

## **Gender equality and macro-level economics: recommendations for action**

The Gender and Development Network (GADN) has written elsewhere of the need for transformation in the design of macro-level economic policies if gender equality and women's rights are to be achieved.<sup>1</sup> In conjunction with our partners globally, GADN has now developed a set of specific recommendations on some of the changes necessary.<sup>2</sup>

For macro-level economic policy to contribute to the achievement of gender equality and women's rights, action is clearly needed. In section two, specific recommendations are made in five areas where changes to the *content* of economic policy could make a real difference. Section three, then contains further recommendations on the *process* of economic decision making, recognising that the way policies are agreed will also need to change if gender equality and women's rights are to become a reality.

### **1. The role of macro- economic policy in achieving gender equality**

Economic policy making takes place within the **overriding goals of human rights, equality and well-being** (including equality between women and men and among women) as outlined in the Agenda 2030 and the Beijing Platform for Action. We argue that all economic policy should be designed to uphold these government commitments, and be assessed against such goals. A more nuanced approach to the pursuit of economic growth is thus required, recognising its limits, and its sometimes negative impact, on these overarching goals.

Our argument is that **economic policy, and particularly macroeconomic policy has a role to play** in the pursuit of gender equality. That it could be a positive force to promote gender equality, but that too often orthodox economic policy acts as a barrier or even undermines gender equality. And that the right **political choices** can ensure that economic policy promotes gender equality and women's rights.

Understanding the interaction between **gender inequality and economic policy** is necessary if economic policy is to achieve its goals, and if gender equality is to be advanced. Economic policies have **gender differentiated impacts**, which are frequently not recognised. Moreover there are **social determinants of economic decisions which influence their outcomes**, particularly

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<sup>1</sup> See for example GADN (2017) *Stepping up: How governments can contribute to women's economic empowerment* at <https://static1.squarespace.com/static/536c4ee8e4b0b60bc6ca7c74/t/5899c0edbf629af011f45875/1486471511934/GADN+Stepping+up+briefing.pdf>

<sup>2</sup> With particular thanks to AWID, FEMNET and the Bretton Woods Project

discriminatory social norms and the gendered division of labour, which constrain women's economic choices and actions.

## 2. Economic policy that promotes gender equality

### **Recognise, redistribute and reduce unpaid care and domestic work**

The provision of care is essential to the well-being of society and functioning of the economy, yet conventional economic policy tends to ignore the essential role played by the reproductive economy, and the way that it subsidises the productive economy. An array of tasks, from water collection to caring for workers when they are sick, to elder care – known as unpaid care and domestic work - are performed without remuneration by the majority of the world's women. The full extent of the care economy must be **recognized** in policy making, so that those who provide care are consulted in decisions, while the economic contribution of unpaid care work can be measured through time-use surveys and included in national statistics and national accounts.

Care and domestic work should be **redistributed**, and not just from women to men but – more importantly – from individuals and families to state-funded provision. High-quality public services will free up women's time for paid work as well as political and social activity, while also ensuring that quality care services are universally available (and will also create more paid employment). Investment in appropriate technology can further **reduce** the time burden and drudgery elements of care work and domestic work without compromising its quality.

- Governments should recognise unpaid care and domestic work as valuable *work*, and include it in national accounts and fund gender disaggregated time-use surveys that monitor time spent on this work
- Governments should make macroeconomic decisions based on an understanding of the importance of care provision in sustaining societies including cost-benefit analysis of economic policies and their impact on unpaid care work
- Governments should increase public investment on quality care services, ensuring that high quality care services are accessible and affordable to all.
- Governments should reduce the time it takes people to provide quality care and domestic work by investing in labour-saving equipment and infrastructure including water, sanitation and hygiene, electricity and public transportation.
- Governments should protect the rights of unpaid care workers by: promoting the inclusion of those with unpaid care responsibilities in political activity and economic decision making; introducing labour regulations that enable those undertaking unpaid care work to engage in remunerated work; ensuring that unpaid care work does not reduce access to social protection.

### **Maximise the resources available to realise gender equality and women's rights**

The achievement of gender equality and women's rights requires public expenditure, not just on care services but also on social programmes that, for example, prevent VAWG, promote a change in social norms related to gender roles and stereotypes, or provide reproductive health care. Creating

the necessary fiscal space should be promoted as the deliberate and conscientious political decision that it is, reflecting the priority given to women's lives and gender equality. Governments should raise revenue through progressive taxation designed from a gender equality perspective, and by curbing tax dodging by wealthy individuals and corporations.

