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Stop the schizophrenia: an appeal to bring back coherence in our efforts at development

Remarks on linkages between current economic trends, poverty and gender equity in the Caribbean

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Introduction

It is impossible to talk about the linkages between current economic trends, poverty and gender equity, and leave out the current *political* trends. In this paper, I want to address the achievements and failures in combating poverty and gender inequality against the background of the power shift in the multilateral arena that happened towards the new millennium.

Commitments of the nineties: Coherent solutions to complex problems

Looking back on the nineties, I feel awed by the general spirit that created the commitments laid down in the World Conference on Environment (Rio, 1992), the World Conference on Population and Development (Cairo, 1994), the World Summit on Social Development (Copenhagen, 1995) and the World Conference on Women (Beijing, 1995).

The most impressive aspect about all these Conferences and the Plans of Action and Commitments that came forth of them is, in retrospect, their coherence. Not just coherence *within* one field (environment, women) but also coherence *between* these fields; a coherence stemming from newly developed concepts to look at development.

New concepts

Beijing was for many of us the transition point to go from the women in development approach (WID) to the *gender and development approach (GAD)*. We had come to recognize that the position of women could never be advanced if we did not take the full picture in account. The full picture was not just that men and women are prescribed different roles by society, leaving them with different positions, responsibilities and priorities; the full picture also looked at the *power dynamics* between women and men that shape these roles and positions.

Copenhagen provided us with a new concept of poverty, by distinguishing absolute poverty from poverty in general. Where absolute poverty looks merely at the lack of basic human needs, such as food, water, and housing, the concept of general poverty challenged us also to look at the full picture. This showed that poverty is not just a shortfall in consumption or income, but that it is multidimensional, involving lack of power, assets, dignity, access to public

resources, and time. It is a dynamic phenomenon that is socially reproduced over time and from one generation to the next. In other words, people living in poverty are recognized as people living in a condition where they have no access to, or control over resources to sustain themselves and their families. This is opposed to “poor people” as a kind of category that needs to be “helped, developed, etc. More importantly, it was understood that poverty is the consequence of intersecting structural inequalities across and within nations. Thus, patterns of inequality, such as gender, were now seen to be of crucial importance in understanding and reducing poverty.

We came to see that the root of the problem was inequality in access and control: to resources such as capital, land and credit, but also to power. We came to see that our solutions so far had been mostly ameliorative: we had focused on making life for women and poor people less hard, not on changing their and our lives altogether by redistributing access and control. Power and powerlessness entered the picture. **Empowerment** became the new approach to be widely accepted.

Complex problems clearly could not be solved with simple solutions. New insights on gender inequality and poverty inevitably also asked for a new view on development. Development and progress could not be defined anymore in market criteria (more or less income or consumption per capita) but had to focus more on criteria for well-being: the concept of *human development*. ***If the main problem is not the lack, but the distribution of the resources, then the solution can not simply be the increase in resources.*** Clearly, in this concept, economic growth has to be seen as a *means* to human development, and not an end in itself.

Different demands

The UN Conferences and Summits held in the nineties were backed by a strong human rights framework, that defined *poverty and powerlessness as inflictions on human rights*. Copenhagen and Beijing can be seen as comprehensive of the insights gained, and the direction to be taken towards human development, including gender equity. They were both very clear on the role prescribed to economic growth and trade:” *The UN emphasizes that while growth is critical for sustained poverty reduction, the nature of growth is equally or even more critical: definitely the end does not justify the means. To be developmentally beneficial, growth must be socially equitable, pro-poor and environmentally sustainable.*”

Copenhagen made this very clear with a special commitment referring to Structural Adjustment Programs, stating that they could not be allowed to interfere with the other commitments. The first commitment on eradicating poverty spoke about the right to be free from fear and want. The other commitments such as establishing gender equity, guaranteeing access to quality healthcare and education, and promoting full employment, are the conditions to get there. The commitment on social integration is crucial in this comprehensive

approach. It monitors the way in which the social fabric of society maintains intact. In other words, it monitors if in our efforts toward development no vulnerable groups fall through the net. It also stimulates to look at factors of social disintegration such as domestic violence, drugs, prostitution, and crime.

