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GENDER EQUALITY AND THE CALL FOR AN INCLUSIVE MACRO-ECONOMIC FRAMEWORK

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EXECUTIVE SUMMARY AND DISCUSSION PAPER: THE SOUTH AFRICAN PERSPECTIVE



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**“GENDER EQUALITY AND THE CALL FOR AN INCLUSIVE MACRO-ECONOMIC
FRAMEWORK”: AN EXECUTIVE SUMMARY**

DELIVERED BY

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AFRICA**

1. Introduction

The purpose of this paper on “Gender Equality and the call for an inclusive macroeconomic framework” is intended to put into perspective the following:

- The intensifying call for an inclusive macro-economic framework
- Analyze theoretical underpinnings
- Unpack the emerging discourse on inclusive macro-economic framework
- Provide South Africa’s experiences in this regard, including the South African policy context, its gains and challenges
- Provide recommendations going forward

2. Conceptual Framework and theoretical underpinnings

It has been acknowledged globally that women’s contributions have changed and shaped development thought and practice. Thus the call for an inclusive macro-economic framework is more than just about “women and gender equality”. It is a demonstration of women’s ongoing contribution to new thinking in the face of current and emerging challenges.

Therefore within a contextual analysis we must understand that economics models itself on social phenomena, which are simplified versions of reality, and we must therefore question whether women’s realities are really influencing the conceptual economic model. It will also be imperative therefore to ask how women’s realities of class differences, race, gender roles and responsibilities, poverty levels and economic status will influence changes to such a model.

An inclusive macro-economic model will therefore build on the concept of inclusive growth – i.e. how the greater populace can actually engage in aggregate growth and how government policy can both directly and indirectly have beneficial effects and

impact to all. This would mean that policies within the areas of education, health, basic services, basic infrastructure, agricultural productivity and issues addressing violence especially against women, children and other vulnerable groups are taking on board the considerations of all. The shift to inclusive growth should be an earnest endeavour to address inequalities and inequities.

Inclusive growth can also be seen as enlargement and broadening of opportunities, capabilities, access and security. Will the economic framework afford the generation of more and varied ways for people to earn a sustainable livelihood? Is the economical framework enabling for people to enhance their capabilities and skills and therefore empower themselves? Will the economic framework allow for more access to opportunities and capabilities and ensure that there is protection against temporary or permanent loss of livelihoods. These remain the fundamental questions by which we can assess the present economic models towards an inclusive framework.

There are also calls for shifts from pro-poor growth to inclusive growth. The tendency of analyzing pro-poor growth as being growth alone in terms of increases in per capita income means that there is less concentration on increasing the standard of living of the people. This results perhaps in what is termed exclusive growth which results in prosperity in the middle of poverty. This type of economic model will therefore not necessarily address poverty reduction. What an inclusive macro-economic model will do is to include and extend pro-poor growth, which will obviously be good for a large majority of people in developing countries and will more likely be economically and politically sustainable. Three macro-economic policies that have an impact for inclusive macro-economic models, which have been identified by some economists, include fiscal discipline; fair taxation and redistribution system; and a business-friendly exchange rate.

However, we need to be cognizant of the effect on economic models by issues such as the persistence and ongoing maintenance of patriarchal hierarchies with the incorporation of women into the paid labour markets. Traditional gender norms and stereotypical thinking may not be duly challenged within labour markets. Wage gaps and wage differentials may persist, and the tendency of the labour market to remain

skewed towards men, are factors that will continue to negatively impact an inclusive economic model.

Furthermore, the gendered division of labour and women's primary reproductive role, together with institutionalized and structured gender inequalities shapes economic outcomes. Issues such as the paid and unpaid work of women, the different interests of women and men; different opportunities for and capabilities of women and men as well as differential access by women and men will all have impact on economic models and economic outcomes.

The argument that is being brought forth by this paper is that the conception of an inclusive macroeconomic framework while premised on the structural faults within economic structures and systems goes beyond economic aspects. It seeks to address the societal ills challenging sustainable futures. It is therefore not just about women earning the same as men, nor about developing countries aspiring to be like developed countries. Rather it is about embracing principles of equality and justice to inform new ways of thinking and doing for a sustainable universe and future.

Thus the conceptual framework for gender equality and the call for an inclusive macroeconomic framework should be based on social justice and recognizes the centrality of women's roles in national wealth creation and in both paid, labour market activities and in unpaid reproductive labour in the home and community. Non-marketed equals non-economic. The economic model must be able to include unpaid work of women in the calculation of Gross Domestic Product (GDP).

The 2008-9 financial and economic crises, the devastating effects of climate change and a deepening food and energy crisis are the key driving forces for bringing urgency and intensifying the call for changing existing economic orders. The current models do not favour women's empowerment and economic independence. Women continue to remain poor and vulnerable, and poverty continues to bear the face of women. This is what we increasingly refer to as the feminization of poverty.

The global call has been for the development of physical infrastructure especially in rural areas, increasing investments in education especially of the girl child, investment in women's health and other social sectors, but above all the need for social protection floors. Furthermore policies to mitigate against the adverse effects of these crises must be developed and implemented.

However the call for engendered macro-economic frameworks goes even earlier than the financial crisis. Women all over the world have recognized that gender-blind macro-economic theory has been shortchanging them by excluding them from mainstream economic activities, taking for granted their contributions in the home and community to the economy and hampering their development and advancement overall.

3. The India-Brazil-South Africa (IBSA) Women's Forum

At a global level, recommendations for South-South cooperation and triangular development cooperation was promoted as being significant and effective tools for enhancing financial and technical assistance for countries with special needs. In this regard, the IBSA trilateral development initiative between India, Brazil and South Africa is one such good practice. In 2007, women from the three development partners came together to form the IBSA Women's Forum in recognition of the weakening South-South women's movement and the need to revive it. The Forum conceded that there were still challenges for women in these countries in terms of entering the mainstream economy and in other critical institutional linkages. Hence the Forum was envisaged as a critical structure for people to people contact that builds on sharing and learning from each other, and crucial for furthering partnerships between government and non-governmental organizations. The key focus was on poverty eradication.

