This guide from the OECD Development Assistance Committee’s Network on Gender Equality provides ideas and information for non-economists to more effectively engage in negotiations on the macroeconomic framework of Poverty Reduction Strategies (PRSs).

This reference guide covers:

• Lessons learned and good practices from successful collaborations by non-economists with decision makers in the Poverty Reduction Strategy (PRS) process.
• Content of PRSs with a pro-poor and gender-equitable macroeconomic framework.
• Tools which can be used to integrate gender considerations into macroeconomic and structural policies.

INTEGRATE GENDER EQUALITY INTO POVERTY REDUCTION STRATEGIES

Although gender equality has been one of the cross-cutting issues considered in both participatory PRS processes and in strategy papers1 several evaluations of completed PRSs2 conclude that, in most documents, gender equality is far from being mainstreamed. Rather, it is treated – if at all – in a scattered and fragmented way. Some PRSs include an excellent separate gender chapter, but do not consider gender equality issues in other chapters; others only address gender dimensions in the social sectors, such as health and education. None formulate the macroeconomic framework that is supposed to be at the core of the PRSs, in a gender responsible way.

Several reasons for the insufficient consideration of gender issues have been identified in desk reviews of PRS processes and at two workshops3 held in 2003:

• Lack of political will to consider gender equality as relevant to development and poverty reduction.
• Economists in the drafting teams, usually from Ministries of Finance, did not have sufficient gender expertise.
• The Ministries of Gender or Women’s Affairs and women’s advocacy groups, responsible for integrating gender equality dimensions into national policies and programmes, lacked the expertise and capacity to have a significant impact on the PRS content.
• Generally, women are not well-represented in decision making positions, particularly in policy areas such as economics and finance where women have the lowest levels of representation.

Prepared for the DAC Network on Gender Equality by Katrin Schneider with the support of the German Federal Ministry for Economic Cooperation and Development and GTZ’s Gender Sector Advisory Programme.
The PRS process opened up new opportunities for wider participation in economic planning. Yet, macroeconomic and structural policies were negotiated predominantly between national governments and the Bretton Woods institutions — the World Bank and the International Monetary Fund (IMF) — with little participation by civil society, especially gender specialists. Some approaches which could be adopted to increase women’s “voice” and to maximise the influence of civil society include:

**Target Key Players**

In many countries, participatory poverty assessments have been undertaken to access the views and experiences of poor women and men. Unfortunately, data on poverty dimensions by sex was subsequently aggregated, obscuring gender inequalities. As a result, gender responsive approaches based on evidential data were not included in the finalised PRSs. It can be worthwhile directing advocacy activities towards the PRS drafting team which is usually a small team, lacking expertise in gender equality. The success of lobbying and advocacy work will largely depend on how far decision makers in national governments, the World Bank and the IMF, can be convinced that policy goals such as reducing poverty and stimulating growth will be better achieved if gender relations are taken into consideration. Arguments and recommendations should be presented in a short and precise manner. Briefing papers that summarise facts, figures, the main arguments or sector specific information for ministers, members of parliament and other important decision makers are of value.

**Understand the policy making process**

It is essential that negotiations address the right persons at the right time with the right arguments. Planning and budgeting normally follow an annual standardised calendar, so lobbying and advocacy activities should be planned accordingly. Close cooperation between gender or women’s ministries and civil society organisations is necessary as the former is informed about the timetable of the political process, the internal rules and the people who have the power to change policies, while the latter often have good advocacy capabilities and more scope for mounting a strong argument. Mainstreaming of gender equality dimensions into planning and budgeting will be more sustainable if the gender perspective is integrated into administrative processes and routines, such as rules, guidelines, checklists and forms.

**Build capacity**

For arguments to be taken seriously by economic decision makers, it is important to speak their language. Non economists who are involved in the PRS process need to develop their understanding of the basics of economic policy making, tools and concepts, and have expertise in gender analysis. Capacity building for women’s groups and parliamentarians should include economic literacy and gender analysis of economic data.

**Demand sufficient time**

Non-Governmental Organisations (NGOs) and lobbyists are often trapped in a “national dynamic” in which they have to comment on a draft chapter or identify policy priorities at very short notice. NGOs should take the initiative to seek sufficient time to consult their constituencies or to collect more information in order to avoid quick and superficial answers of poor quality. Otherwise, the women’s movement risks losing credibility. This should be supported by donors.

