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FINANCING DECENT WORK FOR WOMEN

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

INTRODUCTION

In the Monterrey Consensus adopted at the International Conference on Financing for Development in 2002, UN Member States:

- Asserted the need for “a holistic approach” to addressing “the interconnected national, international, and systemic challenges of financing for development” as well as achieving “sustainable, gender-sensitive, people-centred development.” [para 8]
- And recognized “the need to pursue sound macroeconomic policies aimed at sustaining high rates of economic growth, full employment, poverty eradication, price stability and sustainable fiscal and external balances to ensure that the benefits of growth reach all people, especially the poor.”[para 14]

They committed to mainstreaming “the gender perspective into development policies at all levels and in all sectors”, and to supporting “the International Labour Organization” and encouraging “its ongoing work on the social dimension of globalization”. [para 64]

As the international community begins its preparations for the follow-up review Conference scheduled to take place in Doha in 2008, it is timely to review the track record of UN Member States in meeting the goals of advancing gender equality and socially responsible, gender-friendly growth policies as enunciated in the Monterrey Consensus. It is especially instructive to focus on those policies related to poverty eradication through full employment, since full employment and decent work policies have come to be recognized as critical for lifting the poor out of poverty, (2005 World Summit Outcome Document; 2006 ECOSOC Ministerial Declaration), and since women constitute a large proportion of the 1.39bn working poor subsisting on less than \$2 a day.

RAISING ADDITIONAL RESOURCES FOR DEVELOPMENT –THE MULTI-STAKEHOLDER DIALOGUES

The Zedillo Report, a background paper for the Monterrey Conference, had estimated at \$50 bn, the annual shortfall in funding needed to finance development. Within the Monterrey Consensus framework, policy dialogues at global, regional and national levels have focused on developing and refining the instruments and mechanisms that would effectively raise additional resources for development. A number of recommendations have emerged on the kinds of policy environments best suited to ensuring equitable and effective allocations of resources for development. Structured along the lines of the Monterrey Consensus, these “Multi-stakeholder Dialogues” have focused on the mobilization of resources:

- at domestic level through sound macroeconomic policies, good governance, taxation policies and fiscal incentives;
- at international level through increased ODA (Official Development Assistance), substantial debt relief, Foreign Direct Investment (FDI), and innovative sources of financing.

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A major shortcoming of these dialogues is that they have focused on the technical aspects of resource mobilization, and have failed to incorporate a conceptual and methodological framework consistent with the stated goals of financing gender-sensitive, people-centred development. Incorporating such a framework is of critical importance, as it serves to create and shape the linkages that will translate policy into effective implementation. And ultimately, this is what really matters – effective policy implementation that results in real cash transfers to poor households, and to women in those households, such that their lives and livelihoods are substantially improved.

Critical to such a framework must be an emphasis on full employment and decent work as essential to poverty eradication and the realization of internationally agreed development goals, including the Millennium Development Goals (MDGs). Nor can there be effective gains in poverty alleviation without a sustained focus on the structural causes underlying the increasing feminization of poverty. In focusing on the theme: “Financing Decent Work for Women,” this Paper makes the case for a holistic methodology that links resource mobilization to employment and decent work policies, while mainstreaming gender into the entire policy-making process.

ADVANCING THE MONTERREY CONSENSUS AGENDA

The Multi-stakeholder dialogues sponsored by the Financing for Development Office over the years since the Monterrey Conference have served to advance various aspects of the Financing for Development (FfD) agenda, with the hope that governments will be encouraged to incorporate relevant findings into national-level strategies. A wide range of topics have been dealt with, including debt work-out mechanisms, the role of remittances in development, creating a favourable climate for foreign investment, and innovative financing. This Paper will, however, focus on a couple of key areas with promising implications for financing decent work for women, namely:

- Financing access to basic services for all;
- Creating inclusive financial sectors – the Role of National Development Banks.

The dialogues typically brought together representatives of governments from relevant ministries and national institutions (Central Banks, Utilities providers and regulators, ministries of finance and planning) as well as representatives from civil society and the private sector.