In October 2007, the IBSA Women's Forum called for an inclusive macro-economic framework that makes visible and values the centrality of women's contribution to the development of the economies of the three countries. This Women's Forum was welcomed by the three Heads of State and reaffirmed their commitment to the promotion of gender equality and women's rights.

In 2010, the IBSA Women's Forum launched its publication entitled: "Towards an Inclusive Macro-economic Framework: a South-South Feminist Approach".

4. The South African Policy Context

In South Africa, the concept of inclusivity forms one of the cornerstones of the Constitution and its Bill of Rights. It is encapsulated in legislation and policies and is informed by centuries of struggle for liberation against oppression, subordination and exclusion. The many successes that South Africa enjoys can be attributed to the country's attempts to interweave equality with the overarching ideal of building a fully inclusive society where the rights of all are regarded as inalienable. In the Promotion of Equality and Prevention of Unfair Discrimination Act, 2000, *de jure* and *de facto* equality is guaranteed for all.

In addition, South Africa is signatory to a number of global and continental frameworks, protocols and instruments which further enables the country to attain its human rights objectives, creates an enabling and stable environment for women and gender-sensitive budgeting. However, as with most countries, the challenge remains that of effectively implementing and operationalizing these ideals.

While South Africa has shown remarkable progress with representation of women in political and decision-making levels, it remains imperative that the country moves beyond numbers towards qualitative redistributive justice for inclusive growth and development. In other words, South Africa and the Ministry for Women, Children and People with Disabilities is prioritizing the issues of quality of life and sustainable well-being of women, and other vulnerable and marginalized groups. This is to ensure enhanced access to development opportunities for women, children and people with disabilities. In this regard, one of the priority focus areas for the Ministry is therefore to fast track the integration of equity measures into government's programme of action and the 10 priorities with its 12 outcomes that Government has identified for 2009-2014.

South Africa faces a challenge of growing socio-economic inequality between women and men. This remains a serious cause for concern for Government. Thus there is the call for urgent solutions.

5. Recommendation

A strong recommendation emerging from the paper is the need for collaboration towards shaping a new paradigm for development. Deepening the Commonwealth Plan of Action for Gender Equality 2005-2015 through this Mid Term Review is necessary to focus the remaining five years towards the delivery of an inclusive agenda. Areas could include addressing identified gaps such as the development of economic and gender indicators to include issues of sustainable livelihoods for the poor. It must also take cognizance of the issue of unpaid work by women; the incorporation of gender justice and gender democracy in macroeconomic frameworks.

6. Conclusion

This paper has attempted to unpack the underpinnings and rationale behind the call for an inclusive macro-economic framework. This call is premised on the emphasis that exclusion, discrimination, disempowerment, entrenchment and institutionalization of sexism and patriarchy and gender inequalities can no longer be accepted by, nor be sufficient for the women of the world.

**GENDER EQUALITY AND
THE CALL FOR AN INCLUSIVE MACROECONOMIC FRAMEWORK**

Discussion Paper: The South African Perspective

Prepared for the
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7-9 June 2010, in Barbados

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TABLE OF CONTENTS¹

1. INTRODUCTION	2
2. CONCEPTUAL FRAMEWORK AND DEFINITION OF TERMS	3
3. BACKGROUND ON THE CALL FOR A GENDER INCLUSIVE MACROECONOMIC FRAMEWORK	6
3.1 The 2008/9 Financial and Economic Crisis	6
3.2 Engendering Economic Policies in a Globalizing World	7
3.3 The India Brazil South Africa (IBSA) Women's Forum	8
4. THE SOUTH AFRICAN POLICY CONTEXT	10
4.1 Legislative Framework for Equality	10
4.2 South Africa's Macroeconomic Framework	13
5. CALL TO ACTION: PROPOSALS AND RECOMMENDATIONS	15
6. CONCLUSION	16
7. REFERENCES	17

¹ Paper written by Ms. Vuyo Mahlati, a South African National Planning Commissioner, at the request of the Ministry for Women, Children and Persons with Disabilities.

1. INTRODUCTION

Women fought for the right to vote, they got it. Women fought for representation in decision making, significant progress has been made. But the struggle for equality, social and economic freedom continues. Not just for women, the majority of whom constitute the poorest of the poor and marginalized. But all those who remain structurally and systematically excluded and disadvantaged by the global economic system and its macroeconomic frameworks. In his 3 June 2009 State of the Nation Address, President Jacob Zuma reiterated his 9th May 2009 Presidential inauguration commitment to the South African people and the world that:

“For as long as there are South Africans who die from preventable disease;
 For as long as there are workers who struggle to feed their families and who battle to find work;
 For as long as there are communities without clean water, decent shelter or proper sanitation;
 For as long as there are rural dwellers unable to make a decent living from the land on which they live;
 For as long as there are women who are subjected to discrimination, exploitation or abuse;
 For as long as there are children who do not have the means nor the opportunity to receive a decent education;
 We shall not rest, and we dare not falter, in our drive to eradicate poverty.”

In addressing these issues, government identified 10 priority areas, which form part of the Medium Term Strategic Framework for 2009 to 2014. These commence with economic growth and transformation for the creation of decent jobs and sustainable livelihoods. Significant here is the statement that “[i]n line with our undertakings, we have to forge ahead to promote a more **inclusive economy**” (www.presidency.gov.za). Addressing the Progressive Women’s Movement of South Africa (PWMSA) on 14 August 2009 in Johannesburg, President Zuma reminded us that

The establishment of a democratic South Africa gave birth to a new era which advocates for equal participation of women in political and social issues... women have proven their worth in many fields that contribute towards the growth and development of our country... However, women empowerment and gender parity is not only about numbers. It is about ensuring that women make a meaningful contribution in society wherever they are deployed, and that the space is opened up for them to make a difference.

