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Closing the Gaps: Gender Equality and Development Effectiveness

INTRODUCTION

Since 2000, various UN processes, including the Millennium Summit and its 5-year reviews, the Financing for Development conferences and the related UN High-Level Conference on the Financial and Economic Crisis, as well as the three High-Level Forums on Aid Effectiveness and the more recent bi-annual Development Cooperation Forum meetings have provided opportunities to make the links between gender equality and development effectiveness and the need to ensure a greater and more equitable allocation of resources across all population groups. These links have become increasingly relevant as world leaders look for ways to accelerate progress on the Millennium Development Goals (MDGs), including women's empowerment and gender equality, while confronting the multiple global crises of food, fuel, finance and climate change.

Yet actual financing for gender equality remains limited. The latest OECD/DAC report on the gender marker shows that US\$15.2 billion of bilateral official development assistance (ODA) out of US\$45.7 billion was allocated to activities that had gender equality as a principal or significant objective in 2007/08. Further, a 2007 OECD study on gender equality and development co-operation concluded that "the gap between policy and implementation continues to be an uphill climb."

Financing for gender equality goes beyond securing greater resources for projects targeted to women. To bring about meaningful change, it must also entail aligning economic, trade and environmental policies with gender equality goals, providing access to decent work, food security, and social protection to all segments of the population, both women and men.

As the Women's Working Group on Financing for Development stated at the conclusion of the Doha Conference on Financing for Development (FfD) in late 2008, commitments to gender equality will only be meaningful if the systemic issues that underpin poverty, asymmetries and maldistribution of power and resources in the global political economy are decisively addressed. They call for inclusive, rights-based and accountable multilateralism and the recognition that macroeconomic, systemic, and financial issues are not gender-neutral.

During an informal session at the Fourth High-Level Dialogue on FfD in March 2010, there was broad consensus that achieving the MDGs required the scaling up of action on the part of both developing and developed countries. On a growing scale, gender activists and other civil society groups are advocating for innovative financing for development initiatives, such as a financial transaction tax, a Robin Hood/Maid Marian tax, or an airfare solidarity tax that could generate additional resources to fund ways of countering global poverty or communicable diseases, for example. UN Member States have expressed different views about these mechanisms, some recognizing their potential while others question their effectiveness or are reluctant to support non-voluntary taxes. On the eve of the MDG Summit, a group of 60 UN Member States, including France, Britain and Japan, have agreed a common position concerning a multi-currency transaction tax to raise funds for development aid that could raise as much as US\$35 billion a year.

Yet, as interest in these and other innovative sources of financing grows, women's and other civil society groups need to think about how they can ensure that new development resources are allocated in proportion to the specific needs of different countries – and that their priorities are targeted among these needs.

In this regard, gender and social justice activists are also lobbying for the inclusion of a gender perspective in climate change negotiations and in the design, financing and implementation of adaptation initiatives. But where financial and technology transfers are concerned, women still remain invisible – as workers and producers as well as caregivers and consumers. This despite the fact that women constitute the majority of people working in informal and vulnerable employment; are generally the last to recover from economic crises and job losses; and take on increased burdens resulting from cuts in social spending and drops in household income. The same is true of proposals to increase food security through a new green revolution; these still focus on large-scale agricultural production despite the fact that small farmers, the majority of whom are women, produce the bulk of the food consumed by households in developing countries. For these reasons, feminist economists and others are

now arguing that national and global economic policy must be further revised from a human rights perspective.

Civil society has been mobilizing around the world to make their voices heard in global discussions and among national governments on how to accelerate and sustain progress towards the MDGs. During the UN General Assembly's informal interactive hearings with NGOs, civil society and the private sector on 14- 15 June, civil society called for a global "MDG Breakthrough Plan" that focuses on an integrated and holistic approach to achieving the Goals, including progress on gender equality. Civil society has also been engaged with Member States in advocating for language in the negotiated outcome document for the MDG Summit that affirms the essential role of women in the economy. This includes the recognition that women are agents of development and a commitment to take action to improve the numbers and active participation of women in all political and economic decision-making processes.