**Link up research and advocacy**

Even if women’s organisations have been trained in economic literacy, they are not likely to be able to do sophisticated economic analyses that are highly quantitative, statistical, and technical. It may be useful for women’s advocacy groups to link up with economic research institutes that can provide the necessary expertise in the critical assessment of policies from a gender perspective and in the formulation of alternative pro-poor and gender-equitable policies.

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**The Tanzanian Gender Networking Programme** succeeded in convincing the Ministry of Planning to change their budgetary guidelines for the development of the 2001 year budget in six pilot sectors so that different needs and priorities of women and men were taken into consideration.

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**The African women’s network FEMNET and the economic research institute KIPPRA in Kenya successfully worked together to increase public dialogue on gender issues.** FEMNET asked two economic researchers of KIPPRA to analyse the macroeconomic framework of the Kenyan PRSP from a gender perspective and used these findings to promote a public dialogue on gender and macroeconomics. This created awareness on the need to mainstream gender equality at the macroeconomic level.
Lobby for more women in decision making positions

Although a higher number of women in economic decision making is no guarantee of more gender equitable policies, there is strong evidence that women’s priorities, experiences and interests will be voiced in decision making to a greater extent.

The reservation of seats for women in local governments in India seems to have had a significant impact on investment decisions and has helped to promote issues that women have found to be particularly important, such as time-saving infrastructure.

Establish strategic alliances

The higher the number of persons or organisations who pressure for a transformation of the national and international macroeconomic framework, the better the chances are of having an impact. Strategic alliances should also be established with like-minded persons in the relevant institutions.

In Kenya, a concept paper on gender and poverty reduction was prepared by 30 women’s NGOs in the drafting period of the Interim-PRSP. The discussion of the paper in different forums resulted in a common ownership of the topics. Every organisation made expertise, networks and contacts available. The network succeeded in raising the number of female participants at the National Stakeholders Workshop to prepare the Interim-PRSP from one to 12.5 In Guatemala, an alliance between the women’s movement and the “Secretaria de la Mujer” made it possible to review the environment and agriculture chapter of the interim-PRSP from a gender perspective.

Link gender priorities with budgets

Building strategic alliances and relationships can also assist with ensuring that PRS priorities are translated into budget allocations. Being explicit about the differential needs of women and men makes it easier to incorporate gender equality priorities into budgets. Gender responsive budget initiatives have used different tools to continuously monitor the impact of macroeconomic policies.

The Tanzanian Gender Networking Programme built a coalition with like-minded stakeholders. Gender budgeting activities were carried out by teams of researchers that included gender activists, academics, as well as government staff responsible for planning and budgeting who gave access to data that otherwise would have been hard to obtain. Over the years, a strong and confidential relationship was established with the government that permitted informal consultations and access to relevant information (http://www.tgnp.co.tz).

Be specific, focused, realistic and strategic

Planning procedures can be complex. The chance of changing draft policies increases if recommendations focus on specific priorities and present realistic budgetary implications.

The Collaborative Centre for Gender and Development in Kenya successfully lobbied for increases in budget allocations such as on reproductive health or rural water conservation by changing their approach. Previously the Centre had made general policy statements. Once they started to present concrete recommendations with respect to budget allocations, they became more influential. Their recommendations were based on a policy paper on “Gender and poverty reduction in Kenya” which was supported by a coalition of around 30 different women’s organisations.

THE MACROECONOMIC FRAMEWORK OF POVERTY REDUCTION STRATEGIES

Macroeconomic policies try to achieve price stability, full employment and the balance between imports and exports by using fiscal, monetary and exchange rate measures. Although the focus is on highly aggregated variables such as the Gross National Product, investments, savings and the balance of payments, empirical findings have shown that the impact of macroeconomic policies on households and individuals is not gender-neutral. In many countries, for instance, it has been observed that cuts in spending on health services or the introduction of user fees for health services raises the workload of women, particularly poor women. If families no longer have access to or can no longer afford the fees of health services, women must dedicate more time to taking care of sick family members. Behind the much praised efficiency gains in the health sector, costs have often been shifted onto women in households.
Gender inequalities also reduce economic growth, limiting the effectiveness of macroeconomic policies. The World Bank report “Engendering Development” (2001) provides evidence of the costs of gender inequality in terms of productivity, efficiency and economic growth that can be used to convince economic decision makers of the need to mainstream gender dimensions into economic policy development.