This paper is intended to put into perspective the intensifying call for an inclusive macroeconomic framework by women activists in South Africa and globally. Its purpose is to analyze the theoretical underpinnings and unpack the emerging discourse, as it describes the driving agenda and key milestones critical for formulating South Africa-specific proposals for local and global action. The following sections commence by deepening the understanding of key concepts followed by a description of the South African policy context highlighting gains and gaps. The last section presents a summary of recommendations.

2. CONCEPTUAL FRAMEWORK AND DEFINITION OF TERMS

“The crumbling orthodoxy invites new thinking”

Economic Development Minister E. Patel, 23 March 2010, South African Parliament

Devaki Jain (2005), a renowned development economist and activist has shown in her book how women’s contributions have changed and shaped development thought and practice at the United Nations (UN), and thus worldwide. The call for an inclusive macroeconomic framework by this paper is therefore not just about “women and gender equality”, but a demonstration of women’s ongoing contribution to new thinking in the face of a crumbling orthodoxy. The formulation of the conceptual framework in this section briefly revisits the theoretical underpinnings of this problematic economic orthodoxy. Varian (1996:18) asserts that “[e]conomics proceeds by making models of social phenomena, which are simplified representations of reality”. The question is whose reality influenced the design of the current problematic economic models? And whose reality will influence change?

The proposals for an inclusive macroeconomic framework build on the conception of “inclusive growth”. The India 2039 Vision report by Centennial Group (CG 2009:34) indicates that

Inclusive growth has become a leitmotif of the policy discourse in the past few years – not only in India but also in other developing countries. The shift to inclusive growth marks a broadening of concerns about inequality. The focus has been on how the excluded groups can participate in aggregate growth - that is, how can government policy, directly and indirectly bring the benefits of growth to all. This takes policy discussions to the domains of education, health, basic infrastructure, agricultural productivity, basic urban services and so on.

To Subir Gokarn²(2007) 'inclusive growth' is a process, in which, economic growth, measured by a sustained expansion in GDP, contributes to an enlargement of the scale and scope of the following four dimensions:

- a. **Opportunity:** Is the economy generating more and varied ways for people to earn a living and increase their incomes over time?
- b. **Capability:** Is the economy providing the means for people to create or enhance their capabilities in order to exploit available opportunities?
- c. **Access:** Is the economy providing the means to bring opportunities and capabilities together?
- d. **Security:** Is the economy providing the means for people to protect themselves against a temporary or permanent loss of livelihood?

² A Chief Economist at Standard & Poor's Asia-Pacific. Presentation to the 8th Dr. R. L. Sanghvi AMA Endowment Lecture, titled 'Inclusive Growth in India: Dream or Reality?' delivered at the Ahmedabad Management Association, on December 6, 2007.

Birdsall (2007) also argues that

Growth that is shared—so-called inclusive growth—is now widely embraced as the central economic goal for developing countries. But definitions and empirical characterizations of inclusive growth vary widely (p1).

Brisdall’s focus however is on the missing middle class in low-income countries. She calls for a shift from pro-poor growth to inclusive growth. According to her in the past several decades, pro-poor growth emerged as a gentle counterpoint to a singular concern with growth alone (measured in terms of increases in per capita income), while implicitly recognizing that growth, if not always sufficient for poverty reduction, is almost certainly necessary. “Inclusive growth includes and extends pro-poor growth, on the grounds that growth that is good for the large majority of people in developing countries is more likely to be economically and politically sustainable”. She identifies three macroeconomic policies that matter for inclusive growth as fiscal discipline; a fair tax and redistribution system, and a business-friendly exchange rate. There is however concern regarding the limitations of these policies beyond income for a few, as their exclusive nature (attributed to the neoliberal paradigm) is viewed to perpetuate institutionalized poverty and inequality. Kakade & Bhau (2006:2) highlight that “till 90’s the policies of developing countries were concentrated only on raising the income rather than raising the standard of living of the people. This has resulted into exclusive growth which created islands of prosperity in the midst of abject poverty”.

Theoretically the inclusive macroeconomic framework challenges the neoliberal paradigm particularly neoclassical growth models that include Robert Solow’s growth models (Braunstein (2007) and Sloman’s (1997) static macroeconomic circulation model. Braunstein (2007) highlights the shortfalls of attempts to link equity and growth within the “neoclassical intuitionist paradigm”. These include maintenance of patriarchal hierarchies with incorporation of women into the paid labour market in ways that do not unduly challenge traditional gender norms, with high and persistent wage gaps (2007:22). In this regard she cites Amsden’s (1989) example of South Korea which was able to maintain a competitive labour-intensive sector along with a highly paid male labour aristocracy by keeping wages in female-dominated export industries low. Of significance Braunstein, (referring to Walters 1995) asserts that

Structures of gender inequality, rooted in the sexual division of labour and women’s primary responsibility for reproductive sector, shape economic outcomes. Gender becomes an important analytical variable in and of itself. So instead of focusing solely on workers and capitalists, the distribution of income between women and men has macroeconomic effects on aggregate demand, savings, investment and growth. It is essential to note that this is not about adding a neoclassical micro foundation of sex-specific preferences and endowments to a structuralist macro model. Women and men have different interests and opportunities because of their different *institutional* positions in sites like family and the labour market (2007:17).

Exclusion, discrimination, disempowerment and the entrenchment of inequalities is thus central to the critique of neoliberalism. Harver (2005) states that neoliberalism is a means to restore power to the rich and make the poor poorer. Neoliberal policies although blamed for the failed Washington Consensus (Williamson 1990), continue to drive the global economic systems and economic policies of both developed and developing countries. The concern centres on the nature and narrow definition of its policies and strategies which include privatization with reduced social spending, compromised affordability and access to the poor, commoditization, financialisation, the management and manipulation of crises and state redistributions (Harver 2005). A contributing factor to the exclusion and disempowerment of the deprived is the financialisation of the global economic system. Financialisation has severely affected the developed countries, and is also blamed for the catastrophic 2008/9 global financial crisis that has been detrimental to the developing countries. According to Foster (2007) “financialisation” refers to the shift in the weight of economic activity from production to finance.

