Part III

Gender and Economic Reform

FOREWORD

"Gender and Economic Reform" clarifies the complex relationship between gender and the way economies operate. It contends that incorporating gender analysis into the design and implementation of economic reform helps to promote the emergence of economies that grow sustainably, in ways that reduce gender inequalities rather than reinforce them. The analysis is particularly relevant in the current context in which gender equality is a proclaimed Millennium Development Goal and the Monterrey Consensus calls for gender sensitive programming.

The paper is meant to improve policy makers' ability to dialogue on what the relevant links might be between gender and economic reform and how to take gender into account in designing and implementing reform programmes. Throughout the document, a number of tools for integrating gender equality into economic policy analysis and decision-making at the national or sector-wide levels are presented. These tools focus on producing a new shared understanding of underlying economic and social relations in order to promote the achievement of a gender-balanced path of economic growth.

The document is based on a large body of secondary material written over the past decade by gender specialists and other experts led by Professor Diane Elson *et al*. on behalf of the former Task Force on Gender and Economic Reform. It includes a summary of key concepts contained in six documents issued by the DAC Working Party on Gender Equality as Workshop Documents Nos. 1 to 6 (OECD 1998). It comes as a complement to the work conducted by that group on gender and sector-wide approaches and will be particularly useful in the light of ongoing work on gender-sensitive budgeting.

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Economic reform is about changing the finances and economic institutions of a country. At first sight it may seem to have little to do with inequality between women and men. It is easier to see how a project might affect women and men differently than to see how a strategy for reducing the budget deficit, reforming the transport sector, or liberalising the agricultural marketing system might affect women and men differently. How lack of attention to gender equality might in turn negatively affect the outcome of economic and other reforms is even less readily apparent.

Economic reforms are not just about the economy. They also involve profound social and political changes. They are too important to be left to any one group of experts. For this reason, a focus on the gender dimensions of economic reform can be helpful in promoting a dialogue between economists and other specialists, such as social policy experts. It can also be helpful in promoting more public participation by women and men in discussions on economic policy and outcome.

Incorporating gender analysis into the design and implementation of economic reforms helps to promote the emergence of economies which grow sustainably, in ways that reduce gender inequalities rather than reinforce them. A first step is to recognise that the functioning of an economy depends upon both the activities counted in the gross national product and the unpaid 'care' work required to raise families and look after communities.

When the efficiency of an economy is measured, total input (paid and unpaid) should be included in the calculations. If unpaid work remains invisible, and no value is attributed to it, then the picture of the economy is in fact incomplete. When economies go through adjustments, the utilisation of unpaid as well as paid inputs or resources needs to be considered. When it is not, adjustments may be neither optimal nor sustainable.

Shortfalls in the effectiveness of economic strategies have resulted in new reflections around the goals of economic growth and sustainable human development. This development has created a good opportunity to examine economic reforms and goals from a gender-aware perspective. The application

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1. This Executive Summary draws largely on input from Diane Elson in 2001 and from Dr. Isabella Bakker in 2000.

2. The Task Force on Gender Issues in Programme Aid, Sector Investment Programmes and Other Forms of Economic Policy-Related Assistance of the DAC Working Party on Gender Equality commissioned 20 research papers between 1994 and 1998 to examine key gender issues relating to programme aid, sector investment programmes, market liberalisation and other forms of economic reform, within the context of development policy dialogue and co-operation with partner countries. The findings of these 20 papers were summarised in six documents and issued by the DAC Working Party on Gender Equality as *Workshop Documents Nos. 1 to 6* (OECD 1998). This paper, based on a large body of secondary material written over the past decade by Diane Elson, Barbara Evers, Jasmine Gideon, Sally Baden, Anne Marie Goetz, Jeff Turner, Bernard Walters *et al*., includes a summary of key concepts contained in the six *Workshop Documents*. *It does not summarise current literature at the time of release*. It has been edited by Diane Elson and Carole Houlihan.

of gender analysis has introduced new information about the relations between inputs, outputs and impacts, and identified new variables or “risk factors” which may prevent desired results from being achieved. These complement more ‘traditional’ assumptions about which risks are relevant and whether they should be explicit. This volume discusses gender-aware economics and aims to assist economists, sector specialists and gender experts in the processes of macroeconomic reform, market liberalisation and gender mainstreaming.

Three premises underpin the tools of analysis discussed in this collection. i) The market and non-market sectors of the economy are interdependent, in part. ii) Three distinct levels of analysis exist (macro, meso, micro), and gender biases commonly exist at each level. These tend to influence policy responses. iii) Aggregate behaviour may not reflect the activity or preferences of a representative individual at the micro level. This approach provides a foundation for extending gender-aware analysis.

The approach in this volume unpacks gender differentiation and possible “blind assumptions” at each level. Differences and inequalities between women and men or boys and girls at the micro level are not explained as only a matter of differences in preference and resource endowments. They are explained as also being rooted in socially constructed and socially entrenched asymmetries in rules, power and resources. These asymmetries provide certain individuals with power over others to shape options and policies, without ensuring that the choices made are optimal. Women and children are rarely full-fledged actors in decision-making processes, despite their paid and unpaid work and care activities. They are rarely considered to be fully-fledged economic actors. Economic reform policies shaped by partial views tend to leave out certain activities or values. This can be detrimental to desired policy outcomes. Macro level monetary aggregates for example leave out a whole area of production from analysis -- the unpaid production and care of human beings as an essential resource to the economy. In particular, the authors demonstrate that policies may not be sustainable in economic and human terms in the long run when they are based on the assumption that unpaid care activities at the household level will continue to be provided in the same quantity and with the same quality of results no matter what changes take place in the rest of the economy (Commonwealth Secretariat, 1989; World Bank, 1995). The policy implications of mainstreaming gender in economic policy thus demonstrate the strong link that exists between macroeconomic and human resource indicators.

The volume produces some recommendations, including:

- Financial and economic plans should include human development goals alongside the fiscal and monetary ones.
- Governments therefore need to redefine resource use to include those unmarketed services provided by the informal, domestic and voluntary sectors that are critical for the production of the human resources that are then used in/by the economy.
- Maintaining families and communities tends to be a female-intensive activity, yet women are not given adequate control of the necessary resources to carry out this vital function. Public policy can create incentives, investments and other measures to provide support for care work and possibly gradually alter the division of labour between women and men.

Several issues arise in the context of human development strategies. One is related to the poor access of women to economic resources and their inability to make economic decisions that will enhance their own and their families' well-being. Second, although broad commonalities exist with regard to policies which will lift women out of poverty and powerlessness, the specificity of different sub-groups of women needs to be continually addressed. Third, women's and men’s contributions to unpaid labour need to be recognised as economically valuable and must be counted and supported through policies (Sen, 1995).