GENDER EQUALITY: CLOSING THE RESOURCE & POLICY GAPS

Barbara Adams, Marina Durano and Genoveva Tisheva

Women's organizations and groups worldwide celebrated the UN General Assembly resolution, adopted on 2 July 2010, to establish the UN Entity for Gender Equality and the Empowerment of Women, or UN Women. This new entity will be headed by an Under-Secretary-General and will consolidate and combine into one the four existing gender-specific entities, increase operational capacity at the country level and have greater authority and resources to strengthen women's empowerment and advancement (see *NGLS Roundup 138*).

This resolution would not have happened without the strong advocacy and determined commitment of women's movements and other civil society organizations over the last four years, spearheaded through the GEAR Campaign. Charlotte Bunch, a founding member of the Campaign, stated: "We have high expectations for this new agency – the women's groups and other social justice, human rights and development organizations that played a pivotal role in this effort must now work to ensure that the new body has the human and financial resources necessary to succeed."

In bringing together the normative and standard-setting side of the UN system with the operational or development side, UN Women will depend upon two different resource pools: namely, assessed and voluntary contributions. The latter will present a challenge at a time when donors seem to be prioritizing bilateral over multilateral development initiatives and rebalancing the proportion of official development assistance that goes to each; at the same time ODA budgets overall are declining due to the slowdown. However, it is a challenge that must be taken up if the gains for gender equality are to be expanded, particularly to low income women.

A 2006 study of the costs of achieving Millennium Development Goal 3 – to promote gender equality and empower women –

Equally important is language recommending the provision of universal social protection floors in order to consolidate and achieve further development gains. Women should be able to benefit from policy measures that generate full and productive employment and decent work for all and that close existing wage gaps between women and men. Also in the draft document is a commitment to enhance investments in infrastructure and labour-saving technologies in order to benefit women and girls by reducing their burden of domestic activities, especially in rural areas. So too is the recognition of the social and economic costs of violence against women and the need to end impunity for such violence.

By offering diverse views on these and other issues, this *NGLS Roundup* aims to explore interlinking aspects of financing for gender equality in current negotiation processes. Can advocates use these processes to garner the resource base and policy changes needed to advance gender equality and inclusive development?

has estimated these to be on average between 35% and 52% of the total costs for achieving the eight MDGs (or US\$37-\$57 per capita annually between 2005 and 2015), with low-income countries requiring external resources of about US\$13 billion annually between 2005 and 2010, after which estimates should be revised.¹ However, reallocating resources from existing MDG budgets would place MDG 3 in competition with the other Goals, all of which affect gender equality. Instead, spending on each of the Goals should be mutually reinforcing, so that progress towards one contributes to progress towards the others.

For this to happen, additional resources need to be mobilized, externally as well as internally. Goal 8 calls for strong partnerships for development, with more and more effective aid, more equitable trade, debt relief, affordable medicines and technology transfer. The MDG Gap Task Force Report 2010 shows serious shortfalls on all of these, including an estimated aid gap of US\$20 billion for 2010; an estimated US\$35 billion each year is needed to reach the MDGs by 2015. To meet the Goals, including gender equality, rich countries need to honour their Goal 8 commitments, including increasing aid to 0.7% of gross domestic product (GDP). Governments need to increase revenues through more equitable and efficient tax policies and reallocate resources to create decent work, provide the infrastructure and ensure the provision of public services that can meet gender equality goals. This means they need to confront the "policy gap" between gender justice and macroeconomics.

The policy gap

The financial and economic crisis has challenged not only the resources for development but also the policies to make it inclusive and sustainable. As governments are pressed to reduce debt and balance their budgets – in order to quell market fears among other things – a major target for reductions is social service provision, including education and health. This in turn threatens to reverse gender equality gains, not only because the

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Gender justice key to MDG progress

Ines Alberdi, Executive Director, UNIFEM (part of UN Women)

The Millennium Declaration and the eight Millennium Development Goals (MDGs) together embrace a vision of a more just and equal world. With five years remaining to achieve these Goals by 2015, the 2010 MDG Summit challenges world leaders everywhere to commit to actions to accelerate progress. A UNIFEM briefing, excerpted from its forthcoming report on women's access to justice, points to key areas where such actions are critical.

