Gender and Development Network
Written submission to the International Development Select Committee Inquiry on DFID’s Economic Development Strategy

1.0 Introduction

The Gender and Development Network (GADN) is a membership network made up of staff from leading UK-based non-governmental organisations, practitioners, consultants and academics working on gender, development and women’s rights issues. GADN welcomes the opportunity to respond to the Inquiry on DFID’s Economic Development Strategy (EDS) and have focused our attention on our particular areas of expertise.

2.0 Summary

2.1 DFID’s 2017 EDS makes a strong commitment to “place the economic empowerment of girls and women at the heart of [its] approach” and to “leave no one behind”. Its emphasis on “inclusive growth” includes providing the poorest and most marginalised people with access to productive employment – the majority of whom work in the informal economy and are disproportionately women. GADN is encouraged by this focus and ambition, which is echoed in DFID’s updated Strategic Vision for Gender Equality\(^1\). This reaffirms women’s economic empowerment (WEE) as one of its five pillars. WEE has also garnered a lot of international attention following the recent UN High-Level Panel\(^2\) (HLP) on WEE in which the UK government played a key leadership role.

2.2 However, achieving WEE is complex. Policy responses need to go beyond interventions that focus on economically empowering some women in certain areas and stages of their lives, yet fail to address broader structural gender inequalities, including discriminatory social norms, and the wider macroeconomic policy environment that perpetuates these. This submission aims to highlight some of the structural barriers which GADN believes DFID’s EDS must explicitly take into consideration if it is to deliver on its commitment to WEE. These include the areas of:

- Job creation and decent work
- Unpaid care work


\(^2\) UN Secretary-General’s HLP on WEE (2016) Leave No One Behind: A Call to Action for Gender Equality and Women’s Economic Empowerment. UN Secretary-General’s High-Level Panel on Women’s Economic Empowerment http://hlp-weenewomen.org/-/media/hlp%20wee/attachments/reports-toolkits/hlp-ween-report-2016-09-call-to-action-en.pdf?la=en
2.3 GADN contends that the EDS must go further in setting out how DFID will seek to address these structural barriers for all women, and ensure its approach is rights-based and gender-responsive.

3.0 Decent work for women

3.1 GADN welcomes the EDS’ focus on increasing the number and quality of jobs for women, including improving working conditions and helping countries to move into “high-growth potential sectors”. However, we are concerned that the vast majority of the chosen industries – energy, infrastructure, urban planning, financial services and commercial agriculture – are largely male-dominated and risk bypassing women due to existing occupational segregation. Some of these sectors also place increased pressure on land resources, with competing demands for land use affecting women’s land rights through forced eviction, displacement, and loss of livelihoods.3

3.2 Moreover, DFID stops short of using the language of ‘decent work’, in line with the UK Government’s commitments under Sustainable Development Goal (SGD) 8 and recommendations from the UN HLP report which the EDS heavily draws upon. The four pillars of the right to decent work, as defined by the International Labour Organisation (ILO), cover opportunities and job creation, rights at work, social protection, and collective bargaining rights.4 Furthermore, the Independent Commission for Aid Impact (ICAI) has reported that “most DFID logframes […] pay no attention to the quality of jobs created.”5 This is a fundamental gap. Jobs that are low paid, dangerous, insecure, and where women endure gender-based violence (GBV), lack collective bargaining rights and access to effective remedy, offer very limited potential for economic empowerment. They also often represent a systematic violation of women’s human rights. A case in point is the widely documented, highly exploitative jobs created for women in export-manufacturing of garments, where the gender pay gap and women’s relative lack of bargaining power provide a competitive advantage for countries pursuing export-oriented growth.6 Committing to a decent work framing and standards with a strong gender

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lens, along with a matrix for measurement, would help ensure DFID was taking a comprehensive, women’s rights-based approach.

3.3 The Commonwealth Development Corporation (CDC) should also use gendered minimum standards on decent work. This is critical given its key role in job creation and guiding investment decisions alongside other government departments involved in the ‘prosperity agenda’. Given the UK Government’s huge increase in investment to the CDC, there needs to be an enhanced ability to measure the number and quality of the jobs created for women, particularly those from excluded groups, as well as to address risks around human rights and sustainability.

3.4 Measures to promote gender-responsive decent work could include:

1. Compliance with the living wage.
2. Reducing the gender pay gap (including equal pay for equal work).
3. Prohibiting excessive working hours.
4. Eradicating verbal, physical and sexual harassment and abuse.
5. Building health and safety indicators.
6. Requiring the existence of written contracts that meet international labour standards.
7. Guaranteeing freedom of association and the right to collective bargaining in line with ILO conventions.
8. Monitoring and evaluating all jobs created by DFID for the worst forms of labour exploitation, including: forced and bonded labour, child labour and the physical/psychological abuse of workers.

