Chapter 5

Accountability for the Progress of Women: Women Demanding Action
Introduction

Assessing the progress of women against agreed-upon targets reveals how much change there has been – but also how much still remains to be done. The next step is to identify the institutions and individuals that can deliver on commitments and find ways to hold them accountable for doing so. The major actors are governments and business corporations at the national level, and multilateral agencies, international financial institutions and global and regional trade institutions, notably the World Trade Organization, at the global level. This chapter will discuss how women can become more effective in holding governments to account for the way they raise and spend money, and corporations to account for the ways they make money.

“As the surge of new approaches for measuring progress [is] matched by a growing interest in forging tools for accountability that are constructive, participatory and promote ownership of the process by women and the institutions involved at the community and country level.”

— International Women’s Tribune Centre (2000)

Box 1: Right-to-Information Campaign in India

The efforts of a small organization in rural Rajastan, struggling for the rights of poor people, particularly women, to a minimum wage, have triggered a nationwide right-to-information campaign. Since 1994, the Mazdoor Kisan Shakti Sangathan (Workers’ and Farmers’ Power Association, or MKSS) has highlighted the importance of access to information in securing poor people’s livelihoods. In a series of public hearings, or social audits, they demand that government officials explain how money was spent on local development projects. Hearings begin with a puppet show, portraying the diversion of development funds by village leaders, politicians, and government officials. They focus on public works, especially famine and drought-relief projects, which employ mainly women. MKSS activists, including large numbers of women, compare official records of work done with what was actually done. They investigate where the funds actually went and who had approved the spending. These events draw hundreds of villagers, as well as lawyers and journalists from as far away as Delhi. As documents are presented, workers see their names registered against amounts far in excess of what they had received, alongside those said to have received drought-relief payments who had in fact died years before. They frequently confront officials, demanding return of money pilfered from programmes for the poor.

These hearings are part of MKSS’s broad campaign for people’s rights to view official documents and obtain certified photocopies. In 1995, pressured by one of the movement’s best-known leaders, Ms. Aruna Roy, the state’s chief minister declared that citizens had the right to receive accounts of local development projects. Bureaucrats resisted, finally agreeing to let people inspect documents in local offices. This provoked further protests and an MKSS strike, supported by a sympathetic press, trade unions, and some prominent public service officers.

The right-to-information movement links information to accountability by highlighting the misuse of development funds and the failure to enforce labour and environmental standards. The struggle has expanded to a nationwide movement for the right to access official information, related not only to development spending, but to all official decision-making.

which state power is simply being redeployed in new ways to facilitate the operation of international markets and investments (Jessop 1997:573). Either way, it is clear that the shift to wider governance structures means that no single agent within this cluster can on its own deliver progress for women. Accountability now has many dimensions, and demanding it is a multipronged process. Nevertheless, governments remain a vital focus of this process, as they are frequently the enforcers of policies derived from global governance structures.

The shift from government to governance presents both problems and opportunities for women’s advancement. For instance, the increasing concentration of government economic decision-making in ministries of finance and central banks subordinates social policies to market-based indicators and criteria. But the new emphasis on “partnerships” and decentralization opens up new avenues for women to demand accountability, often at the local level (see Box 1).

**How Can Women Demand Accountability?**

Accountability can mean different things to different women and can be exercised in a variety of ways. Women’s multiple roles as citizens, producers, and providers of family and community care offer a range of positions from which they can demand accountability for progress in the empowerment of women.

- As citizens and voters women can hold politicians and elected officials accountable at the polls and through the voice of public opinion.
- As elected representatives, women can hold governments accountable through parliamentary reviews of existing laws and policies and as advocates for the greater representation of women in politics.
- As government officials and staff in national women’s departments or offices, women can hold other government departments to account. For example, in Turkey the Directorate General on the Status and Problems of Women has worked successfully with NGOs and the international human rights infrastructure to hold the government to account for its human rights policies. Expanded dialogue with women’s groups has encouraged greater governmental accountability in terms of opening up the consultative process for Turkey’s Sixth Five-Year Plan (Kardam and Ertürk 1999).
- As members of NGOs acting as “watchdogs” women can hold governments and corporations to account by publicizing reports and organizing hearings and demonstrations. For example, as part of the Beijing +5 review process, a US-based NGO, Equality Now, worked with international women’s groups to produce a report identifying specific laws in 45 countries that contradict the spirit and text of the Platform for Action as well as other UN conventions. As a result of this report, a substantial number of countries are in the process of reviewing or changing these laws (Equality Now 1999).

A pre-condition for greater accountability is the ability of women to be active political subjects rather than the objects of public policies. Beyond that, effective accountability requires autonomy, transparency, meaningful participation and effective monitoring. There are several pre-requisites, including:

- the existence of free and independent associations separate from the state. This requires a state commitment to women’s equality and an atmosphere of openness about women’s issues in the society at large. It also may require state support and guaranteed media access for groups otherwise marginalized from power;
- the right of citizens to information and participation, along with official tolerance of criticism of the state and room for compromise among social partners, and the ability to engage in “public action,” the combined action of states, pressure groups and political activists in the public domain;
- the resources to enable women to monitor governments, international financial institutions and corporations in order to verify information about operations and procedures. Such resources need to be available on terms that do not compromise the autonomy of women’s groups.

**Holding Governments Accountable for Conference Commitments**

The UN conferences of the 1990s have played a vital role in putting the issue of gender equality on the global agenda. In order to have a significant impact at the national level, however, implementation and follow-up are essential. All of the UN conferences of the 1990s include a five-year process of review and appraisal, by which governments are asked to report on the implementation process, including achievements as well as obstacles. The review is coordinated by the relevant UN agency and in most cases culminates in a special session of
Box 2: Beijing +5: Are Governments Matching Commitments to Budgetary Allocations?

Matching Platform commitments to actual spending can be used as a benchmark of government accountability. However, evaluating the allocation of resources to implement the Platform is very difficult, given enormous differences in wealth and resources between countries and great variations in how governments interpret spending on implementation. Estimates of resource allocation are found in the Review and Appraisal document for Beijing +5 (UN2000b), which analyses government reports on implementation of the Platform and in a review of national plans done by the Women’s Environment and Development Organization (WEDO 1998).

The Review and Appraisal document identifies three trends in terms of resource allocation strategies:

- countries which did not report specific allocations of budget resources to meet Platform goals;
- countries reporting targeted resources to specific programmes designed to improve the status of women;
- countries reporting that gender was mainstreamed through the budget process, incorporating gender into all budget areas.

The document notes the absence of any discussion of the comparative impact on women and men of budget items not targeted to women, which represent some 95 per cent of all expenditures in most countries. It also notes that most developing countries relied on resources from UN agencies and other international development agencies to implement the Platform, making cutbacks in funding for gender-specific programmes on the part of these donors significant.

WEDO estimated in 1998 that 31 per cent of reporting countries indicated an increase in the budget for women’s programmes since Beijing. An almost equal number reported their budget has remained the same and 9 per cent reported a decrease. Overall, the budget for women’s programmes is a small percentage of the national budget. WEDO notes that compounding the tendency to assign a low priority to “women’s issues” are fiscal austerity measures undertaken as part of IMF and World Bank-imposed restructuring programmes. Gender mainstreaming of departments and ministries is reported by a number of governments but this is particularly difficult to evaluate. It appears that many governments have earmarked funds for spending on Category 1 (see diagrams in Box 6, pp. 116-18) but few have extended their plans to cover Categories 2 and 3.

Sources: UN 2000b; WEDO 1998.