It shows that despite promising progress on many of the MDG targets, a more detailed breakdown of the MDG statistics shows that progress is lagging on the gender dimensions of these targets: national averages mask large disparities in terms of gender, income and location, with large numbers of women and girls being left behind, especially in rural areas.

Clearly further progress depends on addressing these gaps. We have many examples of strategies that have been shown to work. Yet gender discrimination remains pervasive, cutting across all other forms of discrimination, and perpetuating poverty and exclusion in countries worldwide.

Gender justice entails ending the inequalities between women and men that are produced and reproduced in the family, the community, the market and the State. It also requires that mainstream institutions – from justice to economic policymaking – are accountable for tackling the injustice and discrimination that keep too many women poor and excluded.

The briefing identifies four critical areas where action is essential: expanding women-friendly public services; increasing women's leadership, voice and influence in society; strengthening women's access to employment and livelihood opportunities; and ending violence against women and girls.

Inequalities in access to services impede progress on the MDGs, especially on health and education. In many countries, living in a rural area is a marker of disadvantage, because poverty rates are higher and access to services and markets are lower. Poverty, gender and location often interact to create double and triple disadvantage.

Ensuring universal access to services is therefore vital to efforts to eliminate hunger, expand education, reduce maternal and child mortality, improve reproductive health and stop the spread of HIV/AIDS. Removing user fees, providing educational stipends or scholarships and ensuring safe and reliable transport have been shown to increase access to education and health care and reduce infant mortality. Employing more female service providers has been shown to increase women's uptake of services and offer positive role models for girls.

Women's participation is essential to gender-responsive governance. Where women's voices are heard, policy better reflects their lives; where under-representation persists, their interests are repeatedly ignored.

Globally, women's share of parliamentary seats averages 19% and women occupy 16% of ministerial posts, primarily in the social sectors. Stronger action is needed to increase women's leadership not only in elected office, but in economic policy-making, agricultural and rural development, peace negotiations and many other fields. The most effective way to do this is through special temporary measures, including quotas; of the 29 countries that have reached or exceeded the 30% benchmark for women in parliament, at least 24 have used quotas.

Increasing economic opportunities for women underpins gender justice and propels progress towards the MDGs; increasing women's employment and earnings is associated with reduced poverty and faster growth, better education and health outcomes for families and children and less rapid spread of HIV/AIDS.

Yet gender discrimination is a persistent feature of labour markets in countries worldwide. In every sector women have fewer opportunities, less secure job tenure and lower pay than men. In rural areas, the vast majority of women earn their livelihoods in small scale agriculture, lacking secure land access, agricultural services or credit.

The draft Summit outcome document emphasizes that investing in women and girls has a multiplier effect on productivity, efficiency and sustained economic growth. It includes commitments to increase women's access to decent work, close gender gaps in wages, promote comprehensive social protection and invest in infrastructure and labour saving technology, especially in rural areas to reduce women's unpaid care work. Meeting the MDGs by 2015 depends on this investment.

Violence against women and girls is widespread and persistent in all countries, retarding progress on all of the MDGs. Estimates of the costs of such violence to public budgets and lost productivity also run in the billions of dollars each year.

The draft outcome document commits to strengthening comprehensive laws, policies and programmes to combat violence against women and girls, ensure their access to justice and protection and that perpetrators are prosecuted and punished. These provide a solid basis on which to move forward, in line with the UN Secretary-General's UNiTE Campaign to End Violence Against Women, particularly at country level. A key goal of the UNiTE campaign is to increase resources for the UN Trust Fund to End Violence against Women, which supports actions to combat violence against women and girls to US\$100 million annually by 2015.

The creation of UN Women, a strengthened and consolidated UN entity for gender equality and women's empowerment, by the General Assembly this year is an indication that the political will is there. Strong political and financial support for UN Women by countries around the world will send a strong message that the world is ready to match commitment with investment.

