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Gender Issues and Concerns in Financing for Development

by

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INSTRAW

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Prepared for INSTRAW
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ACRONYMS

BPA	Beijing Platform for Action
CTT	Currency transaction tax
CSO	Civil society organization
FDI	Foreign direct investment
FfD	Financing for Development
ECOSOC	United Nations Economic and Social Council
EPZ	Export processing zone
GNP	Gross national product
GPG	Global public goods
HDN	Human Development Network
HIPC	Heavily-Indebted Poor Countries
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
ICC	International Criminal Court
ICfD	International Conference on Financing for Development
ICPD	United Nations International Conference on Population and Development
ILO	International Labour Organisation
IMF	International Monetary Fund
INSTRAW	United Nations International Research and Training Institute for the Advancement of Women
MDGs	Millennium Development Goals
NGO	Non-governmental organization
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
PRSPs	Poverty Reduction Strategy Papers
PrepCom	UN Preparatory Committee Meetings
SWAPs	Sector-wide approaches
TPR	Trade Policy Review
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNDAW	United Nations Division for the Advancement of Women
UNICEF	United Nations Children's Fund
UNIFEM	United Nations Development Fund for Women
WB	World Bank
WEDO	Women's Environment and Development Organization
WSSD	World Summit on Social Development
WTO	World Trade Organization

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I. INTRODUCTION

The United Nations International Conference on Financing for Development (ICFfD) meeting, held in Monterrey, Mexico on 18-22 March 2002, was convened by the United Nations, the World Bank, the International Monetary Fund (IMF) and the World Trade Organization (WTO), to discuss how financial resources could be mobilized and channeled to fulfill the international commitments that were agreed to at previous United Nations conferences and summits of the 1990s, including those in the 2000 Millennium Development Goals - MDGs (see Box 1). As the conference followed on the heels of the 1997 East Asian Economic Crisis, the urgent problems of increasing the coherence of the international economic system and ensuring better representation for developing countries at key international bodies and economic institutions were also addressed.

Whereas, before, financial matters of this sort would typically be taken up at the 'technical' level, the Monterrey Conference brought together for the first time high-level policy makers, representatives of civil society and the business sector from all over the world. As such, it held the promise of defining new and innovative dimensions of international cooperation to meet the financial needs of the internationally agreed commitments towards gender equality, poverty eradication and women's empowerment.

A lengthy preparation process preceded the conference, involving four UN Preparatory Committee Meetings (PrepCom) held over two years that brought together a large number of national and international players who exchanged views and ideas on financing development. These meetings were attended by heads of states, foreign ministers, finance and trade ministers along with representatives of the United Nations, the Bretton Woods Institutions and the WTO, as well as civil society organizations (CSOs) and the business sector. The Monterrey Consensus of the International Conference on Finance for Development¹ (hereafter Monterrey Consensus) was the final resolution adopted at the end of the conference. It addressed financing issues under the following six themes:

- domestic resource mobilization,
- mobilization of foreign resources,
- international trade,
- development assistance,
- external debt
- systemic issues of global governance.

Box 1

MILLENNIUM DEVELOPMENT GOALS

1. Eradicate extreme poverty and hunger	<ul style="list-style-type: none"> • Reduce by half the proportion of people living on less than one dollar per day • Reduce by half the proportion of people who suffer from hunger
2. Achieve universal primary education	<ul style="list-style-type: none"> • Ensure that all boys and girls complete a full course of primary schooling
3. Promote gender equality and empower women	<ul style="list-style-type: none"> • Eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015
4. Reduce child mortality	<ul style="list-style-type: none"> • Reduce by two-thirds the mortality rate among children under five
5. Improve maternal health	<ul style="list-style-type: none"> • Reduce by three-quarters the maternal mortality ratio
6. Combat HIV/AIDS, malaria and other diseases	<ul style="list-style-type: none"> • Halt and begin to reverse the spread of HIV/AIDS • Halt and begin to reverse the incidence of malaria and other major diseases
7. Ensure environmental sustainability	<ul style="list-style-type: none"> • Integrate the principles of sustainable development into country policies and programmes; reverse loss of environmental resource • Reduce by half the proportion of people without sustainable access to safe drinking water • Achieve significant improvement in lives of at least 100 million slum dwellers, by 2020
8. Develop a global partnership for development	<ul style="list-style-type: none"> • Develop further an open trading and financial system that is rule-based, predictable and non-discriminatory. Includes a commitment to good governance, development and poverty reduction - nationally and internationally • Address the least developed countries' special needs. This includes tariff- and quota-free access for their exports; enhanced debt relief for heavily indebted poor countries; cancellation of official bilateral debt; and more generous official development assistance for countries committed to poverty reduction • Address the special needs of landlocked and small island developing States • Deal comprehensively with developing countries' debt problems through national and international measures to make debt sustainable in the long term • In cooperation with the developing countries, develop decent and productive work for youth • In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries • In cooperation with the private sector, make available the benefits of new technologies—especially information and communications technologies

By the year 2015, all 191 United Nations Member States have pledged to meet the above-stated goals.

Both the preparatory process and the ICFfD itself presented a unique opportunity to address how multilateral cooperation could be achieved in mobilizing resources for development in a world that is increasingly globalized and interdependent.² By now, an international consensus exists on a number of development goals. However, progress on many of these objectives - such as poverty eradication, gender equality, environmental sustainability and human rights - has remained elusive for a variety of reasons, among which are the lack of:

- a) resources committed to such objectives;
- b) political commitment on the part of many governments to these objectives beyond paying lip service;
- c) coherence between macroeconomic policies and other programmes that address these development goals; and
- d) what is often euphemistically called an “enabling international environment” that would allow governments to devise coherent and comprehensive policies that would put people at the centre of development processes.

The ICFfD held out the promise of international cooperation to find new ways to generate the resources the world needs in order to meet its most pressing development goals. As the Monterrey Consensus declared:

“...in the increasingly globalizing interdependent world economy, a holistic approach to the interconnected national, international and systemic challenges of finance for development – sustainable, gender-sensitive and people-centered- in all parts of the globe is essential” (UN 2002a, paragraph 8).

The 1994 International Conference on Population and Development (ICPD) held in Cairo as well as the four successive World Conferences on Women (held during 1975-1995) that culminated in the 1995 Beijing Conference were the main global fora in which the commitment for women’s empowerment and gender equality has repeatedly been voiced. In addition, the United Nations MDGs set in 2000 also included gender equality and women’s empowerment as development goals³ (see Box 1). The most overarching expression of the commitment to promote women’s empowerment and gender equality however is found in the Beijing Platform for Action (BPA), which was endorsed by 189 countries in 1995. The BPA had mandated all governments and international institutions to integrate a gender perspective into all their policies and programmes, and also constituted the basis for “gender mainstreaming” the UN as an institution, along with all its policies and programmes. Especially because a five-year review has revealed a lack of progress in the achievement of the goals set in BPA (United Nations 2000a),⁴ the integration of gender perspectives into the ICFfD can be considered **substantive** progress toward the achievement of these goals. Several United Nations divisions and agencies such as the United Nations Development Fund for Women (UNIFEM) and the United Nations Division for the Advancement of Women (UNDAW) worked actively with governments and CSOs, particularly the Women’s Caucus and its member women’s organizations, in order to ensure that the gender concerns were a focal point of the conference as well as of the follow-up mechanisms.⁵

Despite all these efforts, however, the Monterrey Consensus has failed to receive broad support, especially among CSOs and the women’s groups. At the summit plenary of the conference, the United Nations Secretary-General Kofi Annan gave an optimistic assessment in his Outcome Report⁶, but also acknowledged many of the criticisms leveled at the Monterrey

Consensus, (paragraphs 36 and 37). In his view, some of the “gaps” in the final outcome involved an inadequate discussion of:

- remedies for the widening inequalities between the rich and the poor in the context of market-driven globalizations,
- “social issues” such as gender mainstreaming, the financing of social programmes,
- global public goods and their financing via possible new forms of taxation, and
- full external debt cancellation for low-income countries.

Moreover, the conference failed to specify either a time frame or an institutional arrangement that would be necessary to implement the Consensus. On the other hand, the final document of the conference was well received by the Bretton Woods Institutions and the World Trade Organization mainly because of their defense of market liberalization as the desirable strategy of development.⁷

The objective of this background paper is to use a *gendered approach* in examining the development financing strategies endorsed in the 2002 Monterrey Consensus. The paper seeks to identify what needs to be done to ensure that gender perspectives are incorporated in the follow-up mechanisms to the conference as well as in the broader global effort for economic and gender justice, peace and the realization of human rights.

The paper is organized as follows: Section II reviews the different theoretical perspectives and empirical patterns on the relationship between finance and development. This section also includes a discussion of the key inter-linkages between gender, finance and development. Section III discusses the preparatory process that led to the ICFfD and the controversies surrounding it. Section IV examines from a gender perspective, the extent to which the different leading actions stated in the Monterrey Consensus document are consistent with each other. Also, in this section, the gender dimension of global, macro and meso level issues and concerns, as related to the six themes in the outcome document, are highlighted and their gendered implications assessed. Section V concludes with a discussion of policy recommendations and proposed strategies of action for the key stakeholders including governments, international bodies and civil society organizations, particularly women’s organizations.

The main findings of the paper include the following:

- The policies of market liberalization that underlie much of the recommended actions in the Monterrey Consensus have generally been in conflict with the stated objective of the conference involving the promotion of “national and global economic systems based on the principles of justice, equity, democracy, participation, transparency, accountability and inclusion” (paragraph 9). The uncritical endorsement of market liberalization policies affords little recognition of the adverse consequences and social costs that were brought about by these policies around the world within the last two decades.
- Although it mentions the goal of promoting women’s empowerment and gender equality as an important objective, the Monterrey Consensus pays inadequate attention to how these and other development goals are to be achieved. This is reflected in the general paucity of concrete proposals and mechanisms that are specified within any given time frame.

- The leading actions that are recommended as “sound” macroeconomic policies in the outcome document endorse the type of structural adjustment policies commonly associated with the Washington Consensus*. However, the critical gender concerns and the adverse distributive consequences of these policies are never discussed and the possibility that the proposed leading actions can foster inequality and gender biases is thus ignored.
- In relation to each of the six areas of concern, a number of alternative policy interventions that are likely to promote the empowerment of women and gender equality are specified within the general context of financing development.

Finally, on the basis of its gendered analysis, this paper calls for the recognition of the crucial role of women's agency and their economic contributions in both market and non-market sectors of the economy by governments and international institutions as they explore the means of financing for development and discuss related trade, fiscal, financial and investment policies.

II. Major Theoretical Perspectives and Empirical Trends

This section describes the different theoretical approaches to financing for development strategies as well as the major, global economic trends that underlie some of the controversies surrounding the Monterrey Consensus. Most notably, the market liberalization approach associated with the Washington Consensus and a variety of heterodox perspectives, including post-Keynesian, structuralist, institutionalist and feminist views are briefly discussed. The section also provides a glimpse of the inconsistencies and the gender-based inadequacies that characterize much of the leading actions in the Monterrey Consensus. A brief description of the process and the Leading Actions follows.

The Monterrey Consensus embodies serious inconsistencies as it combines the human development framework with a market liberalization perspective. Little recognition is afforded the concerns raised by a gendered perspective in relation to the effects of macroeconomic policies prescribed by the Washington Consensus.

Economic policies and development strategies in general are seldom, if ever gender-neutral (UNIFEM 2000; Çağatay, Elson and Grown 1995; Grown, Elson and Çağatay 2000). The same can also be said to apply to macroeconomic policies as well as policies with regard to international trade and finance. In the last fifteen years, feminist economists have identified numerous gender biases in structural adjustment and macroeconomic stabilization policies (see Sen and Grown 1985; Beneria and Feldman 1992; Gladwin 1991; Beneria 2001; Bakker 1994; Elson 1991, 1993; Commonwealth Secretariat 1989; and Sparr 1994 among many others). For one, these policies have failed to bring about higher growth rates that could have potentially benefited all segments of the population including the poor and the marginalized groups. In the era of globalization, growth rates of individual countries in the world economy have been on average lower than those in the previous decades, while existing inequalities across rich and poor countries, across skilled and unskilled workers, across men and women and across households within countries have risen (see Singh 2002; Weisbrot et. al. 2001; Rodrik 1997, 2001; Çağatay 2002; Milanovic 2003; among many others). In most countries, numbers of people living under

* Based on the premise that financial liberalization and privatization, fiscal prudence, trade and capital account liberalization enhance economic growth.

poverty have either remained constant or increased. The world economy has become more prone to financial crises as short-term capital flows now move from one country to another with lightning speed and wreak havoc in the lives of millions as was witnessed during the Asian Crisis.

The result has been increased economic insecurity and vulnerability, often leading to social dislocation and violence. By now, even an International Monetary Fund study provides evidence that “low to moderate levels of financial integration *may have* (italics ours) made some countries subject to even greater volatility of consumption relative to that of growth”. Thus, while there is no proof in the data that financial globalization has benefited growth; there is evidence that some countries may have experienced greater consumption volatility as a result (Prasad, et al 2003:6).⁸ Thus, especially from the perspective of sustainable human development, the economic results of market liberalization and globalization have been quite “disappointing.” Moreover, contrary to the expectations voiced in the Monterrey Consensus, these types of economic policies have also been “**disabling**” to national governments.

Despite these “underwhelming results” and challenges from heterodox economists, little substantive discussion has taken place in key policy-making circles within the past three decades on whether alternative policies could work better than the usual market solutions in mobilizing resources and stimulating growth.

As it is well known, the Washington Consensus is based on the premise that financial liberalization and privatization, fiscal prudence, trade and capital account liberalization enhance economic growth. The Washington consensus argues that higher growth requires increased investment and that, in turn, requires higher savings. It is argued that domestic and foreign savings are best mobilized by a financial sector that is wide and deep.⁹ Thus, the key policy prescription calls for developing countries to ‘widen and deepen’ their financial sector. It is argued that this can only be done by liberalizing and deregulating financial markets which would enable not only the development of their stock/equity markets but also the entry of foreign banks and the introduction of off-shore banking.

The work of R. McKinnon (1973) and E. Shaw (1973) has been the main intellectual basis of this school of thought. Their central argument has been the claim that *financial repression* in the form of interest rates controls and subsidies, and distortions of exchange rates, has been responsible for retarding the development process. By implication, it follows from their argument that restoring economic growth requires financial liberalization, that is, the removal of all financial distortions such as selective or directed credit programmes and interest rate controls. In the eighties and nineties, this basic argument has been bolstered by the incorporation of endogenous growth theories in the models of financial sector development,¹⁰ where financial integration associated with the liberalization of capital markets are thought to play a critical role in mobilizing savings that finance investment.

