



The World Bank and Women's Rights in Development

The World Bank is a powerful institution steering the international development agenda and instigating policy reforms that have important implications for the day-to-day lives of women and men in developing countries. This primer describes the World Bank, its governance structure and its new gender mainstreaming strategy. It concludes with some action suggestions for gender equality advocates.

What is the World Bank?

Originally established in 1944, the Bank is the world's largest supplier of development capital and know-how, having provided more than US \$17 billion in loans to its client countries in 2001. It is headquartered in Washington, D.C., U.S.A., and it has 100 country offices, in total employing approximately 10,000 staff.¹

At its core, the World Bank is engaged in three activities: **lending, development research and economic analysis, and**

technical assistance. It provides funding from public sources for development programs in areas such as health, education and environmental protection, focusing on national legal, political and economic structures. The Bank promotes reforms designed to create long-term economic growth and stability, lending to governments and using the profits generated from the loans to finance its operations. It has recently promised to allocate more of its future financing to the poorest countries in grants (not loans) for social programs.

The IMF

The International Monetary Fund ("IMF") is a partner of the World Bank, also established out of the 1944 Bretton Woods conference. It focuses on short-term balance of payments crises. Its three main areas of activity are surveillance of exchange rate policies, financial assistance to members with balance of payment problems, and technical assistance with respect to policies, institutions and statistics. In a nutshell, the IMF formulates economic policy based on the mantra "tighten your belt" and they have created (and enforce) a body of international monetary law.

The World Bank, IMF and World Trade Organization strive for coherence in global economic policy and complement each other in their policies and activities. While coherence can at times be a good thing, we must be concerned about "cross-conditionality" as a triple threat to women. This can happen, for example, when structural adjustment conditionalities are used to promote trade liberalization or through "capacity building loans" that interlink the mandates and activities of the institutions.



Women's Rights and Economic Change

The World Bank and Women's Rights in Development

The World Bank's original mission was to assist in the reconstruction of war-ravaged territories and to help establish a stable peacetime economy. The current poverty and development focus of the Bank is a substantial reinterpretation of its original mandate. Today, the stated mission of the World Bank is to "fight poverty for lasting results and to help people help themselves and their environment by providing resources, sharing knowledge, building capacity, and forging partnerships in the public and private sectors".² The Bank has focused on women for the last two decades, although it has had primarily an instrumental "women in development" agenda, as opposed to a gender equality or women's human rights agenda.

How is the World Bank Governed?

Officially, the Bank is "owned" by its 184 member countries. In practice, the Board of Governors and the Board of Executive Directors govern the organization; they approve loans and debt relief, and determine Bank policies. Votes are divided between the Executive Directors based on the number of shares held by each country (in other words, according to wealth and power). **The United States has about 15% of the voting power and 8 Western countries together hold over 50% of the total votes**, actually representing many developing and transition countries on the Board.³

Although most of the World Bank's activities focus on the developing world, Northern countries lead the institution. By custom the head of the World Bank is always an American. It is usually male finance ministers and central bankers who represent their countries at the Bank. They tend to be closely tied to business and financial communities and as a result **the policies of the Bank are often closely aligned with the commercial and financial interests advanced in industrial countries.**

Obviously, such an enormous institution is not homogenous. While a neoliberal economic orthodoxy may dominate, many people inside the Bank have alternate visions and are working for change from within. The women's movement must work simultaneously to support the efforts of those on the inside and also to push for changes from outside of the institution.

How Does the Bank Operate?

The primary activities of both the World Bank and the IMF are based around several key instruments. They are inter-linked and represent a logical trajectory of the history and ideology of these institutions.

Poverty Reduction Strategies ("PRs"):

Likely due to significant external criticism of the lack of transparency and national ownership of economic policy reforms, the World Bank and IMF decided in 1999 that participatory poverty reduction strategies should provide the basis of their lending and debt relief. Each country must prepare — with the participation of civil society and consultation with World Bank and IMF experts — a Poverty Reduction Strategy Paper ("PRSP"). The PRSP is a comprehensive, practical plan for action with respect to national poverty, outlining the country's overall development strategy and proposing policies in all areas. It is required to qualify for the HIPC Initiative.