Overview

Throughout the sections, a number of tools for integrating gender equality into economic policy analysis and decision-making at the national or sector-wide levels are presented which, for example, concretise a gender-aware economic analysis of policies and their corresponding instruments. These tools focus on producing a new shared understanding of underlying economic and social relations in order to promote the achievement of a gender-balanced path of economic growth.

Sections I and II: Gender is intrinsic to the ways that economies operate. Analysing financial data alone often does not reveal this. But analysing work, both paid and unpaid, more often does.

Section I introduces a macro (national aggregates), meso (public and private markets) micro (households, firms, communities) framework which can be applied to both the productive and the unpaid care economy sectors. Incorporating these into the analysis of the micro, meso and macro levels of a national economy opens space for identifying potential gender-based price distortions in various markets. Some of these markets are clearly identifiable, such as labour and credit, others are so-called absent markets with no price signals attached to them - such as domestic care and unpaid informal sector work.

Section II discusses the crucial elements of policy dialogue and the ways development practitioners can work with country economic and poverty reduction strategies to render them more gender-complete.

Sections III and IV: Government budgets and services reflect the values of a country and its policy priorities. Many of the ideas put forward here are already being put into operation through gender budget initiatives in over 20 countries, both developed and developing. These initiatives are taken by a range of actors: officials, politicians, independent researchers, and women's organisations. The initiatives are not just concerned with that tiny fraction of the budget devoted to services targeted specifically to women. They seek to analyse non-targeted expenditures and revenues for their gender impacts, and to argue for changes in the budget and the services it finances, where appropriate. Looking at the budget and public services through a gender lens is the first step to ensuring that as public expenditure and taxation are reformed, they are reformed in ways that lead to gender-equitable growth.

Section III discusses the significance of gender in public expenditure reviews and national budgets. It looks at gender-aware tools for analysing public expenditure, considers the implications of devolution of public expenditure and then discusses the gender implications for the complementary process of taxation and cost recovery. Some of the tools presented are already in use in projects in South Africa, Sri Lanka and Barbados (with the backing of the Commonwealth Secretariat).

Section IV examines the ways in which sector-wide approaches can be made more gender-aware. Rather than focusing solely on how women's needs can be accommodated within the sector programme, this approach emphasises gender inequality as an obstacle to the achievement of overall sector objectives. A review of how donors have targeted women is followed by a different approach which analyses the whole sector as a gendered structure. Such a shift in emphasis allows for a situation where there may be no women-specific components in the sector programme but makes adjustments for the gender-based institutional biases and recognises them as a significant barrier to meeting policy goals. The section is based on three country study examples - Uganda, Pakistan and Nicaragua. These illustrate what can be done with existing data from local research institutes, local women's NGOs and donors. Social analysis is combined with political and economic analyses to identify obstacles and issues, assumptions and risk factors.

Section V: Economic reforms emphasise the role of markets in delivering broad-based prosperity. We now know that dismantling existing regulations is not enough to produce well-functioning markets. Markets need to be pro-actively shaped and transformed if they are to provide equal opportunities to both poor women and well-off men. The first step is to understand that real markets are not composed of abstract 'buyers' and 'sellers' but flesh and blood women and men; and that the way sales and purchases are made are shaped through market institutions which, just like public sector institutions, reflect prevailing gender relations. As a result of these factors, liberalisation processes do not guarantee that women and men are equally able to compete or to share costs and benefits. Gender divisions can be a basis for the consolidation of the monopoly of power in markets.

Section V presents some ideas on how to avoid gender divisions in the design of financial and agricultural market reform and details how gender analysis can reveal gender-based institutional bias in markets undergoing liberalisation, and contribute to the design of more equitable and effective policies in future interventions. These would focus not only on deregulation, but also on effective development of well-functioning markets. Simple deregulation of markets does not necessarily produce the social results conducive to improved levels of human development, including greater gender equality. A more proactive approach can be required around processes of liberalisation. Reinforcing the importance of legislative and regulatory frameworks is advocated. In addition, more specific actions such as the creation of credit facilities that are accessible to women as well as men are recommended. The section concludes that sex disaggregation of data is key because in many cases men and women have different borrowing and savings patterns. Hence they require different responses from financial institutions.

Section VI provides recommendations for DAC Members as they work with partner countries on economic, social and political reform. A number of distinct steps can be taken in order to integrate gender more fully into economic planning. Countries can assess the current state of their information systems: To what extent is gender incorporated into analysis and decision-making at the macro, meso and micro levels? What statistics and indicators are available? Where are the gaps? Pilot studies to gauge the contribution of gender-aware frameworks could be launched in a number of areas. Concrete actions would include: develop a gender-aware national economic framework; develop and apply gender-sensitive tools for analysing public expenditure; build national capacity and appropriate monitoring mechanisms for evaluating national and international policy packages; address issues such as: at the macro level, what kind of market conditions would empower the marginalised? At the micro level, what kind of empowering capacities do the marginalised need to facilitate their activities in the market place?

This volume aims to improve policy makers' ability to dialogue on what the relevant links might be between gender and economic reform, and how to take them into account in design and implementation. It should be complemented by consulting other resources including those cited here. This work has acted as a springboard to other initiatives and publications, i.a. to the gender and economics work in the Special Programme for Africa, the gender/budget initiatives supported by the Commonwealth Secretariat and UNIFEM, the Bridge/GTZ publication "Glossary on Gender and Macroeconomics", the Netherlands Economic Institute (NEI) report on "Gender and Economics", and the "Macroeconomics and Gender Reader" completed by CIDA.

SECTION I

LOOKING AT ECONOMICS THROUGH A GENDER LENS

1. Key concepts

This section outlines key concepts used in this paper that are essential to understanding gender-aware economics.

Sex vs. gender: The term "sex" refers to the biological differences between males and females. The concept of "gender" is used to describe the socially determined characteristics of being male or female. The system of gender relations defines certain characteristics such as masculine or feminine and certain activities as appropriate or inappropriate for males or females. Gender relations are not universal, but vary between cultures. They are dynamic and change over time. Because gender is cross-cutting, and interacts with and is affected by other factors including age, class, caste, ethnicity, religion, region, etc. it is essential for information and data to be disaggregated by sex as well as by these other factors.

Gender is manifested through a set of values and attitudes that underlie the process of socialising males and females, and through behaviours and practices that reflect and reinforce those values and attitudes, and allocate scarce resources to males and females. These values and behaviours are, in turn, reinforced by institutions and mechanisms throughout society (i.e. legal, educational and business systems, religion, etc.). Therefore, in order to address gender inequality it is essential to change social attitudes and behaviour as well as institutions, and to involve both men and women in the change process.

