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**FINANCING FOR DEVELOPMENT, GENDER EQUALITY,
AND THE FOLLOW-UP TO THE MONTERREY CONSENSUS**

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** The views expressed in this paper are those of the author and do not necessarily represent those of the United Nations.*

Background

The aim of the 2002 United Nations International Conference on Financing for Development held in Monterrey, Mexico was to discuss how to mobilize and channel financial resources to meet the various commitments that international community has agreed to over the period of years. Particular attention was paid to the 2000 Millennium Development Goals adopted just two years earlier. The intense global lobbying campaign and the presence at the meeting of representatives of civil society and women's organizations had ensured that among the many financial commitments that were promised was that to gender equality and the empowerment

2. Mobilization of International Resources for Development: Foreign direct investment and other private flows

In cases where the capacity of developing countries to mobilize domestic financial resources are constrained by their limited availability, foreign direct investment can most often turn out to be instrumental in expanding investment and generating employment for both skilled and unskilled workforce. Several studies have shown, however, that these positive impacts are gender-differentiated. Most foreign direct investment that flow into developing countries has been attracted by the possibility of labour-intensive manufacturing activities using low cost, less organized workers. These flows of foreign investment have undeniably increased the access of women in developing countries to paid work in the formal economy and later on increasingly to the informal economy – as part-time workers, subcontractors or homeworkers. Globalization, lower transportation cost, improved communication and advancement in

The phasing out of Multifibre Arrangement (MFA) at the end of 2004 meant that smaller developing countries that have in the past benefited from preferential quota for their textile and clothing exports now find themselves unfavourably exposed to the full force of competition in the global market, particularly from China. From the evidence thus far, the much-feared negative impacts have not yet materialized or at least not in a significant scale. The future, however, remain uncertain as the developed countries have started to impose temporary restrictions while developing countries are faced with the pressing need to upgrade the industry through increased workers' skills, updated technology and improved working conditions under the demand from fair-trade organizations.

For over a decade, Asia and the Pacific has enjoyed the highest growth rate in the world, its regional economy was expanding by more than 7 percent annually during 1990-2003. In the 1970s East Asia was at the forefront in terms of liberalization with average tariffs falling to 8 percent by 2000 while South Asia lagged considerably behind and only begun to accelerate in the 1990s with average tariff falling to 18 percent by 2000.⁴ Gender relations in the region has been strongly affected by this rapid trade expansion. In culture that restricts women's mobility, demand for their labour and the accompanied high wages may conveniently serve to encourage the ending of such 'economically inefficient' practice and subsequently result in increasing women's influence in household decision making.⁵ The income they now earned may have given women more independence but it is likely that the housework will also continue to be their responsibility which means that most women end up finding themselves having to cope with the double burden. Women 'face a 'time squeeze, spending more time at work, both in and out of the home, than men do.'⁶

In recent years, although international trade continues to expand for most countries of Asia Pacific, employment has not kept pace. In Southeast Asia, the rate of unemployment increased from 3.9 percent to 6.3 percent in the decade between 1993-2003, and in most countries, women's unemployment rates are higher than those of men. In this category, the countries of South Asia fare better than the rest of the region with employment remaining on the upward trend but it is probably because they continue to rely on traditional labour-intensive and natural-based industries.

4. Increasing international financial cooperation and technology for development

In case of countries that have been lagging behind in the progress towards the achievements of the Millennium Development Goals, it is necessary to have a substantial increase in the amount of development assistance. Donor countries are expected to commit to the target of allocating 0.7 percent of their Gross National Income to ODA. This theme of the Monterrey Consensus corresponds with Goal eight of MDGs – *Develop a Global Partnership for Development* - which covers several areas and targets including trade, finance, and sovereign debt. It also has strong gender implications.

The five-year review of the Millennium Development Goals generated progress reports on countries' achievements or lack thereof. Among the gaps and challenges that have been reported are the need for improved donor coordination and problems associated with aid dependency. An Asian Development Bank's study reported that in some countries of Asia

⁴ UNDP, Asia Pacific Human Development Report, 2006, p.3

⁵ The World Bank, World Development Report, 2006, p. 54

⁶ Ibid. p. 53

and the Pacific, donor-funded health programs are concentrated mainly in the more accessible provinces, causing the variation of provincial health indicators to widen. Evidence on gender-related activities of ODA is found for one country, Kazakhstan, where it was reported to represent only 1 percent of technical assistance given to the country. In the Philippines, the phasing out of USAID's support for contraceptives also means that new funding is needed for its reproductive health programs.⁷

In order to evaluate the gender implications of micro and macro economic policies, it is