The Heavily-Indebted Poor Countries ("HIPC") Initiative:

Under this initiative which was introduced in 1996, countries can apply to have their debt reduced "to a sustainable level" by their creditors if they are unable to make their debt payments and have a record of implementing World Bank/IMF-supported reforms. The HIPC Initiative is not a generous debt forgiveness program; it offers only limited debt reduction, conditional on the implementation of prescribed structural reforms.

Country Assistance Strategies (“CASs”):

The World Bank’s long-term relationship with a government is articulated in a Country Assistance Strategy. The CAS elaborates the Bank’s business plan and details the level and types of assistance to be provided in a country. According to the World Bank, the CAS is based on a country’s PRSP and prepared with the government in a participatory way. It is not a negotiated document however; any difference between the country’s own development agenda and the Bank’s strategy are highlighted but not necessarily significant in implementing Bank projects.

What is Conditionality?

A defining feature of the World Bank (and the IMF) is its use of conditionality. This means that loans, credits and project funding are given to countries with strict conditions attached. While all loans are expected to have some conditions (such as a repayment schedule), “**conditionality**” refers to a set of more forceful economic and political conditions that can turn the loan into a policy tool.

... increasing gender equality is central to the idea of development as freedom, of expanding the choices and control that people have over their lives.

World Bank press release, December 2001

Standard conditions (especially those associated with structural adjustment-type programs) are aimed at improving the efficiency of a country’s resources use in order to stimulate growth and stabilize the economy. Formal conditionality and development assistance programs are negotiated between the Bank and the government, however, the negotiations are very one-sided and conditions tend to be more-or-less standard from one country to the next.

The Bank’s recommendations (which inform the loan agreement and become conditionality) include currency devaluation and other measures to promote trade liberalization, privatization of strategic sectors

(such as energy, health and water), a reduced role for government, lower social spending, new user fees (e.g. for health, education and electricity), higher interest rates, and compression of wages. Conditionality applies not only to economic and financial matters; by adopting a “good governance” agenda, the Bank is able to undertake reforms in otherwise political areas such as freedom of the press, the design of court systems and the recruitment of civil servants.

Conditionality is problematic for several reasons. It is prescribed as a “one size fits all” model and does not respond to the specific needs or goals of different societies. It represents a large loss of independence on the part of governments. It is often based on

political considerations and ideology. Most importantly, **these mandated reforms have often produced further suffering, inequality and poverty within a country.**

Conditionality is often justified in terms of accountability — for a country to receive financing from a public institution (backed by foreign taxpayers) it must demonstrate that it will use the money

responsibly and repay the debt in a timely manner. Corrupt governments are blamed for much of the debt of developing countries and therefore the Bank demands increasing accountability from borrowers/aid recipients. **Where, however, is the comparable accountability on the part of the Bank?**

The World Bank, Gender Equality and Women’s Rights

It has been repeatedly demonstrated that economic restructuring is not gender-neutral or genderless. Some Bank-endorsed structural adjustment policies have particularly negative impacts on women, for example:



a) **Women's unpaid labour** increases with the removal of subsidies on social services. When subsidized daycare is cut, for example, women provide free childcare for their families and neighbours. When medical services are cut, women care for those who would otherwise have been hospitalized. Inherent in structural adjustment programs and the dominant economic agenda is an assumption of the unlimited availability of women's time and unpaid labour; women are seen as a resource to be tapped to promote the efficiency of the market and a solution to the shortfall in social services.⁴

b) Removing **food subsidies** (which results in increased food prices) is a common tactic for reducing public expenditures. Devalued currencies also make imported food more expensive. Higher food costs tend to be borne by the woman in the household — she has less to feed her children and may compensate by eating only once a day herself or having protein only once a week.⁵

As a result of such findings, the Bank has paid increasing attention to women and gender in development processes. In January 2002 the Bank attempted to consolidate its work in this area by releasing *Integrating Gender into the World Bank's Work: A Strategy for Action*.⁶

What is the Bank's Strategy for Action Gender?