Economies as "gendered" structures: Elson, McGee and Goetz (1995) suggest that we should analyse economies as "gendered structures". Gender relations are part of the "culture" of institutions (legal, religious, educational, market, etc.) in any society. Because economies function within social contexts, gender relations also pervade economic structures. Therefore, when analysing economic policy from a gender perspective, it is important to look at the gender norms of the institutions responsible for making and implementing policies. Economics may appear to be "gender neutral". However, economic policies are made by people within social contexts and implemented through institutions (ministries, banks, labour and product markets, research institutes, etc.) which reflect dominant gender relations.

Gender-Aware: A "gender-aware" policy or programme is based on a thorough analysis of the differential impacts on relevant categories of women and men and consultation with key stakeholders. Gender analysis examines sex-disaggregated data, the different experiences, needs and responsibilities of women and men and their differential access to productive resources. A gender-aware approach focuses on equality as an objective rather than women as a target group. By the same token, gender-aware policies promote gender equality.

Unpaid care economy[3]**:** An important step in analysing an economy from a gender perspective is to make visible the unpaid household work of caring for others that is vital for the healthy functioning of the market-oriented economy (see Box 1).

> **Box 1. Unpaid work: the foundation of healthy economies and societies**
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> A productive labour force is essential to the efficient functioning of national economies. Essential work in households in every country includes: managing households (cultivating or buying food, processing and cooking food), keeping home, clothing and domestic equipment in good repair, providing fuel and water, caring for family members including children, sick and elderly. This unpaid work is essential for keeping the social framework in good repair and for maintaining and reproducing the labour force. In addition, voluntary community work (including unpaid activity in civic associations, both secular and religious) makes a vital contribution to sustaining the social framework and social cohesion, and to encouraging a sense of civic responsibility essential to stable democratic government.

The conventional view of the economy only focuses on production which is organised through financial transactions, where output is sold on markets or provided as a public service financed by taxation. Alongside this "paid economy", Elson, Evers and Gideon suggest it is essential to examine the "unpaid care economy" (characterised by unpaid work), where output is not sold on markets, but distributed directly in families or communities. The paid economy is measured by the System of National Accounts (SNA), whereas the unpaid care economy is not. The output from the unpaid care economy can be measured by imputing a value to inputs used or output produced. A number of countries produce a 'satellite account' for unpaid household and community work measured either in time or money.

The need to balance home and market responsibilities is a major constraint on women's earnings, productivity, and human capital accumulation. The unpaid work of supporting families and communities is an economic activity that uses resources and is necessary for the economy to function.

Although, with few exceptions, work in the unpaid care economy could be undertaken by men or women, the majority of the work is done by women. A large amount of this care work is invisible and not measured. UNDP has estimated that the value of the output of the unpaid care economy ('non-SNA activities') in circa 1995 amounted to about US$ 11 000 billion per year world-wide. This is equivalent to about 48 per cent of world GDP (UNDP, 1995:97). Improved data collection will enable governments and policy makers to measure the economic contribution of the 'unpaid care economy', which mostly consists of women's labour, and to take this unpaid work into account when making economic policies.

2. Micro-meso-macro framework: levels of the national economy

Traditionally, economic analysis has distinguished between macroeconomics and microeconomics. Macroeconomics is concerned with aggregate stocks and flows of goods and services at the level of the national economy. Microeconomics looks at the activities of households and firms, their outputs of goods and services, and their investment and consumption.

The macro-micro framework can be complemented by analysis of the institutions and processes which link macroeconomic policy to micro-level economic agents (households and firms). This concept has

3. Also called the Reproductive Economy in some literature.

been coined as the “meso” level of economic analysis (Cornia *et al.*, 1987). “Meso economics” looks at institutions and processes that mediate between and link economic agents at the micro level (individuals, households and firms) to policies and outcomes at the macro level.

The mediating institutions include public sector institutions and processes (government ministries, including those that provide social and physical infrastructure) and private markets for labour, credit, goods and services. Private sector interests are represented in the policy making process through business and professional associations, trade unions, financial institutions, stock markets, community organisations and NGOs. The interests of different categories of women and men are made known in the policy-making process to the extent that their interests are represented by these organisations.

Elson, Evers, Gideon *et al.* and Goetz suggest that the macro-meso-micro framework can be used to examine the structure of the economy, the processes of economic reform and to understand how development co-operation can support the removal of distortions and barriers that limit effective development (Elson, *et al.*, GACER: Concepts and Sources, July 1997).

At the **macro level**, output is usually described in terms of the level and growth of GNP and the contribution of agriculture, industry and services to GNP. Gender-aware economics includes the unpaid care economy, and measures its size (using a satellite account or time budget studies). Examinations of patterns of time use and employment indicate that men are relatively more active than women in the paid economy (i.e. it is “male-intensive”) while the unpaid care economy is relatively “female-intensive”. Within the paid economy, there are some sectors or activities that are relatively male-intensive and some that are relatively female-intensive. Thus, different sectoral growth rates make different demands on male and female labour time and have different implications for the gender division of income and work. Therefore, macro decisions to promote one sector or another can have gendered implications.

At the **meso level**, attention focuses on public services and the operation of markets that link households and firms to the national economy. The laws, norms and rules which govern public services and markets are not gender neutral, as has been analysed in some detail by Goetz (1995). Men and women have differing entitlements and access in many respects. Public services and markets tend to operate according to rules and norms which ignore the requirements of the unpaid care economy. There are gender-based price distortions and institutional biases.

At the **micro level**, attention focuses on firms and households. Men and women typically have different roles, responsibilities and powers in households and firms. Neither households nor firms operate as gender-neutral units, as members do not all have equal access to resources, benefits and decision-making power. Relations in households and firms must be analysed in terms of conflicting objectives as well as shared goals (as suggested by Nobel Prize winner Amartya Sen).

3. Gender analysis of economic reforms

Conventional macroeconomic policy addresses the balance of payments, budget deficits, and the growth of national output. Key players are the World Bank and IMF, bilateral development co-operation organisations, and national governments (Central Bank and Ministry of Finance). The players make key decisions about overall economic policy including exchange rates, fiscal and monetary policy and market liberalisation. There may be consultation with strong organised interests, such as national business associations, farmers’ organisations and trade unions.

Macro-level decisions set the parameters for meso-level restructuring. At the meso level, decisions relating to public services and market regulation are made by sectoral ministries, frequently interacting with civil society through business associations, trade unions and community organisations. These decisions shape the formation of the social and physical infrastructure, the operation of markets, and have an impact on households and enterprises by changing their economic and institutional environments.

Households and firms (micro level) respond to the economic and institutional environments by changing their activities to satisfy their own objectives (e.g. meeting family needs or making a profit). These micro-level responses may produce the macro outcomes intended and expected by policy makers. When they do not, they result in a failure to meet development objectives. Gender-based distortions and biases at macro, meso and micro levels are among the reasons why policies fail. Gender-aware analysis of economic reforms considers whether the reforms weaken or reinforce gender-based distortions.

