

Ad Hoc Expert Group Meeting on
Gender and Macroeconomic Policies
in the Caribbean
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**REPORT OF THE AD HOC EXPERT GROUP MEETING ON
GENDER AND MACROECONOMIC POLICIES
IN THE CARIBBEAN**

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The Economic Commission for Latin America and the Caribbean/Caribbean Development and Cooperation Committee (ECLAC/CDCC) convened a meeting of experts in the field of gender and macroeconomic policies over a two-day period, 16-17 October 2000, in Port of Spain, Trinidad and Tobago. The experts discussed and analysed the impacts of macroeconomic policies on the goals of gender and social equity and sought to identify subjects for further empirical study. The meeting also considered how gender analysis could be better integrated into the framework for macroeconomic policy formulation. The United Nations Development Programme (UNDP) and the Gender Equality Fund of the Canadian International Development Agency (CIDA) supported the meeting.

The participants at the meeting were economists and social and gender planners drawn from regional institutions such as the Caribbean Community Secretariat (CARICOM), the Caribbean Development Bank (CDB), the Centre for Gender Studies and Sir Arthur Lewis Institute of Social and Economic Studies, University of the West Indies (UWI). Economic planners from Dominica, Jamaica and Suriname also participated as did representatives from the UNDP offices in Barbados, Guyana and Trinidad and Tobago; the International Labour Organisation (ILO), the United Nations Development Fund for Women (UNIFEM), the Inter-American Development Bank (IDB), Commonwealth Secretariat, the Caribbean Association for Feminist Research and Action (CAFRA) and the Caribbean Policy Development Centre (CPDC). The list of participants of the meeting is annexed to this report.

Welcome and opening

Mr. Lancelot Busby, Economics Affairs Officer, welcomed the participants to the meeting, on behalf of Ms. Len Ishmael, Director of the ECLAC/CDCC secretariat. He thanked both the UNDP and the Gender Equality Fund, CIDA, for their valuable contribution in making the meeting possible. In addressing the substantive focus of the meeting, he referred to the growing numbers of women in the labour market and the informal sector and spoke of the persistent inequalities in the conditions of their participation. He suggested that an aggressive programme of gender mainstreaming should be implemented within all State institutions, including those that extended credit.

Mr. Busby spoke to the need for gender disaggregated data in the areas of the labour, assets and goods markets. He drew attention to the Port of Spain Consensus adopted at the Third ECLAC/CDCC Caribbean Ministerial Conference on Women and in particular to the recommendation urging a

gender impact analysis of macroeconomic policies. Mr. Busby concluded by wishing the participants productive deliberations resulting in innovative action in social development.

Ms. Isabella Waterschoot, the representative of UNDP, greeted the meeting on behalf of Mr. Hans Geiser, the Resident Coordinator. She stated that the Caribbean subregion had been active in exploring gender- and poverty-sensitive approaches to macroeconomic policy formulation and planning. This was evidenced in the region's participation at the United Nations World Conferences on Women and Social Development. At those conferences, Caribbean delegations voiced concerns relating to the social, economic, political and cultural environment of the subregion. There were also initiatives taken at the national level to promote gender equality and the protection of women's livelihoods. Still, there was a need for appropriate indicators to measure changes in women's quality of life as a result of poverty reduction strategies, as well as women's access to resources and benefits such as work, income and productive inputs.

Ms. Waterschoot acknowledged the challenge of engendering macroeconomic policy and planning for economic planners, decision makers and economists and called for a reconceptualisation of apparently gender-neutral planning tools, such as fiscal and monetary policy. Ms. Waterschoot urged the participants to seize the opportunity to "act as agents of change".

Ms. Denise DeBique, the representative of the Gender Equality Fund, CIDA also welcomed the participants and stated that the Fund's programme was responsive to the needs articulated by the subregion. The following were the main aspects of the Fund's work in the subregion:

- (a) Poverty, good governance and the encouragement of participation at all levels;
- (b) The strengthening of regional and national negotiation mechanisms around trade issues;
- (c) Gender equity planning; and
- (d) Collaboration with other agencies

Despite an ongoing focus on macroeconomic policies in the Caribbean subregion, Ms. DeBique suggested that insufficient attention had been paid to the formulation of these policies in such a way as to promote gender and social equity. In concluding, she encouraged the experts to utilise the meeting to target gender equity as an outcome of economic policies.

Situating the relevance of gender in public policy

The representative of the ECLAC/CDCC secretariat gave the introductory presentation on “Situating the Relevance of Gender in Public Policy”. She suggested that Caribbean economists and sociologists in the post-independence period were concerned with describing structures of socio-economic inequalities in the Caribbean, analyzing the causes of persistent poverty and prescribing the details for an economic development, which would ensure the eradication of the vast disparities in access to the economic goods in the subregion. Policy solutions advanced were multidisciplinary and addressed the connection between economics, politics and social structure. The debates focused on the necessary economic strategies and possibilities for attaining sustainable economic growth with equity.

While opinions differed regarding the role of the State in promoting economic growth and development, she argued that there had been a wider consensus that the State had a central role to play in ensuring social mobility and the alleviation of poverty. As a result, successive Caribbean governments had worked towards universal access to education and primary health care and, to a lesser extent, social security and public housing. Welfare was capacity building or affirmative action to lift the majority of the population from zones of economic exclusion, exclusion understood as deriving from the interplay between race and class.

