

Gender and Economic Policy Discussion Forum

Gender in the Policy and Practice of International Financial Institutions

FORUM XXVI | 3 AUGUST 2018

BRIEFING NOTE 26

HIGHLIGHTS / KEY POINTS

- Much of the gender analysis on IFI (International Financial Institutions) has largely come from a North Perspective'. Thus there is a need for a South Focus sustained critique of looking at IFIs as well development finance. When looking at larger issues of economic empowerment, it is fundamental to then look at how women have access to opportunities and resources for asset building, livelihood and overall larger participation in development and other economic agenda. That is a shift in how South Feminists are articulating the critical analysis.
- It is important to investigate of how IFI's are committed to SDG's and gender equality. There can be no sustainable development without gender equality and therefore it becomes significant to understand how and what is the relationship of IFI's commitment to SDG's.
- The total quantum and allocation of aid has decreased to a great extent. For instance, Asia has received less than Africa on per capita basis. The share of total bilateral aid for gender equality, amounted to just 15 percent in 2013. Thus even within aid, the allocation hasn't been adequate, for gender. The UN bodies are now facing a financial crisis and are cutting back on their programs. Multilateral Development Banks (MDB's) are facing difficulties, in advancing loan resources even at concessional rates for gender areas because governments do not want to borrow for 'soft' areas such as gender, the assumption being that when there are no easy returns, 'debt servicing' difficulties creates debt traps.
- Gender policy cannot be perceived in isolation. The attempt should be to have an 'integrative' approach, with an understanding that policies for economic empowerment of women intersect and are integral to all policy and decision making.
- It is vital to illustrate methods that visibilize the 'statistically invisible' in the GDP of the country. By analysing women's wages, time use and wage pricing methods one can show to the policy makers that there needs to be a focus on care work, when accounting for gender in policy and budget making at large.

The 26th Gender and Economic Policy Forum organized on 3rd August 2018 discussed gender mainstreaming in International and financial- aid institutions both at policy and project level. The effort was to get an understanding of gender discourses in International financial institutions and critically examine how these institutions are implementing and strategizing gender mainstreaming policies.

The speakers at the Forum were Priti Darooka (PWESCR), Shiladitya Chatterjee (Advisor to the Centre of SDG's, Government of Assam), Andreas Bauer (Senior Resident Representative, IMF), Lekha Chakraborty (NIPFP). The discussion was chaired and moderated by Govind Kelkar (LANDESA). In her opening statement, Kelkar pointed out that IFIs have played a major role in promoting and perpetuating inequality between the global north and the global south; seen in pervasive gender inequality within the institutions. She raised the question that what role do IFIs play, with regard to feminist demands to recognise women's contribution to economies in the developing countries? As a core member of the BRICS Feminist Watch, she requested the panellists to address 1) women's right to development including economic development and the right to own, control and inherit land and property; and 2) the extent to which IFIs have worked to reduce or eliminate women's economic dependency on men and un-freedoms in work, mobility, agency/capability/knowledge development and decision making within the home and the wider society. The discussion forum also opened up the debate to the problems of

macro-economic and statistical evaluation of gender, which categorically excludes certain aspects of women's unpaid care work, so as to align itself with a homogenized framework. It further dwelled upon the problematic understanding of 'gender' incorporated in development bank policies and in turn the neglect in policy making, further recommending steps to understand gender mainstreaming better.

Relationship between development banks and development goals (SDG's): Case of the BRICS Feminist Watch (BFW)

Literature (Moser, 2005) shows that there is a history to the induction of 'gender mainstreaming' in the discourse and practice of financial institutions. Moser talks about Beijing 1995, the UN Conference on Women, where gender mainstreaming and women empowerment were recognized globally as fundamental goals to be fulfilled by International Financial institutions (IFI's) and development organizations. Moser underlines that this was the introduction and implementation of gender policy at the institutional and project level. It is primarily the terms like, gender mainstreaming and gender empowerment that she says formed the core content on 'gender' in the functioning of IFI's. Gender mainstreaming primarily means a strategy that works towards making the concerns and experiences of women and men as an 'integral dimension' of the design, implementation, monitoring and evaluation of all political, social and economic dimensions/spheres, which basically doesn't perpetuate inequality. The ultimate goal remains to be that of 'gender equality' (p.12). This further needs to be translated into gender policy at the level of institutionalised planning and inclusion at all levels as well as gender empowerment in terms of organizing women in participation and decision making capacities as also playing leadership roles in institutions.

