in collaboration with the private sector in a competitive manner. Several others have also used the challenge fund approach for making competitive awards in financial services, including the Consultative Group to Assist the Poor (CGAP), the Ford Foundation, USAID and the World Bank.

...[The] FDCF demonstrated a strong value proposition for using the challenge fund in bringing financial services to rural areas and banking the un-banked. It also proved effective in catalysing financial deepening in countries with relatively weak enabling environments and where little previous work has been done.... The FDCF provided incentives to the financial sector to try new ways of extending financial services to the poor. The grant funding provided helped to pilot projects with assured social impact but uncertain financial returns to test their commercial viability. Of the 29 projects funded, 9 achieved high social impact combined with high financial returns whilst the majority achieved a combination of reasonable social and financial returns. The £15m spent leveraged £72m in private sector finance. (DFID, 2007)

There are several such private sector financing projects worldwide through the FDCF and other donor funds mainly for low-income people (women included) in different sectors. Although many of these projects are in their pilot phase or have just completed this, they offer alternative solutions to some of the traditional problems associated with micro-finance – they are innovative, ready to take risks and walk uncharted terrain and, most importantly, are commercially oriented but have a strong client (woman) focus. As good commercial organisations, they believe in serving their customers well and recognise the value and importance of being market-led – which they see as a very critical criterion to serve low-income clients in the long run.

According to DFID (2007), the comparative advantage of challenge funds is ‘their ability to be a powerful, lean, light-touch instrument that stimulates the private sector to test new ways of working where the returns and risks are unknown.’ In addition:

(1) They respond to innovations by the private sector and do not pick winners; (2) They capture the strengths of the private sector – the ability to generate and test new ideas, and rapidly abandon them if they do not work; (3) When well managed, they can catalyse systemic change in markets; and (4) Lastly, they help prove the viability of new business models and enhance the ability of such projects to be replicated and access commercial finance. (ibid.)

Examples of some innovative private sector projects⁶

There are several projects from the FDCF that have had high market/social impact and high financial viability. Some of these innovative projects are briefly described below. Some of these are already being commercialised, which, as noted above, is perhaps the greatest advantage of engaging and working with the private sector. Companies' strengths and interests need to be strongly leveraged through appropriate public-private partnerships.

Commercial micro-finance facility: Deutsche Bank

A \$1.5 million grant from the FDCF helped Deutsche Bank raise upwards of \$75 million from leading institutional investors. The Deutsche Bank wholesale micro-finance facility seeks to graduate investors and commercial banks away from perceiving the micro-finance sector either as an object for philanthropic assistance or as a high-risk investment, and toward recognising it as a viable target for commercial investment. The facility, which is offering its investors a commercial rate return, provides domestic commercial banks in Africa, Asia, Eastern Europe and Latin America with back-to-back arrangements to underwrite advances to local MFIs. This transaction had a strong demonstration effect and helped in creating a commercial market for micro-finance-based instruments with managed risks as shown by JP Morgan with their micro-finance bond issuance of \$40 million.

Vodafone: M-PESA, Kenya

An FDCF grant helped Vodafone develop a mobile telephony-based commercial platform known as 'M-PESA' in partnership with a Kenyan mobile phone operator, Safaricom. This project has helped provide connectivity for retail financial institutions like MFIs to enable disbursement and collection of loans in more cost-effective forms. The number of poor people with mobile phones is much higher than the unbanked population in Kenya and with technological innovation it is possible to bring financial services to many more people. Large multinationals like Vodafone may not have made the investment in absence of a challenge fund grant. These are early days, but a success of this project should have a demonstration effect on increased use of new technology for market access in remote areas that were not considered commercially viable. Vodafone has now established a new department to invest in providing new services through mobile telephony and an internal challenge fund to replicate what FDCF assistance enabled it to achieve in Kenya.

The Great Lakes Cotton Company, Malawi: Catalysing supply chains

BLCF funding (£290K) helped the company defray the initial cost of establishing a partnership between a consortium of large ginneries and associations of smallholders in Malawi to provide pre-treated seeds, technical assistance and other inputs to registered farmers and to buy back the cotton produced. Results achieved: over 200,000 farmers increased cotton production 265 per cent and obtained better prices for their cotton; the number of casual labourers employed increased by about 25,000 in just one year; and Malawi tripled its cotton exports.

Café Direct, East Africa: Improving market access

In response to a demanding new private standard introduced by the British Retail Consortium, the company is working with seven supplier's organisations to implement hazard analysis and critical control points (HACCP) and train and appoint three local inspectors to assure product quality providing access to an attractive market for 40,000 farmers. The BLCF grant helped reduce the cost of technology transfer and training and allowed Café Direct to test the financial viability of a project with high social impact.

Unilever, Tanzania: Creating new product markets

The BLCF grant provided the incentive for Unilever's research department to implement a pilot scheme for smallholders to gather and cultivate *Allanblackia* nuts, a low cost source of vegetable fat, for export from the United Republic of Tanzania. The nuts occur naturally in tropical countries but have yet to find commercial use. The pilot aims to establish an international market for the nuts open to all prospective buyers and suppliers. To date 4,000 smallholders have benefited.

Tata-AIG, India: Delivering life and related insurance

The FDCF grant has enabled provision of life, credit term and children's education insurance products (that act as long-term savings facilities that can be realised either on maturity or death) to about 25,000 landless daily wage labourers in Andhra Pradesh in India, using an innovative gender-sensitive delivery mechanism called CRIGs (community rural insurance groups). TATA-AIG was awarded additional FDCF funding of £48,767 in January 2006 to scale up operations (under new, more flexible micro insurance regulations), enhance controls and improve front-end processes (cash collection and receipting).

Megatop, India: Delivering financial services through a technology platform

The FDCF grant has facilitated delivery of a range of insurance products such as endowment, term and pension policies to afford protection and provide avenues for savings to farmers (including marginal, small and medium farmers) from 9,000 villages in Andhra Pradesh and Madhya Pradesh with a primary focus on remote villages. Megatop was awarded additional FDCF funding of £122,925 in January 2006 to offer credit and investment products, in addition to insurance products, through the e-Choupal⁷

network to various target clients including SHG women living in remote areas of Bundelkand, Madhya Pradesh.

Recommendations

There are five generic recommendations, keeping in view the various challenges.

I. Establish a Global Gender Innovation Challenge Fund

It is critical to establish a Global/Commonwealth Gender Innovation Challenge Fund to help the micro-finance industry and private sector innovate and develop models, methodologies, products, processes, procedures and performance measures for financial intermediation specially tailored to the needs of low-income women in several contexts. It is suggested that this fund be established with contributions from respective governments, multilateral and bilateral donors and other stakeholders. The Commonwealth Secretariat would be uniquely placed as the global coordinator.

The Challenge Fund will catalyse the micro-finance industry and private sector to find profitable ways of enhancing access for women – especially need-based products and delivery mechanisms. It will deepen access to financial services for women, using a gender-sensitive methodology for design, piloting and implementation. In generic terms, the following types of assistance could be available from this fund:

- *Outright grants* to, for example, support model, product and process development, technical assistance and capacity building, market research, systems development with regard to innovation in gender-oriented micro-finance, etc.
- *Risk fund capital* to absorb loan and other losses and mitigate risk arising from some new form of financial intermediation especially for women.
- *Soft loans* (at 1–3 per cent) for enabling investments in infrastructure etc. as dictated by the context/project, with a medium- to long-term horizon (5–10 years).
- *Quasi-equity investment* in special purpose vehicles for the innovative gender micro-finance projects in question with provisions for return on investment as well as exit routes for the fund in terms of its equity over the years – the purposes for use could be flexible here but with the mandate of facilitating entry of women into larger and SME type enterprises.
- *Guarantees* could also be provided in certain cases, especially to provide incentives to the existing financial sector and/or investors to invest in gender-sensitive micro-finance models, products, practices etc, and the terms could be decided on a case-by-case basis.

A detailed design exercise to establish the first Global Gender Innovation Challenge Fund would have to be undertaken.

2. Create an enabling environment for supporting financing for gender equality

While governments, commercial banks, micro-finance industry and other stakeholders also need to be involved in this, the key action is required by the central banks and regulators.

- *Ensuring a minimum number of women directors in MFIs and intermediaries:* Appropriate strategies are needed to transform the governance structure of MFIs/micro-finance programmes/intermediaries from an informal type of governance to a more formal, transparent and accountable governance structure that is, most of all, gender-sensitive. A certain minimum number of women independent directors (at least 30 per cent) should be mandated. Governments and other concerned stakeholders such as donors can support training, research and implementation mechanisms that will help to improve governance across the board and also make it gender-sensitive. Governments should also enact laws to provide incentives/disincentives for good/bad governance practices with regulatory and industry association support, especially with regard to gender issues and closing gender gaps.
- *Establishing an integrated and comprehensive database on micro-finance and gender:* Credit history is the only immediate collateral that a low-income woman client builds through her prompt repayments of small loans over the loan cycles. It is important to capture this credit history and make it available to the client/financiers. There is a critical need for a credit bureau for micro-finance disaggregated by gender and poverty data. This is an aspect that governments need to focus on to enable integration into the financial system mainstream.
- *Sensitising central bankers and regulators on the special needs of low-income women and related technology:* There is a need to invest in sensitising the regulators, especially with regard to building regulatory/supervisory mechanisms tailored to the financial and livelihood needs of the strategic context – i.e. of low-income women. Internet kiosk banking, e-Choupal, mobile/SMS banking, various types of electronic cards and other such applications of technology to reduce transaction and operational costs will require special regulatory expertise in not only the finance domain but also the technology domain. Hence, there is a need to invest in technology training for regulators, especially in areas that are likely to have an impact on low-income women.
- *Encourage standards for gender in regulatory reporting of performance:* Standards need to be established for MFIs/micro-finance programmes in terms of adapting system requirements for MIS, risk management, internal controls, internal audits and portfolio management to ensure data on gender as well as be sensitive to gender issues. Further, regulators should encourage MFIs to establish country-specific standards incorporating gender aspects such as (but not limited to) the number of active women senior managers and women field staff. Qualitative aspects that need to be focused on are whether women staff have real authority and responsibility. Measures of financial sustainability for MFIs must be integrated with gender measures to get a holistic picture.

3. Support demonstration pilots on financing for gender equality⁸

Governments and donors could initiate action pilots to test out new models, new methodologies and new products like micro-pensions, alternative savings products, technology-based delivery systems (including SMS banking and use of e-money – see the huge success of Vodafone with the poor in Africa), special products for women, flexible versus fixed repayment, individual lending models, cash flow based financing, etc. These could be supported through the Global Challenge Fund as well as locally supported, in country, by national governments and donors.

- *Special financial products for women:* In many situations, participatory rural appraisals conducted in India suggest the largest source of stress for low-income women appeared to be loan repayments. Institutions like MicroSave have repeatedly pointed out the same in East Africa and Asia.⁹ Therefore pilots that promote understanding on how to create products specifically for women, with loan terms and conditions convenient to their needs, are required. These action pilots need to be carefully structured and evaluated over time so that appropriate information is obtained with regard to the entire gamut of risks and vulnerability that women face in their daily struggle for survival in several contexts, their coping mechanisms and strategies and also on how these risks and vulnerability could be mitigated by micro-finance products. This information could be collated to serve as a guide to promoting innovative and gender-oriented micro-finance in various contexts including type of products, processes, delivery mechanisms and the like.
- *Delivery of risk management products tailored to the needs of low-income women:* While the design of specific and innovative micro-insurance products tailored to the needs of low-income women has received significant attention in several contexts, a more crucial aspect concerns the delivery and distribution of these micro-insurance and risk mitigation products. There is a need for an action research pilot that would throw light on aspects related to distribution of micro-insurance for low-income women.
- *Reducing transactions costs for retailing:* The search for a low-cost retail model for delivering financial services to yet unreached poor women is another aspect that is worthy of attention. The use of mobile phones and other such mechanisms needs to be explored in a manner in which they can be scaled up. Too often, pilots are conducted in such a way that their success cannot be replicated or controlled during a large-scale rollout. Investing in public-private partnerships that use a variety of stakeholders to provide efficient scaleable retail models that are efficient, effective and adaptive from the perspective of low-income women is required.
- *Encouraging public-private partnerships to overcome market imperfections:* This is a key aspect, and pilots to enhance urban and rural livelihoods for women in several sub-sectors where low-income women can be found in large numbers, are required. Such pilots should (i) attempt to spark (sustainable) growth with regard to micro-enterprises and micro-livelihoods systems in these sub-sectors; and (ii) facilitate development of strong and vibrant micro-enterprises and micro-livelihoods systems

by investing in them and related infrastructure. In doing this, they should ensure a fair, equitable and value-added distribution of revenue from the supply chain for various products/services in different sub-sectors where low-income women have a natural advantage.

- *Enabling livelihood financing for women through larger loans/individual lending:* There is a great window of opportunity for MFIs to get into 'livelihoods financing', in partnership with bankers/corporations and others through public-private partnerships. MFIs could certainly play an important role in several sub-sectors through livelihoods financing with one or a mixture of several products, tailored to the needs of low-income women: warehouse receipt financing; contract farming (various types); cash flow-based financing; and other innovative products including leasing. All of these need to be piloted in different contexts, with a view to further build and upscale financing for gender equality.

4. Facilitate the global micro-finance industry to adopt gender-sensitive practices

This recommendation is for the global micro-finance industry and essentially pertains to specific focus areas in micro-finance that require gender inputs and sensitisation, based on which systems and practices would have to be adapted and changed. The key stakeholders here are industry associations, technical support bodies like CGAP, MFIs and other stakeholders like central banks and regulators in various countries.

For micro-finance to re-discover its original mandate of empowering women would entail aspects such as (but not limited to) the following:

- Establishing gender-sensitive governance mechanisms, including greater and real representation for women as directors and senior managers in MFIs/intermediaries;
- Instituting gender-sensitive management systems and processes at MFIs/intermediaries, including real transfer of authority along with responsibility;
- Facilitating more women to become a part of the micro-finance human resource pool and providing special incentives to institutions that support this;
- Allocating financial resources required for gender sensitisation of various stakeholders including MFIs, regulators, rating agencies and others;
- Designing, testing and rolling out special micro-finance products and delivery mechanisms suited to the unique needs of women, particularly in terms of reducing women's risk and vulnerability;
- Evaluating micro-finance programmes not just on the basis of financial parameters but also using social performance indicators that focus on women's empowerment and their access to and control over resources and making these as important as prudent financial management in evaluating, rating and supporting MFIs/micro-finance programmes/intermediaries;

- Ensuring protection of women, who form the largest client segment for micro-finance, by instituting appropriate ‘client protection’ and ‘client literacy’ measures through incorporation of these aspects in various laws that govern micro-finance.

A comprehensive mapping of changes (in micro-finance methodology and practices) is required across several focus areas to enable MFIs/intermediaries to adopt gender-sensitive practices and thereby enhance the impact of micro-finance with regard to empowerment aspects.

5. Undertake research to support financing for gender equality

The final recommendation is for gender-oriented research with regard to the impact and convenience of micro-finance, with a focus on women’s special needs and aspirations. Without this research, which needs to be conducted on an ongoing objective and country-wide/global basis, it would be very difficult to understand various aspects pertaining to the impact of micro-finance on women’s empowerment and the convenience of micro-finance for women clients. There are three major components suggested here as a starter’s research agenda, and this could be expanded later as per contextual needs: (i) objective civil society gender audits across Commonwealth countries¹⁰ to understand the real impact of micro-finance; (ii) examining trade-offs between financial sustainability of MFIs and their focus on gender; and (iii) country-wide gender-oriented market research.

Conclusion

In order for micro-finance to become gender-responsive, the nature of the products being offered and the institutions that deliver them will have to change fundamentally. The micro-finance industry has to move beyond providing standard credit for small-scale enterprise and other basic financial services (some savings and insurance) and offer a wide range of tailor-made financial services (including credit, savings, health insurance, pensions, remittances, etc.) that can really empower women and also enable them to reduce their risk and vulnerability. A new set of institutions (corporations, postal/commercial banks, insurance companies, pension funds, telecom companies, etc.) are keen to enter this market, and they need to be given the incentives to deliver gender-responsive financial services to bottom of pyramid clients.

Together, the diversity of institutions, products and service providers should be very welcome as all of them have great scope to broaden and deepen the outreach of financial services to low-income women in a cost-effective and gender-sensitive manner and thereby contribute to the achievement of the MDGs. All of this calls for various stakeholders – including governments, bilateral and multilateral donors, MFIs, NGOs, civil society and the private sector – to join hands to enable delivery of sound, responsive, affordable and market-oriented (gender-sensitive) financial services tailored to the special and unique needs of low-income women clients, in ways that are advantageous to both the women as well as the institutions. This alone will help the low-income financial services sector rediscover its original and laudable mission of truly empowering women – the most vulnerable among the poor.

Notes

1. The major ones are the Self-Employed Women's Association (SEWA) and the Working Women's Forum (WWF)/Indian Cooperative Network for Women (ICNW).
2. In the 1980s and the 1990s, there was the development of a large number of specialised institutions that catered to women's need for financial access in the shape of organisations like the Grameen Bank, ACCION International, FINCA and others globally.
3. While innovative MFIs/micro-finance programmes have delivered the same to select clients, the larger and wider penetration of these services is still quite minimal.
4. While there have been some studies at essentially local and country levels, these aspects need to be consistently explored and measured in an objective manner (over time) and analysed. This author sees a clear imperative for integrating gender and impact data in management information systems of micro-finance programmes/MFIs. This is currently lacking.
5. Based on several sources and discussions with experts.
6. The bulk of this section is taken from DFID, 2007; the last two examples are adapted from www.financialdeepening.org.
7. The e-Choupal initiative is the single largest information technology-based intervention by a corporate entity in rural India and aims to deliver information and knowledge to increase the decision-making ability of farmers.
8. Adapted from Arunachalam et al, 2007.
9. MicroSave website and public documents.
10. In 2004, HIVOS, a Dutch aid organisation, commissioned gender audits with two micro-finance institutions in Zambia: Christian Enterprise Trust of Zambia (CETZAM) and PRIDE Zambia.

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CHAPTER 5

Gender and Trade: Impacts and Implications for Financial Resources for Gender Equality

Mariama Williams

Introduction

Financing gender equality in the context of development and democracy requires specific and focused attention to allocating budgetary resources for the education, health care, training, skills and entrepreneurial development that is necessary to improve the lives of girls and women and to promote the overall economic empowerment of women. In order for this to occur in a predictable and sustainable manner, there must be a strategic rethinking of frameworks of fiscal policy, public finance, debt sustainability, monetary policy, exchange rate management, financial market regulation, trade reform and the negotiation of trade agreements. Increasingly, these areas are no longer the sole preserve of domestic policy-makers but are becoming interlinked with the operations of the broader multilateral trading system (MTS), global finance and global macroeconomic arrangements through formal processes of coherence between trade and financial institutions such as the International Monetary Fund (IMF), the World Bank and the World Trade Organization (WTO). This is also true of the harmonisation of aid under the Paris Declaration on Aid Effectiveness.

Trade policies, and the trade agreements on which they are increasingly dependent, need to be monitored and considered for their impacts on the key sources of financing of gender equality. This chapter will explore in greater detail to what extent the MTS can help to support the financing of gender equality and women's economic and social empowerment in Commonwealth developing countries. First, it provides the overall framework for understanding how the MTS, working in tandem with the international financial institutions, can contribute to the financing of gender equality and women's economic empowerment. Second, it examines how trade liberalisation and trade reform impact on the resources available for financing gender equality. This section seeks to define the scope and dynamics of the MTS and to identify the likely direct and indirect gendered impacts of trade on resource availability. It then offers a tentative overview of how trade impacts on the three domains of gender equality (capabilities, opportunity and security). Third, it explores how the MTS can support the mobilisation of resources for financing gender equality, with a focus on the areas of trade reform, aid for trade and trade-related capacity building and technical assistance. Finally, it concludes with some

thoughts on how to reconcile trade agreements with gender equality commitments and makes some specific recommendations.

The Financing of Gender Equality Interventions¹

As recognised in numerous international conventions, treaties and agreements, gender equality is critical for ensuring women's enjoyment of their human rights and is also vital for sustained and equitable economic development. Thus gender equality was identified as a central pillar of the eight Millennium Development Goals (MDGs). Goal 3 operationalises gender equality in terms of the elimination of gender disparity in primary and secondary education. The Millennium Project Task Force on Goal 3 further expanded gender equality to encompass at least five other goals: (i) equal opportunity, (ii) equal ownership and control over productive assets, (iii) freedom from drudgery, (iv) equal representation in decision-making and (v) freedom from the threat of violence.

These six dimensions of gender equality can be aggregated in terms of three inter-related and interdependent operational domains: capabilities, access to resources and opportunities, and security (UN Millennium Project, 2005). The capabilities domain includes all the elements that are necessary for enabling basic human ability and that are hence fundamental to the wellbeing of women and girls – for example, education, health and nutrition. The access to resources and opportunities domain includes all those elements necessary for the application of the basic abilities to mature and ripen, thus enabling girls and women to contribute maximally to social and economic life. This domain refers to equal opportunity to economic assets such as land, property, infrastructure and income and equality in political participation. The security domain includes all the factors that will help to reduce women's and girls' vulnerability to violence and conflict. The elements in these three domains are operationalised through seven strategic priorities revolving around:

1. providing universal primary and post-primary education for girls;
2. guaranteeing sexual and reproductive health and rights;
3. reducing women's and girls' time burdens;
4. guaranteeing women's and girls' property and inheritance rights;
5. eliminating inequality in employment, gender gaps in earnings and occupational segregation;
6. increasing women's share of seats in national parliaments and local government bodies; and
7. reducing violence against girls and women (UN Millennium Project, 2005).

Operationalisation of the seven strategic priorities to achieve gender equality will require financial, human and infrastructural resources. It will also require proactive interventions, on the part of governments in terms of legislation, policies and institutional changes. Both aspects of this require that gender equality interventions – both targeted

(directed at reducing gender equality) and non-targeted (directed at social development that has positive effects on improving the lives and living conditions of girls and women) – are integrated as priority areas into the national budgetary decision-making process. They must also be ingrained in macroeconomic frameworks that determine fiscal, monetary and trade policies.

Trade Liberalisation, Trade Reform, Trade Policy and Gender Equality

A key focus of WTO trade negotiations is the reduction of tariffs and other barriers to the cross-border movement of goods and services. Regional trading arrangements such as the Caribbean Common Market (CARICOM), the Common Market for Eastern and Southern Africa (COMESA), the North American Free Trade Agreement (NAFTA) and the ongoing regional trade agreements (RTAs) between the European Union and African, Asian and Pacific countries operate within the framework of the MTS. These RTAs develop based on the templates of the WTO system and at times deepen those templates beyond what is achievable at the multilateral level. This is so, for example, in areas of investment and intellectual property rights, which are much deeper and more comprehensive in some RTAs than similarly named provisions under the WTO.

The trade policy and trade reform apparatuses of most Commonwealth governments, which are governed by the WTO and RTAs, are aimed at facilitating foreign direct investment and liberalising trade. The key instruments are deregulation, tariff reduction and ‘progressive dismantling of non-tariff measures’ accompanied by an array of export promotion measures. These instruments and measures have many direct and indirect ways of impacting the availability of resources for gender equality.

Direct and Indirect Gendered Impacts of Trade on Resources

Financial resource availability

The direct impacts of trade on the financing of gender equality interventions are at least threefold: (i) employment, (ii) income and revenue and (iii) prices. Indirect impacts have to do with how changes in trade and export promotion measures affect the informal and household sectors. These factors will impact on the nature and scope of public and private transfers and inter-household income distribution as well as having a residual impact on public poverty. Trade can also exacerbate or mitigate poverty traps. These direct and indirect gendered impacts of trade also affect the three domains of gender equality (capabilities, participation and security) – discussed below – and so may, in themselves, generate their own additional demands for financial and other support for ensuring gender equality.

Employment

Trade liberalisation does increase market access for many exporters. In countries that export labour-intensive manufactured goods, this tends to increase women’s

employment. Much more attention has been paid to gender impacts in these countries than to such impacts in countries that export primary products, where there may be adverse changes in the terms of trade for women versus men. Overall, when trade increases employment, individuals and households have greater resources to finance their economic and social needs and thus generate local processes for engendering equality at household and community levels. If, however, the impact on employment is the reverse, then there will be declining income and increasing reliance on informal sector activities, household production and/or government services. This will be negative for financing gender equality. Of course there are also other issues such as the quality of the employment, its impact on gender segmentation, and gender discrimination in national labour markets.

Income and revenue

The income effect will follow the employment effect as discussed above. Whether or not women gain in terms of autonomy and independence will depend on the nature of household bargaining. Clearly, positive and rising income flows for women generated by trade-led employment will mean less reliance on governmental apparatuses for promoting women's economic empowerment. The positive factor here is that the government, because of the direct flow of taxes and less dependence on it for some services by households, will be able to free up resources to devote to other aspects of enabling gender equality such as legislation around property rights and incentives for childcare credits and the sharing of social reproduction. Additionally, an increased flow of income accruing to the government from trade in the form of rising personal tax flows and increased foreign exchange may also release the effect of the domestic saving constraints and allow the government to do more long-term strategic planning for gender equality and overall economic development.

It is clear that export revenues from increased trade will contribute positively to the financial resource flow. They will bring income to the individual and household, as well as income flow in the form of international reserves to the government, thereby enabling the smooth flow of fiscal and monetary policies. However, there may be offsetting effects for government revenues in the case of tariff reductions and elimination of licensing fees. This is certainly likely in the case of rapid and unbridled import liberalisation. Rao (1999) and Khattry and Rao (2002) found that trade liberalisation has resulted in declining government revenue in developing countries. A study of the impact of this on public expenditure (Khattry, 2003) found that the loss of revenue from trade taxes led to reduced spending on infrastructure, education and health in relation to the level of gross domestic product (GDP). Insofar as loss of tariff revenue results in cuts in social expenditure, women will be disproportionately affected, both as users and providers of social services.

It is important that in undertaking tax reform, which generally tends to accompany trade reform, governments pay careful attention to the social and gender effects of tax reform measures. The tendency thus far in some Commonwealth countries, in their attempts to safeguard total tax revenue, has been to shift towards a more regressive tax

system that emphasises indirect taxes over direct taxes. In a context in which 'women... consume goods and services that benefit family nutrition, health and education, in contrast to men, who direct more of their income to personal consumption items, such indirect taxes can result in gender bias' (UNCTAD, 2004:369). Excise taxes on gasoline, for example, impact on transportation and bus fares and thus have a negative impact on the household budgets of low-income women. Since in general women have lower (and likely fixed) income than men, such taxes may impose a higher burden on women (Huber 2005). As noted by Huber, excise taxes on alcohol and tobacco have a greater impact on men.

Since tax reform has tremendous gender equality implications, which are beyond the scope of this chapter (please see Huber 2005), a gendered approach to tax reform as well as trade reform is a necessary gender equality intervention.

Prices

Import liberalisation in developing countries tends in the short run to make basic household goods cheaper, benefiting poor women who buy these items for their families. But it may also have a negative impact on the livelihoods of women who produce these items for consumption by their families and sell their surpluses in domestic markets (FAO, 2000; Artecona and Cunningham, 2002). In the longer run, it may have costs for both groups of women if export earnings become inadequate to continue to fund imports and/or domestic capacity to produce has been seriously weakened (FAO, 2003). Import liberalisation makes women's responsibilities for the day-to-day provisioning of their households, whether through purchasing or producing, more vulnerable to the vagaries of international markets.

Overall, the gendered impacts of trade policy and trade liberalisation have serious implications for reducing or expanding the financial resources for funding gender equality programmes. On the positive side, by increasing the level of household income and governmental revenues, export expansion will likely yield greater resources for financing such programmes. But if trade expansion and intensification do not have the desired positive effects on employment and income, then there will be less funds available (both at the household and governmental level) to finance gender equality.

Human resource availability

The employment effect of trade expansion can contribute directly to human resources development and indirectly to the lack of available human resources for gender equality. In the first case, trade expansion, if managed appropriately, will allow women and men to gain new skills and develop their talents for entrepreneurship. But there can also be negative employment effects in the import competing sector if the domestic sector cannot maintain or improve market share in the face of intensified foreign competition and hence has to lay off workers or close businesses. Examples from the literature on the effects of non-agricultural market access liberalisation in Africa have shown that in

such cases, women entrepreneurs are the first to feel the ill effects. Many women who lost their business were not able to recover as quickly as their male counterparts, if at all.

Trade can have negative impacts on the availability of human resources to promote gender equality if, in the context of declining trade revenues, governments are unable to fund targeted or non-targeted gender equality interventions – such as, for example, funding more extension workers for outreach to female farmers.

Infrastructural resource availability

In the area of infrastructure development, a pro-trade development agenda can lead to the financing of more roads and other transportation facilities when these are needed to facilitate trade. But it can also detract from wider social development infrastructural oriented projects if the construction of roads, the revitalisation of ports, customs reforms and the administrative changes required to facilitate a new intellectual property rights (IPR) regime consume budgetary resources at the expense of the social sector. For example, when funds are allocated to provide infrastructure for trade or foreign enclave type activities – instead of financing the construction of feeder roads that may be more useful to women and other small farmers or subsidising transportation that could enable women to access employment, markets and social services – this will act as an obstacle to gender equality. The latter type of spending would have enabled girls and women to pursue their daily activities with the least cost and in the shortest possible time, thereby reducing their time burden.

The Specific Impacts of WTO Trade Agreements on the Three Domains of Gender Equality

Capabilities domain: food security, health care and education

To the extent that WTO provisions result in outcomes that increase the nutritional and food status of girls and women, and enable them to have access to affordable quality health care and education, then these trade agreements have a powerful and positive impact on gender equality. Where agreements such as the Agreement on Agriculture (AOA), the General Agreement on Trade in Services (GATS) and the trade-related aspects of intellectual property rights (TRIPS) agreement and other trade provisions impact negatively on these factors, they curtail the development of girls' and women's capabilities. In this part we begin a preliminary analysis of these critical interactions between WTO provisions and the capabilities domain, focusing on the issues of food security and health care.

AOA:² Agricultural liberalisation presents opportunities and challenges for ensuring adequate nutritional support for women and girls and their overall long-term health and wellbeing. Food is being exported to many poor developing countries at prices well below cost. This practice, known as 'dumping', jeopardises the livelihoods of small farmers, and may jeopardise food security in poor countries that are now much more dependent on imported food.³

A recent 14-country study (FAO, 2000) noted that the cost of food imports in all 14 of the developing countries rose significantly (ranging from 30 per cent to 168 per cent) following implementation of the AOA. The increase in the cost of food imports outweighed the benefits of increased export sales, leaving 11 of the 14 countries worse off from a food security (and balance of payments) perspective. Furthermore, when women smallholders produce non-traditional agricultural exports (NTAEs), this may jeopardise their ability to produce crops to feed their families and lead to threats to their food security. Kasente et al. (2002) argue that this is the case in Uganda, for example.

GATS: The impact of GATS on health services is particularly important for gender equality, as it can change the quality, geographic coverage and cost of different types of services, procedures and technologies, as well as the access of different population groups to them (Grown, 2005). There may also be effects on women's unpaid work providing health care to family members and women's paid employment in the services sector as both domestic and migrant workers.

Mode III, concerning commercial presence or foreign direct investment, opens up the provision of health services within a country to foreign firms. This may have the effect of diverting health service staff from the provision of public health services to low-income people to the provision of private health services to high-income people. It is likely that women's access to health services will be reduced and their burdens of unpaid health care intensified if there are no systems for cross-subsidy of services or for poor people to obtain free or subsidised treatment.

In terms of Mode IV, concerning the temporary movement of natural persons, its impact on the society from which they migrate can potentially be disastrous, as it may lead to a shortage of health-care professionals and thus less access to health care, a reduced range of services and lower quality of care.

TRIPS: The TRIPS agreement has important implications for women's health in terms of the impact on the high cost of medicines such as anti-retroviral treatments for controlling HIV. Although the cost of anti-retroviral medicines has fallen dramatically, they are still prohibitively expensive in many developing countries (see Maharaj and Roberts, 2006 for a case study of TRIPS in South Africa).