The secretariat explained that scholarship and activism leading to an understanding of gender-based differentials in the experience of economic deprivation and poverty in the Caribbean emerged in the mid-1970s propelled by the agenda of the United Nations around the International Year of Women and the Decade of Women (1975-1985). Research on the socio-economic status of women and their households revealed economic burdens consequent upon female headship, the multiple roles of women, the double day of work; and women’s strategies of survival. That scholarship explored the differences between women and men who were apparently similarly situated.

The central conclusion of the work on female-headed households was that for women the experience of poverty was more acute because of the breadth of responsibility for the economic well-being of others, (children, siblings, parents) and the limited opportunities for economic advancement. The notion of gender neutrality in the formulation and execution of social and economic policy was therefore rejected. Gender equity in the design of effective policy required consideration of the differences between men and women, their roles, responsibilities and differential access to resources.

The global conferences organized by the United Nations in the 1990s provided a platform from which economic policies that prioritised growth over

equity were critiqued. The programmes of action which were adopted at these world conferences agreed on a rights-based approach and called attention to accepted obligations of States to ensure economic rights to a core minimum of education, decent shelter, health care, nutrition and a decent standard of living. The 20/20 initiative advocated by the United Nations Children's Fund (UNICEF) also asserted that access to basic social services formed the core of development and was also a human right.

Despite calls for social equity, the secretariat noted growing concerns that the macroeconomic framework advocated and pursued by the subregion's governments had exacerbated social inequality. In this regard, the Port of Spain Consensus adopted at the Third ECLAC/CDCC Ministerial Conference on Women called upon governments to engage in gender impact assessments of macroeconomic and budgetary policies. This concern was based on the need for a more responsive policy, as well as the imperative for mainstreaming gender analysis throughout the public sector.

The presentation concluded by identifying the following objectives of the meeting:

- (a) To explore the relevance of the variable of gender in macroeconomic policies;
- (b) To identify knowledge gaps for research; and
- (c) To map out a research and action agenda that was multidisciplinary and drew on the expertise, experience and commitments of the agencies present.

Discussion

The participants considered whether the focus on macroeconomic policy as opposed to meso- and microeconomic policies was useful. It was thought in this regard that in small, open, dependent economies, it would be difficult to separate macro from microeconomic policies.

They agreed that the discussions should be centred not only on concerns for impact of policy implementation, but also for a more complete incorporation of gender analysis in policy formulation. Gender equity was seen as a component of social equity and it was pointed out that there existed an inter-relationship between income distribution and poverty and economic stabilisation programmes.

Participants reflected on the need for more rigorous and informed social planning and called for an examination of the methodology of poverty assessment studies. They also discussed the need for consistent and

comparable data that would better inform decision-making and policy formulation at the national level.

The meeting was urged to consider the political economy of Caribbean states in discussions on performance and accountability within the public policy framework.

Macroeconomic policies in the Caribbean

The ECLAC/CDCC secretariat presented the background paper on “Macroeconomic Policies in the Caribbean”, which discussed the central features of macroeconomic policies pursued in the Caribbean and considered the possibilities for incorporating gender analysis.

In setting out the rationale for the macroeconomic policies implemented, the secretariat stated that sustainable economic growth and foreign capital inflows were among the main challenges which confronted Caribbean countries, given their dependence on foreign trade and foreign investment. These countries had narrow export bases and relied on the sale of primary commodities or on earnings from the tourism industry. They were, therefore, susceptible to fluctuations in commodity prices on international markets. The Caribbean subregion was also prone to natural disasters which constrained efforts at increasing output and income.

Despite attempts at increasing local production and thereby foreign exchange earnings, the main macroeconomic problems of many Caribbean countries (and, in particular, the larger ones) in the 1980s were negative rates of economic growth, high inflation (more than 10 per cent), unemployment, significant fiscal and current account deficits and increasing indebtedness.

Macroeconomic policy was defined as the overall policy aimed at influencing variables, such as national income/output, overall level of employment/unemployment and general price levels. The objective of current macroeconomic policies was economic stabilisation, an approach which had been supported by the International Monetary Fund (IMF). Structural adjustment policies, it was argued, were essentially supply-side policies aimed at facilitating the operation of the market mechanism by abolishing administrative controls. These policies emphasised the removal of price and other regulatory controls (liberalisation); the removal of the State from direct participation in economic activities (privatisation) and tax reform aimed at encouraging savings and investment.

In the 1980s and 1990s economic adjustment programmes focused on containing aggregate demand to bring them in line with existing supply. Jamaica, Guyana, Barbados and Trinidad and Tobago used a combination of monetary and fiscal adjustment measures. The adjustment pursued by those

countries, with the exception of Jamaica, resulted in the resumption of economic growth. Jamaica's achievement was the significant reduction in inflation in the late 1990s, as well as reduction in the fiscal deficit. The long-term pursuit of monetary stabilization stymied the recovery of economic growth in Jamaica and contributed to the negative impact of adjustment on specific groups, including women and children.

The secretariat suggested that it was arguable that the adverse impact of adjustment programmes was due, in part, to internal inconsistencies and problems of implementation. If this were the case, it would be more appropriate to address those deficiencies than to reformulate new policies incorporating gender analysis.

In concluding, the secretariat reminded the meeting that in so far as economic policy required making choices, it was a political process. Engendering macroeconomic policies required a number of steps within that process, beginning with the inclusion or participation of gender-aware policy makers. The incorporation of a gender dimension into macroeconomic policies depended on the answers to a number of questions such as: Who chooses the particular mix of macroeconomic policies? What factors were taken into account in making the choice? What might be the possible consequences on vulnerable groups? Was there coordination with other policy-making entities to ensure consistency? and Was implementation efficient?

