

SDG 5

Women, macroeconomic policies and the SDGs

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“We know now that without gender equality and a full role for women in society, in the economy, in governance, we will not be able to achieve the world we hoped for.”

Phumzile Mlambo-Ngcuka, Executive Director, UN Women

Why inclusive macroeconomic policies are important for the SDGs

Issues of economic growth and rising inequality are slowly taking centre stage in the realm of development, together with an increased focus on the need for economic policies centred around human rights. African economies have grown progressively over the last decades and now rank among the fastest growing economies of the world.¹ However, not all segments of the African population have benefitted. Africa’s economic growth has been accompanied by a rise in both gender inequality and income inequality. Worldwide, there are more and more questions around ensuring equal access to resources, opportunities, dignity and voice. It is crucial that these conversations be inclusive and just for both women and men.

The UN 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs), particularly SDG 5 (“Achieve gender equality and empower all women and girls”) is an ambitious attempt at setting a global policy framework that, if fully implemented, looks towards achieving gender equality in a transformative manner. However,

despite some progress, there is still a long way to go in areas such as improving access to health care, education, sanitation and women’s overall quality of life.

Moreover, there has been a trend to relegate the issue of women’s economic empowerment to micro level analysis and intervention. To achieve the vision of the 2030 Agenda, women’s economic empowerment must be understood as far more than a woman’s ability to compete equally in existing markets, or as the beneficial outputs of her contribution to growth. It must include women’s access to and control over economic resources, including land; access to decent work, small medium and large markets and entire value chains; control over their time; and meaningful participation in economic decision-making at all levels from the household to international institutions and policy spaces. Often, particularly with respect to women in rural areas, interventions do not approach the issue from this perspective, but instead adopt patronizing policies that do not recognize women as equal and view them as less than full agents of development.

Current approaches to mainstream economics remain excessively narrow and continue to reinforce gender inequality. Examples include definitions of ‘production’ and economic analyses that do not include women’s labour in care work, instead systematically undervaluing – often erasing – it as a contributing component to GDP growth. This is especially true for women in rural areas who are full time care-givers for children, the sick, disabled and elderly, who are also responsible for building and repairing homes and sourcing and gathering water.

1 UNECA (2017).

The exclusion of these activities from remuneration and economic contribution effectively systemizes wide-scale discrimination in a field of workers dominated by women. The International Labour Organization (ILO) which “sets labour standards, develops policies and devise programmes promoting decent work for all women and men” has established regulation of domestic work, which includes the tasks enumerated above, in its Domestic Workers Convention 189. This existing regulation signals crucial acknowledgment that domestic work is a both a social and economic contributor. However, the reality for many women is a continued, entrenched notion that unpaid care work has little or no value to economies.

What needs to happen

To address these challenges, there is a need to invest in building women’s capacities to actively participate in the formulation and implementation of inclusive economic and development policies, to enable them to secure meaningful participation and benefits. In particular, women must be able to effectively engage with and influence macroeconomic policies. Macroeconomic policies shape and inform priorities in key social and economic sectors such as agriculture and natural resource extraction, health, and education – sectors which can disproportionately impact women and girls. Macroeconomic policies should include specific considerations on making meaningful investments in rural women beyond tokenism and extractive investments by large corporations, which is characteristic of the current trends.

Two key opportunities to impact women through macroeconomic initiatives are tax justice and open contracting. Taxation is universally agreed to be one of the most sustainable and predictable sources of financing for the provision of public goods and services as well as being a vital mechanism for addressing inequality, including gender inequality. Linked to this is the use of taxes for public procurement, which presents a complementary and critical link for affirmative action macroeconomic policies that embrace transparency, participation and inclusion. Public procurement presents a sizeable market for robust and entrepreneurial activity by women-owned and women-led businesses. Globally,

public procurement accounts for over 30 percent of the GDP in developing countries and up to 15 percent in developed countries. In spending terms, this amounts to trillions of dollars.² Open contracting is an approach to improving the efficiency of public spending while creating a more equitable and favourable business environment. This approach recognizes that how governments generate and spend public monies has direct impacts on people’s lives.