The equal opportunity domain

Trade expansion is lauded and desirable for its potential to generate employment, increase income and improve the overall welfare in a country. It is therefore important to examine how this plays out in relation to gender equality, specifically with regard to the two aspects of the equal opportunity domain of the gender equality schema: economic assets and political participation.

Economic assets

In terms of economic assets, it is widely acknowledged that trade has an impact on factor incomes, especially the factor that is used most dominantly in exports. Since

women provide the bulk of the labour for traded goods in most Commonwealth countries, it might be expected that there will be an increase in women's income. Thus, trade is also expected to alter the distribution of income and by extension property and other resources. The effects of specific agreements are considered next.

AOA: All small farmers in developing countries are finding it difficult to compete with the better-resourced farmers from developed countries (UNCTAD, 2004:78, 107-108). Women, compared to men, are particularly disadvantaged by a lack of access to credit, agricultural extension services, tools and ownership of land (UN Millennium Project, 2005; FAO, 2002; World Bank, 2001).

AOA provisions on reducing domestic support to agriculture also present particular problems for women farmers, who need assistance from government if they are to overcome the gender-based constraints they face. Traditionally, some developing countries' governments have provided subsidies for credit, fertilisers and irrigation. But with the implementation of trade liberalisation under structural adjustment programmes, many governments have eliminated or reduced these subsidies. As a result, prices for inputs such as fertilisers rose in the 1990s in Africa.⁴ Gladwin (1991) demonstrated the adverse implications of these policies in Cameroon and Malawi for women farmers, who lacked sufficient cash and credit to buy at the higher prices.

Increases in *NTAEs* such as flowers, fruit and vegetables have generated employment for women in many countries in Latin America and sub-Saharan Africa (Bifani-Richard, 1999; UNCTAD, 2004:111-113). Much of this employment is temporary and seasonal on large commercial farms, often exposing women to health hazards through use of pesticides. Permanent jobs tend to go to men.

GATS: Overall, Mode III, concerning commercial presence, opens up the provision of health services within a country to foreign firms. This may increase employment for women health service employees and increase the provision of services to women.

Mode IV, concerning the temporary movement of natural persons, may be welfare-enhancing for many women health-care professionals in poor countries, as it permits them to migrate and provides them with opportunities for higher wages, wider knowledge and skills and experience working with superior health-care facilities. However, few countries at present use Mode IV as a tool for facilitating cross-border migration of health personnel, instead relying on national immigration or health workforce training and recruitment policies (Lipson, 2006).

TRIPS: The *TRIPS* agreement has important implications for women as farmers and as managers of natural resources and family health. Patenting biological materials effectively privatises genetic materials and imposes user fees on materials that were once abundantly available, especially to poor households. Many of these materials are critical for the livelihoods of poor women and men in developing countries (CIDSE, 2002). Such patents can deprive poor people of the fruits of years of inter-generationally acquired knowledge. This has an important gender dimension in many countries where women have a special role in the preservation of seeds. 'Women's traditional knowledge

and skills, and community knowledge... are threatened by the extension of an individualistic, western-based system of IPRs' (ibid:18).

Patents (or other extensions of plant breeders' IPRs) on seed and micro-organisms (such as algae, bacteria and fungi) increase the cost of seed and fertilisers. Increasingly, many of the inputs needed for farming must be obtained in the market. Patents encourage restrictions on the exchange, use or sale of seeds by farmers. This puts resource-poor farmers, many of whom are women, at a severe disadvantage. Given the existing disparities between women's and men's access to cash and credit, which are necessary to purchase fertiliser and seed, the rising expenses of farming induced by the TRIPS agreement are likely to exacerbate existing gender inequalities.

Political participation

In terms of political participation, the trade-related aspects are in terms of (i) women's participation and contribution to trade policy decision-making, including the formulation of trade negotiation mandates; (ii) the gender composition of trade policy ministries and delegations at national, regional and multilateral levels; and (iii) the integration of gender expertise at the highest technical and political level of trade-making apparatuses.

The security domain

The contribution of trade to women's security is multi-pronged. One aspect is the effects of the lack of security (including sexual harassment and rape) in the workplace. Another is the trade-off in budgetary items in making choices between the financing of trade institutions versus securing public safety and social development.

To the extent that trade expansion and intensification generate changes in domestic legislation regarding the operations of the domestic labour market - in terms of opening spaces for women to work at night, travel longer distance to work or even dwell away from home in specially operated export processing zones - trade policy has introduced an added dimension to women's personal security and insecurity. However, if policy-makers devise complementary and offsetting mechanisms that improve the public space for women to operate in, even if this is initially driven by demands emanating from the trade sectors, and as long as there are positive spill-over effects that reduce the gendered impacts of violence and conflicts against women, then trade liberalisation will contribute to women's personal security.

If these extra-security dimensions around women's employment in the trade sector are left unattended, then trade will further exacerbate the impact of violence against woman. There is also the dark side of the expansion of women's employment in the trade sector, which is that with women as the preferred or desired labour force, poor and unskilled men are left out of the equation or may even become displaced by women workers. This can translate into increased violence against women. Hence attention must also be paid by policy-makers to this aspect.

Ultimately, the expectation is that trade will provide income for women that enables them and their families to live a more secure and comfortable life or otherwise renegotiate their status in the household and the community.

Exploring the Financial Impacts of WTO and Other Trade Arrangements on Financial and Gender Equality

The starting point of any attempt to specify the exact channels and pathways through which the MTS influences and impacts on financing for gender equality programmes is to identify how and in what ways the negotiation and implementation of WTO trade agreements as well as RTAs lead to leakages and/or injections of funds from/to the current spending stream from which governments support gender equality intervention measures. Second, gender advocates and government decision-makers should pay attention to the development of measures and mechanisms to offset or mitigate the leakages identified. Third, emphasis should be placed on seeking ways and means to ensure that WTO and RTA activities could potentially stimulate new programme areas that will promote gender equality.

In terms of the leakage-injections approach, attention should focus on clarifying and quantifying, where possible, the areas of expenditure on trade implementation as well as areas that could potentially have a negative impact on women's equal opportunities. This would include gender analysis of (i) trade facilitation and customs reform, (ii) government procurement and (iii) TRIPS and investment plus provisions in RTAs. On the potential inflow of funds or injection side, clear channels include a gender perspective on the flow of remittances under GATS, market access-driven trade-related capacity building and technical assistance, and Aid for Trade. The remainder of this section explores the latter two channels.

Market access-driven trade-related capacity building and technical assistance

The key aim of trade negotiation dynamics is to reduce or eliminate market access barriers. As a result, market access has seemingly become the holy grail of trade negotiations. However, trade negotiations and institutions such as the World Bank, the IMF and the WTO have increasingly acknowledged that market access is not a panacea in and of itself. Market access needs to be balanced with 'market entry' and 'trade readiness'. This is especially so for those developing countries that are experiencing systematic and persistent supply-side constraints. These are issues that have dominated in the area of trade-related capacity building (TRCB), which tends to focus on micro-level support and institutional interventions. (They are also a key aspect of the Aid for Trade discussions emerging from the recent Hong Kong Ministerial – see below.)

Since TRCB programmes tend to operate at the enterprise and institutional level, these would seem to be one aspect of trade that has great synergy with gender mainstreaming and wide scope for the integration of gender considerations. However, to date this has

not been the case. With the exception of the Canadian International Development Agency (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 (see CIDA, 2003).

TRCB that is supportive of gender equality interventions would proactively examine the challenges and constraints that small and medium-sized enterprises (SMEs) and other women-owned businesses face with regard to market entry and trade readiness. Critical questions to be posed include:

- What kinds of trade readiness or capacity-building programmes and projects are needed for women-owned and operated businesses versus for male-owned businesses related to particular areas of export supply services, export training, capital upgrading, product upgrade, access to credit, access to export market (export market requirements) and the building of product niche?
- Who are the normal targets of TRCB and technical assistance? To what extent are the needs, priorities and concerns of micro, SMEs and women entrepreneurs taken into account into the design, planning and implementation of TRCB projects and programmes?

Many of the key considerations of market access that are problematic for SMEs and smallholders in the agricultural sector – such as physical infrastructure (road, ports and railways) and access to information and communications technologies – have their own distinct gender dimensions that need to be specifically targeted and addressed within the context of TRCB planning. Women and poor minority businesses operating in the export and import competing sectors have a greater need for accessing many of the softer elements of market access and market entry such as incentives, tricks of the trade with regulations and assistance with the costs of information and communications as well as dealing with global supply chains and product development. Programmes geared to providing export training, building and maintaining trading networks and assisting with capital upgrading, technical regulations and standards for specific export markets – if tailored with adequate gender sensitivity – can prove highly beneficial to women economic actors.

AID for Trade

The adjustment costs of trade liberalisation, whether under the AOA, TRIPS, GATS or other WTO provisions, have been a source of high tension in multilateral trade negotiations. The resulting impacts of these costs on development, as well as on social and gender equity, have also been sources of concern for those working for poverty eradication, women's economic empowerment and gender equality. As a result, over the last ten years there has been increasing attention to the need for additional financing for trade and trade-related development.

Initially, this discussion took place within the multilateral financial institutions as well as among the regional development banks.⁵ Increasingly, under the rubric of the

multilateral trade negotiations – and especially with regard to the Doha Round – there has been heightened attention placed on Aid for Trade (AfT) as a mechanism for redistribution and compensation. Though AfT is not new⁶ to the trade adjustment debate, it was given political and policy prominence in the WTO Doha trade negotiation round with its inclusion in paragraph 57 of the Hong Kong Ministerial, which noted that it ‘should aim to help developing countries, particularly [least developed countries] LDCs, to build the supply-side capacity and trade-related infrastructure that they need to assist them to implement and benefit from WTO Agreements and more broadly to expand their trade’.⁷

The Hong Kong Ministerial, which also called for a taskforce on AfT in the context of the WTO, enjoined on trade negotiators the need to ensure AfT for developing countries in order to help them more effectively realise and benefit from any gains from trade. It recognised that this could only be accomplished if developing countries (a) increase their export of goods and services and thereby are better able to utilise market access and (b) have access to support for adjustment issues in implementing trade reforms arising from WTO trade agreements. It must be noted that it is generally recognised that AfT should be seen as a complement to Doha and not a linked outcome of the negotiations. However, there remains some debate around this issue (see Iorio, 2006).

AfT is relevant to the discussion of women’s economic empowerment and gender and trade because of its wide scope, covering issues ranging from trade policy and regulation, trade development and trade-related infrastructure to trade-related adjustment. Gains to women will depend on where the weight of the discussion and funding lands between the tug of war over whether AfT should be more adjustment oriented (dealing with balance of payment problems and revenue loss from trade liberalisation) or trade enhancing (dealing with demand-side and supply-side issues).⁸

In the area of trade policy and regulation, women in their multiple roles as workers, community and household caretakers and business actors are affected by reforms of trade policy and trade regulation arriving from trade-offs, trade disputes and institutional and technical support that aims to facilitate the implementation of trade agreements. Women business owners, who usually are under-capitalised and have less access to finance and credit than their male counterparts, must grapple with the day-to-day reality of complying with rules and standards emanating from changing trade policy and trade regulation. Likewise, women and men workers in the import competing sectors are also differently affected by trade rules that liberalise these sectors.

In the area of trade and development, women’s businesses are also affected by investment and trade promotion that determine the flow of project funding and technical assistance. Most often they are the least serviced, if at all. Thus there is a need to tailor programmes and projects focused on investment expansion or deepening to the key critical needs of women-owned micro and SMEs. Women may also require highly differentiated business support services that are specifically targeted to meet their priorities and concerns. Women entrepreneurs who are involved with the export sector or who are contemplating future involvement in this sector may also require particular attention in the area of trade finance, trade promotion and market analysis and development.

As has been noted by Elson, Evers and Gideon (1997), women may also be differently affected by the design and development of physical infrastructure such as roads and ports that would be part of the dynamics of any trade-related infrastructure under AfT. The kinds of infrastructure that receive priority attention and support – whether it is feeder roads or simply main roads – are critical to the survival and expansion of women entrepreneurs and small farmers in ensuring access to market and their ability to be independent of middlemen; it may also lessen their dependency on less remunerative farm-gate pricing structures.

The importance of gender in AfT was flagged in the report of the Aid for Trade Task Force (under section F).⁹ This indicated that gender should be a concern in all aspects of AfT including ‘trade-related adjustment’ and ‘other trade-related needs’, but especially those programmes and projects aimed at building the ‘supply side capacity’ and the ‘human resource availability of developing countries’ (AfT Task Force Report). While the report did not undertake a wide or deep discussion on gender issues, these issues must be advocated for as paramount to policies and programmes for 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 centre of growth promotion and poverty reduction strategies at the national, regional and multilateral level’ (Isodor, 2006).

Conclusions and Recommendations

As stated at the beginning of this chapter, the international community has made a commitment to gender equality as an essential core plank in implementing human rights. Through mechanisms of platform for actions, conventions and treaties (for example, the Beijing Platform for Action and the Convention on the Elimination of All Forms of Discrimination against Women), governments and the whole UN and related systems, including the IMF and the World Bank, have committed to gender equality. The UN applied agencies such as FAO, UNDP and WHO have invested tremendous financial, human, research and programmatic resources to enabling the process of gender equality and the empowerment of women in developing countries.

However, this effort can easily be undermined by current approach to macroeconomic and trade policies. These policies underlie the taxation and spending programmes and policies that are necessary for successful gender mainstreaming. Trade liberalisation and the trade agreements that enforce its implementation worldwide have become the centrepiece of both development and macro policies. This has been formalised by a series of coherence agreements between the WTO and the IMF, on the one hand, and the WTO and the World Bank on the other.

Thus there is an urgent imperative to engender trade agreements and policies so that these contribute positively to the goal of gender equality and women’s economic and social empowerment. This imperative requires careful attention to the broad and specific dictates of trade agreements and their direct and indirect impacts on domestic regulatory frameworks, the quality of employment creation and working condition, as

well as the impacts on wage inequality, occupational segregation and social protection. This is necessary both for the export promotion aspects of trade reform and policy as well as for the import liberalisation aspects of trade agreements and the policy reform they bring about. Engendering trade agreements and policies will require fleshing out the tentative framework set out above and exploring language and commitments in trade provisions that will expand on the positive impacts while mitigating and/or eliminating those that have a negative impact for women and girls as well as for overall poverty eradication.

Ultimately, trade negotiation mandates and trade policy reform frameworks must be grounded in and committed to gender-sensitive approaches to poverty reduction and social development.

Recommendations

Specific recommendations therefore are that:

- Each country should develop a framework for engendering its trade-related capacity building and Aid for Trade programmes.
- Trade diagnostic studies focusing on promoting trade readiness and market entry should include gender analysis and pay specific attention to the needs of women-owned SMEs as well as to the sectors in the economy most likely to be adversely affected by changing trade policy.
- Trade negotiation mandates should proactively include a gender-sensitive framework for each of the sectoral areas under negotiation.
- Gender-sensitive flanking measures should be introduced to deal with the negative outcomes of trade reform underlying the implementation of trade agreements.

Notes

1. This section draws heavily on UN Millennium Project, 2005.
2. The AOA excludes fish, fish products and forest products (i.e. timber). Other agricultural-related WTO agreements, such as Sanitary and Phytosanitary Agreements (SPS), cover all agricultural products.
3. Levels of dumping hover around 40 per cent for wheat, between 25 and 30 per cent for corn (maize) and have risen steadily for soybeans, to nearly 30 per cent. This means that wheat, for example, is selling for 40 per cent less than it costs to produce. For cotton the level of dumping for 2001 rose to a remarkable 57 per cent and for rice it has stabilised at around 20 per cent (IATP, 2004:2, cited in Hernandez, 2005).
4. Currency devaluation may also contribute to the rise in input prices. For example, in Malawi the final removal of all fertiliser subsidies in 1995/96, coupled with a 100 per cent devaluation of the kwacha in 1994, meant a 200 to 300 per cent increase in the price of fertiliser without corresponding increases in maize prices in 1995/96 and 1996/97 (Benson, 1997).
5. See, for example, the IMF's trade integrating mechanism and the World Bank's involvement in the integrated framework, a multiple donor programme involving the IMF, the World Bank,

UNCTAD, the International Trade Centre, the WTO and UNDP to assist least developed countries to increase their participation in the global economy. The G8, Gleneagles (September 2005) meeting mandated the IMF and the World Bank to develop proposals on AfT.

6. 'What is new is the linkage between aid for trade and the multilateral trade regime, the development emphasis and the Doha Development Agenda (DDA), and recognition by donor community that trade should be actively used as an instrument of development policy to accelerate growth and reduce poverty' Zambia on behalf of LDC Group, cited in Iorio, 2006.
7. AfT is not a politically neutral issue. Its arrival as a centrepiece on the Doha negotiation table is in part due to the persistent problem of lack of gains and rising cost of trade liberalisation for many developing countries, especially the poorest groups of countries. It can be seen as 'a redistribution mechanism through which the reality of the unbalanced outcomes can be squared with the rhetoric of the (Doha) development round and thereby' aim to potentially bring fairness into the negotiations (paraphrased from the work of Stiglitz and Charlton, 2006, cited in Ghosh, 2006:3).
8. This essay focuses on supply-side issues, given the concern with women's economic advancement, but in terms of strategic gender issues the demand-side issues of who gets training and skills to undertake trade negotiations and technical assistance for trade diagnostic studies, which are important for issues of growth and human development, are also of vital concern. In addition, though there is no space to discuss the various political ramifications of AfT, the discussion on gender needs to be grounded in the reality of the political nature of AfT, including the subsuming of large parts of aid flows to trade issues (and trade-related conditionalities) at the potential costs of other development issues. Other areas to be mindful of include where the money will come from – is it in addition to and hence complementary to current aid flows or will there be redirection of this flow? Will the flows be primarily grant or concession or will they contribute to further indebtedness by developing countries? And, lastly, what will be the targeted areas of intervention: primarily with the so-called 'hardware of trade (infrastructural support, etc) or with the 'software' aspects of studies, training etc?
9. The Aid for Trade Task Force, which was established in February 2006 with a mandate to discuss how AfT 'might contribute most effectively to the development dimension of the Doha Development Agenda' tabled 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.

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CHAPTER 6

Strengthening the Connection Between Gender and Growth

Growth Team, Policy and Research Division, DFID

Gender equality is ‘at the heart of development’, as the UK Department for International Development (DFID) puts it. Following recent evaluations across the development community, it has been established that a ‘step change’ is required in promoting gender equality. Such a move is necessary as gender mainstreaming initiatives often fall prey to ‘policy evaporation’, where good policy intentions fail to be followed through in practice.

This chapter, based on a recent briefing note,¹ sets out evidence linking gender equality and growth and looks at emerging issues for development agencies, including DFID policies and programmes.

Reducing Poverty Through Economic Growth

The UK 2006 White Paper *Eliminating World Poverty: Making Governance Work for the Poor* emphasises that economic development and growth are the single most important means by which poverty can be reduced worldwide. The most impressive examples of poverty reduction have been driven by economic development in countries such as China and Vietnam. While performance is less strong in Africa, it is still economic growth that is driving poverty reduction in many countries, such as Rwanda and the United Republic of Tanzania.

Evidence now points to the fact that gender equality is key to improving governance, ensuring environmental sustainability and meeting education and health objectives. Gender equality is both a cause and a consequence of economic growth. Yet many of our developing country partners continue to prioritise growth and economic development, seeing these goals in opposition or as alternatives to investment in issues such as gender equity. This chapter shows how pursuing gender equality is linked to accelerating growth.

Key Linkages

The evidence is clear that gender equality affects growth (Vershoor et al., 2006²). The following are the key links between gender and growth.

Gender equality improves overall growth

It has been estimated that between 0.9 and 1.7 per cent of the regional growth difference between the East Asia/Pacific region and the Middle East/North Africa region can be accounted for by gender gaps in education and employment (Klasen and Lamanna, 2003). Is this sufficient to worry about? Put into dollars lost it would seem that it is. If the countries of the Middle East and North Africa had the same level of gender equality in education as East Asia, their GDP would be between \$5.8–7.4 billion (1996 prices) higher and their per capita GDP would be between \$16–20 higher: for many of the poorer African countries this would be a considerable increase.

Investment in human capital and future generations increases

Improved gender equality significantly changes the welfare of the whole of society. There is good evidence that it improves children's lives, which in turn improves economic prospects. Higher female earnings and bargaining power translate into greater investment in children's education, health and nutrition, which leads to economic growth in the long term (Thomas, 2002; Schultz, 2002). Investment in children's health, nutrition and education affects their future income-earning capacity. An increase in women's bargaining power in their households, their economic and social status, and the proportion of household assets and income that are under their control are all positive determinants of the human capital outcomes of their children,³ and thus of future economic growth.

Education of women and girls reduces fertility rates

Less education of women and girls results in lower growth and is associated with low-income status. A number of factors are at work here that are difficult to separate, as the conditions that limit equality in education are often the same as those that affect labour markets and women's economic participation.

Labour market participation increases growth

In many countries there are significant barriers to women's access to paid work. Labour market institutions – both formal, such as employment protection regulation, and informal, such as job information networks – often operate to limit and reduce female labour market participation. This has significant costs to economic development.

First, unequal participation has a direct labour market effect on overall growth. As noted above, there was a significant regional growth difference between the East Asia/Pacific region and the Middle East/North Africa region that could be accounted for by gender gaps in employment in addition to education. The effects on growth were considerably larger when employment was taken into account as gender-based barriers to women's entry into the labour market meant that they were effectively unable to contribute their skills to the economy (Klasen and Lamanna, 2003). Second, limited labour market participation of women seems to have an indirect effect through reduced productivity of firms and businesses.

Wage equality is good for savings, efficiency and productivity

Micro evidence shows that more equal wages are associated with higher levels of household savings. In developed countries there is evidence that higher women's incomes translate into high growth from domestic investment, though there have been few studies on this in developing countries (Seguino and Sagrario Floro, 2003).

Business and enterprise need women's involvement

Barriers to women's role in business are considerable in many countries and are costly to overall economic performance. Often women-run businesses are unable to respond to emerging economic opportunities as regulations concerning the right of women to own assets and operate businesses in their own name prevent them from doing so.

Rural productivity improves

Greater gender equality is associated with higher agricultural productivity. Two mechanisms seem to be at work here. First, unequal access to the basic resources for production limits the productivity of farm units. Second, greater bargaining power of women within rural households improves productivity and decision-making on the farm.

Moving On – Programmes, Policies and Interventions

This evidence points in a number of policy and programme directions, which are briefly outlined below. A key element in tackling gender and growth issues effectively is to understand the complex interactions between formal and informal institutions, market processes, social norms and culture. In general, successful interventions have approached combinations of issues and barriers to increased women's economic empowerment as opposed to single sector interventions. However, much of the evidence on policy effectiveness is at present impressionistic or based on small-scale programmes and limited data.

Closing the gender gap in human capital, providing incentives and opportunities for paid female work outside the household and reducing the time burden of female domestic activities should be pursued simultaneously. Knowing which incentives to provide and which public investments to promote requires an understanding of which domestic activities are responsible for women's time constraints, as well as both the informal and formal barriers to women's employment and entrepreneurship in the wider economy.

If development policy and practice are to respond to linking gender inequality and growth, an obvious first step is gendered growth analysis. But such analysis is dependent on appropriate information being available, and data availability and analytic coverage remain problematic in country level policy analysis and engagement.

Getting the best information and analysis possible considerably increases the chance of effective interventions – and this does not just imply quantitative data analysis. Linked

to appropriate data is the need to combine statistics with the views of men and women, as well as taking into account their interpretation of causal relations and solutions.

A key part of the story, as we have seen from the evidence, is women's and girls' education. Progress has been impressive in this area and DFID is heavily engaged in girls' education around the world. Emerging lessons are that success in girls' education is linked to approaching enrolment and quality from a number of perspectives, including access, incentives, family politics and culture. While there has been considerable progress, there are signs that higher enrolment is not translating into marketable human capital and labour market participation to as high a degree as expected. Success in expanding universal primary education is putting pressure on secondary education, where educational attainment is actually falling. Drop-out rates in secondary education are rising, especially among girls.

Reducing the time burden of non-paid or domestic labour is key for economic empowerment in a number of settings. This frees up women's time to engage in paid employment, improve the productivity of farm labour or increase entrepreneurial activity. Key interventions in these areas are likely to be:

- targeted infrastructure such as wells, energy (stoves, lighting, etc.) that improve access, reduce time burdens and increase ease of use of domestic services;
- reduced cost of existing infrastructure and domestic services to increase usage; and
- childcare schemes, which are often essential for labour market participation.

A number of countries have taken advantage of the link between greater gender equality and its impact on fertility and growth. Countries usually achieve this by:

- raising educational attainment for women;
- providing free and easy access to reproductive health services;
- removing incentives to have large families by way of credits or social schemes; and
- reducing cultural barriers to family planning.

Establishing balanced labour market regulation and incentives to support growth, higher productivity, labour market expansion and increasing gender equality is difficult, particularly as many women work in the informal sector, which is hard to reach with labour regulation. Experience seems to suggest that combinations of measures are needed to improve prospects for women's employment and greater equality in the labour market. Successful interventions have focused on:

- promoting women's education;
- promoting export growth and foreign direct investment;
- recognising of new, informal sector workers' movements; and
- passing minimum pay legislation.

Changes in the welfare regime focused on directly encouraging women to engage in wage labour and market economies play a key role. If social protection and other schemes become more common in developing countries, this area will be increasingly important. The connection between welfare regimes and employment in Europe has been studied extensively. For developing countries, this is less well developed as yet.

In terms of reducing pay disparities there is also limited evidence. Legislation has had some effect in developed countries but the pay gap still ranges from 15 to 20 per cent in Europe.

To support women's businesses and entrepreneurship both formal rules and informal governance must be conducive. Getting the legal and regulatory structure right is critical, but state enforcement is often undermined by long-standing social norms and behaviours. Actions taken to address land titling bias in some countries have taken the form of the removal of regulatory impediments to women's land ownership, awareness raising among both men and women of women's right to own and register land, and the removal of administrative obstacles to women's land ownership.

Another key barrier to the expansion of women-owned businesses has been lack of finance. Access to financial services and credit is still very unequal and is a major issue for women's economic empowerment and development. It is widely argued that micro-finance schemes, frequently targeted at groups of poor women, can bring them out of poverty and enable women who would not otherwise be able to do so to start their own small enterprises. However, more recent analysis and evaluation has indicated that micro-finance has limited long-term impact on many of the barriers to women's empowerment. Deeper financial sector reform to extend the reach of banking to women and poor clients may be a more appropriate and sustainable intervention.

Moving Forward

DFID's policy agenda for 2007/08 consists of a mixture of gathering more evidence on the key linkages, testing core methodologies and approaches, and providing support to developing country governments and international partners to work on gender and growth. Specifically DFID will:

- Take forward its programme of gender and growth assessments with the International Finance Corporation (IFC), the World Bank and others. DFID is currently undertaking work in India and Nigeria, and will be expanding into new regions this year.
- Support the development and refinement of new tools and methods for gender and growth analysis. This will include work with the International Poverty Center (IPC), the World Bank, IFC and others, looking at more effective and appropriate methodology to analyse gender and growth linkages.
- Examine further evidence of how social policy, including gender issues, affects growth prospects, and specifically how appropriate social policy can help remove constraints on growth and economic development.

Notes

1. DFID Briefing Note: Gender and Growth Practice Paper, March 2007.
2. This section of the paper draws heavily on this review, commissioned by the Growth Team in DFID as part of its gender and growth work programme.
3. See Thomas and Chen (1994) for evidence for Taiwan; Quisumbing and de la Brière (2000) for Bangladesh; Quisumbing and Maluccio (2000) for Ethiopia, Indonesia, Bangladesh and South Africa; and Smith et al. (2003) for a comparative study of the regions South Asia, sub-Saharan Africa and Latin America and the Caribbean.

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CHAPTER 7

Gender Equality as Smart Economics: A World Bank Group Gender Action Plan

*World Bank*¹

Introduction

In January 2007 the World Bank Group (WBG) launched 'Gender Equality as Smart Economics: A WBG Gender Action Plan' (GAP). The GAP is a four-year effort that seeks to implement the Bank's gender mainstreaming strategy (approved in 2001) in the economic sectors, where the Bank's performance in terms of gender mainstreaming has been weakest. This chapter gives the rationale and background for the GAP; briefly describes the principles behind and contents of the plan; and gives some examples of initial work under the GAP, highlighting work in sub-Saharan Africa, a priority region for the Bank. Although the GAP only covers the Bank's gender work in the economic sector, gender work in the Africa region in related sectors is also illustrated here.

Implementation of the GAP and, more generally, implementation of gender equality agendas internationally and nationally is not cost-free. The lack of acknowledgment that gender equality work entails costs has probably affected the performance of countries in reaching MDG3. This article therefore offers some estimates, based on preliminary data, on the financial requirements for implementing the gender equality and women's empowerment agenda.

Rationale

The business case

Gender equality does not necessarily mean equality of outcomes for males and females. Rather, it means equal access to the opportunities that allow people to pursue a life of their own choosing (World Bank, 2001). Ensuring this equal access to opportunities for women is intrinsically important - it responds to the principle of fairness and improves women's absolute wellbeing. But gender equality is also instrumental in reducing poverty and promoting shared growth.

A growing body of evidence shows that gender equality helps reduce poverty and promote shared growth through two major pathways: (a) women's increased labour force participation, productivity and earnings as a result of better access to markets and more

economic opportunities; and (b) the improved well-being of children as a result of women having better health and education and greater control over household decision-making and expenditure (see Figure 7.1).

While in the short run there are budgetary and other economic as well as political costs of promoting gender equality, in the long run greater gender equality can lead to more efficient economic outcomes, with benefits for poverty reduction and growth – the major driving forces for the work of the WBG. Thus the conclusion is that gender equality is ‘smart economics’ and the instrumental rationale for the GAP.

The gap in opportunities

The last decades have witnessed substantial progress in women’s capabilities – that is, in reducing gender gaps in schooling and improving women’s education and health status. Progress in expanding women’s opportunities in the economy and in society has been more modest. Figure 7.2 shows this uneven progress using the official MDG3 indicators.