Financing Access to Basic Utilities for All

This series of dialogues posed the fundamental question: “what kind of macroeconomic environment would be conducive to mobilizing financing in a long-term and predictable way, with allocations to the social sectors, for the provision of essential utilities and services: (water, electricity, sanitation). The Report of this series concluded that IFI-prescribed policies that set strict caps on inflation targets and public spending and that conditioned loans and grants on the privatization of utilities and user fees for services were not conducive to

realizing the MDGs and securing sustainable livelihoods for people in poor communities. They rather contributed to usurping fiscal space, as well as the capacity of governments to engage in much needed social sector investments. The series suggests that social sector provision will be better served if developing country governments shift from privatization and Public/Private Partnerships (PPPs) for the provision of basic services, to public investments. Clearly, these conclusions also apply to social provisioning for the health and education sectors. Governments need to recapture lost policy space, and oppose conditionalities that hinder their capacity to achieve critical development goals such as poverty eradication and improvements in well-being for their citizens.

The series proposes a number of funding mechanisms including improved tax collection, progressive taxation and cross- subsidies that mobilize resources from the wealthy, from capital, from larger firms and from multinational companies. Regional Development Banks had, potentially, a significant role to play, according to the Conclusions of this Dialogue series, in providing loans on concessional terms for public investments. An example was given of the African Development Bank (ADB) which had established a dedicated window with low interest rate loans to municipalities, community-based organizations (CBOs) and Non-Governmental Organizations (NGOs). Such initiatives are commendable, and should be scaled up. In order to ensure provision of basic services for all, financial mechanisms for the utilities sector need to recognize the importance of public ownership and management, and should operate in conjunction with measures to facilitate cooperation between public utilities, under public-public partnerships.

Creating inclusive financial sectors – the Role of National Development Banks

The dialogue series on creating inclusive financial sectors focused on the need to address the marginalization of poor households and communities from access to funds that could help to lift them out of poverty. A key instrument proposed in this regard was National Development Banks (NDBs). It was highlighted that NDBs had been an important instrument for financing development in the past, but they had been discouraged by the IFIs in favour of private commercial banks. These dialogues, however, made the case for the re-emergence of NDBs. What is interesting about NDBs is that, in addition to financial and economic objectives, their mission statement specifically includes social objectives such as the provision of long-term financing, particularly to sectors not financed by private creditors. Their portfolios include the funding of Micro-Finance Institutions (MFIs), funding for the building of both physical and social infrastructure, funding for the development of Small and Medium Enterprises (SMEs), funding support to agricultural workers and for rural development. NDBs are coming to the fore as important development players in a number of countries in Latin America and Africa, according to the Conclusions of this Dialogue series.

GLOBALIZATION AND ITS DIFFERENTIAL IMPACTS ON WOMEN

These policy dialogues that seek to advance the FfD policy-making process are implicitly gender-friendly, since they are oriented towards the social sectors that respond to the needs of women, particularly those living in poverty. But implied gender-friendliness is not good enough. The growing literature on Gender Responsive Budgeting (GRB) shows clearly that women's resource needs will never be met unless policies on revenue-generation and allocation take the gender dimension specifically into account.

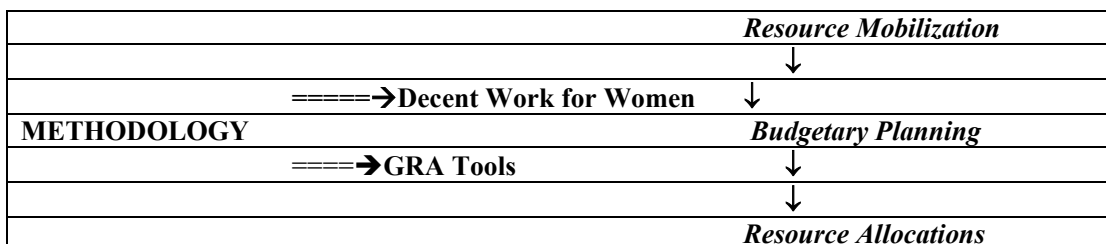
An important starting point for the formulation of FfD policies should be an understanding of the nexus between women and work in an increasingly globalizing world. Financial and trade liberalization, along with unfavourable terms of trade and the growing integration of markets for capital, products and services are serving to undermine the productive bases of national economies and to weaken labour markets, pushing increasing numbers of people into informal, casualized and insecure work. Women are disproportionately affected by these processes. Women’s access to opportunities for education and other socially provided services has been undermined by World Bank-inspired economic policies of privatization and cuts in social sector spending in many developing countries. This has shifted the costs of essential service provision from states to households, creating great hardships for women.

