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## Sustainable development and international economic cooperation: women in development

Effective mobilization and integration of women in development

Mainstreaming the gender perspective into economic policies: a preliminary framework for action

Report of the Secretary-General

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\* A/52/150 and Corr.1.

## I. Introduction

1. The General Assembly, in resolution 50/104 of 20 December 1997, urged Governments to develop and promote methodologies for incorporating a gender perspective into all aspects of policy-making, including economic policy-making, and requested the Secretary-General to submit to it at its fifty-second session a report on action taken to implement that resolution.

2. The need to incorporate a gender perspective into the design, implementation and monitoring of all policies and programmes, including development policies and programmes, at all levels was stated in the Platform for Action adopted by the Fourth World Conference on Women in 1995<sup>1</sup> and further reiterated by the Commission on the Status of Women at its forty-first session in 1997.<sup>2</sup>

3. Efforts are being made to analyse a wide range of economic issues in order to assess their gender implications. Among these issues, the following have been analysed from a gender perspective: poverty alleviation policies; human capital development and growth; fiscal policies; trade liberalization; and the unpaid sector of the economy. The use of gender analysis is still not a routine part of economic analysis and policy-making. Therefore, practical applications of gender analysis and policy implications are still limited.

4. Based on recent mandates and work already undertaken, the present report focuses on mainstreaming a gender perspective into economic policies. The report will apply gender analysis to the unpaid sector of the economy, fiscal policies and trade liberalization policies. The lessons learned by applying gender analysis to these issues will serve as the basis for policy-oriented conclusions and recommendations and may be applied to other areas of economics.

5. The Economic and Social Council recently defined mainstreaming a gender perspective as

“... the process of assessing the implications for women and men of any planned action, including legislation, policies or programmes, in any area and at all levels. It is a strategy for making women's as well as men's concerns and experiences an integral dimension in the design, implementation, monitoring and evaluation of policies and programmes in all political, economic and societal spheres so that women and men benefit equally and inequality is not perpetuated. The ultimate goal is to achieve gender equality.”<sup>3</sup>

6. The strategy of gender mainstreaming carries the following important implications for policy makers:

(a) All policies, including economic policies, should contribute to the goal of gender equality, as a human right of women and men to participate in, and benefit equally from, social, political and economic life;

(b) Women's advancement should not be a marginal exercise of micro-level projects. The entire range of economic processes should contribute to the goal of gender equality;

(c) Economic policy-making should reflect women's as well as men's concerns and experiences, and seek to benefit women and men equally;

(d) Actions to improve the status of women should shift from women as exclusive objects of intervention to focus on gender relations through which inequalities between women and men are perpetuated and reinforced.

7. A major component of gender mainstreaming is the use of gender analysis to describe and document gender differences between women and men. Gender analysis is also applied to elucidate the interaction between any planned action and gender relations.

## II. Mainstreaming the gender perspective into economic policies

8. The application of gender analysis to economic policies is a recent but growing phenomenon in the field of economics. There is in existence a wide range of experiences shown by analyses that were carried out to reflect the different impact of economic policies on women and men, while others were carried out to highlight gender-based constraints to specific economic policy outcomes.<sup>4</sup> Both approaches seek to promote equality by changing economic policies and processes.

9. Three premises underpin gender analysis applied to economic policies: first, the scope of economic activity includes both the paid and the unpaid sectors of the economy; second, gender is one of the factors that mediates and shapes economic decision-making and the distribution of work, productive input, income and wealth; and third, institutions themselves are structures which produce and transmit gender biases that affect all economic relations.