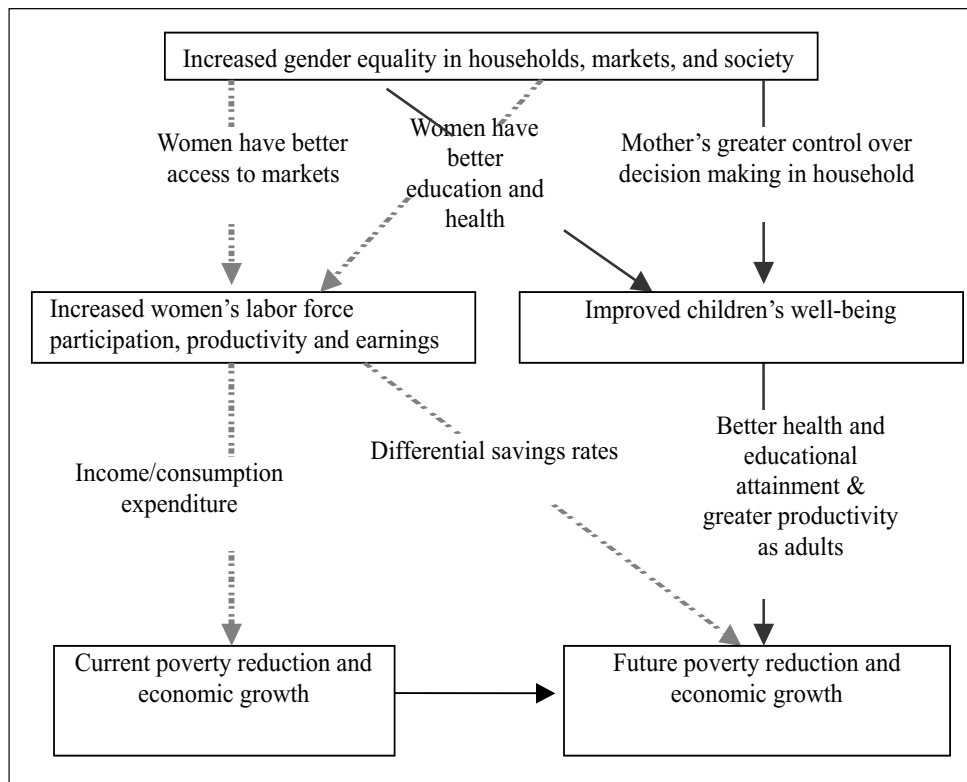


Figure 7.1: Women’s earnings, children’s well-being and aggregate poverty reduction and economic growth – the pathways

Source: World Bank, 2007b, Figure 3.2, p. 109

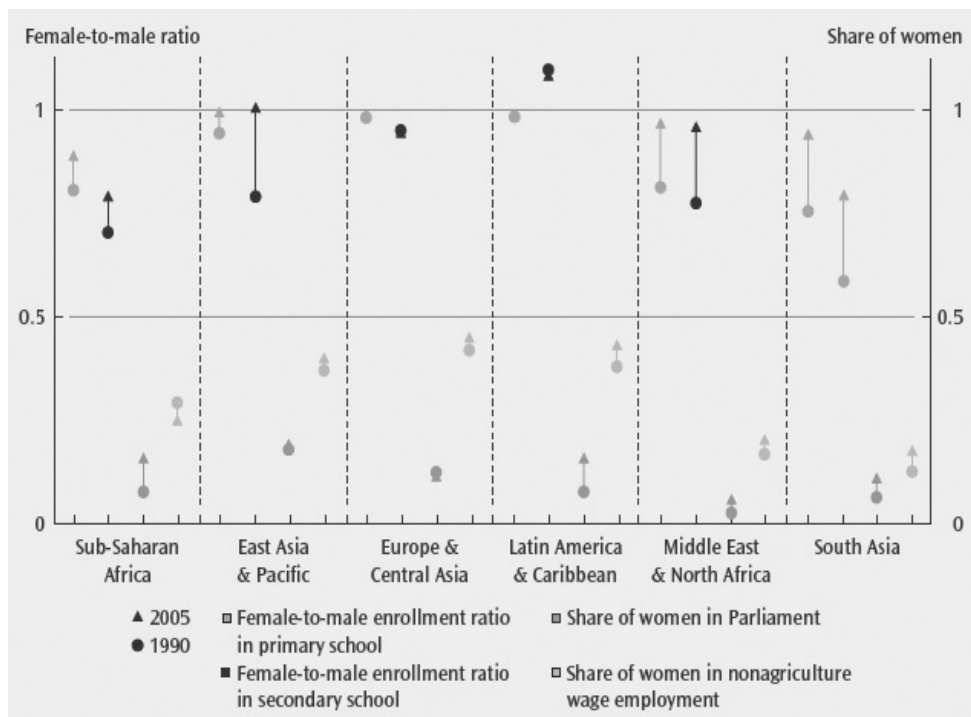


Figure 7.2: Progress in official indicators of gender equality and women's empowerment, by region, 1990-2005

Source: World Bank, 2007b, Figure 3, p. 11.

The share of girls enrolled in primary and secondary schooling has improved substantially in the last decade and is significantly greater than the share of women in non-agricultural employment and in parliaments.

The WBG's track record in mainstreaming gender in its lending portfolio and analytical work mirrors, perhaps not surprisingly, the comparatively slower progress in gender equality in economic and societal opportunities. The Bank has had considerably more success in mainstreaming gender issues in its social sector than in its economic sector operations. For instance, in the period 2003/05, 88 per cent of Bank lending in the social sectors and only 69 per cent of lending in the economic and financial sectors integrated gender issues in their design (World Bank, 2007a). Instrumental rationales and gender expertise have backed progress in the social sectors and are largely lacking in the productive sectors that underpin economic growth. In addition, the Bank's record is much better in mainstreaming gender issues in the design of operations than in their implementation, and it is weak in monitoring and measuring the development results of gender mainstreaming.

The GAP was, therefore, developed based on the business case of gender equality for the Bank's work and as an appropriate response to the gaps in progress in gender equality and the Bank's own performance.

Background²

Gender inequalities in the economy and markets are pervasive and constrain women's economic opportunities. In particular, women experience constraints to increasing their productivity and income in the labour, land, financial and agricultural product markets.

In terms of *labour markets* women face many impediments at home and in the marketplace when they seek paid employment. Numerous studies point to women's reproductive role affecting female labour force participation in general, and work for pay in particular. Besides childcare, women also face the time burden of domestic tasks, especially collecting water and firewood. In rural areas of Burkina Faso, Uganda and Zambia, the potential time savings from locating a potable water source within 400 metres of all households ranges from 125 to 664 hours per household per year (Barwell, 1996) – time that could be used to work for pay.

Wage gaps and discrimination against women in labour markets may lower labour force participation, both contemporaneously and for future generations. The contemporaneous effect occurs as the wage loss due to discrimination persuades some women to stay at home rather than engage in paid work. In terms of the future, it will also cause parents to systematically under-invest in the education of girls relative to boys (see Anderson et al., 2003 for evidence on Malaysia).

With regard to *land markets*, the available evidence indicates that the distribution of land ownership is heavily skewed toward men. For example, in a set of Latin American countries, roughly 70–90 per cent of formal owners of farmland are men (Deere and Leon, 2003). When women do own farmland, their holdings are typically smaller than men's. Similar evidence is found for sub-Saharan Africa (Doss, 2005; Udry, 1996; Quisumbing et al., 2004).

In much of the developing world, women's land rights are significantly circumscribed, if not in principle then in practice. For example, under customary law in much of sub-Saharan Africa, permanent land rights are held by men, typically male household heads. While women have traditionally held (strong) usufruct rights to individual plots owned by men, these rights are typically lost upon divorce, widowhood or physical relocation.

In terms of *financial markets*, most studies find that women are not more likely to be rejected for loans or be subject to higher interest rates by lenders, but they are less likely to apply for loans than men, partly because they do not have what it takes to apply (Baydas et al., 1994; Storey, 2004). Non-participation in credit markets can arise for two reasons: women may want a loan but fail to satisfy the loan eligibility criteria (for example, they may lack the appropriate physical collateral for obtaining a loan); or they may meet the loan eligibility criteria but have no need for a loan, so they voluntarily opt out. The former group is likely to be credit-constrained.

Agricultural product markets are heavily affected by technological innovation and adoption. Most of the evidence suggests that many of the barriers to adoption are not related to the characteristics of the technology, but originate in other markets relevant for the adoption decision, such as land, labour, credit and information. For example, Croppenstedt et al. (2003) find that female-headed households in Ethiopia have significantly lower endowments of land, and that land size is a significant positive determinant of fertiliser use.

Agricultural extension services also often fail to reach female farmers, in particular female-headed farming households, even though female farmers often indicate a strong demand for such services (Saito et al., 1994). Summarising evidence from six studies in sub-Saharan Africa in the 1980s, Quisumbing (1994) reports that male-headed households were roughly 30–220 per cent more likely to have ever had contact with an extension agent than female-headed households.

Objectives and Principles

In response to the above constraints, the GAP's main objective is to empower women economically by increasing their opportunities in these four markets – labour, land, financial and agricultural product – and in their access to infrastructure. It seeks to 'make markets work for women' by identifying *policy level* interventions that will level the playing field, and to 'empower women to compete in markets' on an equal basis with men by investing in *agency level* interventions that enhance their access to infrastructure and these markets.

The World Bank's Africa Action Plan (AAP), initially developed in response to the G8 Summit in 2005, reiterates the central contribution of women to African economies and now includes women's economic empowerment as one of eight flagship areas for increased focus. The GAP is a critical instrument to support the implementation of this flagship.

The GAP is founded on three key principles. First, it is based on financial incentives to staff rather than mandates to engender Bank operations, by providing leveraged up-front financial support. It requires matching contributions in cash or kind. The four-year GAP has a US\$24.5 million budget to do this – half of which is expected to be financed by the WBG and half by donor agencies. Second, the GAP is results oriented. It will devote resources to measure development outcomes and impacts. Third, it seeks to raise the visibility of women's economic empowerment for development globally and build international partnerships. At a meeting in Berlin in early 2007, German Chancellor Angela Merkel gave her full support to the GAP and promised to take the issue of women's economic empowerment to the G8 Summit, which Germany was hosting in Heiligendamm in June of that year.

Activities

The GAP funds activities in four categories: (a) activities to engender WBG operations in infrastructure, agriculture, financial sector and private sector development; (b) results-based initiatives (RBIs) – a set of policy and project pilot initiatives to increase women’s economic opportunities in the short run that are accompanied by rigorous evaluation; (c) policy research on constraints to women’s access to key markets, along with impact evaluation research and statistics; and (d) communications and capacity building.

In its first, current year of implementation, most activities under the first category are concentrated in infrastructure and in financial and technical services for women entrepreneurs. Infrastructure activities span work in energy, transport, urban development, water, extractive industries and agriculture and rural development. Activities in transport, for example, include analytical work in two regions to demonstrate how to design transport projects that involve women in road construction and to measure the links between infrastructure and women’s labour force participation, and the design of a toolkit to scale up gender mainstreaming in transport operations.

Three RBIs – the second category – are currently underway in Egypt, Kenya and Liberia. The initiative in Egypt will promote employment and career development for women in private sector firms through a voluntary training and certification programme. In Kenya, the initiative will promote production and intensive marketing of crafts products for Masai women. In Liberia, a country that is rebuilding after 14 years of war and where food insecurity persists, the initiative will improve women’s food production and marketing. The main executing agency for these RBIs is UNIFEM, working in-country in collaboration with national ministries and local agencies.

Under the plan’s third category of activities, the World Bank has partnered with the UN Economic Commission for Europe and Central Asia and the International Labour Organization (ILO) Statistics Bureau in selected countries to build national capacity to obtain more and better sex-disaggregated statistics. It will lead the development of an analytical work programme to develop tools, methodologies and country cases addressing linkages between gender and economic growth at both macro and micro levels.

Lastly, under the communications category, the Bank and its partners are working to raise international awareness of the importance of women’s economic empowerment for development and will support capacity-building activities in gender and economics, for example in West Africa.

The following are some examples of GAP activities in Africa under the different markets:

- In *product markets*, the GAP is contributing to an analysis of the gender dimensions of competitiveness, as part of the ‘Africa Competitiveness Report’. Investment Climate Assessments in Cameroon and Ethiopia are tackling gender gaps in the analysis. Transport projects in the region have addressed the different needs of women, including domestic transport tasks, and lessons learned from these cases will be applied to a new transport project in Mali.

- In *financial markets*, the GAP will support the International Finance Corporation's (IFC) Gender Entrepreneurship Markets (GEM) Access to Finance technical assistance programme in Ghana and the United Republic of Tanzania, which will build the capacity of both bankers and clients to use credit lines that have been established in commercial banks to benefit women entrepreneurs. This is an integral part of gender and growth assessments in these and other countries that examine legal and regulatory obstacles to women's entrepreneurship in Africa.
- In *land markets*, a gender component will be added to an energy project at the appraisal stage in Burkina Faso, focusing on land tenure issues. In Ethiopia, a study will explore the productivity impacts of land certification and rental among female-headed households.
- In *labour markets*, a study in Ethiopia will explore factors constraining the productivity and availability of skilled female labour and limiting the earning power of women, and a study in Niger will address the relationship of high fertility with the labour market participation of women as part of the Multi-Sectoral Demographic Project (PRODEM).

In related work, the Bank is supporting the integration of gender issues into the budget support operations in Uganda (Box 7.1), and is continuing an active 'gender and law' programme that has mobilised nearly \$7 million in grant financing in 13 countries to strengthen government and civil society partnership in engendering law reform, in legal literacy and education, and in improving access of the poor to legal services. Work is ongoing in Burundi, Kenya, Mali and Mauritania.

Financial Requirements for Gender Equality Work

While the GAP's four-year budget is US\$24.5 million, the Plan's full implementation will cost significantly more. This amount will be used to leverage substantial additional resources that the WBG has available through its lending, including its soft-loan International Development Assistance (IDA) window. More generally, gender equality work – that which seeks to mainstream gender issues in the social and productive

Box 7.1: Uganda: engendering poverty reduction support credits (PRSCs)³

The gender-focused agenda of PRSC6, scheduled for Board consideration in April 2007, consolidates and expands on the actions launched under PRSC4-5. The programme focuses on: (a) supporting the mainstreaming of gender and equity objectives in planning and budgeting through further work to implement the gender and equity budget guidelines issued in 2004; (b) deepening the work programme on gender and growth linkages for policy-making in Uganda, with increased focus on trade issues; (c) further implementation of the women's land component of the Land Sector Strategic Plan (LSSP), with particular emphasis on developing mechanisms for tracking the implementation of the provisions of the Land Act concerning family security of occupancy; (d) strengthening gender-responsive law reform; and (e) continuing support to the formulation and implementation of the country's National Gender Policy.

Source: Uganda, PRSC6 Programme Document, March 2007.

sectors as well as specific gender equality initiatives – is not cost free. There can be substantial administrative, economic and political costs. Unfortunately, there are no reliable estimates of these costs, though it is safe to say that they are usually considered marginal. While gender mainstreaming interventions may in fact entail only a marginal change in project design, the process of identifying this change will often require significant investment.

This section explores the budgetary requirements for gender equality work at the country level, using preliminary information gathered for the World Bank following the costing methodology of the UN Millennium Project complemented by data from the OECD/DAC.

Methodology

At the outset, it is important to underscore the difficulties in calculating the financial costs of reducing gender inequality, since this inequality is both multi-dimensional and multi-sectoral and efforts to reduce it must necessarily flow through multiple channels, not only those focused on gender. In addition, there is an inherent problem in assessing the amount of resources required for or allocated to actions that are mainstreamed. The more fully gender is mainstreamed into a programme or project, the more financial resources are mingled and the more difficult it is to track budget resources assigned to gender issues.

The UN Millennium Project developed a list of interventions for each MDG sector (education, health, rural development, urban development and slum upgrading, water and sanitation, and energy) and estimated the per unit capital and recurrent costs of implementing them. The proportion of the cost of each intervention that can be attributed to promoting gender equality was identified and added across interventions to obtain total costs attributable to promoting gender equality.

Interventions that promoted gender equality were divided into MDG3-specific interventions and gender mainstreaming interventions. In practice, specific interventions were defined as those implemented by the ministry of women's affairs or a non-MDG sector ministry (for instance, labour). Examples include monies to increase telephone support lines for victims of domestic violence in Niger, to alleviate the burdens of female-headed households in Ethiopia and to set a minimum age of marriage in Mauritania. Interventions directed at women in all other MDG sectors were defined as gender mainstreamed interventions. Examples include increases in health budget allocations for free pre-natal care in Tajikistan, as well as resources to increase land access for women in Senegal and female literacy rates in Ethiopia. Table 7.1 gives a list of gender-specific and gender mainstreamed interventions and their estimated total and per capita annual costs.

It is important to note, however, that this usage is slightly different from the common definition, where 'gender-specific' refers to a 'stand-alone' intervention and 'gender mainstreamed' to an action integrated into a larger project, independent of the nature of the executing agency. In addition, the costs of other MDG interventions that were neither gender specific nor gender mainstreamed but could indirectly promote gender equality, such as monies for new wells or rural roads, were also estimated.

Table 7.1: Country examples of proposed budget allocations for scaling up gender specific and mainstream interventions

| <i>Intervention</i> | <i>Country</i> | <i>Average annual cost in 2007 US\$ millions (2006–15)</i> | <i>Average annual cost per capita in 2007 USD\$ (2006–15)</i> |
|---|--------------------|--|---|
| Gender-specific | | | |
| Eliminate gender-based violence through raising awareness, abuse hotlines, temporary housing for victims and sensitivity training for police and military | Dominican Republic | \$12.98 | \$1.36 |
| Strengthen institutions to mainstream gender, defend equal rights to property and inheritance, and promote equal employment opportunities | Dominican Republic | \$4.29 | \$0.45 |
| Fight HIV/AIDS among female sex workers | Gabon | \$1.60 | \$1.04 |
| Strengthen ministries and government agencies to handle gender issues and implement international agreements on ending gender discrimination | Kenya | \$52.30 | \$1.32 |
| Build coalitions and mobilise the community to ensure women's participation in political and economic affairs and raise awareness on reproductive rights and violence | Kenya | \$62.50 | \$1.58 |
| Support set up of data systems and increase data collection of sex-disaggregated information to monitor progress towards the gender equality goal | Kenya | \$26.10 | \$0.66 |
| Promote awareness of women's rights to legal redress and state services and improve state responsiveness to incidence of violence and victim rehabilitation | Kenya | \$24.10 | \$0.61 |
| Transition of secondary school girl graduates to vocational training and work place | Niger | \$35.70 | \$2.13 |
| Gender mainstream | | | |
| Construct 30 new and rehabilitate 43 child daycare centres and construct emergency and community care shelters | Dominican Republic | \$1.56 | \$0.16 |
| Provide subsidies to mothers with children in pre-primary, primary and secondary school | Dominican Republic | \$17.05 | \$1.78 |
| Provide emergency obstetric care, capacity-building for public health staff and antenatal and newborn care to reduce maternal mortality by three-quarters | Dominican Republic | \$10.06 | \$1.05 |
| Provide energy subsidies to female-headed households to facilitate income generation through biomass and renewable energy, petroleum and electricity | Kenya | \$95.42 | \$2.41 |
| Decrease maternal mortality through family planning for women and teens, management of malaria and anaemia in pregnancy and emergency obstetrics | Senegal | \$9.85 | \$0.74 |

| | | | |
|---|------------|---------|--------|
| Increase micro-credit programmes for small farmers targeted specifically at women | Tajikistan | \$5.65 | \$0.81 |
| Free school lunch targeted to girls of poor families in primary grades 1-4 | Tajikistan | \$14.55 | \$2.08 |
| Re-enrolment in primary and secondary education of mothers who could not previously continue their education due to marriage or birth | Togo | \$10.30 | \$1.45 |
| Increase female medical staff recruitment, upgrade clinics with comprehensive obstetric care, increase medical coverage of deliveries and provide family planning | Yemen | \$75.50 | \$3.03 |

Source: Bahadur and Ebbeler (2007).

Estimates

Table 7.2 presents projected average annual per capita financial requirements to achieve gender equality in 2006-15 for ten countries that were involved in the UN Millennium planning exercise (Bahadur and Ebbeler, 2007).

Table 7.2: Projected average annual per capita (US\$2007) financial requirements to achieve gender equality (2006-15)

| | Gender-specific interventions | Gender mainstream interventions | Non-targeted gender share | Total gender costs* | Total MDG costs | % specific and main-stream of total MDG costs | % total gender costs of total MDG costs |
|--------------------|-------------------------------|---------------------------------|---------------------------|---------------------|-----------------|---|---|
| Dominican Republic | \$2.09 | \$7.52 | \$120.31 | \$129.92 | \$296.21 | 3.24 | 43.86 |
| Ethiopia** | \$0.13 | \$0.26 | \$35.24 | \$35.63 | \$115.07 | 0.33 | 30.96 |
| Gabon | \$6.38 | \$14.90 | \$71.48 | \$92.76 | \$173.62 | 12.26 | 53.43 |
| Kenya | \$4.64 | \$4.06 | \$41.08 | \$49.78 | \$141.95 | 6.13 | 35.07 |
| Mauritania | \$2.38 | \$9.78 | \$38.61 | \$50.77 | \$114.21 | 10.65 | 44.45 |
| Niger | \$2.24 | \$3.36 | \$43.19 | \$48.80 | \$105.44 | 5.31 | 46.28 |
| Senegal | \$0.00 | \$2.87 | \$8.60 | \$11.47 | \$83.25 | 3.45 | 13.78 |
| Tajikistan** | \$1.50 | \$43.38 | \$61.27 | \$106.15 | \$170.49 | 26.33 | 62.26 |
| Togo | \$2.70 | \$7.05 | \$85.52 | \$95.27 | \$204.40 | 4.77 | 46.61 |
| Yemen | \$0.06 | \$5.82 | \$79.73 | \$85.61 | \$195.94 | 3.00 | 43.69 |

* All costs are based on average projected costs for the duration of 2006-15, provided by individual country needs assessments listed, and per capita costs are based on the UN 2004 population projections.

** The mainstream interventions for Ethiopia are under-reported for the health sector (since the MDG needs assessment results are not disaggregated for Goals 4 and 5 on child and maternal health). Similarly, the mainstream interventions for Tajikistan are over-reported to the extent that they include interventions to strengthen the primary health care-system under the costs for Goals 4 and 5.

Source: Bahadur and Ebbeler, 2007.

The variation in costs for individual countries may partly be a function of underestimating or overestimating costs because of reduced capacity to account for and disaggregate costs by gender. Nevertheless, excluding outlier values, overall planned costs for gender-specific and gender mainstreamed interventions vary annually between \$36–130 per capita (in US\$2007) and between 3–26 per cent of total MDG costs. When the share of MDG interventions indirectly benefiting women is added, annual costs increase to \$105–296 per capita and to 30–62 per cent of all MDG costs. This exercise makes the obvious but often ignored point that achieving MDG3 costs money. It also shows that planned gender-specific and gender mainstreamed interventions are only a small proportion of all MDG costs.

A desk exercise using the same methodology for five countries came up with comparable numbers but within a lower range – values did not increase as much as those done by the countries themselves. This exercise estimated the financing low-income countries would need in order to implement gender-specific and gender mainstreamed interventions for 2006–15. The value varied between US\$29.7 billion in 2006 and US\$83.2 billion in 2015, with a yearly average of US\$47.5 billion (in 2003 dollars) for all low-income countries (Grown et al., 2006).

To give a sense of how large the financing gap is, the OECD/DAC gender marker showed that average annual commitments of bilateral overseas development assistance (ODA) for gender equality were \$5 billion in 2001–2005 – or 20 per cent of the total ODA disbursed. These numbers are based on only 60 per cent of the total reported bilateral ODA that is allocable by sector. The financing gap of \$24.7 billion could be considerably reduced by adding the 40 per cent remaining ODA, as well as resources from the multilateral system, national governments and private foundations, if they all contributed to MDG3 with a similar proportion of available funds.

In addition to the planned national cost estimates, follow-up preliminary information is available for three countries (Dominican Republic, Kenya and Yemen) on actual expenditures for gender interventions. Despite progress in incorporating gender needs into the budget process in these countries, only a small proportion of planned expenditures for gender-specific action has translated into actual identified disbursements (on average, less than 15 per cent). This low proportion is partly the result of the inability of national systems to disaggregate budget resources by gender, and does not mean that these countries are doing only 15 per cent of what they planned. It is also the result of countries' slow progress in implementing the gender equality agenda. Countries are making progress, but in small incremental steps, while the challenge of MDG3 is one of intensifying and scaling-up gender equality actions throughout.

Conclusion

By emphasising gender equality as smart economics, the WBG Gender Action Plan shifts the focus of gender work onto the economic sectors. It provides an impetus to address women's economic empowerment in four key markets as essential to implementing MDG3. By providing incentive-based funding, it aims to catalyse a strong

response both in the Bank and in countries to engender operational work, support results-based initiatives, carry out pioneering research and analysis and establish mechanisms for monitoring progress and performance.

Notes

1. This article was prepared on behalf of the World Bank by Mayra Buvinic and Mark Blackden, with the assistance of Ursula Casabonne.
2. This section is extracted from Morrison, Raju and Sinha, 2007.
3. Poverty Reduction Support Credits (PRSC) were introduced by the World Bank in 2001 to provide financial support for a government's medium-term development programme (usually the Poverty Reduction Strategy Paper (PRSP)).

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Part II

**Making a Difference to
Gender Equality**

CHAPTER 8

Promoting Democracy, Peace and Development in the Commonwealth Through Investing in Gender Equality

Khabele Matlosa

Introduction

Gender equality is a key feature of democratic governance. Democracy is supposed to transform power relations between women and men in such a manner that women participate equally in governance and development processes. While this goal remains a challenge for stable democracies, it is much more daunting for conflict-ridden and post-conflict societies. This is so not only because democracy and development are difficult to achieve under conditions of political instability, but also because protracted violent conflicts have tended to hit women and children the hardest.

It is now widely accepted that democracy and development are two sides of the same coin and therefore, all things being equal, should be mutually reinforcing (Sen, 1999; UNDP, 2002; Adefuye, 2006; Adedeji, 2006). Furthermore, it goes without saying that progress on both the democracy and development fronts is most likely to ensure peace. In a nutshell, while democracy ought to promote development, neither can prevail if countries are engulfed in protracted violent conflict. Additionally, the pursuit of democracy, development and peace ought to be anchored on gender equality. Without gender equality, both democracy and development are severely deficient. This observation reinforces the imperative for all Commonwealth member countries to deliberately evolve strategies and policies geared towards financing democracy, development and peace and investing in gender equality.

The 1991 Harare Commonwealth Declaration emphasises the pledge of member States to ‘democracy, democratic processes and institutions which reflect national circumstances, the rule of law and independence of the judiciary, [and] just and honest government’ (Commonwealth Secretariat, 1991:2). With respect to development, the Declaration recognises ‘the importance and urgency of economic and social development to satisfy the basic needs and aspirations of the vast majority of the peoples of the world, and seek the progressive removal of wide disparities in living standards among our members’ (ibid.:1). The Declaration also notes that ‘international peace and order, global economic development and the rule of international law are essential for the security and prosperity of mankind’ (ibid.).

The commitment of the Commonwealth to gender equality is also stated in the Harare Declaration and elaborated on in the Commonwealth Plan of Action (PoA) for Gender Equality 2005-2015, adopted at the 7th Commonwealth Women's Affairs Ministers Meeting (7WAMM), held in Fiji Islands in 2004. With a view to achieving this commitment, the PoA focuses mainly on four key areas: gender, democracy, peace and conflict; gender, human rights and law; gender, poverty eradication and economic empowerment; and gender and HIV/AIDS.

The PoA was endorsed by the Commonwealth Heads of Government Meeting (CHOGM) held in Malta in 2005. The Communiqué from that meeting recommended that Commonwealth member countries strive to achieve at least 30 per cent women's participation/representation in key decision-making organs in the public, private and political spheres by 2005 and further urged member countries who had reached 30 per cent to strive for 50 per cent women's participation/representation as the ultimate goal. Today, the achievement of the above benchmarks remains a challenge for many Commonwealth member countries. This challenge further extends to going beyond merely increasing numbers of women in key decision-making position to effective empowerment with the aim of ensuring that women in such positions enjoy the requisite power and authority to make a meaningful impact on their society's development.

It should be noted from the outset that achieving democracy, development and peace, and in the process ensuring gender equality, requires resources. Prudent strategies have to be put in place to mobilise these both externally and internally. Additionally, resources are needed for activities aimed specifically at promoting gender equality so that women can make a meaningful contribution in democratic governance, development promotion and peace-building.

Democracy and Gender Equality

There are, basically, three different ways in which democracy can be defined and explained (see Landman, 2005; 2006). First, a minimal definition (explanation) of democracy locates its principle and practice around two values: political competition or contestation and participation. This definition reduces democracy to elections and the existence of formal institutions, such as the executive, legislature, judiciary, political parties, civil society organisations, etc. The notion of competition or contestation 'captures the uncertain peaceful competition necessary for democratic rule, a principle which presumes the legitimacy of some opposition, the right to challenge the incumbents... the existence of free and fair elections and a consolidated party system' (Landman, 2005:20). The notion of participation presupposes political control of the citizens over the people who govern on their behalf, 'popular sovereignty', and 'presumes the protection of the right to vote as well as the existence of universal suffrage' (ibid.). In electoral democracies, gender equality could be measured, inter alia, by the level of participation of women in electoral processes (as voters and contestants).

Second, the liberal notion of democracy extends beyond just contestation and participation to include the protection and promotion of political rights and civil liberties and

an institutional framework for a human rights culture between elections. It includes other institutional dimensions (guarantees) such as accountability, transparency, constraint over leaders, representation of citizens, rule of law, property and minority rights. In liberal democracies, gender equality can be assessed, inter alia, by the extent of women's participation in elections and their representation in various organs of government (including the legislature, executive, judiciary, public service and security establishment). Women's participation in other institutions outside the state – in various civil society organisations, including women's movements – is also crucial.

Third, the structuralist definition (explanation) of democracy extends the principle and practice of democracy beyond procedural (electoral) and institutional (liberal) dimensions found in the earlier definitions and introduces the socio-economic (structural) dimensions. In what is usually referred to variously as social democracy or developmental democracy, issues of social justice and respect for socio-economic rights loom larger than in electoral and liberal democracies. In social/developmental democracies, gender equality can be assessed not only through women's participation in elections and their representation in key institutions of governance (both governmental and non-governmental) but also through the power relations between women and men at various layers of societal life. Gender equality thus has to extend to women's participation in socio-economic governance.

The UNDP *Human Development Report 2002* reminds us that 'true democratization means more than elections. It requires the consolidation of democratic institutions and the strengthening of democratic practices, with democratic values and norms embedded in all parts of society' (2002:14). The Report isolates six key components of this as follows:

- A system of representation, with well functioning political parties and interest associations;
- An electoral system that guarantees free and fair elections as well as universal suffrage;
- A system of checks and balances based on the separation of powers, with independent judicial and legislative branches;
- A vibrant civil society, able to monitor government and private business – and provide alternative forms of political participation;
- Free and independent media; and
- Effective civilian control over the military and other security forces. (2002:4)

We should add gender equality to the list of components of democracy mentioned above. A democratic system that does not recognise representation of women in key decision-making organs is surely deficient. A democratic system is incomplete without deliberate measures aimed at socio-economic and political empowerment of women. Such measures, in the main, need not only to strive for achieving set benchmarks such as 30 or 50 per cent of women's representation in key decision-making organs (quantitative measure), but also to emphasise the significance of empowering women in these positions by according them the requisite power and authority (qualitative measure).

These transformative processes do not come about on their own. First, striving towards gender equality in the governance process as a central pillar of democratisation requires visionary leadership and firm commitment by governments. Without this, gender equality may not be realised. For instance, there is evidence pointing to the stark reality that even within the Commonwealth a gap exists between the signing of progressive declarations on gender equality and actual policy practice at the national level.

Second, linked to the above point, governments need to adhere in the governance process to agreed norms and conventions on gender equality, whether international (e.g. the Commonwealth Plan of Action), continental (e.g. the 2003 African Union protocol on gender equality) or regional (e.g. the 1997 SADC Declaration on Gender and Development). Adherence to these declarations and conventions ought to include, *inter alia*, institutional, legal, political and electoral reforms.

Third, gender equality cannot be the responsibility of governments and the political leadership alone. It also requires the existence of a robust and vibrant civil society capable of engaging constantly and constructively with government around gender equality issues. Within civil society, women's organisations themselves have to play a frontline role in championing issues of gender equality.

Fourth, resources have to be set aside for the promotion of gender equality at various levels and layers of governance. There is evidence suggesting that resources could be used prudently as incentives to further political will to strive towards gender equality in patriarchal societies. For instance, a self-evident case exists for all Commonwealth countries to provide public funding for political parties and make one of the criteria the number of women represented in the leadership structures of parties and as election candidates endorsed by parties.

Democracy for democracy's sake is an exercise in futility. It must (or at least ought to) be a means to an end. That end is development. Without development, democracy will forever remain a hollow concept out of reach of the ordinary people and only understood by the political elite and serving the partisan (at times self-serving) political interests of a small coterie of the powerful. It is to the centrality of development (particularly people-centred development) to a democratic process that we now turn.

The Essence of Development

Development, simply explained, refers to the progressive improvement of the socio-economic livelihoods of a people in a given country, especially in meeting their basic human rights: (a) food, (b) shelter, (c) health, (d) education and (e) employment. These are the basic needs that every human being requires be met in order first to ensure his/her dignity and second to enjoy other rights such as civil liberties. In the extant literature, there is a tendency by some to treat development as though it was synonymous with economic growth. Economic growth simply refers to the aggregate expansion of the economy often measured by such indices as gross domestic product (GDP) and gross national product (GNP). However, it is perfectly possible for a country to achieve fairly high economic growth rates over the years, yet for its development to remain stagnant

or, worse still, deteriorate. This observation suggests that a country can have economic growth without development, yet no country can achieve development without economic growth. However, is there a link between democracy and development? Furthermore, is there a link between development and gender equality?