Although neoliberal thinking has remained dominant throughout the 1980s and the 1990s, it has also been challenged intellectually in academic and civil society circles. A growing literature on financial instability and financial crises by Keynesians, post-Keynesians, structuralists and institutionalists has raised serious questions on the underlying premises, methodology and theoretical foundations of neoliberal models.¹¹ The experiences of developing countries that have liberalized their financial sector in the last two decades have provided an important backdrop to these growing critical evaluations and challenges.

This growing body of studies within heterodox perspectives demonstrates the adverse effects of unregulated capital flows and financial market liberalization on savings, investment, market output and growth, and constitutes a major challenge to the McKinnon and Shaw's thesis of financial repression (e.g., Arestis et al 2002). The heightened market volatility and the widespread contagion effects that were observed through much of East Asia, Latin America and the transition economies in the last few years have prompted a recent IMF document to call for a reconsideration of the wisdom of financial liberalization policies at least for poor countries..

To date, relatively little work has been done on the relationship between finance, gender and distribution. Although the topic of finance and distribution has gained attention in recent years, the main focus has been on the effects of financial flows or policies on economic growth and the impact of growth on income distribution.¹² A common shortcoming of this body of work has been its implicit assumption that (market) economic growth is the main, if not the only, causal factor that enhances human capabilities. Thus, other important influences are generally ignored, along with the fact that expanding financial resource flows can bring about greater opportunities at the cost of higher risks. Rather than sustainable, gender-sensitive and equitable development, the outcome of financial liberalization might just as well be economic stagnation or uneven and asymmetric growth. Distributional implications of financing strategies – across countries, classes, and gender – do matter.

A growing number of feminist economists have begun to explore these issues, raising the critical role of gender relations in determining development outcomes (see Ertürk and Çağatay 1995; Singh and Zammit 2000; Braunstein 2000; Çağatay 1996; Çağatay, Elson and Grown 1995; Elson and Çağatay 2000; Fontana and Wood 2000; Floro 1995, 2001a). They argue that the ultimate welfare effects of economic and financial policy decisions depend on the complex interaction of the market and non-market sectors of the economy. Feminist economists especially emphasize the important role gender norms play in this process of interaction between these two spheres of the economy. Decision-making and the gender division of labor within the household crucially depend on socially ascribed gender roles, determining the opportunities as well as the constraints for both men and women in market access and participation.

Empirical evidence from around the world shows that women have had diverse experiences in terms of how participation in the market economy had affected their lives. But the evidence also shows that despite all this diversity, their experiences were almost always different than that of men. Thus, macroeconomic policies and development strategies can maintain and even reinforce gender asymmetries and biases if these are not systematically and holistically addressed in policy formulation and implementation.

Financing development - whether it is through the mobilization of domestic resources, international resources, exploiting gains from trade, promoting international financial cooperation or tapping external borrowing - involves the transfer of funds between countries, sectors, institutions, households and individuals. This is done through economic policies that shape a wide range of institutions and structures that serve as channels, intermediaries and/or facilitators. Just as they influence the mobilization and allocation of resources to various uses, they also determine who gets to control these resources. Thus, by shifting the command of resources between groups, they have the effect of altering the power structure that underlies economic relations, say between the government and the private sector, foreign investors and host countries, exporting firms and workers, women and men and so forth. It is in this sense that financing strategies always have a social content (Elson and Çağatay 2000).

The gender effects of different financing strategies for development cannot be adequately addressed if economic analysis focuses exclusively on monetized, market-based activities. The interaction between non-market and market sectors of the economy involves resource transfers, labour allocation decisions as well as the complementarity and substitutability between goods and services produced in these two sectors (Floro 1995, 1997). The non-market sector of the economy (also referred as the reproductive sector) is a significant aspect of economic life that provides a wide array of goods and services ranging from the care of children, the sick and elderly to house maintenance, and from gathered water to meals prepared.¹³ It relies on unpaid labor, which is contributed overwhelmingly by women. The goods and services produced in the non-market sector do not involve monetary value or exchange, yet they are vital for the social reproduction of labour and human development. Indeed, these “invisible” economic activities are as important to the functioning of markets as markets are for the performance of the reproductive sector. A careful examination of the effects of macroeconomic policies on the market and non-market sectors is therefore crucial for a full assessment of the distributional as well as gender implications of the development process and its manner of financing.

III. MONTERREY CONSENSUS OR MONTERREY CONTENTIOUS?

This section reviews the preparatory process leading to the ICFfD and to the Monterrey Consensus outcome document in light of the debates that took place among academics, civil society organizations including women’s groups and policymakers on financing of development. It provides the basis for understanding the political and institutional context in which the question of mobilizing financial resources was discussed and addressed. This section also demonstrates difficulties as well as the challenges in achieving a building an alliance among the different stakeholders to address effectively and in a *consistent* manner the stated objectives of ICFfD.

A. Overview of the Preparatory Process

As remarked above, the Monterrey Consensus was the culmination of a two-year process involving four Substantive Sessions of the Preparatory Committee (PrepCom). Of particular note was the outcome of the second half of the Third PrepCom Meeting, held 15-19 October 2001. This was a watershed event in the revision of the overall tone of the previous Facilitator’s draft. In this meeting, the discussion began with a consideration of the so-called Facilitator’s draft, which was released earlier in September 2001. Representing a first attempt at an outcome document, this earlier Facilitator’s draft brought together the main points of agreement that had emerged from earlier discussions in the previous PrepCom meetings, and addressed all of the six themes of the FfD dialogue within the broader framework of “Equitable Globalization” as well as the follow-up mechanisms.

Overall, in this earlier Facilitator’s draft, greater emphasis was given to the importance of the social content and the equity impact of the means for financing development (Floro 2001b). Government delegates’ reactions to the Facilitator’s draft diverged considerably during the Third PrepCom Meeting. Speaking on behalf of G-77 and China, the Ambassador of Iran was favourably disposed and regarded the document as “a good basis for the beginning of negotiations” although in his view it could be improved (UN-NGLS 2001:1). The United States State Department representative, on the other hand, expressed strong concern and argued that the draft text should have emphasized peace, freedom and rule of law, and a commitment to

capitalism as the three fundamental pillars of sustainable development¹⁴ (UN-NGLS 2001:1). At the end of the first round of statements on the Facilitator's draft, it was clear that "two perspectives were emerging: The developed countries expected the developing countries to make every effort to bring about economic reforms and invest in the social sector and poverty eradication programmes. Developing countries on the other hand expected a more equitable global trading system, reaching the targets for Official Development Assistance (ODA), reducing the debt burden and assisting developing countries in capacity building and technology transfer."¹⁵ (UN-NGLS 2001:1-2) In particular, the United States representative emphatically called for a major revision of the September 2001 Facilitator's document, which was in his view "misdirected," such that "90 per cent [of it] focused on what developing countries can do for themselves and 10 per cent on what the developed world can do" (Woods 2003:12).¹⁶

By the end of the FfD preparatory process, the United States of America had played an increasingly influential role in setting the agenda and the overall tone of the Monterrey Conference. For example, during the Fourth PrepCom meeting in January 2002, the United States delegation blocked the inclusion of a proposal calling for a substantial increase in development aid to poor countries. American officials have argued that the 0.7% ODA target was an "outdated concept" and succeeded in having it dropped from the document. They were also categorically opposed to any method of fund raising that involved new forms of taxation such as a currency transaction tax (or Tobin Tax) or a global carbon tax.¹⁷ The erosion of political will to push for changes in the current international economic order had resulted in the dropping off or the watering down of many of the "positive and innovative" leading actions found in the earlier Facilitator's draft (Sept 2001) in the Monterrey Consensus. Key differences between the two documents are indicated in Box 2 below.

Proposals of leading actions concerning gender equality went through a similar process of "watering down." Thus, by the time the Monterrey Consensus draft document was released in February 2002, the high expectations most stakeholders including the civil society organizations and women's groups have had were dashed. The feeling of disappointment was especially palpable among several UN agencies that worked, under the aegis of the Inter-Agency Network on Women and Gender Equality Taskforce on Gender and FfD, closely with governments and civil society organizations and particularly, with the Women's Caucus to make gender issues a central concern of the conference. The staff of these agencies took an active part in the preparatory process, trying to ensure that the commitments made to women in Cairo and Beijing were backed by financial resources (Foerde 2003; Zeitlin 2003).

BOX 2

Comparison of the early Facilitator's Draft (Sept 2001) and the Monterrey Consensus

1. Increasing polarization and inequalities

Early Facilitator's Draft:

The introductory section of the facilitator's draft highlights the important and urgent challenge faced by governments and international bodies in terms of reversing "the increasing polarization between the haves and have-nots" (paragraph 2).

Monterrey Consensus: There is no recognition of the severe and growing inequalities.

2. Enhancing financing for global public goods

Early Facilitator's Draft:

The discussion of public goods in the Facilitator's draft recognizes the need for additional financing and for strengthened public-private cooperation for the provision of global public goods (GPGs) (paragraphs 31-33).

Monterrey Consensus: This is omitted

3. Innovative sources of multilateral development financing

Early Facilitator's Draft:

The discussion in the Facilitator's draft recognizes the need to "explore innovative sources of multilateral finance to support official development assistance, humanitarian aid and global public goods" (paragraph 35). In this context, it calls for the examination of the desirability and feasibility of carbon taxes, currency transaction tax (CTT), and other innovative sources, which are positive steps towards redressing imbalances in the distribution of costs and developing new sources of multilateral finance.

Monterrey Consensus: This is omitted.

4. Reforming the international financial architecture

Early Facilitator's Draft:

The draft paper argues that the current reforms of the international financial architecture fall short of "the changes that are needed to ensure adequate support of development and the protection of the most vulnerable countries and social groups from the effects of the crises" (paragraph 43).

Monterrey Consensus: This is omitted.

5. Improving Global Governance

Early Facilitator's Draft:

The draft places emphasis on the importance and urgency of global economic governance, and upholds the guiding principles of co-responsibility, participation, ownership and partnership (paragraph 1). It calls for "increased consultation with civil society and the business sector" (paragraph 50). It also points to the need of strengthening the leadership role of the UN in these endeavours (paragraphs 49,51). These recommended actions underline the importance of upholding the guiding principles of the FfD conference particularly as the need for stronger, broad-based global governance have become more urgent than ever.

Monterrey Consensus: This is modified.

Source: Floro 2001b

Many of the civil society organizations and women's groups that had participated in the FfD preparatory process had a stronger reaction to the final outcome document, to the point of disassociating themselves from the conference (Foerde 2003:11). Some went as far as to declare, "We are not part of the Monterrey Consensus."¹⁸ In their view, the lack of provision for

reforming the global system of finance and trade and for debt cancellation for the poorest developing countries was a major disappointment. But, for them the failure of the conference to adequately address international commitments on gender equity and women's economic rights was especially distressing.

B. The Leading Actions of the Monterrey Consensus: A Brief Overview

In the Monterrey Consensus document, *Leading Actions* refer to the objectives, guiding principles, and the policy and strategy recommendations that were agreed to by the government delegates in the ICFfD, which were also the organizing themes of roundtable discussions and plenary sessions at the Conference. In what seems to reflect a *sustainable human development* perspective, the preamble of the outcome remarks that the overriding goals of development are sustainable development "in a fully inclusive and equitable global economic system" along with the eradication of poverty (paragraph 1). However, because the world lacks all the resources needed to meet internationally-agreed development commitments, it is remarked that what resources there are have to be used and mobilized effectively as a first step toward the fulfilment of these goals (paragraphs 2 and 3). This requires a new form of partnership between developed and developing countries along with good governance and sound policies. These, it is argued, would have the effect of "mobilizing domestic resources, attracting international flows, promoting international trade as an engine for development, increasing international financial and technical cooperation for development, sustainable debt financing and external debt relief, and enhancing the coherence and consistency of the international monetary, financial and trading systems" (paragraph 4).

While the main responsibility for sound policies is said to lie with national governments, it is also recognized that an "enabling international economic environment" needs to support domestic efforts (paragraph 6).

The outcome document remarks that globalization offers both opportunities and challenges. The main challenge posed by globalization is how to turn it into a process that is both equitable and inclusive so that developing and transition countries can respond effectively to the opportunities it provides (paragraph 7)." It is in this spirit that the preamble emphasizes the importance of "promoting national and global economic systems based on the principles of justice, equity, democracy, participation, transparency, accountability and inclusion" (paragraph 9).

Although the preamble seems to adopt a human development framework, a market liberalization view dominates the overall orientation of much of the rest of the document, especially the following sections:

- a) *Mobilizing domestic financial resources for development* (paragraphs 1-19);
- b) *Mobilizing international resources for development: foreign direct investment and other private flows* (paragraphs 20-25);
- c) *International trade as an engine for development* (paragraphs 26-38);
- d) *Increasing international financial and technical cooperation for development* (paragraphs 39- 46);
- e) *External debt* (paragraphs 47-51);
- f) *Addressing systemic issues: enhancing the coherence and consistency of the international monetary, financial and trading systems in support of development* (paragraphs 52-67).

Many of the qualifications that are often offered as a counterweight to the main line of argument conflict with this underlying perspective and read more as mere afterthoughts.

The first section on domestic resource mobilization starts out by emphasizing the “crucial task of enhancing the efficacy, coherence and consistency of macroeconomic policies.” (paragraph 10). It is remarked that “sound macroeconomic policies” are essential to sustain high rates of economic growth with full employment and stable prices. Fiscal discipline and thus avoiding inflation, it is argued, ensures that the benefits of growth reach all people, especially the poor (paragraph 14). The orderly development of capital markets are encouraged as the effective means of stimulating and channelling savings into productive investments (paragraph 14). However, it is warned that the strengthening of the domestic financial sector must also entail the development of “transparent regulatory frameworks and effective supervisory mechanisms.”

In the following section, it is argued that, private international capital flows, particularly foreign direct investment, are vital for financing sustained economic growth over the long term. Their “potential to transfer knowledge and technology, create jobs, boost overall productivity, enhance competitiveness and entrepreneurship, and ultimately eradicate poverty through economic growth and development” (paragraph 20) is emphasized. In light of these potential advantages, it is argued that countries need to “achieve a transparent, stable and predictable investment climate, with proper contract enforcement and respect for property rights.” An institutional framework that allows both domestic and international businesses to operate efficiently and profitably must at the same time be accompanied by sound macroeconomic policies (paragraph 21). Businesses are also called upon “to take into account not only the economic and financial but also the developmental, social, gender and environmental implications of their undertakings” (paragraph 22).

The third Leading Action refers to international trade, which the document views as a potential engine of growth. “A universal, rule-based, open, non-discriminatory and equitable multilateral trading system, as well as meaningful trade liberalization” is endorsed as “it can substantially stimulate development worldwide, benefiting countries at all stages of development” (paragraph 23). Trade liberalization is advocated in the belief that it “*plays its full part in promoting economic growth, employment and development for all*” (emphasis ours). It is remarked that in many instances international trade is the single most important external source of development financing (paragraph 27). Thus it is welcomed that the WTO places the “needs and interests of developing countries at the heart of its work programme” (paragraph 26).

