

Commission on the Status of Women
Forty-ninth session
28 February to 11 March 2005

Panel VI: “Integration of gender perspectives in macroeconomics”

Summary submitted by the Moderator (Mr. Oscar de Rojas)

1. At its 17th meeting on 10 March 2005, the Commission on the Status of Women held a panel discussion followed by a dialogue on “Integration of gender perspectives in macroeconomics”. The panelists were: Nenadi E. Usman, Minister of State for Finance, Nigeria; Danny Leipziger, Vice President and Head of Network, Poverty Reduction and Economic Management, World Bank; Marco Ferroni, Sustainable Development Department, Inter-American Development Bank; Yassine Fall, Senior Policy Advisor on Gender Equality, United Nations Millennium Project; and Jayati Ghosh, Jawaharlal Nehru University, India. An issues paper prepared by the Division for the Advancement of Women provided the framework for the discussion.
2. Participants recognized the adverse impact of women’s inequality on economic growth, and pointed out ways in which reduction in such inequalities would enhance economic growth. Participants discussed opportunities for identifying and integrating gender perspectives into macroeconomic policies and programmes, and clarified the linkages between macroeconomic and social issues. Participants emphasized that in order to meet the objectives of the Millennium Declaration and Millennium Development Goals, macroeconomic policies had to take account of gender dimensions.
3. Participants found that awareness of gender perspectives in macroeconomics was gradually emerging in Governments and international organizations. Although, traditionally, macroeconomics examined the behaviour and market interaction of economic agents, such as households, enterprises and the State, it was now increasingly recognized that macroeconomic analysis had to review separately the impact of macroeconomic policies on women and men within the household. During the past decade, economic thinking had evolved to favour pragmatic and flexible solutions. However, despite the increased awareness, gender perspectives had yet to be fully reflected in macro-economics. Participants discussed the traditional model of economic growth—with gross domestic product (GDP) on the one side and consumption, government expenditure, private sector investment, import and export on the other. Within this framework, gender gender-based differences existed and had to be examined in access to factors of production, education, and the labour market; as well as in the impact of fiscal and monetary policies, trade and foreign direct investment.
4. Participants highlighted the importance of women’s access to factors of production, such as land and capital. Studies had indicated that if women farmers in Africa had equal access to agricultural inputs, outputs could increase up to 20 per cent. Similarly, meeting the transport needs of women could increase their productivity through their improved access to markets and trade fairs, and reduce time spent in obtaining fuel supplies. While

micro-credit was a tool to enhance women's economic capacity, in particular of women entrepreneurs, it was not a panacea for women's economic empowerment and such programmes could only be complementary to gender-sensitive economic policies in general.

5. Participants noted women's increased vulnerability to macro-economic volatility and their differential impact on women, and called for 'pro-poor growth' policies to reduce such volatility and countries' vulnerability to economic shocks. Experience, including from the East Asia financial crisis of the late 1990s, had shown that women were the first to become unemployed. Women in export-oriented employment had proven to be particularly vulnerable, as foreign direct investment relocated to cheaper sites of production thereby eliminating earlier growth in women's employment. Girls were the first to drop out of school in times of economic crises. At the same time, participants stressed education as a key to reducing women's vulnerability in the labour market. Monetary policies also impacted differently on women and men. For example, high and rising inflation placed a disproportionate tax burden on the poor, including low-paid wage earners and those with fixed incomes. Inflation, therefore, tended to hit women harder than men. Women's participation in decision-making was also seen as an important factor.

6. Participants noted that the majority of the poor were women and called for a poverty measurement that went beyond income and consumption to focus on human development, including access to rights and opportunities and to public services, such as education and health. Studies had shown the strong correlation between women's educational levels and their productivity and, consequently, increases in countries' economic performance. However, it was emphasized that focus on enrolment rates was not enough—quality of education was equally if not more important for ensuring women's participation in the labour market. World Bank studies had shown that if the gender gaps in education were reduced, countries in Africa and South Asia could expect an increase in the growth of GDP by 0.5 to 1 per cent. In the Middle East and North Africa, GDP growth could be 0.7 per cent higher and average household income 25 per cent higher, if female labour force participation had increased with women's increased levels of education.

7. The adoption of gender-sensitive budgeting processes had allowed Governments to revisit public policies and redirect expenditures to sectors with highest social returns, which were most heavily used by women and children. Such processes were also important for managing the negative effects of globalization. Participants called for a review of public budgets from the expenditure as well as the revenue perspective, as fiscal policies such as direct taxation on cooking gas or transportation, user fees for water and cuts in rural subsidies had a disproportionately negative impact on women. The adverse impact on women of cuts in governmental expenditure in sectors such as health, education, child care, nutrition, water supply, sanitation services, rural electrification and immunization had been shown. For example, lack of access to fresh water increased women's or girls' time spent on fetching water. Cuts in public expenditure also led to an increase in women's unpaid labour. Increased investments in public services could be achieved by redirecting resources and inputs from other sectors, as well as more efficient utilization of existing resources.

8. Participants called for a careful examination of the linkages between trade, debt and aid and their impact on women. Countries' debt burdens, which often led to increased privatization, tended to reduce governments' ability to address economic and social

problems in society. The benefits and adverse impact of foreign direct investment and trade on the poor and their contribution to development, poverty reduction and gender equality required consideration. Trade liberalization, through removal of tariffs, tax breaks for foreign investors, and privatization of utilities, had potentially negative impact on women. More open markets led to increases in domestic markets of imported goods which competed with local products. As free trade policies tended to favour 'the strong', women's lack of, or limited access to education, factors of production and information prevented them from competing on an equal basis with imported goods. Similarly, tax exemptions for foreign investors crowded out women producers from the local market. Efforts to ensure women's equal access to education and training, access to factors of production as well as information and to new technologies were called for to strengthen women's competitiveness.

9. Participants highlighted the 'crisis in agriculture' in many developing countries resulting from factors that included the effects of trade liberalization, reduced subsidies on inputs, the removal of state protection, and the decline in institutional credit to agriculture, and its repercussions on women. This 'crisis in agriculture', as well as other economic shocks, contributed to increased female migration in pursuit of work. Women increasingly migrated alone, from rural to urban areas as well as from rural to other rural areas, as well as internationally. While migration expanded women's opportunities for productive work, it also carried significant risks in regard to the nature of work, work conditions and possibilities for abuse of migrant workers by employers and others. Women migrant workers employed in low paid sectors of the service industry rarely had access to education and other social services, had poor and inadequate housing and living conditions. Participants called for better protection of women migrant workers, including against the risk of becoming victims of trafficking.

10. Participants suggested three types of interventions, at national and international levels, for strengthening attention to gender dimensions at the macroeconomic level: (i) awareness-raising; (ii) targeted interventions aimed at gender equality and the advancement of women; and (iii) mainstreaming of gender perspectives into all sector areas. Although the knowledge base about the correlation between women's inequality and macro-economic policies had significantly expanded and research and studies were available on many aspects, participants expressed concern that the lack of data disaggregated by sex, analytical tools and measures, and political will continued to hamper more systematic analysis and action. Participants recommended the development of accountability systems for gender equality; adoption of targeted interventions to correct existing gender inequalities; systematic application of gender-sensitive budgeting processes in all countries; further development of analytical tools and measures to build an evidence base at the country level; enhanced collection and analysis of data disaggregated by sex to inform macroeconomic policy making, including by adapting the design of household surveys.