Following the preparation of national plans, governments were invited to assess achievements in and obstacles to implementation of the Platform in response to a detailed questionnaire from the UN Secretary-General. By December 1999, a total of 133 Member and Observer States had responded. Most reported achievements in at least some of the critical areas. But again, the majority stated that a shortage of resources was a major obstacle to progress in all areas, citing constraints ranging from IMF-imposed structural adjustment programmes and the impact of globalization to the ravages of natural disasters and armed conflicts (see Box 2). While not included in the government reports, it was clear that a global shift in spending priorities, from the public to the private sector, was

Beijing +5: Women 2000

In 1995, ten years after the completion of the UN Decade for Women, a review of the Nairobi Forward Looking Strategies to the Year 2000 found the pace of implementation to be so slow that it risked derailing the entire policy (IWTC 2000). As a result, the Beijing Platform of Action paid particular attention to implementation and follow-up. It recommended that governments prepare national plans of action by 1996, outlining implementation strategies in consultation with major institutions and civil society organizations. The UN Economic and Social Council (ECOSOC) requested governments to submit national action plans to the UN Division for the Advancement of Women for review by the Commission on the Status of Women beginning in March 1997. UNIFEM has been supporting a number of women’s departments or offices within government (known as national machineries) in the preparation and implementation of these plans.

By January 2000, a total of 116 Member and Observer States had submitted national action plans. Many of these were prepared in cooperation with NGOs and relevant actors in civil society, whose contributions were important in encouraging governments to draw up specific actions to advance the status of women in one or more critical area. The majority of these focused on four critical areas: education and training, women in power and decision-making, women and health, and violence against women (UN 2000b; UN 1999f). However, only a few of the plans established comprehensive, time-bound targets and indicators for monitoring such progress. And most made no reference to sources of financing for the actions agreed to (UN 2000b:161).

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In all regions of the world, except South Asia, the trend for public expenditure to rise as a proportion of national income ended in the mid 1980s (World Bank 1997).

In their reports to the Secretary-General, governments were asked to include an account of NGO activities in each of the critical areas. In many cases, NGOs were major participants in the gathering of information and preparation of the reports. In addition, NGOs were also invited to submit shadow reports, which in most cases offered a different perspective, both on achievements and the reasons limiting them.

As part of the Beijing +5 process, a series of preparatory meetings was held in each of the regions, leading up to the final preparatory meeting at the CSW’s 44th Session in March 2000. UNIFEM played an active role in supporting NGOs to participate in these meetings, where they lobbied to strengthen government commitments in the document to be agreed upon in June. Together with the UN Non-Governmental Liaison Service, UNIFEM produced a detailed guide for NGO participation: “Gender on the Agenda: A Guide to Participating in Beijing +5.”

**Copenhagen +5**

As part of the five-year review process of the Social Summit, the Secretary-General issued a report on the implementation of the Programme of Action, based on reports from 74 countries as well as information from other UN sources. This stressed the need to reconcile social and economic policy, noting particularly the high social and economic costs of growing income disparities. It noted the failure of countries to increase funds allocated for social development and concluded that while some progress was achieved in terms of gender-sensitive programmes and institutional frameworks, these were most often inadequately funded.

Despite the importance of gender differences within each of the Copenhagen Programme of Action commitments, gender is a focus only in Commitment 5: to promote further initiatives to enhance equality and equity between women and men. During the Copenhagen +5 process, however, women’s groups succeeded in getting an agreement on gender mainstreaming in all levels of policy-making and planning and a renewed commitment to ensure that gender is mainstreamed within all further initiatives related to each of the ten commitments.

In general, the review process has concentrated less on targets and indicators, which tend to focus attention on shortcomings in resource-poor countries, and more on the extent to which governments in developed countries have taken steps to implement commitments to make more resources available to poor countries. It was noted that in 1998, for example, official development assistance (ODA) was only 0.23 per cent of donor countries’ GNP, far below the 0.7 per cent OECD benchmark (see Chapter 2).

In addition, developing countries have endeavoured to get donor countries to accept some responsibility for policies that perpetuate resource shortages: namely, the high costs of debt repayment, structural adjustment programmes, deleterious international trade agreements and reductions in development assistance. They recommended that creditor nations should regard 2000 as a landmark year to commit themselves to a five-year time frame for debt cancellation for developing countries.

The International Council on Social Welfare (ICSW), a global coalition of civil society organizations in over 80 countries, organized regional and global forums to review implementation of Summit commitments and identify priority areas for action. The priorities for donor countries include:

- agreement on a timetable for achieving the 0.7 per cent ODA target by 2010;
- agreement that by 2005 at least half of their ODA will be directed to countries with which they have entered into a 20-20 agreement, relating to the proportion of ODA and recipient country budgets to be devoted to expenditure on basic social services;
- agreement on a “limited liability code” establishing limits on liability for debts incurred after its introduction.

**Holding Governments Accountable for Budgets**

Given the tendency of commitments to women to flounder for lack of resources, NGOs have sought ways to focus attention on the issue of resources, and the political and economic priorities that determine their allocation. One such strategy is to analyse national budgets from women’s perspectives, allowing women to “follow the money” to see if government rhetoric is followed in practice. Implementation of international conference commitments, national policy statements, and obligations under human rights treaties can be linked to government spending and revenue raising decisions.

*”If you want to see which way a country is headed, look at the country’s budget and how it allocates resources for women and children.”*  
— Pregs Govender, South African MP
Since the Beijing Platform for Action specifically calls for gender-sensitive budgets (see Box 3), gender-sensitive budget analysis can be used to check whether adequate resources are budgeted to implement a country’s plan of action and how fiscal policies are affecting women, as compared to men. One problem in implementation is that there is often a gap between the process of policy development and that of budget appropriations. A gender-sensitive budget analysis can bring the two processes together, helping government to implement policy effectively. A case in point is the allocation of resources to the Commission on Gender Equality in South Africa. The Commission’s budget falls within that of the Department of Justice. However, analysis by the Women’s Budget Initiative revealed that the 1997/98 budget allocation to the Commission in its first year of operation was not even sufficient to cover the remuneration of commissioners, and provided nothing to pay executive staff and office costs. It was also far less than that allocated to the Human Rights Commission and the Youth Commission. The Parliamentary Joint Committee on the Improvement of the Quality of Life and Status of Women highlighted this fact, and the government subsequently increased the Commission’s budget allocation substantially.

More generally, gender-sensitive budget analysis is a mechanism to address three key objectives:

- raising awareness within governments about the impact of budgets (and the policies and programmes which they support) on women;
- informing women about the gender implications of government expenditures and revenues;
- increasing effectiveness of government resource allocations to promote gender equality and human development.

**Government Budgets Are Not Gender Neutral**

National budgets may appear to be gender-neutral policy instruments. They deal with financial aggregates—expenditures and revenues, surpluses or deficits—rather than with people. Yet policy-makers should not assume that government expenditures and revenues will impact equally on men and women. Rather, since men and women generally occupy different social and economic positions, budgets typically affect them very differently. Ignoring the gendered impact of policy is not gender neutrality but gender blindness.

The socially determined roles, responsibilities and capabilities of men and women are usually structured so that women are in an unequal position with less economic, social and political power, frequently resulting in unequal access to resources. Gender differences and inequalities mean that a gender-blind budget will have different impacts on men and women, boys and girls. For example, most countries’ education budgets are gender-neutral in design, but because in many countries more boys than girls actually attend school, boys derive more benefit from educational expenditure than do girls (see Box 4).

One of the barriers to making budgets more accountable to women is that the conceptual frameworks and statistics used to prepare national budgets are themselves gender-blind. For example:

- women’s contribution to the market economy is underestimated because of incomplete statistics concerning women’s paid employment;
- the unpaid care economy, in which women do most of the work of maintaining the labour force and the social framework of the community, is not counted at all;
- the interaction between the paid and unpaid economy is not taken into account.

**Box 3: The Platform for Action and Gender-Sensitive Budgets**

The Platform for Action refers to the need for gender-sensitive budgets under the heading Financial Arrangements:

345. This will require the integration of a gender perspective in budgetary decisions on policies and programmes, as well as the adequate financing of specific programmes for securing equality between women and men.

**National Level**

346. Governments should make efforts to systematically review how women benefit from public sector expenditures; adjust budgets to ensure equality of access to public sector expenditures.

**International Level**

358. To facilitate implementation of the Platform for Action, interested developed and developing country partners, agreeing on a mutual commitment to allocate, on average, 20 per cent of official development assistance and 20 per cent of the national budget to basic social programmes should take into account a gender perspective.