The presentation recognized that the possibilities for incorporating a gender analysis were most evident with regard to fiscal policy. The assumption of homogeneity of the population could be challenged and national budgets examined to determine whether there were in-built gendered assumptions and biases against specific groups, such as women. On the other hand, the secretariat considered that monetary and exchange rate policies were more resistant to gender analysis because they were less obviously determined by the politics of resource allocation, falling as they did within the ambit of the central banks. However even monetary policy could be the focus of gender analysis since the spending and borrowing behaviour of women and men were an important determinant of such policy.

The secretariat called for a programme of research that would integrate gender into all stages of the macroeconomic policy cycle. It pointed out that the integral relationship between macro and microeconomic issues necessitated the development of a database which would include gender disaggregated microeconomic data.

Discussion

The meeting agreed that there was a level in macroeconomic planning where gender analysis and other social equity issues could be effectively

considered assuming that economists were sensitized to these issues. Political support for the integration of gender analysis within macroeconomic planning was essential. The meeting was reminded that the objective of macroeconomic planning, that is stabilisation of the economy, should not be lost.

Implications for social equity

The representative of the CDB prefaced her presentation by asking whether issues of gender inequity were any different from other forms of inequity. She questioned rhetorically whether there were economic policies that would be able to address inequality effectively. According to the CDB representative, macroeconomic policies were strongly influenced by the assumptions made about the functioning of the economy and the role key economic actors played. She acknowledged that all macroeconomic policies were infused with value judgements, which affected the determination of preferred outcomes of policies as well as the distribution of resources.

She noted major changes in economic and social policy over the last two decades and pointed out that there had been a return towards a non-interventionist stance for governments in both the economic and social arena. In the post independence period on the other hand, the State played a key role in the productive and social spheres. Some features of macroeconomic policies included:

- (a) Taxation was heavily progressive and redistributive;
- (b) Taxation and expenditure policy was used to provide incentives for targeted economic activities;
- (c) Expenditure was used to provide vital social and economic infrastructure including health, education and physical infrastructure;
- (d) Expenditure was targeted at special groups, geographic areas and communities, for example, old age pension, social assistance and rural development;
- (e) Trade barriers were used to protect nascent manufacturing concerns and the agricultural sector; and
- (f) Minimum wages and labour standards were introduced in a bid to alter the relationship among economic actors

It was noted that the shift from Keynesian to monetarist economics which was evident since the 1980s resulted in a focus on macroeconomic stabilization, the facilitation of market liberalization and the opening up of the

economy in this period of globalization. In that context, the reduction of inequality appeared no longer a priority on the agenda of economic planners.

The presentation addressed the concepts of primary and secondary incomes (the latter derived from subsidies, remittances, public goods and pensions) and how they were each affected by policies that altered factor (labour and capital) and product markets. The CDB representative asserted that through the use of macroeconomic policy, governments had the power to impact social equity, that is, the distribution of resources amongst the various economic and social actors. Since the 1980s, a shift in policy focus had altered the way primary and secondary income accrued, resulting in a general deterioration in income distribution in all countries of the subregion. She pointed to empirical evidence which showed that primary incomes had been affected through an increase in the returns of incomes to the upper income groups (those with more capital, land and skills) while that of lower income groups and lower income countries (those with disproportionately more labour) had declined. Secondary incomes had been also impacted by the adoption of a more regressive taxation policy and cuts in social spending.

The CDB representative noted that the impact of macroeconomic policy on social equity depended on the manner in which different economic actors were inserted into the economy, the power which they had in relation to product and factor markets, and the philosophy underlying the use of State policies in the pursuit of economic and social objectives. Economic policies could be used to influence both price and quantity in factor and product markets and, as a result affected, primary income. Similarly, public policies impacted secondary income. The State mediated the relationship between different actors and the resources at their disposal and through the design of public policies, deliberate choices were made about who would be the winners and losers from State intervention in the society.

In concluding her presentation, the CDB representative suggested a closer consideration of the preferred outcomes (both social and economic) of macroeconomic policies, in order that policies might be better assessed at formulation and implementation stages. She added that there needed to be more research to ascertain how and under what terms women had been inserted into the economy.

In her paper on “Macroeconomic Policies and Social Equity in CARICOM” the representative of CARICOM stated that member States of CARICOM were highly integrated into the global financial system in a manner that influenced both the development strategies and the macroeconomic policies adopted by their governments. She highlighted six developmental priorities for CARICOM:

- (a) Alleviation of poverty;
- (b) Reduction of unemployment;
- (c) Improvements in health, education, skills and the standard of living for all;
- (d) Economic diversification;
- (e) Equitable distribution resources; and
- (f) Removal of gender and other forms of discrimination.

She noted that the macroeconomic policies advocated by CARICOM had been reflective of the organization’s integrated approach to addressing and reducing the growing inequities in the distribution of social and economic benefits within and among member States. These policies were likely to emphasize objectives such as sustained internal balance (non-inflationary growth; full employment) as well as external balance (manageable external debt; zero balance on balance of payments) in spite of objections that such policies could reverse the subregion’s developmental priorities and have negative consequences for equity. Nevertheless, it was CARICOM’s view that the outcomes of these approaches depended on the economic management process adopted by governments and that effective policy-making required collaboration between the governments and the private sector community.

Discussion

Among the issues raised in the discussion which followed was the issue of globalization, liberalization and the integration of small, open economies into the international economy. Participants felt that the present trend would have tremendous implications for the social sector. The Caribbean was seen as struggling to develop a vision of its own development path in order to participate more effectively at the global level. In this regard, mention was made of the sometimes ineffective participation of Caribbean representatives at international trade negotiations. It was recommended that the role and capacity of non-governmental organizations (NGOs) and other civil society groups be strengthened.