3.1 Gender-based price distortions

Price distortions occur when prices do not provide the 'right' signals to guide people to use resources in the most effective way, but rather create patterns of incentives which fail to maximise national economic well-being. These can be created by government policy (policy-induced distortions) or by social and economic factors (endogenous distortions such as monopoly, fragmented markets, and lack of information). Price distortions can take the form of prices which are higher or lower than the opportunity cost of providing the product or service. An extreme form of price distortion occurs when there is no market and thus no price; in other words, there is no financial recognition of opportunity costs at all.

The lack of a market within families and communities means that there is no signal of the importance or the "price" of unpaid work to economic decision makers and "buyers" of that work. Since women are in large part providers of care work, on the one hand, and unequally treated in labour and credit markets, on the other, discrimination against women is an important source of price distortion in markets for labour, credit and goods. This has been analysed by Palmer (1991).

3.2 Gender-based institutional biases

Folbre has shown how institutions can operate in ways that maximise the benefits to dominant groups, rather than society as a whole. These kinds of institutional biases occur when institutions do not provide the appropriate laws, rules and norms to guide people to use resources in the most effective way. For instance, public sector institutions should operate according to laws, rules and norms that foster impartiality and accountability and reduce economic and social imbalances. Market institutions should operate according to laws, rules and norms that foster open access, sharing of information and trust, but in fact often operate in ways that restrict access, monopolise information in closed networks, and fail to foster trust. This results in high transaction costs and wasted resources.

Bias against women and in favour of men regarding access to and control over land, credit, water, and fertiliser may maximise the gains to male farmers, but does not maximise the gains to society as a whole because women farmers' productivity is constrained. Many public and private institutions are characterised by institutional favouritism or positive bias in favour of men (Elson, 1995; Goetz, 1995, 1997).

Although reductions in policy-induced price distortions and institutional bias have generally been included in sector-wide approaches and programme aid, reductions in gender-based price distortions and institutional bias have been relatively neglected. There is some evidence to suggest that these distortions and biases have become, at times, entrenched by poorly designed policies that fail to address them as factors that influence the desired policy outcome.

SECTION II

ANALYSIS TO SUPPORT POLICY DIALOGUE: GENDER-AWARE COUNTRY ECONOMIC REPORTS

Reports on the economic situation of developing countries are regularly prepared by governments, often in co-operation with development agencies. These reports (e.g. Country Assistance Strategies, Medium Term Economic Reports, Comprehensive Development Frameworks, United Nations Development Assistance Framework, etc.), which analyse the economic structures and processes that underpin the formulation of development strategies, tend to treat gender inequality as a social issue, and do not link gender equality with achieving sustainable economic growth and human development.

The *Gender-Aware Country Economic Report Framework* is an approach or tool for analysing the national economy as a gendered structure at the macro, meso and micro levels. The approach uses sex-disaggregated data, identifies data gaps and identifies gender-based distortions and institutional biases. As a tool, it can assist governments in making policies and setting priorities for a development process which aims to promote both gender equality and economic growth (Elson, Evers and Gideon, 1997). While the format can be adapted to different country circumstances, it generally gathers information on:

- The structure of the paid economy (outputs, exports, labour force composition) and care economies (time use).
- Access by men and women to physical and social infrastructure and government services.
- Markets for products and services, labour and credit.
- Relations in households and firms.
- An outline of economic decision-making processes at the macro, meso and micro levels.

Macro level: This section describes the structure of the economy and includes both the productive and the unpaid care economy. It includes a brief description of output and exports of agriculture, manufacturing and services based on National Income Accounts, as well as male and female share of employment in each sector based on Labour Force Surveys and Household Surveys. Time-use studies for the country assist in addressing issues relating to: who is responsible for the care of family and community; the typical working day (productive and care) for rural and urban women and men; and the extent to which women's and men's existing workload is a development constraint.

Meso level: The section on the Public Sector analyses women's and men's access to physical and social infrastructure, the structure of the budget, the composition of government expenditure and the gender impact of the expenditure and revenue (e.g. user charges, taxes). It analyses which groups bear the costs and enjoy the benefits of public services, and assesses the degree to which public expenditures are used to reduce gender constraints on development.

Recognising that markets are a crucial component of the meso dimension, especially in view of the current emphasis on market liberalisation, the section on Labour, Credit and Goods Markets assesses market characteristics including degree of segmentation, relative roles of formal and informal markets, degree of monopolisation, and gender distortions and biases. Analysis of the labour market examines gender inequalities in earnings, wages, hours of work and occupational structure, and attempts to quantify the extent of gender discrimination [see for example Birdsall and Sabot (ed.), 1991] and evaluate the potential output loss due to such inequality (see for example Tzannatos, 1995). The discussion of credit and goods and services markets identifies gender inequalities in access to markets (how goods are transported to market; who sells in local and long distance markets; who receives the income; how information is acquired; whether collateral requirements restrict men's/women's access to credit, etc.).

Micro level: This section analyses enterprises (including the gender division of labour and ownership) and households. Household analysis includes:

- Sources of income, degree of separation in income streams, budgets and expenditures.
- The degree to which income is pooled and expenditure decisions taken jointly; ownership of assets (including land).
- The proportion of male and female headed households, and family structure (nuclear, extended, polygamous, etc.).
- The level of infrastructure that supports the unpaid care economy (e.g. water supply, food processing facilities, transport, etc.).

Economic decision-making roles and processes: This section assesses the position of men and women in key decision-making posts at the national level in the design, implementation and monitoring of economic and social policy. (It is important to keep in mind that both women and men can play a role in promoting gender equality). In addition, it examines who is involved in decision-making at meso-level institutions (government ministries and associations) and whose interests are represented.

SECTION III

INTEGRATING GENDER ISSUES IN PUBLIC EXPENDITURE

This section addresses issues related to integrating gender analysis in public expenditure reviews and national budgets. National budgets are formulated by national governments. Public expenditure reviews are often initiated by the donor community. Both policy processes are likely to incorporate gender perspectives to differing degrees depending on the country and which donors might be assisting either process. Tanzania and South Africa, for example, have initiated processes to incorporate gender into national accounts.

1. Public expenditure reviews

Public expenditure reviews (PERs) provide a retrospective analysis of a government's revenue and expenditure policies and propose future policy directions. In the context of structural adjustment the main concern in PERs is to monitor government performance in restoring and maintaining economic stability. PERs can also consider the impact of fiscal policies on the distribution of income and wealth and the incentive structure of the economy, and assess the extent to which public finance policies help to meet broader national development objectives (IDS, 1994).

Spending (and revenue raising) patterns will have a differential impact on women and men because of their different needs, responsibilities and access to resources.