The critique of the neoclassical growth model extends to the exclusion of the environment and the emerging voices of ecological economists. Ayres et al (1997) indicate that the neoclassical theory of economic growth has been used to argue that there are no environmental limits to growth. Their critique of the standard growth theory is based on its assumption that substitution and technical change can effectively decouple economic growth from resources and environmental services. Thus the call for inclusivity should be driven by the sustainable development focus and goal.

The argument carried by this paper is that the conception of an inclusive macroeconomic framework while premised on the structural fault in the economic structure and system, stretches beyond economic aspects, to address the societal ills for a sustainable future. In other words, it is not just about women earning the same as men, nor developing countries aspiring to be like developed countries. It is about embracing the principles of equality and justice to inform new ways of thinking and doing that contribute to the harmony and sustainability of our universe. The call for action therefore touches everyone everywhere.

Therefore, the conceptual framework for gender equality and the call for an inclusive macroeconomic framework should have as its basis: i) *gender equality as a social justice and equality agenda-setting imperative* that sets the core values and standards of local and global societies; and ii) *the recognition of the centrality of women's role* to national wealth, social stability and reproduction. Critical is women’s labour market participation and performance in market and non-market institutions: i.e. in production, household reproduction and community management. Collas-Monsod (2007) points to the invisibility of women as their unpaid work and household production is excluded from the Gross Domestic Product (GDP). She emphasizes that “non-marketed equals non-economic”. She further points to the United Nations System of National Accounts (SNA) production boundary that was expanded to include household production of goods (as well as water-carrying, at the insistence of developing countries), but still excludes non-marketed services. The discussion in this section is designed to emphasize that conceptualization of an inclusive macroeconomic framework should thus be based on a deeper meaning (not narrow) of inclusive development and gender equality.

The Economist's *Dictionary of Economics* (www.economist.com) defines macroeconomics as “the study of whole economic systems aggregating over the functioning of the individual economic units...it is the study of national economies and the determination of national income”. Gender equality for the United Nations Development Programme (UNDP 2007) is about equal rights, responsibilities and opportunities of women and men and girls and boys. Gender equity on the other hand is defined as the process of being fair to men and women. “To ensure fairness, measures must often be put in place to compensate for the historical and social disadvantages that prevent women and men from operating on a level playing field. Equity is a means-equality is the result” (p4).

3. BACKGROUND ON THE CALL FOR AN INCLUSIVE MACROECONOMIC FRAMEWORK

3.1 The 2008/9 Financial and Economic Crisis

The Association for Women's Rights in Development (AWID) indicates that “the interlocking of the financial crisis, a global economic recession, the devastating effects of climate change and a deepening food and energy crisis represent the most significant shift in the global political context since the beginning of the century” (www.awid.org). To women activists however, the 2008/9 crisis and its impact while devastating is viewed critical for bringing urgency and intensifying the call for co-operation in changing the economic order. At the 53rd session of the United Nations Commission on the Status of Women (UNCSW) in New York, March 2009, a Financial Crisis Theme was introduced (www.un.org, Mahlati 2009). This was based on the concern over the impact of the financial crisis on women, the poor and vulnerable. Women's rights advocates, organizations and movements used the space to create awareness, mobilise and engage towards working together. Emphasis was on collaborating with actors from other social movements to promote responses to the crisis promoting an approach that puts human rights, (women's rights in particular), at the core. Devaki Jain, led a discussion entitled: *Turning the global economic crisis into opportunity: Women's Ideas*, in which she called for the redefinition of what progress is and how the GDP is to be composed. On November 1, 2009 AWID launched a series of briefing papers on the impact of the crisis on women's rights from sub-regional perspectives. These were designed to inform development debates and responses to the crisis. The series included a cross-regional and global analysis discussed at the UNCSW 54th session in March 2010 (www.awid.org.za). Of critical importance in both state and civil society discussions was the centrality of UN Reform particularly Gender Architecture and Financial Institutions Reform in economic recovery discussions.

Action was evident in various structures of the UN, particularly UN Development Fund for Women (UNIFEM) and the UNDP Gender team. Other UN agencies included the Economic and Social Council (ECOSOC) with focus on Rethinking of the Global Development Architecture. To this end the Economic and Social Commission for Asia and the Pacific (ESCAP) established a **Committee on Macroeconomic Policy, Poverty Reduction and Inclusive Development**. The first session of the Committee was held in Bangkok from 24 to 26 November 2009. Its “Call for Action” focused among other things on the “Impact of the economic crisis on poverty and

inclusive development: policy responses and options”. The Committee recommended a comprehensive and well coordinated approach to address the impact of the crisis:

(a) At the national level, for dealing with current as well as future economic crises, the Committee recommended the development of physical infrastructure, particularly in rural areas, investment in education, health and other social sectors and, above all, the development of comprehensive social protection systems;

(b) At the regional level, the Committee recommended that the secretariat strengthen its efforts with regard to the sharing of experiences on the effectiveness of measures being employed to deal with the adverse impact of the financial and economic crisis and, in that regard, suggested that the *Economic and Social Survey of Asia and the Pacific 2010* include policy options to mitigate the adverse impact of the crisis.

Of significance was the Committee recommendation that South-South cooperation and triangular development cooperation be promoted as effective tools for enhancing financial and technical assistance for countries with special needs in the region. It was also recommended that the secretariat compile and disseminate good practices in poverty alleviation, and initiatives related to universal access to affordable basic health and education services, while successfully addressing the cost implications for fiscal balances. Recognizing the importance of the agriculture sector in most countries of the region for sustaining the livelihood of the bulk of populations, the Committee recommended that Governments allocate more resources to the development of the agriculture sector, particularly for research and extension services (ESCAP 2009:4).