The next section on international financial and technical cooperation calls for debt reduction. Although industrialized countries acknowledge the need for increased official development assistance (ODA) they make *no commitment* to meet the previously agreed goal of allocating 0.7 per cent of their gross national product (GNP) for this purpose.¹⁹ The document simply *urges* developed countries to make efforts, if they have not already done so, to allocate 0.7 per cent of their GNP to ODA to developing countries, and 0.15 to 0.20 per cent of their GNP to aid the least developed countries.

The next Leading Action on external debt “welcome[s] initiatives that have been undertaken to reduce outstanding indebtedness and invite[s] further national and international measures in that regard, including, as appropriate, debt cancellation and other arrangements” (paragraph 48). This section argues that a set of clear principles are needed for the management

and resolution of financial crises, so that burden-sharing between public and private sectors as well as between debtors and creditors can be fair.

In the section devoted to systemic issues of governance, the document addresses the “urgent need to enhance the coherence and consistency of international monetary, financial and trading systems” in support of development (paragraph 52) and the need to improve global economic governance.

In the document, references to *gender equality and women's empowerment* are found in the preamble and the sections on domestic resource mobilization and systemic issues. These references, reproduced in Box 3, are examined in further depth in section three. With little else, if any, in other sections, the Monterrey Consensus fails to address the need to meet the internationally-agreed development goals of gender equality, poverty reduction and women's empowerment. The few references in the text to “sustainable, gender-sensitive, people-centered development” are coupled with (paragraph 8) an uncritical adherence to the policy prescriptions of the Washington Consensus. Thus, they ignore the systemic vulnerabilities, social imbalances and gender inequities that are caused by the economic policies associated with the said Consensus. As the following section argues in greater detail, the stated goal of the Monterrey Consensus in attaining a “fully inclusive and equitable global economic system” is not consistent with a policy orientation that emphasizes the primacy of markets and market liberalization in addressing poverty eradication (paragraph 1).

We next turn to a discussion of the underlying economic vision of the document in the context of the debates on theoretical, conceptual and empirical issues with regard to financing of development.

III. A GENDERED ANALYSIS OF THE REPORT OF THE INTERNATIONAL CONFERENCE ON FINANCING FOR DEVELOPMENT (MONTERREY CONSENSUS)

As the preceding section illustrates, the Leading Actions in the Monterrey Consensus place the main responsibility of raising financial resources on the governments of developing countries, while the developed countries are asked to take voluntary actions and are held to few obligations, if any. Emphasis is given to the mobilizing of domestic savings, both private and public, and in establishing an enabling environment that would help attract direct investment flows and promote trade, without however much regard to the gender dimensions of these development strategies. Below, the analysis of the themes of the Monterrey Consensus shows that when financing strategies for development do not take their *distributional and gender effects* into account, they usually end up harming the vulnerable segments of the population, especially poor women, and exacerbating gender inequalities.

A. *Mobilizing Domestic Financial Resources for Development*

Important linkages exist between the gender dimensions of market liberalization policies and the mobilization of domestic resources. Whether fiscal and budgetary policies allocate resources equitably between men and women depends on the development of an enabling environment. In the era of globalization this has become harder to achieve as governments face increasingly more stringent financial constraints imposed by market liberalization strategies and loan conditionalities. In competition with one another to attract foreign capital that is ever more mobile individual countries had to reduce taxes on capital income and give ever more generous tax incentives to foreign investors. At the same time, trade liberalization has led to reduced import duties, which could not be replaced by domestic taxation, especially, in the least developed countries (Griffiths-Jones 2000).

While the Monterrey Consensus upholds the need for "sound macroeconomic policies" and recommends that "governments should attach priority to avoiding inflationary distortions" (paragraph 14), it ignores that the same set of policies had the effect of eroding the tax base in many of the countries where they had been implemented. This places the burden of raising financial resources squarely on the men and women citizens of these countries.

Furthermore, the document also ignores that increased reliance on a liberalized financial sector to mobilize domestic savings continues to neglect women in general and poor women, in particular unless this problem is specifically addressed by corrective measures. At the same time, gender norms that permeate credit allocation decisions of financial institutions as well as gender inequalities in asset ownership that remain unaddressed can seriously impair women's ability to borrow for productive as well as consumption purposes.²⁰ Yet another drawback that impairs women's access to credit is the generally lower and unsteady source of income that characterizes female employment compared to that of men.

Although financial institutions can be prone to excessive risk taking in other settings, they are generally quite conservative in their dealings with poor people, and in particular, with women. They tend to ration their financial services; e.g. savings and credit facilities or prefer to service individuals who own (and control) assets, wealthy or rich households and larger businesses (Germidis et al 1991; Floro and Yotopoulos 1991; Ghate 1992). Indeed, it is not uncommon for large segments of the population in many developing countries to be completely left out of the financial system. Even when their financial profile is the same as men's, women tend to face discriminatory practices on the part of financial institutions.²¹ If nothing else, the

notion that men are breadwinners and that women earn supplementary incomes - even when the reality might be just the opposite - seems to permeate decision making in many financial institutions (Manning and Graham 2000). Because of this attitude and the social and economic devaluation of women's productive work, women have only limited use of the funds mobilized through financial intermediation.

Thus, for savings mobilization to be effective, a broader gender sensitive understanding of how women and men differ in their savings behaviour and needs for financial services is required.²² Moreover, discrimination patterns and biases of financial institutions in serving women need to be monitored and addressed as with other existing economic and gender-based inequities in the ownership of assets and productive resources. The Monterrey Consensus section on domestic mobilization of resources simply ignores these gender-based differences and fails to provide leading actions that allow for more gender-sensitive and effective delivery of financial services to men and women, particularly in poor households.

The outcome document, nevertheless, recognizes the important role of microfinance and credit for women, and thus recognizes that poor people (see paragraph 18), especially women, have much greater savings capacity than previously thought.²³ Microcredit and microfinance, along with entrepreneurship training, is the key strategy of poverty eradication governments and the international community generally support.²⁴ These loan programmes indeed empower poor women by enabling them to have their own businesses and increase their productivity and earnings. They thereby help women escape the vicious cycle of indebtedness to moneylenders, middlemen and traders and thus improve their bargaining position *vis-à-vis* third parties.

However, particularly home-based women workers, and many others in the informal sector as well, are usually not covered by these micro-credit programmes. This gap is recognized in the outcome document (paragraph 18) but could possibly have benefited from greater emphasis. Given that microfinance schemes tend to succeed in empowering women only when they are gender-sensitive in their programming and management style (UNIFEM 2000; Goetz and Sengupta 1996; Ackerly 1997)²⁵ the design of credit programmes also matters. It is important to avoid implementing credit programmes that reinforce stereotypical notions of feminine tasks or roles that tend to keep women subordinate within households and communities.

In the context of declining job security and rising income volatility that has been the hallmark of globalization for many of the poor in the developing world; affordable access to financial markets and services has become especially important. As important as micro-credit programmes are, however, they do not address women's need for other financial services that go beyond credit -- such as insurance, savings mobilization, and technical assistance (Floro 2001a). As market liberalization heightens job insecurity and leads to greater income volatility, demands specifically on women's resources for household maintenance and as care providers tend to increase in leaps and bounds. Thus, beyond micro-credit, women stand to benefit disproportionately from an entire array of financial services that might become available.

However, this requires much more than an "orderly development of capital markets through sound banking systems, transparent regulatory frameworks and effective supervisory mechanisms, supported by a solid central bank" (paragraph 17). As a first step, it requires that policy makers address why financial institutions have traditionally failed to meet the needs of women -- as entrepreneurs, farmers, wage workers, household managers, savers and borrowers. This implies the need for a leading action that will support capacity building in

gender mainstreaming within finance and other line ministries but for which the Monterrey Consensus has not given any emphasis. It is noteworthy that the development of a financial sector that provides easy access to an integrated array of financial services to all, especially, poor women, is a development goal that is also voiced in the Beijing Platform for Action (paragraph 167 (b)).

Gender-sensitive financial reforms aimed at the development of innovative financial instruments that reduce the costs of financial services to poor women would be essential in eliminating the structural disadvantages women face in financial markets. Thus, the relevant Leading Actions in the Monterrey Consensus (paragraph 17) do not go far enough as they fail to acknowledge, let alone address, the persistently discriminatory nature of financial services for vulnerable groups including poor women.

As mentioned above, the need to attract foreign direct investment has shifted the tax burden from the increasingly *footloose* capital to labour (Çağatay 2002). Because women own and control much less property worldwide compared to men, this shift has important gender dimensions as well which the Monterrey Consensus has yet to recognize. More generally, a fiscal squeeze caused by the neoliberal economic policies of the last two to three decades has altered the public policy environment drastically with serious gender and social effects. Just as these policies have led to falling public revenue due to an eroding tax base, they have also increased the demand for social protection and thus for public expenditures as they had the effect of increasing economic insecurity and vulnerability especially for women in poor households (Rodrik 1997).

In order to compensate for the decline in corporate and trade taxes, many countries have had to introduce value-added taxes or user fees for various public services.²⁶ This kind of a shift towards indirect taxation as a rule adversely affects women and low-income groups. Because low-income groups tend to consume a higher proportion of their income than do high-income groups, they would end up paying a higher proportion of their income in taxes if all taxes were indirect. Women are adversely affected as well. Although they make up approximately half of the population, they usually earn much less than half the national income in most, if not all, countries. Thus, just like other low-income groups, they are likely to benefit from a system of direct taxes, which are generally more progressive compared to indirect taxation. Indirect taxation on basic commodities tends to hurt disproportionately the poor households and are likely to increase the household work burden of women in them. Of course, the regressive impact of the latter can possibly be remedied if taxes are imposed selectively on luxury goods that are consumed mainly by the more affluent segments of the population while basic food and clothing items are kept tax exempt.

The type of tax exemptions -- which categories, institutions, individuals, and activities are affected -- also have gender implications as they tend to affect women's incentive to seek paid employment depending on for instance the allowed tax deductions for such expenses as child care costs (Floro 2001a). When women enter the workforce, they not only pay a portion of their earned income in taxes but must also bear the costs that result from their decision to work. For instance, child care tax credit is woefully lacking for most low-income families in most countries.

The Monterrey Consensus states that there is a need to maintain "*prudent fiscal and monetary policies ... and secure fiscal sustainability ... as well as improvements in public*

spending that do not crowd out productive private investments" (paragraph 15, italics are ours). However, the language is dangerously reminiscent of an "anti-deficit radicalism" that has sought to justify drastic cuts in public spending on infrastructure, health and education in the name of fighting inflation (United Nations 1999, Elson and Çağatay 2000; Çağatay 2002).²⁷ The adverse effects of reductions in government expenditures on programmes such as health care, sanitation, education, and disposal management on women's unpaid work and human development are well documented (Elson 1991; Cornia, Jolly and Stewart 1987; Çağatay et al 1995; Beneria and Feldman 1992; Sen 1998; Çağatay and Ertürk 2003).

The Monterrey Consensus recognizes these adverse effects and calls for gender-sensitive public investments (see paragraph 16). Yet this runs counter to other recommended Leading Actions in the document that aim at fostering a dynamic business sector and promoting public-private partnerships. Another shortcoming of the Monterrey Consensus on the issue of spending cuts is its failure to mention and support the 20/20 Initiative, endorsed by the 1995 World Summit for Social Development, which calls for the allocation of twenty per cent of national budgets in developing countries, as well as 20 per cent of donor aid, to social services.²⁸ The persistent gender-blindness of the Leading Actions in this section of the outcome document makes it essential for governments and international bodies to collect relevant, gendered information in order to assess the gendered implications of economic policies endorsed in the Monterrey Consensus related to public expenditures, taxation, finance and trade. Concrete mechanisms to support the incorporation of gendered perspectives into budget processes as well as in policy-making processes of finance and other line ministries are necessary as well to ensure gender-equitable and pro-poor resource allocation and taxation in line with the mandates of the BPA.²⁹

B. Mobilizing International Resources for Development: Foreign Direct Investment and Other Private Flows

The section on the mobilization of international resources emphasizes the significant, potential benefits of "private international capital flows, particularly foreign direct investment, along with international financial stability ..." (paragraph 20). It suggests that developing countries can promote capital inflows by ensuring that they have a "transparent, stable and predictable investment climate, with proper contract enforcement and respect for property rights, embedded in sound macroeconomic policies and institutions that allow businesses, both domestic and international, to operate efficiently and profitably and with maximum development impact" (paragraph 21).

This rather optimistic view tends to clash with the reality of foreign direct investment (FDI) and other capital flows and their gender implications. FDI has not been a significant source of capital formation for most developing countries as the bulk of it has actually gone only to a select few countries. This is highly disappointing given that the general trend among developing countries has been to heed the policy advice of providing a "stable business environment" and of adopting "sound" macroeconomic policies. Moreover, not only most developing countries have received little or no capital inflows, but also the policies they had adopted to make themselves attractive to foreign capital had severe adverse effects on the poor and the more vulnerable segments of population (see also Çağatay 2001; Braunstein 2003; Braunstein and Epstein 2002).

The tax concessions to foreign investors and the general shift in the tax burden from capital onto labour, and their impact on public finances with their gender asymmetric effects,

have already been mentioned. The establishment of export processing zones (EPZs) and the tacit endorsement of global subcontracting work chains, and the relaxation of labour laws within them, has been yet another policy initiative of developing country governments to attract foreign capital. This also has had important gender implications, since the majority of the industries and enterprises in the EPZs as well as in subcontracting work chains generally employ women. Even though the view that concessions on labour standards are conducive to attracting FDI has little, if any, empirical support, it appears widely held by governments. In fact, recent research by the International Labour Organisation (ILO) finds that better labour standards overall do not have a negative impact on FDI flows, as higher standards also promote social stability (Kucera 2001).

However, the policy of weakening labour standards in order to attract FDI, no matter how feeble the outcome might have been, has the effect of **disempowering** women workers. In EPZs, minimum wage laws generally do not apply or the right to strike is often curbed. Moreover, global corporations and local businesses increasingly use contingent labour and resort to casual or subcontracted work arrangements to minimize their costs. Thus, many jobs are informalized and wages are pushed yet lower. Little else beyond desperate economic need leads women to seek these unstable jobs that lack benefits and security. Although the Monterrey Consensus document urges businesses to take into account the gender implications of their practices (paragraph 22), it fails to call on governments to protect the rights of their worker citizens, especially those of women workers.

Fundamental Rights at Work as promulgated by the ILO apply to all countries regardless of their level of development and all countries have a responsibility to uphold and promote these rights. Among these are the right to organize freely, collective bargaining, the elimination of forced labour and child labour and the elimination of all forms of discrimination, including gender-based discrimination. The current economic environment has made it even more imperative that gender-sensitive rules to guide employment practices of firms and employers that are built upon the ILO conventions on workers' rights and decent work be established.