Source: UN 1995b.
Gender-Sensitive Budgets Enhance Human Development

There is growing awareness that gender inequality is costly not only to women, but also to children, and to many men. It exacts costs in lower productivity, lower development of people’s capacities, less leisure and lower levels of well-being. Gender inequality in the labour market may promote rapid but unequal growth based on a persistent gender gap in earnings. However, if women were better trained and prepared, countries might lose some relative advantage in terms of cheap labour, but they could gain a productivity advantage. This would lead to a combination of more output, greater development of people’s capacities, more leisure and higher levels of well-being, based on gender-equitable development strategies.

- Research on agricultural productivity in Africa shows that reducing gender inequality could significantly increase agricultural yields. For example, giving women farmers in Kenya the same level of agricultural inputs and education as men farmers could increase yields obtained by women farmers by more than 20 per cent (Saito and Spurling 1992).

- Research on economic growth and education shows that failing to invest in girls’ education lowers gross national product (GNP). All else being equal, countries in which the ratio of female-to-male enrolment in primary or secondary education is less than 0.75 can expect levels of GNP that are roughly 25 per cent lower than countries in which there is less gender disparity in education (Hill and King 1995).

- Research on gender inequality in the labour market shows that eliminating gender discrimination in occupation and pay could increase not only women’s income, but also national income. For instance, if gender inequality in the labour market in Latin America were to be eliminated, not only could women’s wages rise by about 50 per cent, but national output also could rise by 5 per cent (Tzannatos 1991).

Gender-Sensitive Budget Initiatives

Gender-sensitive budget initiatives are taking place in a growing number of countries. What is covered, who participates and how the results are reported vary in different countries. A few such initiatives cover only expenditures directed specifically at women, although most cover untargeted spending categories. Some initiatives are local, others national. Some are located within government, others are launched by groups outside of the official government machinery. Elected representatives can play roles in both. In addition, the Commonwealth has developed a gender budget initiative in partnership with ministries responsible for women’s affairs and ministries of finance in a number of member countries. UNIFEM has been active in supporting gender-sensitive budget initiatives, sponsoring a series of workshops and offering technical support for training at the national and local levels (see Box 5).

In early 2000, gender-sensitive budget initiatives were underway in 20 countries in four regions. These included: Australia, Barbados, Botswana, Fiji, Kenya, Malawi, Mauritius, Mozambique, Namibia, Philippines, South Africa, Sri Lanka, St. Kitts, Switzerland, Tanzania, Uganda, UK, United States, Zambia and Zimbabwe.

**Box 4: Benefit Incidence of Public Spending on Health and Education in Ghana**

By bringing together estimates of the cost of providing a public service and information on the use of public services by men and women and boys and girls, one can see how public spending is distributed by sex. In Ghana, in 1992, because girls’ enrolment in secondary school was less than that of boys, girls received only 40 per cent of total public expenditure on secondary education. On a per-capita basis, this worked out at 3561 cedis per girl of secondary school age, and 5702 cedis per boy of secondary school age.

The gender gap in health expenditure was in the opposite direction. Women and girls received 56 per cent of total public spending on health. On a per-capita basis, this worked out to 3576 cedis per male and 3959 cedis per female.

Source: Demery et al. 1995.
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**The Pioneer: Women’s Budget Statements in Australia**

The first gender-sensitive approach to budgets was
launched in Australia in 1984, when the federal
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economic debates of the day in a new way. Women
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ments revealed that a wide range of fiscal policies
(for instance, tax and wages policy) could have very
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**Box 5: UNIFEM Support for Gender Budget Initiatives**

Following a presentation by MP Pregs Govender on the Women’s Budget Initiative in South Africa at UNIFEM’s 20th Anniversary Colloquium in 1996, UNIFEM was asked to help build capacity in the SADC region. A first workshop, “Engendering Budgets: The Southern African Experience,” was held in November 1998 in Harare, Zimbabwe, at which experiences and initiatives in engendering budgets were presented by participants from South Africa, Zimbabwe, Zambia, Mozambique, Malawi and Tanzania. NGOs, parliamentarians, government finance and planning officials as well as academic researchers participated from the five countries.

A follow-up workshop was held in Harare in November 1999 to discuss progress on the implementation of action plans developed during the first workshop, share experiences in engendering budgets, provide tools on gender budget analysis and develop national action plans for engendering budgets. Participants examined the advantages and limitations of gender budgets conducted inside government compared to those done outside government, stressing the problems of stakeholder access in the former versus problems of implementation in the latter. Several participants stated that apart from social sectors, there are very few women in government ministries, and none are involved in the budget process at the top. Members of parliament said they need support from government in pursuing gender budget initiatives, especially from finance and planning officials.

“Money talks. Men listen to money talk. These truisms are at the heart of the enthusiasm with which the idea of the women’s budget has been embraced by gender activists. When we talk budget, we finally have a sense that we are getting to the heart of the matter…and that men will sit up and listen.” — Colleen Lowe-Morna, former CEO, Commission on Gender Equality, South Africa.

In partnership with Indian Ocean Island States, UNIFEM sponsored a similar workshop in March 2000. This was followed in April with a conference to take stock of gender-sensitive budget initiatives, organized by UNIFEM, the Commonwealth Secretariat and the International Development Research Centre (IDRC, Canada). And as part of its support for gender analysis of national budgets, UNIFEM presented a position paper to ECLAC in November 1999, which was taken to the ECLAC Council of Ministers in February 2000.

A challenge for the future is to bring together gender equality, poverty and environment perspectives on the budget. A June 1999 workshop on Pro-Poor, Gender- and Environment-Sensitive Budgets organized by UNDP and UNIFEM convened an international group of practitioners and experts from governments, trade unions, civil society organizations, development agencies, donors and academia to compare participatory budget initiatives both inside and outside of government and review their technical and political dimensions. A Web page was set up as the basis of an international knowledge network (see www.undp.org/poverty/initiatives/budgets.htm).

Source: Budlender 1999; UNIFEM 1999a.
The South African Women’s Budget Initiative (WBI)

Women in South Africa were inspired by the Australian women’s budget statements to analyse the budget of their own government. In 1996, a group of NGOs in conjunction with the Parliamentary Joint Committee on the Improvement of the Quality of Life and Status of Women launched the Women’s Budget Initiative (WBI). Each year, the initiative analysed various sectors of government spending and revenue. By the end of 1999, four volumes had been produced, covering all areas of government spending as well as taxation and macroeconomic policy. The Women’s Budget Initiative also strives to make its work more accessible to women at the community level (see Box 7, p. 120).

As the South African Women’s Budget Initiative progressed, its contributors acquired a deeper understanding of the advantages and disadvantages of a gender budget initiative done outside government, rather than within, as in the Australian case. Volume 3 of its expenditure analysis, completed in 1998, explained that one of the primary aims of the initiative is to empower members of parliament to raise gender issues in relation to budgets. But along with deficiencies in gender analysis and information, parliamentarians confront a more structural problem: they cannot amend budgets.

This point highlights a limitation of gender-sensitive budget initiatives that are not undertaken within the government ministry or department responsible for drawing up yearly budget proposals, typically the Ministry of Finance.

The Commonwealth Gender Budget Initiative

The Commonwealth Gender Budget Initiative (GBI), agreed upon at the 1996 meeting of Commonwealth Ministers Responsible for Women’s Affairs, was designed precisely to engage with ministries of finance. South Africa was the first country to join this initiative, thanks to the prior advocacy of parliamentarians involved in the WBI.

Other countries involved in the Commonwealth scheme include Sri Lanka, Barbados, St. Kitts and Nevis and Fiji. Sri Lanka and South Africa successfully completed the pilot stage during the period January - November 1998. In Sri Lanka, where the project was managed by the National Planning Division of the Ministry of Finance, gender-sensitive sectoral analyses were launched in several areas, including agriculture, industry, health, education, social services and public sector employment. The result has been the identification of areas where gender-based inefficiencies and inequalities exist as well as efforts to improve capacity for gender-disaggregated data collection.

Barbados has launched case studies focusing on gender-specific expenditures, expenditure on government employees (especially training) and mainstream expenditures. Training of staff and officials is also underway in Fiji and St. Kitts and Nevis as the first stage of gender-sensitive budget initiatives in those countries.