In this light Darooka² helps us understand the role of IFI's and its relation with gender policy, especially

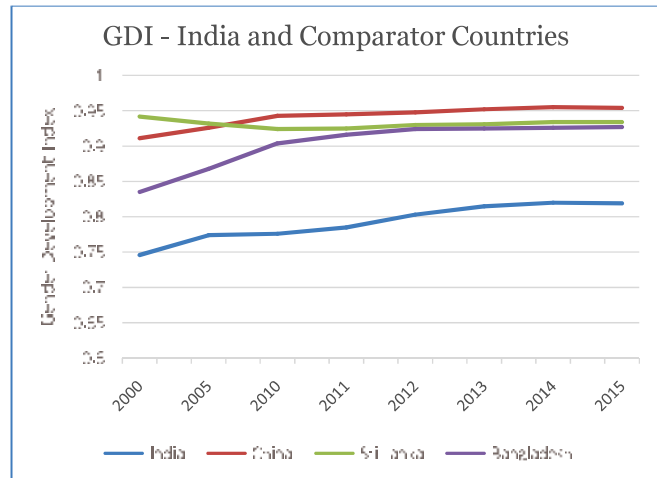
through her engagement with the BRICS Feminist Watch (BFW), which is a new alliance of the South Feminists that focuses on emerging economy countries (the BRICS countries) and their policies but particularly at the New Development Bank (NDB). The NDB is the bank formed to cater to the development needs of the BRICS nations³. The BRICS group formally came together in 2009, after the mark of the financial crisis with an aspiration from the emergence of shift in economic and global power. In the last 10 years it has grown in terms of its significance and power, in response to other governments and with the emerging economy. BRICS countries have 40 percent of world's population and 25% of world landmass, they collectively account for 21 percent of world GDP. And it's also projected by Goldman Sachs that soon the BRICS economies will surpass the G7 countries, which are the richest countries and the trend is already visible. However it also gets criticism, because even though they project or depict to be different from existing hegemonic power, they too are driven by the market oriented policies. Darooka⁴ further contends that BFW was launched to critically understand the economic trends, BRICS policy, trade investments and more critically at the BRICS bank which is NDB. BFW's role was also to present a sustained critique of the economy and analysis of the IFI's from the perspective of the South Feminists. The attempt of BFW has been to understand how women can have access to opportunities and resources for asset building, livelihood and overall larger participation in development and other economic agenda, when looking at larger issues of economic empowerment. Darooka emphasized this as a definite shift in how South Feminists are articulating the analysis around women's access to resources and economic empowerment.

Darooka⁵ elaborates on BFW's analysis of the NDB, which she recounts as the most non-transparent banks in the lineage of other IFI's. NDB fails to understand the significance of incorporating gender or women in their strategy because their understanding is that 'gender' is an afterthought,

as opposed to being an integrated part of how the bank operates. It reflects a lack of economic value on women's time and thus the recognition that women are workers or as economic agents is absolutely missing. She further contends about the work that BFW has done in terms of building a detailed framework on gender analysis, which includes how NDB can incorporate more gender inclusive framework. BFW's argument has been that, that there has been a strong history of feminist movement and struggle in all the BRICS countries and NDB should tap into this and bring it into their processes of gender mainstreaming.

In this context, Chatterjee⁶ expressed that the NDB Board, focusing mainly on fulfilling the physical infrastructure needs and infrastructure development of developing countries which is its priority, has tended to emphasize less on other development areas in the allocation of its time and resources. The understanding that investment in gender can be also be productive - even if generally recognized at the theoretical level by International Development Institutions (IDIs) (which include UN bodies supporting development such as UNDP and UNICEF, the IFIs and Multilateral Development Banks (MDBs)) - has often been difficult to translate into practice. Even the World Bank, ADB and other MDB's are still grappling with what works in the field of gender, how the situation is different requiring specific interventions for different countries and how best to assist countries to improve gender equality.

Chatterjee⁷ talks about three main sets of instruments employed by the IDIs to support gender equality and empowerment. The first set of instrument is the use of knowledge and analyses, comparison, advocacy and persuasion. The Gender Development Index prepared by UNDP (graph below) for instance shows us how India lags behind in comparison to China, Sri Lanka and Bangladesh in the area of gender equality. It helps to show where nations stand in comparison to each other and to spur better action in those lagging behind.