Participants agreed that gender was inextricably intertwined with race, class and other forms of inequality and questioned the potential of current economic policies to transform these structures of inequality.

Theorizing gender implications of macroeconomic policies

Dr. Nulifer Cagatay, Professor in Economics, University of Utah, made the presentation on “Engendering Macroeconomic Policies”. Ms. Cagatay pointed to the fact that there was a coherent world-view related to the macroeconomy within liberal economics. This manifested itself not only in the internationalization of the circuits of capital, but also in the internationalization of a particular type of thought process. Neo-liberal thought advanced the view that an efficient allocation of resources could be achieved through an unfettered operation of market forces.

The goal of neo-liberal economic policy was to identify the problems in the economy and to determine what type of policies could be prescribed to establish conditions of growth, so as to achieve a steady increase in per capita levels of income. For macroeconomists, this implied three types of policy objectives: the attainment of price stability, (i.e., keeping inflation or deflation under control), full employment and foreign sector balance. In pursuing these objectives, policy makers made use of three traditional instruments: fiscal policy, monetary policy and exchange rate policy. The general presumption prevalent among economists was that these policy objectives and instruments were both gender-neutral. In this process macroeconomic policy usually took priority over social policy.

Although there had been a recent focus on the social impact of macroeconomic policies, participants were urged to note the difference between looking at the social impact of policies and the social content of policies. A focus on the social impact, she argued, treated social considerations as an afterthought and by-product of these policies. However, focus on the social content could lead to an understanding of the distributive relations of the policies and allowed for an incorporation of class, race and gender analysis. She explained that feminist economists recognised that there were systemic inequalities between men and women which permeated and determined all aspects of economic life. In order to correct this situation it might be necessary, she argued, to reconstruct our understanding of economics rather than merely incorporate gender. She also pointed to the economic constants that existed because of gender inequality. These included the fact that all over the world:

- (a) Women earned less than men;
- (b) Women specialized in reproductive labour;

(c) Women owned or controlled less property; and

(d) Women tended to specialize in occupations that were not as highly valued as occupations in which men specialised.

As a result of this understanding, feminist economists challenged the traditional view of gender neutrality of macroeconomic policy by arguing that macroeconomic policies were generally gender-biased in their effects and that gender inequalities at the micro and meso levels have macroeconomic implications.

Dr. Cagatay said that macroeconomic policy must take account of the following:

(a) Social institutions bear and transmit gender biases. Being socially constructed institutions, 'free markets' also reflected and reinforced gender inequalities;

(b) The costs of reproducing and maintaining the labour force (non-monetary variables) remained invisible as long as unpaid 'reproductive' labour remained outside the scope of measured economic activity; and

(c) Economic behaviour was gendered and gender relations played an important role in the division of labour, the distribution of work, income, wealth and productive inputs with important macroeconomic implications.

This understanding of gender relations, she said, could make a difference to the development and implementation macroeconomics in the following ways:

(a) It could bring the issues of the unpaid care economy into focus; and

(b) It would recognize the differences between paid and unpaid labour. This would lead to an understanding that the concept of getting prices right was discriminatory since some commodities, such as much of women's work, were not "priced".

She explained that a number of empirical studies were being undertaken by researchers committed to providing data and information that demonstrated the importance of gender equity to economic policy. She highlighted the following findings arising out of the work that was being done:

(a) There was a relationship between gender inequalities and growth-the former could have a dampening effect on the growth rate;

(b) Growth would increase between 2-8 per cent with equal access to education and the labour market; and

(c) Savings increased when the income distribution gap between men and women decreased.

Still, Dr. Cagatay cautioned the use of the efficiency argument in grounding calls for gender equality. She noted, in this regard, that there were instances where gender inequality contributed to economic growth of certain segments of the economy. She cited the example of women's low waged participation in the export manufacturing zones in Asia. This, she pointed, was growth at the expense of one group in society. Dr. Cagatay also reported that attempts had been made to engage in macroeconomic modeling that took gender inequalities into account. Four approaches were identified:

(a) Disaggregation by gender of behaviour and consumption patterns: Gender differences in behaviour were exogenously given, as it was assumed that they arose from a pattern of life characterized by pervasive gender inequalities;

(b) Gendered variable method: This approach was based on the insight that the way labour, credit and goods markets function was predicated upon the degree of gender inequality;

(c) Division of the economy into two sectors (productive and reproductive) to focus on how the two sectors interacted in terms of both flow and stock variables; and

(d) A combination of the three methods.

In addition, she pointed out that fiscal policy studies which examined the social content of macroeconomic policies had been conducted. She emphasized that in this work, not only was the content of policy challenged but so, too, was the process of policy formulation.

Discussion

In response to Dr. Cagatay's reference to the export processing zones (EPZs), the participants discussed the imperative of governments to ensure equity while at the same time responding to low levels of economic growth. By way of example, it was pointed out that some Asian countries seemed to have been able to encourage growth, albeit through some measure of wage repression in the short term.

Dr. Cagatay agreed that in certain instances wage repression or wage-led growth policies encouraged industrial enterprise investment and, therefore,

employment generation. However she argued that such policies were implemented at the expense of the poor and, in particular, poor women upon whose undervalued labour such investment depended for high returns. In addition, she pointed out that the global economy was characterised by capital mobility and the quest for the lowest possible labour costs. In this environment, there was tremendous competition for labour intensive industrial enterprises and in the absence of working conditions standards, such policies had little potential to generate long-term development.