10. Gender analysis sees the micro-level, the meso-level and the macro-level of the economy as critical instances of analysis that are linked and integrated. At the micro-level of family, households and firms, emphasis is placed on gender as a critical factor in structuring capabilities, endowments and resource allocations. From this point of view, for instance, the household is not necessarily a monolithic unit of decision-making but a site of competing interests where decisions

about resource allocations are also determined by gender relations, as discussed in paragraphs 32 and 37 below.<sup>5</sup>

11. The meso-level is a relatively new level of economic inquiry that has become increasingly important for exploring how institutions such as markets, the state and community reinforce and reproduce inequalities between women and men in their access to assets, services and economic decision-making positions. From this perspective, there are in all institutions norms and practices that are biased against women if they fail to recognize the importance of reproductive work; if they exclude women; or if they feminize women's participation by reinforcing their secondary, nurturing, supportive roles and dependence on men.

12. One example of embedded gender exclusion in institutional norms and practices is that of financial institutions which have often excluded women by favouring propertied males. This is shown in their demand for collateral and other requirements that women frequently find impossible to comply with because, in most cases, they lack access to resources, including land. These institutions have been recently challenged by credit institutions, such as the Grameen Bank.<sup>6</sup>

13. The macro-level (i.e., the level of gross national product (GNP) and its component parts of savings, investments, consumption, exports and imports, public expenditures and revenues) is traditionally assumed to be gender neutral. Gender analysis applied to macroeconomic policies, however, shows that the biased outcome of economic policies emerges from the gender biases existing at the micro-level and meso-level of the economy, and of society in general.

14. Examples of sectoral and macroeconomic policies where gender analysis was applied are discussed below.

#### A. Unpaid work: measurement and integration into policies

15. Under the existing division of labour between women and men, women have a greater share of unpaid work than men. Unpaid work includes women's unremunerated work in the production of goods and services for household consumption and the market. Unpaid work also includes human reproduction activities that relate to how society reproduces itself across generations and maintains its coherence. It involves such diverse activities as fetching water and firewood, child-rearing, care for the elderly and the disabled, and community activities (see A/48/393). Since it is unpaid, such work still remains largely outside labour force statistics and standard national accounts.<sup>7</sup>

16. The statistical invisibility of unpaid work has negative consequences for the outcome of economic policies. Also, it has negative consequences for women's status in society, as was shown in the Human Development Report 1995 which emphasized that, because much of women's work remains unrecognized and unvalued, women are reduced to virtual non-entities in most economic transactions.

17. For most women, overlapping productive and reproductive responsibilities create trade-offs between child care and related activities, which tend to be unpaid, and productive activities. The result is considerably reduced income on the part of women, compared to men, and thus a gendered experience of poverty. This is illustrated by the strong link between poverty and female headed households.

18. Economic policies, by excluding any consideration of unpaid work, skew the meaning of such terms as "efficiency". What may be regarded as an increase in efficiency may instead be a shift of costs from the paid to the unpaid sector.

#### B. Gender and fiscal policies

19. Fiscal policy is one of the most important instruments of macroeconomic policy. Applying gender analysis to this policy area is, therefore, considered one of the most effective ways of introducing gender mainstreaming in economic policies, as outlined below.

##### 1. National budgets

20. The tax and spending decisions of a country are announced through a budget and national budgets are therefore policy documents which elucidate a country's approach to economic growth, distribution of wealth and income, and human development. The budget appears to be a gender-neutral policy instrument because it is set out in terms of financial aggregates. Initiatives have, however, been taken to show the relevance of defining national budgets from a gender perspective. Some of these initiatives are described below.<sup>8</sup>

21. The Commonwealth Secretariat has developed a comprehensive conceptual framework and an important range of gender-aware budgetary tools. Among the tools developed to analyse the composition of public expenditure are gender-disaggregated incidence analysis, benefit incidence, budgetary institutions, and women's budget statements.

22. Women's budget statements have had the most practical applications. A women's budget statement is designed to bring together information on the implication of governmental expenditures on women compared to men, and further to

facilitate the introduction of relevant changes to promote gender equality.

23. In 1984, the Government of Australia introduced a policy requiring governmental departments to identify the impact of their proposed expenditure on women and their contribution to equality, as well as to quantify all programmes having the greatest significance for women, highlighting initiatives and indicators which showed the progress made in gender equality. From these, a women's budget statement was then synthesized by the Office of the Status of Women. The emphasis by that Office is now on strategic policy development and policy advice.