UNIFEM, part of UN Women, is launching the MDG briefing at an invitation-only event at the opening of the MDG Summit on 20 September, in partnership with the Summit co-facilitators, the Governments of Denmark and Senegal. The briefing will also be available to download at www.unifem.org/progress.

services which women particularly depend upon will become more limited and more expensive to access, but also because the cuts will increase the amount of unpaid labour that women take on in order to make up for these reductions. This increased reliance on what is known as the “care economy” is based on the incorrect assumption that women are by nature dedicated to care and that they have the time, energy and capacity to provide it.

At the same time, such measures add to women’s job losses, since it is in the public sector that women’s employment is most concentrated, particularly in developing countries. The argument for spending cuts posits that if governments cut spending on the public sector, and instead subsidize private sector initiatives, the private sector will step up to provide these services, thereby creating jobs for both men and women. This assumes not only sustained demand, despite the loss of household income and imposition of new fees, but also that women’s earnings are less important to household income than men’s earnings. Policy responses to the economic crisis are in many cases perpetuating these outdated and discredited assumptions, further disadvantaging women and widening the policy gap.

Gender and social equality advocates have argued that developing country governments, which had no part in causing this crisis, must be allowed the policy space to respond to it by expanding fiscal policy, primarily in order to create new jobs and protect social spending. International lending institutions, such

as the International Monetary Fund (IMF) and World Bank, have indicated a greater willingness to support more flexible fiscal policies and continued social spending, at least in some cases. Therefore, what is most urgently needed is concerted efforts by civil society, including women’s organizations, to make sure their governments take that space and close the policy gap. To do so they need to: 1) expand fiscal policy to spur employment growth by protecting and expanding women’s public sector jobs and creating private sector incentives to expand decent work for women; and 2) establish and finance a universal social protection floor that will ensure that all individuals have access to essential social services.

One of the first challenges for UN Women is to work with UN, government and women and civil society partners to start to address the “policy gap” between macroeconomic policies and gender justice. Can it provide the leadership needed for social and gender equality advocates – inside and outside of government – to begin to close this gap?

This article draws on an article for Social Watch on the challenges for gender equality by Genoveva Tisheva (Bulgarian Gender Research Foundation) and Barbara Adams (Global Policy Forum); an interview with Barbara Adams by the Global Policy Forum; and a contribution on financing gender equality by Marina Durano (Development Alternatives for a New Era (DAWN)).

GENDER EQUALITY AND DEVELOPMENT COOPERATION

Fernanda Hopenhaym and Verónica Vidal, Association for Women’s Rights in Development (AWID), with inputs from AWID colleagues Cecilia Alemany and Natalie Raaber

The latest Organisation for Economic Co-operation and Development (OECD) report on “Aid in Support of Gender Equality” shows that during 2007-08, out of a total of US\$45.7 billion in bilateral aid screened against the Gender Equality Marker, about 33%, or US\$15.2 billion, focused on gender equality as either a principal or significant objective.² This percentage remains unchanged from 2006-07, when of US\$31 billion screened against the marker, US\$10.2 billion focused on gender equality. In fact, the share of aid that goes to gender equality has stayed at about one-third since 2002.³

What has increased, however, is the amount of total ODA screened against the marker. In 2007-08, total bilateral aid was US\$71.6 billion, of which roughly 64% was screened against the marker compared to 2006-07, when only 52% out of a total of US\$59.2 billion was screened. This suggests that reporting on the gender marker has improved. It is also recognized that underreporting is widespread, which could mean that more ODA is targeting gender equality work than is reported.

Despite improved reporting, and the fact that more money (in absolute terms) is being allocated to gender equality and women’s rights, as a percentage of total ODA the advances remain minimal. Further analysis is needed to more clearly understand how donors target their funding and to obtain a more accurate

picture of the development outcomes for women’s rights in developing countries.