Source: UNDP HDR Database⁸

The second major instrument set employed by IDIs contributing to "women's equality" highlighted by Chatterjee is the formulation of International Development Goals and inclusion of Gender equality prominently in them. As these Goals have been adopted and endorsed by all countries they help set global development priorities and therefore have contributed substantially to promote the flow of development resources globally and nationally into the prioritized areas identified under the Goals. They also helped in comparisons between countries internationally and also within subnational groupings within countries. The MDGs (Millennium Development Goals) for instance had two out of the eight goals, devoted specifically to promote gender equality and empower women. The Sustainable Development Goals (SDGs) developed as a follow up to the MDGs have tried to address many of the weaknesses exposed in the implementation of the MDGs (2000-2015). Although there is just one goal out of 17 on gender in the SDGs, it is quite comprehensive in the areas it covers. Moreover, the SDGs recognize that in all the rest of the SDG's also, gender inequality issues need to be addressed too. Thus the SDGs have provided a very major impetus to achieve women's equality and empowerment globally and in India. India is now strongly supporting the SDGs - NITI Aayog has recently adopted SDGs as India's long term development framework. Many states that Chatterjee has worked with, including Assam have adopted the SDGs including those relating to gender equality goals and targets and these are likely to have a very major impact in the future.

The third major instrument used by international development institutions and IFIs is project assistance either through grants or loans. In providing project assistance, multilateral development banks (MDBs) – both ADB and WB - have swung between (a) “mainstreaming” gender into entire operations; and (b) focusing gender interventions in specific sectors. Mainstreaming is resource and analysis intensive and if done well been found to have wider benefits as opposed to focusing narrowly on gender interventions in specific sectors. However, Chatterjee expressed that mainstreaming “detracts” from core business such as infrastructure building which MDBs focus on and which client governments prefer borrowing for and cause delays in project preparation and execution. However, attempts to reconcile the two approaches is ongoing in both institutions.

Chatterjee felt that the IDI had done several things ‘well’ in advancing gender equality but now they needed to ‘do better’. In the category of things that IDIs must ‘do better’ he included: need for more studies and analyses about what really works for gender equality; more forthright advocacy and policy dialogue with difficult truths being conveyed if necessary to Governments (and likewise countries too must be more receptive to advice from IDIs); countries directly and through IDIs must live up to global partnership commitments; the IDIs must ensure that the SDGs are genuinely supported; and finally, the MDBs must (a) expand; and (b) improve quality of support for core gender equality outcomes.

Understanding the IMF- the oldest International Financial institution

An IMF (International Monetary fund) report (June, 2018) on “How to operationalize gender issues in country work” talks about the areas that IMF covers in their work in nations around mainstreaming of gender. It elaborates on their work on impact of female labour force participation on productivity and growth, population aging, financial inclusion, labour market reforms and capital accumulation, impact of policy measures on gender equality and female labour force participation, gender budgeting, access to infrastructure and legal barriers.

Building on the report and IMF’s work, Bauer⁹ elaborates that IMF has a very specific and circumscribed mandate which is to promote global, economic and financial stability. This further influences the way it looks at gender issues. It undertakes 3 core activities to deliver on that mandate. First one is called surveillance, also referred to as policy advising. IMF carries out policy dialogues with the member countries on how to foster economic stability, prevent crisis, to improve living standards and more generally, economic and social outcomes. This forms a big part of IMF’s work and its one of the three pillars. Often IMF is known more for its lending policies. However the fact is that IMF comes in only when countries are in crisis situation and provides balance of payments support. It doesn’t do projects or go uptown to the sectoral level and this is the second pillar of IMF’s work. And then the third pillar is capacity development, where it tries to share its knowledge with the member countries and help them build effective policies, institutions and support their development.

Traditionally, the IMF’s work in these three areas has focused on areas such as fiscal management, monetary policy, balance of payments, exchange rate issues, broadly very macro-or financial sector-oriented policies that IMF supervises as well. At the same time they also get into some structural issues which mostly deal with markets and how markets function- both ‘factor markets’ and ‘goods markets’. However over the last 20 years or so, IMF has been engaging in a lot of new policy areas, which have been more cross-cutting than these traditional areas. This is also because IMF has been trying to understand the macro-economic implications of, for instance, inequality in jobs, inclusive growth, unemployment, climate and energy and of course gender, as these issues reduce growth in countries and lead to instability. To be consistent with its mandate, the critical criterion for the IMF for engaging on these issues is that they have to have the potential to affect the domestic and external stability of its member countries. Because this will not be the case in all countries, coverage of all these areas including gender will result in IMF’s to become selective in its work. IMF will thus not touch on gender issues

across the board, but will focus on macro aspects and what and how it engages will depend on how macro critical these issues are in certain countries. So gender issues are then dealt and engaged with mostly in countries where it is felt that gender issues are important for economic and stability outcomes.