2. Devolution of public expenditure

A public expenditure review may recommend devolving the financing of services to the level of local government or autonomous public bodies so that services are delivered more cost-effectively. One option suggested by the World Bank (World Bank, 1995b) is to make service provision more demand-driven and accountable through a combination of decentralisation and community involvement.

Gender imbalances in district and community decision-making bodies may limit the effectiveness of decentralisation to reduce gender bias in public service delivery. Important gender issues to consider include:

- How to increase the effectiveness of women's participation in public expenditure planning.
- How to ensure that decentralisation results in a reduction rather than an increase in women's time burdens (e.g. expectations that women's (unpaid) labour will build and maintain community water supplies may increase women's time burden).

3. Taxation and cost recovery

Taxation: Public expenditure depends in part on raising revenue. Just as the incidence of expenditure is gender differentiated, so is the incidence of taxation. The IMF produced a concept paper on gender bias in tax systems (Stotsky, 1996) which recognised that direct taxes and indirect taxes may be gender biased. The paper distinguished between explicit bias (when the income for married women is attributed to their husband's for purposes of income tax); and implicit bias (when there is differential taxation of goods which tend to be purchased by men and by women). No empirical estimates were provided about the forms and extent of gender bias in different countries.

Cost recovery: User charges are increasingly levied for social sector services. Growing evidence from Africa indicates that these are paid disproportionately from women's incomes, rather than men's. Cost recovery for social sector services, and for certain economic services like agricultural extension, may have a gender-differential impact and hinder the reduction of gender inequality. There are also gender implications of privatisation of public services such as health and education, as families may be less willing to pay costs for girls or women than for boys or men.

4. National budgets

National budgets are key instruments of economic policy. They directly affect individuals through taxation and public expenditure policies, and affect their economic environment through impacts on the levels of national output, employment and prices. Because men and women play different economic roles and have different economic responsibilities, the same budgetary policies have different implications for men and women. Gender differences and inequalities can also restrict the ability of budgets to achieve national economic goals, such as expansion of outputs and jobs and maintenance of price stability.

Budget slippages: In many developing countries, slippages in the budget management process leave wide gaps between public expenditure, revenue planning and actual outcomes. Where there are large differences between planning and follow-through, efforts to quantify the amount of public funds allocated to particular groups may not be as important as focusing on identifying the services which do actually reach them, and assessing which services respond to the differential needs of men and women.

4.1 Gender-sensitive tools for analysing public expenditure

Incorporating gender issues in public expenditure requires action at three levels:

- Application of policy tools.
- Use of sex-disaggregated data.
- Strengthening dialogue between stakeholders.

The following tools have been suggested by Diane Elson, and some of them have been put into operation in a number of countries. Tool 1 can be used for ex-ante planning and appraisal of the budget. Tool 2 sums up the results of budget planning and appraisal. Tools 3 and 4 can be used for ex-post audit and evaluation of the budget. Tools 5 and 6 can be used for both phases of the budget cycle.

Tool 1: Gender-aware policy evaluation of public expenditure

Aim: To evaluate the policies that underlie budget appropriations in terms of their likely impact on men and women and the degree to which they will reduce or increase the degree of gender inequality.

Instruments:

This approach examines assumptions that underlie policies and assesses whether the policies are likely to reduce, increase, or leave unchanged gender inequalities. The policy examination process is forward-looking, and specifies an expected causal chain (e.g. increase in public expenditure on education; reduction of gender gap in enrolment; reduction in gender gap in educational qualifications; reduction of gender gap in relation to earnings). In assessing policies, unintended effects and offsetting factors must also be explored. For example, the planned increase in public expenditure on education may not result in increased enrolment of poor girls; depending on other policies and circumstances, poor families may require women to spend more time in paid work (productive work) and to keep daughters at home to do unpaid household tasks.

Tool 2: Gender-aware budget (expenditure) statement

Aim: To show the expected impact on women and men of a total budget, either national or sectoral.

Instruments:

- Gender Equality Targeted Expenditure: The share of expenditure which is explicitly targeted towards women, such as special education and health programmes for women and girls.
- Women's Priority Public Services: The share of expenditure devoted to public services which reduce the burdens on (poor) women and reduce gender gaps in health, education and income.

Women's Priority Income Transfers: The share of expenditure devoted to income transfers which are of highest priority in reducing women's income inequality and dependence (e.g. child benefits and women's pensions).

Tool 3: Gender-disaggregated beneficiary assessment of service delivery and budget priorities

Aim: To assess the extent to which service delivery and public expenditure meet the needs and priorities of different groups of women and men.

Instruments:

- Quantitative: Opinion polls and attitude surveys collect data that are statistically representative. This process does not allow for discussion and reflection.
- Qualitative: Participatory and rapid appraisal processes such as group discussions and participant observations allow for more in-depth discussion.

Tool 4: Gender-disaggregated public expenditure benefit incidence analysis

Aim: To analyse the extent to which men and women benefit from expenditure on public services.

Instruments:

- Measurement of the number of units utilised by men and women.
- Measurement of the unit costs of providing a particular service, such as the annual costs of creating a primary school place.

The benefit incidence is calculated as the value of unit costs multiplied by the number of units utilised by men and women. For example, the benefit incidence of primary education expenditure for girls is the value of public spending on primary education multiplied by the relative ratio of girls' enrolment in primary schools. This is most easily applied to services which are delivered to individuals, rather than those (like sanitation) delivered to households.

Tool 5: Gender-disaggregated analysis of impact of budget on time use

***Aim*:** To make visible the implications of the national budget for household time use, in order to reveal the economic implications of the unpaid care economy.

Instruments:

This tool identifies the implications of the national budget for time use in households in order to ensure that time spent on unpaid work is accounted for in policy analysis. This can be done by estimating:

- The 'reproduction tax', the average proportion of a person's time that is spent on unpaid work in the unpaid care economy. This is a "tax in time" that must be paid in order to maintain society (Palmer, 1991); changes can then be linked to changes in pubic expenditure.
- A social services input-output matrix that includes unpaid (care) work as an input and output, as well as social sector public expenditure.
- Household social sector accounts that include household expenditure of time as well as money spent on services such as health, education, sanitation and transport; changes in time expenditures can then be linked to changes in public expenditure.

Tool 6: Gender-aware medium-term macroeconomic policy framework

Aim: To produce a medium-term macroeconomic policy framework which recognises the distinction between men and women in their participation in various kinds of economic activity. This means that both will contribute in different ways to medium-term macroeconomic outcomes and experience different costs and benefits.

***Instruments*:**

This involves incorporating gender issues into medium-term macroeconomic policy frameworks which are formulated with economy-wide models such as financial programming models, Harrod-Domar-type growth models, growth-accounting models, computable general equilibrium models, and social accounting matrices. It could be done by disaggregating variables already in the models by gender; introducing new variables and equations to capture the structure of gender relations, and constructing new, two-sector models to include both productive and care systems.