**Gender and Growth in Africa: The Missed Potential**

- **Sub-Sahara:** Gender inequality in education and employment is estimated to have reduced per capita growth by 0.8% per year.
- **Kenya:** Giving women farmers the same level of agricultural inputs and education as men could increase yields obtained by women by more than 20%.
- **Zambia:** If women enjoyed the same overall degree of capital investment in agricultural outputs, including land, as their male counterparts, output could increase by up to 15%.
- **Tanzania:** Reducing time burdens of women could increase household cash incomes for smallholder coffee and banana growers by 10%, labour productivity by 15% and capital productivity by 44%.
- **Burkina Faso:** Shifting existing resources between men’s and women’s plots within the same household could increase output by 10-20%.

The PRS is a framework that tries to fully integrate poverty analysis, a country’s macroeconomic, structural and social policies, budgetary processes and monitoring systems. In most countries, the Ministry of Finance takes the lead in the PRS process, shifting responsibility for poverty reduction from social welfare ministries to the core of economic and financial decision making. Though it is generally accepted that economic growth is necessary to alleviate poverty, the sectoral composition and the distributional patterns of growth required to reduce poverty most efficiently and effectively are less clear.

**GUIDING QUESTIONS**

The following guiding questions are designed to elicit the gender-specific impact of macroeconomic and structural policies and argue for the gender-responsive design of policy actions.

**Macroeconomic policies**

- Will policies have an inflationary or deflationary effect? Which sectors are most affected by inflation or deflation? Are women or men concentrated in these sectors? How are male or female consumers affected by increasing or decreasing prices?
- Will policies have an effect on overall employment? What are female and male labour force participation rates? What are women’s and men’s share in agriculture, manufacturing, services, and the informal sector? Which of these sectors will experience increasing employment and which will experience a decrease?
- How will wage rates of women and men be affected?
- Which sectors are most affected by a devaluation of the exchange rate? Are these labour or capital intensive, female or male intensive sectors?
- Do the saving rates of women and men differ? How will they be affected by macroeconomic policies?
- Do consumption and investment patterns of women and men differ? How will they be affected by macroeconomic policies?
- What changes would be needed in the legal and institutional framework to enable poor women and men to benefit from new economic opportunities?

**Structural Policies**

*Agricultural sector reform*

- What is the division of labour in agriculture? Which crops are grown by men and which are grown by women?
- Do women and men have equal access to inputs such as fertilisers and seeds?
- Do women have the same rights to own, buy and sell land as men?
- Do women and men have the same possibilities to respond to new incentive systems in the agricultural sector? Do women and men face different constraints arising from socio-cultural norms and values? Will the social division of labour such as childcare responsibilities and access to property rights impact on their potential to take up new economic opportunities?
- What different constraints do women and men face in terms of using agricultural services?
- What are the differences in productivity by sex?
Trade Policies
- Which sectors are most affected by trade liberalisation policies? Are women or men concentrated in these sectors?
- Does liberalisation result in income and employment gains or losses? Who is benefiting or losing?
- Does the gender division of labour impact on the supply response to trade liberalisation?

Privatisation policies
- Are women dismissed disproportionately?
- Is privatisation of public services resulting in increasing user fees that may indirectly add to women’s time burden?

Labour Market Reform
- In which sectors is employment increasing and in which sectors decreasing? Are these labour or capital intensive, female or male intensive sectors?
- Is the wage gap between women and men narrowing or increasing?
- Do policies aim to stimulate growth in the informal sector, where the poor and women in particular are concentrated?
- Do women and men have different access to the labour market? Are labour markets segregated by sex? Are there differences in benefits and earnings?
- Do social norms and values inhibit women’s ability to take up specific kinds of work?

Financial Sector Reform
- Do women have equal access to credit?
- What is the proportion of women and men who are self-employed or operate micro enterprises?
- Is the regulatory framework, such as lending policies, discriminating against women?

Macroeconomic models

Macroeconomic policy targets such as the level of price stability or employment are usually derived from macroeconomic models using large data sets designed to predict economic results according to different policy scenarios. These models consist of a few aggregated economic sectors without differentiating between female and male economic actors. In addition, these models do not take account of the care economy, incorporating it into the national accounts systems only to a limited extent, or not at all. Worldwide, women work more hours than men.