The **Women's Working Group on Financing for Development (WWG on FfD)** made a call on April 27, 2009 for structural, sustainable, gender equitable and rights based responses to the global financial and economic crisis. This was a response to the April 2009 G-20 decision to replenish International Monetary Fund (IMF) resources viewed to be deeply flawed as it perpetuates failed neoliberal economic policies, reinforces structural inequalities, will increase developing country indebtedness, and is based on an overproduction and overconsumption model that ignores social reproduction and sustainability of the resources of the planet (www.un.org).

It is however important to stress that the call for a macroeconomic framework particularly by women activists did not start with the financial crisis. The sections below highlight some critical initiatives and milestones.

3.2 Engendering Economic Policies in a Globalizing World

The drive to engender economic policies in a globalizing world is based on the recognition that *gender-blind macroeconomic theory is shortchanging women by excluding or taking for granted their contributions to society and economy*. As a contribution in addressing this, the Heinrich Böll Foundation in Berlin and in Washington, DC organized a Summer School in 2007. Its purpose was to assist participants with the understanding of the adverse effects of economic policies on the world's poor people, a majority of whom being women. The objective included

envisioning a feminist concept of macroeconomic policy which links sustainable economic growth, a country's right to its own path of development, social equity and gender justice. The intention is to find an alternative to the orthodox economic model of fiscal austerity and export- and foreign investment-led growth. This initiative builds on prior efforts to engender economic policies. These include the *Gender and Macro International Working Group (GEM-IWG)*, an international network of economists that was formed in 1994 for the purpose of promoting research, teaching, policy making and advocacy on gender-equitable approaches to macroeconomics, international economics and globalization (www.econ.utah.edu).

Another important formation is the *Casablanca Dream Group* which was formed in Casablanca, Morocco in 2007, led by Professor Fatema Memissi under the auspices of Synergie Civique. The founding activists include Devaki Jain, Diane Elson (Sociology Professor in England), Hope Chigudu (Professor at the University of South Africa, at the time Chairperson of Urgent Action Fund-Africa, USA), Yassine Fall (Senior Economic Advisor UNIFEM Senegal). Of significance is that the team comprised of Mrs. Zanele Mbeki (Founder and Patron of the South African Women in Dialogue – SAWID). According to its website (www.casablanca-dream.net) the Group focused on “Getting the Fundamentals Right: Women, Water and Wealth”. Its starting point was that: i) The women's movement in the South has made progress with big successes; yet the poverty of women is still increasing; ii) Theory, institutions, practices, policy need a revision, reconstruction, remodeling in the context of or in response to the terrible condition of those who are hungry - who lack the fundamentals. The Group's entry point has been

- Women's work and macroeconomics: How to make women's contribution to the economies visible, how to re-shift the risk from the poor women's shoulders, how to change macroeconomic decisions in favour for women's well-being and wealth;
- Women and the privatization of basic needs: Worldwide, especially poor women are suffering of water scarcity. Access to clean water is a human right. Yet, water privatization in less developed countries is spreading with disastrous effects on the life of women. We see it as a crime against humanity. Focus is on assessing and rebuilding.

The proposals for turning the global crisis into an opportunity centre on:

- Deconcentrating economic and political power
- Reorganizing the regulatory mechanisms and financial institutions
- Stimulate public investment in spread-out job creation

3.3 The India Brazil South Africa (IBSA) Women's Forum

IBSA is a trilateral development initiative between India, Brazil and South Africa to promote South-South cooperation and exchange (www.ibsa-trilateral.org). On the 23rd of August 2007 in Cape Town, a meeting facilitated by the former Department of Foreign Affairs (now Department of International Relations and Cooperation) took place to discuss the participation of women in IBSA. This followed a concern raised by women to the Department. The discussions took advantage of the visit by the Honorable Mrs. Sonia Gandhi, Leader of

India's Congress Party, who led an Indian Delegation to South Africa. Mrs. Gandhi, accompanied by the Minister of State and the Indian Ambassador to South Africa met with the South African Delegation.

The two delegations viewed the formation of the IBSA Women's Forum as a revival of the South-South Women's Movement recognizing that has weakened. While they applauded achievements and advancement in terms of women's issues (vote and democratic inclusion at political level), they conceded that entry into mainstream economy and other critical institutional linkages, have not met expectations. The meeting viewed the formation of IBSA Women's Forum as critical for People to People Contact that builds on sharing and learning from successful practices within IBSA countries. It also emphasized the crucial partnerships between government and non-governmental organizations (NGOs) for particularly poverty eradication. But consultations with Brazil had to commence first, including in all three countries with key stakeholders. The Minister of the Special Secretariat of Policies for Women in the

Presidency, Brazil took the lead in mobilizing stakeholders in Brazil. In India the Ministry of Women Affairs worked in close collaboration with Ministry of State with participation of NGOs. In South Africa the Minister in the Presidency worked in close collaboration with the Department of Foreign Affairs, Commission on Gender Equality (CGE), and Civil Society (Women's Formations) and the Independent Development Trust (IDT, a state entity).

On 14 – 15 October 2007, the first Women's Roundtable for Dialogue towards the formulation of IBSA Women's Forum Agenda was held in Johannesburg, South Africa, with participation of India and Brazil. Of significance is that the IBSA Women's Roundtable Declaration on 15 October 2007 called for "an inclusive macroeconomic framework which makes visible and values the importance and centrality of women's contribution to the development of our economies". The Women's Forum agenda recognized the obstacles to women's rights and gender equality such as poverty, violence against women, HIV and AIDS, skills and limitations on women's sexual and reproductive rights. It emphasized that at the centre of the problem is patriarchal culture, the macroeconomic policies, budgets and trade agreements that further entrench the adverse conditions. The women's plea was not in vain. The Tshwane IBSA Summit Declaration by the three Heads of State on 17 October 2007 (www.ibsa-trilateral.org) stated that

The leaders welcomed and fully supported the launch of the Women's Forum which strengthens participation of women in IBSA and recognized the fundamental contribution of women in the social, cultural and economic development of India, Brazil and South Africa. They reaffirmed their commitment to the promotion of gender equality and women's rights.