Another participant pointed to the experience of the Caribbean with regard to EPZs. In addition, it was argued, that this course might not have even been the most economically viable and might have reflected a certain complacency in economic policy-making which failed to take adequate account of the social impact of economic policies.

The utility of integration of neo-classical economic thought and policy with gender analysis was questioned. It was suggested that given the objective of the meeting, it would be more manageable to carve out a specific research focus rather than attempt to restructure the entire field of macroeconomic policy. Dr. Cagatay reminded the meeting that there was ongoing theorising and research in this area in other parts of the world. A critique of mainstream economics for its failure to generate development and growth had already emerged from this work. Since economists were primarily responsible for policy-making and wielded a considerable amount of power, it was necessary to hold discussions, such as these, to democratize the process and to sensitize practitioners. Additionally, it was also noted that the application of the insights of gender analysis to macroeconomic policies was necessary because both men and women experienced inequalities and this could lead to a rethinking of current macroeconomic policies.

The participants concurred that it would be useful to conduct studies that demonstrated the effects and impacts of applied macroeconomic policy on gender equity.

Linking the theoretical to the practical

Following the theoretical discussions on engendering macroeconomics, this session focused on programmes which have attempted to incorporate gender analysis into aspects of macroeconomic planning.

The application of gender analysis to fiscal policy

In his presentation, the representative of the Commonwealth Secretariat, spoke on "Strengthening Economic Governance: Applied Gender Analysis to Government Budgets".

The Commonwealth Secretariat had been supporting gender mainstreaming initiatives through its Gender Management Systems (GMS) programme. One component of this programme was the application of a gender analysis to the formulation of government budgets and the allocation of budgetary resources. He explained that the Gender Budget Initiative was a collaborative effort of the Commonwealth Secretariat and other organizations, including the International Development Research Center (IDRC) and UNIFEM. The participating countries included Australia, Barbados, Botswana, Canada, Fiji Islands, Kenya, Malawi, Mauritius, Mozambique, Namibia, Philippines, South Africa, Sri Lanka, St. Kitts/Nevis, Switzerland, Tanzania, Uganda, the United Kingdom, United States of America, Zambia and Zimbabwe.

The Commonwealth Gender Budget Initiative was a methodology and set of tools designed to facilitate the application of a gender analysis to the formulation of government budgets and to the allocation of budgetary resources. The objective was to enhance fiscal policy-making and measures by providing a mechanism for determining their impacts on women, men, girls and boys. He emphasised that the Initiative was not advocating a separate budget nor was it a strategy to increase government spending on social programmes. Rather it was an instrument to enhance efficiency in utilising and targeting available budgetary resources.

The methodology of the Gender Budget Initiative was applicable to gender issues as well as other social equity issues. He gave four objectives of the project:

- (a) To reduce or eradicate poverty among women;
- (b) To promote effective distribution, thus linking equity with growth;
- (c) To monitor the impact of globalization on human capital regarding the policies on men and women; and
- (d) To support the reporting process on the implementation of the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW).

Gender budget analysis allowed for an examination of:

- (a) Gender specific expenditures;
- (b) Expenditures that promote gender equity within the public service; and

(c) General/mainstream expenditures (this is where policy makers have to be shown how their policies and expenditures have significant gender impacts).

He highlighted certain lessons learnt in the implementation of gender budgeting. These included the following:

(a) Initiatives supported by both government officials and civil society tended to be the most effective. While Ministries of Finance were considered the most strategic entry point, closer collaboration with statistical bureaux, national women's machinery, parliamentarians and women's organizations should be pursued;

(b) The long-term effectiveness depended on the level of political support the process was able to secure;

(c) There was a need to utilize gender disaggregated data for budgetary analysis and decision-making;

(d) There was a need to strengthen the mainstream budgetary process by identifying important weaknesses in budgetary procedures, thus ensuring that the budget responded to the policy framework. The budget process should feed information into the policy process so that resource constraints could be assessed; and

(e) Demonstrating the concrete and practical nature of applying a gender analysis to government budgets was important for securing government support for this process.

Discussion

One participant inquired about the experience of applying gender analysis to government budgets in Caribbean countries. While the initiative has not been completely implemented in any country in the region, the representative of the Commonwealth Secretariat observed that there had been gains made in accepting the validity of the initiative. However, he pointed to some countries where, in spite of the resources that have been offered by the Commonwealth Secretariat, the initiative had not moved forward significantly. It was observed that resistance to the initiative was discernable in some countries where significant advances in the status of women had been achieved. In those cases, there was a view that sufficient policy attention had already been given to women's equality. In St. Kitts and Nevis, however, where the idea had been taken on board and where the budget initiative had been included in the gender mainstreaming process, the women's machinery had experienced a 600 per cent increase in its budgetary allocation.

One participant observed that in the process of applying a gender analysis to budgets, focus should be placed on both the expenditure as well as the revenue generation measures. The point was made that 'budget allocation' was not necessarily the same as 'actual expenditure' and 'expenditure' did not indicate 'impact'. In response the representative of the Commonwealth Secretariat noted that his organization and its counterparts recognized the need for further work.

In his concluding remarks, he considered that governments should indicate their readiness to engage in engendering the budgetary process by articulating this willingness at the highest level and by committing financial as well as human resources to the project. There was also a need to build teams in government and not take for granted that all government ministries worked collaboratively.

Case study of Suriname

The representative of Suriname addressed her country's efforts to stabilize the economy in the face of hyperinflation and poor social conditions. She informed the meeting that structural deficiencies and external influences characterized the Surinamese economy and that macroeconomic conditions were very unsatisfactory. She attributed the non-performance of the Surinamese economy to the small production base and the lack of economic diversification.