24. In South Africa, key aspects of the national budget were analysed in the women's budget initiative of 1996. The initiative was a joint effort of the Parliamentary Joint Standing Committee on Finance, non-governmental organizations and academics. The analysis focused on the sectors of welfare, education, housing and work, as well as on two cross-sectoral themes, taxation and public sector employment. This initiative was not a separate budget for women but an examination of all programmes in the selected areas in terms of their impact on women. Because the majority of the poor in South Africa are women, the women's budget initiative was also considered an effective element in defining a strategy for the reduction of poverty in the country.<sup>9</sup>

25. Public sector employment constitutes an important part of public expenditure. It can play a pivotal role in promoting gender equality because public sector employment policies set standards and, through equal opportunities and family-friendly employment policies and practices, can promote better practices throughout the economy, thus reducing the extent of gender discrimination in labour markets, and enhancing women's ability to invest in their human capital, with resulting efficiency gains. Moreover, public sector procurement policies, by extending public sector employment policies to the private sector through insistence on equal opportunities and family-friendly policies on the part of potential contractors, and by involving women entrepreneurs, can promote gender equality.

26. Public expenditure is also important for the development of women's and girls' human capital, which has multiplier effects on economic efficiency and economic growth. For instance, research on economic growth and education show that failing to invest in the education of girls lowers gross national product. It has been estimated that countries in which the ratio of female-to-male enrolment in primary or secondary education is less than 0.75 can expect levels of GNP that are roughly 25 per cent lower than countries in which there is less gender disparity in

education.<sup>10</sup> This supports the assumption that the probability of children being enrolled in school increases with their mother's educational level and that extra income going to mothers has a more positive impact on household investment in nutrition, health and the education of children than extra income going to fathers.<sup>11</sup>

27. Public expenditure on women's education has a positive impact on productivity, as exemplified in the agriculture sector where it has been estimated that each additional year of education for women brings productivity gains of 2 to 15 per cent more than those of men, demonstrating the long-term effect of education on women's productivity.<sup>12</sup> Research on agricultural productivity in Africa shows that reducing gender inequality could significantly increase agricultural yields. For instance, giving women farmers in Kenya the same level of agricultural input and education as men farmers could increase the yields obtained by women farmers by more than 20 per cent.<sup>13</sup>

28. Other tools developed by the Commonwealth Secretariat to analyse the effectiveness of governmental policies and public services include needs assessments, analysis of quality of service indicators, beneficiary assessments, assessment of invisible costs, and assessment of benefits of equal opportunities in service delivery. For example, needs assessments establish what is needed in terms of services and where they are needed. Traditionally, such assessments are carried out by gathering quantitative data on demographic characteristics, income levels and services available. By applying a gender perspective, all data are disaggregated by sex, the needs are defined from the point of view of the users, including women, and the time needed to access services is introduced as a critical variable.

29. New approaches have been developed by the International Research and Training Institute for the Advancement of Women (INSTRAW) to analyse the budget of a country in order to promote a gender-aware budget strategy. A time budget is an account of the amount of time spent in paid and unpaid work by women and men, and girls and boys.<sup>14</sup> It is, therefore, assumed that, given gender relations, the time budgets of women and men, and girls and boys would be different.

30. Through the use of time budgets, it will be possible to analyse the sustainability of the budget strategy in terms of its impact on citizens' time. From the gender perspective, any attempts made to reduce in financial terms a deficit which increases the surplus in the men's time budget (e.g., increased unemployment among young men) and increases the deficit in women's and girls' time budgets (e.g., greater reliance on women's reproductive and voluntary work as a substitute for

public services) indicates an imbalance between women's and men's time budgets and the national financial budget. In this case, budget policy is not a good foundation for the longer-term achievement of growth combined with human development, because it is depleting human and social resources.<sup>15</sup> Time-use data, disaggregated by sex and age, may be gathered through regular household surveys by means of specific appraisal techniques, such as the ones employed by INSTRAW in a number of countries, including Hungary, the United Republic of Tanzania, Nepal and Venezuela, as part of its time-use measurement and unpaid work project.<sup>16</sup>

## 2. Taxation

31. The technical character of tax, much like the domain of macroeconomics, does not refer to individuals. At the aggregate level of total revenue raised, there are no obvious differentials in terms of how the tax burden is shared. Existing tax systems, however, contribute to reinforcing gender inequalities, including the gendered division of labour.