Beijing, as you all know, was equally clear on the need to analyze policies and programmes from a gender perspective, including those related to macroeconomic stability, structural adjustment, external debts etcetera, with respect to their impact on poverty, on inequality and particularly on women. It was spelled out that, for any macro economic policy or program, not only did their impact need to be assessed; they also should be adjusted to promote more equitable distribution of productive assets, wealth, opportunities, income and services. Beijing was equally comprehensive by not just addressing women's practical gender needs (mother and childcare) but also women's strategic gender needs (the right to decide on whether to have children, how many and when).

Fatigue versus fairy tales

So if these commitments were so clear, concrete, comprehensive and overall coherent, why is it that, if we look at the 10 Commitments of Copenhagen or at the Beijing Platform for Action, it seems they are as actual today as they were 10 years ago?

The bottom-line of the new insights was of course that power needed to change hands. If we are talking empowerment of one group, clearly what we empower them to do is take their rights, therewith attacking the power position of others. The powers that be usually are not too interested to hear that the whole of society will benefit from more equal distribution of wealth and power. They counter-attack.

In the struggle, it turned out that the strength of new concepts and new insights constituted a weakness at the same time: our story had gotten more and more complex.

Misunderstanding, and sometimes misuse, of the whole gender concept caused setbacks. National gender machineries were installed, but often without an active follow up of gender policy. The structures also were not ascribed adequate status, mandate or budget. Not enough support was mobilized from other sectors of society. Overall, the gender discourse never made it to the political mainstream.

Failure to get out of the margins of policy and to make a structural change, caused severe fatigue within the women's movement.

However, the failure on national, regional and global level to live up to our commitments, is not caused by a lack of willpower from civil society.

*All the commitments made, from Rio to Cairo to Copenhagen and Beijing, trust the **national state** with the responsibility to redistribute power and wealth.*

It is this role of the state however, that has come under more and more serious attack from the free market believers.

Contrary to our complex and scary story about overthrowing old structures in society and building it all up again, the free market believers sell a fairy tale that is non-threatening and simple.

This derives from mainstream trade theory, which holds that production specialization according to each nation's comparative advantage typically leads to a more efficient allocation of resources in the world economy and consequently to higher levels of output and growth in all countries. Economic growth (more resources) will promote national development. The effects of it will trickle down and reduce poverty.¹

The system of rules and agreements that currently govern international trade is based on this widely accepted view. It argues that expanding global trade is beneficial to all countries and their citizens. To guarantee the free flow of the market, government interference should be limited to an absolute minimum.

So, contrary to our new concepts of development and growth, the free trade theory goes back to economic growth as the end that justifies the means.

I want to argue that trying to fulfill the commitments made from a human development approach, while at the same time trying to satisfy the demands of trade liberalization, is moving on two antagonistic thoughts. As we have experienced, this does not make for a smooth walk.

Starting Schizophrenia

Our stepping into the new millennium has been accompanied by the rise in power of the WTO, and the crumbling down of the UN as the most powerful multilateral institution in the world. The global debate has undergone a dramatic shift in ideology that followed the shift in power: the reference for development changed from a human rights framework to a free market framework.

The Conference on Financing for Development (FFD) was hoped to bring the two antagonistic thoughts together in order to come to some coherence. It was observed by government delegates and civil society alike, that we were now in a situation where coherence on a national level was lost because governments of developing countries tried desperately to satisfy everyone. Delegates quoted situations where the Minister of Labour signs an agreement to better protect workers rights, while on the same time the Minister of Trade signs an agreement to eliminate workers rights legislation as an obstacle to free trade. FFD did not bring us any coherence though, on the contrary. It made clear to us that first, free trade was the new dance and the WTO, coupled with the Bretton Wood Institutes was firmly leading; and second, that it would not be admitted that as a world community we severely failed our commitments. Instead, they were given a rough makeover and presented to us like something shiny and new: the Millennium Development Goals.

Schizophrenia had become the official state of mind.

