

Implications of trade policies, macroeconomic policies and policy coherence at national and international levels for the financing of Gender Equality - in the Context of the Monterrey Consensus

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I. Setting the context: Macro economic policy, trade policy and international policy coherence

International policy coherence: assumptions and operations

Plethora of reform agendas converging on developing countries budgets and budgetary processes: aid, trade, public sector...Trade liberalization

Implications for Policy space, policy autonomy and domestic expressions of macroeconomic and trade policy

Implications for gender and social responsibility at national and international levels

Wither the Monterrey Consensus?

II. Gender equality, trade and women's empowerment

Question: What are the different outcomes for women and men under trade liberalization?

Operational Domains of gender equality:

1) Capabilities, 2) Opportunities & Resources, 3) Security

Issues of concern

Livelihood/employment/entrepreneurship

Health/Education & Functioning

Public services & social reproduction

Knowledge and training

Technology

III. Trade and the financing of gender equality and women's empowerment

Considerations:

What needs to be financed? By Whom?

How does trade impact the existing patterns of financing requirements and status of financing actors? Directly or indirectly?

What is the impact on the domains of gender equality?

A. What needs to be financed (financing requirements)?

A. Gender equality interventions (see 7 strategic interventions and 5 goals of the task force):

- Ending discrimination in the work place, equal wages etc
- Programs to support social reproduction work

- Sexual and reproductive health care:
 - Education and training for women and girls
 - Programs and projects to stop Violence against women
 - Laws and programs for property rights and inheritance rights
 - Gender expertise in ministries etc
 - Program to increase women's political participation and in decision-making and leadership
 - Targeted poverty reduction
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Case study (optional): sexual health and reproductive rights (appendix)

Non-gender inequality (or social development) interventions

- Public services (water, sanitation, energy
- Housing
- Road
- Transportation
- General poverty reduction

B. By whom?

Government:	Budget-> Revenues→public transfers, social services and employment
Household:	Income from subsistence farming/household production and informal sector activities, in-kind contributions, savings and loans
Market:	Income from employment, royalties, and asset based income
ODA:	GBS, SWAPs, CDD, OBA, PRSP

C. How does trade impact these existing sets of relationships?

Direct impacts:

- Employment
- Income & revenue
- Prices

Indirect impacts

- Impact on budget--> government transfers to household, services and employment
- Impact on informal sector activities

Employment:

Direct Impacts on financial resources available for gender equality

Increased employment of women in agriculture, services and manufacturing
 Increase opportunities in informal sector activities
 More resources available to household for education, training
 Access to basic services (health, nutrition, water) and housing
 Increase employment of health care providers and teachers abroad (GATS)
 Immigration of nurses, teachers and doctors → remittances
 Still likely to be issue of gender bias and discrimination in labour market and overall quality of employment

Indirect impacts

Increase employment makes it more possible for household to meet basic needs and send girls to school (or not, if girl child must work to offset mother's increase labor in the formal or informal sector or homebased work)

Immigration of teachers and nurses may cause less access to health care or undermine the provision of quality health care and education

Less qualified health personnel is associated with less access to health care → women unpaid care work

Income & Revenue:

Direct Impacts on financial resources available for gender equality

Households : personal income → increase personal savings, accumulation and Investment, increase household resources due to remittances from abroad

Market: Increase revenues and profit for business owners involved in tradable sectors; but may be decrease income and loss for import competing sectors

Government: Potential increase in corporate taxes and personal taxes as well as sales and excise taxes;
 Increase foreign exchange earnings (from export earnings and remittances from abroad—Surplus in fex
 BUT, likely decrease in revenue due to loss of trade taxes and licensing fees

Indirect impacts

Increase in foreign exchanges → more supportive fiscal and monetary policies
 → more social sector expenditure, more money to spend on social policy and redistributive policy for promoting women's rights.

Tax reform (tends to accompany trade reform): introduction of VAT taxes and excise taxes on gasoline impact transportation and bus fares → negative impact on household budget

Prices

Direct impacts

Import liberalization makes basic food and household goods less expensive
But may also generate loss of markets to domestic producers of the imported goods → increase unemployment and loss of income for some
IPR is associated with higher prices for medicines and pharmaceuticals

Indirect impacts

Household may have positive effect on household budget income to spending on wider set of goods and services due to change in relative prices of some of the items in the basket, primarily food.