In addition to these measures, any ambition to secure decent work must also (more broadly):

1. Improve job distribution by gender within and across sectors (particularly considering the number of women in management positions and in non-traditional job roles).
2. Address the barriers to accessing decent work opportunities, including unpaid care responsibilities and violence against women and girls (VAWG).
3. Use an intersectional analysis which examines the experiences of women across a variety of social identities.

3.5 GADN also welcomes the recognition DFID affords to the informal economy which accounts for the vast majority of the workforce in developing countries. Women are over-represented in the informal economy, particularly in the most vulnerable and precarious roles. Women face acute challenges in securing decent work, in part, due to balancing unpaid care responsibilities and being subject to GBV.

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7 WIEGO (2012) The Informal Economy: Definitions, Theories and Policies
The EDS could go much further in its gendered analysis of the role of the informal economy. This includes how it is linked with formal economy value-chains and the factors driving informalisation of work, as well as considering how women can be economically empowered within such contexts. This focus should go beyond traditional support to individual entrepreneurs and access to credit to also consider interventions supporting women’s collective voice and agency, and the provision of public services and social protection. DFID should draw on the ILO framework which concerns the transition from the informal to the formal economy.  

3.6 As a short-term opportunity to improve the lives of all workers, but particularly women, DFID should ensure UK Government support for the new ILO Convention on ending violence and harassment in the world of work. This will be discussed at the International Labour Conference (ILC) which will take place between 28 May and 8 June 2018. Working with the Department for Work and Pensions (DWP) – the UK Government lead at the ILC – DFID should ensure that ending the violence and harassment that women workers in developing countries experience is achieved via a legally binding Convention with a detailed supporting Recommendation. This Recommendation must explicitly include the workers most at risk including unpaid care workers, informal economy workers as well as domestic workers. It must also include reference to the UN Guiding Principles on Business and Human Rights to ensure companies adhere to these standards throughout their supply chains and provide remediation where rights violations occur.

4.0 Recognising, reducing and redistributing unpaid care work to secure WEE

4.1 Unpaid care work is a major systemic constraint to WEE. Globally, women perform between two and ten times more unpaid care work than men. This includes housework, care for children, the elderly, ill and disabled. The time and physical burden increases exponentially for women living in contexts of poverty, including rural women and women living in informal settlements that lack basic infrastructure and public services. Unpaid care work significantly impacts women’s ability to engage in paid employment, leading to their over-representation in insecure, part-time work. It also prevents them from engaging in political decision-making, including collective action to promote their rights. The gender gap in unpaid care work affects girls as well as women; a study in 16 developing countries confirms that girls tend to do more work at home than their brothers, impacting school attendance and other opportunities.

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11 See Note 1
4.2 The provision of care is crucial for the well-being and functioning of any society and economy. However, orthodox economic policy has continued to ignore and exclude unpaid care work from Gross Domestic Product calculations which is estimated to have a value of approximately £10 trillion a year globally.  

4.3 Both SDG 5.4 and the UN HLP on WEE, call for greater recognition, reduction and redistribution of women’s unpaid care work, including through increased investment in public services, infrastructure and social protection. Crucially, such public services need to be of good quality and gender-responsive. This means they are designed and delivered in consultation with women to ensure they are affordable, appropriate and accessible to all women – particularly those living in poverty and facing discrimination based on multiple aspects of their identity.

4.4 It is therefore welcome that the EDS states DFID will tackle the unequal distribution of unpaid care work as a key barrier faced by women. However, the Strategy does not recognise the scale of the issue, or its impact across different sectors, and therefore fails to indicate how it will support the greater recognition, reduction and redistribution of unpaid care work in DFID’s Economic Development programming. For example, its commitment to support infrastructure, energy and urban development does not recognise the need for infrastructure to be gender-responsive in the way they are designed (i.e. in consultation with women in local communities) and delivered.

4.5 GADN recommends that in its implementation of the EDS, DFID’s Economic Development programmes and wider initiatives, including investments made by the Private Infrastructure Development Group, need to:

1. Build into country diagnostics on inclusive growth considerations of how unpaid care work constrains women’s economic opportunities.
2. Prioritise economic development and gender-responsive investments in infrastructure and public services, including early childcare, that can reduce and redistribute unpaid care work and improve the quality of care services.
3. Measure the economic value of unpaid care work with better data collection and inclusion within national accounts.
4. Support the use of time-use studies in economic analysis, modeling and planning (e.g. support on economic analysis or capacity in government planning, including gender-responsive budgeting (GRB)).