Tax justice

As Africa continues to look at sustainable and stable sources of revenue to fund development, illicit financial flows (IFFs) are increasingly recognized for their role in undermining efforts to close financing gaps, specifically in relation to financing the SDGs, many of which are vitally necessary to achieving gender equality. IFFs also have a negative impact on vertical equity and the progressiveness of tax systems that disproportionately affect women.³ When IFFs are rampant in a country, they contribute to preventing governments from fulfilling their human rights obligation, including to women and girls, by limiting their resource base. Some have argued, correctly, that curbing these illicit financial flows won’t necessarily lead to an automatic investment in the lives of women and girls. However, reducing IFFs does increase the opportunities for access to and equitable distribution of financing that includes women and girls. It increases the likelihood of unlocking finances that provide a myriad of services specific to the priorities of women and girls, including improved access to health care and social services. For Africa especially, it is imperative to implement the recommendations of the report of the High Level Panel on Illicit Financial Flows from Africa.⁴ At a global level, it is important to continue to push for the creation of an intergovernmental global tax body that would ensure that all countries have a say in the regulations and frameworks governing taxation. Currently, the OECD designs standards and models to be implemented

² International Trade Centre (2014).

³ See the Spotlights on SDG 16 and 17 in this report and Grondona/Bidegain Ponte/Rodríguez Enriquez (2016).

⁴ High Level Panel on Illicit Financial Flows from Africa (2015).

globally, however developing countries have no representation in these standard-setting processes. An intergovernmental tax body would ensure a negotiated, globally agreed system would be less complex and more transparent and fair for all.

Open contracting and disclosure of beneficial ownership

Open contracting is an approach to improving public procurement and public contracting through three key elements:

1. **public disclosure** of open data and information about the planning, procurement, awards and management of public contracts;
2. **participation** and use of contracting data by non-state actors – including the private sector – in the planning, awarding, and monitoring of contracts; and
3. **accountability and redress** by government agencies or contractors acting on feedback from the public, companies and civil society. Given the scope of the monies involved, even small reductions in corruption, mismanagement and opaque procurement will yield significant returns for taxpayers.

Beneficial ownership is concerned with the persons who ultimately own, control or benefit from a transaction, property or equity. Determining beneficial ownership is important in the context of open contracting to prevent abuse and allocate rightful benefits and opportunities.

Affirmative action or preferential procurement initiatives as a fiscal route towards empowering women is a global discourse taking root in various state and civil society forums and agencies. Such initiatives have been reported to be inhibited or unsuccessful due in part to lack of access to information on bids and procurement procedures, ability to meet requirements and lack of understanding on procedures.⁵

Open contracting is said to contribute to a more equitable and favourable business environment through fairer allocation processes, lower barriers to entry – especially for small and medium business enterprises (SMEs) – and more competitive intelligence about new opportunities.

How then can open contracting and beneficial ownership support equal rights to economic resources for women under SDG 5?

One way is through identification and support for women-owned and women-led businesses. Research on Kenya's experience has shown that the authenticity of businesses owned by disadvantaged and vulnerable groups is under threat.⁶ In order to take advantage of affirmative action procurement opportunities, unscrupulous persons, including public officials, have registered businesses within the initiative as 'fronting owners' but with true beneficial owners not falling into the targeted disadvantaged groups, which includes women.

Public disclosure of contract awards and beneficial ownership would allow for identification of fraudulent applicants and 'fronting' by non-eligible parties. It would ensure that procurement opportunities were awarded to legitimate women-owned and led businesses. Further, an understanding of the market demographics, organizational capacity of women-owned businesses and ability to bid for various levels of tenders is critical for success. Public disclosure of contracting information on the types of bids applied for by women-owned businesses, the sizes of the businesses and the types of tenders (scope and size of tender as well as goods or services) would facilitate a more accurate baseline as well as progressive analyses of the applicability of the initiative versus the realities on the ground.

Open contracting data and information supports the identification and treatment of issues affecting access and participation in public procurement initiatives set aside for women. The open contracting approach calls for accountability and redress by government

⁵ Hivos (2017) and International Trade Centre (2014).

⁶ Ibid.

agencies or contractors based on provided feedback, to ensure relevant, timely and real fixes resulting in better goods, services, more efficient public spending and inclusive enabling policies. Additionally, it calls for women's participation via communication, consultation, input and collaboration following a set of clear, widely understood rules in empowering macroeconomic policies focused on the public procurement market.

States should promote tax justice and affirmative action public procurement policies to support an enabling environment for women to fully and meaningfully participate in the economy, and remove social, cultural and economic barriers to their participation and empowerment.

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