Recent research shows that the enhanced mobility of capital reduces workers' bargaining power in general and that of women workers in particular. The persistence of wage gaps between men and women in regions where the female share of employment has risen significantly can also be explained by the increased mobility of capital (Seguino 2000; Berik et al 2002). But there is further need to expand such research to other countries and to extend the gendered analysis of financial flows, investment policies and financial market volatility particularly on women in the informal, agricultural and service sectors in terms of income, work conditions, social consequences and unpaid work.

This section of the outcome document also gives a highly optimistic assessment of knowledge transfer by FDI and how that can contribute to growth. This is in contrast with the empirical evidence, which suggests that growth and knowledge transfer effects of FDI are quite limited (Singh 2002). Moreover, technological upgrading often appears to be associated with a defeminization of labour, as had been the case in the Mexican *maquiladoras*. (Fussell 2000). In this and other instances, the skill disadvantages of women *vis-à-vis* men workers are generally thought to be the main culprit of falling female employment. Thus, for technology transfers to have gender-equitable benefits governments might have to take measures to ensure that gender-sensitive linkages exist between foreign firms and local enterprises and that opportunities of skill acquisition materialize for both men and women.

This section of the Monterrey Consensus also acknowledges that the excessive volatility of short-term capital flows can have adverse effects and calls for a consideration of "measures that mitigate the impact of excessive volatility of short-term capital flows." However, it falls short of endorsing measures such as the Tobin tax or a currency transaction tax that were proposed in the earlier Facilitator's draft. Even though opinions diverge on whether the Tobin tax can reduce the volatility of short-term capital flows, such global taxation schemes can generate substantial resources that can be used for development purposes.

Any measure that aims at reducing market volatility is noteworthy from a gendered perspective, mainly because market instability and economic downturns tend to disadvantage women more (Çağatay 2002; Lim 2000; UN 1999; Singh and Zammit 2000). Studies on the impact of the recent financial crises, including one by the World Bank, show that under economic distress women's work burden, both in and out of the household, increases much more than that of men. In an economic crisis, many families pull daughters out of school before the sons (World Bank 1998; Hill 2001), while trafficking in women, child labour and domestic violence all tend to increase. Although financial liberalization shifts many risks and burdens onto women as providers of last resort, women play little role in the governance of financial markets. The Leading Actions in the Monterrey Consensus fail to acknowledge, let alone address, this need for proactive gender-sensitive social policy and assistance programmes. There is also a serious neglect in addressing the gender gap in decision making on matters involving investment policies, corporate monitoring and regulatory framework of financial markets. Ironically, the openness of financial markets seems to preclude an open policy discussion that incorporates the interests of poor women and men.

C. International Trade as an Engine for Development

The third Leading Action refers to international trade, which the document views as an engine of growth that "can substantially stimulate development worldwide, benefiting countries at all stages of development" (paragraph 23). It calls for "a universal, rule-based, open, non-discriminatory and equitable multilateral trading system," and advocates trade liberalization, recognizing that for many countries trade might be the main source of development finance (paragraph 27). Overstating the role trade can play in promoting growth, employment and development, the document commends the role World Trade Organization plays in promoting the interests of developing countries.

The document also notes the concerns of developing countries over trade protection in developed countries in agriculture and textiles. In fact, in the current trading regime while developing countries have been liberalizing their trade through structural adjustment programmes, developed countries continue to protect their agriculture with heavy subsidies. Thus, developing countries tend to lack access to developed country markets in spheres of production where they can be competitive. The document does call for increased market access and endorses the actions of the WTO Doha ministerial meeting.³⁰

This section of the document contains no reference to gender and trade, even though the gender implications of trade issues have received much attention by feminist economists in recent years (Elson and Pearson 1989; Standing 1999; Joeke and Weston 1994; Fontana et. al. 1998; Çağatay and Berik 1994; Çağatay and Ozler 1995; Çağatay 1996, 2001; Berik 2000). A comprehensive review of this literature is beyond the scope of this paper, however, a few salient

points it has produced can be noted in connection with the Monterrey Consensus document. It is generally recognized that:

- men and women are affected differently by trade policies and performance, owing to their different locations and command over resources within the economy;
- gender-based inequalities influence trade policy outcomes. For instance, trade liberalization need not result in increased exports because of gender-based constraints on output and production;
- gender analysis is essential to the formulation of trade policies that enhance rather than hinder gender equality and human development.³¹

Over the years, feminist activists have been calling for gender-impact assessments of international trade and trade agreements, also put forth in BPA, to assess the unintended consequences of all gender-blind agreements and to uncover their gender biases. This involves a careful examination of both the short-term and long-term impacts of export expansion and import liberalization policies on employment and job displacement effects; the conditions of work including earnings, job security, worker's rights and benefits; the reallocation of resources –labour, land, credit, technology and market infrastructure support – between “tradable and non-tradable” production sectors; and the shifts in the production of non-marketed goods and services. No such demand is voiced in this section of the document on trade.³²

However, the increased access to developed country markets, which the document calls for, is significant from a gender point of view (Çağatay 2001). Because the sectors such as textiles and apparel, that are most affected by developing country exports, have a highly feminized labour force in most countries, any increase in these exports are likely to increase female employment in developing countries while reducing it in developed countries (Kucera and Milberg 2000). The extent of those adverse employment effects need to be assessed in order to set up schemes to assist women who are affected.

In such assessment, the growth in trade across countries is widely varied despite the implementation of trade liberalization policies. Much of the significant growth in trade over the last several decades has occurred in developed countries and in a select number of developing countries concentrated in East Asia and Latin America (Floro 2001a). By contrast, the sub-Saharan African countries not only have difficulties in diversifying their exports, they have also seen the purchasing power of their main exports decline. At the same time, unregulated flow of imports has threatened the livelihood of men and women working in local industries with little or no trade adjustment assistance or support from the government. Local producers, especially women micro-entrepreneurs in the informal economy, lose their market share to cheaper imports and reduce their earnings as a result. Without any government support, women are more likely to be ill-equipped to upgrade their productive activities in the face of increased competition (Floro 2001a; UN 1999; Fontana et al 1998).

While export expansion can have potential benefits in terms of more foreign exchange earnings and increased employment for women, it is not always the case that this leads to their empowerment. This depends on a host of factors such as the trade sector's employment creation propensity and effect on the gender wage gap and employment quality. In the case of Bangladesh, the Dominican Republic, (South) Korea, Malaysia, Taiwan, and Thailand to name a few, the employment effect has been a significant turning point for women's labour force participation (Standing 1999; Fontana et al 1998; UN 1999). But in Latin America and Africa,

for example, a shift to cash export crops have often undercut women's traditional employment in subsistence agricultural employment and replaced this with contingent and seasonal employment that leaves women with less real income than before (Gladwin 1991; Floro 1995). This process in turn has created labour migration to impoverished urban zones and the expansion of the informal sector. This tendency in some developing countries has contributed to the rise of prostitution, trafficking, child labour and other forms of work that make women and children more vulnerable to exploitation in all its forms.

Even when employment does increase for women as a result of trade liberalization, this does not necessarily imply that women are better off or that they are empowered. The neglect of the Monterrey Consensus document to take into account the importance of non-market activities and the effects of market liberalization policies on them leads to a gender-blind focus on the measurable, market-based outcomes. A growing body of research has noted that women's participation in the labour force may be at the cost of longer workdays and increased stress for women workers (Floro 1995, Gonzales de la Rocha 1988; Hossain 1988; Karlekar 1982; Floro and Miles 2003). In most countries, women remain responsible for household labour that includes shopping, cleaning, cooking, childcare, and care for the infirm. Work intensification has led to stress and worsening health problems of many women, especially in poor households. This problem is exacerbated if women's employment in the tradable sector involves poor quality jobs. Fiscal retrenchment associated with tax incentives to attract foreign direct investment discussed earlier as an important aspect of the globalization drive can combine with trade liberalization to create additional employment of women in export processing sectors that are either low-paying and/or dead-end jobs (UNCTAD 1997; ILO 1998, 2002) or in so-called subcontracting home-based-work that offers no job security, little or no possibility for skills upgrading and low wages.

Unless workers' rights are upheld strongly by international conferences such as the ICFfD and mechanisms for their implementation and monitoring, intense competition and drive for profits that characterize the current globalization trends are likely to lead to continued erosion of workers rights. The lack of any corporate or employers' code of conduct as well as labour standards has led to a deterioration of working conditions in many export-oriented industries such as textiles and electronics where women provide the bulk of labour. Long hours, congested living conditions and exposure to hazardous substances such as those experienced by women workers in the Philippine electronic industries are likely to persist and adversely affect their health and overall well-being (Floro 2001a; HDN and UNDP 1997). The lack of a code of conduct pertaining to sexual harassment has also made sexual abuse and gender violence common in the workplace.

This analysis of export promotion needs to be supplemented by a consideration of the problem of import liberalization. Unregulated import liberalization can threaten the livelihood of women working in formerly protected areas of the domestic economy. For example, trade liberalization has brought in a flood of cheap Asian imports in Zimbabwe and South Asia that led to decline in output and employment in textiles and wearing apparel during the 1990s (UN 1999). Women working in artisan sectors producing for the local economy can be especially hard hit by this process. Since women work disproportionately in the informal sector, the trade liberalization can be especially threatening to women small and micro-entrepreneurs whose earnings are vital to their household maintenance and subsistence. Although the significance of the informal sector varies widely from country to country, this sector continues to grow

particularly as economies undergo financial crises and economic downturns. (ILO 2002; Carr, Chen and Tate 2000).

This analysis suggests that governments should have the ability to approach trade liberalization in a more selective manner than that suggested by the Monterrey Consensus. Effective financing strategies for people-centered, gender-sensitive development require that the state provide supports and protections for vulnerable segments of the population particularly women and the poor. While liberalization can bring positive benefits to women, the complex effects of this process suggest that governments should have the right to develop strategic and selective trade policies that will help in the attainment of development goals. Such an approach will be strengthened if policy makers begin to undertake gender-sensitive audits of policy initiatives so that the appropriate trade policy can be chosen. This requires a broad, public discussion and debates of trade policy issues among citizens of these countries to ensure that women's economic capacity and rights are taken into account. The creation of a "gender desk" within regional trade and development organizations as well as within the WTO and World Bank could also facilitate this process. Implementation of gender analysis of trade negotiations and treaties are important in order to identify potential opportunities and threats for women's well-being as well as for other disadvantaged groups.

Finally, it is widely acknowledged among economists and policy makers alike that any trade initiatives will produce winners and losers. It is likely that women will be represented on both sides of this balance sheet. Governments need to develop gender-aware, effective social policies to aid those women negatively affected by such changes in policy. If women are to gain benefits from trade liberalization, then fiscal retrenchment of the government sector should not be allowed to weaken the ability of the government to provide assistance to the large populations of women workers in the formal and informal sector.

The corporate private sector also bears an important responsibility to ensure that its trade practices do not affect women workers negatively. Corporate codes of conduct and the implementation of labour laws that protect worker's rights and ban discriminatory practices against women need to become more general. It is necessary to work closely with the ILO to create an international framework that universally protects women workers' rights so that a liberal trade and investment regime does not stimulate a race to the bottom. Applying the Declaration on the Fundamental Rights at Work is necessary if liberal trade regimes are not to erode the rights of workers. Ensuring that women gain from trade requires close attention to the distributional effects of globalization. The use of gender audits to formulate trade policy combined with the effective enforcement of women workers' rights can be a major step in creating a more equitable world that empowers those traditionally excluded from decision making.

D. Increasing International Financial and Technical Cooperation for Development

Although industrialized countries acknowledge the need for increased official development assistance (ODA) they refrain from making any commitment to meet the previously agreed goal of allocating a certain percentage of their GNP to such aid, as mentioned earlier.³³ The document does not go beyond urging developed countries to "make concrete efforts" - if they have not already done so - to meet these targets. (paragraph 42). This does little in the way of reversing the pattern of decline in foreign aid in the last two decades. The document also fails to earmark the use of ODA resources to advance gender equality and poverty alleviation goals

which all countries have committed themselves in both the Millennium Declaration as well as in previous international UN conferences.

It is also unfortunate that little mention is made in the Monterrey Consensus document of the unequal access to foreign aid by women and men in countries in dire need of such assistance. ODA is often motivated by geopolitical calculation and the donor's strategic interests rather than humanitarian and economic need. As a result, aid is showered on a handful of countries with whom donor countries have some form of special relationship. In many cases, donor country governments control the flows and use them to either promote market liberalization policies and/or to reward those governments that support their strategic interests. The special needs and priorities of women are often overlooked as a result in the allocation of these development assistance funds. War-affected women often suffer disproportionately from the growing disparities and inconsistencies in development. Despite these problems, some progress has been made to make ODA more gender-sensitive by international bodies.

Recently, the UN Development Assistance Framework has mandated the development of gender (sensitive) instruments to link gender equality objectives to national policy and financial frameworks. It called for assessment studies that take account of gender, gender-sensitive budget analysis, and gender checklists for institutional and organization analyses. The OECD Development Assistance Committee has also taken several steps in mainstreaming gender equality in sector-wide approaches (SWAPs) (Floro 2001a). Hence if the economic and social devastation caused by war or armed conflict is not in areas of strategic interest to the donor country governments, affected women and children might receive very little. For example, Sierra Leone received less than \$20 per child in 1999 compared to \$216 dollars per child given in Kosovo (UNIFEM 2000). Appeals for war-affected women and children do not fit easily within the distinct, often rigid and compartmentalized funding guidelines. At times, ODA have supported specific projects that disadvantage women. For example, aid programmes have sometimes been created without any regard to the critical needs of women particularly in poor households.

Given the weak commitment of donor countries to meet their stated obligation of setting 0.7 per cent of GNP as ODA, it is necessary to explore and study new mechanisms of international revenue collection such as the Tobin Tax that could improve the funding of development assistance programmes. But the Monterrey Consensus eliminated the possibility by deleting this recommendation from the early Facilitator's draft document as mentioned earlier. As encouraging as these commitments are, the effort to make gender and equity integral to every part of the development assistance programme framework remains weak. The stated guidelines in OECD/DAC framework for development cooperation in the 21st century have yet to link gender equality objectives and women's empowerment with the macroeconomic and social policy frameworks adopted by recipient governments (Floro 2001a). A chief problem is that development aid is increasingly contingent on the recipient country adopting economic policies celebrated in the Monterrey Consensus that can disempower women and the poor and erode human rights. For example, trade and finance liberalization and the associated financial retrenchment often means the reduction of the necessary social programmes that can provide benefits to poor women as well as the erosion of workers' rights. One danger of this trend that has been little noted is that ODA agencies have developed gender-sensitive programmes while national governments have little choice but to cutback the domestic funding of these programmes and to implement weak labour laws for protecting workers. As a result, the basis for promoting

gender equity became heavily dependent on external financing with the outcome that the internal commitments to development projects that promote gender equity and women's empowerment remain weak. The implementation of gender mainstreaming development programmes will require broad-based, participatory measures that build grassroots capacity, particularly women's groups for projects that promote gender equity and women's empowerment.