32. The almost universal trend towards value-added taxes in the 1980s has proved to be a regressive policy with regard to women who, in global terms, constitute the majority of the poor. This is because indirect taxation tends to reduce the proportion of total consumption met through the market, leading to an increase in the demand for women's unpaid work in household production of market substitutes. Further, as real household income falls, the subsequent intra-household redistribution of food results, in most cases, in women having less access to it, especially in very poor families where male intake is prioritized.<sup>17</sup>

33. Tax incidence becomes even less progressive and more biased against women when wealth is considered.<sup>18</sup> Wealth, which is income plus acquired or inherited assets, is distributed more unequally between women and men than income. Consequently, measuring the distribution of the tax burden according to income level only exaggerates the progressiveness of the tax system. Using income instead of ability to pay thus obscures the full nature and extent of gender bias in the tax system.

## C. Gender and trade liberalization policies

34. During the past decade, wide restructuring processes occurred in most countries, focusing mainly on opening national economies to external competition through trade liberalization policies. As shown below, these policies had important gender consequences.<sup>19</sup>

### 1. Employment effects of export-orientation policies

35. The liberalization of trade is one of the driving forces behind the increased feminization of the labour force. Some see the feminization of the labour force in negative terms, pointing to low wages and poor working conditions. Others however, consider that increased female employment in the modern sector is beneficial to women. In the long term, the increased income-earning capacity of women could encourage families to invest in their children's human capital. Moreover, increased female wage employment could also lead to women's higher status in the household, and to their economic and social autonomy and higher self-esteem if they retain some control over their earnings. The impact on public perceptions of women entering paid employment has also been emphasized. In Pakistan, it was noted that cultural perceptions of appropriate roles for women and men were changing owing to women's paid employment.

36. Most of the jobs created through trade liberalization policies, including in export processing zones, to which women had access were labour-intensive and required low levels of skills. Some studies indicate that these female labour-intensive industries are being significantly affected by changes in trade or industrial policy reforms, as well as by technological change which may require more skilled labour, leading to the substitution of female workers by male workers. This may lead to a subsequent decline in female employment unless women's skills and qualifications are sufficiently upgraded.

37. Another area in which gender analysis has been applied is in the examination of mobility among sectors. While it is recognized that sectoral mobility is important to effective macroeconomic adjustment and shifts in trade regimes, sufficient attention has not been paid to the constraints imposed on women (as both labour and producers) in their efforts to respond to changing price signals. This is related to two factors stemming from the asymmetry in women's and men's obligations, rights and bargaining positions within the household. First, the gender based assignment of household roles restricts the substitution of male and female labour. Second, within the household, males have relatively stronger bargaining power and better access to resources than women and therefore can more easily take advantage of price incentives.<sup>20</sup>

### 2. Agricultural commercialization

38. Responses to policies that shift production in the agricultural sector from subsistence to market production, and from domestic to export markets, are constrained by gender-based inequalities. For instance, in many parts of the world, cash crops are considered the domain of men and subsistence

crops the domain of women. Women's opportunities to produce cash crops for the market and to respond to export-led strategies can therefore be hampered by their lack of control over resources. This was borne out by experience in Zambia where women preferred to concentrate on groundnut production, a subsistence crop, where they had greater control over the production, rather than increase their production of hybrid corn, a cash crop, where men controlled the trade and profits of the major cash crops.<sup>21</sup>