How can gender issues be macro-critical? The main channel is the economic empowerment of women, which in turn depends on a number of policy outcomes such as labour market policies, the provision of certain social services, financial inclusion, equality of legal rights, infrastructure investments etc. The IMF looks into the economic empowerment of women and its impact on economic outcomes through two main channels. One is through female labour force participation, in initiating the inclusion of women in the labour force. The other is through access and use of resources, which can lead to better economic and stability outcomes. Bauer shared analytical work that the IMF has undertaken to understand how these channels operate, including a recent staff paper that shows how the presence of women in bank boards and as bank supervisors positively affects the stability of banking systems across countries. Bauer further elaborated on IMF work that measures gender gaps, drawing on cross country data. This work seeks to identify specific areas of empowerment of women and policies that can help reduce such gaps, and tries to quantify the macroeconomic outcomes of such policies.

Bauer¹⁰ also emphasized that gender policy cannot be looked at in isolation. For instance, it is important to understand and consider how policies aimed at the economic empowerment of women interact with other policies, for example how it affects fiscal positions. This is important to ensure that any policy recommendations are internally consistent. So, for example, if gender policies require some budgetary space, this will have to be adequately reflected in a country's economic program.

Now how does this get operationalized? As already mentioned, the IMF is involved in surveillance, lending and capacity development. The IMF has done a number of pilot programs in surveillance, to

explore and better understand the macro-economic linkages of gender issues in different countries. Even in terms of its lending, the IMF has supported programs where the governments who have borrowed have included some gender related actions. For instance, in Egypt and Jordan the IMF supported programs have included measures to improve public transportation systems safety for women or issues like social services (child care) to improve the availability of women in the labour force. Gender issues have also featured in the IMF's capacity development work, where the focus has been mainly on gender budgeting, including sharing the experiences from various countries. Bauer provided some concrete examples about gender work done for India, which has been one of the IMF's pilot countries. A key focus has been analytical work on the determinants of female labour force participation. This work has found out that the greater flexibility of labour markets is associated with higher female labour force participation. Also, one of the factors the IMF found to dampen female labor force participation is (lack of) infrastructure, such as transport as well as safety, mobility and child care.

In summary, the IMF's new gender work has evolved since 2013 from research demonstrating the 'macro-criticality' of some gender gaps, to official policy guidance, to inclusion in surveillance reports, and finally approaching inclusion in a lending programmes and capacity building. In this way, Bauer demonstrated that gender has now become institutionalised as part of the Fund's work.

Gendering the macro-economic policy framework

Literature¹¹ has shown that, it is the "macro-economic policy¹²" that affects every aspect of men and women's lives and it is therefore 'gender equality' that also gets affected by the macro-economic policy. In other words, all gender equality work stands to benefit from a stronger understanding of macroeconomic policy and practice: how it reproduces inequality, how it can be challenged and how it can be directed to promote gender justice (ibid.).

Chakraborty¹³ highlighted that the first constraint is with the macro-economic policy framework itself in which the financial institutions are located. So she asks to unpack the framework of the macro-economic policy, which within the mandate of the finance institutions covers the monetary side, inflation targeting but not necessarily gender. And if one looks at the fiscal policy- fiscal rules and austerity measures- where would one find gender in such debates?. In that sense there is a framework but the mandate is already fixed, so how does one unpack this and then integrate gender into the policy framework. Chakraborty¹⁴ asks a very fundamental question in terms of the difference between a man and a woman in the way the interest rates can be moved by the two and where would the difference lie. She further asks what would happen if a woman became the finance minister and how would her personal characteristics affect the quality of the deficit. How would it affect the economic growth? At another level she argues, the framework that the Financial institutions have gone beyond the growth paradigm, yet the aspiration of nations is to reach high income levels and beyond, so where does gender configure? How would macro-economic frameworks take gender as one step above and beyond growth? Because then measurement becomes an issue, as the constraint lies in measuring gender within this framework. Therefore it becomes significant to think how will gender get integrated keeping this macro-economic discourse in mind.

Finally Chakraborty contemplates on the how the nature of the economy can be rethought and reworked to open more space for integration and mainstreaming gender. She argues that economy is not simply something that is monetised or what will get remunerated. When one talks about infrastructure, there is also a different kind of infrastructure called the care infrastructure. But the care economy continues to be statistically invisible. Time use survey is an important tool to understand this invisibilization. She contends that it is not just 'time' but also the wage and pricing methods, to see what is invisible and how does the GDP increase when invisible labour of women is integrated. This

has to start from relooking the national accounting system. For the first time in 1993, system of national accounting was changed. Therein 'economic activity' was being looked at as an 'economic activity' and not just as the 'remunerated activity'. But even though this extension was helpful, it was always kept as 'satellite accounts' and never calculated into the 'real' GDP. And there are reasons for that, especially pricing. There are different kinds of method, like the pricing method, wage imputing method and the opportunity method. One takes the lowest wage in the market economy, computes that wage into the care economy to calculate unpaid work. So she suggests how 'ways' can be charted out. The opportunity method was never used because it is too subjective. The pricing method also killed the process because one may collect the same work load but the pricing will be different. In that sense there are methodological ways to do it, but it can't be done in India, because the methodology of calculating GDP itself is in so much controversy.