To meet this challenge, developed countries should live up to their commitments to meet the 0.7 per cent of GNP target for aid disbursements. The criteria for aid disbursement to women and children affected by political and social breakdown needs to be rationalized and made equitable. Moreover, ODA agencies and organizations need to expand their efforts to promote broad-based participation, especially of women's organizations, in the setting of development assistance priorities. When aid recipients develop "ownership rights" in equitable development projects, gender mainstreaming of development is more likely to be a permanent reality.

E. External Debt

The Leading Actions on this section note "the importance of re-establishing financial viability for those developing countries facing unsustainable debt burdens." Thus, any initiative that reduces indebtedness, including debt cancellation and other arrangements, is welcomed (paragraph 48). This section emphasizes "the importance of putting in place a set of clear principles for the management and resolution of financial crises that provide for fair burden-sharing between public and private sectors and between debtors, creditors and investors" and encourages "donor countries to take steps to ensure that resources provided for debt relief do not detract from ODA resources intended to be available for developing countries" (paragraph 51).

These recommendations for debt reduction stem from the growing realization of the severe social crises and political instability caused by the present debt burden. Added to the financial squeeze faced by local and national governments, the servicing of debt has overwhelmed many developing countries' ability to use public revenues to maintain a social infrastructure. Social services, roads, communication facilities, education and public health institutions have all declined dramatically and this has compounded the onerous burden of men and women in meeting their basic subsistence needs particularly as incomes have become more insecure. These negative trends leave many women and men in such a weak position that it is unlikely that they can take advantage of what benefits economic liberalization might offer.

These negative trends are especially notable in the heavily indebted poor countries. The high rate of debt servicing in Africa has channeled resources away from the public sector just as the devastating public and reproductive health crises caused by the HIV/AIDS epidemic have reached their apogee.

Women and the poor have suffered more disproportionately from these trends especially in terms of intensification of work burden and depletion of human resources (Beneria and Feldman 1992; Sparr 1994; Çağatay et al 1995; Cornia, Jolly and Stewart 1987). The tremendous endurance of women facing these social crises is almost unimaginable especially as their ability to do both paid work in the market and unpaid work in the household and communities has been adversely affected by the priority apportionment of stringent or meager government revenues to debt payment obligations. The efforts of loan conditionalities to keep debt payments flowing and maintain solvency of international financial institutions has led to the stifling of human development as many of the public services have been abandoned to the poor allocative mechanism of the market. It is impossible to envisage a quick economic turn around from the

social devastation caused by the servicing of debt particularly with the lack of any significant infusion of resources from the international community. It is in this context that major debt reduction and debt write-offs are welcomed as minimum necessary step for sustainable human development. But the outcome document fails to take further steps by ensuring coherence between the financing for development goals and debt-negotiation and debt-reduction mechanisms.

It is increasingly recognized that the resources that can be freed up by reduced debt servicing must account for the needs of poor women in the areas of education, health care and essential services. Unfortunately, the debt reduction initiatives embraced by the Bretton Woods institutions (HIPC I and HIPC II) still place priority on structural adjustment policies rather than the development of a people-centered, gender-sensitive social and economic agenda. Eligibility for debt relief is still conditioned on "good performance" in the implementation of market liberalization policies (Elson and Çağatay 2000; Civil Society Hearings 2000). While the World Bank and the IMF have taken some steps in the revised HIPC II initiative that links debt relief more firmly to poverty reduction through the Poverty Reduction Strategy Papers (PRSPs), the underlying loan conditionality of having sound macroeconomic fundamentals still remains, inhibiting possibilities of any real and substantial change. Moreover, the benefits from this relief can be slow in coming. HIPC II reduces debt servicing to a level that is defined as sustainable, but only after a three-year waiting period. Thus, excessive servicing of debt can continue for an inordinate amount of time (WEDO and UNIFEM 2002; Civil Society Hearings 2000; UN 2003; Kalima 2003).

Furthermore, by placing priority on macroeconomic measures such as fiscal balance, inflation targets and money supply growth, the World Bank and International Monetary Fund still ignore the power relations that underlie efforts to correct economic imbalances. Given the context of gender inequalities, the standard recommendations for monetary and fiscal austerity, flexible labour markets and reduced labour standards, financial liberalization and trade liberalization undercut the mission of poverty reduction and gender advancement.

Until social development becomes the priority of debt relief, the hidden costs of excessive debt servicing will continue and gender inequities will persist. A redefinition of the effects of indebtedness is required if young women and girls are to avoid discontinuities in education, declining reproductive health, sexual trafficking and domestic violence, and the intensification of paid and unpaid work.

Debt management strategies that target social development will only work if the democratic participation of civil society and women's organization in loan negotiations and in debt management is enhanced. There needs to be transparent and participatory assessments of policy and efforts made to inform women and the poor of the results of these discussions. Necessary measures should be taken so that both the Bretton Woods institutions and national governments are able to respond to priorities set by the public. Such a process requires adhering to human rights norms and creating new government structures that institutionalize popular participation in the formulation of development policies. Such transparent and participatory measures can work only if debt restructuring is based both on a clear assessment of the human development needs of the heavily indebted country as well as its repayment capacity once these needs are met.

F. Addressing Systemic Issues: Enhancing the Coherence and Consistency of the International Monetary and Financial and Trading Systems in Support of Development

Addressing how the coherence of the international monetary and financial system can be enhanced, this section of the document singles out for emphasis the importance of improving global economic governance along with the need to strengthen the UN's leadership role in meeting this goal. It also calls for an international commitment to fight corruption as well as terrorism and eliminate money laundering (paragraphs 65-6).

These recommendations are a step in the right direction. But, while the mention of global governance, reform of the global economic system and gender mainstreaming of development policies is noteworthy, the choice of language suggests that priority is given to recommendations and commitments in the areas of fighting corruption, terrorism and money laundering. The Leading Actions either ignore important areas altogether or remain quite vague as they fail to specify what concrete, gender-aware measures are needed to address the problems they raise. For instance, while it is widely recognized that the era of global economic integration calls for new global institutions of governance (Griffiths-Jones 2000; Blecker 1998; Civil Society Hearings 2000) that are needed to support sustainable, gender-sensitive, human development, the Leading Actions in this section fall short of recommending a concrete set of measures that can help achieve that. Other issues of importance to developing countries are also neglected or insufficiently addressed, such as the growing imbalance between the rich and the poor countries and the distributional measures that might be needed to address other types of inequalities including gender inequalities.

In light of the recent financial crises that swept through Asia, Latin America and Russia in the late 1990s, and more recently in Argentina and Turkey, the document recommends that the IMF pay more attention to the surveillance of national economies so that measures can be taken in a timely fashion to avoid crises (paragraph 55). This recommendation ignores the crucial role the volatility of unregulated capital flows have played in causing crises, and, thus fails to propose a comprehensive, gender-sensitive framework to address this problem.³⁴

Another theme that is left out of the Monterrey Consensus is the reform of the current trading system, which arguably has had some culpability in worsening economic and gender-based disparities and in eroding human rights, including women worker's rights around the world. Such omissions, in light of the uncritical support the outcome document affords the policies of market liberalization, point at the document's inadequacy in addressing the concerns and needs of citizens in the developing countries, particularly the poor and women.

The document seems to assume that developing countries alone need more supervision, ignoring that examples of poor regulatory and supervisory performance of governmental bodies abound in industrialized countries such as the United States of America. Although it calls for strong coordination of macroeconomic policies among the developed countries, it ignores that many economic dislocations around the world can often be traced to the misguided macroeconomic policies of developed countries. By its focus on the IMF and the developing countries, the Monterrey Consensus gives the mistaken impression that international regulation is relevant only for poor countries.

The emphasis of the document on the need to broaden the participation of developing countries and transition economies for good governance (paragraphs 61, 63) is a positive step in

correcting the existing imbalances within the global economic system. However, the recommendations on global governance (paragraphs 61-64) fail to question the excessive dominance of industrialized countries in the current governance structure of international organizations. For instance, the IMF, with its Executive Board and staff is significantly influenced by only a handful of countries and most notably, by the U.S. One result of this imbalance is that global economic institutions as a rule protect the interests of creditors, namely the multilateral financial institutions and the commercial banks, at the expense of debtors who, ultimately, are the women, men and children of the developing countries whose taxes and foregone social services pay for their national debts. Also, while developing countries are constantly urged to improve their standards of transparency, financial institutions are never asked to disclose their deliberations on decisions that affect the public interest and the welfare of whole countries.

Because the Consensus does not challenge this overall bias in favour of creditors, it also fails to endorse new equitable methods of resolving the debt crisis, even though it pays lip service to a "fair-burden sharing." Paragraph 60 of the document merely mentions international debt workout mechanisms that might involve the restructuring of unsustainable debts, without however questioning the imbalances in how rules and regulatory mechanisms are set up in loan negotiations and the HIPC initiatives. Nor does the document acknowledge that the IMF conditionalities associated with its loan programmes are uniformly criticized for being excessively intrusive and offensive to the sovereignty of recipient countries, and for bailing out creditors rather than helping countries in financial need. Incidentally, the IMF conditionalities are also criticized for reinforcing gender inequities and leading to the violation of civil, social and economic rights, particularly those of women. Thus, in its uncritical adherence to IMF policies, the Leading Actions of the Monterey Consensus end up undermining the very development goals they try to uphold.

Perhaps the more serious shortcoming of the Consensus is its failure to offer measures that can ensure the participation of developing country citizens, particularly poor women in global and economic governance structures and institutions. The failure to involve women in the global decision-making process makes it harder to move gender issues and women's concerns to the centre of policy debates, strategies and plans of action.

More recently, the World Bank, unlike many other multilateral organizations, has initiated some dialogue with civil society organizations, and seems to have adopted gender mainstreaming as a policy goal. However, the existing structures of decision-making in multilateral institutions still continue to impede genuine global governance based on democratic principles. For instance, the IMF and the WTO remain particularly closed to dialogue with NGOs, especially on gender issues.

No regulatory framework at the global level fulfills the functions central banks perform at the national level in supervising the lending behaviour of banks to safeguard the integrity of the financial system. This is a serious gap, since national economies can be severely damaged by imprudent lending on the part of international financial institutions. As the examples from around the developing world abound, the burden of onerous debt and financial excesses fall hard on the poor and women.³⁵ It is hard to understand why the call for global supervision of financial institutions in developing countries should not extend to multilateral financial institutions and the developed country governments as well. True governance requires that national governments,

civil society as well as international bodies must develop an ability to monitor the consequences of each other's policies and actions.

The limitations of the Leading Actions in this section on IMF supervision, sovereign credit assessment, on the failure to supervise private financial institutions that have global reach, and on the current process of debt negotiation suggest a need to establish fundamentally new, gender-sensitive regulatory processes at the global level. The clauses in crisis resolution adjustments and international debt workout mechanisms have gender dimensions in both content and impact. Without the systematic utilization of gender analysis, the social costs borne by the poor and women are likely to remain overlooked, and thus remain unmeasured and unaddressed in such important negotiations and processes.

Paragraph 64 calls for "mainstream[ing] the gender perspective into development policies at all levels and in all sectors." This significant endorsement of the importance of gender comes within the context of a call to "strengthen the effectiveness of the global economic system's support for development" (paragraph 64). But similar to the other reference(s) to gender concerns elsewhere in the document, this recommendation also sounds shallow as it lacks any connection to a coherent framework, specific commitments and concrete guidance on how to accomplish this important task. There is need for innovative and bold measures to ensure that the voice of vulnerable groups, women and poor citizenry from around the developing world, is heard.

Again, the Monterrey Consensus talks about international tax cooperation, but what is needed is a consideration of global taxation – whether the proposed currency tax, the Tobin tax or a unitary global tax - that can help redress the systematic imbalances in the global distribution of benefits and costs of globalization. The kind of firm stance the document takes (paragraphs 65, 66) in relation to the fight against crime, corruption and financial terrorism is needed no less for demanding resource transfers from the richest to the poorest, and redistribution of power from over to under-represented in the world.

Global prosperity depends on the formation of new global institutions that can create a more balanced and equitable consideration of the interests of developing and developed countries. Such a new global system should establish consultative processes, monitor and review countries' progress in meeting the commitments undertaken in the World Social Summit, the Beijing Platform of Action and the Millennium Declaration. This will ensure that social development and gender equality are neither undermined nor compromised. Unfortunately, the outcome document offers little in the way of follow-up mechanisms and specific measures to ensure the active and meaningful participation by developing countries' citizens, particularly poor women in global and economic governance structures and institutions.

Though it provides no guidance, the Monterrey Consensus gives some encouragement for structural reform and notes that United Nation bodies such as the Economic and Social Council (ECOSOC) are in a unique position to spearhead such a drive. In order to meet the expressed goal in the Consensus of mainstreaming gender perspectives and creating economic systems that serve the people, the UN bodies should not overlook the critical need for the voice and representation of women and other vulnerable groups. Indeed, the UN's embrace, albeit mildly critical, of the present processes of globalization can divert attention from the pressing task of establishing a new and more equitable framework for development to meet the internationally agreed upon targets and benchmarks including gender equality and poverty alleviation.

G. Follow-up Mechanisms of the Monterrey Consensus: Staying Engaged

The following discussion evaluates the follow-up mechanisms of the Monterrey Conference based on the provisional report of the Secretary-General and the ECOSOC meeting held in New York City in March 2003. It assesses the extent to which economic policies that directly promote gender equity comprise key parts of the implementation phase of the Monterrey Consensus. It also examines whether the follow-up dialogues and discussions involved the active participation by women's organizations and civil society.

The Secretary-General's report, released on 16 August 2002, provides a preliminary account of the "initiatives and commitments undertaken by Governments and major institutional and non-institutional stakeholders" (UN 2002b; UN2002c-Document A/57/319-E/2002/85). The tone of the Secretary-General's report is optimistic; it also makes a few references to gender. While acknowledging that "much remains to be done", the Secretary-General notes that one result of the Consensus seems to have been a renewed commitment by the nations of the European Union and the United States, which have both substantially increased their aid (paragraph 2). However, the development aid provided by the United States remains very low in relation to the size of its economy.³⁶ Moreover, much of any discussion on foreign assistance by industrialized countries continues to be tied to market liberalization, with the possible exception of the European Union's tentative call for global public goods. The report also points out that gender mainstreaming remains among the commitments that have so far not been acted upon by Governments.

According to the Secretary-General's report, the International Monetary Fund and World Bank responded to the Consensus by acknowledging and reinforcing their traditional role in promoting financial stability (IMF) and fostering institutional reform and development (World Bank). Not surprisingly, the Consensus is not seen as an attempt to curb market-led globalization, but rather as one that is supportive of this trend. Likewise, seeing no reason to reevaluate past policies, the World Trade Organization has also pledged to remain engaged with ECOSOC and the United Nations (paragraph 22).