A time allocation study in Benin, undertaken by UNDP in 1998, found that on average women worked 67 hours per week, while men only worked 50 hours in the same period. UNDP has estimated that the output of women’s “invisible” work amounts to an equivalent of 48% of the world’s GDP.

Women’s longer working hours are due to their responsibilities for reproductive activities such as bearing and rearing children, caring for the sick and the old, cooking, cleaning and holding together the social fabric of communities. In many countries, women and girls spend long hours fetching water and fuel wood. The increase of HIV/AIDS incidence has resulted in more unpaid work for women because it is mostly their responsibility to care for the sick in addition to earning income. Policies based on models that do not include the care economy risk unwittingly increasing women’s time poverty.

Over the past years, efforts have been made to fully integrate gender dimensions into macroeconomic models. Some try to disaggregate data by sex, which allows for consideration of differences, such as in consumption patterns, wage rates or saving rates. Others divide the economy into the productive and the household care economy to analyse how these sectors interact.

The United Nations Economic Commission for Africa (UNECA) is currently supporting the development of gender-aware microeconomic models in several African countries. These models aim to analyse the impact of economic policies on women and men at the household level.
Poverty Assessments

To be effective policy design should be based on a careful poverty analysis of who the poor are, where they live and how their situation could be improved. Although statistical data on income poverty so far cannot give valid evidence that women are always more affected by income or consumption poverty than men, it is widely acknowledged that women and men experience poverty differently and face different constraints to overcome it. Women’s poverty is not only due to their economic situation, but often caused by structural inequalities and discriminatory cultural traditions and customs. It is, therefore, not sufficient to collect household survey data and to treat the household as a unit, assuming that resources are pooled and distributed equally. Quantitative data should be collected and analysed disaggregated by sex. Quantitative surveys should be complemented by qualitative data to get a clearer picture of the non-economic dimensions of poverty and the gender-specific constraints to overcoming the poverty trap.

A participatory poverty assessment in Vietnam has highlighted issues such as violence against women, the unequal distribution of assets (e.g. property and land rights), and the growing incidence of HIV/AIDS as significant problems for women. The government acknowledged these problems, and incorporated them into the PRSP.

Poverty and Social Impact Analysis (PSIA)

The choice of policies should be informed by an evidence-based ex-ante analysis of their expected distributive impact on different population groups and especially the poor. Recently, efforts have been made by the World Bank and others to improve the tools relating to poverty and social impact analysis (PSIA) to analyse the intended and unintended consequences of policy interventions on the well-being or welfare of different groups, with a special focus on the vulnerable and poor. It is of value to involve advocacy groups in the choice of reforms that are of highest priority to undergo a PSIA and important to lobby for the inclusion of gender issues in all PSIAs. Each PSIA should address the question “What are the gender implications of this reform?”

The following questions can serve as entry points to integrate gender dimensions into the conceptual framework of a PSIA:

- What is being analysed? Exploration of female and male differentials in divisions of labour, participation, access to and control over assets and resources in the sector being considered for reform.
- What is the welfare measure being assessed? Definition of suitable indicators of all dimensions of poverty based on an understanding of the differences in outcomes for women and men.
- Whose well-being is being analysed? Explicit consideration of the different welfare needs of females and males, and distinction between different groups of women and men due to income, class, ethnicity, age, geographic locations (e.g. rural/urban), livelihood and other context-specific criteria.
- What will be the different impacts? Consideration of differentials, disparities and relations between males and females in view of employment and wages, prices of goods and services, access to and control over goods and services, assets, and transfers and taxes. Analysis of how these differentials might impact on and be impacted on by the reform.
- When do impacts materialise? Consideration of the potential short and long-term effects of the policy on women and men by income, class, ethnicity, age, geographic locations, livelihood and other context-specific criteria.
- What are the risks of an unexpected outcome? Recognition of unexpected outcomes that could result in very different risks for females and males.

Gender Responsive Budgeting

Policies can only be effective if they are backed up by sufficient budget allocations for their implementation. National budgets are one of the most powerful economic instruments of a government as they reflect its policy priorities. Many governments have started to introduce new budget systems in connection with the PRS process, such as Medium Term Expenditure Frameworks (MTEFs) and other types of programme or performance budgeting. The aim of these new systems is to link policy, planning and budgeting. In several PRS countries, gender responsive budget initiatives have been established in connection with the PRS process, led by different actors.