4.2 Lessons learned: integrating gender and public expenditure

The Commonwealth Secretariat launched a Gender Budget Initiative with the governments of a number of Commonwealth countries in 1996 to pilot some of the tools suggested by Elson. The following lessons have been learned from developing gender-aware budgets (Raju, 1999; Budlender and Sharp, 1998) and undertaking gender-aware public expenditure analysis in a number of countries:

4.2.1 Gender-aware budgets

- A government initiative is best led by the Ministry of Finance and Planning which enjoys a high level of co-operation with other ministries; the national women's machinery should also be involved in an advisory role.
- Ministries of Finance are often dominated by men who are not necessarily gender-sensitive; but when they are given responsibility for analysis and find tangible evidence of the differential impacts of macroeconomic policy, they recognise the need to take concrete action.
- As most ministries lack skills in gender analysis, this should be provided as part of the process. In addition, the overall process requires significant time and human resources.
- Lack of information and statistics, especially sex-disaggregated data, is a constraint. Once government-wide systems are established, inter-ministerial exchange of information is easier and data collection can more easily become part of the budget development process.
- The concrete and practical nature of the initiative is critical to its success. With its help, officials are able to understand and implement specific economic tools, undertake tangible corrective measures, and see the results.
- It is a challenge to expand the process to all ministries and activities as well as provincial levels. International agencies and donors can play a critical role in mobilising political support for the initiative, and providing technical assistance.
- The initiative should be undertaken in partnership with civil society institutions. Partnership with NGOs, women's organisations and research institutes builds capacity in civil society, promotes sustainability and stimulates a demand for policy improvements.

4.2.2 Public expenditure reviews

- International teams should identify local counterparts in government and civil society in order to benefit from local expertise, build capacity, and promote sustainability.
- While gender issues should be addressed by gender experts, all members of assessment teams should undertake gender analysis as an integral part of their work.
- The gender-aware PER process increases awareness of the need to collect and analyse appropriate sex disaggregated data.

SECTION IV

PROGRAMME ASSISTANCE: SECTOR-WIDE APPROACHES AND SECTOR PROGRAMME SUPPORT

In the period 1990 to 1993, financial programme aid (including debt relief) averaged 22 per cent of OECD Development Assistance Committee (DAC) aid to all developing countries and 28 per cent of aid to Sub-Saharan Africa. The common feature of these types of aid is that they are not intended to finance the activities of a specific project. Rather, programme assistance consists of all contributions made available to a recipient country for general development purposes (i.e. balance-of-payments support, general budget support and commodity assistance not linked to specific project activities). The OECD DAC classification of programme aid makes a further distinction between general programme assistance and sector programme assistance (OECD, 1991: 21).

1. Gender equality and programme assistance -- DAC Gender Equality Guidelines

General programme assistance or non-project assistance is closely linked to economic reform, including macro-economic restructuring, public expenditure reform, and liberalisation programmes. Programme assistance is important from a gender equality perspective because of its broad impact on economic and social conditions and thus on the lives of women and men. DAC Members have agreed that gender equality objectives should be reflected in programme assistance initiatives and the analysis of policy options for economic restructuring, and have developed methods for country economic analyses that support this commitment. DAC Members should:

- Promote dialogue and collaborative efforts among economists, social scientists and gender specialists, within their own organisations and within partner institutions, thus supporting integrated approaches to social development and economic analyses that incorporate gender equality considerations.
- Develop appraisal procedures for programme assistance proposals that include an examination of the impact of gender-based distortions on the economy and on the effectiveness of the economic reform programme (including distortions arising from discrimination against women in access to resources and services, women's unpaid work, and unequal exchanges within households).
- Promote the inclusion of a broad range of participants in policy dialogue about the design of programme assistance initiatives, including both governmental and non-governmental advocates of gender equality and women's empowerment (OECD, 1998).

2. Sector programme support

Sector programme support is a form of programme aid in which donors provide financial support to government-designed sector or sub-sector programmes. It is also referred to as a Sector Wide Approach (SWAP) or Sector Investment Programme (SIP) and is a collaborative effort between donors and recipients, undertaken in accordance with a mutually agreed budget and set of policy reforms. This form of assistance is much wider in scope than traditional project aid and usually covers a large part of the activities of a whole ministry. Sectors are defined as either:

- **A set of linked activities** for which there is a national policy framework covering finance and institutions, and identified with a given budget category or ministerial responsibility.
- **Thematically** (environment, health, gender, local government) where the relevant framework of institutions and polices exist.

Sectoral reform and restructuring programmes often entail multi-donor involvement in restructuring national sector policies, expenditures and institutions, and may be pursued through various combinations of programme assistance, technical co-operation, and project activities. Rather than looking solely at how women's needs can be accommodated within a sector programme, it is important to examine how gender inequality is an obstacle to the achievement of sector objectives. The integration of a gender-aware perspective into sector programmes will improve the ability of sector support programmes to realise their objectives.

If there are no woman-specific components identified in a sector, policy makers may conclude that gender analysis is not relevant and that public expenditure and service provision are "gender neutral". Elson and Evers suggest that a better way to integrate gender analysis into sector programmes is to recognise the sector as a gendered structure, that is, a structure in which gender relations and dynamics are always present. This involves:

- Recognising that programmes often deliver different benefits to men and women.
- Redefining the scope of the sector to include ways in which women and men within households provide, as well as consume, basic services.
- Recognising that the sector spans the productive and the unpaid care economy.
- Recognising institutional biases which mean that women and men do not have equal access to services in the sector.
- Extending information systems to incorporate the users.
- Disaggregating information systems by sex in order to analyse gender differences in need, utilisation and participation.
- Recognising that gender bias in sector institutions affects the effectiveness and sustainability of sector programmes.

2.1 Public finance

While reducing public expenditure may appear to be "sound finance", if the reductions are poorly designed they may trigger negative feedback which undermine future growth of GDP and revenue generation. This can happen if budget cuts transfer too great a burden to the unpaid care economy, expecting women to be able to absorb the costs by increasing the provision of services through their unpaid work in the household. This can result in "false economics" arising from the fact that women's unpaid provision of complementary or substitute services is not factored into public finances (see Box 2). This is an example of the way in which gender-based price distortions hamper the achievement of development goals. Each proposed reduction in expenditure must be analysed in order to determine its potential and actual impact and to quantify those impacts.

2.2 Public sector institutions

Box 2. False economies

Cut in expenditure on health services results in:

- Increase in women's time burdens.
- Queuing in clinics.
- Providing substitute care in families and communities.
- Reduction in time available for paid work and the community.
- Reduction in time for agricultural production activities.
- Reduction in output.
- Reduction in social cohesion.
- Reduction in tax revenue for government.