Rising food insecurity as domestic food production decrease and increase dependency on foreign foods

Imposition of taxes (vat and excise taxes) to make up for loss of trade taxes revenues change the prices of some goods

IV. Specific mechanisms of trade impacts on financial resources for gender equality

Considerations:

Does trade introduce other financing requirements?
Does trade inject other funds into financing requirement?
Does trade causes leakage from existing flow of funds?

Trade related financing requirements and gender equality

Better infrastructure

Day care facilities

Training

Business development skills etc to compete

Customs reform

Offset potential negative changes in gender equality due to shift to market economy:
see TRIPs, land for export crops,

Gender and trade impact assessment (GTIAs)

Violence against women (VAW)

Cost of information and communications

Training to deal with global supply chains (export training, trading networks, capital upgrading, technical standards and regulation)

Women and trade finance, trade promotion, market analysis and market development

Trade related injections of money into gender equality financing

Export earnings

Remittances

Trade related leakages from financing streaming

a) those leakages that are result of trade impact on domestic economy

Extension workers

Sanitary and phyto sanitary

Subsidies

Health cost (due to work in NTAEs and EPZs, STDs)

Sexual health cost: SHHR see Crown et al

IPR royalties on copyrights and trademarks (increase cost of fertilizers, seeds)

Customs reforming

b) Other implementation costs of trade agreements

TRIPS

Trade Facilitation

c) Costs of trade and trade related developments

V. Wrapping up: Possibilities for greater proactive to make the MTS more proactive in supporting gender equality interventions

A. The WTO, RTAs

Develop framework for proactively thinking through and influencing national level trade negotiations mandates

Gender analysis and gender perspective are integrated into trade agreements and into sectoral and across the board agreements

Potential sources of fund for promoting financing of gender equality and women's empowerment

- AfT. Scope: trade policy and trade regulation, trade and development, trade related infrastructure and trade related adjustment. Aim build the supply side and human resource availability in developing countries
- TRTA: flow of project fundings for implementation of agreements etc

- TRCB: focus on micro level support and interventions

These areas need to have the context differentiated, the tools adapted and applied appropriately with the proper protocol and sequencing in order to promote gender equality and women's empowerment.

Work at the national level with counterpart ministries to:

- Develop a framework for engendering trade related technical assistance and trade related capacity building

For example, push MOH to develop safer and cheaper health related provisions in trade agreements. Ensure that MOF, MOH work to implement WHO commission on macroeconomic recommendation that low-income countries spend at least 12% of GNP for health in order to cover essential health care (WHO 2001) or, in Africa the Abuja commitment of 15%. Concerted effort needed in order to ensure that future budget ceiling protects and enhance the health care sector, especially for reproductive health, with more not fewer resources.

- Develop with MOF, MOT and other line ministries, as needed, trade policy strategy and coordinate gender related input into trade policy and negotiations
- Develop a framework and process for elaborating the content of Aid for trade.
- Develop processes and mechanisms for ensuring that gender analysis and gender perspective are incorporated into trade diagnostic studies.
- Work to engender trade negotiations mandates for WTO, EPAs and bilaterals, especially in the sectoral areas of agriculture (special products and safeguard mechanisms food security), services (protect access to essential services, especially those important for social reproduction) and NAMA (protect SMEs and gender sensitive sectors)
- Develop and ensure that gender sensitive flanking measures are inclusive in WTO and EPAs negotiations
- Work to ensure that the modalities of ODA, especially those linking with Aft and TA and TRCB are en-gender, especially that gender concerns pervade and inform the policy dialogue underlying Paris Declaration as well as any emerging Aid for Trade framework.

Appendix I. Innovative Approaches to Financing Gender equality in the context of macroeconomic and trade policies

Appendix II: Case study (optional): Sexual and reproductive health and Reproductive rights

RH: a key to economic development success; it is impacted by macro policy and financing decisions.

Links between trade and reproductive health and reproductive rights:

1. Reproductive health is an important component of economic development success.
2. Trade can bring increase work that increases women need for cheap state provided health care services. Why? a. health for carrying out work load, b. work place toxins—birth defects etc. c. work related illnesses.
3. Trade can impact on the supply of health care workers and the supply (quantity, quality and costs) of health care services. How? 1. GATS immigration of midwives, nurses etc. But also tele health, consumption of health care abroad etc. 2. TRIPs.
4. Increase income from trade can support RH needs.