The point she attempts to make fundamentally, is to send the message to the policy makers to focus on 'care'. How could intent be innovative in the attempt of integration; and to make a strong case for knowledge building and integration till the last mile, remained her central point.

Conclusion and Recommendations

The discussion pointed to the problems in integration and mainstreaming of gender. The understanding that just having an advisory on gender issues in IFI's is not going to be enough, until and unless the advisory is given that critical role of initiating integration in the operations. It cannot continue to be a tokenism of another kind.

- The gender advisory committee should have the mandate to develop a gender policy. The IFI's should have a clearly defined gender policy that states their commitment to gender equality. Besides, an internal gender unit within IFI's should be a mandate. This would enable to bring in gender analysis to the entire operations.

- The International Development Goals have to be genuinely supported. One of the major areas is of support needed for statistical capacity building to produce better gender related data. Specifically, disaggregated gender data on each one of the gender indicators in the SDGs is necessary. However, there is severe paucity of gender related data worldwide. Of the 54 indicators that have been identified by the SDGs for gender, only 10 are reported on a regular basis for most countries.
- MDBs must expand their own lending and improve the quality of support for gender equality outcomes. Asian Development Bank's gender evaluation 2005-15, highlighted weaknesses in many areas: while the proportion of gender mainstreamed projects increased, for instance, the share of projects which cited gender as a theme declined and about 35% of projects did not meet their gender outcomes.
- One of the things to keep in mind in India is that, it has a large informal sector and if policy

and intervention measures are seen in isolation, then there is going to be a problem. One of the problems is that if there are not many formal jobs being created and a lot of workforce participation that goes either into the informal sector or remains unemployed. So while supply side policies maybe good their impact might be really limited and gender gaps might not really close because there are no good jobs available for women. There is a need thus, to compliment the targeted gender specific policies with reforms in other areas too, to maximise the benefit. This is why there is a need for a broader labour reform to formalise the economy, to increase the pace of job creation and to maximise the impact of the gender targeted policies. Also the impact will be stronger if it is complimented with policies that build capacity. If there is really a will to integrate gender work into the mandate of IFI's, it is important to diversify internally and not miss out on different perspectives.

Endnotes

¹ The North Perspective implying how development has trickled down from a 'First world' perspective to the 'Third world' or the Global south. The understanding that development and gender mainstreaming can mean something has mostly been acceded from only a single, First world, North perspective, which has universalized and homogenized the diversity and complexity of the Third world. This is why the presence of the feminists from the South becomes significant in pushing for a critique in understanding and implementation of policy.

² Priti Darooka, XXVI GEP Discussion Forum, August 2018

³ After the BRICS summit in 2014, the formation of a BRICS bank was announced, this later got called as NDB. It came into existence in 2015 and today they have approved 13 projects and close to 13.5 billion\$. They are also projecting in 2018 to grow 60 percent. So it is a very large player that has emerged in development finance. (Darooka, Aug 2018).

⁴ Priti Darooka, XXVI GEP Discussion Forum, August 2018

⁵ Ibid.

⁶ Shiladitya Chatterjee, XXVI GEP Discussion Forum, August 2018

⁷ Ibid.

⁸ Shiladitya Chatterjee, XXVI GEP Discussion Forum, August 2018

⁹ Andreas Baeur, XXVI GEP Discussion Forum August 2018

¹⁰ Andreas Bauer, XXVI GEP Discussion Forum August 2018

¹¹ Gender-just Macroeconomics: engaging the IMF and World Bank- Brettonwoods project.

¹² Macroeconomic policy is the economic rules and decisions taken about an entire economy at the national and international level. This includes how governments spend and receive money, called fiscal policy, as well as how it controls the supply of money in the economy, including managing inflation, called monetary policy. Macroeconomic policy usually focuses on overall indicators like unemployment levels, national output and government debt without considering how these indicators affect and are affected by gender equality (ibid.).

¹³ Lekha Chakraborty, XXVI GEP Discussion Forum August 2018

¹⁴ Ibid.

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