Source: Elson, Evers, 1998.

Public and private sector institutions translate public finance into services. Preparation of a sector programme support programme requires an evaluation of the quality of these institutions, with an emphasis on financial management (budgetary processes), production management (service delivery processes), and the links (or absence of links) between the two.

Greater reliance on local capacity and ownership has focused donor attention on institutional strengthening and reform as key components of sector programme support. However, in general this institutional analysis has not looked at how institutions unintentionally exclude women as full participants in, and beneficiaries of, service provision in the sector.

There are many ways in which organisations show (often unintended) preference to men and exclude and discriminate against women as producers, clients, recipients, stakeholders and participants. Some examples include:

- Directing agricultural extension services and training to “heads of households” excludes women farmers from access to new technology.
- Transport sector programmes which encourage stakeholder participation often forget to ensure that women participate because Chambers of Commerce, transport firm owners and lorry and bus drivers associations tend to be male dominated. They often omit to consult with users of the transport system(s). (See Box 3.)
- Replacing doorstep health services with clinic-based services excludes women who face cultural barriers to travelling alone in public.

Box 3. Gender Analysis in the Transport Sector

- Women often travel carrying, or accompanied by, small children.
- Time schedules of men and women are different because of their different responsibilities.
- Gender differences are reflected in modes of transport (e.g. private ownership of cars, bicycles and carts is male-intensive; women are more dependent on the use of footpaths and public transport, and women transport products by head-loading).
- User charges: An increase in car tax is more likely to affect men, while women are more likely to be affected by an increase in the cost of public transport.

Source: Elson, Evers, Turner, 1998.

2.3 Suitability of a country for sector programme support

The evaluation of the macroeconomic framework can be made more gender-aware by extending the idea of sound financial policies to include avoidance of false economies: the long-term sustainability of budget deficit reduction requires attention to the unpaid care economy as well as the paid economy. Criteria should include:

- The level of public expenditure devoted to the core services that support the unpaid care economy: sanitation, water, energy and transport services for households, housing, health, education and welfare.
- The adequacy of this expenditure in relation to benchmarks such as the level in comparable countries, and in relation to indicators of unmet needs (e.g. number of households without adequate infrastructure services).
- The share of this expenditure in total public expenditure.

2.4 Choosing a sector

The level of pre-existing donor support for sector activities, combined with the willingness and capacity of implementing institutions to adopt a sector programme, appear to determine the choice of sector. A gender-aware approach which emphasises linkages between the productive and care economies should:

- Include sectors which directly support the unpaid care economy as well as those that directly support the paid economy (e.g. improvements in the health sector can indirectly improve agricultural growth by increasing the time and energy available for agricultural production).
- Choose sub-sectors which support reduction of gender inequality and give priority to activities that address critical gender gaps.
- Examine inter-sectoral linkages to identify linkages both ‘upstream’ and ‘downstream’ (e.g. the ability of girls to take full advantage of education services often depends upon availability of services such as water in their homes, since without such services girls often have to spend many hours each week collecting water). Better education for rural girls increases agricultural productivity, reduces birth rates and increases the health of the subsequent generation.

2.5 Lessons learned

Sector programme support initiatives can promote economic growth as well as gender equality objectives. A gender-aware sector programme support programme would:

- Analyse sector issues from the point of view of women, as well as from the point of view of men.
- Examine the views of users of public services as well as providers of services.
- Analyse issues of quality and access as well as financial viability.
- Analyse the needs of the unpaid care economy as well as the needs of the paid economy.
- Identify gender biases in the operation of sectoral institutions and the ways in which these limit the effectiveness of the sector.
- Identify and give priority to services which will help reduce gender gaps.

A gender-aware sector programme support initiative would achieve:

- Improvement in the well-being of women and men, girls and boys.
- A growth path that increases productivity and incomes for both sexes.
- A reduction in gender-based institutional bias through reform of operating procedures.
- Increased efficiency in the use of all resources in the sector, paid and unpaid.
- Financial sustainability as well as social sustainability.

SECTION V

MARKET LIBERALISATION AND GENDER

Failure to take gender issues into account in the design and implementation of liberalisation policies may lead to inefficient and inequitable outcomes in terms of women's access to markets as buyers, sellers and intermediaries. This section, based on work by Sally Baden, examines how gender analysis can reveal gender-based institutional bias in financial and agricultural markets undergoing liberalisation and contribute to the design of more equitable and effective policies in interventions which focus on deregulation, and the development of well-functioning markets.

The weak supply response of small-scale economic operators, particularly women, to new price incentives may be partly due to the failure of economic reform programmes to address institutional constraints in financial and agricultural markets. This perspective is in line with the World Bank view that the creation of well-functioning markets requires not only deregulation but also the active promotion of fair competition (Stiglitz, 1998).

1. Financial liberalisation and financial sector reform

Financial liberalisation is concerned with macroeconomic aggregates (interest rates, savings and investment) and conditions in formal financial markets. Financial sector reform (FSR) policies complement financial liberalisation and include a broad range of measures aimed at improving the regulatory environment in the financial sector and the restructuring and development of financial sector institutions.

Few studies of financial liberalisation and financial sector reform trace the impact of policies on households or enterprises, much less their gender-differentiated impact. Financial liberalisation acts directly on formal sector financial markets but the majority of small-scale borrowers, savers and lenders in the least developed countries (LDCs) are engaged in informal sector transactions and are, thus, affected indirectly rather than directly. This is particularly true of women.

Financial liberalisation and financial sector reform policies are likely to have a gender-differentiated impact: there may be ways in which both men and women gain to varying degrees, or ways in which both lose out to varying degrees. In some instances, particularly where the available resource base is shrinking, gains by men imply losses to women, or *vice versa*. Also important is an analysis of changes to the regulatory environment and institutional rules and practices, which alter the terms of conditions of access to financial markets for men and women. Finally, micro-level responses to overall adjustment policy, conditioned by existing gender relations and inequalities, feed back into macro-level patterns of savings and investment and may have an effect on the outcomes of financial sector policies.

2. Gender issues in financial liberalisation

At the macro level, gender variables (e.g. composition of the labour force by sex) may have an association with or influence on aggregate investment and savings patterns. The allocation of credit between different sectors may have implications for gender-differentiated access to credit. For example, concentration of credit in manufacturing and cash crops, rather than services or food crops, creates an implicit bias against women's access in many countries.

At the meso level, gender may have a significant bearing on transaction costs and issues of imperfect information, which affect the functioning of financial markets. Women are disadvantaged not just by their limited property rights but also by their relatively low engagement in formalised economic activity and by social barriers to women's mobility and interactions with men, in some societies. This often leads to segmentation of markets along gender lines.