- Governments should use fiscal policy to maximise their available resources for the progressive realisation of gender equality and women's rights.<sup>3</sup>

### **Target increased expenditure**

Having raised additional resources, governments must then ensure that it is spent effectively.

- Gender-responsive budgeting, involving women-led civil society organisations, should be used by governments to ensure sufficient resources are allocated to implement laws, policies and programmes promoting gender equality.
- Governments should ensure access to social protections for all women throughout their lives, without regard to employment or migration status. Given the number of women in the informal sector, and the vast amount of time that women spend on unpaid work, the introduction of broad-based, non-contributory social protection is essential.
- Governments should increase investment in social infrastructure, especially care services. Not only will this provide decent work for women and reduce their unpaid care burdens, it will also ensure better provision of care for the whole of society while improving the productivity of the workforce in the long run. Moreover such investment is self-sustaining, creating employment – and particularly employment for women – that will generate future government revenue streams. Thus Governments can, through deficit financing if necessary, improve care provision, create decent jobs and reduce women's unpaid care burden.

### **Prioritise policies that promote decent work for women**

Women's participation in the paid workforce will not on its own be sufficient to advance gender equality and women's rights. Policies are needed that promote 'decent work' and so improve the terms on which women engage with the labour market. Such policies should be appropriate for the majority of women who work in the informal sector where work is unregulated, insecure and precarious. Measures will include: increasing the quality and quantity of jobs available to women in the public sector through investment in social infrastructure; implementing a universal living wage in the context of collective bargaining as the best ways to reduce the gender pay gap; enforcing existing ILO conventions; and funding and recognising women's workplace organizing, particularly in the informal sector.

- Governments should promote and protect labour regulations that promote decent work for women, including collective bargaining and freedom of association, and should ratify International Labour Organisation (ILO) Convention 189 on domestic workers and support the proposed ILO convention on gender-based violence in the world of work.
- Governments should set and enforce minimum wage levels sufficient for workers to attain their right to an adequate standard of living.

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<sup>3</sup> As outlined in the [ICESCR](#) Article 2.1

- Governments should ensure that employment regulations and social and legal protection are extended to cover workers in the informal economy, and throughout the supply chain.
- Governments should create more decent work for women including investing in public sector jobs where women are disproportionately represented and fund targeted job creation schemes.
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### **Create an enabling macroeconomic environment for gender equality**

There are multiple measures that contribute to the creation of an enabling environment for gender equality and women's rights, including social, political and legal ones, and the exact combinations will need to be context-specific. Beyond those already listed, some of the most important of these possible measures are:

- Government spending, taxation and monetary policy should be evaluated for their effects on gender equality and women's rights and remedied if found to be detrimental.
- Governments should adopt progressive tax regimes that do not reinforce economic or gender inequality.
- Governments should use counter-cyclical macroeconomic policies to reduce the risk and impact of economic shocks, which disproportionately hit women.
- In negotiating trade and investment agreements, governments should conduct *ex ante* and *ex post* gender impact assessments and ensure sufficient policy space is maintained for policies that protect and promote women's rights.

## 3. Making the change

### **Promote women's rights and gender equality as goals in their own right**

Gender equality and women's human rights are goals in their own right. As Ms Scarpaleggia, co-chair of the High Level Panel on WEE, observed, "You don't need a business case to promote human rights."<sup>4</sup> Agenda 2030 is only the most recent of a wealth of international agreements, including the BPfA and Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) that lay out the existing responsibilities of governments.

- Governments should reaffirm their commitment to fulfil women's rights and achieve gender equality under the SDGs and international binding agreements such as the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW) and the Beijing Platform for Action (BPfA).

### **Promote democratic economic decision-making and women's political participation**

Economic decision-making is a political process, not a technocratic one, in which all people, particularly the most marginalised and those most affected, should be empowered to participate meaningfully. Women's rights organisations provide a platform for women's organizing and collective voice, and as such they should be specifically included in any consultation process. In the

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<sup>4</sup> Ms [Scarpaleggia](#) in remarks made at the Commission on the Status of Women at the meeting of the UN High Level Panel on Women's Economic Empowerment March 2016

longer term, these groups should also be adequately supported and funded to facilitate their role in supporting women's organising.