A useful approach for the realisation of the linkage between democracy and development is the sustainable human development (SHD) approach introduced by the United Nations Development Programme (UNDP). Adebayo Adedeji suggests that

sustainable human development is... development that not only generates economic growth but also redistributes its benefits equitably. It empowers people rather than marginalises them. It regenerates the environment rather than destroys it. Finally, it gives priority to the poor by enlarging their choices and opportunities. Without doubt, sustainable human development is pro-people, pro-nature, pro-jobs and ipso facto pro-youth and pro-women. As such, it umbilically links economics and politics together, like the horse and the carriage. (2006:6-7)

SHD hinges on democratic governance in a fundamental way. The concept has been used widely as a highly reliable and clearly measurable indicator for social development. For this and other related reasons, it has added to the criticism of the reliability and utility of such indicators as GDP and GNP as adequate indices for measuring socio-economic development *a la* World Bank and the International Monetary Fund (IMF). In contrast to these economistic and narrow indices, it has introduced better-refined indices such as the human development index (HDI), gender development index (GDI) and human poverty index (HPI) with well-defined measurable variables and components.

Thus, SHD essentially involves a process of enlarging peoples' choices in a manner that enables them to enjoy 'long, healthy and creative lives' (UNDP, 1990). It denotes a decent standard of living for people and has three main components used to measure socio-economic progress in countries: (a) longevity, which measures life expectancy and state of health; (b) knowledge, which measures literacy rate; and (c) per capita income, which measures standard of living and poverty incidence. In pursuit of the SHD agenda, in 2000 the UN General Assembly adopted the Millennium Declaration, committing member States to achieving eight Millennium Development Goals (MDGs). These constitute a global social contract that – if successfully implemented – would transform societies in a positive direction both socio-economically as well as politically.

However, when progress on achievement of the MDGs was reviewed in September 2005, during the UN General Assembly in New York, it was evident that in all eight areas the gap between declaration on the one hand and political commitment and policy practice on the other remained wide. Consequently, the MDGs have not yet been achieved and the *Human Development Report 2005* points an accusing finger at three interrelated factors for this failure: (a) ineffective aid; (b) unequal trade; and (c) conflict and instability. The report argues that achievement of the MDGs will not be realised unless 'we can decisively resolve the bottlenecks currently retarding progress at the

pace and scale that are needed over the next decade' in these three broad areas (UNDP, 2005:4).

In recognition of the significance of gender power relations in the development process, the MDGs also commit UN member States to take deliberate steps to enhance the role and position of women. MDG 3 specifically aims to promote gender equality and empower women through 'eliminating gender disparity in primary and secondary education, preferably by 2005 and in all levels of education no later than 2015' (UNDP, 2003:3). The extent to which this goal is being realised leaves a lot to be desired. Gender disparity in primary and secondary education has not yet been eliminated, and it is unlikely that all Commonwealth countries will achieve this by 2015.

Women play a significant role in the development process in the Commonwealth, particularly in rural economies of developing countries. They are the backbone of agrarian economies in many countries in Africa, Asia and Latin America, where in many instances men have migrated to urban areas for wage employment. However, due in large measure to patriarchal ideology and male-dominated socialisation patterns, women still remain marginalised and their contribution to the development process goes unrecognised in official statistics, which often fail to capture the contribution of the informal sector to the overall performance of the national economy in terms of both growth and development. Consequently, women remain unsung heroes of the development advancement of many countries, a trend that needs to change through deliberate efforts to eradicate patriarchy and gender-insensitive socialisation patterns.

Peace as a Pre-condition for Democracy and Development

Democracy cannot prevail and endure under conditions of violent conflict. By the same token, development is impossible under conditions of war. It then goes without saying that both democracy and development require, as essential conditions, peace and constructive management of conflicts. While recognising the negative impact of violent conflict on both democracy and development, it is important to also appreciate the impact of conflict on gender equality.

Conflict exists everywhere as one of the defining features of power relations in all Commonwealth countries and, well managed through constructive mechanisms, it can be a dynamic force for democracy and development. However, once belligerents seek violent means of resolution, conflict turns counter-productive for both democracy and development. This observation is important in order for us to recognise that conflict is part and parcel of societal power relations and cannot be wished away. In this scheme of things, the challenge facing Commonwealth countries is to devise mechanisms for constructive management of conflict at three main levels: (a) conflict prevention to preempt conflict through early-warning systems; (b) conflict management/resolution to deal with existing conflict, aiming to avoid a violent rupture; and (c) conflict transformation to manage a violent conflict constructively and bring about peace.

Intra-state conflicts in many Commonwealth countries are violent and costly. There is no doubt that in many of these conflicts (driven mainly by the men) women have been

the hardest hit victims. There is also evidence suggesting that women have played an important role in the constructive management and resolution of some major violent conflicts. For instance, women have participated in decolonisation wars and liberation struggles of many Commonwealth countries and are currently contributing immensely to the process of peace-building in many newly democratising post-conflict societies, such as Mozambique, Sierra Leone and South Africa.

The major role played by women in this regard has been recognised by the UN Security Council Resolution 1325 on women, peace and security, adopted on 31 October 2000, which affirms 'the important role of women in the prevention and resolution of conflicts and in peace-building, and... the importance of their equal participation and full involvement in all efforts for the maintenance and promotion of peace and security, and the need to increase their role in decision-making with regard to conflict prevention and resolution' (United Nations, 2000:1). To this end, the Resolution makes two particularly important recommendations. First, it urges UN member States to 'ensure increased representation of women at all decision-making levels in national, regional and international institutions and mechanisms for the prevention, management and resolution of conflict' (ibid.:2). Second, it encourages UN member States to invest in gender equality for the achievement of peace 'by increasing their voluntary financial, technical and logistical support for gender-sensitive training efforts, including those undertaken by relevant funds and programmes, inter alia, the United Nations Development Fund for Women and the United Nations Children's Fund, and by the Office of the United Nations High Commissioner for Refugees and other relevant bodies' (ibid.).

Commonwealth countries are also urged to ensure that

women in societies affected by war and armed conflicts are placed in strategic positions of decision-making and trust, and that their voices are heard and heeded. [This] will ensure that interrelated processes of development and democracy, rule of law and peace-building, political participation and socio-economic empowerment will more effectively take on board gender issues. (Commonwealth Secretariat, 2003:42)

As we argued in the previous sections, gender equality is a critical pillar for democracy, development and peace and security. It goes without saying, therefore, that increased participation of women in governance processes of each Commonwealth country ought to become top policy priority in terms of both quantitative and qualitative improvement of power relations between women and men. But is that the case? It is on this that the next section turns the spotlight.

Gender Equality: Still the Missing Link?

In a recent publication on women in parliament, Jullie Ballington aptly argues that 'an essential tenet of any democratic framework is the principle of human rights, including the granting and exercise of the political rights of both men and women. The development of any political agenda that does not include the perspectives, views and experiences of those who will be affected is not credible' (in Ballington and Karam,

2005:24). This observation captures the essence of gender equality in a working democracy. However, the global trends indicate that, despite international declarations and protocols, we are still a long way from making this a reality.

Since the 1995 Beijing Declaration and Platform for Action and the 2000 Beijing +5 Political Declaration and Outcome Document, further international commitments have been made by various organisations including the Commonwealth to advance gender equality. The challenge is moving from declarations to (a) political commitment, (b) appropriate policy prescriptions, (c) actual actions, (d) mind-set/paradigm shifts and (e) constant monitoring and evaluation of progress and increase the number of women in key decision-making positions in the political, public and private spheres of governance.

While data is difficult to come by in respect of women's participation and representation in all these areas, reliable statistics exist in relation to the gender breakdown of the composition of legislatures around the world (Table 8.1).

The table shows that, throughout the world, women's representation in legislatures constitutes a mere 17 per cent, a far cry from the Beijing target of 30 per cent, let alone the ultimate 50 per cent gender parity for which the Commonwealth is striving. If the global trend is disaggregated by regions of the world, the picture that emerges is illustrated in Table 8.2.

Table 8.1: Global trend in gender breakdown of combined houses of parliament

| <i>Male MPs</i> | <i>Female MPs</i> | <i>Total</i> |
|-----------------|-------------------|--------------|
| 36,446 | 7,450 | 43,896 |
| 83.0% | 17.0% | 100% |

Source: Inter-Parliamentary Union (IPU) at www.ipu.org/wmn-e/world.htm.

Table 8.2: Women in parliaments: world and regional averages

| <i>Region</i> | <i>Single House or Lower House (%)</i> | <i>Upper House (%)</i> | <i>Both Houses Combined (%)</i> |
|--|--|------------------------|---------------------------------|
| Nordic Countries | 40.8 | ... | 40.8 |
| Americas | 20.0 | 19.3 | 19.9 |
| Europe-OSCE member countries, including Nordic countries | 19.7 | 17.5 | 19.2 |
| Europe-OSCE member countries, including Nordic countries | 17.6 | 17.5 | 17.6 |
| Sub-Saharan Africa | 16.8 | 18.2 | 17.0 |
| Asia | 16.5 | 15.7 | 16.4 |
| Pacific | 12.4 | 31.8 | 14.5 |
| Arab states | 9.5 | 6.3 | 8.8 |

Source: Inter-Parliamentary Union (IPU) at www.ipu.org/wmn-e/world.htm

It is interesting to note that the situation depicted in this table tells us a lot about democracy and development (and, to a considerable extent, peace too) in the regions listed. It can be plausibly argued that the reason why the Nordic countries are top of the list is precisely because they practice social or developmental democracy, with an emphasis on social welfare and promotion of socio-economic rights that is manifested in, among other things, the promotion of gender equality at all spheres of governance. The Nordic countries are also high performers on a global stage in terms of their level of human development, as vividly illustrated in the latest UNDP Human Development Reports. Not only are these countries advanced and established democracies marked by high economic growth and human development rates, but their political systems are also characterised by peace and stability.

A similar argument can be advanced in explaining the position of Europe (with or without the Nordic countries). Member countries of the Organisation for Security and Co-operation in Europe (OSCE) are also mature and established liberal democracies with institutional guarantees for the respect, observance and protection of human rights (including women's rights). OSCE member countries have also developed a well-established peer review mechanism ensuring that they hold each other accountable in terms of advancing democratic governance, including improvement of the status of women in politics. Not only do these countries have robust liberal democracies, with impressive ratings by such organisations as Freedom House in terms of their standing in respect of civil liberties and political rights, but their economic growth and human development rates are also high and, since the end of the Second World War, they have hardly experienced protracted inter-state violent conflicts.

The situation is different in developing countries of sub-Saharan Africa, Asia, the Pacific and the Middle East. Almost all sub-Saharan Africa started off well by adopting multi-party democratic systems on achieving their political independence in the late 1950s and early 1960s. However, even before the first decade of independence was over, many of these countries had abandoned liberal democracy bequeathed from colonial administrations and adopted authoritarian regimes of either civilian or military varieties. Only a few countries were the exception to this rule – Botswana, Mauritius, Senegal, etc. Authoritarian governments in many sub-Saharan countries presided over declining economic growth and human development rates. Worse still, many of the sub-Saharan States were involved in protracted violent conflicts of both an inter-state and intra-state nature for the larger part of the Cold War era (see Harris and Reilly, 1998; Large and Sisk, 2006a; Large and Sisk, 2006b).

Only since the late 1980s and early 1990s, with the collapse of the Cold War and the onset of the global wave of democratisation (see Huntington, 1991), did sub-Saharan Africa begin to re-introduce multiparty political systems, marked by regular elections and in some instances democratic transfer of power from one regime to another. However, the extent to which individual countries have actually undergone democratic transition and have therefore embraced liberal democracy in both theory and practice differs markedly from one country to another. This in part explains their comparatively unimpressive performance in relation to representation of women in their legislatures. Yet,

ironically, some countries, such as Rwanda (48.8 per cent), Mozambique (34.8 per cent), South Africa (32.8 per cent), Burundi (30.5 per cent), United Republic of Tanzania (30.4 per cent), Uganda (29.8 per cent), Seychelles (29.4) and Namibia (26.9 per cent) have managed to achieve the 30 per cent benchmark of gender representation in their legislatures or are very close to achieving this target. What these countries need to do now is to consolidate their achievement in striving towards gender equality and aim for the ultimate goal of gender parity as set out in the PoA.

A majority of States in Asia, the Pacific and the Middle East or Arab states are struggling to achieve progress in women's representation in the legislature. In these parts of the world, 'real gains in women accessing legislatures have not occurred, and largely insurmountable obstacles persist. For example, women are still least represented in the Arab states' (Ballington and Karam, 2005:25). Ballington and Karam further note that 'women remain woefully under-represented in the parliaments of the Pacific Island States... (excluding Australia and New Zealand...)' (ibid.). This situation is explicable, in part, by either authoritarian governments that hold sway in these regions or the fragility of their existing democracies. Such authoritarian regimes and/or fragile democracies have also been hemmed in by protracted violent conflicts of various types, which have not only triggered political instability but have also come at enormous socio-economic costs.

The trend depicted above does have a bearing on gender relations and representation of women in decision-making positions within Commonwealth member countries. As mentioned earlier, member countries have committed themselves to achieving at least 30 per cent women's representation in key political, public and private spheres of governance (by 2005) and striving towards the ultimate goal of gender parity and achieving 50 per cent women's representation after 2005. Although no Commonwealth member country has as yet achieved the latter, various countries have made appreciable progress in increasing women's representation in key public decision-making bodies, especially in parliament. Table 8.3 depicts the trend in women's representation in the top ten best performing Commonwealth member countries in 1999 and 2007.

Table 8.3: Top ten Commonwealth countries: women's participation in the national parliament/assembly, 1999 and 2007

| 1999 | | | 2007 (as of 31 January) | | |
|------|---------------------|-----------------------|-------------------------|-------------------------|-----------------------|
| Rank | Country | % women in parliament | Rank | Country | % women in parliament |
| 1 | New Zealand | 30.0 | 1 | Mozambique | 34.8 |
| 2 | Mozambique | 28.0 | 2 | South Africa | 32.8 |
| 3 | Grenada | 26.7 | 3 | New Zealand | 32.2 |
| 4 | Australia | 25.5 | 4 | United Rep. of Tanzania | 30.4 |
| 5 | Seychelles | 23.5 | 5 | Seychelles | 29.4 |
| 6 | Trinidad and Tobago | 22.4 | 6 | Guyana | 29.0 |
| 7 | Canada | 20.0 | 7 | Namibia | 26.9 |
| 8 | Namibia | 19.2 | 8 | Grenada | 26.7 |
| 9 | Uganda | 18.4 | 9 | Australia | 24.7 |
| 10 | United Kingdom | 18.0 | 10 | Pakistan | 21.3 |

Source: Commonwealth Secretariat, 2003:41; IPU Database, 2007.

Overall, while progress is evidently underway in some Commonwealth countries, the majority face an enormous challenge of fast-tracking gender equality in their governance processes. Moreover, the point also has to be made that all Commonwealth countries need to go beyond sheer numbers in their striving for gender equality. We have long gone beyond the era when increasing the numbers of women in key organs of the state was a sufficient cause for celebration of progress. While increasing the numbers is, in and of itself, a critical measure of how Commonwealth countries are moving towards gender equality, it is important to recognise that this quantitative measure needs to be balanced with another equally important qualitative measure. As women begin to occupy strategic positions of power in public institutions, it behoves the political leadership to bestow on these women the requisite power and authority that resides in these positions. Focusing merely on the numbers of women and neglecting the empowerment of women to have the authority as office holders runs the risk of tokenism, either by default or by design.

Investing in Gender Equality and Women's Empowerment

While it is clear that progress has been made, daunting challenges remain in the Commonwealth in terms of promoting gender equality in the processes of building and sustaining democracy, advancing development and building peace. This section focuses attention specifically on challenges for financing gender equality and investing in women's political participation and empowerment.

First, Commonwealth countries have signed various declarations, including the PoA. It is imperative that countries translate these declarations into legislation and policy practice in their own national settings. Governments have to make budgetary allocations for ensuring needed legal, institutional and policy reform towards gender equality. Some Commonwealth countries have already developed gender policies and thus need to mobilise and earmark adequate resources for implementation of these policies. By doing so, they will have gone a long way in closing the yawning gap between declarations and commitment, which in part explains countries' mixed performance in terms of achieving the agreed gender equality benchmarks.

Second, Commonwealth countries need to mobilise resources for the provision of incentives to promote affirmative action for women's empowerment and the achievement of gender equality. Such measures are wide-ranging and could include, inter alia,

- *Legislated gender quotas* compelling political parties and parliaments to ensure a stipulated percentage of women in decision-making positions;
- *Voluntary gender quotas*, especially at party level (for instance, in South Africa some political parties such as the African National Congress have internal quotas for 50 per cent gender parity for leadership positions and nomination of candidates for purposes of elections);

- *Training of key actors* within parliaments, political parties, civil society organisations and election management bodies on gender equality and strategies for the empowerment of women;
- *Research* to provide evidence-based, up-to-date and comparative analytical information on a regular basis regarding the state of gender equality in various regions of the Commonwealth and progress towards meeting the PoA target of gender parity; and
- *Specifically reserved seats* for women through elections (as in the United Republic of Tanzania's 30 per cent quota for women in parliament and Lesotho's 30 per cent quota for women in local government elections).

Third, Commonwealth countries need to mobilise both internal and external funding for wide-ranging political and electoral reforms with the main aim of ensuring gender equality. For example, political parties need to institutionalise internal democracy, which should involve promoting gender equality in respect of the composition of top leadership and nomination of candidates for elections. One way of compelling parties in this direction is to provide public funding and/or campaign financing that is conditional on the levels of gender representation and number of women nominated for elections.

Resources are also required for intensive and systematic voter education and civic education. Voter education should incorporate a considerable component on the significance of women's participation in elections – not only as voters, but also as candidates contesting elections either on their own or endorsed by political parties. Civic education between elections needs to be sustained, and this should incorporate a component on the role of women in the democratic process beyond elections.

Another area that needs reforming in order to ensure that women become more active in politics and actually occupy positions of authority and power in both parties and parliaments revolves around electoral systems. Many Commonwealth countries operate the single-member plurality system. This system, also known as the first-past-the-post (FPTP) system, has in many instances proved to be less conducive to gender inclusiveness compared to the proportional representation (PR) system, as Table 8.4 suggests in regard to the strengths and weaknesses of these systems

Conclusion

Commonwealth countries have made tremendous strides in their effort to broaden the frontiers of democratic governance, expand opportunities for sustainable socio-economic development and promote durable peace. Despite this commendable progress, however, enormous challenges still remain for the Commonwealth to deepen and consolidate democratic governance, broaden development and entrench peace and security in a majority of its member countries. Additionally, and more importantly, the chapter has also highlighted major challenges for the promotion of gender equality that cut across various frontiers including democracy, development and conflict management and peace processes. Addressing these challenges require deliberate efforts and strategies to mobilise resources and invest in gender equality.

Table 8.4: Characteristic features of the FPTP and PR systems

| The FPTP System | |
|--|---|
| <i>Advantages</i> | <i>Disadvantages</i> |
| Clear choice between two main parties | Excludes minor parties |
| Ensures single party governments | Exaggerates electoral dominance of ruling parties |
| Gives rise to coherent parliamentary opposition | Problem of waste votes, which amounts to disenfranchisement |
| Excludes extremist parties | Amenable to minority government problem |
| Links MP to constituency | Unresponsive to changes in public opinion |
| Allows independent candidates to contest elections | Open to manipulation of election boundaries |
| Allows floor crossing | Less conducive to women's participation |
| Simplicity and familiarity in Africa | Problem of single party parliament |
| The PR System | |
| <i>Advantages</i> | <i>Disadvantages</i> |
| Fair translation of seats into legislative seats | Weak MP-constituency link and accountability |
| Inclusion of minority parties in the legislature | Gives too much power to the party |
| Inclusive and socially diverse list of candidates | Little room for independent candidates |
| Regional fiefdoms restricted | May provide a platform for extremist parties |
| Leads to power sharing and coalition governments | Instability of coalition parties |
| Less vote wastage | Less likelihood of dislodging a ruling party |
| More conducive to women's participation | Conventionally it disallows floor-crossing |
| Conducive to consensus-building politics | Less known and less familiar in Africa |

As discussed above, the majority of Commonwealth countries that still have not met the 30 per cent benchmark need to fast-track gender equality in their governance processes, while the few that have met the target need to sustain the momentum of increased women's participation to achieve 50 per cent gender parity. In addition, while increasing the numbers is a critical measure of how Commonwealth countries are striving towards gender equality, it is also important to ensure that as women begin to occupy strategic positions of power in public institutions they are accorded the requisite power and authority that resides in these positions.

As Commonwealth member countries strive towards gender equality, emphasis must therefore be placed on both the quantitative and qualitative aspects of this agenda. Investment in gender equality involves, among other things, mobilisation of resources both nationally and externally to advance women's political participation and empowerment with a view to meeting the benchmarks set in the PoA. This would include investing in legal, institutional and policy reforms; public funding for political parties; voter

and civic education; electoral system reforms; introduction and implementation of legislated and/or voluntary gender quotas; and training and research focusing on gender equality.

Recommendations

If Commonwealth countries are to advance democracy, development and peace and in the process ensure gender equality, it is recommended that they should do the following:

Democracy

- show political commitment towards prioritising gender equality in the democratisation process;
- adhere to the Harare Declaration as well as regional (e.g. SADC), continental (e.g. AU) and international (e.g. Commonwealth) norms/declarations on gender equality;
- create an environment conducive to the existence of a robust and vibrant civil society engaging constantly with government around gender equality;
- initiate necessary reform of legislation and policies for the realisation of gender equality in the democratic process;
- finance democracy, deliberately investing in gender equality as one of the pillars of representative democracy.

Development

- put in place effective implementation and monitoring mechanisms for the achievement of the MDGs;
- translate the MDGs into national development policies and strategies;
- prioritise gender equality in striving towards sustainable human development (SHD).

Conflict management and peace

- pay special attention in managing conflicts to the adverse impact of violent conflict on women and children;
- adhere to UN Security Council Resolution 1325, adopted on 31 October 2000, which recognises the important role of women in the prevention and resolution of conflicts and in peace-building, and therefore the importance of their equal participation and full involvement in all efforts for the maintenance and promotion of peace and security;
- invest in gender equality for the achievement of peace 'by increasing their voluntary financial, technical and logistical support for gender-sensitive training efforts, including those undertaken by relevant funds and programmes, inter alia, the United

Nations Development Fund for Women and the United Nations Children's Fund, and by the Office of the United Nations High Commissioner for Refugees and other relevant bodies' (UN, 2000:2).

Investing in gender equality

- translate the Plan of Action into national legislation and policy practice in order to bridge the yawning gap between declaration and political commitment;
- make budgetary allocations for ensuring needed law and policy reform towards gender equality;
- mobilise resources for driving gender equality, including gender quotas and reserved seats;
- mobilise both internal and external funding for wide-ranging political and electoral reforms with the main aim of ensuring gender equality, including promotion of internal democracy within political parties, electoral system reforms, and voter and civic education.

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CHAPTER 9

Financing for Gender Equality: Post-conflict Reconstruction and Peace-building

Sherrill Whittington

Overview

The devastating impact of conflict results in widespread destruction of infrastructure, livelihoods, services and communities and massive dislocation of populations. Years of bad governance and fiscal breakdown leave war-shattered failed States with no reserves and little capacity for financial management. Huge amounts of resources have been and continue to be expended on large and medium-level conflicts in countries such as Afghanistan, Bougainville, Democratic Republic of Congo, Iraq, Liberia, Solomon Islands, Sri Lanka and the former Yugoslavia. Millions of dollars have been spent on attempts to reconstruct these countries with no guarantees of sustainable democratisation or economic development.

While massive costs are entailed in waging wars, the extreme poverty of vulnerable populations, particularly women and children, is always exacerbated by conflict. In many cases, following the cessation of hostilities there has been an outpouring of donor funding for post-conflict reconstruction and peace-building, but the extent to which this has promoted gender equality or benefited women and children has yet to be determined.

Women's involvement as equal players in national reconstruction is essential if they are '... to influence decisions that affect their lives and those of their families, and their political, social and economic empowerment must form part of the democratic ideal that contributes to sustainable development' (Commonwealth Secretariat, 2005:26). In the immediate aftermath of conflict there exists a short, critical window for women to be 'included at the highest levels of peace-building, peacekeeping, conflict mediation, resolution, and post-conflict reconciliation and reconstruction activities' (ibid:28).

This has to be translated into a gender-inclusive, participatory process of reconstruction with equal decision-making about access to and allocation of resources. Achieving this raises a number of questions. What is the involvement of women in peace negotiations and donor conferences? To what degree are their priorities, concerns and values integrated into in-country donor needs assessments? Are they consulted in developing frameworks for national reconstruction and given serious consideration in defining priorities and resources? To what extent are systems of donor accountability for disbursement of

funding during and after crises gender sensitive? How can a gender lens be applied to audit both the inputs and outputs of the billions of dollars spent globally for humanitarian aid, reconstruction and peace-building?

Post-conflict Reconstruction: A Window for Gender Equality

In the immediate aftermath of conflict and the conclusion of a peace agreement there is usually an influx of international actors charged with undertaking social and economic recovery in order to prevent a reversion to violent conflict. If planned and executed from a rights-based approach, this period of transition to sustainable peace can serve as a unique 'window of opportunity' to establish new norms and rules, engage new leaders and build new institutions with a focus on women's rights and their invaluable contribution to their nation's rebuilding. The period must be used not to reconstruct what has failed, but rather to build a new model of democratisation and development.

From the very beginning of the reconstruction phase, the full and equal involvement of women is an issue of gender justice. This concept encompasses equitable treatment and participation of women in the negotiation of peace agreements, the planning and implementation of UN peace operations, the creation and administration of new governments (including agencies and institutions focused on the needs of women and girls), the provision of the full range of educational opportunities and the revival and growth of the economy. It also includes fostering a culture that enhances the talents, capabilities and well-being of women and girls.

Thus it is essential to engage all stakeholders in the reconstruction process, which begins with a peace agreement and is often followed by peace-keeping or peace support operations mandated to create conditions to restore internal security and repair communications, roads and transportation. The focus then shifts to restoring the rule of law, administration, governance, a judicial system and rebuilding basic social services such as health and education (Anderlini, 2004:52), requiring substantial contributions by donors. These key players in national rebuilding – including the United Nations, World Bank, bilateral funders and non-governmental organisations (NGOs)¹ – all have policies upholding the centrality of gender mainstreaming and should be in the forefront of ensuring that women are equal partners in, and equal beneficiaries of, all reconstruction programmes and activities.

This would give centrality to gender equality, which implies that the interests, needs and priorities of both women and men are taken into consideration from the outset (OSAGI, 2001), because for women in particular the peace table is a forum not only for negotiating an end to war, but also for laying the foundations of a new society guided by the principles of social justice, human rights and equality (Anderlini, 2000:10). Participation can offer women the opportunity to secure gains on a wide range of issues – such as economic security, social development and political participation – related to the advancement of women's rights and gender equality. While there is evidence that more recent peace agreements are starting to underscore the economic and security needs of women, such provisions are rarely backed by sufficient resources and will. Donors are in

a powerful position not only to insist that women participate equally in all negotiations and to support their involvement, but also to ensure that gender budgetary frameworks are put in place to embed gender equality into every stage of reconstruction planning and implementation.

One of the most immediate ways in which this can be done is in the initial post-conflict aftermath during the disarmament, demobilisation, reintegration and rehabilitation (DDRR) phase. The 'invisibility' of many female ex-combatants and the definition of a 'combatant' as someone with weapons serve to compound the assumption that women who have undertaken supportive roles for male combatants are not entitled to benefits. This occurred in Timor-Leste in 2000, when the World Bank provided reintegration support and job training for former Fretilin² fighters with no benefit packages for the hundreds of women who had worked clandestinely supporting the 25-year liberation struggle. Before the official processes, women are often engaged in grassroots disarmament, as witnessed in Bougainville, Sierra Leone and Solomon Islands.

Although the United Nations Security Council Resolution 1325 calls for all those involved in planning for disarmament, demobilisation and reintegration to consider the different needs of female and male ex-combatants and to take into account the needs of their dependents, only 6 per cent of DDRR participants in Sierra Leone were women and 0.6 per cent girls, although women and girls constituted an estimated 12 per cent of combatants. In northern Uganda, girls and young women maintained that education and skills training would be the most meaningful contribution that local and international agencies could provide to assist their reintegration. Yet few released from the Lord's Resistance Army (LRA)³ have benefited from internationally funded reintegration programmes.

Article XXVIII, paragraph 2 of the Lomé Peace Accord, which ended hostilities in Sierra Leone, stated that since women 'have been particularly victimized during the war, special attention shall be accorded to their needs and potentials in formulating and implementing national rehabilitation, reconstruction and development programmes, to enable them play a central role in the moral, social and physical reconstruction of Sierra Leone'. Yet despite such acknowledgements, support services and legal aid were rarely provided to women during the Truth and Reconciliation Commission (TRC),⁴ and those involved in the judicial process were not provided with gender-sensitivity training to eliminate the gender bias that impeded women from receiving fair treatment as witnesses, as complainants and in investigations. If a donor-supported gender justice fund were to be made available to women and girls, with training resources and capacity-building provided for those involved in all such processes, then justice and reparations for victims of gender-based violence and other human rights abuses might be realised.

In order to heal war-torn societies, social justice, which also encompasses health and education issues, has to be accorded a high priority. Pre-conflict state failure diverts human and financial resources away from public health and other social services, a situation compounded by widespread destruction of facilities and resources during war. Immediate attention has to be given not only to the plethora of injuries sustained, but also to the spread of disease, including increased rates of HIV transmission. While

women and girls are victims of the general violence and lack of health care, along with men and boys, they also experience the physical, psychological and societal repercussions of sexual violations. Special resources have to be allocated to addressing their rehabilitation and to the restoration of public health services, particularly in areas of reproductive health.

While immediate assistance is required to rebuild war-shattered economies, particular attention should be accorded to the gendered dimensions of economic reconstruction. Often during times of conflict women assume the role of bread-winner, taking on jobs traditionally undertaken by men. In addition to their domestic roles as primary caregivers, many women seek work outside the home in order to sustain their families as single parents. The percentage of female-headed households escalates during and after conflict, with widows often having no rights to the land they cultivate. With national reconstruction, many women lose their employment in the formal sector and return to working within the household or in the informal sector.

The establishment of peace support missions, coupled with the huge injection of foreign capital and influx of a short-term international community, results in the development of a dual economy, juxtaposing a wealthy foreign elite that enjoys a luxury lifestyle with a totally impoverished local population without access to basic goods and services. The gendered impact of this immediate, short-lived economic imbalance has yet to be fully analysed, but in many instances it inflates prices for local household items and foodstuffs. It also results in many women and girls seeking employment informally in the service sector, as household domestics or prostitutes. Lack of workplace contracts and unstable conditions exposes them to abuse, as well as loss of family income with the downscaling of peace-keeping and donor operations. Failure to address income-generating skills training, short-term emergency credit provisions and sustainable employment opportunities leads to a gender imbalance, with women excluded from economic reconstruction.

Post-conflict reconstruction programmes must prevent such discrimination by providing equal opportunities to women and men. While it is crucially important to focus on employing men, missing the opportunity to engage women in formal economic activities is a strategic oversight. The major development challenge is to take advantage of and assist in sustaining positive gender role changes regarding work by designing economic assistance programmes that build on newly acquired skills and encourage women and men to continue in their new activities.

Without economic support, women face huge barriers in attaining an equal voice in decision-making at a time of flux when they should play a key role in determining the nation's political future. Ensuring that non-discrimination and gender equality are embedded in new or revised constitutions is essential to build a legal and political framework based on rights. Lack of funding and capacity to build strong, unified civil society organisations (CSOs) and caucuses can prevent women making the most of the crucial interim period between a peace agreement and the first post-conflict elections. While in many countries, such as Afghanistan, Rwanda, South Africa and Timor-Leste, the post-conflict period witnessed a substantial increase in female parliamentary representation,

in others, such as the Solomon Islands, it did not. A variety of factors are responsible and comparative studies need to be undertaken, but one of the key barriers facing women seeking political office, particularly those who contest as independents, is lack of financial support and capacity-building, regarded by women in the Solomon Islands as the key obstacle to their failure to secure a single seat in the 2006 elections.