5.0 Resourcing WEE: domestic resource mobilisation

5.1 The EDS aims to support countries to “mobilise their own domestic resources, improve their enabling environment for business and reduce reliance on aid”. This includes supporting developing countries to build effective tax systems to fund their long-term development needs. An estimated $1.1 trillion left developing countries through illicit financial flows (IFFs) in 2013 alone due to outdated and non-transparent tax rules. This is more than developing countries received in aid. Therefore, fair and progressive tax systems, both nationally and internationally, have a crucial role to play in maximising resources and determining how such resources are raised and spent – a critical component of realising WEE.

5.2 Historically, macroeconomic policy recommendations from IFIs like the IMF have encouraged developing countries to adopt easy to implement but highly regressive tax regimes to raise revenues. These include goods and services taxes like Value Added Taxes (VAT). These regressive taxes disproportionately impact the poorest – particularly women who, in their gendered roles as household managers, are responsible for purchasing much of the goods that are subject to VAT.

5.3 Equally important is the way in which tax revenues are spent. As discussed above, publicly funded, gender-responsive public services, as well as investment in universal and non-contributory social protections are vital to the achievement of WEE. This includes public investment in measures that reduce women’s unpaid care work, prevent and respond to the endemic levels of violence against women and girls, and promote women’s sexual and reproductive health needs and rights.

5.4 Thus, the EDS’ definition of an enabling environment must extend beyond one that only encourages businesses to thrive but must also include an enabling macroeconomic policy environment for WEE. Tax incentives continue to be offered to attract foreign direct investment, depriving developing countries of desperately needed resources, despite evidence that they are never the primary reason for investment.

5.5 Greater and more meaningful participation of women in economic decision-making at all levels is crucial to achieving inclusive economic development and the fulfilment of women’s economic rights. This requires supporting women’s collective agency and voice. Women’s rights organisations (WROs) are at the forefront of positive social change, including pushing for progressive economic policies. However, they remain chronically underfunded due to funding modalities and donor compliance

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requirements that do not suit the long-term, complex and challenging nature of their work.\textsuperscript{17} GADN welcomes DFID’s contribution to funding mechanisms like Amplify Change, the UN Trust Fund to End Violence Against Women and the Jo Cox Memorial Fund. However, increased and direct funding opportunities for grassroots WROs is key for delivering the long-term sustainable change needed to achieve WEE. DFID has the opportunity to play a leading role in improving the practice of bilateral donors on this issue through its role as member of the OECD Gendernet, in particular its new working group on WROs and other ad hoc initiatives.

5.6 GADN recommends that DFID’s EDS should encourage and support developing countries to create an enabling macroeconomic environment that allows them to:

1. Implement fair and progressive tax regimes as a means of adequately financing the quality, gender-responsive public services and infrastructure that are central to achieving WEE. This can include increasing direct taxes like personal income tax and wealth taxes, higher rates of corporation tax and the withdrawal of tax incentives for multinational corporations.
2. Conduct analyses of how IFFs (including both illegal and legally ambiguous tax practices) are hampering revenue raising efforts and limiting the available funds for investment in the social infrastructure required for advancing women’s rights.
3. Practice GRB to ensure that tax revenue is raised and spent in ways that not only promote gender equality but also encourage WEE.
4. Carry out routine tax impact assessments by gender to identify the effects of the selected national tax system, paying particular attention to the consequences for women from marginalised groups.

6.0 Trade policy and WEE

6.1 Increasing international trade as a strategy to address poverty is the cornerstone of DFID’s EDS. It is welcome that the EDS states DFID will “argue for better and fairer trading rules for developing countries” at the World Trade Organisation (WTO) and strengthen its approach to ‘aid for trade’. However, the impacts of trade are deeply gendered.\textsuperscript{18} Moreover, ‘aid for trade’ programmes have been criticised for the lack of data on how they impact on poverty.\textsuperscript{19} Poorly designed trade policy can undermine women’s rights and deepen existing identity-based inequalities. Thus, the EDS could go further by explicitly committing DFID to take a gender-responsive approach to trade and investment.

