

Seminar on Gender Justice, Globalisation and Development

Prof. Dr. Diane Elson/Prof. Dr. Brigitte Young

University of Münster

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Gender Justice

- Gender Justice: is a broader frame than gender equality to encompass difference/sameness, need to think about just distribution of resources
- Discussed Nussbaum's and Robyns capability approach to study gender inequality. Central question: What is „she“ actually able to do and to be, with the resources at her disposal?

Questions:

- Can there be universal standards or is gender justice context specific?
- What are the modalities for framing gender justice in the UN, in citizenship and globalisation discourses?
- How can claims of justice be discussed in terms of rights and obligations (liberalism)?

Sociology vs. Pol Science vs. Economics

- Sociology: Situated nature of justice
- Political Science: formal legal structure
- Economics: Is there a theory on justice/ethics (Adam Smith?), or only on welfare gains?

Anne Phillips: Multiculturalism, Universalism, Democratization

- Norms of justice are not formulated under conditions of gender equality
- What currently passes as universal principles and norms are gendered
- Liberal tradition – deeply flawed due to emphasis on choice over equality
- Choice depends on substantive conditions
- Answer is not cultural relativism

Globalisation and Development

- Globalisation is multidimensional
- Sylvia Walby: social notion of globalization
- Focus on processes of increased density and frequency of international and social interactions
- Distant vs. local interaction

Economic Globalization

- Interaction of international trade and finance through global market
- These are not new phenomenon: it is the speed and scope of these interactions

The historical origin of globalization lie in three conjunctural moments:

1. the rise of neo-liberalism in the US and Great Britain and the defeat of a Keynesian state-led economy (collapse of the Bretton Woods System)
2. the information and communication technology revolution
3. collapse of the Soviet Union – with the collapse of an alternative ideology to liberal capitalism (“the end of history”!)

Globalization is a major transformation in the territorial organization of economic activity and political power. Thus globalization is part of a broad process of restructuring of the state and civil society, and of the political economy and culture.

Global restructuring is occurring on a gendered terrain, largely gender-neutral and aggregate terms to describe the macroeconomic transformation.

Saskia Sassen speaks of a “New Geography of Power”: the more the economy is being decentralized, the more complex and centralized become the economic activities both internationally and within corporations.

By the end of 1997, 25 cities controlled 83 percent of the world’s equities and accounted for roughly half of the global market capitalization (around \$20.9 trillion),

London, New York, and Tokyo combine to hold a third of the world’s institutional equities and account for 58 percent of the global foreign exchange market

What is the new geography of power?

- The **International Monetary Fund**
- The **World Bank**
- The **OECD** (Organization for Economic Cooperation and Development)
- **WTO** (World Trade Organization)
- **EU** – European Union

These institutions have created a new state, a transnational state, with its own institutional structures, communication networks and logic of actions and beyond democratic control.

A transnational state without a transnational society.

The shift from politics to markets not only led to a shift in the balance between the state and the corporate sector, but the decision-making power about macro-economic policy has moved from the **legislatures to the financial ministries**, central banks, and the transnational economic institutions.

Private Sector

- Is the hub of global global economy
- Globalization intensifies the pressure on the domestic and the public sector
- Financial markets „disciplining“ the public sector
- production and social reproduction as a finance-mediated process

New Actors:

Transnational Corporations:

- 37,000 TNC in 1992, with 170,000 affiliates (7,000 in 1970s)
- The top 100 had global sales of \$5.5 trillion, a sum equal to the GNP of the USA
- They employ about 72 million people, 15 million are in developing countries
- TNC's control about 5 percent of the global work force, although they control over 33 percent of global assets

Financial Markets:

- no more than 10 percent of all financial transactions are related to real economic activity. Much of the rest is related to speculative activity, money laundering and tax evasion, as well as the offsetting of risk.
- The sharpest dividing line is between informal and formal financial markets. Financial markets are increasingly integrated across borders, but the integration is not between the North and the South.

Finance is discussed purely in **aggregate terms** (exchange rates, money policy, inflation, interest rates, current account balance, trade balance), there is **no gender** (no men nor women)

Need much more work how to connect finance, production and social reproduction. Need to think of production and social reproduction as finance mediated processes.

To Engender the Global Financial Context

Obstacles:

- Owners of large-scale financial assets can use their options to exit from an economy, without considering social and gender justice (exit option, voice option does not exist)
- The IMF does not have a consultative approach to economic policy making. Decisions are made largely behind closed doors and does not even consult with colleagues in the World Bank

Women have focused on the availability of micro-financing. Yet fewer than 2 percent of women have access to financial services other than moneylenders.

Making financial markets work for all people requires a double-embedding of the financial markets:

- One set of institutions for efficiency
- Another for equity

How have women experienced globalization:

According to the UNIFEM Report, *Progress of the World's Women 2000, June 2000*:

The picture is mixed and the inequality among women themselves has increased greatly.