Engendering Post-conflict Recovery and Peace-building Budgets

How can post-conflict gender gaps be redressed? The answer lies largely in adopting an inclusive, rights-based transformational approach to ensure constructive change, moving war-torn populations from extreme vulnerability and dependency to self-sufficiency and well-being. However, 'post-conflict reconstruction programmes rarely recognise the impact of decisions on resource allocations to different sectors on women, men and gender relations. Removing gender barriers in setting priorities may affect development outcomes significantly...' (Sweetman, 2005:5).

A key international instrument for ensuring that women are not marginalised is United Nations Security Council Resolution 1325 on women, peace and security, which recognises that '... peace is inextricably linked to equality between women and men' (Annan, 2000). The resolution addresses itself to all actors involved in negotiating and implementing peace agreements, calling on them to adopt a gender perspective, particularly regarding the special needs of women and girls during repatriation and resettlement and for involving women in all the implementation mechanisms of the peace agreements. Special focus is accorded to ensuring the protection of and respect for the human rights of women and girls, particularly as they relate to the constitution, the electoral system, the police and the judiciary (United Nations, 2000).

The full budgetary implications of implementing Resolution 1325 have yet to be assessed. UN financing of post-conflict recovery, reconstruction and sustainable peace-building draws on a number of budgetary sources, most notably peacekeeping, the Consolidated Appeals Process (CAP), the recent Central Emergency Response Fund (CERF), covering all humanitarian crises, as well the budgets of UN agencies and funds that cover economic, social and political reconstruction. While there are numerous UN directives, mandates and resolutions on mainstreaming gender equality into all policies and programmes, there is as yet no gender budget for peace-keeping operations or peace building. Nor do many reconstruction efforts and budgets specifically target women or undergo a gender-budget analysis. For example, in the United Nations Transitional Administration in East Timor (UNTAET), the peace-keeping mission in Timor-Leste from 2000–2002, there was no budget allocated to the Gender Unit for programme implementation, all funding having to be raised independently from international external donors.⁵ There are still no systems in place to monitor and evaluate the allocation and disbursement of funding to ensure that women and girls are equal partners in and equal beneficiaries of the full array of peace-keeping and national reconstruction programmes falling under the aegis of the UN.

The largest multilateral funder is the World Bank, which in its Operational Policy states that it 'aims to reduce gender disparities and enhance women's participation in the economic development of their countries by integrating gender considerations in its country assistance program' (World Bank, 2002:30). Through its Post-Conflict Fund (PCF), established in 1997 to enhance the Bank's ability to support countries in transition from conflict to sustainable peace and economic growth, grants are made to a wide range of partners (UN agencies, transitional authorities, governments, institutions, NGOs and other civil society bodies) to provide earlier and broader Bank assistance to post-conflict countries (www.worldbank.org). In a recent analysis of its role in conflict and development, the Bank stated clearly that 'the design of post-conflict reconstruction programs needs to adopt an explicit gender focus...' (World Bank, 2004:20), and that the PCF has played 'an important role in supporting innovative approaches to gender in conflict-affected countries' (ibid:21). Among the initiatives supported have been community actions for the reintegration and recovery of youth and women in the Democratic Republic of Congo, employment projects for women in Bosnia and capacity-building for rural women leaders in South Africa, as well as a special project for war widows in Indonesia and Timor-Leste.

While specific women-focused projects can undoubtedly promote women's empowerment, such an approach fails to mainstream gender equality throughout all aspects of reconstruction and nation-building programmes. For example, credit is a popular post-conflict reconstruction tool, but even though it is a particularly difficult challenge for women without collateral, many credit programmes for post-conflict reconstruction have failed to integrate gender equality, as was seen in the World Bank Sierra Leone Economic Rehabilitation and Recovery Credit Project, which did not even acknowledge women's important role in the economy (ibid:6).

Donor coordination is essential during this critical period if women's equal involvement is to be assured. A sudden huge injection of funding into countries that have been shattered economically, politically and socially has to be carefully managed. Unless a donor co-ordination mechanism is established that is able to monitor disbursement, duplication can occur. Women's organisations that may have been active as freedom fighters or peace-makers have to be able make the transition to promoting the role of women's rights in reconstruction. Unless a structured women's network is established and strengthened, the in-pouring of donor funding can lead to divisiveness, with new NGOs cropping up or others breaking away from a larger organisation in order to take advantage of the brief window of abundance. Both multilateral and bilateral donors, as well as other international actors, need to encourage unity of vision and a common agenda for women. This can be greatly facilitated by supporting a Women's Congress or National Women's Conference at the outset, as in Afghanistan, Iraq and Timor-Leste. Such inclusive conferences can produce a 'gender blueprint' for transformative reconstruction based on gender equality.

Despite commitments to the importance of gender equality, the percentages of donor funding actually allocated to women's economic, social and political empowerment in the wake of conflict remains miniscule compared with the total outlay. While there has

been a recent recognition of the need for resource allocation to combat gender-based violence, other key women's rights areas in the rule of law, governance and economic reconstruction are being neglected. If a gender audit were to be undertaken in selected post-conflict countries at various stages of redevelopment, it would be evident that when the overall impact of the reconstruction aid agenda is assessed, gender equality and women's rights have been largely overlooked.

Both the Inter-Agency Network on Women and Gender Equality (IANWGE) and the OECD-DAC Network on Gender Equality have recognised that gender equality and women's empowerment are critical for development effectiveness (IANWGE/OECD-DAC, 2006). Yet reviews of poverty reduction strategies, Millennium Development Goal (MDG) progress reports and sector-wide approaches suggest that, with some notable exceptions, these have largely been gender-blind, take a very narrow perspective on gender, lack empirical evidence and/or fail to translate gender analysis into plans with budgets. There is a clear acknowledgement that to be effective in influencing the agenda, donors need to forge partnerships and develop clear goals and strategies for joint work to foster gender equality (Network on Gender Equality, 2006). This is very relevant to the critical interim stage between the end of hostilities and building the foundations for a successfully operating State out of the ashes of one that has failed.

All post-conflict reconstruction programmes should support initial gender impact assessments, gender budget analyses and advocacy to improve spending patterns so that more donor funding benefits men and women equally (ibid). The OECD (2005) 'Principles for Good International Engagement in Fragile States', in conjunction with the partnership commitments of the Paris Declaration,⁶ can be engendered and applied as a guide to evaluating the effectiveness of such programmes. As considered by the OECD-DAC Network on Gender Equality and the OECD-DAC Working Party on Aid Effectiveness at their meeting in July 2006, one possible adaptation could be the following:

- *Ownership* can incorporate gender equality issues and women's concerns into the reconstruction agenda, with full support given to the strengthening and inclusion of women's national machineries and civil society organisations in implementation, monitoring and evaluation.
- *Alignment* necessitates donor acknowledgement of the application of mutual commitments to gender equality and international instruments to strengthen gender equality and women's empowerment.
- *Harmonisation* of ways of addressing gender equality in evolving new programme mechanisms and rationalisation of donor support for countries emerging from conflict should be undertaken.
- *Managing for results* should demonstrate gender equality results and impacts, with monitoring of the gender impacts of donor-funded reconstruction reflected in all performance assessment frameworks.
- *Mutual accountability* should be the responsibility of all multilateral and bilateral donors involved in post-conflict reconstruction programmes, with women included

in the mechanisms; accountability must be monitored using gender-responsive indicators (Network on Gender Equality, 2006)

The priorities of women in reconstructing their war-torn nation were very clearly enunciated in the Sudanese women's recommendations to the Oslo Donors Conference in April 2005, where they called for a commitment to principles of gender-responsive resource allocation so that at least 80 per cent of budgetary allocations and resource support to Sudan's reconstruction met at least three of the following criteria:

- directly benefiting women, contributing directly to women's empowerment and increasing women's capacities, opportunities and access to resources;
- reducing gender inequalities in law, policy and practice;
- directly benefiting young people, especially girls, in disadvantaged communities;
- targeting rural areas.

The women also called for the provision of financial support for the hosting of an all-inclusive Sudanese Women's Conference that would define a coherent, long-term agenda and strategy for accelerating women's empowerment and gender equality.⁷ They argued that for such an agenda to become a reality, donors and multilateral agencies would need to use their combined strengths and forge partnerships to foster gender equality as a clearly defined joint goal and shared task. This would necessitate a greater pooling of resources, increased use of programmatic approaches, joint analytical work, a clear division of roles and responsibilities, and agreements on strategic priorities and approaches by donors and multilateral agencies (Network on Gender Equality, 2006:6).

Commonwealth Commitment to Transformative Reconstruction

As a key international actor, the Commonwealth has long been an advocate of the integral importance of gender equality, regarding the principles of gender equality and inclusion as fundamental values on which every attempt at democracy and peace building must be based. With a mandate encompassing human rights, promotion of democracy and good governance, electoral support to post-conflict countries and technical cooperation, the Commonwealth has also played a leading role in developing resources for gender budgeting.

The 1995 Commonwealth Plan of Action on Gender and Development endorsed by Commonwealth Heads of Government urged governments to 'take vigorous action to promote and defend women's rights, and advocate for their political participation in peace processes and democratic decision-making' (www.thecommonwealth.org). The Sixth Women's Affairs Ministers Meeting (WAMM), held in Delhi in 2000, recommended that 'the Commonwealth take action in collaboration with other international organisations and civil society to include women at the highest levels of peace-building, peacekeeping, conflict mediation, resolution, and post-conflict reconciliation and reconstruction activities ...' (ibid). It encouraged a 30 per cent target for women's

participation in peace initiatives by the year 2005. The Commonwealth Plan of Action for Gender Equality 2005–2015 recognises that women's empowerment and gender equality are intrinsic to achieving sustainable development and democracy. It aims to advance Commonwealth action in gender, democracy, peace and conflict; gender, human rights and law; gender, poverty eradication and economic empowerment; and gender and HIV/AIDS. All of these four areas are critical to rebuilding war-torn states.

The many gender-responsive budgetary tools developed by the Commonwealth – including gender-aware policy appraisal, beneficiary assessment, gender-disaggregated expenditure incidence analysis and the gender-aware medium-term economic policy framework – can be adapted to prepare a gender-responsive budget assessment of the application of funding resources in post-conflict reconstruction and peace building. The capacities of national machineries for women and women's CSOs can be developed to examine and monitor inputs, activities, outputs and impacts of multilateral and bilateral donor interventions and provide comprehensive feedback on the effectiveness and efficiency of donor expenditure (Budlender and Hewitt, 2002). Gender budgeting models such as those undertaken in Rwanda and South Africa can be further developed and improved, and adapted to other Commonwealth countries such as Bougainville, Sierra Leone and Solomon Islands that are currently developing good governance programmes.

Both the Commonwealth Fund for Technical Cooperation (CFTC) and the Commonwealth Parliamentary Association (CPA) have direct experience in furthering Commonwealth principles in post-conflict development and democratisation. The CFTC regards itself as a force for peace, democracy, equality and good governance and is utilised to fund policy advice, build capacity, develop resource materials and give technical assistance (Commonwealth Secretariat, 2005). The CPA works in the fields of good governance, democracy, elections and human rights, with special attention paid to gender sensitising.⁸ Such capacity for outreach and direct involvement in post-conflict transitions enables these Commonwealth bodies to undertake a key role in evaluating the extent of resource allocation for women's empowerment and gender equity.

Conclusions

In order to advance gender equality, women's rights and women's empowerment in post-conflict reconstruction, adequate resources must be earmarked, monitored and evaluated to determine to what extent they are advancing equality for development and democracy. Gender-disaggregated measures of inputs, outputs and outcomes for reconstruction budgets need to be developed and gender audits undertaken in countries at various stages of recovery and rehabilitation.

The Commonwealth is in a prime position to evaluate existing gender budgetary resources, experiences and expertise. It can take the initiative in developing inclusive budgetary frameworks and models for rebuilding war-torn countries. With its direct access to governments, it can work to build the capacity of women's ministries and national machineries to work with finance ministries, CSOs and international donors to develop appropriate gender equality objectives and strategies. The capacity of

women parliamentarians to monitor budgetary expenditure can also be developed and strengthened.

Failure to ensure that reconstruction and peace-building budgets are consultative, inclusive and equitable will result in rebuilding from a flawed perspective. Peace building must be a participatory process that does not reconstruct what has failed, but develops a new paradigm based on gender equality and the protection of women's social, economic and political rights.

Notes

1. NGOs such as, for example, Oxfam, CARE and Save the Children Fund.
2. Fretilin (Revolutionary Front for an Independent East Timor) was the resistance movement that fought for independence in East Timor, first from the Portuguese and then from Indonesia, 1974–98.
3. Nearly all captive girls, including those who are pregnant and/or have small children, are trained as fighters in the LRA.
4. A TRC was also established in Sierra Leone by an Act of Parliament on 10 February 2000. It directs that that TRC pay 'special attention to the subject of sexual abuse'.
5. As Head of the UNTAET Gender Unit, the author was responsible for developing proposals and raising external funding for gender mainstreaming projects in the transitional administration, dealing with gender-based violence, conducting a situational analysis of the documentation of the impact of conflict on women and organising women's political training for elections.
6. The Paris Declaration on Aid Effectiveness, signed in March 2005, established global commitments for donor and partner countries to support more effective aid in a context of significant scaling up of aid.
7. 'Sudanese Women's Priorities and Recommendations to the Oslo Donors Conference on Sudan, 11–12 April 2005', Oslo Donors Conference on Sudan, 2005.
8. See the Commonwealth Parliamentary Association (CPA) website, www.cpahq.org

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CHAPTER 10

Spreading the Gains of Globalisation: Linking Women with Global Markets

Marilyn Carr

Introduction

In most developing countries, women producers and workers in the informal economy play a key role in providing the food and income that enable their families to exist. The impact of economic globalisation on these women has varied according to who they are, where they are, which sector they are involved in and how they are integrated in global production systems. While some women have lost markets and jobs or seen a decline in working conditions, others have been able to find new markets for their products and new jobs on favourable terms. Recent literature has emphasised the growing casualisation of the labour force and the increased number of women *workers* who form the backbone of many global supply chains for garments, footwear and other consumer goods. However, this chapter focuses on women *producers* (who still form the vast majority of those earning an income in the informal economy) and seeks to show how they can take advantage of new economic opportunities arising from increased economic globalisation if they are enabled to do so.

Always marginal and vulnerable, women's informal enterprises and incomes have come increasingly under threat with the rapid spread of trade liberalisation and globalisation. In particular, their ability to grow food is decreasing as more land is devoted to commercial export crops, and women's traditional non-farm enterprises, such as basket weaving, oil processing and garment making, are disappearing as a result of the influx of cheaper and/or dumped goods from around the world (Carr and Chen, 2004). While this is good for consumers, who benefit from lower prices, it is bad for women producers, who normally do not have either the skills, credit or information needed to diversify into alternative forms of production.

Often, without adequate support, women's only alternative is to move into less desirable sectors of the informal economy such as petty trading or open-cast mining, or to look for opportunities as outworkers or factory workers in global subcontracting chains. The latter is especially common in East and South-East Asia, where the proportion of self-employed among non-agricultural women workers fell in recent years (United Nations Statistical Division, 2000) as they were absorbed as outworkers or casual employees in factories and commercial farms supplying such chains. In part, this has been a result of multinational corporations and foreign companies appropriating the land and other natural resources that used to provide a means of self-employment, thus forcing women

and men to give up their independent status and to work for others in low-income and insecure jobs (Carr and Chen, 2004; Shiva, 2000).

Within this context, it is increasingly important for informal women producers to find ways to maintain their ability to earn a livelihood at the same time as retaining their sense of security. This will mainly involve: (a) upgrading quality and/or reducing prices so that they can compete with imports; (b) finding markets currently being filled by imported goods that could be supplied by local producers; and/or (c) diversifying into products that can find regional and global markets.

Experiences in Spreading the Gains of Globalisation

There are several examples (although still too few) that demonstrate ways in which women producers can be assisted to link with global markets. While it is important to assess the likely impact of changes in trade policies from a gender perspective and to advocate for more gender-sensitive trade policies, it is also necessary to give attention to supporting national economic and social policies and legislation aimed at overcoming the constraints women face in benefiting from increased globalisation. These include more restricted access than men to land, credit, improved technologies, skills and business training, and market and price information. These are both caused and compounded by women's reduced mobility and greater time poverty as a result of socio-cultural factors and family responsibilities; the constraints faced by women who wish to reach export markets are twice as severe as those for women who are supplying domestic markets (Tandon, 2003).

The range of policy initiatives that have been successfully introduced to help women overcome these constraints include: financial policies, including guaranteed loans and provision of micro-finance and meso-level finance for women;¹ education and training policies that widen women's access to the knowledge and skills important for integration into a globalised economy; and gender policies, including changes in women's rights to land that can provide collateral and also act as a base for economic activities. Most of these initiatives relate to women entrepreneurs in general and few of them help those women who are seeking to make links with global markets.

To assist women exporters in the most effective ways possible, there is a need to map existing global value chains carefully to see where women producers are currently located and identify where interventions can best be made in order to improve their position within these chains. Current research reveals the importance of helping women producers to organise – in trade associations, producer/marketing co-operatives and community-owned businesses – so that they can bargain with middlemen more effectively and gain greater control over the marketing chain. They also need greater access to improved production/processing technologies that will enable them to add value locally and produce high quality goods that meet international standards.² At the same time, better access to new information and communications technologies (ICTs) will enable many women exporters to operate more effectively in global markets through:

- creating opportunities for them to bypass male-dominated and exploitative market structures;
- providing a means to foster more efficient communication; and
- giving them a knowledge tool that will help maximise their productivity and earnings.³

Such supportive measures can be complemented by specific interventions that aim at directly linking women with export markets. Some of the better-known examples are fair trade, organic trade and gender mainstreaming national export strategies.

Fair trade

Fair trade is an alternative approach to conventional international trade that aims at sustainable development for excluded and disadvantaged producers through providing better trading conditions, awareness and campaigning. It is concerned with the welfare of the producer – especially women and indigenous people – and, through a range of fair trade organisations, offers easier entry, guarantees a minimum price to avoid risks from price fluctuations and pays a premium to be used in community development projects. It relates to social responsibility, which is about large corporations trying to improve the returns to poor producers and workers in global value chains. Since women are the majority of the producers of fairly traded products (for example, they comprise 80 per cent of the 100,000 producers involved in fairly-traded handicrafts in Bangladesh), any gender-oriented export promotion strategies should incorporate fair trade (Redfern and Snedker, 2002).

‘Fairtrade’, on the other hand, is a term used to describe the limited number of products – including coffee, cocoa, tea, bananas, honey and cotton – that are certified by the Fairtrade Labelling Organization (FLO). Although Fairtrade is growing rapidly with, for example, a 50 per cent increase in sales in the UK from 2003 to £200 million in 2004, it is still relatively small, accounting for less than 1 per cent of all goods traded and involving only 800,000 families worldwide. However, because it pays special attention to improving the incomes, access and decision-making roles of women, it has a special significance in strategies aimed at linking poor women producers with global markets (Vidal, 2004). The potential of Fairtrade to support women’s empowerment can be seen in the Ghana cocoa co-operative (Box 10.1).

Organic trade

Organic trade overlaps to a certain extent with fair trade, but it is much larger in scale, with US sales up from US\$1 billion in 1990 to US\$20 billion in 2005 and with the European market growing at 200 per cent per annum. Unlike Fairtrade, there is no guarantee against price fluctuations and entry is difficult and costly. In addition, with more multinational corporations becoming involved in production of organic produce, prices are beginning to fall, which is good for consumers but makes it difficult for small women producers to compete. For the moment, however, organic certification for

Box 10.1: Fairtrade and women producers in Ghana

The Kuapa Kokoo co-operative in Ghana buys cocoa from its members for onward export and sale through the Ghana Cocoa Marketing Company. It has a membership of 45,000 smallholder farmers of whom 30 per cent are women. The co-operative was established in 1993 with the assistance of Twin Trading, UK in response to the partial liberalisation of the cocoa sector, and has grown rapidly from its original membership base of 2,000 farmers. A proportion of the cocoa output is tagged for the Fairtrade market, which guarantees a 'floor' and a 'premium' price, which between 1993–2001 resulted in US\$1 million for investment in community projects – such as hand-dug wells and corn mills – that meet women's priority needs. Co-operative members own the Day Chocolate Company in the UK, which moves them up the global value chain from production to more profitable retailing. The model has boosted women's morale, self-reliance and confidence, and has given them a voice at the national and international levels, as well as within the decision-making bodies of the co-operative itself.

Source: Tiffen et al., 2004.

expanding export markets seems to be a promising avenue that can enable small women producers to increase both sales and income. Women's coconut oil co-operatives in Samoa (Box 10.2) are a good example of this.

National export strategies

While fair trade and organic trade initiatives play an important role in linking women producers with global markets, the vast majority of trading activities take place in mainstream markets. The question is: can national export strategies work for poor women producers? Export promotion agencies, which tend to be fairly centralised, have a poor record in reaching out to poorer and more remote producers, most of whom are

Box 10.2: Organic trade and women producers in Samoa

A local non-governmental organisation (NGO) in Samoa, Women in Business Development Incorporated (WIBDI), has provided 13 family co-operatives headed by women with access to a new processing technology that enables them to export organic virgin coconut oil to Australia and New Zealand. Obtaining organic certification was a lengthy and difficult process, but proved to be a key factor in the success of the project, with export sales increasing significantly following certification. While all family members are involved in the oil-processing businesses, it was the women who brought in the credit and enterprises through their involvement with WIBDI. Recognition of this has resulted in a significant increase in women's status within their communities.

Source: Cretney and Tafuna'I, 2004.

therefore excluded from the services and technical assistance that these agencies seek to provide. One study reports that:

... although women are increasingly starting their own businesses and contributing more to national economies, the unique capabilities and assets of women entrepreneurs are not being harnessed and incorporated into national export strategies. (Kitukale et al., 2004)

Thus, even when trade barriers are lowered, the majority of small women producers lack the support they need to access export markets and to participate in the process of meeting export targets.

There are some (but still very few) examples of export promotion agencies – and local government bodies that are involved in promoting exports – taking positive action to ensure that informal women and men producers are equally able to participate in and benefit from strategies aimed at expanding export output and revenues. One example of this is the Apiculture Export Strategy developed by the Uganda Export Promotion Board and the International Trade Centre (Box 10.3). Another is that of the Girijan Cooperative Corporation Ltd in Andhra Pradesh (Box 10.4).

Box 10.3: Apiculture export strategy and women producers in Uganda

Uganda aims to increase honey production from the 2004 level of 3,000 tons to 13,000 tons in 2008 and to simultaneously improve quality with a view to breaking into rapidly expanding export markets. This will involve attracting an additional 200,000 farmers into beekeeping – a target that would be difficult to achieve without the full involvement of women. To achieve its goals, the Government is following two approaches. First, it is assisting with the expansion and replication of the successful commercial company Bee Natural Products, which sources honey from over 4,000 small farmers (of whom 25 per cent are women) and turns it into a high quality product in its highly mechanised factory. This model should provide a relatively quick way of increasing the output of honey and achieving export standards, but although several measures are being incorporated to address specific training and other needs of women, it will not provide women farmers with any control over their participation in the production chain.

In the second approach, however, the Government is providing support to strengthen and build on women's beekeeping associations that offer services to their members. Although these are slower than private companies in reaching out to farmers and increasing supplies of good quality honey, once established they give members a great deal of control over their own enterprises. Recent gender-oriented research has suggested that the formation of a national women beekeepers network would assist Government to meet its twin targets of expanded output and exports and more equitable distribution of income and reduced levels of rural poverty.

Sources: Uganda Export Promotion Board, n.d.; Nadelman, Silliman and Younge, 2005.

Box 10.4: Gum exports and women producers in India

The Girjijan Cooperative Corporation Ltd (GCC) was established in 1956 as an undertaking of the State Government of Andhra Pradesh to procure non-timber forest products, including Gum Karaya, from tribals and to market these to best advantage. When stocks accumulated because the poor quality of the gum meant that traders rejected it, the decision was taken to look for scientific and organisational solutions to increase quality, rather than reduce the procurement price. Over 10,000 gum pickers have been grouped in associations that have federated into a state-level trust. The trust employs scientists to work with young tribal boys and girls to transfer and monitor improved methods of gum collection and processing, and this has led to higher standards of output that meet export market criteria. To enhance women's economic empowerment in this initiative, UNIFEM has supported a project that helps establish women as managers and sales people at procurement centres – thus shifting responsibilities in marketing from men to women.

Sources: Mehta, 1998; International Resources Group/KOVAL, 2004.

Future Directions

While successes in linking women producers with global markets have been achieved at the local level, it is obviously important to assess the extent to which this can be replicated more widely and with what degree of sustainability.

It seems more than likely that the models outlined in the boxed case studies could be easily replicated if they were supported by governments, NGOs and donors. In Ghana, Kuapa Kokoo is helping to set up a sister co-operative so that even more farmers can benefit from its marketing system; it is also in touch with other West African cocoa-producing countries in an attempt to share its experience and offer assistance. In Samoa, the technology on which the village oil-processing enterprises are based came from Fiji and there is every indication that it could be transferred to other countries in the Pacific (Carr, 2004). In Uganda, government funds are being used by both private companies and beekeepers' associations to reach out to other farmers, while in Andhra Pradesh, the hope of the GCC is that gum pickers in other Indian States will benefit from its successful model of increasing output and exports.

In general, the most common method of replicating these interventions is quantitative: scaling up is achieved by expanding size through increased membership or extending schemes to other areas or countries.⁴ While this is a useful approach, it is unlikely that the necessary numbers of informal women producers will be reached with appropriate support unless successful pilots can be used to advocate for a favourable policy environment. This type of *political* scaling up is evident in the case of the Ghana cocoa co-operative which, through its UK Chocolate Company, has played a role in advocating for more political support for fair trade in both the UK and the EU. The Andhra Pradesh co-operative has also shown how government bodies in other states can help women to increase exports.

Sustainability is a more difficult issue. While fairly traded chocolate (as well as coffee and tea) is now being mainstreamed in major retail stores, mainstream businesses demand a different approach to the Fairtrade niche: most buyers will not accept the late delivery, poor communications or changes in arrangements that are tolerated by Fairtrade organisations (Redfern and Snedker, 2002). Organic virgin coconut oil targets a niche market that could easily be flooded if too many coconut-producing countries take advantage of new processing technologies. Markets for honey are large and growing, but as more and more women are drawn into the industry, competition will increase and prices will fall, making it necessary to diversify into more complex bee-products. And, as with most non-timber forest products, the increased harvesting of gum can lead to over-exploitation of natural resources with resulting loss of livelihoods unless – as has been done in Andhra Pradesh – sufficient care is taken to protect the resource and to train collectors in low-impact harvesting techniques.

To ensure that women are able to fully participate in and benefit from new economic opportunities arising from increased economic globalisation, a concerted effort is now needed on behalf of all of the actors involved: governments, the private commercial sector, scientists and technologists, NGOs and women's associations and consumer associations. Linking women producers with global markets offers a way to help with poverty reduction and achieve an equitable distribution of gains, while at the same time helping governments to meet their targets in terms of increased export earnings.

Notes

1. In Africa in particular there is a missing middle in the area of women's credit. While very small and very large loans are on offer, the middle-level loans that are needed by women to graduate from very small enterprise activities into more technology-based industries are unlikely to be available. See, for example, Ellis, A et al., 2006.
2. Ideally, interventions aimed at women entrepreneurs/exporters should seek to raise both income through increasing productivity and control over the marketing chain through organising and capacity building. All too often, interventions have concentrated only on the former, with the result that any progress made in terms of increased income during a project's life is lost once the project comes to an end.
3. For examples of ITC-enabled women's enterprises, see Tandon, 2003 and Hafkin and Taggart, 2001.
4. For a description of various types of scaling up, see Hooper et al., 2004.

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CHAPTER 11

Financing HIV and AIDS Interventions: Implications for Gender Equality

Robert Carr

Introduction: Blindness and Insight

Gender equality is central to achieving the MDGs [Millennium Development Goals] and other development goals, making it important to ensure that aid structures target and monitor progress towards gender equality goals. (UNIFEM, 2006)

Try not to get tricked because of love.... [Women] should love them self first, take care of them self and then introduce condoms to their loved one and tell them the reason and if the other person don't want to use condoms to protect his or herself, then the individual has to stand up and stick out that if there is no condom, there is no love. (HIV-positive Jamaican woman in Haniff, 2006)

The two quotes above capture the dilemma at the heart of this chapter. At the policy level, gender is seen as central to development processes by many stakeholders, although at times that has been a difficult argument to make clear. Simultaneously, on the ground, at the level of everyday life where under-development is most acutely lived, gender determines both consciousness and behaviours in a fundamental way. In this equation, even emotions and affective bonds considered outside the realm of politics – like a woman's love for a man – become a central driver and a reflection of gender inequality at the level of fundamental consciousness and of behaviour.

Both quotes together thus highlight the significant challenges faced at this crossroads in development planning. How do we unmask the reality that our struggles with development are deeply gendered? How do we convince our societies that old modes of gender, even including our understanding of what 'love' means, are at the root of our challenges with achieving development? Or that the spread of HIV is a reflection of these gendered challenges, and not an external agent imposing itself on us and on our societies?

The development crisis brought about by the epidemics of HIV and AIDS make these questions all the more urgent. And it is important to speak to two different epidemics, perhaps three. The *first epidemic*, that of HIV, is marked by its invisibility. HIV spreads mostly through unprotected sex in Western and developing countries, through sharing infected needles in Eastern Europe and, everywhere, through breast-feeding or

transfusions of infected blood. HIV leaves no distinctive traces of infection, except perhaps flu-like symptoms for the first few days. Today some 38.6 million people are living with HIV globally, of whom 62 per cent, or 24 million, are people living in the Commonwealth. Of these 24 million, some 11.5 million are women and girls.

AIDS, *the second epidemic*, is the dramatic, visible result of the work of HIV. Once the virus reproduces in the body by destroying the immune system, it leaves the infected person exposed to dangerous forms of both rare and common diseases. In 2006 alone, an estimated 2.8 million people died of AIDS-related illnesses, 67 per cent of them in the Commonwealth. However, with access to the right medication combined with care and support, a person with AIDS can fight back against the virus and regain her or his health. It is therefore possible to move from a diagnosis of AIDS back to being HIV-positive, even to undetectable levels of the virus in the bloodstream.

Time has shown that HIV and AIDS thrive best in environments marked by poverty, social exclusion and political marginalisation. In country after country, as HIV has spread, it has taken hold first among the most disenfranchised. This contributes to the *third epidemic*, the epidemic of stigma, discrimination and exclusion, which drives the spread of HIV underground and often makes HIV infection and the debilitating effect of AIDS a crisis for each person whose life they touch. AIDS can be treated with medication, but HIV, stigma and discrimination have proven intransigent to policy interventions.

Over the past few years, the rate of increase in new cases of HIV has escalated in women around the world. Studies show that this is partly because women are biologically more likely to be infected by sexual transmission, but also because women are less able to take ownership of their lives, including their sexual behaviour. This disempowerment is all the more pernicious because it is normalised behaviour for 'good' women. Girls and boys are raised by both their mothers and fathers to believe that, for women, having and caring for a family, looking after a husband or male partner, being in love and becoming pregnant and having a child and are essential to a happy and fulfilling life.

The inequities in power relations between women and men become clear, however, when women in sexual relationships with men attempt to stop or change the way they have sex with those men. Suddenly (or not so suddenly) they are met with admonitions of inappropriate behaviour, or with violence designed to 'set them straight'. In some Commonwealth countries it is legally impossible – depriving women of any recourse – for men to rape their wives. A husband's sexual access to his wife's body is thus guaranteed by the state as much as by custom. Research from around the world has shown that, in the absence of structural support such as access to financial and political resources, women find themselves with few choices but to submit or face penury.

Reducing the spread of HIV, and mitigating its impact, is thus embedded in addressing cultural and other norms that cover up or support existing gender inequities and unequal and exploitative power relations, themselves drivers of under-development. Addressing the spread of HIV and the impact of AIDS means addressing the same fundamental inequities that frustrate development programmes. The core argument of

this chapter, then, is that financing for development means financing to achieve equitable gender relations as central to development.