Between the years of 1993-1995, Suriname carried out a structural adjustment programme. This programme included demand management and expenditure switching policies as well as structural policies. Despite the measures undertaken, in the years of 1997-2000 the imbalances in the economy increased further and the exchange rate went from 406 Suriname guilders (SF) to US\$1.00 in 1996 to SF 2800 to US\$1.00 in October 2000. Inflation in 1999 was almost 100 per cent and the public debt (both internal and external) increased considerably. Because of the depreciation of the Suriname guilder, the production sector experienced high production costs. Moreover, the multiple exchange rate system and the administratively determined Central Bank rate resulted, through quasi-fiscal operations, in implicit taxes for exports and subsidies for imports. This worsened the economic situation and jeopardized employment.

The challenge for the Surinamese Government in the implementation of the current stabilization programme was to restore equilibrium without a further widening of the gap between rich and poor. She considered that income distribution aspects were the most difficult ones to address in stabilization programmes. Although the improvement of income distribution was regarded as a "second generation reform", economic growth and development without due regard to quality of life was considered unacceptable. She urged, therefore,

that income distribution considerations be included explicitly in the initial phase of any stabilization and reconstruction programme.

The meeting was informed that during hearings of the newly elected President of the Republic of Suriname, the Women's Parliament Forum requested the President to start the process of designing a gender-sensitive public budget and called for an identification of the sectors in which women experienced backwardness (e.g. employment, access to land and capital, education and health care).

In concluding, she stated that the choice for engendered economic development was a political one and hoped that the countries of the Caribbean subregion would collectively design a research programme so that there could be greater efficiency in meeting the goals of social equity and gender equality.

Macroeconomic policy and poverty eradication

Dr. Ralph Henry of Kairi Consultants began his presentation by congratulating the ECLAC/CDCC secretariat for organizing this meeting. He found the discussions stimulating and they had led him to examine the assumptions under which he was conducting research work. He argued that equity was central to the question of economics and that there could be no efficiency in the allocation of scarce resources if the process as well as outcome was not equitable. In referring to the neo-liberal economic philosophy, Dr. Henry thought that there were very few instances of genuinely free markets because of the elements of power associated with the way markets functioned. He also argued that there were value systems and a political ideology attached to markets.

The immediate imperative to alleviate poverty which forced politicians and policy makers to accept certain short-term economic solutions was acknowledged by Dr. Henry. One such example was the encouragement into the subregion of industrial enterprises which depended on low waged labour.

Dr. Henry pointed to the decline in the assembling/manufacturing and agricultural sectors in explaining the economic decline observable in the subregion. Countries, he contended, therefore had little capacity for earning foreign exchange and governments were unable to attract investors. In addition, some governments had chosen not to increase government revenue through increased taxation mindful of the effect this might have on migration of highly skilled workers. The 'Shiprider Agreement' had also eliminated income derived from the underground economy in the production of marijuana.

In St. Kitts and Nevis, where wages were low and the phenomenon of the 'working poor' existed, Dr. Henry explained that the Government was reluctant to raise wages since this would cause foreign investors to leave the

country. One mechanism which had been employed to offset low wages, however was the provisioning of social safety nets for the population, such as day-care facilities for working parents.

Arguing for a rethinking of industrial policies, Dr. Henry urged greater recognition that the comparative advantage of Caribbean economies was to be found not in low waged labour but in a high-skilled knowledgeable work force. He considered that significant proportions of Caribbean peoples had either been “mis-schooled” or had “missed school”. He cited Barbados as one country that was taking steps to improve its competitiveness within the global knowledge-based economy. Caribbean populations should be encouraged to think of education as a life-long process.

The representative of the ILO stated that many governments did not accept assessments which indicated high levels of poverty in the subregion. He urged Caribbean countries to objectively assess levels of poverty as this data would be important to the development of targeted economic and social policies.

Through stabilisation programmes some growth had occurred in some countries in the subregion. Still, he noted certain macroeconomic policies could generate poverty even while growth was being experienced. He advised that the time had come to confront the issues of development and the equitable distribution of resources and economic opportunities.

With regard to policies geared towards dealing with poverty eradication, he thought that this problem should be addressed not only through macroeconomic policies but also through community development initiatives. This would advance a coordinated approach to the eradication of poverty. He thought that key institutions were not always sufficiently aware of their roles as poverty eradicators and many opportunities for interventions were missed.

Attention was drawn to the labour market factors which were considered to be integrally linked to conditions of poverty. He supported the view that the provision of relevant education was a vital component of poverty eradication strategies. While he acknowledged that the State was no longer perceived as a direct generator of economic growth, he advocated a role for the State as an entrepreneur and as an investor in social development.

Discussion

The need for strong community based organizations to ensure popular involvement in the development of solutions to poverty and inequality was noted. One participant pointed out that social development departments within the public sector had been considerably weakened in the Caribbean. This had weakened the advocacy within the public sector for policies to

improve social conditions. It was also questioned whether countries really understood the importance of community development. On this issue, the representative of Kairi Consultants stated that governments in our subregion, which did not necessarily appreciate sufficiently that this would encourage or facilitate competitiveness in the global market, considered social investment only peripherally. He promoted State provision of day-care and homework centres, evening centres, and homes for the aged, which mechanisms would facilitate the pursuit of economic empowerment and skills enhancement. He also explained that divisiveness or cohesiveness within a community was often responsible for success or failure of projects.

He also considered that governments needed a long-term vision which accommodated the short-term practical requirements of responding to the immediate needs of poor communities. In this regard, he suggested that manufacturing sectors such as EPZs, had a role of play in maintaining economic livelihood.