\textsuperscript{19} Traidcraft (2013) Aid for Trade: Reviewing EC and DFID Monitoring and Evaluation Practices. https://static1.squarespace.com/static/59242ebc03596e804886c7f4/t/5a0046089140b72e251d1206/1509967372729/Aid+for+Trade+evaluation.pdf
6.2 Trade liberalisation purports to remove barriers to trade by reducing regulation but can lead to a regulatory race to the bottom, impacting labour regulations and environmental protections amongst others. 20

6.3 By compelling governments to cut trade tariffs and taxes, free trade rules can reduce state resources for public services, infrastructure and social protection that are vital to the achievement of gender equality (as discussed in section 5.0). Developing countries often depend more heavily than other countries on trade taxes as a revenue source21 and have a weaker capacity to replace lost income through the collection of other taxes.22

6.4 The inclusion of investor-state dispute mechanism clauses in trade deals can leave developing countries liable to being sued for millions of dollars in clandestine courts when investors deem policies may undermine profit-margins.23 This further depletes government resources and may deter governments from legislating in the public interest.

6.5 Trade deals can also entail increased privatisation of public services, such as health, education and water. Privatisation often sees the introduction of user fees, and poor quality or lack of provision to the poorest communities.24 For example, studies from Ghana, Swaziland, the Democratic Republic of Congo, Kenya and Uganda found that fewer women accessed health services after the introduction of user fees, particularly women from the poorest communities.25 This increases the burden of unpaid care work for women when public services are cut.26

6.6 In addition to the issues outlined in respect to decent work for women outlined above, women informal economy workers face the greatest constraints in competing with cheap imported goods when trade is liberalised. Women-led micro, small and medium sized enterprises experience barriers in accessing loans, technical and business training, market information, and business networks, while also balancing paid work with heavy burdens of unpaid care work at home.

20 GADN (2017) Making trade work for gender equality. https://static1.squarespace.com/static/536c4ee8e4b0b60bc6ca7c74/t/595bc0383e00be98e37ea3dd/1499185211883/GADN+Making+trade+work+for+gender+equality+July+2017.pdf
21 For example, the UN Conference on Trade and Development (UNCTAD) reports that in sub-Saharan Africa, trade taxes account on average for 25 per cent of government revenue. See: UNCTAD (2014) The role of trade in financing for sustainable development, UNCTAD discussion paper, 2.
23 For example, in 2014 a French company sued the Egyptian government over their new policy to enact a minimum wage. ‘The injustice industry: ‘Egypt challenged over rise to minimum wage’, 25 Jun.
6.7 Similarly, as agricultural markets are liberalised, women farmers—who mostly engage in subsistence-oriented, small-scale production—face greater risks than men of losing their livelihoods. Restrictive laws and cultural norms undermine women’s rights to own land, which can leave them at risk of losing land to large-scale agricultural, infrastructural or extractive investments as well as limiting their access to credit. Women are therefore less able to compete when cheap food imports depress the price of their agricultural produce. Further, there is evidence that even when a crop has traditionally been produced by women, the move to producing it for export leads men to take over production and/or marketing.

6.8 It is essential that DFID (and the Department for International Trade) develop an approach to trade that is gender-responsive, accountable and ensures trade and investments not only ‘do no harm’, but actively promote the fulfilment of women’s human rights. As a minimum, a gender-responsive approach to trade should include:

1. Grounding trade agreements in international human rights obligations and frameworks, as well as Agenda 2030.
2. Building capacity on gender equality and trade within governments.
3. Conducting gender and human rights impact assessments before and after new trade and investment deals, including meaningful consultations with WROs and networks and taking the findings into account.
4. Make trade negotiations transparent, democratic and participatory.
5. Provide accessible mechanisms for remedy and redress for women whose rights have been infringed upon as a result of UK investments and business activity.

7.0 The role of IFIs in promoting WEE

7.1 As the global norm-setter of macroeconomic policy, the IMF has a crucial role in assisting its member states to understand the ways in which macroeconomic policy influences WEE and vice versa, how structural gender inequalities in society shape economic development and the effectiveness of macroeconomic policies. The UK Government also plays a leading role in the multilateral system and has significant influence within the World Bank Group to shape decisions on macroeconomic policy.

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7.2 In this context, though currently not referred to in the EDS, DFID is already playing an important role through funding IMF research on gender and macroeconomics (Topic 7 of the collaboration framework). This work has made important advances in research on GRB, while other components are now being operationalised throughout IMF surveillance and lending programmes, thus significantly influencing the role the institution plays towards WEE.

7.3 Yet, over its five-year course, this work has so far failed to address the potential harms and gendered impacts of the IMF’s standard macroeconomic policy advice – ranging from tax and trade to expenditure and labour market policies – as has been demonstrated by 30-years of feminist economist literature, which restrains countries in taking on more progressive and gender-just policies that are needed for WEE.