The goal of the Commonwealth Gender Budget Initiative is to ensure that gender-sensitive analysis is part of overall budget formulation and evaluation and it brings together government actors who might not otherwise work with each other. It may overcome one of the structural limitations of the Australian exercise, namely, the relative isolation of gender-equality advocates and initiatives from key economic ministries and officials.

“The budget is presented on budget day and Parliament must either accept it as is, or reject it completely. Rejection is not really a feasible option in that by the time budgets are presented, the departments and agencies must almost immediately begin spending. In practice, in the debates on the budget votes most parliamentarians say very little about the budget”.

— Debbie Budlender, South African Women’s Budget Initiative, 1998
Gender analysis of a budget cannot be reduced to a technical “fix,” merely reformulating budget classification and coding systems. It requires officials and ministers to think about government activities in a new way. It requires dialogue as well as statistical analysis. A number of tools for carrying out gender budget analysis have been developed by researchers and activists associated with the initiatives in Australia, South Africa and the Commonwealth Budget Initiative (Commonwealth Secretariat 1999; Budlender and Sharp 1998).

A good starting point is to divide the expenditure of each government department into three categories: expenditure specifically targeted at women or men; equal opportunity initiatives in the public sector; and gender impact of mainstream budget expenditure (see Diagram A). The last category represents the vast majority of any national budget, and can be analysed using tools 1, 3 and 5. Similarly, government revenue can be divided into three categories (see Diagram B). Tool 4 is useful in analysing revenue while tools 6 and 7 look at the budget as a whole.

**Tool 1: Gender-Aware Policy Appraisal.** Applying a gender-aware policy appraisal means looking at the policies and programmes funded by the budget from a gender perspective by asking: “In what ways are the policies and their associated resource allocations likely to reduce or increase gender inequalities?”

**Example:** The South African government’s land reform programme is proceeding at an increasing pace, with corresponding increases in expenditure for everything from owner compensation to microfinance programmes. However, women’s access to land as well as to the financial resources necessary for its development is impeded by legal restrictions on women’s land ownership and rights to conclude contracts. Women who do have access to land tend to have access to smaller plots with poor irrigation, and women-headed households typically have no wage or salary earners. As a result, women are far less able to benefit from the reform process and related expenditures. When the Department of Land Affairs received this gender-aware appraisal of land reform it started to integrate gender concerns into its monitoring and evaluation system and has begun providing gender training for staff (see Budlender and Sharp 1998:39).

**Tool 2: Beneficiary Assessments.** Beneficiary assessment is a means by which the voice of the citizen can be heard. In these exercises, the actual or potential beneficiaries of public services are asked to assess how far public spending is meeting their needs as they perceive them. This can be done through opinion polls, attitude surveys, group discussion or interviews. Questions can focus on overall priorities for public spending or upon the details of the operation of public services.

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**Diagram A: Public Expenditure Categories**

<table>
<thead>
<tr>
<th>Category 1</th>
<th>Specifically targeted expenditures by government departments and authorities to women or men in the community intended to meet their particular needs. For example, women’s health programmes, domestic violence counselling for men, programmes for women with young children.</th>
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<tr>
<th>Category 2</th>
<th>Equal opportunity expenditure by government agencies on their employees. For example, training for lower level clerks (where women may predominate), paid parental leave, child-care facilities for children of employees.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Category 3</th>
<th>General or mainstream budget expenditures by government agencies which make goods or services available to the whole community, but which are assessed for their gender impact. For example, who are the users of primary health care? Who are the learners in government-provided literacy classes? Who receives agricultural support services?</th>
</tr>
</thead>
</table>

ACCOUNTABILITY FOR THE PROGRESS OF WOMEN: WOMEN DEMANDING ACTION

Diagram B: Government Revenue Categories

<table>
<thead>
<tr>
<th>Taxation</th>
</tr>
</thead>
<tbody>
<tr>
<td>For example, direct (income) tax, indirect taxes (e.g., VAT, customs and excise) and tax “expenditures” (e.g., tax incentives and rebates)</td>
</tr>
</tbody>
</table>

Donor Funds

| Loans and grants |

Other Revenue

| For example, user pays fees, asset sales and borrowings |

Total Revenue


Example: In the United States, alarm over a national debt “crisis” reached a peak in the mid 1990s, creating pressure to cut government expenditures in order to reduce the deficit. In 1996, the Women’s International League for Peace and Freedom initiated a Women’s Budget Project, asking women to answer a series of questions about the choices they would make in allocating national budget resources. Pointing out that few women benefit from military spending programmes because they are severely under-represented both in the armed forces and in military contractor jobs, the project calculated the costs of various defence-related programmes and compared them to potential social welfare expenditures. It then asked: Which would you choose? Fund the F-22 fighter plane programme for the current year ($2.1 billion) OR pay for the annual health care expenses for 1.3 million American women? Fund Seawolf attack submarines for the current year ($1.7 billion) OR provide low-income home energy assistance for 5.6 million households? The project estimated the savings from proposed cuts in military spending and outlined the ways in which such savings could be invested to benefit women, including employment and training programmes, campaigns against gender-based violence, and services for the elderly, the majority of whom are women.

Tool 3: Public Expenditure Incidence Analysis.

Incidence analysis of public expenditure is a useful tool for helping to assess the gender distribution of public spending. It can give a sense of how gender-inclusive such expenditures actually are by comparing the distribution of the benefits of public spending among women and men, girls and boys. Similarly it can suggest the gender impact of supposedly gender-neutral budget cuts.

Example: Sri Lanka’s food ration and stamps programme provides an example. Changes to the food ration and subsidy programme in the 1980s revealed that despite rapid economic growth, the real value of stamps eroded in the first half of the decade and there was a decline in the real incomes of the poor. A gender-disaggregated analysis concluded that within poor households, girls and women took the brunt of the increasing food deficit, citing higher levels of malnutrition among pre-school and school girls and declining birth weights of babies born to low income mothers (see Budlender and Sharp 1998:47).

Tool 4: Revenue Incidence Analysis.

The manner in which governments raise revenues and the level of revenues raised in relation to the need and demand for public expenditures can have different effects on women and men. Revenue incidence analysis can be used to calculate how much in taxes or user charges is paid by different categories of individuals or households. Total budgeted revenue can be divided into three categories, including direct and indirect taxes, loans and grants, and other revenues, such as user charges on government services and intergovernmental income transfers (see Diagram B). One of the problems in doing this analysis is that equal sharing of income within households is often assumed.

Example: In Canada, the National Association of Women and the Law (NAWL), in a submission to the House of Commons Standing Committee on Finance, noted that the current system of tax benefits for private retirement savings needs to be reformed to remove or reduce existing gender bias. Tax subsidization of retirement savings is gender biased because women have fewer opportunities to be employed in full-time jobs with pension benefits, experience more frequent labour force interruptions due to care-giving responsibilities, and earn less than men on average. As a result, women accrue lower benefits under government-sponsored retirement schemes and are less likely to participate in employersponsored registered pension plans (NAWL 1998).
Tool 5: Sex-Disaggregated Analysis of the Impact of the Budget on Time Use. Changes in government resource allocation have impacts on the way in which time is spent in households. In particular, cuts in some forms of public expenditure are likely to increase the amount of time that women have to spend in unpaid care work for their families and communities in order to make up for lost public services. Thus whenever cuts are proposed, the question should be asked: Is this likely to increase the time that men and women spend on unpaid care provision?

Example: Between 1983 and 1985, real per-capita expenditure on health fell by 16 per cent in Zambia. People had to travel greater distances and wait for longer periods of time to get treatment and drugs. Zambian women interviewed for a study by Alison Evans and Kate Young reported having to spend more time caring for sick family members, including time spent with them in hospital providing meals and helping to nurse them (Evans and Young 1988).

Tool 6: Gender-Aware Medium-Term Economic Policy Framework. The ultimate aim of gender analysis of national budgets is to incorporate gender variables into the models on which medium-term public expenditure planning are based. This might be done by disaggregating by sex variables that refer to people (e.g., labour supply) or by including new variables to represent the unpaid care economy (see Çagatay et al. 1995).