- Governments should protect the right to freedom of association, collective bargaining, assembly and speech to allow women workers to join unions and workers' organisations and engage in policy debates and negotiations.
- Governments must fund organisations led by and for marginalised women, and protect women human rights defenders and labour activists from harassment, intimidation and retaliation
- The transparency, openness, responsiveness and accountability of the institutions that develop and implement macroeconomic policy nationally and internationally should be improved, creating space for marginalised women's voices in economic decision-making.

### **Hold corporates to account**

That the private sector has social and environmental responsibilities is increasingly clear, and there are some examples of corporations improving their practices in this respect. But there are also many examples of corporate abuse which must be acknowledged and dealt with if progress is to be made.

- Governments in the Global North and South should support the UN Human Rights Council working group on the development and implementation of a gender-responsive a legally binding instrument on Transnational Corporations and Other Business Enterprises with respect to human rights.<sup>5</sup>
- Governments should develop gender-responsive national action plans to implement the UN Guiding Principles on Business and Human Rights, setting out the actions needed to ensure gender-responsive human rights due diligence throughout global supply chains.
- Governments should call for the end of investor-state dispute settlements mechanisms that undermine their capacity to regulate and protect against harmful practices of multinational corporations.
- Governments must ensure that all corporations pay a fair share of taxes in each country in which they operate through support for public, country-by-country reporting and by democratising decision-making on global tax reform, and should undertake gender equality, human rights and environmental impact assessments on the tax incentives they offer corporations.<sup>6</sup>
- Corporate representatives should promote best practice in their own sector, including refraining from using tax havens and reforming their tax strategies to pay a fair amount of tax in each country they operate.

### **Ensure the International Monetary Fund (IMF) does no harm**

The IMF has increased its work on 'gender', including recognition of gender as 'macro critical' and therefore relevant to its mandate. But despite their recent rhetoric, IMF conditionalities and policy

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<sup>5</sup> See for example:

[http://www.ohchr.org/Documents/HRBodies/HRCouncil/WGTransCorp/Session3/WILPF\\_JointStatement.pdf](http://www.ohchr.org/Documents/HRBodies/HRCouncil/WGTransCorp/Session3/WILPF_JointStatement.pdf)

<sup>6</sup> There have been specific calls for a Global Tax Body with gender expertise under UN auspices see for example: [http://www.un.org/esa/ffd/wp-content/uploads/2015/03/ICTM2015\\_wwg.pdf](http://www.un.org/esa/ffd/wp-content/uploads/2015/03/ICTM2015_wwg.pdf)

advice continue to promote measure that directly undermine, or constrain governments' ability to promote, gender equality and women's rights. The IMF should start by 'doing no harm', with consideration of the impact of its macroeconomic policies, particularly fiscal constraint, on gender equality and women's rights.

- Board members should ensure that IMF loan programmes are agreed only after gender impact assessments have been conducted, and any deficiencies remedied, to ensure that gender equality and women's rights are not undermined by conditionalities.
- A board-approved policy position should be agreed recognising that gender equality, understood as the full realisation of women's human rights and the elimination of gender discrimination, requires substantial and sustained public investment, including in social and care infrastructure, and that promoting a fiscal rollback of the state can be counterproductive in achieving gender equality and realising women's human rights. Any recommendations for fiscal contraction, through lending, surveillance or technical assistance, should be subject to ex-ante assessments for their impact on gender equality and women's rights.<sup>7</sup>
- The Fund's policy advice and technical assistance should be developed with a focus on raising sufficient domestic revenue in equitable ways to assist countries to make better use of income, capital, property and wealth taxes to increase revenue through progressive taxation and redistribute resources more fairly between women and men.
- Mandatory consultation for any Article IV report with experts, such as women's rights groups and labour unions should be introduced with a comprehensive strategy to reach out to civil society and social movements at the national level.

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Or visit our website at [www.gadnetwork.org](http://www.gadnetwork.org)

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<sup>7</sup> For more on these recommendations see Donald and Lusiani (2017) at <http://www.brettonwoodsproject.org/wp-content/uploads/2017/09/The-IMF-Gender-Equality-and-Expenditure-Policy-CESR-and-BWP-Sept-2017.pdf>