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Resources for gender equality: Good practices and strategies for action/the way forward

PANEL DISCUSSION

by

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03.00 pm to 6.00 pm

*The views expressed in this paper are those of the author and do not necessarily represent those of the United Nations.
Excellencies, distinguished Chair, Moderator, fellow speakers, and guests, I thank you for the opportunity to participate in this panel, as we discuss two fundamental issues for achieving gender equality and the empowerment of women: **how much financing do we need to achieve the post-2015 gender equality objectives, and what do we need to close the financing gaps?**

In 2008, I was part of a research team led by Caren Grown (who is now at World Bank) that produced estimates of the global funding gap for gender equality in low-income countries in the context of the MDGs.\(^1\) We came up with a ball park figure of between USD 73.2 billion and USD 83.2 billion a year in 2015 (measured in 2003 dollars). It was not possible, given the time and resources at our disposal, to conduct any new surveys or enable women to participate in the exercise, and available data on costs was very limited.

In this process, one important principle we adopted was that, to achieve gender equality priorities, it **was necessary to fund programmes that were not specifically targeted to women** - for instance, investments in water and sanitation and in sectors related to other MDG goals, not only MDG3. Only in this way could the cross-cutting elements of gender equality be recognized.

In the post-2015 era, I recommend that the measurement of financing gaps should build upon the principles established in the work done by Caren Grown and myself but begin at the national and local levels, with better data on priorities and costs obtained from new surveys. In this regard, I am delighted that UN Women has developed a toolkit on costing measures to achieve gender equality goals\(^2\), and that costing has already been done by several countries.

A good example is Bolivia, which, with support of UN Women, has begun costing its National Equal Opportunities Plan. A priority strategy of the Plan is to ‘Eliminate gender inequities in employment and reduce women’s dependency on informal employment, eliminating gender wage gaps and reducing occupational segregation.’

A suggested intervention in the Plan was improving women’s employment opportunities in rural areas, including in family-owned farms, where women engage in activities like raising llamas, spinning wool and producing textiles for sale, and providing accommodation for tourists. To identify investments required for this, the costing team carried out a participatory needs assessment, interviewing rural women.

Improved water supply emerged as a key contributor to improving women’s employment opportunities, as it would reduce the time that women spent collecting water, and also help attract more tourists to the farms. The team, therefore, estimated the cost of improving water supply to the farms.

Of course, costs have to be compared with budgetary allocations in order to identify the financing gap, and then consideration has to be given to how to fill the gap.

There is plenty of finance in the world - **the problem is that it is not being mobilized to achieve gender equality goals.**

For a number of years, civil society has highlighted the scandal of tax abuses and illicit financial flows, and the inadequacies of the current global tax arrangements with respect to the taxation of

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2. UN Women, Costing Gender Equality Toolkit, 2014.
trans-national corporations and of wealthy individuals. Both are able to shift their wealth from the countries which have contributed hugely to their profits to tax havens - countries with very low tax rates and financial secrecy - and thus pay very little tax.

It has been estimated that approximately USD 3 trillion of government revenue is lost to tax avoidance and evasion every year.\(^3\) While high-income countries are the biggest losers in absolute terms, low- and middle-income countries are particularly affected by the losses, and also face particular constraints when tackling tax abuse.\(^4\) In 2011, developing countries lost USD 946.7 billion owing to illicit financial flows (a substantial portion of which relates to tax abuse),\(^5\) which was more than seven times the official development assistance (ODA) for that year, and more than 10 times the estimated global funding gap needed for gender equality programming in 2015 in relation to the MDGs.

A further problem is tax competition, as governments try to attract foreign investment, driving down the average corporate tax rates worldwide on average from 38 per cent in 1993 to 24.9 per cent in 2010.\(^6\) In addition, governments increasingly grant tax incentives (such as tax holidays) to corporations\(^7\) as they compete to attract foreign investment.\(^8\) Many least-developed countries, for example, offer extremely favourable tax deals to foreign investors in agriculture and mining.\(^9\) According to some estimates, revenue losses to developing countries can reach USD 138 billion per year.\(^10\)

It is essential that governments join together to establish an effective international system of tax cooperation, paying due attention to the elements that are most crucial for developing countries.

It is further essential that corporations contribute to financing for gender equality by making a much bigger contribution to tax revenues - this is the kind of partnership for development that is required.

If all developing countries were able to generate tax revenue equal to 15 per cent of their national income (the OECD average is 37 per cent), they could realize at least an additional USD 198 billion per year, more than all foreign development assistance combined.\(^11\)

Of course, increased revenue is necessary but not sufficient - the money has to be allocated to achieve gender equality goals, and spent effectively in ways that make a real impact on people’s lives, particularly women and girls.

The movement for gender-responsive budgeting has great promise, but we need to do more to realize this promise. Other contributors will be speaking about country experiences. I will comment, however, on the need to get Finance Ministers involved in GRB, and the importance of directing fiscal policy so that it does not undermine gender equality goals.

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\(^4\) Ibid.


\(^6\) KPMG International, ‘Corporate and Indirect Tax Rate Survey,’ (September 2010) http://www.kpmg.com

\(^7\) According to IMF (Michael Keen and Mario Mansour, Revenue Mobilization in Sub-Saharan Africa: Challenges from Globalization, IMF Working Paper, 2009, p. 19), in sub-Saharan Africa between 1980 and 2005, the proportion of countries providing incentives rose from 45 to 69 per cent.


\(^10\) ActionAid, *Give us a break: How big companies are getting tax-free deals*, June 2013.

Finance Ministers are uniquely positioned in relation to government budgets. In this regard, they are much more powerful than Ministers for Women, as they set the main parameters for the allocation of finance. If they take responsibility for allocating finance so as to achieve gender equality objectives, they can have an impact across all ministries.

It is, therefore, good news that UN Women and the World Bank are supporting a Gender Equality Community of Practice for Finance Ministers. The first meeting in April 2014 included Finance Ministers from Jamaica, Mauritania, Morocco, Nigeria, Romania, Rwanda, Sierra Leone, and Timor-Leste.

At this meeting, the Nigerian Minister highlighted a new initiative, the ‘Growing Girls and Women in Nigeria’ (G-WIN) Program, that provides additional resources to five select line-ministries (Agriculture, Public Works, Health, Water Resources, and Communication and Technology) for the delivery of results for gender equality.

It will, however, be important to engage Finance Ministers not only on the issue of providing finance to support programmes directed towards gender equality but also on the issue of ensuring fiscal policy overall does not undermine the achievement of gender equality objectives.

**Poorly designed fiscal consolidation undermines progress towards gender equality**, cutting back on resources for many vital programmes for gender equality, even though extra resources may be directed at a few programmes. This is a lesson women in Africa, Asia and Latin America learned in the aftermath of the structural adjustment policies of the 1980s and 1990s, and that women in Europe have learned since the introduction of austerity programmes since 2010.

So, I urge UN Women and the World Bank to ensure that the Gender Equality Community of Practice for Finance Ministers looks at the big picture of overall fiscal policy, as well as mobilization of additional funds for selected programmes.

And, in addition, I urge them to engage with the IMF, whose loan conditions have the power to negate progress towards gender equality and to prevent the use of additional funds provided by bilateral donors.\(^2\)

In the FfD process, women are challenging governments, corporations and international agencies to ensure that there are no more paper promises.

The world has the capacity to provide the necessary resources for the achievement of gender equality objectives - the question is whether there is the will to do so.

Thank you.

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