39. Agricultural commercialization also has gender-based effects, such as on the demand and nature of family labour. In the absence of hired labour, for example, families will have to choose between sending a child to school or keeping that child to work on the farm. In many instances, because the private rate of return to education for boys continues to be higher than for girls (owing to gender inequality in the labour market and social institutions), girls and women would be denied education and kept at home to work on the farm. This bias was further aggravated by the introduction of user fees in education which further lowered the private rate of return to education for girls relative to boys.<sup>22</sup>

### III. Conclusions and recommendations: a preliminary framework for action

40. From the preceding analysis it is clear that promoting gender equality by removing restrictions on women's access to, and control over, resources, opportunities, incentives, income and wealth, should be pursued, not only as a human right and for reasons of social justice but also as a strategy to promote economic efficiency and sustainable development.

41. Mainstreaming the gender perspective into economic policies may offer insights into macroeconomic policy-making in the following ways:

(a) Gender analysis applied to economic policies reveals the connection between paid and unpaid sectors of the economy; the asymmetries between women and men in rights, obligations, bargaining positions and access to and use of resources, including time; how these are allocated between women and men; and the gendered nature of institutions, including the state and the market;

(b) By making unpaid work visible, gender analysis reshapes the understanding of the functioning of the paid economy, the traditional domain of macroeconomics;

(c) By using gender as a basis of social and economic differentiation that influences the distribution of work, income and wealth, the productivity of work, and the behaviour of

agents in the economy, basic assumptions on which macroeconomic models and policies are based will, in many instances, be reshaped;

(d) By highlighting the gendered division of labour between women and men which in many instances hinders the reallocation of resources between non-tradable and tradable sectors, gender analysis facilitates the understanding of how intra-household dynamics affect markets and in turn the outcome of macroeconomic policies.

42. The following principles are a prerequisite for mainstreaming the gender perspective into economic policies:

(a) During the formulation, implementation and evaluation of macroeconomic and sectoral policies, cognizance should be taken of gender-based impact and constraints;

(b) An effective growth strategy should also include investments in women's and girls' human capital, equally with men and boys, in terms of education, training and health;

(c) Reproductive activities should be taken into account in investments and other policy measures and policy assessments;

(d) Economic strategy should seek to integrate the paid and unpaid sectors with a view to reducing the extent of the unpaid sector and its gendered impact.

43. It is recommended that mainstreaming the gender perspective into economic policies should be effected in line with the following conditions, which are in conformity with recent international agreements, such as the Beijing Declaration and Platform for Action;<sup>23</sup>

(a) Incorporating the gender perspective into programme design, implementation and evaluation, and the policy development process of all intergovernmental and multilateral entities that are involved in the process of development;

(b) Undertaking measures to achieve gender balance between women and men in economic decision-making;

(c) Strengthening national machineries and their involvement in assisting Governments to formulate and implement gender-sensitive economic policies;

(d) Demonstrating commitment to the principle of gender mainstreaming at the highest level of State and throughout the whole governmental system by means of an adequate allocation of resources, training and development of staff and measures of accountability;

(e) Creating an enabling environment which allows opportunities for women to express their priorities, needs and

interests for incorporation into national and sectoral policies, programmes and budget processes;

(f) Generating and maintaining all relevant data disaggregated by sex; developing indicators, conceptual tools and methodologies for gender analysis and applying them to the design, implementation and monitoring of economic policies by national, regional and international statistical services and economic agencies and the bodies of the United Nations system; and measuring and valuing unpaid work through existing and improved mechanisms.

## Notes

<sup>1</sup> See Report of the Fourth World Conference on Women, Beijing, 4-15 September 1995 (United Nations publication, Sales No. E.96.IV.13), chap. I.

<sup>2</sup> Official Records of the Economic and Social Council, 1997, Supplement No. 7 (E/1997/27-E/CN.6/1997/9), chap. I, sect. C.1, agreed conclusions 1997/3.

<sup>3</sup> A/52/3, chap. IV, sect. A, agreed conclusions 1997/1.