Precarious, unprotected, low-paid work is the lot of the large majority of women working informally in both the agricultural and urban economies in developing countries. Working women are to be found at the lowest end of value chains, gaining little value added for home-based work for such products as carpets, garments, beady cigarettes. They work as street vendors, waste pickers, low-paid or unpaid family help on farms and as low-paid agricultural workers. Lack of access to land and credit undermines women’s ability to improve the viability of income-generating activities. They are also more likely to work in poor conditions such as export processing zones (EPZs) where human rights violations run rampant. In all of these situations, women their rights as workers are denied, and they lack the political space to bargain for decent wages and conditions of work.

LINKING DECENT WORK AND GENDER RESPONSIVE APPROACHES TO THE FfD PROCESS

The ILO’s Decent Work Country Programmes (DWCPs) provide an important set of engendered instruments that should be incorporated into national-level development strategies. The decent work agenda, with its four strategic dimensions (employment, social protection, fundamental principles and rights at work, social dialogue) provides a framework and outlines a range of key policy interventions that would be effective in lifting women out of poverty and securing their well-being and that of their families. Gender responsive approaches to policy formulation, budget planning and project implementation offer a set of tools to mainstream gender into development planning. What is needed is a holistic methodology that incorporates decent work and gender responsive analytical tools into the FfD policy-making process.

As policy-makers refine and apply instruments such as taxation and NDBs to raise revenues, as budgets are designed and as allocations are determined, a holistic methodology would make the linkages with the decent work agenda and the Gender Responsive Analytical tools. The process could be represented as follows:



THE DECENT WORK AGENDA

Policies should focus on pro-poor growth strategies that maximize cash flows to households and to women within households through employment and income-generating mechanisms, support for provision of income-enhancing opportunities, access to services and social security income. This is in keeping with the Decent Work Agenda, and with the FfD objectives emerging from the multi-stakeholder dialogues of building physical and social infrastructure. Development activities should target sectors where women are to be found.

Building physical infrastructure such as roads that bring produce to markets, water resources for irrigation and household use, - these are important for supporting the income-generating activities of women in the agricultural sector. Providing funds to capitalize MFIs, ensuring women's access to credit, providing training and other support to SMEs, - this range of interventions will support women in both rural and urban areas including in the informal economy.

Building social infrastructure through public investments in basic utilities, health, education, and ensuring women's access to these services, - this range of interventions is important for securing a decent quality of life for women. They help also to compensate women for their unpaid labour in the care economy by providing the social services needed to support their activities. Access to such services can free women from domestic, unpaid duties, enabling their access to other economic activities (it is estimated that \$1 invested in water services returns more than \$7 in productive activity). Social protection schemes that cover work-related risks such as loss of income, accidents, disability, - these also provide cash transfers which should be accounted for as entitlements to workers, including women workers in the informal economy.

In designing and implementing development projects, for example in the area of physical infrastructure, planners should focus in particular on the employment dimensions and favour employment intensive projects that maximize cash flows to workers through incomes, rather than capital-intensive projects. Public works schemes in infrastructure development and maintenance also provide an avenue for job creation and income earnings.

Establishing a normative framework for the development environment, one that emphasizes adherence to CEDAW and to the ILO Fundamental Principles and Rights at Work, - this is important for ensuring that women are not discriminated against in their places of work, and that they could avail themselves of the right to organize, to join trade unions, and to engage in collective bargaining for a fair share of the productivity gains from their labour. Collective organizing through trade unions provides an avenue for working women to represent their interests both at the workplace and in the policy-setting arena at community and national levels. It is important that women's voices are heard, so that policies can be set, and resources allocated in a gender-responsive way. A particular challenge that needs to be addressed in this regard is the lack of legal recognition in national labour legislation for workers in the informal economy where a large proportion of women are to be found. They therefore lack access to social protections, and guarantees of protection of fundamental workers' rights.