Example: A gender-aware medium-term economic framework has not yet been adopted by any government. In South Africa, however, the government invited members of the Women’s Budget Project to address a workshop on the development of a new Medium Term Expenditure Framework (MTEF) in 1996. The idea was to plan expenditure on a three-year rolling basis rather than on the present year-by-year basis. The Women’s Budget Initiative commented that while this did not mean that the MTEF would necessarily be gender sensitive, it did signal a willingness by the Ministry of Finance to engage with gender-equality issues. In fact, the National Expenditure Survey produced by the Ministry of Finance in 1999 did incorporate more gender analysis.

Tool 7: Gender-Aware Budget Statement. Any government can issue a gender-aware budget statement utilizing one or more of the above tools to analyse its programmes and budgets and summarize their implications with a number of key indicators. It requires a high degree of co-ordination throughout the public sector and is essentially an accountability report by government regarding its commitment to gender equity.

Example: The Third Women’s Budget produced by the South African Women’s Budget Initiative draws upon suggestions made by Diane Elson for the Commonwealth Budget Initiative to identify which indicators might be used in the South African context to prepare a gender-aware budget statement. A number of indicators are suggested as starting points for a continuous process of monitoring resource allocations and linking these to government commitments and policies. These include:

- the share of expenditure targeted to gender equality – equivalent to Category 1 in Diagram A – for example, Ministry of Welfare’s Flagship Programme;
- gender (and in this case, racial) balance in public-sector employment, which looks at the number of women and men in different levels and different jobs;
- the share of expenditure devoted to women’s priority public services, which in South Africa might include services such as water provision;
- the share of expenditure devoted to the Office of the Status of Women, the gender units within each agency and the Commission for Gender Equality;
- the share of expenditure devoted to women’s priority income transfers, which would include the Ministry of Welfare’s child-support grants that provide monthly payments to care-givers of young children in poor households;
- gender balance in business support, such as the subsidies provided by the Department of Trade and Industry and the Department of Agriculture;
- gender balance in public sector contracts, including contracts to build houses for those obtaining Department of Housing subsidies, or for public works;
- gender balance in membership of committees and other decision-making bodies and forums, for example in water and other community-level committees, ideally also specifying whether women and men are remunerated for their contribution;
- gender balance in training, for example in public works and other programmes for the unemployed.
Outside Government Initiatives: A Critical Voice in Policy Debates

Women in several other countries, both North and South, have launched gender-sensitive budget initiatives outside government. Such initiatives, launched by civil society forces — sometimes in cooperation with parliamentarians — are aimed at making fiscal policy more responsive to the needs of women by drawing public attention to the budget process and its impact.

In the UK, the Women’s Budget Group (WBG) has been active since 1989, issuing press releases on every budget and working to put questions on gender and budgets on the policy agenda. Focusing on changes in the tax and social security system that have threatened to transfer cash from the hands of women to the hands of men, the WBG pointed to evidence that shows the benefits to children of keeping cash in the hands of mothers, as well as the benefits to women themselves. Since the election of the Labour government in 1997, the WBG has been actively consulted by the government.

In Switzerland, gender budget activities are organized by trade unions and NGOs. A series of studies initiated in 1994 examined the effect of austerity measures on the employment of women and men, the unpaid work of women and the incidence of benefits. More recently, an analysis of expenditures that have an impact on unpaid care work estimated that in the canton of Bern, about 20 per cent of expenditure supports unpaid care work. However, this has decreased in relation to other budget expenditures, indicating a contraction of resources going to support such unpaid work.

Uganda too has an outside arrangement, the result of a collaboration between the Parliamentary Women’s Caucus and the Forum for Women in Democracy, an NGO. The Women’s Caucus is the most organized lobby within parliament and has won important legislative changes, such as reserving 30 per cent of seats on local councils for women. In 1997, the Women’s Caucus embarked on a three-year gender budget initiative to examine the impact of recent structural adjustment packages. In Tanzania, the Tanzania Gender Networking Programme, is responsible for coordinating the gender budget initiative (see Box 7, p. 120). Other initiatives underway in Africa include those in Namibia, Mozambique and Zimbabwe.

“The preparation of government budgets is generally considered to be a job for technical experts, not for ordinary Canadians. Governments of all ideological stripes have found it politically convenient to perpetuate this myth: the less people know the less they can challenge the prevailing political orthodoxy as expressed in budgets.”

— John Loxley, co-coordinator, Alternative Federal Budget (Choices 1998)

Gender Budget Initiatives: Strengths, Weaknesses and Future Challenges

Gender-sensitive budgets offer a way for women to hold governments to account for their international and national commitments to the advancement of women by linking such commitments to budget allocations. Activists and researchers have stressed that policy-makers cannot assume that government expenditures and taxation measures impact equally on men and women, given the generally different social and economic positions of men and women. So all good policy-making requires a gender-sensitive analysis of fiscal policies.

The Commonwealth Gender Budget Initiative provides several useful lessons for undertaking gender budget initiatives within government:

- demonstrating the concrete and practical nature of a gender-sensitive budget is important for drawing governments into the process;
- gender-sensitive budget analysis within government is best placed in the ministry of finance as the key stakeholder within government; yet, ministries of finance also provide the greatest resistance to such initiatives, given the relatively few women who work in them and the reliance of finance ministries on conventional, gender-blind economic analysis;
- the technical knowledge for conducting a gender-sensitive analysis is often lacking in all government ministries and departments;
- securing political support at the top creates an important enabling environment;
- partnering with civil society organizations is vital to monitoring and accountability.
Box 7: Making Budgets Matter for People: Three Popular Education Initiatives

South Africa
Efforts are currently underway to make the Women’s Budget Initiative material available to citizens who do not have access to the four volumes of analysis. *Money Matters: Women and the Government Budget* was produced in 1998. Targeted to a second-language English speaker with ten years of education, the book is intended also as a lobbying tool, concentrating on government policies and expenditures that can give women greater economic independence and provide the catalyst for real change. It looks at the policies and budget allocations of eight government departments: labour, public works, trade and industry, land affairs and agriculture, education, health, welfare, safety and security, and shows how gender-sensitive policies and budgets can improve the lives and opportunities of the most disadvantaged: poor, black women.

MP Pregs Govender, Chairperson of the Parliamentary Committee on the Quality of Life and Status of Women, states in her introduction: “Women often respond to the words ‘economics,’ ‘macroeconomics,’ ‘budgets,’ and so on with feelings of fear and inadequacy. We associate these with ‘experts’ who do not look like us. They do not have to balance caring for children, the elderly or the sick, doing domestic chores and working in fields and factories or offices. Yet it is women who are expected to stretch their time to catch the fall-out from decisions made by economists, for example, macroeconomic choices resulting in cuts to health, welfare and so on.”

Canada
A similar, broad-based effort aimed at giving ordinary people the knowledge and ability to hold governments to account and demand a more just economy, was launched in Canada in 1998. *Show Us the Money! The Politics and Process of Alternative Budgets*, is a “how-to” manual that unpacks government budgets and suggests an alternative, participatory process and outcome. Building on the Alternative Federal Budget (AFB) initiative that was launched in 1995 by a coalition of trade unions, social movement activists and researchers, the manual gives some background on budgeting as well as alternative views of the economy. In the words of John Loxley, one of the founders of the AFB: “The central message of this book is that budgets are, above all, political documents and that people should not be afraid of them. Democratizing the budget process is important if we are to effectively resist the platform of the neo-conservatives and replace it with a public policy more in tune with the needs of ordinary Canadians.”

Tanzania
“A gender budget is one which demonstrates sensitivity to the different needs and privileges, rights and obligations which men and women have in the society...The first pre-requisite, therefore, to the budgeting exercise entails a gender analysis of the population.”