These responses highlight the absence of any reference to the distributional and gender effects of the market liberalization policies that have shaped the pattern of globalization. Perhaps, understandably, also lacking was any expression of concern for broad-based participation and imbalances of power in key international bodies.

The call for international cooperation in tax matters has also failed to address the social costs of market liberalization and the increased tax burden on women and the poor due to the increased shift towards indirect taxation. Much of these social costs that have been shouldered by the poor, and especially women, remain invisible in part because they remain unmeasured and understudied. The absence of gender-sensitive indicators and data, as well as the paucity of gender analyses of economic policies, contributes to "gender blindness" in the follow-up mechanisms. Yet, another cause of this invisibility is the lack of understanding among staff and officials in key financial institutions, ministries and international bodies of the critical linkages between macroeconomic policies, gender concerns and sustainable economic growth and human development.

The only systematic reference to gender in the Secretary-General's report comes in paragraph 30, where a reference is made to the "Task Force on Gender and Financing for Development of the Inter-Agency Network on Women and Gender Equality". The purpose of

this group is to ensure that gender perspectives are made a part of all discussion on development policy. The Secretary-General lauds their efforts, remarking that they serve “the ultimate goals of poverty eradication, gender equality and economic efficiency.”

Much momentum appears to exist in the international community to implement the Leading Actions in the Monterrey Consensus. However, the commitment to gender-equity and women’s empowerment lacks specificity while empowering the poor and the vulnerable segments of population does not register as a development goal. Instead, the focus of follow-up dialogues has so far been the promotion of economic globalization, with little regard for the conflict that might entail with a more equitable economic system that is gender-sensitive and inclusive. This suggests that much more work still needs to be done by women’s groups to make governments cognizant of the role of women’s agency in the economic processes. Also, much more research will need to be conducted to better understand the deep transformation in gender relations and in women’s and men’s roles and experiences amidst increased market volatility, economic crises, job insecurity and decline in public services. There is also the need to examine the varied ways by which market liberalization policies can reinforce gender biases and that women as a result become disempowered and disenfranchised (WEDO and UNIFEM 2002). Such studies are necessary in order to develop and promote gender-sensitive, economic and social policies that truly address the needs and interests of women, especially those in precarious and vulnerable situations.

The tensions in the Monterrey follow-up mechanisms became evident at a meeting of the Economic and Social Council held on 20 March 2003 (UN 2003) that brought together representatives of civil society organizations (CSOs) and the business sector. The CSOs were generally critical of the whole follow-up process, arguing that asymmetries between debtor and creditor countries, between North and South governments, and between poor nation-states and rich private corporations have remained unresolved. It was noted that despite efforts to reduce their debt burden, the highly-indebted poorest countries still face crippling debt payments, thus putting women and children in these countries in highly precarious living conditions.

Indeed, as a case in point, Uganda still spends \$17 per person on debt repayment and \$3 per person on health. The limited nature of the successes (at best) of the HIPC initiative makes it clear that to be implemented, the Monterrey Consensus will have to “address socio-economic and developmental relations between debtor and creditor countries.”

They have argued that the Monterrey Consensus document has left a promising, but incoherent legacy. This is because there is little discussion in the document of the significant distributional and gendered consequences of the market liberalization policies it upholds and promotes. One year after the ICFfD, little progress has been made in concretely addressing even those gender concerns referred in the outcome document. The discussions on the follow-up mechanisms reflect these tensions and contradictions between the goals that the document seeks to address and the true social and economic outcomes of the Leading Actions as discussed in the preceding paragraphs. The international community must eventually choose whether or not to accept the present power structures within the world economy.³⁷ A broader global effort for economic and gender justice, peace and realization of human rights implies that macroeconomic policy should not automatically be subordinated to the requirements of economic globalization. This implies that those traditionally excluded from institutional power, namely the poor and women, be given a greater voice and decision-making power. It is an urgent call that cannot be ignored.

V. PROPOSED STRATEGIES AND POLICY ACTIONS ADDRESSING GENDER CONCERNS

This section proposes a list of strategies and recommends policy actions for governments as well as international bodies such as the United Nations, the International Monetary Fund, World Bank and the World Trade Organization. It also includes proposed strategies for civil society organizations (CSOs), including women's groups, as well as pointers for important areas of research/training. These proposals are based on the specific gender concerns raised in the analysis of the Monterrey Consensus document, especially in Section IV, and by the position papers of civil society and women's organizations.

A. Proposed Strategies and Policy Actions for Governments and International Bodies

First and foremost, it is imperative that governments and international bodies address and overcome the contradictory nature of the Monterrey Consensus – which uncritically endorses market liberalization policies while ignoring their adverse consequences for an inclusive and equitable economic system. Although the document recognizes gender equality, women's empowerment and poverty eradication as development goals, it provides little in the way of concrete action plans or specific policy recommendations that address any of these goals.

Any progress towards an enabling economic environment that is gender-sensitive and people-centered, whether at the national or global level, calls for actions and strategies that go beyond the Leading Actions in the Monterrey Consensus. Such actions and strategies would need to address the main impediments that have so far frustrated the fulfillment of internationally agreed development benchmarks and targets, namely: a) lack of resources; b) lack of political commitment; c) lack of coherence between macroeconomic policy and the human and social development goals; and d) lack of an enabling international environment that supports governmental and NGO efforts to construct gender-sensitive development policies.

1. On Domestic Mobilization of Resources

As noted in Section IV, in order to mobilize domestic resources in an effective way, account must be taken of the interlinked nature of a diverse set of market processes that are unleashed by globalization. The drive to liberalize the economy produces contradictory effects that on balance adversely affect the well-being of the poor and the disenfranchised, particularly women. The language of the Monterrey Consensus provides an opening for reasserting the importance of women's agency in the development process and addressing gender-based inequities and promoting the empowerment of poor women. The first set of action proposals for governments and international organizations deals with constructing an empowering financial environment for women and the poor. These are:

- Increase the mainstream financial services available to women - particularly in the rural and informal sectors – such as credit, insurance, savings mobilization and technical assistance – by supporting research and the development of innovative financial instruments that provide financial services to poor women while reducing the cost of credit.
- Develop and adopt legal frameworks that effectively eliminate the discrimination and biases of financial institutions in serving women.

- Increase consultation with poor women and other vulnerable groups to find out about their needs and let them have a voice in key economic bodies and financial regulatory arrangements and structures.
- Support economic and legal reforms that complement each other in addressing existing economic and gender-based inequities in the distribution and ownership of assets and productive resources such as land, credit, education, market knowledge and technology.
- Develop policy frameworks that will allow women to move away from the ghetto of microfinance to mainstream finance structures.

Taken together, the above measures can help guide actions and decisions of government officials, ministers, as well as policy makers in international financial organizations towards a more gender-aware and effective mobilization of resources by financial institutions. We recognize here the importance of integrating institutional development of the financial system with complementary legal and policy reforms so that poor women can have enhanced access to the requisite resources and can take advantage of market opportunities that develop their capabilities.

The next set of proposals includes recommendations for the creation and implementation of social and economic programmes that better protect women from the vagaries of an integrated market economy. We argue that domestic financial resources mobilized by governments must directly support women so that income streams are more stable and women are thus better able to seek out employment with decent pay and working conditions. These proposed strategies include:

- Develop progressive taxation systems that can compensate for gender biases in revenue collection systems.
- Support the incorporation of gender perspectives into budget processes at all levels to ensure gender-equitable and pro-poor resource allocations as well as gender-equitable and progressive taxation. Ensure that policy commitments to gender equality are matched with adequate resources.
- Undertake, support and disseminate gender analysis of economic policies including in areas of public expenditures, taxation, finance, trade and investment; and, use these analyses in social dialogue on such policies.
- Develop social protection systems that are gender-equitable and inclusive, which in turn require the development of institutions that legally recognize women as full equal agents and support women's distinct position which straddles both the household and the market economy.

In order to design institutions that can help integrate women into the development process, data on women's contributions and roles are needed. This in turn calls for gender-aware statistics, which requires that both the process of data collection and statistical methods are *engendered*. Such gendered information is also essential in making governments and international policymaking bodies cognizant of women's work, and that their experiences differ from that of men. The United Nations bodies and their member countries are in a unique position to support these data collection efforts, and more specifically:

- Increase consultation with poor women and other vulnerable groups to find out about their needs and let them have a voice in key economic bodies and financial regulatory arrangements and structures.
- Support economic and legal reforms that complement each other in addressing existing economic and gender-based inequities in the distribution and ownership of assets and productive resources such as land, credit, education, market knowledge and technology.
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- Develop a gendered statistical system and promote the collection of sex-disaggregated data, the identification and addressing of gaps in information, including on informal sector, credit, savings and unpaid community and household work.
- Implement concrete steps to support capacity building in gender mainstreaming within finance and other line ministries to ensure that domestic resource mobilization for development is carried out in a gender-sensitive manner and that the social and economic impacts of financial, fiscal and other macroeconomic policies on poor women and their families are systematically monitored.
- Develop accountability and transparency mechanisms to ensure that all the above recommendations can be implemented and progress systematically monitored, including through measures such as gender equality score-cards for line ministries.

2. On International Mobilization of Resources

The enthusiastic endorsement of foreign investment in the Monterrey Consensus ignores the evidence that only a handful of developing countries have been able to attract foreign direct investment flows. In addition, policies adapted to attract capital tend to undermine the well-being of women workers, micro-entrepreneurs, subsistence farmers, care-providers and home maintenance managers, while providing few clear development benefits. For this reason, we call for developing gender-sensitive monitoring and evaluation of the effects of private capital flows. It is essential that regulations and institutions that uphold and protect workers' rights and civil, social and economic human rights are strengthened. Governments and international organizations can:

- Develop fora in which the public can participate and help monitor the effect of foreign capital on gender equality and women's empowerment goals.
- Support research and the dissemination of best practices on gender-sensitive corporate codes of conduct and concomitant monitoring mechanisms.
- Establish gender-sensitive, rules to guide employment practices of domestic and foreign firms, including global corporations by building on existing agreed multilateral instruments such as the ILO conventions on fundamental workers' rights and other conventions with regard to home-based work and part-time work.

Moreover, because women disproportionately shoulder the risk of economic downturns and the effects of market volatility, they are especially harmed by financial crises. Thus, we propose the following actions:

- Explore the implementation of global taxation measures (such as the Tobin Tax) that could reduce the volatility of capital flows. Such a tax could also provide much needed new resources for global development programmes.
- Develop gender aware regulatory measures in both source and destination countries that can mitigate the excessive volatility of financial flows.
- Undertake, support and disseminate gender analysis of financial flows, investment policies and the impact of financial crises, particularly on women in poor households, in terms of market employment, (income, working conditions, etc.) social costs and unpaid work.

- Use such analyses for development and formulation of proactive gender-sensitive, social policy and assistance programmes that can be effective especially during times of financial crisis.

3. On International Trade

The emphasis in the Monterrey Consensus document on trade as an engine for development ignores two important issues. First, market liberalization policies have not necessarily increased trade or brought its associated benefits to many developing countries. Secondly, trade has important negative effects on women in developing countries particularly in poor households. For these reasons, governments and international bodies are therefore urged to:

- Provide capacity building and technical assistance in gender analysis and monitoring of trade negotiations and policies to developing countries and countries with economies in transition to ensure that women and men are included as part of the research and monitoring teams and as participants.
- Facilitate the active participation of women's organizations in national, regional and international trade decision-making structures and processes to ensure that critical gender concerns are addressed at the formulation, implementation and evaluation stages of trade-related commitments and policies within bilateral, regional and multilateral agreements.
- Carry out a gender-sensitive review of the WTO decision-making structure and other trade policy-making bodies.
- Implement a gender review, parallel to the WTO Trade Policy Reviews (TPRs), of bilateral, regional and international trade negotiations and agreements in order to identify **all** gender implications of these agreements and propose gender-equitable and pro-poor alternatives.
- Develop and implement gender-aware, trade adjustment assistance measures and programmes in order to protect, retrain and assist laid-off workers and displaced entrepreneurs, particularly small and microentrepreneurs, in both formal and informal sectors.
- Carry out country-specific and gender-aware assessments of labour laws and standards with special attention to those applied in *export processing zones* as well as those engaged in subcontracted, home-based work. Increase the resources allocated for the inspection of work sites and the enforcement of local labour laws, especially those that relate to fundamental worker's rights as specified by the Declaration on the Fundamental Rights at Work. Develop labour laws that support the empowerment of women workers. Increase the technical capacities and financial resources of labour ministries to become gender-aware.
- Promote worker's rights generally and women's workers rights specifically using the "decent work" paradigm promoted by the ILO. Develop export strategies that rely on upgrading of workers' skills and capacities as opposed to those that jeopardize their capabilities, health and safety. Provide support to exporters that rely on decent labour practices and publicize such efforts internationally.
- Promote international partnerships focused on the enhancement of workers' rights. Publicize good practices in this area.

- Apply gender-sensitive, impact assessments of trade policy on poor men and especially poor women in rural and informal sectors using the human development framework as proposed by UNDP in order to draw policy recommendations with regard to nature, sequencing and pace of trade reform.
- Initiate monitoring mechanisms that have human development as their focus to observe and strengthen special and differential treatment clauses for poor countries.
- Collect and disseminate good practice examples of gender-sensitive trade policy formulation and implementation

4. On Increasing International Financial and Technical Cooperation

As noted in the gender analysis section, attempts to improve foreign assistance must take place along two tracks. First, strategies are proposed on getting developed countries to act on their earlier commitments on Official Development Assistance (ODA) targets. Secondly, there is a need for policy actions aimed at restructuring development assistance programmes so as to develop and implement gender-aware practices and procedures. As with the previous recommendations, gender-aware statistics and data are in urgent need to guide, monitor and evaluate development assistance efforts and programmes. The United Nations and its Member States can use gender-sensitive analysis to argue that greater global equality provides general public benefits to the world community. This “global public goods” framework needs to be further developed and disseminated.

Developed country governments and international organizations can:

- Meet the agreed commitment of 0.7 per cent of GNP as ODA to developing countries and 0.15 to 0.20 per cent of GNP to least developed countries expeditiously and within a specified time frame.
- Earmark the use of ODA resources to advance gender equality and poverty eradication by prioritizing the critical needs of the poor people, and support for the **universal** provision of basic social services, social insurance, credit and savings.
- Study and propose new mechanisms of international revenue collection that could improve the funding of development assistance.
- Institutionalize mechanisms to implement a gender-responsive framework for international cooperation and country partnerships and carry out regular reviews.

Developing country governments and international institutions can:

- Develop effective accountability mechanisms to ensure that ODA meets the critical needs of poor people and addresses gender-specific needs of men and women, particularly in war-torn countries.
- Use the 20/20 initiative as a framework for channeling aid to basic social services
- Include representatives of women's groups and networks in institutional arrangements regarding ODA and take measures to ensure that gender perspectives are fully incorporated.
- Carry out further research on gender equality and poverty eradication as Global Public Goods.