As AWID surveys have shown, women’s and other civil society organizations (CSOs) have been actively addressing some of the most significant challenges posed by the 2005 Paris Declaration on Aid Effectiveness principles, including the potential difficulty in accessing funding under the new aid modalities and their implications for civil society’s autonomy and sustainability.⁴ Donors themselves – both informally and formally through particular agreements under the 2008 Accra Agenda for Action (AAA) – have also recognized these challenges. For example, an OECD-DAC report noted that “when donors channel resources through government systems, there is a risk that civil society organizations lose funding for their advocacy and service delivery roles. This can narrow the opportunity to address social goals,⁵ and may also diminish civil society’s autonomy and capacity to hold governments (both developing and developed) accountable.

The new aid modalities have posed particular challenges in Sub-Saharan Africa and Central America, where CSOs report receiving less bilateral funding than before, mainly due to the fact that aid is now being channeled primarily via government, through direct budget support.⁶ The new aid modalities are also reportedly impacting the availability of funding from Northern NGOs to Southern NGOs.

As donors increasingly shift to direct budget support, CSOs have been exploring new funding mechanisms, with some success. Women’s rights organizations, for example, have accessed

significant resources through women's funds. AWID's latest survey of women's organizations found that women's funds represent 15% of grants received, second after bilateral and multilateral institutions.⁷ While bilateral and multilateral agencies have allocated the largest amounts of money to women's groups, the ability of a large number of small, grassroots organizations – key to advancing women's rights and holding governments accountable at local level – to access this funding is extremely limited. Conversely, women's funds award significantly more small-size than large-size grants, thereby supporting a wider range of women's rights organizations and more effectively reaching work being done on the ground. The quality of the grants provided by women's funds is also better, in that there are fewer conditionalities in terms of how the money must be used.

The new aid modalities may also present some opportunities. For example, Northern CSOs may be encouraged to align funding to development cooperation priorities of developing countries and complement bilateral funding to developing countries through direct support for Southern CSOs (including women's organizations). Currently, however, access to resources for Northern CSOs is an increasing challenge in the context of the economic crisis and the resulting budget cuts. Groups advocating for policy change across countries are also facing funding obstacles, along with ongoing limitations on political space. While the reasons for this vary, they include the lack of a favourable environment needed for a strong civil society to function and watchdog, even in the "democracies" of the developed world. Under the new aid modalities, new funding mechanisms are also likely to be created and existing mechanisms, such as multi-donor funds (which themselves have had mixed results), may be used more frequently. Further research is needed to assess the ability of these modalities to provide quality funding for CSOs and create an environment in which a strong civil society – including particularly women's groups – exists and thrives.

PUTTING GENDER EQUALITY AT THE HEART OF DECENT WORK

Jane Hodges, Director, ILO Bureau for Gender Equality

ILO's work on gender equality and economic empowerment of women covers all four pillars of the Decent Work Agenda: employment creation, social protection, fundamental principles and rights at work, and social dialogue.

In June 2009 at the peak of the economic crisis, the International Labour Conference adopted a resolution on "Gender Equality at the Heart of Decent Work."⁹ Arguing that the economic crisis "should be viewed as an opportunity to shape new gender equality policy responses," the resolution calls for a range of measures, including: closing the gender pay gap; broadening social protection; promoting women's entrepreneurship and skills development; actions to end violence against women in the workplace; and social dialogue in which women actively participate in decision-making processes.

The 4th High Level Forum on Aid Effectiveness (HLF-4) – that will take place in Busan, South Korea in 2011 – will be a critical moment for the signatories of the Paris Declaration and the Accra Agenda for Action to demonstrate that current efforts towards aid effectiveness have made a contribution to development. While the AAA has been an improvement on the Paris Declaration in terms of human rights, gender equality and civil society participation, it still lacks indicators by which to measure progress on these goals. Thus progress continues to be measured against the monitoring system of the Paris Declaration and the implementation plans set by governments.

Women's rights advocates and other CSOs are promoting a new development cooperation system that is rights-based, putting human rights, gender equality and decent work at its centre. Such a change should be part of a broader reform related to the role of international financial institutions and the need for more inclusive and participatory global governance structures. Civil society groups in the BetterAid Platform and women's organizations have argued that it is important to have independent assessments (including monitoring and evaluation) for the impact of aid on development outcomes. An important challenge is therefore to get governments to agree to take advantage of existing monitoring and reporting systems for international human rights standards, gender equality, decent work, sustainable development and democratic governance commitments.