The Tanzania Gender Networking Programme (TGNP), an NGO committed to women’s empowerment, spent nearly three years tracing the process of national planning and resource allocation, noting how it impacts on women and men, youth and the elderly. As part of its Gender Budget Initiative, in 1999 TGNP produced a booklet, *Budgeting with a Gender Focus*, which popularizes its findings in four sectors: the ministries of finance, education, and health plus the Planning Commission. The booklet shows the power that all of these sectors have through the distribution of national resources and calls attention to significant gender gaps, especially in health and education.
South Africa currently has both an outside-government initiative, the Women’s Budget Initiative, and an inside-government initiative, the Pilot Project of the Commonwealth Gender Budget Initiative. The most visible change resulting from this combination of outside-government and inside-government initiatives has been that government sector reviews now incorporate a gender perspective. One result in terms of policy has been an improved targeting of expenditures within each sector. For instance, in 1997 the National Public Works Programme did an evaluation of its Community Based Public Works Programme, which has a budget of about R 250 million out of a total R 350 million allocated to National Public Works. Of those employed on the projects, 41 per cent were women and 12 per cent were youths. While the figure for women is lower than the female proportion of the population in the rural areas in which the projects operate, it is almost certainly higher than would have been the case without explicit targeting. Unfortunately, the evaluation showed that women were often assigned the more menial jobs, that their average wages were lower, that they were employed for shorter periods than men, and that they were less likely than men to receive training (37 per cent of the men received training, compared to 32 per cent of the women). The evaluation results have formed the basis of the Department’s current plans to finetune the programme and further improve targeted budget allocations (Budlender and Sharp 1998: 67).

Debbie Budlender, the editor of the four volumes of analysis produced by the South African Women’s Budget Project, warns against expecting quick results. She stresses the importance of what she calls “standing on two legs”— one inside and the other outside of government. Governments cannot be expected to provide cutting-edge critiques of themselves and advocates often do not have access to key officials or information that those inside government might have. She also points out that gender budget analysis is learned through practical engagement, through making a start and continually adapting tools to the local environment.

Holding Corporations to Account

One of the pressures for reducing public expenditure comes from the ability of transnational corporations to lobby for lower taxes. Globalization has resulted in an enormous increase in the power of transnational corporations, which have wrested greater freedom from state regulations through trade liberalization and the privatization policies of the International Monetary Fund and the World Bank. As a result, accountability of corporate management has been shifting steadily towards shareholders and away from stakeholders (including workers, the community and, to some degree, governments). This shift is most pronounced in Anglo-Saxon countries such as the United States, the UK and Canada as well as Australia and New Zealand. By comparison, shareholders in Europe and Japan are not so dominant.

Box 8: Gender Budgeting in the UN System

Following the Beijing Women’s Conference, the UN General Assembly requested that efforts be made within the UN system to ensure that medium-term plans and programme budgets visibly mainstream a gender perspective. As part of the Beijing +5 process, a UN Task Force on Gender Mainstreaming in Budgets was set up in 1999 by the Office of the Special Adviser on Gender Issues to develop concrete tools for UN departments, agencies and commissions to assess their budgets from a gender-sensitive perspective. The Task Force reviewed efforts to mainstream gender equality in budgets within the UN system, as well as in a range of other institutions, including some large NGOs and private sector organizations. Among its findings:

- there is no clear consensus on what gender mainstreaming means in budgets;
- there is often no clear method of tracking resources allocated and linking allocations to results;
- the rationale for visibly mainstreaming gender needs to be clear.

Among UN organizations, the Task Force found that even when gender equality is written into the agency’s central objectives and planning documents, it often drops out of budgets, which are seen as purely technical. Part of the exercise of the Task Force review is to get work that is being done to mainstream gender classified and coded as such so that it can be tracked and counted. As one CIDA (Canada) official observed: “What gets counted, gets done.”

Building on these findings, the Task Force worked with five UN organizations to develop concrete strategies and methodologies for gender mainstreaming in the programme budget process: UNFPA in New York; the Department of Political Affairs in the Secretariat in New York; WHO in Geneva; ESCAP Regional Commission in Bangkok; and the Office of the High Commissioner for Human Rights in Geneva. The results, to be presented at for the Beijing +5 Session in June 2000, are intended to provide models that are applicable to different types of agencies within the UN system.
In the 1990s, these changes have been met by increasing calls for social responsibility and accountability of the major corporations, not only to their own shareholders but also to a wider public. In the 1970s, there were attempts to institute mandatory international codes of conduct to regulate the social and environmental conditions under which products are produced and marketed, through an international agency such as the UN Conference on Trade and Development (UNCTAD). This effort did not succeed, and the implementation of codes of conduct has been left to corporations themselves — prodded by trade unions and other organizations of civil society. Women have been active — as consumers, as workers and trade union members as well as shareholders — in campaigns designed to hold corporations to account. These include codes of conduct that set minimum working conditions, social labels that specify the social conditions under which a product is produced and initiatives directed at ethical consumption and investment. To date, all corporate codes of conduct remain voluntary. However, transnational corporations are coming under increased scrutiny, especially regarding labour practices. Their freedom from state regulations has led to a mobilization of civil society actors worldwide, skilled at using the Internet to publicize company abuses around the world. An anti-sweatshop movement has effectively reached almost every corner of the globe, pressuring transnationals to cut back on the use of child labour, limit the number of hours required on the job and restrict their use of dangerous chemicals. The message is that businesses must operate in ways that promote the realization of human rights.

**Codes of Conduct: NGO Initiatives**

Women have helped organize student sit-ins at schools and universities, picketed in front of stores and participated in letter-writing campaigns. They have also engaged in:

- campaigns for social labelling, for products produced under “fair labour” conditions;
- advancing intergovernmental and governmental initiatives to create standards;
- demanding social accounting and social auditing for company internal monitoring.

One example of a worker-driven initiative led by women is the code of ethics for employers operating in free trade zones in Nicaragua, called “Employment Yes, But with Dignity.” Workers in the zone, primarily women, were locked behind chain link fencing all day, obliged to reach out through the links to vendors lined up outside to purchase their food. With extensive media coverage, workers gathered some 30,000 signatures on a petition with which they successfully lobbied the national parliament for regulations on corporations operating in the zone.

The code of ethics, which will be monitored by women workers in conjunction with the Central American Network in Solidarity with Women Workers in the Maquilas, requires companies to:

- eliminate discrimination on the basis of sex, race, religion, age, disability or political orientation;
- guarantee job security and safeguard pregnant or post-natal women from dismissal;
- engage in no physical or psychological or verbal abuse;
- ensure that workplaces guarantee health, hygiene and well-being, including regular health check-ups and worker training to prevent job-related accidents and illness;

“Of course we know that the code will not solve our problems. It is just a mechanism to help us. The underlying problems of poverty and unemployment are what make workers accept poor conditions and bad wages.”

— Sandra Ramos, Maria Elena Cuadra
Women’s Movement, 1998

"Multinational corporations accounted for an estimated $9.5 trillion in sales in 1997. Their value added was 7% of world GDP in 1997, up from 5% in the mid 1980s. "Multinational corporations now dwarf some governments in economic power”

— Human Development Report, 1999
• pay the legal wage and social security contributions;
• respect working hours and overtime pay according to law;
• allow workers to organize and negotiate collective agreements;
• employ no workers under the age of 14.

Elsewhere women’s NGOs have been working in concert with trade unions to evaluate and propose corporate standards on working conditions. In 1997-1998, for example, Women Working Worldwide (WWW), a UK-based civil society organization, organized a series of consultations with women’s groups in South Asia and the Philippines, designed to get feedback on the value of company codes of conduct from women workers’ organizations and women workers themselves. A number of regional organizations collaborated with WWW in conducting research and facilitating discussions with workers. They discovered that workers felt that codes could strengthen their bargaining ability provided that they are only one strategy among many, and never replace the right to organize and bargain collectively.

In some cases, NGOs and unions have joined corporations in working out codes of conduct. An example is the Ethical Trade Initiative (ETI) in the UK, launched with government support in 1998 to negotiate what is known as a “roundtable model code” in the food and garment retail industries. The first companies involved have been retailers who are at the front-line of consumer complaints and wish to avoid bad publicity. In 1998, the ETI negotiated a Base Code that incorporates the ILO Declaration on Fundamental Principles and Rights at Work and other international standards as well as the notion of a “living wage,” in accord with local standards of living. The ETI is now turning its attention to how to monitor and verify the Base Code, developing benchmarks, criteria for judging the competency of monitors, and ways to further dialogue between stakeholders and capacity-building in the South. Three pilot monitoring projects are underway, including wine production in South Africa, horticulture in Zimbabwe and clothing production in China.