<sup>4</sup> See, for example, Nilufer Catagay, Diane Elson and Caren Grown, eds., "Gender, adjustment and macroeconomics", *World Development*, vol. 23, No. 11 (special issue, November 1995).

<sup>5</sup> Lourdes Beneria and Savitri Bisnath, *Gender and Poverty: An Analysis for Action*, UNDP Gender in Development Monograph Series No. 2 (New York, 1996).

<sup>6</sup> Ann Marie Goetz, *Macro-Meso-Micro Linkages: Understanding Gendered Institutional Structures and Practices*, paper prepared for a workshop on gender and economic reform in Africa (Ottawa, Canadian International Development Agency, 1995).

<sup>7</sup> The issue of unpaid work is developed by the United Nations Development Programme (UNDP), in *Human Development Report 1995* (New York and Oxford, Oxford University Press, 1995), and by INSTRAW, in *Measurement and Valuation of Unpaid Contribution: Accounting through Time and Output* (Santo Domingo, 1995).

<sup>8</sup> This section of the report is based mainly on the papers prepared for the Fifth Meeting of Commonwealth Ministers Responsible for Women's Affairs, held at Port-of-Spain from 25 to 28 November 1996, including the paper prepared by Professor Diane Elson, "Integrating gender issues into national budgetary policies and procedures within the context of economic reform: some policy options".

<sup>9</sup> Debbie Budlender, ed., *The Women's Budget* (Capetown, South Africa, Institute for Democracy in South Africa, 1996).

<sup>10</sup> A. Hill and E. King, "Women's education and economic well-being", *Feminist Economics*, vol. 1, No. 2 (1995), pp. 21-46.

<sup>11</sup> World Bank, *Toward Gender Equality: The Role of Public Policy* (Washington, D.C., 1995), p. 28.

<sup>12</sup> World Bank, *Advancing Gender Equality from Concept to Action* (Washington, D.C., 1995), p. 6.

<sup>13</sup> K. Saito and D. Spurling, "Developing agricultural extension for women farmers", World Bank Discussion Paper No. 156 (Washington, D.C., 1992).

<sup>14</sup> INSTRAW, *Measurement and Valuation of Unpaid Contribution ...*, pp. 14-26 and 55-92.

<sup>15</sup> Professor Diane Elson, op. cit., p. 14.

<sup>16</sup> INSTRAW, *Measurement and Valuation of Unpaid Contribution ...*, pp. 14-26.

<sup>17</sup> Maria Floro, "Dynamic interaction between sectoral policy and gender issues: empirical evidence in the Asia-Pacific region", paper prepared for a workshop sponsored by UNDP, Statistical Division of the United Nations Secretariat, the United Nations Development Fund for Women (UNIFEM) and the Korean Women's Development Institute on integrating paid and unpaid work into national policies, Seoul, 28 to 30 May 1997.

<sup>18</sup> Wealth is defined as the money value of the total stock of assets owned by an individual at a particular point in time, minus total debts and liabilities at that time.

<sup>19</sup> An extended discussion on the issue of economic reform, globalization and gender is contained in *Women in a Changing Global Economy: 1994 World Survey on the Role of Women in Development* (United Nations publication, Sales No. E.95.IV.1).

<sup>20</sup> Lawrence Haddad and others, "The gender dimensions on economic adjustment policies: potential interactions and evidence to date", *World Development*, vol. 23, No. 6 (1995), pp. 881-896.

<sup>21</sup> *Restructuring Economic and Social Policy: Cross-Cultural Gender Insights from the Grassroots*, a special report commissioned by the UNDP Special Unit for Technical Cooperation Among Developing Countries (July 1995), p. 11.

<sup>22</sup> Haddad and others, loc. cit.

<sup>23</sup> Report of the Fourth World Conference on Women ... See essentially the critical areas of concern "Women and poverty", "Women and the economy", "Women in power and decision-making" and "Institutional mechanisms for the advancement of women"; also, Official Records of the Economic and Social Council, 1997 ..., specifically paras. 1, 4, 10, 13, 15, 20, 22, 24 and 25.