7.4 GADN recommends that DFID’s EDS should therefore:

1. Acknowledge the role macroeconomic policy plays in WEE.
2. Call on the IMF to support its members in understanding and addressing how macroeconomic policy impacts WEE and encourage the development of an IMF ‘institutional view’ (which is the highest-level, board-approved IMF policy) so as to clearly define and limit its responsibilities within its mandate.
3. Outline the ways in which DFID will collaborate with the IMF to build staff capacity to operationalise gender impact assessments in surveillance and lending; to be informed by feminist economist analysis and research.

7.5 With relation to the World Bank, the EDS specifically references the inclusion of three new gender indicators in the Bank’s Doing Business Rankings (DBR) as a way in which it recognises particular challenges faced by women. Setting aside long-standing criticisms of the DBR calling for its abolishment, this new approach towards gender falls short of addressing the structural causes of gender inequality and actually further exacerbates it. This is because the DBR encourages a “race
“to the bottom” in the area of worker protections that significantly and disproportionately impacts women’s ability to maintain their livelihoods due to occupational gender segregation.

This response has been developed by members of GADN’s Women’s Economic Justice (WEJ) working group, including ActionAid, CARE International, Christian Aid, Social Development Direct, The Bretton Woods Project and Womankind Worldwide, with support from the GADN Secretariat. For more information, please contact Sophie Efange (Sefange@christian-aid.org) and Rachel Noble (Rachel.Noble@actionaid.org), the co-chairpersons of GADN’s WEJ working group.

**Additional Resources:**

1. GADN (2016) *Making the case for macroeconomics in gender equality work*, [https://static1.squarespace.com/static/536c4ee8e4b0b60bc6ca7c74/t/572b4ddc07eaa01be3b246fa/1462455772699/Making+the+case+for+macroeconomics+and+gender+equality.pdf](https://static1.squarespace.com/static/536c4ee8e4b0b60bc6ca7c74/t/572b4ddc07eaa01be3b246fa/1462455772699/Making+the+case+for+macroeconomics+and+gender+equality.pdf)

2. GADN, AWID, and FEMNET (2016) *Breaking down the barriers: macroeconomic policies that promote women’s economic equality*, [http://static1.squarespace.com/static/536c4ee8e4b0b60bc6ca7c74/t/5746be0c2e131d4ab05e3ee/1464253965422/Breaking+down+the+barriers++macroeconomic+policies+that+promote+WEE.pdf](http://static1.squarespace.com/static/536c4ee8e4b0b60bc6ca7c74/t/5746be0c2e131d4ab05e3ee/1464253965422/Breaking+down+the+barriers++macroeconomic+policies+that+promote+WEE.pdf)

3. GADN (2017) *Stepping up: How governments can contribute to women’s economic empowerment*, [https://static1.squarespace.com/static/536c4ee8e4b0b60bc6ca7c74/t/5899c0efbf629af01f45875/1486471511934/GADN+Stepping+up+briefing.pdf](https://static1.squarespace.com/static/536c4ee8e4b0b60bc6ca7c74/t/5899c0efbf629af01f45875/1486471511934/GADN+Stepping+up+briefing.pdf)

4. GADN, ILO, ActionAid, Oxfam, WIEGO, ITUC, and UN Women (2017) *Macroeconomic policy and women’s economic empowerment*, [https://static1.squarespace.com/static/536c4ee8e4b0b60bc6ca7c74/t/59a7e96f15d5db4826ac8ce/1504176498496/MacroEconomic-DiscussionPaper-WEB-single.pdf](https://static1.squarespace.com/static/536c4ee8e4b0b60bc6ca7c74/t/59a7e96f15d5db4826ac8ce/1504176498496/MacroEconomic-DiscussionPaper-WEB-single.pdf)

5. GADN (2017) *Making trade work for gender equality*, [https://static1.squarespace.com/static/536c4ee8e4b0b60bc6ca7c74/t/595bc0383e00be98e37ea3dd/1499158211883/GADN+Making+trade+work+for+gender+equality+July+2017.pdf](https://static1.squarespace.com/static/536c4ee8e4b0b60bc6ca7c74/t/595bc0383e00be98e37ea3dd/1499158211883/GADN+Making+trade+work+for+gender+equality+July+2017.pdf)

6. GADN (2017) *Sharing the load: unpaid care work and women’s economic empowerment*, [https://static1.squarespace.com/static/536c4ee8e4b0b60bc6ca7c74/t/5899e0316b8f5bbfd74bd7d4/1486479412285/GADN+Sharing+the+load+briefing+2017+final.pdf](https://static1.squarespace.com/static/536c4ee8e4b0b60bc6ca7c74/t/5899e0316b8f5bbfd74bd7d4/1486479412285/GADN+Sharing+the+load+briefing+2017+final.pdf)