**Codes of Conduct: Company Initiatives**

Elsewhere companies have instituted their own voluntary codes of conduct. Comprehensive codes of conduct generally apply to company headquarters and subsidiaries as well as other companies in the supply chain (sub-contractors). For instance, garment production for a large retailer can be scattered around the globe, with design taking place at company headquarters in the North and cutting, sewing and assembly being done in factories and homes of the South. Codes typically go beyond anti-corruption and shareholder relationships to include a wide range of regulations such as those governing forced labour, child labour and health and safety and environmental standards. The International Labour Organization (ILO) currently lists over 215 multinationals that have some form of voluntary code of conduct, including Levi Strauss (jeans), Dow Chemical, Walt Disney, Ford Motor Company, General Electric, Johnson & Johnson (pharmaceuticals), sportswear giants Reebok and Nike and retail chains Wal-Mart and Sears Roebuck (see Box 9, p. 124).

Because they are voluntary, these codes can be as inclusive or as vague as the corporation desires and are not legally enforceable. Consumer and human rights advocates point to several other problems, including:

- failure to refer to ILO standards related to child labour, discrimination or the rights of workers to form their own trade unions and bargain collectively;
- highly variable definitions of living wages or health and safety standards;
- failure to specify implementation methods.

All of these were true in the case of the code of conduct introduced by the football stitching industry in Pakistan, rendering it basically empty. Then a group of women, concerned about the exploitation of young children in particular, brought together government and NGOs to find a way to end the use of child labour in the stitching of soccer balls in Sialkot, Pakistan. The three-pronged Partners Agreement includes the ILO, UNICEF, the Save the Children Fund, the Punjab Department of Education, along with various football industry associations and the World Federation of Sporting Goods Industries.
Box 9: Reebok’s Human Rights Initiatives

Reebok is a sports footwear and apparel company that produces in many parts of the world, including the Americas, Asia, Europe, and a limited amount in the Middle East and South Africa. In 1992, Reebok systematized its factory-monitoring practices by adopting a formal, worldwide code of conduct concerning the treatment of workers. Under the Reebok Human Rights Production Standards, factories that manufacture Reebok products must:

- implement reasonable working hours and overtime;
- provide fair compensation;
- respect the right to freedom of association;
- offer a safe and healthy work environment.

The code mandates:

- NO discrimination against workers;
- NO forced or compulsory labour;
- NO child labour.

The code further states that every factory will publicize and enforce a non-retaliation policy that permits factory workers to speak with Reebok staff without fear of retaliation by factory management.

In October 1999, Reebok released a report on two Indonesian factories producing Reebok footwear, based on a study conducted by Insan Hitawasana Sejahtera (IHS), an independent research and consulting firm based in Jakarta, Indonesia. The report, entitled Peduli Hak (“Caring for Rights”) profiles conditions at two of the largest factories, PT Dong Joe Indonesia (DJI) and PT Tong Yang Indonesia (TYI), outlining problems and steps taken to correct them. It includes findings that are critical of factory management’s communication with workers, gender equity and health and safety procedures.

Reebok is the first company in the industry to make public an in-depth, third-party critique of labour conditions in factories making its footwear. Reebok is also a co-founder of “Business for Social Responsibility” and together with the US-based Lawyers Committee for Human Rights established Witness — a programme that equips frontline human rights activists with hand-held video cameras to document human rights abuses. The company sponsors an annual Reebok Human Rights Award and awards grants to human rights NGOs worldwide.

One problem with company codes of conduct is that they are rarely subject to independent monitoring, especially at the thousands of subcontracting factories where most of the work is actually carried out. For example, The Gap, a US sportswear retailer, adopted a comprehensive code of conduct in the early 1990s. But although this was supposed to cover factories run by their suppliers, conditions at these factories remained appalling. In 1996, following widely publicized exposure of labour practices at one such supplier, the Mandarin factory in El Salvador, The Gap agreed to accept independent monitoring by local human rights groups. However, The Gap has 1,000 contractors in 50 countries, and the Mandarin factory in El Salvador is the only one that has agreed to independent monitoring.

“This was the first time that workers from both groups had heard about codes of conduct. They also said that their managers and supervisors do not know about codes. Not one clause of the code was implemented. There was no union, no living wage, no minimum working hours. There was also child labour, particularly in the Sialkot sportswear factories.”

— Simy Gulzar, Working Women Organization, Lahore

Enforcing Corporate Responsibility

How codes of conduct are enforced lies at the heart of the issue of corporate citizenship, inspiring campaigns to force parent companies to take responsibility for conditions wherever goods are produced. For instance, public attention was focused on conditions in a Honduran factory that produced clothing for Wal-Mart because a line of
sportswear bore the name of a prominent US television personality, Kathie Lee Gifford. Gifford initially declined to speak out against the sweatshop conditions reported at the factory. However, the public outcry generated by this and other incidents encouraged her to join the White House Apparel Industry Partnership, comprising companies such as Nike, Reebok and Liz Claiborne along with unions, human rights groups, religious organizations and consumer advocates. Initiated with great fanfare in 1996, the partnership was charged with creating an industry-wide code of conduct and monitoring system. However, it floundered over the terms of independent monitoring, the right to form a union and companies’ refusal to include a living wage provision. Most union and NGO representatives pulled out, and the companies and remaining NGOs formed the Fair Labor Association (FLA) in 1998. In an effort to improve its credibility, the FLA secured the participation of over 100 universities that license the companies to make apparel. At the same time, union and human rights groups joined student organizations to form a more rigorous monitoring group, the Workers Rights Consortium, which to date has been joined by some 50 universities.

At the international level, several specific product codes of conduct have had some success in inducing companies to be more socially responsible. One of the best known is the longstanding international women’s campaign regarding the marketing of babymilk, or infant formula (see Box 10). Governments can combine both international and national codes in regulations governing the production and marketing of certain products. In India, for example, the government has passed legislation on the marketing of babymilk in line with the World Health Organization (WHO) Code, which specifies the way in which labels and advertisements must be worded so as to avoid improper use. The legislation allows companies and their executives who violate these guidelines to be prosecuted, subject to prison terms of up to three years.

Another strategy for demanding corporate responsibility is litigation. However, it is very difficult for workers in one country to take legal action against a multinational corporation that has its headquarters in another country. Transnational corporations argue that they are subject only to the laws of each country, and judges usually support this claim. Recently, trade unions and human rights groups have won some important legal rulings where courts in a company’s home country have accepted that the company is legally responsible for employment conditions in its operations overseas. In 1997, for example, a judge in the UK awarded a group of workers in South Africa approximately $1.5 million for injury caused by mercury poisoning at a plant owned by the UK-based Thor Chemical Holdings (ICEM 1997). More recently,
three class-action suits were filed against US retailers for mistreatment of workers in factories run by non-US suppliers operating on US soil, specifically on the Pacific island of Saipan. Brought by the garment workers union (UNITE) and three NGOs (Sweatshop Watch, Global Exchange and the Asian Law Caucus), these charged that companies had knowingly contracted with factories that violate US labour laws (IUR 1999). In late 1999, nine retailers agreed to a $3 million settlement that not only guarantees regular wages and basic working conditions but also funds an independent monitoring body to enforce standards (Block 2000).

However, as all of these hard-fought campaigns by worker and consumer groups make clear, legislation and agreements about codes of conduct will remain fragmented and piecemeal unless they can stimulate more concerted action by governments and international development agencies. A number of groups working on corporate accountability, including Labour Behind the Label, Women Working Worldwide and the International Confederation of Free Trade Unions, have agreed to use the ILO’s Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy as a basis of a corporate code of conduct. These principles specify that codes of conduct be simple and easy to use, and must:

- include all core ILO labour standards and state company responsibility in agreements with contractors, subcontractors and suppliers;
- establish a labour contract;
- ensure high-quality independent monitoring;
- involve workers and unions in implementation and monitoring;
- hold the company responsible for the cost of monitoring;
- include reproductive rights protection and sexual harassment clauses.