The Gender Dimensions of HIV: Development and Policy Implications

The new modalities of development aid, as well as the old ones, have been seen as providing a critical platform for work on women's equality. The Monterey, G8 and Paris meetings on aid modalities call for the focus on achieving the MDGs to be sharpened, the financing process to be more effective and reporting more efficient.

Development can be defined, more or less, as 'an improvement in the living conditions of the people', where 'improvement' means ensuring 'the provision of basic human needs for all - not just food and clothing, but also shelter, health care and education' (Nayyar, 2004:62). Within this, it is imperative to understand the centrality of the role of women to achieving these objectives. This is not only because women are among the people provided for in development aims, but also because of the key role they play in the formal and informal economy, and the extent to which gender inequality blinds policy-makers, donor agencies, ministers of government and others to this reality. Moreover, across classes, ethnicities and national boundaries, women continue to provide the labour to manage the household and to bear and raise children. This is apart from the role they play in administering to men's needs. Macro-economic policy analyses and indicators disguise this, not only reflecting the invisibility of women's work but also missing the strategic centrality of this work in effective policy-making and more broadly in national strategising.

One challenge of incorporating these insights into development policy and financing is that while we often still speak of 'integrating' gender into development, the two are in fact fundamentally inseparable. This problem at the level of how we understand underdevelopment and development undermines the effectiveness of aid. Even when the central role gender equality plays in development is recognised in policy documents, a gender audit by Moser (2005 cited in Gaynor, 2006) found that when it came to taking action there were problems of evaporation (commitments not captured in implementation), invisibilisation (lack of monitoring and reporting of progress) or resistance (from those who see it as 'too time consuming', not a priority, etc.). This points again to the role that gender has been playing in the response to HIV for both historic and conceptual reasons. Historically, HIV was a problem that affected primarily men for a variety of reasons depending on the context. Today, however, whether it is transmission by intravenous drug use or by heterosexual sex, women are testing positive for HIV at a rate that is increasing faster than men's.

The emergence of a pandemic among women presents a challenge to the way the response to HIV has been conceptualised. Most of the models central to responses to HIV have centred around ideas of risk, and that to reduce risk each of us needs to know more about how HIV is contracted, understand our personal susceptibility and so change our behaviour - whether it be to abstain from sexual intercourse, be faithful to our partner

or use a condom. The problem with this is that it assumes we are all make rational decisions about sex and are in a position to control when, where and how we have sex. This is often not the case, and gender inequality makes it particularly unlikely for women.

UNAIDS (1999) has identified a number of core factors that place women at particular risk for HIV infection. Some of these can be addressed by the traditional responses of risk reduction, but others require more fundamental shifts that take us back to development processes that recognise the role gender plays. For example, women in monogamous relationships may view the negative economic consequences of leaving a high-risk partner as more serious than the health risks of staying, while low-income girls 'may face an added risk of HIV because of vulnerability to the enticements of older men' (p. 3). An additional factor is the link between economic necessity and the sex trade (*ibid.*).

Women's role and vulnerability also play a critical role in the response to AIDS. In most parts of the world, the focus for treatment, care and support is access to first and second line treatment, and treatment for opportunistic infections. In many instances, there is great pressure on hospitals for bed space. This means those ill from AIDS-related illnesses have to be looked after at home, usually by women. The loss of income from a male income-earner may also 'compel women and children to seek other sources of income, putting them at risk of sexual exploitation' (UNAIDS, 1999:3). If the woman was the main earner, she is often left to her own devices and it is the girl children who come to her aid. 'Girls carry a larger burden of domestic responsibility than do boys,' explain Barnett and Whiteside (2002:16), 'and are more likely to be kept out of school'.

The same issues that leave women and girls to fend for themselves in the household have their counterparts in the wider structure of the economic and legal framework. Laws and policies that prevent women from owning land, property and other productive resources increase 'women's economic vulnerability to HIV infection, limiting their ability to seek and receive care and support' (UNAIDS, 1999:4). In India, one of many countries where gender discrimination is especially harsh, lack of property rights is a major difficulty for women in households affected by HIV and/or AIDS. Women who are abandoned because they are HIV-positive or widowed due to HIV-related illnesses may be denied a share of their husband's property and left destitute and homeless (Jain, 2006).

Some agencies have begun to recognise the role that gender plays in uptake and effectiveness of prevention of mother-to-child transmission (PMTCT) programmes. This is an important step, but limited. All too often PMTCT and prevention for female sex workers are the only places where women's distinct vulnerability appears in national programming. There is also the consideration that PMTCT itself ought to be considered treatment, care and support for women living with HIV; its ubiquitous categorisation as a prevention technology repeats traditional development prejudices that see pregnant women as vehicles of their babies and render the women themselves invisible and secondary in concern.

Yet the group that has been largely invisible in this analysis has been men. In fact, gender norms of masculinity have been shown to increase men's vulnerability as well.

In some cultures, for example in the Caribbean, the submission to institutional authority required to do well in school settings, the perception of studying as inappropriate gender behaviour, as well as peer pressures towards types of behaviours seen as appropriate to men have led boys to drop out of the formal system and seek financial security through other means (see Plummer, 2006). In many parts of the world, notions of masculinity as dominating women and each other has led to high numbers of boys dropping out of school, increased involvement in gang activity including gang-related violence, multiple sexual partners, violence towards women and other men, and other counter-productive behaviours. Further, it is the persistent entrenchment (in parenting practices and other institutional social norms), by both women and men, of unequal social and male gender norms that reproduces and shores up gender inequality as the status quo in succeeding generations.

Recognising this, programmes have been developed and piloted in many countries in the Commonwealth to address and transform men's understanding of male gender norms (Chege, 2005; Levack, 2006; Verma et al., 2006). Often they have proven very effective, but their implementation remains small scale. As with women's inequality and marginalisation, gender work that gets at root causes of under-development or mal-development is often seen as supplemental to the work of stimulating private sector growth, neo-liberal tax reform or deregulating markets. In fact, all of these have profoundly gendered effects (see, for example, Randriamaro, 2006).

A central challenge for understanding HIV has been that initially it was the province of epidemiologists and other medical professionals, and the national responses were housed in the ministries of health. While the establishment of national AIDS committees and commissions, often at the urging of international donors, has reflected an attempt to shift the designation of HIV as centrally a health issue, the changes have often been either cosmetic or else conflict ridden, with the health ministers feeling undermined. More often, it has been both.

An administrative model that has proven successful is placing the response in the portfolio of the Head of State, but this is only effective when that Head of State is both informed and taking the lead on establishing a genuinely multi-structured approach and then monitoring its implementation. If the women's machinery does not play a central role in both the response development and monitoring and evaluation (M&E) processes, progress will be limited and the sudden explosion of the three epidemics among women becomes a logical consequence. While we may have made substantial progress in identifying gender inequality as one of the main drivers of the epidemics, it is an open question whether we do not lag behind in taking action based on that insight.

Financing for Gender Equality in HIV Interventions: A Donor Policy and Conditionality Analysis

Four of the leading funding agencies are considered here: the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM); the President's Emergency Plan for AIDS Relief (PEPFAR), administered by the Global AIDS Coordinator Office in the US

Government; the UK Department for International Development (DFID); and the World Bank. The ability of these agencies to support gender equality in financing is directly related to two key concerns: the number and nature of conditionalities involved in accepting funds from them, and the extent to which those conditionalities are flexible. For example, there has been much controversy over PEPFAR conditionalities preventing the purchase of generic versions of brand name antiretrovirals (ARTs) and medication to treat opportunistic infections.

Conditionalities are directly related to the politics of those from whom a donor agency receives funds. DFID and PEPFAR are funded by governments and are accountable to the politics of those governments. The political climate in the British Parliament and in the Bush Administration as regards gender equality is thus central to DFID and PEPFAR funding conditionalities. Governments, including the UK and the US, are also behind the policies and financing possibilities of the GFATM and the World Bank, but the fact that these are multilateral institutions means the political stance of any one government can be offset by the stance of the others.

The Paris Declaration, although the implications are still being thought through, lays down conditionalities about process rather than content of aid. While this may leave more room for manoeuvring as regards the politics of the content of aid, it means that processes will more tightly controlled, leaving a less varied range of partners for aid recipients. In shifting the way aid is delivered from programmes and projects to sectors, the Declaration will make it harder to track financing commitments to gender equality. As Fried points out, “where ‘country ownership’ becomes ‘government ownership’, there is an increased risk that already ‘vulnerable’ and marginalized groups in a society become further marginalized, and gender-equality priorities likewise” (2007, p. 3).

This means that oversight bodies such as women’s machineries will have to be even more vigilant in monitoring follow-through on commitments aimed at reducing women’s vulnerability and at empowering women. In addition, it makes strategies and alliances to ensure financial allocations for addressing women’s empowerment even more central to the national development agenda. If such strategies are not included there, it will make progress much more difficult, and progress to scale impossible.

The Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM)

The Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM – or Global Fund) is a relatively new mechanism, established in 2002 for financing national and regional responses to its three focus diseases. It seeks to have a structural impact through flexible, on-the-ground programming.

The GFATM is marked, as others have noted (for example, Fried, 2007), by its absence of conditionalities and explicit support for a wide range of programming, including human rights reforms, prevention programmes and treatment, care and support for people living with HIV and AIDS (PLWHA) (*Framework*, p. 4). Functioning through national or regionally driven programme proposals, it does not make gender a condition of support, although it does mention gender in a list of suggested concerns. It also

recommends (though does not require) that gender be addressed in the composition of Country Coordinating Mechanisms. Gender is not an issue in evaluating principle recipients for grants – for example, gender inclusiveness in management positions. The Secretariat itself does have such targets, however (Fried, 2007:28).

Further, encouragement for gender equitable programming takes a back seat in its documents to gender-neutral health systems strengthening. The Global Fund's M&E programme indicators have only one mention of gender, in asking for what is actually sex-disaggregated data on health-care workers trained. As this is the only indicator that is sex- or gender-specific, the Fund's M&E programme is effectively 'gender blind'.

Global Fund statements that may seem at first glance to address gender equality are troubling on further analysis. For example, *Partners in Impact* (2007), an assessment of the Fund's impact, acknowledges that gender issues are at the core of the underperformance of PMTCT programmes. However, the main concern is the 'epidemic of children with AIDS' (p. 4), rather than also the women living with HIV who are not accessing meaningful support – the same women who will likely have primary care responsibilities for children born with or without HIV. This is critical because it also speaks to gaps in access to ART for women living with HIV. The disappointing pattern of consistent, almost exclusive (even if unintentional), association of women with PMTCT programmes continues throughout the evaluation.

In *Partners in Impact*, the Global Fund proposes to address the invisibility of women in its programmes and the lack of a mainstreamed gender focus. As such, it advocates for

better tools to include gender in proposals, grant design and annual reviews of grants to influence implementation. Diagnostics for grants are needed to identify gender issues beyond disaggregating service data. This needs to have a basis in national planning and disease strategies. There are critical gender challenges to better scale up Global Fund and country efforts. (2007:18)

This would require more stringent conditionalities on grants, introducing new variables into the grant writing and evaluation processes. It would also strengthen the hand of national machineries seeking to address gender equality in approved Global Fund grants.

The President's Emergency Plan for AIDS Relief (PEPFAR)

With some \$15 billion in available funds over five years, PEPFAR is probably the largest bilateral HIV and AIDS donor in the world. However, it is the most controversial of the agencies reviewed here, notably for its conditionalities. Openly influenced by conservative religious values, PEPFAR advocates condoms ('C') as a last and least preferable resort for HIV prevention, promoting instead abstinence from sex before marriage ('A'), and fidelity within marriage ('B' – be faithful). Together, this is known as the 'ABC' approach, clearly laid out in PEPFAR's *ABC Guidance #1* (n.d.) and has influenced 'not only those programmes and projects that seek PEPFAR funding, but national policy in PEPFAR recipient countries' (Fried, 2007:33).

In analysing the drivers of the HIV epidemic, PEPFAR's *Third Annual Report to Congress* establishes that harmful social norms and practices increase the vulnerability of women and girls by restricting their access to information, limiting their control over their sexual lives and depriving them of economic resources and legal rights (2007a:129). It also adds that it is important to note that 'harmful social norms and practices can also increase vulnerability of boys and men, such as pressure from peers or others to have multiple sexual partners or to seek transactional sex' (ibid.).

PEPFAR is required by the legislation authorising it to support five priority strategies to address the gender dynamics of the epidemics: increasing gender equality in HIV and AIDS activities and services; reducing violence and coercion; addressing male norms and behaviours; increasing women's legal protection; and increasing women's access to income and productive resources. While at first glance these strategies sound familiar because they use the same terms as agencies like the World Bank and DFID, the conditionalities attached make them mean quite different programming on the ground. While the *Guidance* speaks of 'gender inequities that foster the spread of HIV' (p. 11), and of PEPFAR programmes 'coordinating with governments and NGOs to eliminate gender inequalities in the civil and criminal code and enforce existing sanctions against sexual abuse and sexual violence' (p. 7), for example, both strategies are to support PEPFAR's core aim of ensuring that sex does not take place outside of marriage rather than to strengthen human rights.

Thus in terms of prevention, PEPFAR calls for programmes to reduce new infections in young women to 'focus on promotion of abstinence among young females, on reducing cross-generational sexual relationships, and on encouraging faithfulness and correct and consistent condom use among older males' (p. 12). At least 33 per cent of all PEPFAR funds must support programming advocating abstinence until marriage, but it has been pointed out that abstinence and be faithful programming in fact accounts for over half PEPFAR's spending, at 56 per cent (Thompson, 2007). Condom promotion accounts for less than 44 per cent, and must include promotion of abstinence, testing for HIV, partner reduction and mutual faithfulness. This is a potentially dangerous misalignment with data showing that 80 per cent of all new infections are through sexual contact (ibid.).

PEPFAR has also spent a substantial amount of funds in providing treatment and support for PLWHA. The International Treatment Preparedness Coalition (ITPC), a global coalition of PLWHA and their advocates, states that the community members they spoke to from around the world praised PEPFAR's treatment programmes, which had measurable goals and operated in a 'determined and efficient manner' (ITPC, 2005). However, the Coalition also had concerns about the integration of these programmes into sustainable systems that contributed to a country's long-term development interests.

Controversy also surrounds PEPFAR's treatment programme because of conditionalities that state all medications purchased with PEPFAR funds, including generic medication, must be approved by the US Food and Drug Administration (FDA). Critics argue that this limits the ability of agencies to maximise treatment funds, and most other agencies, such as the Global Fund and the World Bank, rely on the WHO for this process.

Thompson (2007) states that only 27 per cent of PEPFAR funds spent on ART drugs were spent on generic medication. In addition, there are explicit political restrictions on recipients of PEPFAR funding, particularly a gag rule on a woman's right to choose whether or not to have a child, or the recipient's stand on legalisation of sex work.

While PEPFAR documents promote US Government partnerships with indigenous organisations and local government, in practice these partnerships are largely based on religious concurrence. The results are potentially quite disastrous for the 15 focus countries employing PEPFAR strategies. The Center for Public Integrity notes that contrary to PEPFAR claims in its reports that its prevention strategy is working in Uganda, a country PEPFAR documentation holds up as the model on which the efficacy of its approaches is based, in fact, "In the two years since the new U.S. emphasis on youth abstinence began, the rate of new HIV infections has almost doubled, from 70,000 in 2003 to 130,000 in 2005, according to the director general of the Uganda AIDS Commission" (Rawls, 2006). In the end, it will be up to the national partners to monitor whether PEPFAR-designed and funded programmes are proving effective, and if so, to what extent.

The UK Department for International Development (DFID)

DFID is perhaps the most progressive agency under review, as regards its explicit statements on gender equality and the role of inequitable gender relations in stymieing development.

In *Eliminating World Poverty: A Consultation Document*, DFID asks a number of important macro level questions. A central one for us is that in asking how donors can help to build more effective states, it asks a related question, 'How can poor men and women be empowered to demand action from their governments and hold them to account?' (2005a:3). This speaks to two key points: first, that women and men may have different issues and require different strategies for empowerment, and that eliminating world poverty requires incorporating that reality; and second, that national action from government and civil society and donor support need to complement each other in relation to gender equality in development programming.

This is followed through in a key statement made in DFID's *Global Health Partnership*, which points out that 'there is now a great deal of evidence that education and empowerment - particularly of women - and helping people have more control over their lives and environment have profound and lasting effects' (Crisp, 2007:6). It is surprising, then, that in a document of almost 200 pages there is no mention of the word gender, and that this is the only place that women occupy as women. Programmes dedicated to women do, however, appear in case studies and the few statements in support of dedicated programming for women are strong. For example, DFID notes that the impact that educating and empowering women can have on health (ibid.). The document takes an important step to acknowledge gender empowerment strategies as key to sustainable development. In particular, it describes how programmes that 'deliver both micro-finance and dialogue-based health education' have proven effective in stimulating behaviour change in relation to HIV risk behaviour.

This commitment to addressing structural inequality is made much more explicit in *Taking Action: The UK's Strategy for Tackling HIV and AIDS in the Developing World* (2004a). The central place of equality for women in DFID's platform is stated categorically, demonstrating an understanding of the cause and effect of gender inequality. The statements are clear as well on the link between stopping the epidemics of HIV and AIDS, women's structural vulnerability and gender empowerment in designing rights-based prevention strategies. DFID is equally explicit in its commitment to treatment programmes and to research on effective treatment and care for women and children. The treatment and care principles are also emphatic about the strategic importance of women's roles as partners and as beneficiaries, establishing that DFID programmes should be 'pro-poor, equitable and gender- and child-focused' (ibid.).

As regards procurement of medication, the DFID website includes a November 2006 public statement from Gareth Williams, the Parliamentary Undersecretary of State, that the UK Government, 'strongly supports the rights of developing countries to make full use of the flexibilities allowed under TRIPS [trade-related intellectual property rights] so that medicines are affordable, accessible and meet public health needs'. They also assist 'countries [to] build capacity to make use of the TRIPS flexibility provisions [and to] explore other ways to unlock the TRIPS flexibilities'.

At the national level, DFID makes the commitment to:

- Support comprehensive programmes for women that address not only their access to sexual and reproductive health and rights but also access to education, employment and social protection.
- Support efforts to promote girls' education and work to support programmes tackling gender violence and stigma and discrimination.
- Make support for orphans and vulnerable children a cornerstone of our response, by dedicating at least £150 million over the next three years to address their needs.
- Support prevention and treatment programmes that meet the needs of marginalised groups.
- Promote the greater involvement of people with HIV and AIDS – including women, young people and marginalised groups – in planning and delivering programmes.
- Ensure that the human rights of marginalised and vulnerable groups, including women and children, are given proper attention. (2004a:56)

DFID would seem to be a key ally for strategic work on equality for women. In its own evaluation of its bilateral expenditure on the MDGs over 2005/2006, however, promoting gender equality and empowering women has one of the three lowest levels of significant expenditure (DFID, 2006:124).

The World Bank

The World Bank is the oldest multilateral development financing mechanism in the response to HIV and AIDS, having provided its first loan in 1988 (World Bank, 2005a).

As such, it has a strong background in development financing through both loans and grants, and brings experience in analysis, policy advice, financing and implementation support to bear in establishing its concerns and conditionalities.

The Bank has an excellent operational guide to mainstreaming gender in its HIV programming: *Integrating Gender Issues into HIV/AIDS Programs* (2004a). As regards the interconnection between gender inequality and the spread of HIV, it cites its own research showing 'that the more unequal the relations between men and women in a country, the higher its HIV prevalence rates' and calls for all HIV/AIDS interventions to 'recognize and address gender-based inequalities and risks' (p. 2).

It further states that the increasing numbers of women infected with HIV highlights the need for policies and interventions 'to focus on transforming gender roles and relations between males and females to support the deep-rooted behavior change necessary to stem the spread of HIV/AIDS'. It goes on to underline that males can become part of the solution 'by focusing on their roles and responsibilities and actions they can take to reduce their own and their partners' and families' risk of HIV/AIDS' (ibid.).

Checklists provided by the guide identify 'reducing poverty and economic dependency', 'addressing the negative effects of cultural norms', 'changing sexual norms', 'reducing violence against women', and 'improving laws, law enforcement, and legal access' as central to addressing women's risk for contracting HIV (p. 8). The Bank is also clear that while the balance of power favours men on the surface, in fact gender norms, including homophobia, also place men at greater risk of infection (p. 9).

Given such a strong mandate and toolkit for addressing gender disparities, it is all the more disappointing that in the Bank's own evaluation document, gender is barely mentioned. As in the Global Fund documents, women feature overwhelmingly as pregnant mothers, again in the context of prevention of HIV transmission to newborns, and not as women living with HIV themselves in need of care and support.

The stated purpose of *Committing to Results: Improving the Effectiveness of HIV/AIDS Assistance* is to assess 'the development effectiveness of the Bank's country-level HIV/AIDS assistance and [identify] lessons to improve the relevance, efficiency, and efficacy of ongoing and future activities' (2005:4) The evaluation reiterates the Bank's freedom to take action to reduce HIV and AIDS at the country level both directly, 'through helping governments to implement HIV/AIDS prevention, care, and mitigation', and indirectly, 'by supporting activities that reduce social vulnerability to infection. Examples of the latter are policies and programs to raise literacy, reduce poverty, and improve the status of women, all of which the World Bank also finances' (ibid.:5).

Over the next 200 plus pages, however, gender is almost never mentioned, and women appear only as pregnant mothers who are the subjects of surveillance testing or as candidates for PMTCT programmes. It is left to the Chairman on behalf of the Committee on Development Effectiveness to regret that the evaluation did not take gender into consideration.

As regards access to treatment, in its *Generic Operations Manual* (Brown, Ayvalikli and Mohammad, 2004), the Bank is clear on the critical role donor agencies must play in financing ART in developing countries. They also note, however, that patents are covered by WTO rulings on TRIPS.

Snapshots from the Frontlines of the Commonwealth

Botswana

Botswana is responding to an adult prevalence rate of HIV estimated at 37.4 per cent, one of the highest in the world. UNAIDS estimates that 270,000 people are living with HIV, of whom 140,000 are women. Some 26,000 have died of AIDS and 69,000 children have already been orphaned by the disease. Botswana has also been active in raising funds to finance its response to its epidemics.

In the *National Strategic Framework for HIV/AIDS 2003-2009*, gender appears infrequently, but when it does appear it is in the context of inequality as a structural barrier to effective prevention and care. The *Framework* notes that 'Strategies to empower women need to be strengthened and require serious and immediate attention in terms of cultural, social and economic aspects of their lives' (p. 21). It goes on to state that 'Prevention is about changing societal behaviours in terms of sex, and also those contributory behaviours such as stigmatisation, gender inequality, and other social relations that underpin our actions' (p. 32).

These insights are buttressed by a resolve to embed gender relations and gender equality in behaviour change programming, with the mandate to 'develop culturally appropriate Behavioural Change Interventions (BCI) at national and district levels to address vulnerable groups, particularly in terms of sex, gender relations, and alcohol abuse' (p. 24). The intention is for programming to not just include women as targets of information but also to address structural issues such as 'income generation and economic empowerment', 'inheritance rights and legal status of women', 'power inequalities in gender relations' and 'education and promotion of gender equality and sensitivity' (p. 33).

GFATM

Women appear in the HIV prevention component of Botswana's Round 2 proposal to the Global Fund as pregnant mothers and as sex workers. As women living with HIV, they are also included as persons in need of treatment and support. The proposal attempts to address gender roles in provision of care, and especially to involve men in couples' testing for PMTCT and as peer recruiters for the PMTCT programme. Support group programming is also sex disaggregated, with men supporting men and women supporting women, though whether this is part of a strategy for empowering women is not clear. There are important innovations, including the use of flexible conditionalities attached to grants to build hospices for persons living with HIV, to support day-care centres for children of persons living with HIV and to provide micro-credit through NGOs.

PEPFAR

On its website, PEPFAR states that ‘Under the Emergency Plan, Botswana received more than \$24.3 million in Fiscal Year (FY) 2004, more than \$51.8 million in FY2005, and more than \$54.9 million in FY2006 to support comprehensive HIV/AIDS prevention, treatment and care programs’. The same site shows persons receiving abstinence and be-faithful programming (102,100) at almost double condom use promotion along with other methods (55,900). In terms of other programmes, \$933,000 was given to one organisation for palliative care, for example, and \$50,000 for ethics and law reform.

DFID

DFID’s direct support to Botswana stands at £2 million per year according to its website, with an additional £1 million provided through multilateral programmes. Of this, £46,000 is in financial aid other than poverty reduction, £1.5 million is for technical cooperation, £473,000 is in grants and other aid in kind and £12,000 is in debt relief. This aid covers a wide range of sectors, including education, HIV, poverty reduction, and other targets of the MDGs. However, Botswana is not included in DFID’s 2006 report on its Public Service Agreements, so a breakdown of the funds by specific area of focus is difficult to track.

World Bank

The Bank’s primary programme for HIV development aid in Africa and the Caribbean is the Multi-Country HIV/AIDS Program (MAP). Because Botswana is considered a ‘higher income’ country, it is not eligible for the Bank’s HIV grant programmes and has not had focused Bank support since fiscal year 1996. Bank support to Botswana’s response to HIV and AIDS has been limited to ‘sharing of information at technical meetings’ of the MAP. In its *Interim Review of the Multi-Country HIV/AIDS Program for Africa*, the Bank notes that its lack of ability to provide Botswana with ‘the full range of its technical and financial services’ is ‘a serious anomaly for which a remedy should be sought urgently’ (2004b:11).

Guyana

Guyana has one of the highest prevalence rates of HIV in the Caribbean. UNAIDS reports a national average of 2.5 per cent and estimates there are 11,000 people living with HIV, of whom 6,600 are women aged 15 and up. Guyana is one of two PEPFAR Focus Countries in the Caribbean and, because of its low human development index (HDI), it also qualifies for substantial amounts of bilateral and multilateral aid.

The *Guyana National HIV/AIDS Strategy 2007–2011*, like others in this review, does express an understanding that gender – and more importantly, gender inequality – plays an important role in the spread of HIV. It lists ‘stigma and discrimination, poverty, risky behaviour, gender roles and relations, cultural and social norms and differences among different generations’ as the ‘determinants’ affecting the spread of the epidemic (p. 33).

Similarly, in identifying 'guiding principles' for the response it stresses that this '...must consider efforts at behaviour change, but must also address the vulnerability factors such as fear, denial, stigma and discrimination, gender equality and power differentials, poverty and livelihood insecurity, internal migration for employment purposes [and] social-cultural norms, values and practices...' (p. 37).

This places gender equality at the centre of the analysis. What is missing here, however, as in the other country strategies, is action to follow up the analysis. In the rest of the document, as well as in the M&E framework for the *Strategy*, gender is only mentioned in terms of gender- (read sex-) disaggregated data. Women appear most often by far as the subject of PMTCT programmes and as sex workers.

GFATM

In 2003, Guyana submitted a successful proposal to the Global Fund for \$27 million. A search in this for programmes to address gender, however, yielded no mention of the term. The response to the section of the proposal form explicitly asking about gender provides somewhat of an explanation: 'Unfortunately little is known about the gender dynamics of HIV/AIDS transmission here' (p. 50).

There is conflation between sex and gender in this proposal that also appeared in the national *Strategy*. It states that males and females have equal access to education and health care, and the analysis suggests that women make greater use of the public health-care system, although as pregnant women or new mothers, and that incorporating HIV prevention and other services into the health-care system is one way to address gender. This actually does nothing to tackle the problems of vulnerability the *Strategy* identifies in its initial analysis. The proposal comes a bit closer to the issue when it speculates that: 'The challenge for women may be implementing the acquired knowledge and skills in the context of their relationships' (p. 50). The possibility that the grant will address this and other challenges, however, is undone by the next few sentences, which call for additional effort 'to ensure that men have the same level of access to information and services' (p. 50). In other words, the sex whose gender status makes them unequal and requiring strategic intervention is seen to be men.

PEPFAR

The PEPFAR website shows some \$7 million allocated to Guyana for fiscal year 2005, of which PMTCT was allocated \$1.4 million, abstinence/be faithful another \$1.4 million, blood safety \$2.1 million and injection safety \$1.1 million. The category 'other prevention' absorbs \$1 million. Bearing in mind PEPFAR's interpretation of that category, however, it inevitably includes voluntary counselling and testing (VCT) (as well as condom promotion) in a context that advocates abstinence and being faithful.

DFID

DFID has an office in Guyana, and its Caribbean strategy document also asserts that it has a long-term commitment to the country. Unfortunately, however, as often happens

with the Caribbean, Guyana disappears from global analyses and is not mentioned in either the global health strategy or the annual report. Guyana does hold a key place in the *Regional Assistance Plan for the Caribbean*, however, which is based on the principle of focusing 'bilateral assistance on supporting effective delivery of national poverty strategies in Guyana and Jamaica' (2004b:2). The poverty focus encompasses three themes, one of which is HIV/AIDS and violent crime (ibid.). However, HIV seems to come in behind fundamental poverty alleviation.

World Bank

Guyana currently has an adaptable programme loan from the World Bank Caribbean MAP valued at approximately \$11 million. As with the other project documents, however, the role gender inequality plays is understood only in descriptors of drivers and not at the heart of the challenges or strategies. So, for example, gender is mentioned as important for message design for information, education and communication campaigns. Gender inequality is similarly mentioned as a factor in the social analysis that must be taken into account in developing the response, and the term gender again becomes synonymous with sex in describing disaggregating of data.

There is a moment of insight in the descriptive analysis of community consultations, which notes that there were 'gender issues' in regard to promotion of condoms and PMTCT: 'Some women mentioned the absence of men in all these efforts and wondered why the male role was hardly or never mentioned in the transmission of the virus when discussing PMTCT (2004c:94). But the concept of the male role does not appear in project strategies. Another important insight is when the appraisal notes that the target group for condom distribution has been primarily women, but this 'has not empowered women to protect themselves since they have not been provided with methods they can control such as spermicides and female condoms' (p. 98). However, the appraisal again does not follow through with a strategy to address this either.

India

By all accounts, India has one of the highest numbers of people living with HIV in the world. UNAIDS estimates that 5.7 million people or more have contracted HIV, almost 6 per cent of the population of 1 billion people. However, ITPC reports that although the government has signalled increasing commitment to ART delivery, treatment 'remains unavailable for the vast majority' (2005:3). HIV-positive women's ability to access care is constrained by lack of money and distance, and 'men routinely receive care and treatment ahead of their wives (Garbus and Marseille, 2003:10).

While 'initially, HIV spread among female sex workers and their male clients [including truck drivers], STI clinic patients, and professional blood donors' (ibid.:18), the epidemic is also generalised, although unevenly across the country. Studies have shown that the vast majority of infected married women were infected by their unfaithful husbands (Newmann et al., 2000). Some 60 per cent of those living with HIV in 2005 were women. Conditions for women are, in broad terms inequitable, although in some cases

it is extreme. There are increasing cases of sex-selective abortions, female infanticide, violence against women, dowry murders and discrimination in access to health care, nutrition and employment opportunities. In addition, there 'are significant and persistent gaps between women's legal rights and their actual ownership and control of land' (Garbus and Marseille, 2003:9).

India's National Strategic Plan identifies four core priorities: prevention of new infections in high-risk groups and the general population through saturation of coverage of high-risk groups with targeted interventions and scaled up interventions in the general population; increasing the proportion of people living with HIV or AIDS who receive care, support and treatment; strengthening the infrastructure, systems and human resources in prevention, care, support and treatment programmes; and strengthening a nation-wide strategic information management system.

GFATM

India's Global Fund proposal asks for some \$260 million for its HIV and AIDS component, out of \$323 million requested in Round 6. It received Global Fund grant funds equalling almost \$250 million in Rounds 2, 3 and 4. The proposal states a core concern of 'mitigating the impact of HIV on the families especially women and children' (p. 43). Moreover, gender will be mainstreamed in the programme cycle through 'programme management training; gender balance in staffing; gender-sensitive organizational policies and gender training for staff and providers' and the inputs of female PLHA 'will be incorporated while designing training programmes in order to deepen the team members' understanding of gender issues and encouraging change in their attitudes and practices' (ibid.).

The proposal also seeks a key role for women's organisations that is critical in a context such as India's, addressing psychosocial issues as well as issues of treatment and economic empowerment. As regards treatment, the proposal sets out a deliberate strategy to counter cultural prejudices and other barriers to women's access, establishing links between integrated counselling and testing centres, ART centres and Community Care Centres.