In Uganda, women parliamentarians are working together with community activists and women researchers to develop gender budget initiatives. In other countries such as Rwanda, Mozambique and Kenya, these initiatives are led by different ministries. For more information: www.fowode.co.ug

Gender responsive budgeting aims at; analysing the impacts of a government’s expenditure as well as revenue raising policies on women, men, girls and boys, both at the national and local levels (technical aspect); and reprioritisation of expenditures and
revenues in favour of the needs and interests of women, particularly the poor (political aspect). Such exercises contribute to more transparent and accountable forms of governance.

Several tools are available for carrying out gender responsive budget analyses. They are useful to address some questions but do not provide a blueprint and should be adapted to each country context.

- Gender-Aware Policy Appraisals: How do policies and programmes reflect women’s and men’s different needs and priorities?
- Sex-disaggregated Public Expenditure Benefit Incidence Analyses: How are women and men benefiting from expenditure on public services, e.g. education, health units or agricultural extension services?
- Sex-disaggregated Beneficiary Assessments of Public Service Delivery and Budget Priorities: How do public investments in infrastructure and the provision of public services address women and men’s different needs and priorities?
- Sex-disaggregated Analyses of Budget Impact on Time Use: How do expenditures impact differently on women and men’s time use?
- Gender-Aware Public Expenditure Tracking Surveys: How do allocated funds reach female and male beneficiaries differently?
- Sex-disaggregated Revenue Incidence Analyses: How are women and men affected differently by the kind of revenues raised by governments such as direct (income, corporate taxes) and indirect taxes (value added tax) or user fees?
- Gender-Aware MTEFs: How do MTEFs incorporate macroeconomic models with sex-disaggregated variables and the care economy?
- Gender-Aware Budget Statements: How do governments provide information on their actions to reduce gender inequalities in their annual budget statements?

The application of tools depends largely on the availability of sex-disaggregated data. Gender indicators should be developed to monitor progress in the reduction of gender gaps in priority areas. Indicators should be closely linked with the monitoring of the progress towards the achievement of the Millennium Development Goals. In many developing countries, data differentiated by sex have been collected by labour force surveys, household surveys and national censuses but have not been analysed by sex. In some countries, questionnaires need to be changed to include the gathering of sex-differentiated data. The statistically invisible unremunerated work of both women and men should be calculated so that it can be incorporated into the national accounts system.

This reference guide has been developed by the DAC Network on Gender Equality for non-economists. It is not intended to be comprehensive. The resources listed in the following section will assist you to deepen your knowledge of specific issues raised in this guide.

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**FURTHER INFORMATION**

**General**

- Bamberg, M., M Blackden, L. Fort and V. Manoukian, A Sourcebook for Poverty Reduction Strategies, Chapter 10, Gender, Washington D.C.
Economic literacy resources

Over the last years, a number of good training materials on economic literacy have been developed. An overview of available economic literacy resources in all world regions can be found at: www.genderandtrade.net/EconoLit/Literacy.html

Other websites containing economic literacy materials are:

- www.femnet.or.ke
- www.macmag-glip.org/
- www.eurosur.org/wide/eco%20lit/ecolit.htm
- www.karat.org/ru_and_economy/economic_literacy.html

Knowledge Networking Program on Engendering Macroeconomics and International Economics:

www.genderandmacro.org.

Diploma and short courses in Feminist Development Economics: www.iss.nl/navFrame/frame2.html?content=index.html

PSIAs


Gender Responsive Budgeting

www.gtz.de/gender-budgets
www.gender-budgets.org
www.unifem.undp.org/gender_budgets/

End Notes

1. A separate gender chapter (chapter 10) in the comprehensive PRSP Sourcebook provides detailed guidelines of how to engender poverty diagnosis, policy actions and monitoring and evaluation systems.
http://www.eurodad.org/uploadstore/cms/docs/prsp_gender_kenya.doc
8. A new concept to measure the gender dimension of income poverty has been developed by the Economic Commission for Latin America and the Caribbean. Their indicators assess the proportions of males and females in households below the national poverty line and the number of females in households below the poverty line for every 100 males below that line. Their findings indicate that a feminisation of poverty can be observed especially in rural areas. See: ECLAC, Demographic Bulletin, July 2002, Tables 6a und 6b, cited in: UNIFEM: Progress of the World’s Women 2002, p. 60.
9. Adapted from World Bank: Integrating Gender into PSIAs.