The reasons for heightened poverty in Suriname despite its rich resource base was discussed. The representative of the ILO was of the opinion that Suriname provided a case study on how political processes could reinforce or undermine economic strategies. While Suriname was rich in both natural and human resources, the political structures were extremely polarised and frequent changes in government resulted in discontinuities in the implementation of macroeconomic policies.

Developing a research and programme agenda

The aim of the final session of the meeting was to explore elements of a project that would encourage gender-sensitive macroeconomic policies in the Caribbean. The meeting identified the following components:

- (a) Research;
- (b) Training for economic planners in gender analysis;
- (c) Training for social planners and national women's machineries in economic literacy; and
- (d) Advocacy through strategic partnerships between government departments and civil society

Participants considered that one of the ways to achieve the goal of integrating gender concerns into macroeconomic planning was to convince economists and economic and social planners of the relevance of gender analysis. As such, economists would have to understand and appreciate that gender analysis could make a difference to economic outcomes. The

participants advocated a research agenda that focused on the gender differences in economic behaviour and on how women and men were affected by policies differently.

Since gender issues were inextricably linked to other social issues, the participants agreed that it would be important to illustrate how incorporating these issues into macroeconomic policy would have a positive impact on reducing poverty and increasing economic growth.

The following were identified as requiring research attention:

- (a) Economic indicators of inequality between women and men;
 - (b) Dimensions and characteristics of female-headed households;
 - (c) The social content of macroeconomic policies;
 - (d) An equity analysis of government expenditure and income;
 - (e) The distributive relations within the macroeconomic framework;
- and
- (f) Macroeconomic policy responses to social problems.

Representatives of the agencies present at the meeting hoped that there would be no duplication of effort between organizations in the subregion and shared with the meeting their work programme on the theme as follows:

CAFRA/CPDC

These two subregional NGOs were collaborating on the issue of gender and trade, with particular reference to the effect of the World Trade Organization (WTO) ruling on banana farmers and their communities in the Windward Islands. The organizations also expressed the need to build economic literacy among the NGO communities. Such literacy was seen as vital to strengthening the capacity for advocacy of equitable development policies.

UNIFEM

This agency had an ongoing focus on gender and poverty within which it planned to engage in economic literacy programmes with women's organizations.

UNDP - Guyana

UNDP was engaged in assisting in the constitutional reform process and in strengthening governance initiatives.

UNDP - Barbados and the Organisation of Eastern Caribbean States (OECS)

The UNDP office had assisted member States of the OECS in developing social policies and pro-poor budgets.

CIDA

This agency is assisting governments in strengthening capacity in trade negotiations and legal reform.

CDB

The Bank continued to fund poverty assessment studies. In addition, the CDB had collaborated with CAFRA and the IDB on a Domestic Violence and Police Training Programme. The Bank was also developing an early childhood education programme.

CARICOM

This inter-governmental body is in the process of developing a project on “Investing in Human Capital with Equity”.

The Chairperson informed the meeting that the ECLAC/CDCC secretariat would develop a project proposal which would incorporate the research and policy intervention suggestions made by the meeting. The ECLAC/CDCC secretariat undertook to circulate the proposal among the agencies present for their comments and to identify possibilities for collaboration.

Closing

The ECLAC/CDCC secretariat thanked the participants for their interventions and attendance at the meeting.

Annex**LIST OF PARTICIPANTS**

DOMINICA

Mr. Cary Harris
 Consultant
 35 Federation Drive
 Goodwill
 Telephone: (767) 449-1332
 Facsimile: (767) 449-8765
 E-mail: harrisf@cwdom.dm

JAMAICA

Mr. Courtney Williams
 Senior Fiscal Economist
 Ministry of Finance and Planning
 30 National Heroes Circle
 Kingston 4
 Telephone: (876) 922-8087/8600-15
 Facsimile: (876) 922-5037/924-9291
 E-mail: courtney@mof.gov.jm

SURINAME

Ms. Mireille Brunings-Stolz
 Senior Officer, Research Department
 Central Bank of Suriname
 Waterkant 20, Paramaribo
 Telephone: (597) 473-741
 Facsimile: (597) 476-444
 E-mail: brunings@sr.net

Caribbean Association for
 Feminist Research and Action (CAFRA)

Ms Nelcia Robinson, Coordinator
 8 Bates Private Road, P.O. Bag 442
 Tunapuna Post Office
 Trinidad and Tobago
 Telephone: (868) 663-8670
 Facsimile: (868) 663-6482
 E-mail: cafrainfo@wow.net

Caribbean Community Secretariat
 (CARICOM)

Ms Gemma Tang Nain
 Deputy Programme Manager
 Caribbean Community Development
 & Women's Affairs
 Bank of Guyana Building
 Avenue of the Republic
 P.O. Box 10827, Georgetown
 Guyana
 Telephone: (592) 2- 51960/1
 Facsimile: (592) 2-58039
 E-mail: gemmatn@caricom.org

Ms. Evelyn Wayne
 Deputy Programme Manager
 Bank of Guyana Building
 Avenue of the Republic
 P.O. Box 10827, Georgetown
 Guyana
 Telephone: (592) 2- 52961-4
 Facsimile: (592) 2-57341
 E-mail: evelynw@caricom.org

Caribbean Development Bank (CDB)

Dr. Juliet Melville
 Research Economist
 P.O. Box 408
 Wildey, St Michael
 Barbados
 Telephone: (246) 431-1787
 Facsimile: (246) 426-7269
 E-mail: melvilj@caribank.org