The grant also addresses attrition from the antenatal programme, something few such programmes pursue, through following up those women found to be HIV-positive during pregnancy but not qualifying for ART treatment. It calls for inputs from PLWHA to guide community outreach workers in encouraging the women to take up treatment and home-based care for themselves and their children. Interventions 'will improve female PLHA's access to care and support through women's fora in state PLHA networks and PLHA support groups at the district level' (p. 43). Finally, the programme builds accountability into the strategy, requiring NGOs to demonstrate that their workforce has a gender balance and that they have a clear policy to reduce gender discrimination, mainstream efforts to reduce gender bias, etc.

PEPFAR

Under PEPFAR, India received approximately \$29.3 million dollars in fiscal year 2006. Data on the India programme is sparse, likely because it is channelled through USAID India's country programme, and the target groups are different: high-risk groups (such as sex workers and their clients, including truckers and other men); sexually transmitted infection (STI) clients; women of reproductive age; youth in general; girls involved in trafficking; men who have sex with men; injecting drug users (perhaps); and urban and rural family members for HIV information and preventive services. Based on what can be gleaned from its annual report, PEPFAR/USAID's support in India goes in part to PMTCT, treatment and care and counselling outside of treatment centres (PEPFAR, 2007).

The US also funds prevention programming. The PEPFAR report sounds traditional themes for its prevention work – for example, in the story 'Sunita', a migrant worker who was sexually exploited by her employers and turned to sex work, but empowered by a PEPFAR/USAID funded organisation 'to share her experiences... and take action to escape exploitation and prostitution' (ibid., p. 187).

DFID

India receives the most bilateral aid from DFID of any country in the world, some £253 million in 2005/06, down from £259 million in 2004/05 (*Departmental Report 2006*). According to the National AIDS Control Organisation (NACO), DFID supports targeted interventions in a number of states in India aimed at high risk groups, such as sex workers, injecting drug users, prison inmates, street children and migrant workers. 'Its package of supported programmes also include: condom promotion; mass media programming through national television to raise awareness and address stigma and discrimination; a Resource Centre for Sexual Health to provide technical assistance to SACS; and programmes on gender and trafficking' (India Country Coordinating Mechanism, p. 13).

World Bank

A review of the World Bank website shows India with some 33 approved grants from that institution, most of which are closed. Currently an agreement is being negotiated, valued at \$512 million, to fund the current National HIV/AIDS Control Project III. Project details are not publicly available at time of writing.

South Africa

South Africa is home to some 5.5 million people living with HIV, and an estimated 320,000 people died from AIDS-related illnesses in 2005 alone (UNAIDS, 2006). Among the community of persons living with HIV, UNAIDS reports that 'one in three women aged 30–34 years were living with HIV in 2005, as were one in four men aged 30–39 years' (ibid.:11). South Africa has also been the subject of intense controversy both within the country and externally for its position on access to treatment.

UNAIDS further estimates that approximately 'two million South Africans living with HIV do not know that they are infected and believe they face no danger of becoming infected – and therefore are unaware that they can transmit the virus to others' (ibid.:13). This is in a context described as home to extremes of gender-based violence. The South African Demographic and Health Survey found a national rape prevalence of 7 per cent, with a range of 3 to 12 per cent across provinces, and 'both police statistics and household studies reveal that young women – the demographic group most at risk for HIV/AIDS – are also at highest risk of being raped' (Garbus, 2003:7).

As in other parts of the world, women living with HIV are particularly vulnerable to stigma and discrimination and face abuse and/or abandonment if they disclose their status. Moreover, 'Lobola, a long-standing tradition whereby men purchase a wife by paying her family a dowry, also renders it difficult for women to leave their husbands, as this would require fathers to repay the dowry' (ibid.:11).

South Africa's *Strategic Plan 2000–2005*, still in operation as a new *Plan* is developed, identifies the four focus areas: prevention; treatment, care and support; human and legal rights; and monitoring, research and surveillance. Among its key indicators, three pertain specifically to women: the percentage of sexually active women using condoms (under prevention); the number of reported rape cases; and the number of cases of workplace legislation abuse related to employees contracting HIV. Data cited by the National Strategic Plan make evident the link between such extreme vulnerability of women and national statistics where it states that 'young women aged 20-30 have the highest prevalence rates' and that 'young women under age 20 had the highest percentage increase compared to other age groups in 1998 compared to 1997' (South African AIDS Council, 2000:8). However, the human rights component of the *Plan* is weak at best, simply asserting that 'appropriate' social, legal and policy environments will be created or developed.

GFATM

South Africa's Global Fund grant proposal makes no explicit reference to gender. However, it does note the special vulnerability of women, especially poor women, and describes a context in which 'a special effort is made in the current programme for women and single mothers who are HIV-positive' (p. 20). The proposal further describes three programmes targeting women: PMTCT, priority for access to treatment in pilot treatment sites to pregnant women with children and ARV prophylaxis for rape survivors. Given women's role in providing home care for persons sick with AIDS-related illnesses, the home-based care support infrastructure proposed in the grant application would also benefit women. However, this is not explicitly stated. No structural level interventions to reduce women's vulnerability are proposed.

South Africa has also had a Round 6 proposal, costed at \$102.8 million, approved for funding although the grant has not been signed at time of writing. It reflects recent research that captures women's vulnerability across a range of variables, and targeted action and the central involvement of women in the response are positioned as central to the strategy it lays out. Further, it states that the focus of the prevention goal 'is to

provide behaviour change communication services specifically targeted at women, young people, and workplaces and under-served communities in rural and urban informal settlements' (p. 71).

In this regard, it is all the more disappointing that the structural issues making women so significantly more vulnerable to HIV are not addressed in the proposal. Rather, the focus is on traditional categories of activities such as mass media campaigns, community peer educators, caregivers and so on. These are important strategies, but experience has shown that even in the presence of high levels of knowledge, risk reduction for women in societies with such high levels of gender-based violence is extremely constrained in its effectiveness. While the proactive inclusion of women as part of the programmes is needed, this is insufficient to transform such deeply embedded inequities.

PEPFAR

PEPFAR financial records released by the Centre for Public Integrity show some \$47 million had been allocated to South Africa's response in 2004/2005. Of this, approximately \$2.3 million was allocated for abstinence and be-faithful only programming (the only sexual prevention funding from PEPFAR), \$31.5 million for ART, \$6.9 million for safe blood transfusions, \$2.9 million for OVC and \$4.2 million for safe medical injections. Of this, \$17.3 million went to entities PEPFAR classified as faith-based organisations.

DFID

DFID's aid to South Africa covers a range of programmes, with a heavy focus on poverty alleviation. As regards HIV and AIDS, *Taking Action* reports that DFID works with the Nelson Mandela Foundation and the Anglican Church (DFID, 2004a). These organisations are seen as lead partners in political advocacy for greater attention to be paid to AIDS, lending their voices to social change processes and reducing stigma and discrimination. Approximately £3.4 million has been granted to Christian Aid, a progressive international faith-based organisation, to support the work of the Anglican Church across Southern Africa. DFID's *Departmental Report 2006* further shows South Africa receiving £15.5 million in technical cooperation and £13.5 million in grants and other aid in kind.

World Bank

While several Bank documents refer to South Africa and the extremity of the epidemic there, the Interim Report on the MAP notes that - as with Botswana - the Bank is unable to provide its full range of technical and financial services since the country is not eligible for MAP funding. Again, this is described as 'a serious anomaly for which a remedy should be sought urgently' (2004b:11).

Uganda

Among experts in HIV prevention programming, Uganda holds a unique place as one of the handful of countries that have successfully reversed the upward trend of the

epidemic. 'In a decade, from 1989 to 1999,' write the World Bank on its website, 'reported HIV prevalence among STI clinic patients in Kampala decreased from a median of 52 percent to 23 percent'. This has made it a subject of intense scrutiny to discover what lessons learned can be transferred to other contexts. For its part, the Uganda Government has said in its *National Strategic Framework* that the mechanisms that produced this reduction are not fully understood, as 'owing to weak monitoring, it is not possible to apportion the observed decline between the three factors of abstaining, being faithful to one's partner, and condom use' (p. ii).

The *Framework* goes on to highlight that although HIV prevalence declined from 30 to about 10 per cent between 1992 and 1996, it appears to have stagnated since then and that a 'prevalence rate of 10 per cent is still high given that HIV/AIDS results in certain death' (p. iii).

The socio-political context in which the country is responding to the HIV and AIDS epidemics is complex. As in other parts of Africa, and indeed the Commonwealth, discrimination against women is entrenched. Although the Government has put in place a far-reaching affirmative action programme to promote women's political participation, customary and statutory laws continue to discriminate against women in areas of marriage, divorce, and inheritance, and some 32 per cent of married women in Uganda are in a polygamous union (Garbus and Marseille, 2003).

Further, a 'landmark' community-based study, the Rakai project, found very high rates of domestic violence (experienced by 30 per cent of women), often linked to alcohol consumption. Uganda's *National Strategic Framework for HIV/AIDS Activities in Uganda: 2000/1-2005/6* (2000) also points to the effects of gender disparities and cultural practices on girls orphaned by AIDS, as they are particularly vulnerable to exploitation and heavy responsibilities, especially in areas of housekeeping and agricultural production. Poverty and being orphaned 'also expose the girl child to a greater risk of HIV infection through early marriage, sexual abuse, and prostitution' (p. ii).

Against this backdrop, the *National Strategic Framework* identified three core goals: to reduce HIV prevalence by 25 per cent by the year 2005/6; to mitigate the health and socio-economic effects of HIV and AIDS at the individual, household and community level; and to strengthen the national capacity to respond to the epidemic. Within these core goals, there are several actions that directly relate to addressing gender inequality, including promoting behaviour change among sexually active populations, particularly young people aged 15-24; reducing the vulnerability of individuals and communities to HIV and AIDS, with a focus on children, youth and women; reducing the current 15-25 per cent incidence of mother-to-child transmission by a third by 2005/06; and providing care, support and protection of rights to at least 50 per cent of the families most affected by HIV and AIDS (pp. xxxvi-xxxvii).

Moreover, Uganda's Poverty Eradication Action Plan (PEAP) identifies actions to enhance gender equality as one of the critical measures required to boost GDP growth and calls, for example, for mainstreaming gender in planning and budgeting, strengthening women's entrepreneurship and legal rights, and supporting a domestic violence bill, a

sexual offences bill and a revised national gender policy. In this regard, the PEAP is exemplary. The challenge will be in the implementation and, beyond that, to manage the social change process so that the impact envisioned by the strong package of interventions can be realised.

GFATM

Uganda's Global Fund grant requests \$119 million in funds to strengthen its access to treatment programme, with a focus on PMTCT and on support for orphans and vulnerable children (OVC). It further proposes to address treatment literacy, as well as capacity building for delivery of ART. It envisions that the introduction of ART in PMTCT centres will 'dramatically increase the number of women receiving voluntary counseling and testing and facilitate comprehensive clinical care for mothers and their families' (p. 6).

The proposal also recognises the importance of substantive structural reform to address stigma and discrimination through legal sanctions and to find solutions to poverty exacerbated by HIV or AIDS. This includes enforcing the property rights of widows and prosecuting those who abuse girl orphans. It notes that 'assisting OVC families to generate more income, and keeping girls in school longer, should reduce sexual exploitation and the pressure for early marriage' (p. 115). Strategic Objective 6 calls for ensuring: 'the legal protection of the rights of OVC and OVC households as enshrined in the Ugandan Constitution, the United Nations Convention on the Rights of the Child, the Children's Statute, the goals of the United Nations General Assembly's Special Session (UNGASS) on HIV/AIDS' (p. 100).

The activities in support of this objective rely on a combination of community activism and legal advice that assumes legal protections are in place:

- (a) facilitation of information, education and communication campaigns to ensure that caregivers, teachers, community members, local and religious leaders are familiar with the fundamental principles of the rights of children, especially those who are orphaned and the widowed as well as PLWHA.
- (b) mobilisation of communities to provide resources from among their members to provide basic needs for the most needy OVC and OVC households among them.
- (c) facilitation of legal consultation and aid to OVC and OVC households with regard to succession planning, property disputes, physical abuse, emotional abuse, sexual abuse and illegal child labour. (p. 100)

PEPFAR

In its *Third Annual Report to Congress* (2007), as in all its documents, PEPFAR cites Uganda as a success story and the model for its emphasis on behaviour change, which it interprets as promotion of abstinence and monogamy as the best available options for risk reduction. The Report also suggests a central role for the agency in the country's response, covering a range of programming from laboratory strengthening to door-to-door

testing and counselling, to provider-initiated testing and counselling, PMTCT programmes and programmes for children orphaned by AIDS.

PEPFAR financial records released by the Centre for Public Integrity show some \$26.3 million in aid for Uganda for 2005. Of this, \$3 million is allocated for abstinence and being faithful programmes, \$9 million for ART, \$6.8 million for safe blood transfusion programmes, \$3.5 million for OVC and \$3.7 million for safe injection programmes. Some \$11.6 million of this aid (almost half) was channelled to agencies categorised by PEPFAR as faith-based organisations.

DFID

DFID's *Departmental Report 2006* shows Uganda receives bilateral aid from DFID in the amount of £72 million, ranking 10th of the top 20 recipients of such aid. (India ranked number one.) The *Report* also shows that the focus is on implementation of the PEAP, mostly through poverty reduction budget support (PRBS), and a new arrangement was agreed in 2004 to provide £145 million over three years. PRBS is said to have 'helped increase public expenditure in key areas such as health and education' (p. 47).

DFID argues that a combination of political will and coordinated donor support has yielded significant gains, including in areas key to gender equality such as poverty reduction and school enrolment. While the consensus on Uganda, as elsewhere, is that the links between these structural development indicators that capture gender parity in development gains and reduction in HIV are not direct, there is the belief that they are inter-related if they reduce vulnerability.

World Bank

In a grant to Uganda, the World Bank provided some \$50 million for the period 2001–2006 (Uganda CCM, 2003). In December 2005, Uganda came to a joint assistance agreement with a number of donor countries under the aegis of the World Bank, including the African Development Bank, DFID, Germany, the Netherlands, Norway and Sweden. The document is focused on three integrated strategies: supporting implementation of the country-owned and led revised PEAP to achieve the MDGs; collaborating more effectively, both among development partners and with the Government; and focusing on results and outcomes (including managing resources and improving decision-making for results, and strengthening systems for monitoring and evaluation). The agreement is also an important step as it builds on donor harmonisation and the Paris Declaration. As such it identifies principles for action signed by all donors included in the joint assistance agreement (World Bank, 2005b).

Lessons Learned for Gender Equitable Responses and Financing

While there has been some progress, in many respects opportunities for funding to address gender inequality in the context of HIV and AIDS have not been followed

through. There is language in grant proposals, and in the public statements of most donors reviewed, to support stronger gender equity programming. However, if we look at more closely at these documents, the core issues have not been tackled, either because the central role gender inequality plays in undermining development programmes is not frontally addressed, or perhaps because in the corridors of power tackling gender equality is seen as a luxury that comes second or third to other 'more pressing' strategies and reforms for economic stability and growth. Or both these reasons, plus others.

Each of the national responses reviewed here has strengths and insights that can be productively adapted for other Commonwealth environments. A key lesson is the deliberate inclusion of strategies based on sound gender analyses, designed to confront gender inequality, requiring a two-stage process of honest situational analysis. First, we need to start with frameworks that can see and demonstrate the central role of gender inequality as a driver of under-development and of the epidemics of HIV, AIDS and stigma and discrimination against those infected and affected by these diseases. Second, we need to follow through with a plan of action that is designed to address these factors head on, and to unlock the human and economic potential of people imprisoned by unequal gender norms. The gap in Guyana's Global Fund proposal, itself reflecting the gap in the national strategy document, is instructive.

In this regard, the community involvement and the strategies for accountability for addressing gender inequality in India's Global Fund grant are a strong beginning, including the range of key services in the grant request, as well as more difficult issues, such as community mobilisation and socio-economic empowerment. These strategies are applicable to all the donors included here, although the most logical partners would be DIFD, the World Bank and the Global Fund. PEPFAR's mandate to support faith-based organisations may be a match for those countries where abstinence and monogamy may prove viable (rather than simply desirable) prevention strategies.

Similarly, Uganda's approach of pursuing gender empowerment strategies that are embedded in an integrated poverty-reduction approach is important. The recognition that supporting women's entrepreneurship stimulates private sector growth underscores the critical lesson that women and women's work are central to household and national economies. However, while a national strategy may provide some insights on the importance of addressing entrenched gender inequity, moving from those insights to concrete plans is more challenging. Donor conditionalities, as well as lack of harmonisation, may also constrain what it is feasible to propose.

At the heart of the dilemma at the centre of this chapter then is the notion of what it means to be empowered, to stand up for yourself as an individual, as a society, as governments; to be honest about what is happening to us and in our households; and to see with different eyes. Some women's affairs machineries may need to come to terms with the impact of gender disparities on the epidemics of HIV and AIDS. Donor countries may also need to pay greater attention to ensuring the visibility of women as subjects of development, especially women living in poverty in the developing world.

Since the Paris Declaration means the push is towards consolidated support for poverty reduction or other global strategies, it has two important implications for the work of women's machineries and development practitioners. First, gender equality will have to be embedded in national development policies and strategies. This means more work for women's machineries in making strong arguments in terms that the country and fellow government officials and workers can understand. It means developing a political strategy, identifying and cultivating allies and advocates from across specialities and class lines, and gathering data strategically than can help make the case.

Second, it will become even harder to track funds dedicated to gender equality. This may ultimately mean at least several contrasting things, however. It may mean that gender targeted programming disappears into general programming and budget lines. It may also mean that gender equity itself becomes a key element of the strategy, so much so that it is central to the budgeting process and so can be tracked and indicators measured. This would mean that programmes would include economic, cultural, psychosocial and political indicators, tracked not only by sex but also by impact on inequitable gender norms.

This chapter began with some core questions: How do we convince policy-makers that our struggles with development are gendered? How do we convince our societies that old modes of gender, even including our understanding of what 'love' means, are at the root of our challenges with achieving development? A central issue with gender work is that it politicises the private, as the second wave feminists asserted in the 1970s. This is what makes gender so difficult – it is so personal that many resist it on that ground alone.

After reviewing the Commonwealth country strategies included here, it is clear that at the national level we need to work to make people see that the gender inequality blocking development is their everyday lived reality – in their families and at home with daughters, nieces, nephews and sons; on the street; in their workplace; and in national statistics. Where people have this insight, we can see the stark difference and the use of language that has become a common currency in principle. However, many are still stuck at the level of implementation; this is not a Commonwealth-specific problem.

Experience has shown that HIV and AIDS are symptoms of underlying inequities, inequities that can be embedded in the need for power among those who feel they need to control the minds and bodies of those around them according to their own needs rather than broader values of social justice and common humanity. HIV and AIDS, however, can also be about a common human need for love, fellowship and intimacy, particularly for women who have been raised with the idea that this is central to their social role and their personal happiness. Both cases can be deadly traps.

I want to close where we began, with the words of a Jamaican woman living with HIV in poverty. She cannot get a job, she says, because the applications for factory work she is trained for ask about HIV status, or else they want a health check that includes an HIV test because the insurance company requires it. Her husband is dead from AIDS-related illnesses so she alone is taking care of her children. It is a difficult life. For her, reflect-

ing on her own life and her vulnerability to HIV, how the virus entered her life through the front door intertwined with love is a key issue that is fundamentally not about morality:

So when I look at it sometimes the more I am convinced that is not persons who have multiple sex partners who find themselves HIV positive. It's probably where you are married or in a common-law relationship. Wanting to trust somebody and wanting to be there, wanting that person to know that you really love them or trust them, so you can build a life together.

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CHAPTER 12

Female Employment in Agriculture: Global Challenges and Global Responses

Stephanie Barrientos

Introduction

What are the effects of globalisation on women workers in agriculture? In many countries the spread of commercial agriculture has provided new openings for female employment. Women have long worked in agriculture, but often as unpaid family labour (Boesrup, 1970). The rise of supermarket retailing is contributing to the transformation of agriculture. Initially concentrated in developed countries, supermarkets are now growing rapidly in Africa, Asia and Latin America. Production for supermarkets generates opportunities for female employment. Accessing this employment can bring many opportunities for women, but also new forms of vulnerability.

Paid work allows women to participate more actively in economic and social life, increases their contribution to household incomes and enhances their empowerment. However, these benefits are not always easily realised. Women workers still face high levels of embedded discrimination and inequality, they are more likely to be found in casual and temporary work and they are often exposed to significant health risks. Where they lack employment security or social protection, women agricultural workers (and their dependents) continue to be vulnerable to poverty.

Achieving more equitable poverty reduction in a global economy requires access by women to decent work, in which their rights, protection and voice are respected. Governments have an important role to play in protecting workers through labour regulation and implementation of Conventions agreed under the International Labour Organization (ILO). But governments are often constrained where global supermarkets dominate production and employment practices. Civil society organisations (CSOs) have sought new ways to leverage better employment conditions in supermarket supply chains. This has spawned a number of voluntary initiatives, including supermarket codes of labour practice, and ethical and fair trade. Enhancing synergy between regulatory and voluntary approaches can help to secure decent work for women employed in global agriculture.

Women's Employment in Global Agriculture¹

Global agriculture has undergone significant changes over the past two decades. There has been a relative decline in the share in exports of traditional agricultural crops (such as grains, coffee and tea) and a rapid increase in high value agriculture (HVA), particularly horticulture, floriculture, rich protein meats and processed food products, both for export and rising domestic consumption. Trade liberalisation has stimulated developing countries to expand into HVA exports so that, for example, India, Kenya, South Africa, Uganda and Zambia all now produce HVA goods as a growing source of agricultural export earnings (Jaffee, 1993). By 2000 HVA exports were already estimated to account for approximately two-thirds of total agricultural trade (Dolan and Sorby, 2003).

Two factors have played an important role in the expansion of HVA in global production. First, technological innovation has led to the operation of cool chain and other temperature-controlled transportation that facilitates the export of more perishable goods. Second, supermarkets have become the dominant buyers of HVA products, sourcing globally, regionally and locally. In the UK, supermarkets control 80 per cent of all food retailed. A similar trend is also taking place in parts of Africa and Asia. In South Africa, supermarkets now account for 50–60 per cent of all food retailed and are rapidly expanding outlets in other African countries.² In Kenya, supermarkets have grown rapidly to capture over 20 per cent of urban food retailing (Neven and Reardon, 2004). Supermarket food chains operate differently from traditional markets. Supermarket buyers exert high levels of control within their value chains in order to meet consumer demand and maximise their market share. They aim to provide the same produce all year round, regardless of local seasons. They operate through global networks of preferred suppliers, using pre-programmed or computer-controlled orders that are directly channelled through to their centralised distribution systems. They set stringent specifications and standards for their suppliers, which include product specification, food hygiene and, increasingly, social and environmental standards (Dolan and Humphrey, 2004).

Historically, female labour has been prevalent in crops such as tea and coffee, often on estates or in small-holder production, but has less often been found in certain traditional agricultural crops (e.g. livestock and grains). HVA production, however, has stimulated a high level of female employment across both developed and developing countries. Table 12.1 provides a summary for selected HVA-producing countries.³ The source and composition of female employment vary by country and product. In South African fruit production, for example, women are concentrated in temporary and seasonal employment, with their employment traditionally tied to that of male partners or relatives (Barrientos and Kritzing, 2003).⁴ In Kenyan flowers they are slightly more often to be found in regular employment.

The use of workers hired by third party labour contractors is rising in some countries, but is particularly prevalent in South Africa and the UK. Over the past decade, 'gangmasters' have become an important source of labour provision in UK agriculture. They provide 37 per cent of all temporary labour, 32.5 per cent of which is migrant labour from non-EU countries (Frances et al., 2005). Early studies in South Africa and

Table 12.1: Comparison by country of selected high value agricultural production

| Country | Main market | Estimated level of employment | Gender composition | Type of employment |
|--------------------------------|------------------|--|---|---|
| Kenya: flowers | EU (UK, Holland) | 40,000 (+ 4–5,000 small-holders) | 75% female | 65% temporary |
| South Africa: fruit | Europe | 280,000 | 69% of women temporary/casual; 26% of women permanent | Mixed |
| UK: agriculture | UK | 99,460 recruited direct, 224,713 via temporary labour providers (TLPs), seasonal agricultural workers (SAWs) and students. | TLPs: 35% female 65% male | Majority temporary (31 % recruited direct, 37% via TLPs, 32% SAWs and students) |
| Zambia: vegetables and flowers | EU | 8,000 | 65% female (veg. only) | 60-75% temporary (veg. only) |

Sources: Dolan and Sorby, 2003; Smith et al., 2004; Frances et al., 2005.

the UK indicate that the gender composition of contract gangs is more likely to be male (65 per cent in the UK). Women form a larger proportion of directly recruited labour employed when seasonal production peaks. This appears to reflect a preference by contractors for male workers who can be more mobile than local seasonal labour, which is usually female. But this could change with the expansion of female migration.

An important aspect of casual female and contract labour is their 'flexibility'. Agricultural producers face natural risks of seasonal production, climatic variation and vulnerability of crops to pest and disease. Producers in supermarket value chains also face high commercial risks in terms of meeting stringent standards and changing demands and orders from supermarket buyers, and they rarely have assured supply contracts. Flexible employment allows producers to vary their employment levels on a rapid basis, while keeping labour costs down. The workforce can be varied daily through (compulsory) overtime for casual workers and/or the use of labour contractors. Some international non-governmental organisations (NGOs) and trade unions argue that the purchasing practices of large supermarkets play an important part in driving labour casualisation. Suppliers face a pincer movement of downward pressure on prices and increasingly volatile orders plus rising quality standards and costs. Casual and contract labour provide a buffer against the risks they face in supermarket value chains, with vulnerable women workers ultimately bearing the cost (Actionaid, 2006; Oxfam, 2004).

Opportunities and Challenges for Women⁵

The expansion of employment in HVA production provides important opportunities for women to enter paid employment. However, the extent to which women are able to access the benefits of working in HVA is limited by their predominantly casual work status, reflecting embedded gender discrimination in hiring and promotion. A number of studies indicate that (with some exceptions) permanent workers are predominantly male. Permanent workers more often have a legal contract of employment, with greater stability and security of work. Normally they receive better wages (with a year-round income that most casual and contract agricultural workers do not enjoy) and have access to related benefits such as health and social insurance. Non-wage benefits are sometimes available to permanent workers, especially where they live on the farm or estate, including housing, social provision and transport. Permanent workers are also more likely to enjoy the right to freedom of association, although generally rates of trade union membership in agriculture are low.

Women usually constitute the majority employed in pack houses in HVA. Pack house workers often receive relatively good wages compared to field workers, and they are more likely to have access to pro rata employment benefits and rights to which they are entitled. Overtime, however, is a key issue in pack houses. It is often required at very short notice to meet variable orders from supermarket buyers, so that workers do not know in the morning what time they are likely to finish that evening. This can make childcare arrangements extremely difficult, particularly for women. Women pack house workers may therefore reap some benefits from working in HVA, but still struggle when they have to combine this with family responsibilities.

The problems facing casual and contract farm workers, however, are legion. They often have no contracts of employment (even short term) and have little information about their rights or terms and conditions of employment. They face high levels of work insecurity, even if they work regularly for the same producer for years. Wages (often paid on a piece rate) can vary on a day-by-day or week-by-week basis, depending on seasonal demand. Employees often receive no pay when production stops because of the weather, even if they have presented themselves at work. They may be forced to work long overtime hours, often with no additional pay. Casual and contract agricultural workers rarely receive their pro rata legal entitlements, such as health or social insurance, and compensation for work-related injury is often avoided. Because of their insecurity, workers fear making any complaint or joining a union in case they lose access to work. Women often fall prey to verbal abuse and sexual harassment by male supervisors, who are normally arbiters in whether or not they are re-employed. These workers are thus in a highly vulnerable position.⁶

Another issue that affects many workers in agriculture is health and safety. This especially arises from the use of pesticides and other chemicals in the production process. It is a particular problem for workers in confined spaces such as greenhouses, where exposure tends to be high and workers are often female. Evidence suggests that health and safety procedures in relation to the handling of pesticides and chemicals are often

lax or violated. The effects of chemical exposure can include skin irritation, respiratory problems, nausea and dizziness. The longer-term effects can be even more serious, including a higher risk of serious illness and adverse effects on children.

Despite the problems that face women agricultural workers in global production, many still express a preference for this work compared to the alternatives. Paid agricultural work provides increased independence within the household, ability to contribute to household income and greater socialisation. It also provides access to government and community support programmes, which may otherwise be inaccessible.

Global Responses

A key policy challenge is how to enhance decent work for women who are working in HVA. Decent work, as defined by the ILO, is employment that takes place ‘under conditions of freedom, equity, security and dignity, in which rights are protected and adequate remuneration and social coverage is provided’. The ILO provides a framework for the analysis of employment in global production combining four dimensions: employment, rights, protection and voice (ILO, 2000). In principle, all ILO member States are supposed to implement its core conventions, including the principle of non-discrimination. In reality, even where legislation itself is good, enforcement can be weak, especially in the context of HVA, where the demands of overseas supermarket buyers can affect employment practices and producers strive to compete for orders. However, a complementary avenue for intervention has been found through voluntary approaches.

CSOs have put increasing pressure on supermarkets over poor employment conditions in their global supply chains. This has resulted in a number of supermarkets introducing codes of labour practice that lay out minimum labour standards for their suppliers. In some countries, voluntary approaches have led to the formation of multi-stakeholder initiatives involving companies, NGOs and trade unions. An example is the Ethical Trading Initiative (ETI) set up in 1997 in the UK, which includes the main UK supermarkets among its members.⁷ Initially, the ETI focused on conditions in developing countries. But in 2002 it set up the Temporary Labour Working Group, involving supermarket, NGO and union representatives, to establish minimum standards for UK gangmasters. It played an important role in pressuring the Government to support the Gangmasters (Licensing) Act, which was passed through Parliament in 2004 and came into force in 2006 (Pollard, 2006). Under this Act, all labour contractors have to be registered and monitored by the Gangmasters Licensing Authority, and producers have been made jointly liable if they do not use registered contractors.

Similar moves have also been made in South Africa, where exemplary labour legislation includes the Employment Equity Act and Basic Conditions of Employment Act, which also covers labour brokers. However, enforcement remains a problem (Carr, 2004). The Wine Industry and Agriculture Ethical Trading Association (WIETA) was set up following an ETI wine pilot in the country to develop and monitor its own local code of labour practice based on ILO Conventions and legislation. WIETA members include trade unions, NGOs, producers, exporters, government and UK supermarkets. CSOs

have played an important role in ensuring that the conditions of casual women workers are addressed in social audits. WIETA has also moved to include labour brokers in its membership, with the aim of monitoring their labour standards against its code of labour practice.

These examples highlight innovative ways in which voluntary and regulatory approaches can interact to address the employment conditions of workers in HVA. Ultimately, however, the commercial environment in which this employment takes place also needs to be addressed. Civil society pressure on supermarkets to improve their purchasing practices is one dimension. The rise of ethical and fair trade highlights that many consumers are seeking assurance that producers and workers are treated fairly. Easing downward pressure on producer prices and volatility of orders could go some way to helping suppliers to meet employment standards set out in supermarket codes of labour practice. It is also important that bilateral and multilateral trade negotiations, such as the EU's Economic Partnership Agreements, take the changing face of supermarket retailing and gendered nature of agricultural employment into account (Khan, 2006; Carr, 2004). Such trade agreements need to support moves by developing country suppliers and governments to upgrade within supermarket value chains, and to direct more of the benefits of participating in this high earning sector to women workers.

Globalisation has great potential to benefit women workers, which could play a significant role in lifting rural households out of poverty. But a proactive commitment is required by all actors – civil society, companies and government – to realise this potential.