¹ Cagatay, Nilufer, 2001. Trade, Gender and Poverty. Background Paper for the UNDP

Current economic trends: Pressure on Privatization and Liberalization

The key words of the free market believers are privatization and liberalization. Most of us have been confronted with Privatization in the past as a forced part of structural adjustment. In order to make the state a lean mean machine, developing countries were urged or forced to privatize state enterprises. The transfer of ownership from public to private usually has had negative impacts on employment, and not always the expected positive result of the consumer benefiting from a product of higher quality and lower price. This can only be the case when the state monopoly is not simply exchanged for a private monopoly. Privatization of public goods however is where it really gets problematic. The reason they were declared public goods in the first place is that they are seen as goods that are necessary to every citizen, but can not be acquired by a citizen as an individual (utilities such as electricity and water, but also services such as police and fire department). Since the state takes on a responsibility to provide this good or service to every citizen, the state will use different mechanisms to guarantee access for everyone: it is possible to subsidize (for example gas and gasoline), to delegate (for example healthcare in rural areas), to monitor quality (consumer protection) and to handle complaints (offering legal rebate). Structural adjustment demanded governments to stop “interfering”, and to cut subsidies. In fact this meant nothing else than billing the most vulnerable with the price for structural adjustment.

As we all know, a cut in spending on healthcare does not mean that people will not get sick anymore: it only means that they no longer can afford the doctor, medicines or the hospital. It therefore means that they will have to be taken care of by their families and communities. We all know who will end up with the double burden: it is women, and poor women in particular, that have been paying the bill. Ironically, privatization in healthcare has put a price on care, but unfortunately not for the traditional providers of care.

In Suriname deterioration of public health services has led people who can afford it to shift to a private health insurance company. This further erodes the financial basis of the State Insurance Fund, therewith deteriorating services for those who can not pay even further. At the same footing, medical doctors working in public hospitals open their own private clinics and simply shift working hours. This severely limits access to healthcare, translated in months of waiting to *get* an appointment, and days of waiting to *have* the appointment. Medication that is not on the State Medicine Register is not available anymore for those who can not pay the commercial price.

The side effects of macro economic stabilization measures have proved to be extremely costly. Since cutting in social subsidies has a direct negative impact on the living standard of the population, the most vulnerable will be the ones hardest hit. Without going into too much detail, poverty for individual households has proved to lead to coping or adaptive strategies coming at a high cost. Strategies such as migration, taking on several jobs, taking on several sexual relationships,

keeping children from school to go to work, cut on expenses for food and healthcare, prostitution, gambling and crime, on the long term all demand their toll. Especially female headed households bear the extra burden, since one income does not feed the family. Poor people and especially poor women can not give the bill to anyone else; the price is paid in loss of human, social, manmade and natural capital.

Liberalization goes even further, demanding developing countries to open up their domestic markets to foreign ownership and competition. Here the schizophrenia comes out most clearly. Governments are on one hand expected to ensure basic health and education. On the other hand they are asked to give up on their revenues as a result of reduction in tariffs and the sale of profitable government assets. On one hand, they are expected to protect the most vulnerable, and on the other hand they are expected to stop interfering and let the market dictate.

It is no wonder that the expected benefits have so far not been felt. I like to compare the fairy tale of rich and poor countries benefiting equally from free trade with a race between two runners.

Imagine two runners appearing for a race. One is wearing the latest design gear, design shoes, and has a personal trainer, dietician and masseur. The other one is barefoot, does not have time to train since he works 12 hours a day, and suffers from malnutrition. Now runner 2 is not given a head start. And runner 1 does not slow down because he sees runner 2 is lagging behind. So runner 1 wins (surprise, surprise) and wins a large amount of money and a sponsor contract with a sport shoe manufacturer.

Equal treatment for unequal partners will always give you the same winners and the same losers.

I will only call upon the most crucial aspects of liberalization for developing countries, and the Caribbean in particular. Being forced to open up our markets under certain conditions, Caribbean countries rallied around:

- Institutional Reform: demanding a change in the WTO negotiation processes that are so far characterized by non-transparency and non-democracy;
- Special and Differential Treatment: demanding a special category for small and vulnerable states and defying the equal treatment-myth
- Agriculture: demanding the elimination of tariff and non tariff barriers and export subsidies of developed countries; make food security a priority issue
- Capacity building: demanding more insight and education on trade negotiation processes and its consequences; knowledge is power.

Is free trade good for women?

A central question should be whether trade reform and emerging patterns of trade perpetuate, accentuate or erode existing gender inequalities.

In assessing so called advantages of trade liberalization, it is important to draw the baseline from which “improvement” is measured.