- Globalization has brought more women into the labor force.
- A it has intensified the existing inequalities and insecurities of women in many parts of the world due to the increase of the informal economy
- For educated women, it has meant new and better paying jobs and opportunities in the formal economy that had not existed before.

Recent research at the World Bank has shown that the openness to the world economy was found to be negatively correlated with income growth among the poorest 40 per cent of the population but strongly correlated and positively correlated with growth among higher income groups.

WTO policies seem to concentrate losses among the poor and gains among the richer groups

The regions that have been most affected by economic decline and worsening situation for women:

- Sub-Sahara Africa – in 19 out of 48 countries real per capita income fell
- Eastern Europe - 9 out of 19 countries real per capita income fell and 15 experienced a rise in income inequality

Indebtedness of countries has increased:

- Sub-Sahara -- 22 countries out of 48
- Asia and Pacific -- 10 countries out of 28
- Northern Africa -- 2 countries out of 5

!! Increased indebtedness of countries seems to be related to a deterioration in girls enrolment in secondary schools, but also in enrolment for boys

Reprivatization of Social Reproduction

- Women continue to provide about 70 percent of the unpaid time spent on care for family members
- Social reproduction crises is mediated through women's participation in flexible markets
- Unpaid work of women in poor and average households

The Role of the “Third World”: Development

The term “Third World” was coined by the French demographer Alfred Sauvy in the 1950s, and denoted the world system of the

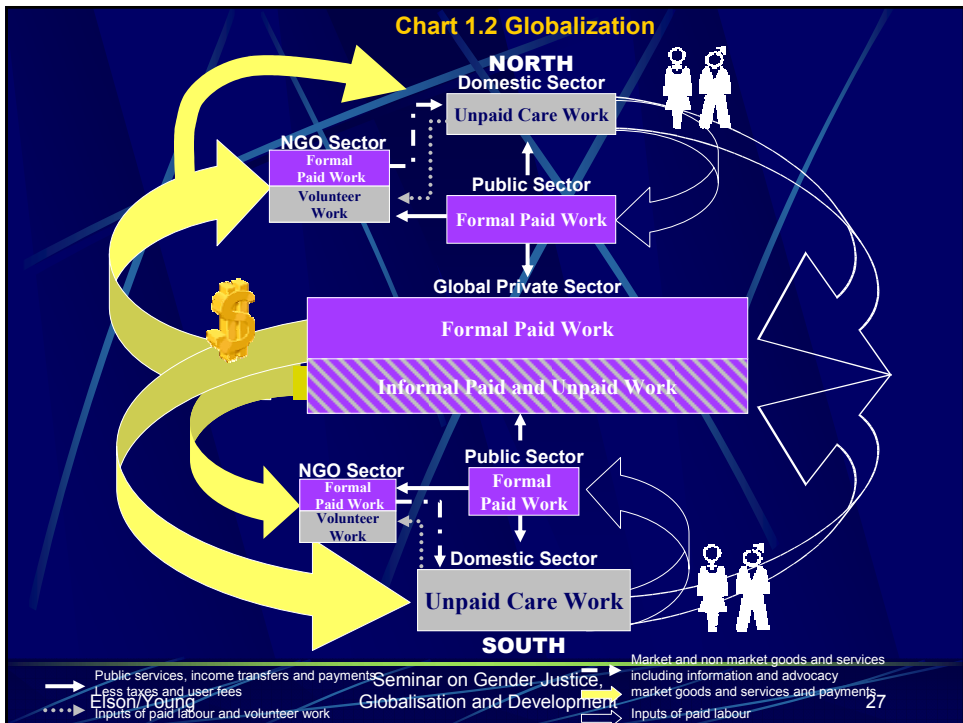
- First World (industrial countries)
- Second world (socialist countries)
- Third World - the newly decolonized countries

In this ideological competition between capitalism and socialism, the Third world functioned as an important economic factor (both in terms of resources and as a market for industrial goods) and as a political balance between East and West

Height of the Third World was 1973, the OPEC-price increase

Today: Brazil has a devastating coffee harvest, but it does not even affect the price of coffee in the West

With the end of the cold war, the Third World lost its political purpose. In the New Geography of Globalization, it has become the periphery to a new very polarized economic system.



**We need to demystify,
deconstruct and
democratize (3 D's)
macro-economic
ideology and policies.**

Our task is to develop an interdisciplinary, international and regional approach to understand how globalization materializes within national and regional boundaries and interfaces with existing norms, values, culture, political institutions and structures, economic system, and gender relations. What is needed is a kind of mapping how these factors in the South, North and East interact and provide opportunities for the inclusion of women, but also constrains human security and social justice of people.