The following IBSA Women's Forum gathering was held in New Delhi, India in October 2008. Discussions focused on sharing lessons culminating into the affirmation of the Women's Forum agenda with the three governments signing a Memorandum of Understanding at the 2008 IBSA Summit. In Brasilia, Brazil April 2010 the IBSA Women's Forum launched the publication, *Towards an Inclusive Macroeconomic Framework: a South-South Feminist Approach*, a compilation of discussions and papers delivered at the Women's Forum's 2008 Seminar in Brasilia. The 2010 Brazil Forum was the first IBSA Women's forum since the introduction of South Africa's Ministry of Women, Children and Persons with Disabilities, and as such Minister Noluthando Mayende-Sibiya led the delegation.

4. THE SOUTH AFRICAN POLICY CONTEXT

4.1 Legislative Framework for Equality: Women's Rights = Human Rights

The conception of inclusivity as encapsulated in legislation and policies of democratic South Africa is informed to a large extent by centuries of the struggle for liberation against oppression, subordination and exclusion. In 1994 South Africa became a constitutional democracy, founded on the rule of law, the advancement of human rights and the principles of non-racialism and non-sexism. These principles drew strongly from the Freedom Charter adopted at the Congress of the People, Kliptown, Johannesburg on 26 June 1955. The Charter commences by stating that

We, the People of South Africa, declare for all our country and the world to know:

that South Africa belongs to all who live in it, black and white, and that no government can justly claim authority unless it is based on the will of all the people...

Every man and woman shall have the right to vote for and to stand as a candidate for all bodies which make laws.

It was thus instructive that President Zuma's address to PWMSA in 2009 referred to the Charter. He highlighted that "fifteen years since the advent of democracy, government has made significant strides to ensure the emancipation of women as stated in our Freedom Charter and as demanded by the women of 1956". Indeed women in political and decision making had advanced to the point of world recognition with South Africa as one of the top performers. The Republic has currently 40% women in cabinet, (down from 44.8%), 44% women in parliament, (up from 33%), 30% women in the National Council of Provinces (down from 40%), and 40% representation of women elected into local government level (www.gov.za).

These successes can be attributed to the country's attempts to interweave equality with the overarching ideal of building a society where the equal and inalienable rights of all men and women, regardless of race or other distinctions, are accepted and upheld by the law. This approach draws from the fundamental principles of the:

- Bill of Rights of The Constitution of the Republic of South Africa, 1996; and
- Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act 4 of 2000): The Act defines equality as “the full and equal enjoyment of rights and freedoms as completed in the Constitution and include *de jure* and *de facto* equality and also in terms of outcomes”.

These are further enabled by continental and global frameworks and protocols. They include Beijing Platform of Action and the Convention on the Elimination of Discrimination against Women (CEDAW). Other relevant protocols include the 2008 SADC Gender and Development Protocol, and the African Union (AU) Protocol on the Rights of Women in Africa ratified by South Africa. The AU Protocol sets forth a broad range of economic and social welfare rights for women. It is further enhanced by the AU Gender Policy adopted by AU Ministers of Gender in 2008 December in the Kingdom of Lesotho. The latter emphasizes the creation of an enabling and stable environment for women and gender-sensitive budgets.

The challenge however is in the operationalization of these ideals. That is, “moving beyond numbers” (how many women in positions?) to qualitative redistributive justice for inclusive growth and development (quality of life and sustainable wellbeing). On 16 April 2010 the Minister of Women in her budget speech highlighted the urgency of integrating gender equity measures into the government’s programme of action and ensuring that women, children and persons with disabilities can access development opportunities. She also made reference to the development of the Gender Equality Bill and the 50/50 gender parity campaign. This is a welcome announcement as there are still many obstacles faced. South Africa’s Business Women’s Association (BWA) 2010 Census highlighted that while women constitute half of the working population, they constitute less than a quarter of decision makers. The figure below provides a historical overview of women corporate leadership since 2004.