Integrating Gender into the World Bank's Work: A Strategy for Action is now the Bank's internal **gender mainstreaming policy**. A key element of the strategy is the requirement of periodic multi-sectoral Country Gender Assessments ("CGAs") from each client country. They should analyze the gender dimensions of development across sectors and identify gender-responsive actions for poverty reduction, economic growth and human development. Priority policy and operational interventions that respond to the CGA should then be implemented as part of the Bank's Country Assistance Strategy.

The *Strategy for Action* is a very positive development in that it formalizes and prioritizes many positive elements of the Bank's gender strategies of the last decade. There are several reasons, however, to be cautious in our optimism regarding this report, including:

- only the CGA is mandatory; **no gender-responsive actions are required** (for this reason it is a "selective or strategic mainstreaming approach");
- **no rights-based targets are included**; the strategy continues to focus on women as instrumental to

How to Influence International Economic Institutions:

- bring together solid research and effective advocacy strategies;
- learn how the project/program cycle works from sympathetic insiders;
- analyze project documentation using a gender, class, race and ethnicity analysis;
- meet regularly with officials and employees — know the facts, provide alternatives, and use their language;
- share your analysis and recommendations with the media;
- keep up the pressure with more meetings and campaigns; and
- demand access to information about programs, policies and loans that are in the works.

the development process and focuses attention on gender issues in order to reduce poverty and induce economic growth, not to secure the rights of women or gender equality;

- there is **no requirement for civil society participation** in the preparation of the CGA, in the identification of priority gender responsive-actions, or in the evaluation and monitoring of the outcomes;
- there is **no requirement for information-sharing and transparency** in either the implementation or the evaluation of this strategy;
- **mechanisms for evaluation and monitoring were not released with the strategy** (they are “under development”); and
- **the status of the strategy is unclear** (e.g. it is not an “operational policy” which is clearly mandatory within the Bank’s operations). This ambiguity may impact on the attitudes of Bank staff and governments towards the strategy and increases the possibility that it will remain a set of ‘promises on paper only’ because no solid rights, responsibilities or incentives are tied to it.

The absence of women in economic policy formulation can only reinforce gender-blind policies. Given that all macroeconomic policy is gendered and neoliberal policy has distinct impacts depending on gender, class, age, education level and ethnicity, gender analysis within all policy and project design is imperative to guaranteeing women’s rights and ensuring that women benefit from development.

proposed mechanisms to hold the Bank and other multilateral organizations accountable for many years. Their efforts have undoubtedly contributed to the Bank’s increasing focus on gender issues and women’s rights both internally and in their policy prescriptions.⁷ As the following three issues reveal however, **despite the progress that has been made, the World Bank continues to falter in terms of accountability to women.**

Participation:

Participation is vital to a rights-based approach to development and is a key avenue for institutional accountability. Effective participation should be based on transparency, collaboration, learning, equity and flexibility. The World Bank requires some civil society participation in the PRSP process and invites public comment on its policies and procedures. Civil Society groups can also influence the institution through consultative groups including the External Gender Consultative Group, the Europe and Central Asia Region NGO

Working Group, and the Joint Facilitation Committee.

While the Bank requires civil society participation in processes such as PRSPs, there are no guidelines for either the quality or form of this participation and PRSP writers and Bank staff do not necessarily use the outcomes of the participatory process or implement changes in response to critical commentary.⁸ This model of “participation” begs the question: **is mandated civil society interaction about benefiting from the input of those who will be impacted by the chosen policies, priorities and targets, or is it a method to sell an already decided upon package of policies?**⁹ Similarly, is mandated participation genuinely representative, or are international

Accountable to Women?

Groups such as Women’s Eyes on the World Bank, Iniciativa Feminista Cartagena, Gender Action, the Gender and Economic Reforms in Africa program, Development Alternatives With Women for a New Era, Women’s Environment and Development Organization, and the Tanzania Gender Networking Program have been advocating for women’s rights and gender equality in World Bank projects and have



Women's Rights and Economic Change

The World Bank and Women's Rights in Development

organizations used as proxies for local stakeholders who are excluded from participatory processes?