Another challenge will be to get developed countries to tie development cooperation more closely to the financing for development agenda. Development cooperation is not only about providing more financial resources or more relevant technical assistance for developing countries. Rather, it should aim to eliminate the structural inequalities that foster dependency on foreign aid, foreign capital and technologies and external markets. Moving forward, the UN Development Cooperation Forum should become a major space for standard-setting on development cooperation.⁸

Gender-responsive employment policies are critical to women's economic empowerment, enabling them to contribute to, and benefit from, overall development and growth. Studies have shown that such policies increase productivity and stimulate economic growth and that putting earnings in women's hands speeds development and poverty reduction. Gender equality should thus be a central goal of all measures to stimulate **employment creation**, particularly during the crisis, both through public investment in infrastructure and service provision and through support to private sector initiatives, such as hiring subsidies for businesses to increase decent work opportunities for women.

Equally critical, both in helping to stimulate renewed growth and enhancing economic security is broad-based social protection. The most efficient way to provide income security and access to health care to all segments of the population is through the extension of social security benefits to those in informal as well

as formal employment. Women, who are overwhelmingly concentrated in various forms of informal work, particularly in low-income countries, would be among the major beneficiaries of such policies.

A universal social protection floor consists of essential social services, a basic set of cash transfers and access to health care, and includes support mechanisms for countries to implement sustainable social transfer schemes. An analysis of policy responses to the crisis by G20 countries, prepared for the Meeting of G20 Labour and Employment Ministers in April 2010, concluded: "A basic social protection floor is increasingly recognized as one of three measures for rapid poverty alleviation and broad-based development," along with robust economic growth and rapid employment generation, adding that together these explain substantial gains in poverty reduction in Brazil, China and India.¹⁰ A costing study of 12 low-income countries found that basic social security can be afforded by virtually all countries and could pay for itself in the long run.¹¹

Also central to the Decent Work Agenda are key **principles and rights at work**, including the elimination of workplace sex discrimination. Despite some progress, 2007 ILO research notes the persistence of gender gaps in employment and pay and the need for integrated policies to address these while reconciling work and family responsibilities, adding that the need to do so has become more urgent in the face of growing global inequality and insecurity.¹²

LINKING HUMAN RIGHTS, MDGs AND ECONOMIC POLICY

Diane Elson, Professor of Sociology, University of Essex

In the last three decades, economic policy has been directed towards achieving economic growth, underwritten by assumptions about the virtues of the market, and the trickling down of extra output to the poor. Non-market processes, such as the unpaid care of family and friends, have been ignored. It is frequently believed that faster economic growth is the key to achieving the MDGs. It has not been recognized that economic policy is a human rights issue, since it determines how resources are mobilized and allocated, and thus affects the realization of peoples' civil, political, economic, social and cultural rights. However, many women's and other civil society groups are now advocating for explicitly including a human rights dimension to the MDGs.

This would have several advantages. For instance, review of MDG implementation is often a very top-down, donor-driven process, in which donor countries monitor progress of recipient countries, without taking on any responsibility for the way in which their own economic policies can hinder, or help, in meeting these goals. A human rights framework would avoid this, as it emphasizes the human rights obligations of all governments, not only those of poor countries. It holds all governments to account, not just those of aid recipients.

Finally as gender equality and women's rights advocates call on UN Member States to increase women's voice and influence in all decision-making bodies – from national parliaments to agricultural cooperatives and National AIDS Councils – it is important that the principle of the right to be present and be heard extend to include arenas of **social dialogue**. Governments have a leading role in stimulating job creation, finding ways to extend social security and social protection, and protecting workers' rights. Particularly at times of economic crisis, governments, workers' organizations and employers are more likely to seek ways to work together through tripartite or bipartite social dialogue in order to maximize the impact of crisis responses to the needs of people in the real economy. The ILO's Global Jobs Pact indicates ways to stimulate inclusive job-rich growth and highlights the need to give women an equal voice with men in the design and assessment of recovery packages.¹³

Overall, the political importance of employment and labour issues and the need to conceive policies in more integrated ways has given greater space to more integrated economic growth, employment and social protection policies. Such policies, by enabling more women and men to access decent work opportunities and benefit from better social protection coverage, can go a long way in helping countries recover from the economic crisis and reducing the economic insecurity that characterizes today's global economy. In short, the Decent Work Agenda is also a social and gender equality agenda.