Figure 1: SA Women in Leadership Positions: Historical Overview

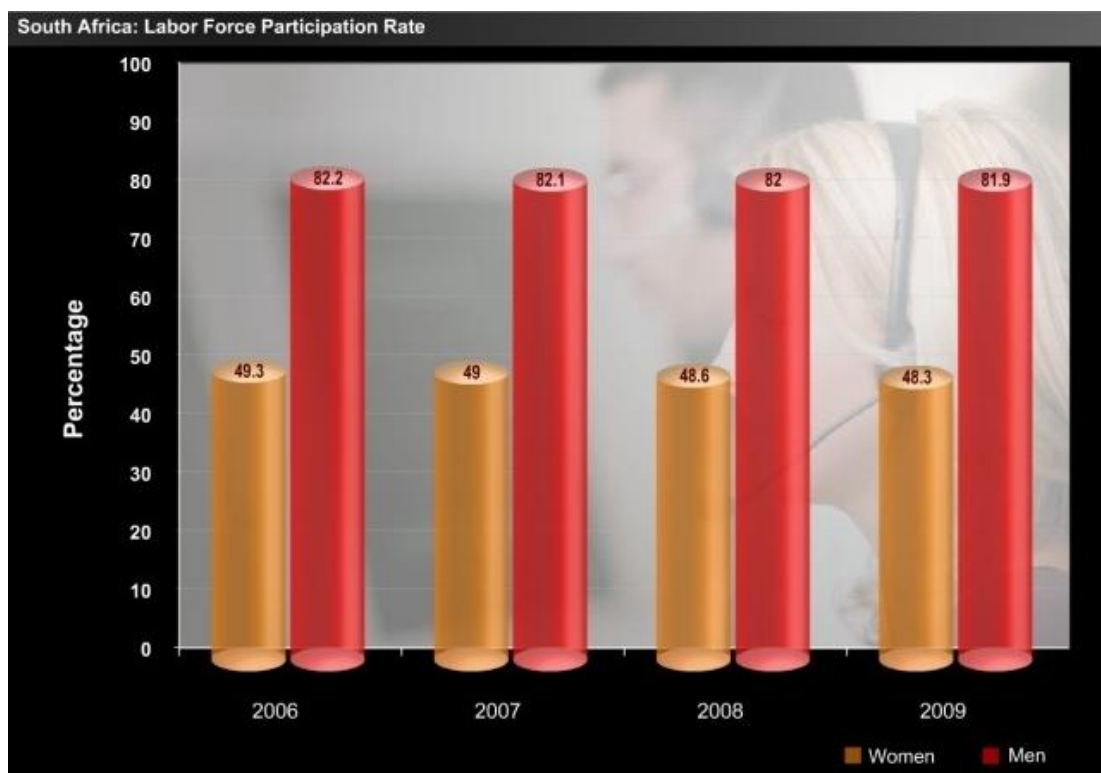


Source: BWA (2010)

The women corporate leadership trends point to the institutionalized racial and gender/class dimensions that cannot be ignored. This refers to inequalities within women and highlights limitations and gaps in the country's intervention strategies. For example figure 1 above indicates that of the 2827 women executives in the census 62.0% are white and 25.7 are black with colored 6.1% and Indian 5.8% (BWA 2010 Census). Alignment with demographics is better in the public sector where black women at senior level within government departments are well represented (average 60%) in relation to their white counterparts. However when compared with men, representation of women in management in the public service becomes worrisome, as it stood at 34% in March 2008.

The class dimension on the other hand is exacerbated by the deepening and feminization of poverty, HIV and AIDS and the financial crisis. The complicating factors include ownership of assets, capabilities, access to resources and opportunities stunted by low literacy levels and the low status of women in society culminating in them operating at the margins of the economy. The 2009 Mastercard Worldwide Index of Women's Advancement supports this view indicating that socio-economic inequality between women and men in South Africa is increasing. A critical indicator highlighted by figure 2 below is the labour force participation rate (www.masterintelligence.com).

Figure 2: South Africa Labour Force Participation Rate



Source: www.masterintelligence.com

While South Africa worked hard to establish a progressive legislative framework for equality, the persisting inequality and exclusion of the majority of South Africans is a serious cause for concern and hence the call for urgent solutions. The section below briefly discusses the macroeconomic framework.

4.2 South Africa's Macroeconomic Framework and Persisting Inequalities

The South Africa's policy context is primarily driven by local and global imperatives and opportunities. Central is the need to redress systematic dispossessions and exploitation (a legacy of colonialism and apartheid), as well as patriarchy with regard to race/gender/class inequality, territorial rights and the right of access to productive resources, particularly land reform and basic services delivery. This occurs in a space of the struggle for global competitiveness with the country asserting itself as a valued player globally. South Africa, like all African countries, has the added responsibility of penetrating crucial decision making platforms for affirming Africa's development agenda and global positioning. These priorities while logically aligning can sometimes (if not often) result in conflicting strategies and skewed deployment of resources. Very often it is the very same targeted beneficiaries (poor dispossessed and exploited Africans, majority of whom are women) that end-up compromised when such choices are made. The introduction of the Growth, Employment and Redistribution strategy (GEAR) in 1996 was such a choice. It followed the Reconstruction and Development Programme (RDP), formulated in 1994, drawing from the Freedom Charter and a build up from the ruling African National Congress (ANC) manifesto for "a better life for all". RDP was emphatic on the redistributive justice agenda. However RDP became a good philosophy that lacked a clear operational framework.

The introduction of GEAR commenced with a redefinition of priority areas and emphasis, with policy positions that borrowed strongly from the neo-liberal perspectives. The GEAR strategy (www.treasury.gov.za) emphasized fiscal discipline aimed at reducing budget deficit, inflation targeting, state asset restructuring with public sector downsizing, as well as focus on global competitiveness with trade liberalization. The key elements of redistributive policies focused on:

- Land reform
- Delivery of housing
- Reform of water rights
- Infrastructural development, and
- Meeting energy requirements

GEAR as a macroeconomic framework resulted in policies that adopted growth-oriented strategies with the poorest of the poor to a greater extent accommodated under trickle-down policies and programmes (welfarist social transfers). The latter is demonstrated by the strong system of social grants that caters for certain categories of vulnerable groups with approximately 13 million beneficiaries by 2009/10 financial year and a fifth of the 2007/8 budget spent on direct transfers to households (van der Berg et al 2007, www.treasury.gov.za). There was an emphasis with positive results in budget deficit decrease and revenue collection, resulting in the

crushing of the monster apartheid debt³, and assisting with increasing resilience to external shocks. Rating agencies like Standard and Poor's attributed South Africa's sovereign rating affirmation during the 2008/9 global recession to GEAR (www.standardandpoors.com). The growth in real GDP slowing to 3.1 in 2008 amidst deteriorating global economic conditions is viewed to be indicative of such resilience. The GEAR strategies have been applauded for South Africa's continuous economic growth for eight years – faster than the country's population, with capital investment that increased from 15% of GDP in 2000 to 19% of GDP in 2007 (www.presidency.gov.za). However, the benefits of economic growth seem to be passing many South Africans who are trapped in poverty with a worrying trend of emerging intra-racial inequality. A survey by the South African Institute of Race Relations (2006-7) released in November 2007 (www.sairr.org.za) indicated that inequality among blacks is rising faster than among any other population groups. Van der Berg et al (2007) show that many government efforts, such as the extension of social grants, the roll-out of housing and various categories of fiscal expenditure, contributed to the reduction of poverty. However, inequality has remained stubbornly high, mainly because of rising inequality within race groups. The report also shows that while there is evidence of a large and growing black middle class the wage inequality remains the main driver of overall inequality. The GEAR policies have been seriously criticized by the trade unions for jobless growth, inflation targeting and fiscal discipline approaches. Critiques of fiscal discipline point to the consequences of its capitalist contention, including the narrow efficiency agenda adopted by public sector with the corporatisation strategies of state agencies. They include Ryan-Collins et al (2007) who argue that pursuing short-term financial efficiency gains through competitive market models squeezes out the broader considerations of positive social and environmental outcomes that would enable local public services to better serve communities.