Endnotes

1. This section draws primarily on the following more detailed studies: Barrientos, Dolan and Tallontire, 2003; Dolan and Sorby, 2003; Smith et al., 2004.
2. For example, the South African supermarket Shoprite has 119 outlets in 16 African countries (Angola, Botswana, Egypt, Ghana, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Swaziland, Uganda, United Republic of Tanzania, Zambia and Zimbabwe, and as well as India).
3. Official statistics for employment in HVA are very unreliable, and we have to depend on different estimates for country data.
4. Since 1994 there has been a process of rapid change in South African agriculture with the introduction of new labour legislation and rapid retrenchment of on-farm labour. There has also been increasing casualisation of agricultural labour, both male and female.
5. This section draws primarily on Barrientos and Barrientos, 2002; Dolan and Sorby 2003; Barrientos and Kritzinger, 2003; and Smith et al., 2004.
6. In the UK, media interest in the plight of gangmaster labour was most tragically brought to the fore by the death of 21 Chinese cockle pickers in Morecombe Bay in 2004. These were all undocumented migrant workers, controlled by unscrupulous gangmasters who extracted long hours at low pay in hazardous and dangerous conditions (Pollard, 2006).
7. ETI company members include Tesco, Asda, Sainsbury's, the Cooperative and Marks and Spencers. Morrisons is the largest supermarket that is not a member. See www.ethicaltrade.org

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CHAPTER 13

The Role of National Women's Machineries in Financing Gender Equality

Auxilia Bupe Ponga

Governance has to do with how power is exercised, how citizens acquire a voice and how decisions are made on issues of public concern. While it may be difficult to define good governance, it certainly requires the state to act responsibly and take into account the interests of the people (Yaya Mansaray, 2004). It requires the participation of both women and men in public life as it must relate to society as a whole in its quality and functions. There must also be an effective separation of powers between the legislature, the judiciary and the executive organs of government.

Since at least the first United Nations conference on women held in Mexico in 1975, it has been recognised that women are not fully participating in governance and the development process, and that greater women's participation is needed. As a result of the 1975-85 UN Decade for Women, governments set up desks, units, departments and even ministries to address the issue and ensure that the experiences of women, their concerns and their perspectives, were incorporated in governance structures. These were to be mechanisms, processes and institutions through which women would be able to articulate their interests, exercise their legal rights, meet their obligations and mediate their differences. The fourth point of the 1991 Harare Declaration also affirmed women's equality and that they must be able to 'exercise their full and equal rights'.

National Women's Machineries

Many Commonwealth countries established national women's machineries (NWMs) in the period 1975-85, although these vary in size, influence and location in the government structure, as well as in the funding they receive. The NWM is supposed to take a leading role in ensuring that the government recognises the importance of mainstreaming gender equality concerns into the planning, implementation, monitoring and evaluation of programmes and projects. It is supposed to provide policy advice and support for capacity building for mainstreaming gender in all government sectors and coordinate a network of structures and processes that attempt to mainstream gender equality concerns in the country. NWMs work across all sectors to facilitate the advancement of gender-aware policies and programmes at all levels.

An in-depth study is currently being conducted to assess how NWMs have performed in the nearly 20 years that have passed since they were first set up. Even without this being concluded, however, it is possible to say that the activities of NWMs have had a positive impact overall in increasing public awareness of gender issues and concerns. Achievements include the formulation of national gender policies and the establishment of national women's structures for gender mainstreaming characterised by gender focal points in line ministries and departments at national and provincial level. Toolkits consisting of a collection of gender sensitisation and training tools have been developed to assist the focal points in their work. A set of checklists, criteria and evaluation frameworks for 'seeing' women's and men's participation, needs and realities more clearly have also been developed and have been used in the provision of technical support to gender focal points.

Challenges include inadequate communication systems between NWMs, gender focal points and co-operating partners, and the lack of technical back-up for the focal points from NWMs. Difficulties faced by most NWMs, especially those in developing countries, range from insufficient funding to lack of capacity in staff. Staff in NWMs usually face structures that are not supportive of gender mainstreaming. A case in point is the way in which an NWM within one ministry depends on staff in other ministries for mainstreaming gender. The members of staff of sector ministries have other responsibilities and are generally expected to mainstream gender in addition to their day-to-day work. The work of mainstreaming gender is often not captured in the job description of sector ministry staff, nor is gender one of the key result areas on which they are appraised.

The budgets that gender focal points have for their regular work do not include work on mainstreaming gender, which is treated as additional and peripheral. This makes them ineffectual and often very little mainstreaming, if any, takes place. These personnel are usually not part of the management structure and therefore do not participate in decision-making. In terms of institutions, national mechanisms are in place to promote gender concerns, but ministries of women's affairs rely heavily on donor funding and the work of gender focal points in other ministries is often unsupported by management.

Whereas much work has been done to build the technical capacity of gender focal points so that they can mainstream gender at national and regional levels, as yet not much can be seen in terms of impact. NWMs have no control over the staff of other ministries, who may be transferred, promoted or given other responsibilities, often without the NWM being consulted, leading to a high turnover of focal points.

Financing for Gender Equality

So how can countries move on to ensure that financing for gender equality is made available? This question needs to be addressed by all NWMs in Commonwealth countries. The timing could not be more opportune, as public sector reforms to make public expenditure more 'results based' are part of the good governance agenda. NWMs can play a leading role in championing a framework that looks at what governments want to

achieve. This approach fits well with the aims of gender-responsive budgeting (GRB) and its concern with the impact of budgetary allocations on women and men. To be effective, a radical change is required in the conventional model. An important aspect of this is to reassess the meanings of economy, efficiency and effectiveness from a gender perspective, and to add a fourth 'e' – equity.

The role of NWMs will be made easier if governments begin to create greater consistency between social commitments and economic goals and how they try to achieve these. The aim of this chapter is not to provide answers to the question of how gender equality can be financed, but to inspire government officials, policy-makers, donor agencies and civil society groups to engage in GRB by demonstrating both equity and efficiency gains. As Budlender et al. (2002) have argued, GRB initiatives are mechanisms for mainstreaming gender into public expenditure and public revenue decision-making, which can lead to more effective policy design and outcomes. However, they note that the technical nature of much gender budget work can obscure the political nature of the budget process and hence the need for advocacy strategies. Political support is crucial, particularly from finance ministries and officials in key sectoral ministries. While ministers responsible for women's affairs are important advocates, they often lack political influence to mobilise support and lack the capacity to address macroeconomic issues. Recommendations include the need for broad-based coalitions, sex-disaggregated indicators, the development of tools for revenue analysis, and more work at the sub-national level (*ibid.*).

In any discussion of the placement, role and functions of NWMs and their partnership with other line ministries, it is important to address the linkages with processes that bring broader public accountability for fiscal policy in ways that are sensitive to the needs of poor women and men. GRB seeks to widen governance and accountability structures by giving women a voice in discussions on public spending, revenue-raising and debt. NWMs are key players in ensuring that the debate on accountability and governance is gender responsive. Accountability in the context of budgets involves four core issues:

- Which players are involved in policy formulation and to what extent;
- How responsive government is to inputs from external stakeholders;
- How transparent the budget process is;
- How credible policy commitments are when assessed against budgetary priorities.

The representation and participation of the people, including women, who are directly affected by budget allocation decisions is important, partly because it is a way of strengthening democracy. However, GRB seeks not only to increase women's participation in decision-making but also to strengthen women's capacity for effective participation and government's capacity to undertake gender analyses and engender macro-economic policies. The key questions that GRB addresses are: What impact does this fiscal measure have on gender equality? Does it reduce gender inequality, increase it or leave it unchanged? Is there consistency between economic goals and social commitments? GRB

demonstrates the potential of participatory budgeting and analysis to make governments accountable to international and national commitments and bring about a fairer distribution of public resources (Sharp, 2003).

Conclusion

While the institutionalisation of gender concerns from 1985 onwards in Commonwealth member states is documented in *Gender Equality: A Decade of Commonwealth Action*, the challenge now is how to finance gender equality for development and democracy. NWMs are encouraged to document the work of women's/gender units and gender mainstreaming activities within the context of member countries, focusing on policy developments, organisational forms and activities over time. Second, their role is to appraise gender mainstreaming efforts at country level through an examination of the organisational set-up and gender mainstreaming efforts. Third, they should ensure that when the financing of gender equality is addressed, NWMs are strengthened and women's/gender concerns in Commonwealth countries are financed through some of the approaches discussed above. Only then can we hope for a world in which women and men have equal rights and opportunities at all stages of their lives and where they can express their creativity in all fields of human endeavour. Only then will women be respected and valued as equal and able partners. It has become clear that fiscal policies and budgets that are gender-blind potentially widen inequality between women and men in areas such as health, income, education, nutrition, democracy and peace – or the lack of it.

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Notes on the Contributors

Ramesh S Arunachalam is a financial services sector, rural finance, MIS, MSME and development specialist with some 21 years of direct implementation and field experience. The primary focus of his work has always been to provide pragmatic and innovative solutions that foster the delivery of a wide range of competitive, gender-responsive and sustainable market-based financial and business development services to low-income clients and women. He has worked in South Asia, Africa, Europe and North America (on some 200 assignments) with a large number of stakeholders including governments, bi- and multi-lateral donors, central banks and micro-finance institutions.

Debbie Budlender is a specialist researcher with the Community Agency for Social Enquiry (CASE), a non-governmental organisation (NGO) working in the area of social policy research. She has been on a long-term, part-time secondment to the Centre for Actuarial Research at the University of Cape Town since 2002. She acted as the overall coordinator of South Africa's Women's Budget Initiative from the time it started in 1995 and has written extensively on gender-responsive budgets (GRBs), including several publications for the Commonwealth Secretariat. She has served as consultant to NGOs governments, parliamentarians and donors in countries across the Commonwealth and beyond. She is one of the five members of South Africa's Employment Conditions Commission, which advises the Government on minimum wages and conditions of employment for vulnerable workers, and a member of the Council of the University of Cape Town.

Marilyn Carr is a development economist with over 30 years working experience in Africa and Asia. She has a DPhil from the University of Sussex and an Msc (Econ) from the London School of Economics. She has been Director, Global Markets Programme, WIEGO; Senior Economic Adviser, UNIFEM, New York; Senior Economist, Intermediate Technology Development Group, UK; and Regional Adviser on Village Technology at the Women's Centre of the Economic Commission for Africa, Addis Ababa. She specialises in gender and trade; gender, science and technology; and women in informal economy enterprises. She has written and edited several books on these subjects, including most recently the Commonwealth Secretariat publications *Chains of Fortune: Linking Women Producers and Workers with Global Markets* (editor) and *Mainstreaming Informal Employment and Gender in Poverty Reduction* (co-author).

Robert Carr is Deputy Director of the Caribbean Institute of Media and Communication (CARIMAC), University of West Indies, Jamaica. He specialises in HIV and AIDS research and lectures, and is actively engaged in community training and public advocacy. He works extensively in the Caribbean region, advises regional and national organisations and has also published widely. He is part of the technical advisory group for the UNIFEM-led multi-agency initiative for gender mainstreaming HIV and AIDS interventions in the Caribbean.

Stephanie Barrientos is a Fellow at the Institute of Development Studies, University of Sussex, UK. She has researched and published on gender and development in Africa and Latin America, globalisation and informal work, corporate accountability, fair trade, ethical trade and international labour standards. She coordinated a research project on Gender and Ethical Trade in African Horticulture and is now engaged in a research programme on the mainstreaming of fair trade. She has worked on projects relating to impact assessment and poverty monitoring and evaluation for the UN Industrial Development Organisation in India and the IFC South Asia Enterprise Development Facility in Bangladesh, and coordinated the UK Ethical Trading Initiative Impact Assessment (2003–2005). She has developed methodologies on ‘Value Chain to Impact Mapping’ and participatory social auditing, and is making a video on ‘Participatory Social Auditing: A Gender-sensitive Approach’. She has advised and provided training for companies, NGOs and international organisations on various issues.

Khabele Matlosa is the Research Director of (EISA), in Johannesburg, South Africa and the regional Coordinator of the EISA project on ‘Consolidating Democratic Governance in SADC’. He is a governance specialist and has researched and written widely on various governance and development themes including electoral system reform, political parties, regional security, conflict management, democracy and development, election observation/monitoring, regional integration and migration. Dr Matlosa is a member of the Board of Governors for the Centre for Conflict Resolution (CCR) based at the University of Cape Town (UCT). He was also one of the experts who produced the Principles for Election Management, Monitoring and Observation in the SADC Region. He has observed elections in various SADC countries including the recent one in the Democratic Republic of Congo.

Auxilia Bupe Ponga has a PhD from the University of Manchester, UK, and is the Gender Adviser responsible for the public sector and governance in the Social Transformation Programme Division of the Commonwealth Secretariat. She was previously Permanent Secretary for Gender in the Development Division of the Cabinet Office, Government of Zambia, where she was the chief adviser on gender and led delegations to the United Nations and other international meetings. She has worked as a consultant with UN agencies, the World Bank and other bilateral agencies in Zambia and has wide experience with working with civil society organisations in southern Africa.

Sarojini Ganju Thakur is Head of the Gender Section of the Commonwealth Secretariat and Adviser, Poverty Eradication and Economic Empowerment. She is on secondment from the Indian Administrative Service (Himachal Cadre), which she joined in 1977. Her latest postings in the Government of India were as Joint Secretary, Department of Women and Child Development and Deputy Director, LBS National Academy of Administration, where she worked primarily on mainstreaming gender training for civil servants.

Sherrill Whittington has worked on gender issues and programmes for women for over 15 years, mostly through the UN and the Commonwealth of Learning. As a member of the UNICEF gender team, she was responsible for the development of a guide for institutional gender equality mainstreaming, and developed training materials to address the

rights of women and children in emergencies and conflict. As senior adviser for the UN Fourth World Conference on Women, she designed and implemented a global programme to incorporate youth issues into preparations for the conference. At field level, she was Head of the Gender Affairs Office in UNTAET, and established Timor-Leste's national machinery for women. More recently, she has worked on UNICEF programmes in post-conflict West Africa, worked as team leader for an AusAID study on the barriers to women in post-conflict government in the Solomon Islands and developed a brief for the Commonwealth Secretariat on women's parliamentary representation. She is a Visiting Professor in Gender and Peace-building at the United Nations University for Peace in Costa Rica. She has an MA in International Relations and an MLitt in Asian History.

Mariama Williams is an international economics consultant and an Adjunct Associate at the Centre of Concern, Washington DC, USA. She is also the Research Adviser for the International Gender and Trade Network. She is a member of Development Alternatives with Women for a New Era (DAWN) and has worked with Women in Development Europe (WIDE). She has written extensively on gender and trade including a pioneering work on *Mainstreaming Gender in the Multilateral Trading System* for the Commonwealth Secretariat. She is very closely associated with the current work of the Secretariat on gender and trade.

Index

- AAP (Africa Action Plan) 97
 - ABC (Abstinence, Be faithful, Condoms)
 - approach, HIV/AIDS 151
 - abstinence, HIV/AIDS programmes 151, 152
 - accounting systems, budget reforms 31
 - action pilots 63–4
 - Africa
 - Action Plan 97
 - political systems 117–18
 - AfT (Aid for Trade) 13, 79–81
 - agriculture 28
 - Agreement on Agriculture 76
 - farmers 76, 81, 97, 141
 - female employment 173–9
 - health and safety 176–7
 - liberalisation 74
 - markets 97
 - productivity 89
 - statistics 35
 - aid
 - administrative data 35
 - Aid for Trade 13, 79–81
 - budgets 26, 27, 29
 - civil society organisations 35–7
 - donor funding 18
 - effectiveness 17–39, 41–8
 - funding 26–30
 - gender equality 47–8
 - joint assistance strategies 25
 - modalities 26–30
 - monitoring 34
 - national development plans 23–6, 32
 - project financing 29, 32
 - recommendations 37–8
 - sector-wide approaches 26, 27, 28
 - standard indicators 34
 - AIDS/HIV *see* HIV/AIDS
 - Allanblackia nut exports 60
 - Anglican Church 163
 - antenatal programmes, HIV/AIDS 160
 - AOA (Agreement on Agriculture) 76
 - apiculture 141, 142
 - Arab states, governance 118
 - Asia, governance 118
 - Bangladesh, fair trade 139
 - banking 51, 62
 - beekeeping associations 141, 142
 - Botswana, HIV/AIDS 156–7
 - budgets
 - gender-specific interventions 101–2
 - reforms 30–3
 - businesses, women-owned 13, 79, 80, 89, 91
 - Café Direct 60
 - care work 10
 - Caribbean
 - HIV/AIDS 145, 157–9, 168–9
 - masculinity 149
 - casualisation of employment 137, 175, 176
 - challenge funds 58–9, 61
 - chemicals exposure 176–7
 - children
 - fuel/water carrying 12
 - mortality reduction 19
 - well-being 94
 - civic education 120
 - civil society organisations (CSOs)
 - aid modalities 35–7
 - gender analysis 45–6
 - clinic attendance 35
 - cocoa production 140, 142
 - coconut oil exports 140
 - coffee production 60
 - combatants, female 127
 - Commonwealth
 - conflict management 114–15
 - female parliamentary representation 118–19
 - Fund for Technical Cooperation 133
 - gender budgeting 132–4
 - Heads of Government Meeting (2005) 110
 - HIV/AIDS 156–66
 - Parliamentary Association 133
 - Plan of Action for Gender Equality (2004) 110, 133
 - women's empowerment 119–22
- community empowerment 14
- Small Change or Real Change?

- community rural insurance groups 60
- condoms, HIV/AIDS programmes 151, 152, 159
- conflict management 114–15, 122–3
- consumer goods, women producers 11
- contract labour 175, 176
- cotton production 60
- credit, women's access 11, 12, 52–6, 62, 76, 96
- CSOs *see* civil society organisations

- DDRR *see* disarmament, demobilisation, reintegration and rehabilitation
- debt management 11–12
- decent work, definition 177
- democracy
 - definitions 110–11
 - gender equality 109–24
 - Human Development Report 2002* (UN) 111
 - recommendations 122
- Department for International Development (DFID) (UK)
 - Botswana 157
 - budget reforms 31
 - gender equality 153
 - Guyana 158–9
 - HIV/AIDS programmes 154
 - India 161
 - policy agenda 91
 - sector-wide approaches 27
 - South Africa 163
 - Uganda 166
- Deutsche Bank, micro-finance 59
- development
 - definition 147
 - democracy linkage 113
 - vs economic growth 112–13
 - gender equality 41–8, 109–24
 - global partnership 19
 - Human Development Report 2005* (UN) 113–14
 - recommendations 37–8, 122
- developmental democracy 111
- DFID *see* Department for International Development
- direct budget support, aid 26, 27, 42
- disarmament, female role 127
- disarmament, demobilisation, reintegration and rehabilitation (DDRR) phase 127
- domestic labour 90
- donor funding 18, 130–2
- donors, gender audits 43–4
- dowries 162
- 'dumping' food 74

- East Africa, coffee production 60
- economic growth *see* growth
- education
 - gender gap 114
 - girls 18, 88, 90
 - school enrolment 35, 90
- electoral systems 120, 121
- employment
 - casualisation 137, 175, 176
 - decent work 177
 - insecurity 176
 - trade 71–2, 73–4
 - welfare regimes 91
 - women 71–2, 88, 90, 96, 128, 137–8
- empowerment 14, 53–6, 88, 94–6, 119–22
- entrepreneurship 74, 80, 81, 91
- environment, sustainability 19
- equal opportunities 93–4
- Ethical Trading Initiative (ETI) (UK) 177
- Europe, governance 117
- excise taxes 73
- experts, budget reforms 33
- exports
 - revenues 72
 - women's access to markets 140–3

- Fairtrade 139, 140, 142–3
- farmers 76, 81, 97, 141
- FDCF (Financial Deepening Challenge Fund) 58
- fertiliser cost 77
- fertility rates 88
- finance, macroeconomic overview 9–15
- Financial Deepening Challenge Fund (FDCF) 58
- financial directors 62
- financial services
 - Indian farmers 60–1
 - women 63
- first-past-the-post (FPTP) electoral system 120, 121

- fiscal policy
 - targets 14
 - trade liberalisation 12–13
 - women 10–11
- flexible employment 175
- food chains 174
- food dumping 74
- food security 74, 75
- fuel access 12
- funding
 - aid 26–30
 - civil society organisations 36
 - political parties 120
 - post-conflict resolution 130–2
- G8 Summit (2005), donor funding 18
- gangmasters 174, 177
- GAP (Gender Action Plan) 93–105
- GATS *see* General Agreement on Trade in Services
- gender
 - audits 43–4, 46
 - national action plans 25–6
- Gender Action Plan (GAP) 93–105
- gender-responsive budgeting (GRB) 17–39, 45, 183–4
- General Agreement on Trade in Services (GATS)
 - female employment 76
 - health services 75
- generic medicines, HIV/AIDS 152–3
- GFATM *see* Global Fund to Fight Aids, Tuberculosis and Malaria
- Ghana
 - aid budget 32
 - Fairtrade co-operative 140, 142
 - gender mainstreaming 47
 - joint assistance strategies 43
- Girjijan Cooperative Corporation Ltd (GCC) (India) 142
- girls
 - AIDS orphans 164
 - education 18, 88, 90
- Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) 150–1
 - Botswana 156–7
 - Guyana 158
 - India 160
 - South Africa 162–3
 - Uganda 165
- Global Gender Innovation Challenge Fund 61
- globalisation 137–44
- governance *see* politics
- grants, micro-finance 61
- GRB *see* gender-responsive budgeting
- Great Lakes Cotton Company (Malawi) 60
- growth 87–92
 - development contrast 112–13
 - poverty reduction 87
- guarantees, micro-finance 61
- gum exports 142
- Guyana, HIV/AIDS 157–9
- Harare Commonwealth Declaration (1991) 109–10
- health and safety 176–7
- health services 75
 - see also* medicines
- health workers, cross-border migration 76
- high value agriculture (HVA) 174, 175
- HIV/AIDS 19, 145–71
 - aid funding 28
 - drug costs 75
 - epidemics 145–6
 - gender 147–56, 166–9
 - medicines 75, 152–3, 154
- home-care 10
- honey production 141
- Hong Kong Ministerial 80
- Human Development Reports* (United Nations Development Programme) 111, 113–14
- human resources development, trade 73–4
- HVA (high value agriculture) 174, 175
- ICT *see* information and communications technologies
- import liberalisation 73
- income
 - trade 72–3
 - women's 72–3, 94
- India
 - financial services 60–1
 - gum exports 142
 - HIV/AIDS 148, 159–61
 - insurance products 60–1
 - National Bank for Agriculture and Rural Development 51
- indirect taxes 11

- infant mortality 19
- information and communications technologies (ICTs) 138–9
- infrastructure development 74, 98
- innovative financing 49–67
- insurance products 60–1
- intellectual property rights 75, 76, 154
- International Labour Organization (ILO) 177
- investment finance, women's access 11

- Jamaica, HIV/AIDS 145, 168–9
- joint assistance strategies (JAS) 25, 43

- Kenya, mobile telephony 59
- Kuapa Kokoo co-operative 140, 142

- labour force *see* employment
- labour regulation 173
- land ownership 91, 96
- leadership 57
- liberal democracy 110–11
- liberalisation
 - agriculture 74
 - trade 12–13, 20, 71
- livelihoods financing 64
- loan repayments, low-income women 63
- Lomé Peace Accord 127
- low-income women
 - central banks 62
 - credit history 62
 - financial needs 53
 - HIV/AIDS 148, 162
 - livelihoods financing 64
 - loan repayments 63
 - private sector financing 49, 58–61
 - risk management products 63
 - taxation 73

- M-PESA (mobile telephony) 59
- macroeconomic policy 10–11
- Malawi
 - aid 36
 - cotton production 60
 - gender audits 24–5
- markets, access 78–9
- masculinity 148–9
- maternal mortality 35
- MDGs *see* Millennium Development Goals

- medicines, HIV/AIDS 75, 152–3, 154
- medium-term budget framework (MTBF) 30
- Megatop 60–1
- micro-finance 49–67
 - gender 56–7, 62, 64–5
 - growth 51
 - origins 50–1
 - recommendations 61–5
 - women directors 62
 - women's empowerment 53–6, 91
 - women's services 52–3
- Middle East, governance 118
- migrant workers 57
- Millennium Development Goals (MDGs) 18–19
 - commitment/practice gap 113–14
 - gender equality 41, 70
 - generic indicators 34
- monetary policy
 - credit access 11
 - trade liberalisation 12
- Monterrey Conference for Financing Development (2002) 18, 19–20

- National Bank for Agriculture and Rural Development (NABARD) (India) 51
- national budgets 14
- national development plans 23–6, 32
- national export strategies 140–2
- national gender action plans 25–6
- national leadership 23–6
- national women's machineries (NWMs) 45–6, 181–4
- Nelson Mandela Foundation 163
- non-governmental organisations (NGOs) 36–7
- non-traditional agricultural exports (NTAEs) 75, 76
- Nordic countries, governance 117
- NWMs *see* national women's machineries

- ODA (overseas development assistance) 103
- organic trade 139–40
- overseas development assistance (ODA) 103

- Pacific Island states, governance 118
- pack house workers 176
- Paris Declaration for Aid Effectiveness (2005) 21–2, 41, 46–7, 150

- parliaments, female representation 116–17, 128–9
- patents (biological materials) 76, 77
- peace-building *see* post-conflict resolution
- peer reviews 47
- PEPFAR *see* President's Emergency Plan for Aids Relief
- piloting, aid funding 28
- PMTCT (prevention of mother-to-child transmission programmes) 148
- politics
 - female participation 110, 111, 119–22, 181
 - parties 119–20
 - trade 77
- post-conflict resolution 125–35
 - budgetary gender gaps 129–32
 - credit programmes 130
 - gender equality 126–9
 - women's role 115, 125–34
 - World Bank 130
- poverty reduction 94
 - economic growth 87
 - strategy papers 23–4, 32, 33, 42–3
 - support credits 99
- President's Emergency Plan for Aids Relief (PEPFAR) 151–3
 - Botswana 157
 - Guyana 158
 - India 161
 - South Africa 163
 - Uganda 165–6
- prevention of mother-to-child transmission (PMTCT) programmes 148
- prices, trade 73
- primary education 18, 90
- primary surplus 14
- private sector financing
 - innovative projects 59–61
 - low-income women 49, 58–61
 - recommendations 61–5
- project/programme aid 29, 32
- proportional representation (PR) 120, 121
- public sector performance 46
- public-private partnerships 63–4
- quasi-equity investment 61
- quotas, political parties 119–20
- rape 162
- RBIs (results-based initiatives) 98
- regional growth, gender gaps 88
- regional trade agreements (RTAs) 71
- regulators, low-income women 62
- Resolution 1325 (United Nations Security Council) 129
- results-based initiatives (RBIs) 98
- retailing, transaction costs 63
- risk fund capital 61
- risk management products 63
- RTAs (regional trade agreements) 71
- rural productivity 89
- sales taxes 11
- Samoa, organic trade 140, 142
- savings, household 89
- school enrolment 35, 90
- seasonal labour 175
- secondary education 90
- sector-wide approaches (SWAPs)
 - aid 26, 27, 28
 - gender initiatives 42
- security, personal 77–8
- seed cost 77
- self-help groups (SHGs) 57
- sex workers 161
- sex-disaggregated data 35, 46, 98
- sexual relationships 146
- Sierra Leone 127
- small and medium-sized enterprises (SMEs) 79
- social democracy 111
- social development vs infrastructure development 74
- social equity 11
- social expenditure reduction 10
- social responsibility 139
- soft loans 61
- Solomon Islands, female parliamentary representation 129
- South Africa
 - female agricultural employment 174
 - HIV/AIDS 161–3
 - labour practices 177–8
 - rape 162
- statistics
 - gender-related 34–5
 - sex-disaggregated data 46, 98

- structural inequality 13–14
- sub-Saharan Africa, political systems 117
- Sudan, women's empowerment 132
- supermarkets 178
 - employment conditions 177
 - female employment 173
 - food chains 174
- sustainability 19, 113
- SWAp*s* *see* sector-wide approaches

- Tanzania
 - aid 36
 - Allanblackia nut exports 60
 - poverty reduction 33
- Tata-AIG 60
- taxation
 - low-income women 73
 - reform 72–3
 - social equity 11
- Timor-Leste 127, 129
- trade 69–85
 - agreements 12–13, 74–81
 - Aid for Trade 79–81
 - economic assets 75–7
 - employment 71–2, 73–4
 - export revenues 72
 - Fairtrade 139, 140, 142–3
 - gendered impacts 71–4
 - human resources development 73–4
 - income 72–3
 - infrastructure development 74
 - intellectual property rights 75, 76, 154
 - liberalisation 12–13, 71
 - adjustment costs 79
 - government revenues 72
 - Monterrey Consensus document (2002) 20
 - market access 78–9
 - national export strategies 140–2
 - organic trade 139–40
 - political participation 77
 - prices 73
 - recommendations 81–2
 - women's security 77–8
 - World Trade Organisation agreements 74–81
- trade-related aspects of intellectual property rights (TRIPS) 75, 76, 154
- trade-related capacity building (TRCB) 78–9

- transport infrastructure 98
- TRCB (trade-related capacity building) 78–9
- tribal communities, micro-finance 57
- TRIPS (trade-related aspects of intellectual property rights) 75, 76, 154
- Truth and Reconciliation Commission (Sierra Leone) 127

- Uganda
 - apiculture 141, 142
 - female ex-combatants 127
 - HIV/AIDS 153, 163–6
 - poverty reduction 99
- UNIFEM (United Nations Development Fund for Women) 22, 27
- Unilever 60
- United Nations Development Fund for Women (UNIFEM) 22, 27
- United Nations Security Council Resolution 1325 129
- United States Agency for International Development (USAID) 28
- value added taxes 11
- violence
 - against women 35, 77, 146, 162
 - masculinity 149
- Vodafone 59
- 'vulnerable groups', national development plans 24

- wage equality 89
- water access 12
- welfare regimes 91
- West Africa, cocoa production 140, 142
- women
 - beekeeping associations 141, 142
 - business-owners 13, 79, 80, 89, 91
 - combatants 127
 - credit access 11, 12, 52–6, 62, 76, 96
 - disarmament 127
 - economic empowerment 53–6, 88, 94–6
 - employment 71–2, 76, 88, 90, 128, 137–8, 173–9
 - empowerment 14, 95, 119–22
 - entrepreneurship 74, 80, 81, 91
 - exporters/producers 138–43
 - farmers 76, 81, 97, 141
 - financial directors 62

financial products 63
 fiscal policy 10–11
 fuel/water carrying 12
 health service access 75
 HIV/AIDS 146, 147–9, 155–66
 home-based care 10
 income 18, 72–3, 94
 land ownership 91
 leadership 57
 micro-finance 50–7
 organisations 45, 130
 pack house workers 176
 parliamentary representation 116–17,
 128–9
 personal security 77–8
 political participation 110, 111, 119–22,
 181
 post-conflict resolution 115, 125–34
 social expenditure reduction 10
 trade reform 80
 violence against 35, 77, 146, 162
 water/fuel carrying 12
see also low-income women
 worker protection 173
 World Bank
 Africa Action Plan 97
 Botswana 157
 Gender Action Plan 93–105
 Guyana 159
 HIV/AIDS programmes 154–6
 India 161
 lending portfolio 95
 post-conflict resolution 130
 South Africa 163
 Uganda 166
 World Trade Organisation (WTO)
 trade agreements 74–81
 trade reform 71
 Zambia
 gender issues 44
 national development plans 43

It is now generally recognised that gender equality is essential for sustained economic growth and for democracy, peace and security. *Small Change or Real Change? Commonwealth Perspectives on Financing Gender Equality* presents key thinking from experts around the world on a topic that is currently of great international concern: how to ensure that sufficient financial resources are available – both through the new aid modalities and from domestic sources – to effect the necessary changes to make gender equality a reality.

The chapters cover the full range of issues around financing gender equality, including implementation of the aid agenda, the implications for gender equality of financing HIV and AIDS interventions, the impacts of trade policies on key sources of financing and women's need for equal access to affordable finance. Of particular concern is the importance of tracking the gender impact of aid resources (including post-conflict aid) through mechanisms such as gender-responsive budgets and aid effectiveness approaches.

The contributors, all of them development practitioners though from diverse backgrounds, share one common goal: to influence governments, bilateral and multilateral organisations to scale up their commitments to financing gender equality and thus not only make a real difference to the lives of women around the world but also reduce poverty and promote sustainable development.



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