“Multinational corporations are too important and too dominant a part of the global economy for voluntary codes to be enough.” — Human Development Report, 1999

Consumer Action: Alternative Trade Organizations

Another approach to corporate responsibility depends not on state regulation but on the market itself. Beginning in the 1970s, a number of alternative trade organizations (ATOs) emerged in Europe and North America, building on earlier precedents such as the cooperative movement in 19th-century Europe and a variety of Northern based movements in solidarity with people in revolutionary societies. During the 1980s and 1990s, alternative or fair trade organizations concentrated on strengthening the position of small producers of goods such as coffee, cocoa and honey in the South by appealing to the so-called ethical consumer market in the North (see Box 12). But unlike the solidarity trade movement, the fair trade movement seeks to influence more mainstream trade, through the impact of consumer choice rather than the intervention of the state (Murray 1998).

The 1990s saw the growth of national fair trade mark organizations, which issue “Fair Trade Marks” which set out set out ethical standards for overseas suppliers of products. Like the longstanding Union Labels, awarded by labour unions in different countries to demarcate items produced by unionized firms, Fair Trade Marks are part of a wider movement known as “social labelling,” or the promotion of products on the basis of their claims to be environmentally or socially responsible.
Social labels are the opposite of warning labels, messages on products that indicate that they are “green” – that is, environmentally friendly — or that they are produced under “fair labour conditions.” Like codes of conduct, labels are voluntary responses to market demands. But unlike codes of conduct, they are only relevant in the highly developed consumer markets of the North, where people have many similar products to choose from. As such, they have little or no impact on the environmental and labour standards of producers who lack a high consumer profile in the North.

Social labelling campaigns are designed to encourage companies selling toys, clothes and food to adopt codes of conduct with regard to labour practices and environmental standards. The case of Rugmark is often cited as an example of how consumer power can be used to raise awareness of how goods are produced and to encourage changes in the entire chain of production. Rugmark is a label awarded to domestic carpet producers in India who do not exploit child labour. It is a fairly unusual initiative in that it focuses not on global corporations but on producers in the Indian subcontinent and mobilizes consumer action in the importing countries.

“Today I bought a Kodak camera… I learned that Kodak has undertaken a $13 million initiative to implement pay equity in its workforce. I believe in supporting companies that behave ethically toward their workers.”


**Social Accounting and Social Auditing**

Corporate accountability requires standard setting and implementation, which includes independent monitoring and verification. This latter concern has given rise to “social accountants” and “social auditors” who are hired by companies to carry out inspections and advise and train employees in socially responsible practices.

Social accounting refers to a company carrying out internal monitoring, evaluation and reporting on its operations against a set of benchmarks. It combines international standards with new forms of accountancy around social, ethical, and environmental factors alongside the standard financial ones. Social auditing means a company brings in an outside firm to verify whether its social accounts are complete and accurate. One of the best known is Ernst & Young, which advises Nike, among others.

With both practices, there is concern about to whom social auditors are accountable and what standards they apply (e.g., ILO standards versus private benchmarks). In an effort to get beyond this, the Council for Economic Priorities in the United States launched SA 8000, or Social Accountability 8000, designed to be “a comprehensive, global, verifiable standard for auditing and certifying compliance with corporate responsibility.” Based on core ILO conventions, the UN Universal Declaration of Human Rights and the UN Declaration on the Rights of the Child, the standard is intended to be applied to both developing and developed countries.

The SA 8000 Advisory Board consists of representatives from Reebok, Toys ‘R’ Us, Sainsbury’s, the Body Shop and Otto Versand. An audit is carried out by a private company accredited to the Council on Economic Priorities Accreditation Agency to see whether a company meets the SA 8000 standard. It is then granted a certificate that shows good practice to consumers and

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**Box 12: Twin Trading and CaféDirect**

Twin Trading is a London-based alternative trading organization, established in 1985, which now buys coffee from 14 organizations of small farmers in seven countries. The coffee is processed and marketed as CaféDirect, a brand now available in most UK supermarkets as both fresh-ground and freeze-dried instant coffee. The brand was launched in 1991 and sales grew rapidly. In 1997 it had 3-4 per cent of the UK market for fresh-ground coffee.

Twin Trading provides a minimum guaranteed price for coffee farmers, and a premium above the world price, when this goes higher than the minimum price. It provides pre-payment to farmers, and develops a long-run close working relationship with them to enable them to improve the quality and reliability of their deliveries. The farmers can take advantage of their increased know-how to sell to a wider range of traders – Twin Trading provides up-to-date market information to them and enables them to visit London to see how their crop is marketed and consumed.

“A few years ago, before initiatives like CaféDirect… it seemed like farmers were only good for walking long distances with coffee on their backs… I think that the comerciantes [local traders] just couldn’t ever imagine that one day we would be working directly with people from the outside… They certainly never thought we would be in the trade ourselves.”

— Eleanor Arbildo, Northwest Peru

policy-makers. Some weaknesses at present are that none of the supporting evidence concerning the audits is made public and the certificate only applies to one site rather than to all of the subcontractors in the production chain.

**Ethical Investment and Shareholder Action**

Ethical investment initiatives involve screening organizational investment portfolios according to ethical and social considerations. Women in church organizations, trade unions and NGOs, as well as public sector agencies, have joined and at times initiated campaigns to prohibit investment in companies that discriminate on racial, gender or religious grounds, and to promote investment in socially responsible companies (see Box 13).

Women have also been active in shareholder action campaigns in which they buy shares, attend shareholder meetings and question directors on their environmental and social record. In the United States, the Union of Needletrades, Industrial and Textile Employees (UNITE) has waged shareholder campaigns against companies such as The Gap, Nike and Disney, combined with public demonstrations and media outreach.

**Conclusion**

The accountability of government and corporate institutions to all citizens is a cornerstone of democratic society. Effective accountability to women requires:

- a political commitment to women’s equality and an atmosphere of openness about women’s issues in the society at large;
- free and independent women’s associations to counterbalance the influence of dominant “malestream” forces with ready access to decision-making structures and the media;
- greater participation of women within national parliaments and ministries of finance, as well as the boards of transnational corporations;
- access to the media by organizations working to challenge gender-blind policies of globalization and restructuring;
- resources to monitor state and non-state actors as well as to train and develop the research capabilities of women in order to facilitate independent assessments.

First, **governments** should take steps to link commitments made at Beijing to their national budget allocations. These need to go beyond allocations to women’s programmes to include an assessment of all budget items for their gender-specific impacts and outcomes.

**Box 13: Women-Friendly Ethical Equities Fund**

The UNIFEM National Committee in Singapore has created an ethical equities fund, the first in South East Asia, which will invest in publicly-listed companies that support UNIFEM objectives. Individual savings will be channelled to women-friendly companies, while dividends and income from the fund will in turn be used to benefit UNIFEM’s work in South East Asia. In addition to demonstrated investment potential, listed companies must demonstrate a commitment to the empowerment of women. This is defined as:

- significant female representation at the board level
- women-friendly hiring and promotion programmes
- pre-maternity and adoption benefits
- comparable pay for comparable work
- on-site or subsidized child-care programmes
- mentoring programmes for women staff
- manufacture/market products and services of benefit to women.

Companies that consistently subvert the empowerment of women by, for instance, relying on below-minimum wage female workers or subcontracting to economies which abuse female and child labour, could be excluded from the proposed fund. An Advisory Committee comprised of UNIFEM representatives and women investment professionals would audit the investment criteria and choices every six months.


Second, **transnational corporations** must be held to more stringent codes of conduct, subject to independent monitoring. Codes should include: the application of all core ILO labour standards, action programmes to combat sexual harassment, and reproductive rights protection clauses. The right to own and operate a business has to be defined and utilized in ways that promote rather than violate the human rights of employees, customers, and local communities.

Finally, progress for the world’s women demands that women become active agents in the policy-making process. No longer content to be the objects of policy, women across the globe are demanding an equal role in the formulation of policies that will shape their future, as discussed in Chapter 6.