At the micro level, gender divisions of responsibility and labour and power within the household lead to gender-differentiated patterns of demand for financial services, and differing patterns of control over financial and other assets. Women's responsibility for day-to-day expenditures, combined with their weaker bargaining position, tend to make it harder for them to set aside savings and keep them separate. However, their responsibility for household budgets may afford opportunities for discreet accumulation.

3. Savings

There is some evidence that women have a higher propensity to save than men (Baydas, 1991: 18-19), if all forms of saving are taken into account. Even low-income women save regularly, holding back some of the household budget to accumulate reserves, often in the form of moveable property (e.g. jewellery) (Hilhorst and Oppenoorth, 1992). Women often save covertly. Given their relatively weak bargaining power within the household, women may not be able to resist encroachment on their reserves if these are kept in a disposable cash form.

In practical terms, the way in which savings instruments are defined and the terms and conditions of access may have implications for women and men. In particular, women's need to have regular access to savings in order to meet emergency household expenses may exclude them from using interest bearing deposit accounts. Women rarely accumulate large sums with which to purchase assets such as land.

4. Lending

Women and men are involved in financial markets as suppliers of credit, as well as borrowers (Baydas, 1991). This ranges from reciprocal lending to friends and family in cash or kind, to money lending by semi-professional money lenders, to agricultural trading (see Sarris and Shams, 1991; Baydas, 1991). Most women lenders supply credit to other women, suggesting a degree of market segmentation along gender lines. Women traders may have difficulty enforcing repayment from debtors as economic conditions worsen (Verstralen, 1995). Enforcement costs may also vary by gender with male creditors having better access to legal or extra-legal means of enforcing repayment.

5. Policy agenda

There is a growing consensus that reform and regulation of financial institutions, rather than interest rate policy alone, is the key to successful financial reform in LDCs. This provides scope for addressing gender biases in the financial sector (Box 4). When designing reforms, it is important to consult with appropriate stakeholders including associations of business and professional women active in more conventional financial markets and institutions, as well as managers and female clients of non-bank financial institutions (NBFIs).

6. Gender issues in agricultural market liberalisation

Sectoral policies for the liberalisation of agricultural markets fall into a number of main categories:

- Reform of the regulatory environment (i.e. increased competition, removal of entry barriers etc.).
- Reform of pricing regime (i.e. move away from administered prices to market determined prices).
- Cost saving measures associated with stabilisation (e.g. subsidy removal).
- Restructuring and privatisation of state marketing agencies.
- Measures for market development (e.g. market information systems, technical assistance to farmers on storage and grain quality etc.) (Jones, 1995: 552-3; Coulter, 1994).

Gender pervades marketing systems, although it is manifested in different ways according to the specific agro-ecological, historical, social and political context. Women and men are differently located in marketing systems as shown in Box 5.

7. Gender impact of agricultural market liberalisation

Women, whose scale of operations is on average smaller than men's, are less likely to have benefited from liberalisation policies. The distribution of benefits from agricultural market liberalisation has mainly favoured medium and large-scale commercial producers and large-scale private traders, or providers of support services to marketing (such as transporters).

8. Supply Response

Gender and other constraints mean that while farm households do switch from one type of crop to another, it is difficult to improve the supply of both food crops and export crops at the same time. For example, following agricultural market liberalisation in Tanzania, there was expansion of many export crops, but at the same time output of some major food crops fell (Bank of Tanzania, 1994).

The promotion of non-traditional agricultural exports (NTAEs) under agricultural liberalisation -- particularly high value horticultural products -- often involves major labour inputs from women and children. Effective marketing of these products relies on sophisticated information systems to monitor foreign consumer demand and price trends, and on air freighting to distant markets. Transnational corporations have privileged access to this market information.

The reasons for weak supply response have been much debated and a number of studies have highlighted gender issues in agricultural production systems as a key factor in explaining this. Women contribute the majority of labour to sub-Saharan agriculture and so the extent to which they are able to increase their labour input and productivity in agriculture is a determining factor in supply response. This is limited by three sets of constraints:

- Gender inequalities in access to productive resources which restrict the scale of women's activities.
- Rigidities in divisions of labour including demands on women's labour in the household, which limit the elasticity of female labour supply.

- Weak producer incentives to women who often are unable to retain control over the proceeds of their labour.

Box 4. Gender-aware financial reform

This requires:

Reform of banking, property and contract laws, including:

- Measures to improve linkages between formal and informal sectors.
- Regulation of non-bank financial intermediaries (NBFIs) that does not constrain their ability to serve women.
- Codification of alternative forms of security (including social collateral).
- Joint land titles on 'family farms' as a condition for loans to agricultural enterprises.

Reform of banking procedures, including:

- Management and incentive systems for outreach to women clients; staff training.

Support for Non-Bank Financial Institutions (NBFIs), including:

- Criteria for appraisal and monitoring to include outreach to women as well as financial performance.
- Priority lending to sectors with high female participation.

Monitoring and Evaluation, including:

- Data collection and reporting on the participation of men and women, repayment rates of men and women, control and use of loans by men and women.

Source: Elson, 1998.

Box 5. Gendered nature of rural commodity markets

Commodity	Women tend to trade in staple foods, cooked foods and beer, where production can be carried out at home. Men trade in a wide range of goods including major cash crops.
Location in the market system	Women are concentrated in small-scale processing and retailing, while men dominate wholesaling activities.
Organisational form	Women mainly run individual enterprises which are oriented to subsistence rather than accumulation.
Motivation	Women's trading is motivated by the need for regular income for household expenditure, rather than by profit/accumulation.
Territoriality and spatial mobility	Women tend to concentrate on local trading, because of restrictions on their mobility in public and their lack of access to transport. Men are more likely to trade in national and international markets.
By season	Women's trading is concentrated in rapid turnover activities in post-harvest

Source: Harriss-White, 1996.

SECTION VI

RECOMMENDATIONS FOR DAC MEMBERS

DAC Members can play an important role in promoting and supporting gender-aware economic policies and economic reform by:

- Strengthening the capacity of staff members to assess the impacts of development co-operation on different groups of men and women and to conduct gender-aware analysis of economic issues and policies.
- Ensuring that issues relating to gender and economic policy are included in all policy dialogues with partner countries, as well as in policy dialogues with other donors and multilateral organisations.
- Communicating to key national officials that gender inequality has a two-way link to economic growth — economic growth may facilitate a reduction in gender inequality, but reducing gender inequality can facilitate economic growth.
- Communicating that the potential benefits of gender-aware reforms, for both the country and women, will not be realised unless women have the power to take advantage of new opportunities.
- Supporting capacity-building in gender analysis of economic issues with partner governments at all levels, including with elected officials, staff of all ministries, and at the level of regional and local government staff.
- Strengthening capacity of civil society organisations in partner countries to undertake analysis of gender and economics issues.

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