In terms of building social infrastructure, and in keeping with the decent work agenda, legislation needs to be extended to the informal economy, and social security schemes put in

place to cover workers at this level of the economy. The longer-term objective should be the progressive construction of a welfare system that extends the rights and protections of the formal economy to the informal economy, thereby effectively formalizing the informal economy and empowering women. With their rights as workers recognized, women could then engage in social dialogue with government authorities and employers, with a view to advocating for workplace and development strategies that would improve their conditions of work and life.

To enhance social dialogue, consultative frameworks should be established, where policy-makers could engage with community organizations, women's organizations and trade unions, and become sensitized to the local realities and the gender perspectives that should inform development policies. In the interests of policy coherence, finance and planning ministries that determine macro-economic and fiscal policy should engage with other relevant ministries: labour, social affairs, and women's machineries to ensure the incorporation of social and gender dimensions in resource mobilization and budget planning exercises.

APPLYING GENDER RESPONSIVE ANALYSIS TO FfD POLICY-MAKING PROCESSES

Instituting the decent work agenda will strengthen labour markets and facilitate programmes of cash transfers to households through a range of policy interventions, grouped around the four strategic objectives: employment, social protection, fundamental principles and rights at work, social dialogue. The application of Gender Responsive Analysis (GRA) through the FfD policy-making process will serve to ensure that gender considerations are mainstreamed, and that women cease to be short-changed by development policies. For a given FfD policy area, an appropriate methodology to accomplish this could be structured within the following framework:

1. Gender-sensitive analysis of resource mobilization strategies and mechanisms;
2. Gender-impact assessment of broad resource allocation;
3. Application of Gender-Responsive Budgeting (GRB) to ensuing budgetary planning and detailed allocations;
4. Feed-back loop through advocacy to setting of gender-sensitive goals, objectives targets (the broad goals are provided by the Monterrey Consensus paras 8, 14, 64);
5. Development of indicators to measure achievement of targets;
6. Monitoring and Evaluation;
7. Feed-back loop through advocacy to changed policies – ones that effectively mainstream gender into the process.

INCORPORATING DECENT WORK INDICATORS INTO GENDER RESPONSIVE ANALYSIS

In fulfillment of the Monterrey Consensus objective of addressing systemic constraints to growth and development, GRA offers a methodology aimed at uncovering and redressing those systemic imbalances and biases that have resulted in unfavourable, differential impacts of development policies on women. A number of feminist researchers and policy practitioners have worked on GRB indicators for monitoring progress with mainstreaming gender into development policies and budgets. (Elson 2003, Chen et al 2005). In line with the

important objective of alleviating feminized poverty through the decent work agenda, decent work indicators should be incorporated into GRA development indicators. These should include:

I Indicators to assess the conduciveness of the policy environment to decent work strategies:

- Level of resources devoted to employment and income-generating programs
- Level of public and social security expenditure
- Level of ratification of ILO core labour standards for the country concerned

II Gender-sensitive decent work indicators

1. Employment Opportunities

- Labour force participation rates disaggregated by sex
- Non-agricultural wage employment disaggregated by sex
- Non-agricultural self-employment disaggregated by sex
- Agricultural wage employment disaggregated by sex
- Workers with recent skills training disaggregated by sex

2. Earnings

- Average earnings in selected sectors disaggregated by sex

3. Hours of Work

- Time-use surveys of women's work disaggregated by paid/unpaid work
- Time-related underemployment rate disaggregated by sex

4. Social Protection

- Share of population over 65 benefiting from pension, disaggregated by sex
- Beneficiaries of cash income support disaggregated by sex

5. Social Dialogue and Participation

- Union density disaggregated by sex
- Beneficiaries of collective bargaining by sector, disaggregated by sex

CONCLUSIONS

The ILO's Decent Work Country Programmes (DWCPs) constitute the ILO's contribution to UN country programmes. Gender mainstreaming is a key component of the DWCPs. It may be interesting to explore avenues for making linkages at country level between the DWCPs and the FfD policy-making process along the lines proposed here, in terms of conceptual framework and methodology. The international labour community is convinced that the Decent Work Agenda offers some real potential for translating wealth in the global economy into shared prosperity through a range of policy interventions such as those outlined in this Paper. It would be important to ensure that effective strategies are put in place to enable women to benefit fully from that shared prosperity.

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