The dawn of the financial and economic crisis has had a devastating effect on South Africa. Delivering his 2010 Budget Speech, the South African Minister of Finance referred to the crisis as the deepest recession in over 70 years. He pointed out that

after five years of strong growth, during which about two million jobs were created, our economy shrank by an estimated 1.8 per cent last year. Mining output fell by about 7 per cent, manufacturing by over 12 per cent. Consumption and private investment contracted. About 900 000 people lost their jobs (Gordhan 2010:5).

Statistics South Africa Quarterly Labour Force Survey for 1st quarter in 2010 indicates that employment decreased by 171 000 with the numbers of persons in labour force decreasing slightly by 25000 between the last quarter of 2009 and first quarter of 2010. Of further importance is that the number of unemployed persons increased by 145 000 of which 113 000 were women and 33 000 were men.

South Africa has developed a 'Framework for South Africa's Response to the International Economic Crisis' which was tabled and endorsed at a special meeting of the Presidential Economic Joint Working Group (www.presidency.gov.za). While these measures are aimed at combating the impact of the crisis, they tend to focus on formal employment and thus perpetuate

³ The apartheid debt stood at R189, 9 billion in 1994 and increased to R375, 9 billion by March 1999.

the existing inequalities. It is clear that the problem is deeper and requires a fundamental and structural shift towards an inclusive macroeconomic framework driven by a broader agenda with inclusive economic structures and institutions. These should be supported by demand-driven supply side measures that recognize the reality of women and the poor in general.

5. CALL TO ACTION: SHAPING A NEW PARADIGM FOR DEVELOPMENT

John Maynard Keynes wrote in 1933 (in Moss 2007:24) that

If our poverty were due to earthquake or famine or war - if we lacked material things and the resources to produce them, we could not expect to find the means to prosperity except in hard work, abstinence, and invention. In fact, our predicament is notoriously of another kind. It comes from some failure in the immaterial devices of the mind...Nothing is required, and nothing will avail, except a little clear thinking”.

In 2009, women in different platforms emphasized the importance of using the crisis as a lever for change, as well as an opportunity for reviving and strengthening the women’s networks with a focused agenda for inclusive and sustainable development. The work done by various women’s formations, countries and international agencies provides a launching pad. There is thus a need to support a constructive process to move from awareness to action. The following proposals are put forward:

- ✓ Support by the 9th Women Affairs Ministers Meeting in Barbados, 7-9 June 2010 of the call for an inclusive macroeconomic framework;
- ✓ Develop mechanisms for deepening awareness and enhancing the capacity of alliances and networks, to assist in lobbying the governments of Commonwealth individual member countries for gender-inclusive macroeconomic policies;
- ✓ Emphasize and support participation and benefit by women in economic recovery debates and plans.
- ✓ Collaboration for shaping a new paradigm for development. Deepening the Commonwealth Plan of Action for Gender Equality 2005-2015 (through mid-term review) to focus the remaining 5 years towards the delivery of the inclusive agenda. Areas could include addressing the identified gaps (e.g. Development of economic and gender indicators to include critical areas for sustainable livelihoods of the poor and unpaid work by women; methods for incorporating gender justice and gender democracy in macroeconomic frameworks) through:

Affirmation of Beijing +15 and the Commitment to the Beijing Theme on Women and the Economy

- Revise laws and administrative practices to ensure women's equal rights and access to economic resources
- Provide women with access to savings and credit mechanisms and institutions.
- Develop gender-based methodologies and conduct research to address the feminization of poverty.
- Promote women's economic rights and independence, including access to employment, appropriate working conditions and control over economic resources.
- Facilitate women's equal access to resources, employment, markets and trade.
- Provide business services, training and access to markets, information and technology, particularly to low-income women.
- Strengthen women's economic capacity and commercial networks.
- Eliminate occupational segregation and all forms of employment discrimination.
- Promote harmonization of work and family responsibilities for women and men.

6. CONCLUSION

South Africa has become one of the most unequal countries in the world. Debates about the adequacy of Gini Coefficient as a measure can continue, but what we know is that poor households are isolated, starving, unemployed, illiterate, with the women bearing the brunt of care, unpaid labour and exclusion. This does not need a debate, it needs action.

This paper has attempted to unpack the underpinnings and rationale behind the call for inclusive macroeconomic framework. It is important to emphasize that exclusion, discrimination, disempowerment and the entrenchment of inequalities are behind the call for inclusivity, and thus shortcuts and handouts can never be sufficient. The world needs a system that can expand freedoms and quality of life to all. The existing global economic system and macroeconomic framework has demonstrated that **a free market system cannot liberate or bring growth to illiterate women operating in communal land with infertile soils and poor infrastructure, in a patriarchal society with jobless growth and families riddled by HIV and Aids. Social transfers as well can only relieve, but not remove livelihood insecurities.**

Therefore the sustenance of our universe begins with finding the balance between growth and inclusion. South Africa is therefore challenged to go beyond pronouncements and determine its development path for social equity, cohesion as well as gender justice and equality.

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