5. On External Debt

The Leading Action in the Monterrey Consensus that calls for a new global approach to debt must be pursued in a gender-aware manner. This requires a systematic collection of information that can document the likely economic and social effects of external debt and its conditionalities on women and the poor. It also requires a revamping of existing HIPC initiative process to take into account the gendered impact of debt payment and loan/debt relief conditionalities. To ensure that financial resources freed up by means of debt reduction initiatives are used to attain the development goals of gender equality and poverty eradication, the earmarking of resources for key social and economic programmes that address the pressing needs of poor women is proposed. In addition, innovative, broad-based participatory decision-making processes are proposed such as the a new debt adjudication mechanism that include representatives of debtors as well as debtors and that also represents the interests of women and others affected by structural adjustment and stabilization programmes.

More specifically, governments and international organizations can:

- Ensure coherence between the financing for development goals and mechanisms in relation to debt and the universal human rights framework.
- Alter the present HIPC eligibility criteria and computational procedures and assumptions of debt sustainability reviews to include the gendered impact of debt payment and loan/debt relief conditionalities, including the cumulative costs in the form of adverse health, and social consequences (withdrawal from schools, increased trafficking of women, crime and violence) and greater burden of unpaid work.
- Ensure gender-balanced representation in loan negotiations and debt relief discussions, as well as in institutional structures that may emerge in the follow-up mechanism of the Monterrey Consensus, and develop other means to ensure that women's concerns (particularly poor women) and gender perspectives are given adequate consideration.
- Create a democratic and participatory debt arbitration body with gender-balanced representation as well as gender-sensitive criteria for evaluating debt sustainability. Cancellation of debt of the least-developed countries and eligible middle-income countries and assessment of debt sustainability should always be undertaken using gender-sensitive criteria.
- Eliminate conditionalities in debt relief initiatives and debt financing measures that lead to the violation of human rights and to the perpetuation or exacerbation of gender inequalities and investigate ways and means of explicitly monitoring improvements in gender equality, through, for example, improvements in infant mortality rates, nutrition, etc.
- Earmark resources released by debt relief to address specific targets and benchmarks agreed upon in the Beijing Platform for Action and the Millennium Declaration Goals.

6. On Systemic Issues

A major theme of this report has been the lack of congruence between the macroeconomic policies that promote market liberalization, on the one hand, and the recognized need to reduce poverty, attain gender equality and empower women and the disenfranchised, on the other. This lack of coherence is reflected in the current governance structure and organization of the international economic and financial systems. It is also manifested in the power and

influence of certain interests groups and governments in how policy decisions are made in key international economic and financial bodies. This has made it extremely difficult for the interests of the developing countries and women citizens to be addressed adequately in the policies, strategies and plans of action. The following recommendations address these shortcomings and gaps in the Monterrey Consensus document. In particular, the proposed strategies include: a) the restructuring of the Bretton Woods organizations particularly the decision-making processes and vote apportionments to ensure the fuller representation of the developing world in important decisions; b) a more active participation of NGOs that represent the interests of women, workers and the poor; and c) the creation of new global institutions empowered to develop a system of mandatory transfers and for a system of redistributing power from the overly represented to those who are under-represented and disempowered. In this regard, governments and international organizations can:

- Develop a comprehensive, gender-aware framework that enhances the social impact assessment of financial flows as part of any international financial stability planning.
- Develop frameworks for collecting relevant gender-sensitive data, setting up benchmarks and monitoring progress towards good governance of both developed and developing countries as well as countries with economies in transition.
- Develop global fund schemes and an international tax body or organization that can provide financial support to global public goods and ensure that these financial resources are allocated for meeting social priorities and needs, including promotion of gender equality, women's empowerment, environmental protection and poverty eradication, as well as the fight against HIV/AIDS.
- Strengthen broad-based participatory policy formulation, decision-making and rules-setting processes and help fill organizational gaps in governments and international bodies. Involve civil society, including women's groups and networks, in debt-workout mechanisms and in key economic international bodies and financial institutions, such as the WTO, IMF, WB, Financial Stability Forum, as well as in regional commissions, regional development banks and UN bodies including the Economic and Social Council.
- Continue the efforts to maintain a gender-balanced representation and participation of civil society, including women's groups and networks, in the follow-up mechanisms and activities in the implementation of the Monterrey Consensus.
- Ensure the full involvement of gender specialists in all follow-up to the International Conference on Financing for Development and establish a strong link between research and policy action at the national and all other levels.
- Support capacity building on gender analysis of macroeconomic policies and development strategies for policymakers, economic advisers, technical consultants, as well as staff of economic bodies and line ministries.
- Support capacity building for women's groups and organizations in economic analysis and in economic/financial decision-making processes and structures.

B. Proposed Strategies for Women's Organizations and Civil Society Organizations

Getting governments and multilateral organizations to address the critical gender concerns and women's issues that are inadequately dealt with in the Monterrey Consensus will require an effective and broad-based participation of women's organizations and civil society

organizations. These organizations play an important role in influencing the deliberations and policy actions of governments and international bodies toward the achievement of poverty eradication, gender equality and women's empowerment. It is therefore important that women's organizations and civil society take on the following recommended strategies and plan of action:

- Provide training to members on relevant economic issues and concerns as well as on feminist economics in order to have broader participation and active engagement in dialogues with governments and international bodies and to be able to monitor the actions of governments and international bodies.
- Work towards broadening their membership base particularly in increasing the participation of and providing voice to poor women in the rural and informal sectors.
- Undertake and support for action research projects that enable women's organizations and researchers particularly on gender analysis of policy impacts on poor households in terms of employment, income, working conditions, social costs in the form of adverse health, and social consequences (withdrawal from schools, increased trafficking of women, crime and violence) and unpaid work. Use such analysis for the development and formulation of gender-sensitive, proactive trade, investment, and financial policy recommendations.
- Develop gender-sensitive proposals towards the formulation of new international financial architecture, international debt workout mechanisms, etc. that are more gender-aware.
- Develop capacity and technical knowledge of members for active participation in budget processes at all levels of the governments to ensure gender-equitable and pro-poor resource allocations as well as gender-equitable and progressive taxation. This is to ensure that policy commitments to gender equality are matched with adequate resources. Develop capacity to carry out gender and poverty analyses of local and national budgets. Develop capacity to link budget analyses to the overall macroeconomic policy framework of a country.
- Strengthen coordination with other women's groups and civil society organizations both within the countries and outside in order to ensure more effective mobilization and coherence in dialogues with governments, finance and trade ministries and international bodies.
- Develop capacity and strengthen participation in bilateral, regional and international trade negotiations and agreements in order to identify gender biases in terms of access to productive resources, earnings level, job security, workers' rights and unpaid work burden.
- Participate actively in public participation forums and in key economic international bodies and financial institutions, such as the WTO, IMF, WB, Financial Stability Forum, as well as in regional commissions, regional development banks and UN bodies including the Economic and Social Council and the ILO.
- Make use of monitoring mechanisms and instruments to help governments and international bodies assess trade policy, ODA and the quality of engagement of foreign capital in support of gender equality and women's empowerment goals.
- Improve the monitoring of private international financial institutions (including off-shore institutions) so that the actions of these bodies do not undermine social development

programmes through reckless lending and/or excessive demands for the resources of developing countries.

- Broaden public awareness on the gender dimensions of the macroeconomic policies, trade and finance negotiations by disseminating the gender analysis impact assessments of macroeconomic policies and development strategies in order to generate effective public action towards holding governments accountable.
- Develop and implement more equitable and participatory and transparent decision-making processes and rules-setting in all key international bodies.
- Organize country-level, broad and inclusive social dialogues, in countries where this is possible, on macroeconomic and international economic policies with broad coalitions of CSOs, governments and international institutions

C. Proposed Areas of Research and Training

The policies and actions of governments, multilateral institutions and the private sector can change women's lives as they have the effect of altering the options, constraints and opportunities faced by both men and women. Yet in the way they are designed, such policies and actions often fail to reduce gender inequities and to benefit poor women especially to any significant degree. Unless these gaps are addressed and the knowledge disseminated to both governments and women and men citizens of countries, the task of promoting gender equality and women's empowerment will remain difficult. For this reason, the following areas of research and training are recommended:

- Research and development of and training on innovative financial mechanisms and instruments that reduce the costs of credit and other financial services to poor women and eliminate discrimination against women by financial institutions.
- Research and training on gender analysis of macroeconomic policies including on taxation and trade, investment and financial policies.
- The collection of sex-disaggregated data, the identification and addressing of gaps in information, including on work conditions of contingent, subcontracted, home-based and/or informal workers, unpaid work and gender-specific needs, interests and constraints of women and men in poor households in terms of credit, social insurance, employment and savings.
- Research and training on gender-sensitive indicators including those needed for the implementation of gender budget initiatives, human development impact assessment of trade policy, foreign capital flows, private-public sector partnerships in social services provisioning, debt and ODA.
- Research on gender-sensitive analyses of the WTO, IMF, WB and other key economic bodies in terms of their decision-making structures, rules and procedures with a view to developing recommendations for gender mainstreaming in these bodies.
- Research on gender-sensitive analyses parallel to the WTO Trade Policy Reviews (TPRs) of bilateral, regional and international trade negotiations and agreements that identify gender biases in terms of access to productive resources, earnings level, job security, workers' rights and unpaid work burden.
- Analyses of current gender-mainstreaming experiences in a variety of international bodies that identify their gaps and limitations and develop recommendations.

- Gender-aware research on country-specific assessments of labour standards and job precariousness in the tradable sector, particularly those in the export processing zones as well as those engaged in subcontracted, home-based work.
- Research and training on the feasibility of gender equality and poverty eradication as Global Public Goods.
- Gender-aware research on current proposals in international financial architecture, global governance systems, debt-equity swaps, and capital controls.
- Gender-aware research on innovative financing schemes including microfinance institutions, pension schemes, and social insurance programmes.

Although these proposed actions appear to be formidable, it is noteworthy that several CSOs, international institutions, governments and research organizations already carry out many examples of such actions. A final and useful research agenda should also include the collection of information on good practices and organizations active in the areas outlined above. This information, updated periodically, can be disseminated via the internet and be a resource base a wide range of stakeholders.

APPENDIX A -- BOX 4

United Nations Mandates Related to Gender Equitable Fiscal Policy

The **Beijing+5** document of July 2000 requires national governments to:

73 (b) *Incorporate a gender perspective into the design, development, adoption and execution of all budgetary processes, as appropriate, in order to promote equitable, effective and appropriate resource allocation and establish adequate budgetary allocations to support gender equality and development programmes that enhance women's empowerment and develop the necessary analytical and methodological tools and mechanisms for monitoring and evaluation.*

The **Platform for Action** adopted at the UN Fourth World Conference on Women (Beijing 1995) specifies the actions to be taken by national governments as follows:

58(d) *Restructure and target the allocation of public expenditures to promote women's economic opportunities and equal access to productive resources and to address the basic social, educational and health needs of women, particularly those living in poverty.*

346. *Governments should make efforts to systematically review how women benefit from public sector expenditures; adjust budgets to ensure equality of access to public sector expenditures, both for enhancing productive capacity and for meeting social needs.*

165 (f) *Conduct reviews of national income and inheritance tax and social security systems to eliminate any existing bias against women.*

165 (i) *Facilitate, at appropriate levels, more open and transparent budget processes.*

END NOTES

1. This will be referred to as the Monterrey Consensus for short. The text of the Monterrey Consensus is in United Nations (2002a). The General Assembly endorsed the Monterrey Consensus in its resolution 56/210-B of 9 July 2002. In addition, the General Assembly requested the Secretary-General to present a report (resolutions 56/210-A and 56/210-B) on the outcome of the ICFfD. The text of the report presented by the Secretary-General (United Nations 2002b) in August 2002 will be referred to as the Outcome Report. This report provides an overview of the main features of the preparation for the Conference, the highlights of the Monterrey Consensus as well as some follow-up actions taken in the aftermath of the Conference. While the Outcome Report states that "the Conference has been widely regarded as a turning point in the approach to development cooperation by the international community and a new point of reference for policy-making on the interconnections of domestic and international finance, trade and other development issues", it also includes a discussion of the critiques of the Monterrey Consensus and the gaps in the document which will be discussed below.
2. As the Outcome Report declared "It was the first United Nations-sponsored summit-level meeting to address, in an integrated way, key financial and related issues pertaining to global development." (United Nations 2002b, paragraph 1).
3. Other UN conferences such as the 1993 World Conference on Human Rights in Vienna made recognition of women's rights as human rights and of violence against women as a human rights violation. In the 1995 World Summit on Social Development (WSSD) in Copenhagen, women's NGOs were able to articulate an economic gender agenda with a gender perspective.
4. Among the reasons cited for the lack of progress was the lack of clear plans, political commitments as well as lack of resources (Çağatay et. al 2000; United Nations 2000:18).
5. The Women's Caucus is a democratic vehicle for consensus building which has enabled women's NGOs from around the world to develop an advocacy agenda and infuse a gender perspective into the process and outcomes of nine world conferences (UNIFEM 2000:48).
6. "The Monterrey Consensus is not weak as some have claimed. It will be weak if we fail to implement it. But if we live up to the promises it contains, and continue working together, it can mark a real turning point in the lives of poor people all over the world." (United Nations 2002b:11).
7. Based on statements made at the Summit meeting, 21 March 2002 Monterrey Conference and at the Press Conference, Thursday, 21 March 2002.
8. The Same IMF study further points out that the "available evidence does not ... provide a clear road map for countries that have started on or desire to start on the path to financial integration" (Prasad et al 2003:6). After a review of the theory and empirical evidence, the paper suggests that "financial integration, without a proper set of preconditions, might lead to few growth benefits and more output and consumption volatility in the short run." (p.37). The authors of this paper acknowledge the comments of an anonymous IMF reviewer in this regard.
9. See McKinnon 1973; Shaw 1973; Kapur 1983; Pagano 1993; to name a few.
10. See Lucas 1988; King and Levine 1993; and Greenwood and Jovanovic 1990; for example.
11. This is represented by works of Singh (1993), Diaz-Alejandro (1985), Taylor (1983), Fitzgerald (2000), Arestis (1993, 2002), Blecker (1998), Pollin (1997), Epstein (1993), Griffiths-Jones (2000) and Stiglitz (1994) to name a few. They make use of markup pricing approach, cost-push inflation models, Keynesian-based adjustment mechanisms, theories of risk and uncertainty, and market-failures approach in their analyses.
12. See Fitzgerald (2000), Bulir (2001) and Griffiths-Jones (2000) for example. The transmission mechanisms are found to consist of price effects through inflation, interest rate, wage rate, profit rate and exchange rate movements and of non-price effects through output, capital formation and employment.
13. Non-market economic activities include subsistence crop production; water and fuel gathering; food preparation and housecleaning; care for the children, sick and elderly; and the management of community services.