Paid employment

It is a fact that women’s participation in paid employment has risen. However, we need to add that this goes mostly for export-oriented production in developing countries. It is important to note that this concerns low or unskilled labour, where the low-paid and perceived docile labour force is the main competitive advantage of women. Since workers rights under the neo-liberal ideology have eroded, conditions such as job security, health and occupational safety and pay may not improve; they might instead deteriorate under the pressure of international competition.

On the same hand, import competition also leads to a loss of employment for women, especially since it hits sectors where women are overrepresented the hardest: the informal sector, small farmers, small firms and low-skilled workers in general.

In agriculture-based economies it turns out that women are either disadvantaged, or benefit less than men from trade liberalization. Since women often lack access to credit, new technologies, information and technology, they are not likely to be able to benefit from new opportunities emerging with new markets. Also, when cash crop is competing with food security, family nutritional intake may decrease while the workload of women and girls increase.

Also, especially poor women rely on common property resources for their livelihoods (soil, water, fuel). Environmental degradation and/or a reduction of biodiversity will cause women to spend more time on acquiring these resources.

It is further important to note that the expansion of women’s paid employment has been accompanied by a reduction in their leisure time while the global trade competition also causes a squeeze in the provision of care, both paid and unpaid. A squeeze in care jeopardizes human development in the long run.

Conditions for trade from the human rights framework

On this point it would be wise to point out that the human rights framework does not oppose trade relations. It does however require the concept of trade, to be adjusted just like the concept of growth and development.

The assessment of trade liberalization, trade policies and trade performance from a human development perspective needs to go beyond traditional social impact analyses, which still view development in terms of growth and markets; it would need to incorporate *power and power relations within and across nations*.

If not, it will only multiply existing inequalities.

I want to follow the example of Elson and Cagatay (2000) who argue that the success of trade policies must be evaluated not through market-based criteria, such as whether they maximize flows of goods and services, but in terms of whether they further desired social outcomes such as equity, social inclusion, freedom from poverty, development of human capabilities, protection of human

rights, democratic governance and environmental sustainability. In this they go beyond *social impact of trade*, based on growth and market access, to look at *social content*, that is, the social relations across and within nations (class, gender, race, etc), that forms the context in which trade policies are enacted. Such an approach makes explicit how distributive relations affect trade policy outcomes and how particular trade policies in turn influence distributive functions.²

How to get back to coherence?

Trade is the new all permeating factor that structures society. What we need to do is strategize on how trade with social content could be achieved.

HOW TO GET THERE? STRATEGIES TO SOCIAL TRADE

1. Trade sensitization

For all activists not trained in economics; for all national and regional structures, using national and international expertise

2. Gender sensitization of crucial national and regional structures

To have an impact on a global level, policy makers on trade and industry, development and agriculture need to acknowledge and understand gender dynamics

3. Forming new alliances

Government, labor and private enterprise all have important interests at stake that are interlinked at a national level.

Sovereignty of the State defines the conditions for fair trade: the right to regulate, subsidizes, protect, stimulate and redistribute towards equality

Protection against foreign investors and combating negative terms of trade enables private enterprise to flourish, and helps labor movement to protect workers rights. The challenge is to differ on one aspect, but have strategic cooperation on another.

4. Identify the no-go issues

Singapore Issues: issues of investment, government procurement, and competition policy and trade facilitation: greater invasion of the national policy space.

Furthermore issues of intellectual property (TRIPS) and of services (GATS). We need to form international government and non-government alliances against these.

We already did a lot. Networks such as the Caribbean Reference Group on External relations analyzed why equal treatment never would work for

² Elson, Diane and Nilüfer Catagay, 2000. 'The social Content of Macroeconomic Policies', *World Development* 28, no.7

unequal partners. The Caribbean Network on Gender and Trade, being part of the International Network on Gender and Trade, worked wonders to get many of us trade literate. All in all, we may applaud ourselves for keeping our sanity in a world of schizophrenia.

But the arena has changed, and the fight has changed, and we can not rest on our laurels.

In earlier days the Movement could use the UN as an alliance against governments to protect women's rights. Now it has to take national governments as alliances against the WTO to protect women's rights. Civil society needs to empower their national governments to empower their populations.

It is power that defines gender relations. It is power that defines who is rich and poor. It is power that defines trade relations.

IT STILL IS ALL ABOUT POWER. THE STRUGGLE CONTINUES