Ms. Deidre Clarendon
 Financial Analyst
 P.O. Box 408
 Wildey, St Michael
 Barbados
 Telephone: (246) 431-1787
 Facsimile: (246) 426-7269
 E-mail: clarend@caribank.org

Caribbean - CIDA
 Gender Equality Fund

Ms. Denise Noel-De Bique
 Regional Adviser
 c/o Canadian High commission
 3A Sweet Briar Road
 St. Clair, Port of Spain
 Trinidad and Tobago
 Telephone: 868-622-6232
 E-mail: denise.noel-debique@dfait-maacci.co

Commonwealth Secretariat

Mr. Guy Hewitt
 Senior Programme Officer
 Marlborough House, Pall Mall
 London SW1Y 5HX
 United Kingdom
 Telephone: +44 20 7747 6545
 Facsimile: +44 20 7930 1647
 E-mail: g.hewitt@commonwealth.int

Caribbean Policy Development Centre
(CPDP)

Ms. Cecilia Babb
Deputy Coordinator
P.O. Box 284
Bridgetown
Barbados
Telephone: (246) 437-6055
Facsimile: (246) 437-3381
E-mail: cpdc@caribnet.net

Inter-American Development Bank (IDB)

Mr. William Robinson
Representative
17 Alexandra Street
St. Clair
Port of Spain
Trinidad and Tobago
Telephone: (868) 622-8800
Facsimile: (868) 622-6047
E-mail: billrob@iadb.org

Ms. Michanne Haynes
Consultant
17 Alexandra Street
St. Clair
Port of Spain
Trinidad and Tobago
Telephone: (868) 622-8800 ext 130
Facsimile: (868) 622-6047
E-mail: michanneh@iadb.org

International Labour Organisation (ILO)

Mr. Reynold Simons, Senior Specialist
Employment & Labour Market Policies
11 St Clair Avenue
Port of Spain
Trinidad and Tobago
Telephone: (868) 628-1453-6
Facsimile: (868) 628-2433
E-mail: simons@pos.ilocarib.org.tt

Kairi Consultants Limited

Dr. Ralph Henry
14 Cochrane Street
Tunapuna
Trinidad and Tobago
Telephone: (868) 663-2677/1442
Facsimile: (868) 663-1442
E-mail: rmhenry@wow.net

United Nations Development
Programme (UNDP)

Ms. Doreen Boyd
Coordinator
Community Poverty Eradication
1 Financial Place
P.O. Box 625C
Lower Collymore
St Michael
Barbados
Telephone: (246) 429-2521 ext. 5007
Facsimile: (246) 429-2448
E-mail: doreen.boyd@undp.org

Ms. Denise de Souza
Assistant Resident Representative
42 Brickdam
Stabroek
Georgetown
Guyana
Telephone: (592) 2-64040
Facsimile: (592) 2-62942
E-mail: denise.desouza@undp.org

Ms. Isabella Waterschoot
Gender Specialist
19 Keate Street
Port of Spain
Trinidad and Tobago
Telephone: (868) 623-7056 ext. 228
Facsimile: (868) 623-1658
E-mail: isabella.waterschoot@undp.org.tt

United Nations Development Fund
for Women (UNIFEM)

Ms Dawn Minott
Programme Specialist
Caribbean Office
1st Floor, Suite 27, Beckwith Mall
Bridgetown
Barbados
Telephone: (246) 437-3970/1/2
Facsimile: (246) 437-7674
E-mail: dawn.minott@unifemcar.org

University of Utah

Dr. Nilüfer Çagatay
Department of Economics, W8 BUC
Salt Lake City, UT 84103
United States of America
Telephone: (801) 350-2838
Facsimile: (801) 350-2839
E-mail: cagatay@economics.utah.edu

University of the West Indies (UWI)

Dr. Eudine Barriteau, Director
Centre for Gender & Development
Studies
Cave Hill Campus, Bridgetown
Barbados
Telephone: (246) -417-4490
Facsimile: (246) 424-3822
E-mail: gender@uwichill.edu.bb

Dr. Andrew Downes
Professor & University Director
Sir Arthur Lewis Institute for Social &
Economic Studies (SALISES)
Cave Hill Campus, P.O. Box 64
Barbados
Telephone: (246) 417-4476/78
Facsimile: (246) 424-7291
E-mail: asdownes@uwichill.edu.bb

Dr. Rhoda Reddock
Head/Senior Lecturer
Centre for Gender and Development
Studies
St. Augustine Campus
Trinidad and Tobago
Telephone: (868) 662-2002/645-3232
Facsimile: (868) 663-9684
E-mail: cgdssta@centre.uwi.tt

Ms. Taimoon Stewart, Research Fellow
Sir Arthur Lewis Institute for Social &
Economic Studies (SALISES)
St Augustine Campus
Trinidad
Telephone: (868) 662-2002 ext. 2534
Facsimile: (868) 645-6329
E-mail: stewiser@trinidad.net

ECLAC System

Mr. Lancelot Busby, Economic Affairs Officer, ECLAC Subregional Headquarters for the Caribbean, CHIC Building, 3rd Floor, 63 Park Street, Port of Spain, Trinidad and Tobago, Telephone: (868) 623-5595; Facsimile: (868) 623-8485; E-mail: registry@eclacpos.org

Ms Roberta Clarke, Social Affairs Officer, E-mail: rclarke@eclacpos.org

Ms. Sonia Cuales, Social Affairs Officer, E-mail: scuales@eclacpos.org

Ms Asha Kambon, Social Affairs Officer, E-mail: akambon@eclacpos.org

Ms. Helen McBain, Economic Affairs Officer, E-mail: hmcbain@eclacpos.org