A stronger focus on human rights also means focusing on the most deprived. Progress towards the MDGs often implies progress for those that are already better-off. Reductions in maternal mortality, for example, are often occurring in those groups that already experience lower maternal mortality rates. Poorer women are generally not seeing very much in terms of lower mortality rates. A human rights framework would draw attention to the importance of making improvements for the most deprived a priority.

A human rights framework is not just concerned with what people can buy and sell in markets. Thus it is more hospitable to considering the use of non-market resources, such as unpaid care work. Indeed, the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) Committee, which monitors the compliance of governments with their CEDAW obligations, has called for governments to recognize the importance of this work which is primarily done by women and girls.

Strengthening legal frameworks is important, as is strengthening access to justice. However, human rights are not just about laws and legal frameworks; it is about what kind of ethical frameworks governments use when they design economic policies. The value of such a framework is that it highlights the obligations that all governments have taken on to respect, protect and promote human rights of all people, and to pay special attention to the most deprived. It emphasizes the importance of not violating

the human rights of any person. This contrasts with mainstream economics, which deliberately tries to avoid any kind of explicit ethical judgment about the distribution of resources by using the Pareto optimality principle, meaning “if we cannot make someone better off without making someone else worse off, no matter how rich they already are, then we have achieved an optimal situation.”

A human rights focus means we must ask whether some peoples’ human rights are actually being violated by economic growth. Is it permissible to violate peoples’ right to work, to food, to water, in the name of promoting faster growth? Conventional economists would argue that faster economic growth would provide resources to compensate those whose rights have been violated in the process. But for one thing, compensation very rarely happens; and for another, some things cannot be compensated for simply in financial terms. If a person’s livelihood or way of life is destroyed, then providing that person with financial compensation will not be enough.

Of course, auditing economic policy from a human rights perspective is not a magic bullet, but it does offer a way to try to get governments to realize that the Ministry of Finance has human rights obligations, just as much as the Ministry of Justice; and to empower grassroots groups working on issues such as the right to food, the right to water, the right to education and to health, the right to decent work. It is about helping both to make the linkages between the realization of these rights, all of which are directly reflected in specific MDG Goals, and the kind of monetary, fiscal, trade, and regulatory policies that governments pursue.

To read more about how a human rights framework can contribute to making macro-economic policies more effective for enhancing peoples’ social and economic rights, see the recently released publication Rethinking Macro Economic Strategies from a Human Rights Perspective (2009) by Radhika Balakhrisnan, Diane Elson, and Raj Patel, available online: www.cwgl.rutgers.edu.

INNOVATIVE FINANCING AND GENDER EQUALITY

Increasingly, innovative financing initiatives are being promoted as feasible solutions to mobilize the necessary resources to address the escalating development funding gap. In the lead up to the MDG Summit, some 60 countries are now actively advocating for an international multi-currency transaction tax to raise funds for development aid. The joint position follows the report of the Committee of Experts to the Taskforce on International Financial Transactions for Development, released in June 2010, which analyzes different tax options to overcome the financial obstacles to further progress on the MDGs, particularly in the wake of the global financial and economic crisis.

The Committee of Experts’ report studied five types of financial levies – a financial sector activities tax; a Value Added Tax (VAT) on financial services; a broad financial transaction tax; a nationally collected single-currency transaction tax; and a centrally collected multi-currency transaction tax – in order to analyze the different tax options that could be imposed on the financial sector. Their report concludes that the currency transaction tax would be the most feasible option of the five, but that the other options were also possible alternatives. Such a tax could raise approximately US\$35 billion a year. The report also indicated that financial shortages to meet the MDGs and goals related to climate change will reach between US\$324-\$336 billion in the period 2012-2017.