14. Other similar statements were made by Australia (Counsellor Jacqui DeLacy) and Canada (Jim Crowe).
15. Based on the concluding summary statement of the newly elected PrepCom Co-Chair Shamshad Ahmad of Pakistan remarks at end of the first round of statements on the Facilitator's draft during the second week of the Third PrepCom Meeting.
16. The United States delegation threatened withdrawal from the FfD process and warned that without the changes, President Bush would not attend the Monterrey Conference.
17. Reports of WEDO, DAWN and the NGO European Caucus (Press release, 19 March 2002). Women's Caucus (2002), "An Equitable World is Possible and Necessary. Women at the FfD Declare", 19 March Monterrey, Mexico.
18. Civil Society Statement to the Fifth Plenary Meeting for the International Conference on Financing for Development. <http://www.un.org/ffd/statements/csfe.htm>.
19. The UN Secretary-General has promoted the notion that there is a need for doubling the current levels of ODA. This is not explicitly mentioned in the document, however.
20. The prevailing gender norm that women are supplementary income earners, even when contributing a substantial portion of the household income, appears to permeate decision making in many financial institutions (Floro 2001a). Because of this attitude and because of the social and economic devaluation of women's productive work, women have only limited use of the funds mobilized through financial intermediation.
21. For example, some financial institutions still require a husband's or male relative's signature for the loans that women are responsible for repaying (Bakker 1994). Although scarcity in data and methodological issues limit the number of empirical studies on this area, available evidence indicates that gender-based biases tend to be present in some financial sector lending rules and operation (Manning and Graham 2000).
22. Although the literature on gender and savings is sparse, a small but growing body of literature strongly suggests that there are gender differences in saving decisions as well as in risk attitudes in several developed and developing economies (Bajtelsmit and Van Derhei 1997; Sunden and Surette 1998; Bajtelsmit and Bernasek 1996, Hungerford 1999, Floro and Seguino 2000). These studies also show that the options and constraints that women face differ from those of men and hence, their saving behaviour may also differ.
23. Several studies, particularly of the informal savings groups among women in different countries, argue that the general propensity to save among poor women is stronger than among their male counterparts (Fong and Perett 1991; Doss 1996).
24. These twin strategies, although useful, have also detracted attention from more innovative and multilayered strategies for addressing women's poverty.
25. Micro-credit programmes can trap women in a *micro-finance ghetto* and risk constraining them unless they develop specific mechanisms for promoting women's empowerment and for making their staff more gender-sensitive (Floro 2001a; Ackerly 1997; Mayoux 2002).
26. Indirect taxation is also due to political pressures that limit the implementation of a progressive tax system as well as to the inefficient administration of tax collection that makes tax avoidance easy.
27. Note that these arguments are made despite the finding that while high levels of inflation do have adverse effects on growth, mild levels of inflation do not (Sen 1998; van der Hoeven 2000).
28. See Çağatay, Keklik, Lal and Lang (2000) for a discussion of the 20/20 initiative in the context of pro-poor and gender-sensitive budget initiatives.
29. See Appendix A on the United Nations mandates with regard to gender-equitable fiscal policies.
30. Paragraph 28 addresses the concerns of developing countries. For a comprehensive treatment of these issues, see UNDP (2003).
31. See Çağatay (2001) for a detailed discussion.
32. See Williams (2003) for a manual that examines trade agreements from a gender perspective. Also see Keklik (2002) and Hassanali (2000).

33. The UN Secretary-General has promoted the notion that there is a need for doubling the current levels of ODA. This is not explicitly mentioned in the document, however.
34. This perspective is largely recognized among academics, certain governments and even researchers in the International Monetary Fund that the uncritical financial liberalization during the 1990s had important negative consequences particularly for developing countries (Prasad, Rogoff, Wei and Kose 2003). Malaysia's use of capital controls during the Asian crisis, for example is now widely seen as a success (Rodrik 2001) .
35. This is a key point raised by CSOs in their call for debt cancellation (Civil Society Hearings 2000; WEDO and UNIFEM 2002; Kalima 2003 and other civil society representatives in UN 2003).).
36. It is also important to note that there is some doubt about whether or not the result of congressional budgetary negotiations will actually allow the honouring of this commitment. In the United States budget deficits are expected to rise as a result of proposed tax cuts to higher income earners and as a result of the military expenditure burden imposed by the current war in Iraq.
37. Since the adoption of the Monterrey Consensus, many new developments in international politics and economics create a serious cause for concern about whether these discussions can lead to substantive change. As a result of the politics of war in Iraq, the multilateral system and its legitimacy has been undermined. However, even before the war, which has meant a setback toward unilateralism, the leading power in the world economy had been reluctant to fully honour or participate fully in a variety of multilateral commitments such as in the areas of environmental protection (e.g. the Kyoto Accord), the International Criminal Court (ICC), as well as in areas of trade policy. Despite the rhetoric of trade liberalization, recent actions by the United States government in the area of trade (protection in agriculture and steel) and withdrawal of pledges made in Doha with regard to provisioning of cheap medicines to poor countries signal a backtracking from the limited concessions the United States government had made earlier. It is therefore not clear at this time, how the larger political events will continue to shape the future of multilateralism, international cooperation and the role of the United Nations, including the ECOSOC in the world economy.

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¹ This will be referred to as the Monterrey Consensus for short. The text of the Monterrey Consensus is in United Nations (2002a). The General Assembly endorsed the Monterrey Consensus in its resolution 56/210-B of 9 July 2002. In addition, the General Assembly requested the Secretary-General to present a report (resolutions 56/210-A and 56/210-B) on the outcome of the ICFfD. The text of the report presented by the Secretary-General (United Nations 2002b) in August 2002 will be referred to as the Outcome Report. This report provides an overview of the main features of the preparation for the Conference, the highlights of the Monterrey Consensus as well as some follow-up actions taken in the aftermath of the Conference. While the Outcome Report states that "the Conference has been widely regarded as a turning point in the approach to development cooperation by the international community and a new point of reference for policy-making on the interconnections of domestic and international finance, trade and other development issues", it also includes a discussion of the critiques of the Monterrey Consensus and the gaps in the document which will be discussed below.

² As the Outcome Report declared "It was the first United Nations-sponsored summit-level meeting to address, in an integrated way, key financial and related issues pertaining to global development." (United Nations 2002b, paragraph 1)

³ Other UN conferences such as the 1993 World Conference on Human Rights in Vienna made recognition of women's rights as human rights and of violence against women as a human rights violation. In the 1995 World Summit on Social Development (WSSD) in Copenhagen, women's NGOs were able to articulate an economic gender agenda with a gender perspective.

⁴ Among the reasons cited for the lack of progress was the lack of clear plans, political commitments as well as lack of resources (Çağatay et. al 2000; United Nations 2000:18).

⁵ The Women's Caucus is a democratic vehicle for consensus building which has enabled women's NGOs from around the world to develop an advocacy agenda and infuse a gender perspective into the process and outcomes of nine world conferences (UNIFEM 2000:48).

⁶ "The Monterrey Consensus is not weak as some have claimed. It will be weak if we fail to implement it. But if we live up to the promises it contains, and continue working together, it can mark a real turning point in the lives of poor people all over the world." (United Nations 2002b:11).

⁷ Based on statements made at the Summit meeting, 21 March 2002 Monterrey Conference and at the Press Conference, Thursday, 21 March 2002.

⁸ See McKinnon 1973; Shaw 1973; Kapur 1983; Pagano 1993; to name a few.

⁹ See Lucas 1988; King and Levine 1993; and Greenwood and Jovanovic 1990; for example.

¹⁰ This is represented by works of Singh (1993), Diaz-Alejandro (1985), Taylor (1983), Fitzgerald (2000), Arestis (1993, 2002), Blecker (1998), Pollin (1997), Epstein (1993), Griffiths-Jones (2000) and Stiglitz (1994) to name a few. They make use of markup pricing approach, cost-push inflation models, Keynesian-based adjustment mechanisms, theories of risk and uncertainty, and market failures approach in their analyses.

¹¹ The recent IMF study on financial integration (associated with policies on capital account liberalization) provides empirical evidence that suggest that low to moderate levels of financial integration have made poor countries subject to even greater volatility of consumption relative to that of output.

¹² See Fitzgerald (2000), Bulir (2001) and Griffiths-Jones (2000) for example. The transmission mechanisms are found to consist of price effects through inflation, interest rate, wage rate, profit rate and exchange rate movements and of non-price effects through output, capital formation and employment.

¹³ Non-market economic activities include subsistence crop production, water and fuel gathering, food preparation and housecleaning, care for the children, sick and elderly, and the management of community services.

¹⁴ WEDO (2001:1) [not in references].

¹⁵ Other similar statements were made by Australia (Counsellor Jacqui DeLacy) and Canada (Jim Crowe).

¹⁶ Explain the 0.7 % ODA target and its origin in UN conferences (social summit etc.) give figures on the United States ODA compared to other countries. [this appears to be a personal reminder of the authors??]

¹⁷ Based on the concluding summary statement of the newly elected PrepCom Co-Chair Shamshad Ahmad of Pakistan remarks at end of the first round of statements on the Facilitator's draft during the second week of the Third PrepCom Meeting.

¹⁸ The United States delegation threatened withdrawal from the FfD process and warned that without the changes, President Bush would not attend the Monterrey Conference.

¹⁹ Reports of WEDO, DAWN and the NGO European Caucus (Press release, 19 March 2002). Women's Caucus (2002), "An Equitable World is Possible and Necessary. Women at the FfD Declare", 19 March Monterrey, Mexico.

²⁰ Civil Society Statement to the Fifth Plenary Meeting for the International Conference on Financing for Development. <http://www.un.org/ffd/statements/csfe.htm>.

²¹ The UN Secretary-General has promoted the notion that there is a need for doubling the current levels of ODA. This is not explicitly mentioned in the document, however.

What happened to footnote 22?

²³ For example, some financial institutions still require a husband's or male relative's signature for the loans that women are responsible for repaying (Bakker 1994). Although scarcity in data and methodological issues limit the number of empirical studies on this area, available evidence indicate that gender-based biases tend to be present in some financial sector lending rules and operation (Manning and Graham 2000).

²⁴ Although the literature on gender and savings is sparse, a small but growing body of literature strongly suggests that there are gender differences in saving decisions as well as in risk attitudes in several developed and developing economies (Bajtelsmit and Van Derhei 1997; Sunden and Surette 1998; Bajtelsmit and Bernasek 1996; Hungerford 1999, Floro and Seguino 2000). These studies also show that the options and constraints that women face differ from those of men and hence, their saving behaviour may also differ.

²⁵ Several studies, particularly of the informal savings groups among women in different countries, argue that the general propensity to save among poor women is stronger than among their male counterparts (Fong and Perett 1991; Doss 1996).

²⁶ These twin strategies, although useful, have also detracted attention from more innovative and multilayered strategies for addressing women's poverty.

²⁷ Micro-credit programmes can trap women in a *micro-finance ghetto* and risk constraining them unless they develop specific mechanisms for promoting women's empowerment and for making their staff more gender-sensitive (Floro 2001a; Ackerly 1997; Mayoux 2002).

²⁸ Indirect taxation is also due to political pressures that limit the implementation of a progressive tax system as well as to the inefficient administration of tax collection that makes tax avoidance easy.

²⁹ Note that these arguments are made despite the finding that while high levels of inflation do have adverse effects on growth, mild levels of inflation do not (Sen 1998; van der Hoeven 2000).

³⁰ See Çağatay, Keklik, Lal and Lang (2000) for a discussion of the 20/20 initiative in the context of pro-poor and gender-sensitive budget initiatives.

³¹ Paragraph 28 addresses the concerns of developing countries. For a comprehensive treatment of these issues, see UNDP (2003).

³² See Çağatay (2001) for a detailed discussion.

³³ The UN Secretary-General has promoted the notion that there is a need for doubling the current levels of ODA. This is not explicitly mentioned in the document, however.

³⁴ This perspective is largely recognized among academics, certain governments and even researchers in the International Monetary Fund that the uncritical financial liberalization during the 1990s had important negative consequences particularly for developing countries (Prasad, Rogoff, Wei and Kose 2003). Malaysia's use of capital controls during the Asian crisis, for example is now widely seen as a success (Rodrik 2001).

³⁵ This is a key point raised by CSOs in their call for debt cancellation (Civil Society Hearings 2000; WEDO and UNIFEM 2002; Kalima 2003 and other civil society representatives in UN 2003).

³⁶ It is also important to note that there is some doubt about whether or not the result of congressional budgetary negotiations will actually allow the honouring of this commitment. In the United States budget deficits are expected to rise as a result of proposed tax cuts to higher income earners and as a result of the military expenditure burden imposed by the current war in Iraq.

³⁷ Since the adoption of the Monterrey Consensus, many new developments in international politics and economics create a serious cause for concern about whether these discussions can lead to substantive change. As a result of the politics of war in Iraq, the multilateral system and its legitimacy has been undermined. However, even before the war, which has meant a setback toward unilateralism, the leading power in the world economy had been reluctant to fully honour or participate fully in a variety of multilateral commitments such as in the areas of environmental protection (e.g. the Kyoto Accord), the International Criminal Court (ICC), as well as in areas of trade policy. Despite the rhetoric of trade liberalization, recent actions by the United States government in the area of trade (protection in agriculture and steel) and withdrawal of pledges made in Doha with regard to provisioning of cheap medicines to poor countries signal a backtracking from the limited concessions the United States government had made earlier. It is therefore not clear at this time, how the larger political events will continue to shape the future of multilateralism, international cooperation and the role of the United Nations, including the ECOSOC in the world economy.

This background paper uses a gendered approach in examining the development financing strategies endorsed in the 2002 Monterrey Consensus document. It seeks to identify policies and strategies of action for key stakeholders to ensure that gender perspectives are incorporated in the follow-up mechanisms to the conference as well as in the broader global effort for economic and gender justice, peace and the realization of human rights. The paper reviews the different theoretical perspectives and empirically examines the key inter-linkages between gender, finance and development. It also discusses the preparatory process that led to the United Nations International Conference on Financing for Development (ICFfD) and examines, from a gender perspective, the extent to which the leading actions stated in the Monterrey Consensus document are consistent with each other.

In particular, the analysis points out that market-liberalization policies underlying much of the ICFfD recommended actions that afford little recognition of the adverse consequences and social costs brought about by these policies. It is argued that critical gender concerns and the adverse distributive consequences of these policies are neither discussed nor addressed in the Consensus document, undermining the recognition that the recommended leading actions can foster inequality and gender biases. The paper calls on governments and international institutions to recognize the crucial role of women's agency and their economic contributions in both market and non-market sectors of the economy as they explore the means of financing development and discuss related trade, fiscal, financial and investment policies. The paper concludes with policy recommendations and proposed strategies of action for governments, international bodies and civil society organizations, particularly women's organizations.