What Strategies can be used to change the present Globalization process to a more inclusive and social justice oriented process?

1. We need to engender the macro economy and link it to the micro-economic understanding that we already have.

What does it mean to engender the macro-economy?

Engendering the macro-economy means that economic aggregates:

- Public expenditures
- Public Revenues
- Public debt
- GNP
- Money supply

are bearers of social relations and social power and are imbued with social values.

2. Global Economic Governance and the WTO

Women have set up NGOs on Gender and Trade and have argued that

World trade is a women's issue.

What does the WTO do:

It goes far beyond the reduction of import quotas and tariffs.

It regulates:

- Barriers to trade
- Regulation of foreign investment
- Environment protection
- Health and safety standards
- Laws on the ownership of natural resources
- Systems of knowledge and new technology
- Systems for placing government contracts and
- Designing and operating social security systems

Mutual Agreement on Investment (MAI) is coming back with a vengeance.

The whole system of the WTO is based on the assumption that the markets are the most appropriate ways to organize resource allocation.

There are moves in the WTO to extend the Government Procurement Agreement, which would restrict the ability of governments to award contracts on social and environmental as well as economic grounds.

Point 1 – overemphasizes deflating the economy by reducing public expenditure and raising interest rates to combat inflation. Using deflation has made the position of poor people, and poor women in particular, worse, - as the financial crises in South-East Asia have shown.

Amyrta Sen has shown that there is no evidence that inflation rates of 15-20 % have a negative impact on growth rates

Point 2 – commodification bias, the bias that turns as many public services into commodities, to be sold to the public by newly privatized business. Privatization of health, education, social security, and other citizen entitlements definitely has a negative impact on women, and particularly poor women who mostly work in the informal economy

Point 3 – bread-winner bias, which sees women as the dependents of men.

Pressure that creates deflationary and commodification bias comes from the IMF, World Bank, financial markets, and the globalized private sector.

The NEW ECONOMIC GEOGRAPHY OF POWER FROM A FEMINIST PERSPECTIVE

Scholars such as Diane Elson, Nilufur Cagatay, Lourdes Benereia, Bina Agarwal, Vivienne Wee, Gita Sen, and many other feminist scholars have demanded to open up macroeconomic policymaking to consultation.

Elson and Cagatay argue for a transformative approach which would mainstream gender-equitable social policy within macroeconomic policy.

If we take the IMF and the World Bank, it is positive to note that they have started to look at the

Social impact

of macroeconomic policy since the Asian crises. But this is not enough. What needs to be done is to look at

the balance of social power

that underpins a particular macroeconomic policy, and which shapes the choices of policy instruments and time frame:

For example: the choice of whether to reduce a budget deficit by raising taxes or cutting expenditures has to do with the balance of social power.

If we take the Asian crisis:

The policies of the IMF did not simply have a negative social impact, they embodied a profoundly unjust social content, prioritizing the financial rights of creditors over the human rights of the peoples of East Asia, with particularly low priority accorded to poor women.

Feminist Strategies

1. Engender the National Budgets

- national budgets reflect the balance of power within a society.
- The Canadian example is particularly interesting in that the government argued that the budget deficit was caused by high government spending, which, in its view, gave rise to high interest rates.
What needed to be done was to cut expenditures.
- But feminist economist showed that the high interest rates were due to monetary policy pursued by the government through the Bank of Canada. By taking into account the three biases: commodification, breadwinner and the deflationary biases, feminist economists showed that macroeconomic policies were not a given. By focusing on the three interconnected biases, they came up with alternative macroeconomic frameworks.
- Many other countries have started to engender the national budgets, and focus on the social content of the national budget.

Gender Issues in the WTO Agenda:

- The Agreement on Agriculture
- The General Agreement on Trade in Services
- Trade Related Property Rights (Trips)
- Trade Related Investment Measures (Trims)
- Government Procurement

Need an Alternative Trade Organization

NGOs already are working on corporate accountability, codes of conduct and codes of ethics

- Labour Behind the Label
- Women Working Worldwide
- International Confederation of Free Trade
- Ethical Trade Initiative
- Economic Justice Caucus

Focus has to be on Fair Trade and not Free Trade

There is much talks about the new financial architecture, such as the

- Tobin Tax
- To close international tax havens
- Outlaw derivatives
- More transparency of the financial markets
- Reducing of the Debt of third world countries

Thus we need to adjust the role of the finance markets from a private good (bought and sold through the market) to public-private financing compatible with sustainable human development and social justice.

Use the International Covenant on Economic, Social and Cultural Rights against the WTO and IMF.

We need to remember that

Globalization is clearly an unfinished business, a work in progress that can be shaped and steered by human interventions and values of equality, poverty reduction and social justice.

Noeleen Heyzer, Executive Director of UNIFEM