A number of financing initiatives have already been implemented. For instance, UNITAID (International Drug Purchase Facility), established in 2006, delivers affordable treatment to combat HIV, tuberculosis and malaria for the poorest people and is mostly financed by an air ticket levy, ranging from US\$1 to US\$40. The levy – collected from UNITAID’s 29 member countries and representing about 70% (US\$192 million) of contributions to UNITAID in 2009 – guarantees stable

and predictable financial resources. In just over four years, UNITAID has raised almost US\$1 billion. Its success partly rests in its unique structure that brings together donor and recipient governments, along with civil society.

Civil society campaigns

Christina Weller, Catholic Overseas Development Agency (CAFOD)

States are not the only stakeholders supporting innovative financing mechanisms: civil society has long been advocating to get them recognized by Member States, and have also played an important role in their design. For example, the Robin Hood Tax campaign in the UK is one of a number of civil society movements across the world calling for taxes on financial transactions (FTTs) to pay for the financial crisis and to fill the gap for financing development and global public goods. Given that the financial sector is relatively under-taxed compared to the rest of the economy, the idea is to tax at a low rate trades in financial assets, such as currency, stocks and derivatives, mainly by financial institutions.

One of the main arguments for such a tax is the scale and predictability of revenue flows that it would raise. A combination of such taxes should be put in place to raise US\$400 billion per year. The question then becomes how such funding would be allocated and committed to meet development challenges and how these funds would be used. Gender equality advocates, along with other social justice activists, need to think about how these funds could best advance social and gender equality and seek commitments about their allocation. It is important to indicate from the outset through a use-specific tax what these monies will be used for – as in the case of UNITAID – and to make sure that any agreement explicitly states that benefits will finance human development and global public goods, and that it will target women and men equally.

The gender equality goals of the MDGs are not unique in lacking adequate and effective financing. Missed “early-harvest targets” and unfulfilled aid pledges have not helped an estimated 65 million girls who do not go to school or more than half a million women who die each year in childbirth. FTTs could help, for example, with investment in maternal health care. It would take one month of FTTs to pay for the one million healthcare workers Africa needs.

Proponents of these taxes also point out that it could help ensure that the burden of financial crises would be more fairly shouldered; they could also contribute to increased stability by discouraging the worst forms of short-term speculation. Such speculation should be avoided as has been made evident during the current crisis, where those in export-dependent casual labour were the first to lose jobs, women were forced to

ignore their own food or health needs to cope with reduced income, and young girls were more likely to be taken out of school. Preventing these shocks and ensuring that the cost is not paid by the poorest cannot be achieved by FTTs alone, but they are a step in the right direction.

FTTs would demonstrate a new willingness by governments to actively intervene in markets to make them fairer and put the economy back at the service of broader social objectives. Many countries, including Austria, Luxembourg, Singapore, Hong Kong, Poland, Portugal and Spain, already have unilateral FTTs, and even the International Monetary Fund (IMF) has conceded that the idea should not be dismissed on the grounds of practicality of implementation.

The technical tools and the arguments are there, what is needed now is the political will.

Further information on CAFOD's work on the Robin Hood Tax campaign is available online: www.cafod.org.uk/robinhoodtax.

NOTES

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- 5 OECD-DAC, *Making Aid More Effective through Gender, Rights and Inclusion: Evidence from Implementing the Paris Declaration*, 2008.
- 6 Based on conversations with AWID meeting participants 2006-2008.
- 7 AWID, *FundHer Brief 2008: Money Watch for Women's Rights Movements and Organizations*.
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- 12 ILC, 96th Session, Equality at work: Tackling the challenges, Geneva, 2007.
- 13 See ILC, 98th Session. Global Jobs Pact, June 2009. ILO and the African Development Bank co-hosted the African Forum on “Women's Entrepreneurship Development” in Cairo. The Central America Sub-regional Forum “Impacts of the crisis to the economic empowerment of women,” organized by ILO, UNDP and UNIFEM, spurred anti-crisis measures for the region that integrate the specific needs of women.

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