The reality of RH in commonwealth developing countries

In generally across commonwealth countries reproductive health is poor and reproductive rights are unrealized. Though fertility dropped 1990-2002, mortality ratio is high (are over 1,000 per 100,000 live births in SSA); HIV positive women are increasing since 1997 and highly feminized in SSA (57% of infected adults are women and 75% of infected between the age of 15 and 29 years old are girls and women) and high prevalence of HIV infected women in South and South East Asia and the Caribbean (Basu, Grown).
(See table)

Based on WHO 1998 definition of RH, there are at least 7 components of reproductive health: 1. unwanted pregnancy, 2. safe pregnancy and delivery, 3. prevention of Reproductive tract illness, 4. treatment of Reproductive tract Illness, 5. freedom from sexual and gender violence, 6. freedom from domestic violence, and 7. health sexuality

RH is not in the MDG but the reality of RH and its central importance to women's live make it important that it be considered as an area of crucial financing issue in promoting gender equality. Currently in many commonwealth countries the health sector and the many components of RH such as MC is negatively impact by factors such as the imposition of user fees, which have traditionally been associated with

structural adjustment programs but now may become more pervasive as a result of trade related budget deficit.

Basu 2006, identifies, A set of mediating variables through which trade liberalization can affect reproductive health and which require Budget and financing (including from ODA sources) in order for women to have access to good quality, ideally free and at worst inexpensive:

******Family planning:*** information and user friendly contraceptive services
(currently the commercial share of family planning market is under 50% in Latin America and the Caribbean, Middle East and North Africa and 25% in SSA.

******Maternal child health:*** safe pregnancy and (assisted) delivery, pre and post natal services → user-friendly health services

GATs and Maternal health

Maternal health (quality of health care for pregnancy and delivery) is critical to MDG as well as ICPD. The short fall of skilled personally for maternal health and reproductive health, there is also under funding and the migration of health profession, which has been, expedite under GATS. Indication of problems with maternal health are high maternal mortality rates (MDG targets reduction in MMR of $\frac{3}{4}$ by 2015 and increase percentage of births attended by skilled birth attendee from 40% (2005) to 60% (2015). It has been found that maternal mortality rates are high (over 100) when non professional are involved and low (decrease to 50 or lower) when delivery occurs in a facility with quality care'. Overall, there is a 'clear correlation between the density of health workers per population and maternal mortality rate a 10% increase in health worker density is correlated with a 5% decrease in maternal mortality. P.238.

GATs has induced shortage of midwives and nurses in developing countries. Currently many commonwealth developing countries have high vacancy rate for nurses (Malawi 53%, Caribbean 35%) even as they export nurses to developed countries (in 2000 over 500 nurses left Ghana. Popular sending countries are Gambia, Malawi, Ghana, India. Hosts include UK and US whereas some countries such as south Africa both sends and receives, p. 239. The ratio of nurses to population rates (US 800 per 100,000, Jamaica 165 per 100,000, India very low).

From the point of view of financing gender equality, remittances flow from migration quite important. Increasingly for some countries as significant source of financing for development needs is remittances (India \$US \$7.6 billion). In some countries remittances now exceeds ODA and is the second largest source of external funding for development needs. The main drawback of remittance as a source for development needs is that it is not available to the public sector.

Financing is needed to ensure the retention of workers, improved salary and working conditions for health care workers and professional development. This can be facilitated

by special programs to help returning workers. According to WHO salaries need to double or triple.

******Diseases of the reproductive tract (including STDs These can be debilitating and demeaning)***: user friendly health services (in terms of diagnostics and treatment; beyond simply HIV/AIDs)

*** Drugs, lab procedures, antibiotics, diagnostic kits, HIV vaccines, contraceptive supplies, vacuum aspiration kits etc

***Subsidies to local pharmaceutical industries and health insurance companies

Training and retention of supply of health care workers (midwives, nurses, doctors)

*****Gender (sexual violence)***: (intra HH and workplace bargaining around non coercive sex and voluntary contraceptive and child bearing)

Other sectoral related issues:

******Safe piped water (impacts on RH)***

*****Time use link to labour saving technology***

*** Direct state responsibility (macro policy/social policy)

**Indirect state responsibility via legal and social and safety provisions that mitigates positive and negative effects of trade liberalization on women.