Furthermore, there are numerous factors which inhibit the ability of women, the poor and local non-governmental organizations to effectively participate in economic policy-making, including: time pressures, inexperience, cultural exclusions, political risks, and limited analytical, advocacy and research capabilities. Some groups also question the utility of participating in processes such as PRSP consultations, perceiving that participating may lend legitimacy to an illegitimate agenda.

The Neoliberal Macroeconomic Model:

In recent years, factors that are considered "social issues" (e.g. gender, the environment) have become part of the dialogue around macroeconomics, aid and debt. A tendency remains, however, for the World Bank to focus first on market-based criteria and then to add on social policies.¹⁰ This "add on" approach can produce policies that impose additional burdens on women while failing to address their needs.

For the World Bank to be truly accountable to women, it needs to open the dominant macro-economic model up to debate and seriously consider reforming it or replacing it with alternative visions. **Growth may be a necessary component in the elimination of poverty, but it is not sufficient on its own and may be accompanied by rising inequalities.**¹¹ Alternative approaches make explicit that all macroeconomic policies have social and gender content because they are enacted within a gendered set of distributive relations and institu-

tional structures. The soundness of economic policy should not be judged by financial criteria or economic growth results but instead by whether it ultimately leads to social justice and gender equality.¹²

Formal Mechanisms of Accountability:

Human rights and gender strategies that lack mechanisms of accountability are of limited value. The Inspection Panel offers one potential avenue for accountability. It is an independent body established by the World Bank with the power to review Bank activities that have adverse impacts on the rights or interests of individuals because of a failure on the part of the Bank to follow one of its own

operational policies or procedures.¹³ This type of panel is encouraging but of limited value in terms of accountability to women since **the Bank does not have enforceable policies or procedures on gender equality and women's rights.**

Another avenue for women's rights accountability could be developed through the internal human rights discussions ongoing at the World Bank. While the Bank has previously argued that its mandate does not include human rights and that it will not include women's rights within its activities (although implicitly its loans,

projects and policy advice impact on the rights of women throughout the world everyday), it has now opened a door by admitting that its mission is tied to the advancement of human rights and by proposing the development of a human rights strategy. Of course, whether the potential of this strategy for advancing women's rights in development is achieved remains to be seen.

Modern high-tech warfare is designed to remove physical contact: dropping bombs from 50,000 feet ensures that one does not "feel" what one does. Modern economic management is similar: from one's luxury hotel, one can callously impose policies about which one would think twice if one knew the people whose lives one was destroying.

Joseph Stiglitz
(Former World Bank Chief Economist)
Globalization and Its Discontents (2002)

Developing other mechanisms to ensure accountability with respect to gender, based on principles of transparency, responsiveness, flexibility, and democratic governance must be a priority for all international institutions. **Human rights and gender equality reviews of CASSs, project lending and programming would seem a logical starting point with respect to the Bank.**

Footnotes

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- ¹ “About Us” section of the World Bank website (www.worldbank.org).
- ² “About Us” section of the World Bank website (www.worldbank.org). The “World Bank Group” actually comprises five institutions, operating under a common Board: The International Bank for Reconstruction and Development (IBRD), the International Development Agency (IDA), the International Finance Corporation (IFC), the Multinational Investment Guarantee Agency (MIGA) and the International Centre for the Settlement of Investment Disputes (ICSID). For the purposes of this primer, we are focusing on the IBRD and IDA.
- ³ See *Annual Report 2001*. [accessible through the “About Us” section of the World Bank website: www.worldbank.org.]
- ⁴ D. Tsikata and J. Kerr (eds.), *Demanding Dignity: Women Confronting Economic Reforms in Africa* (The North-South Institute and Third World Network-Africa, 2000) page 7.
- ⁵ *Ibid.*, and C. Moser, “Adjustment from Below: Low-Income Women, Time and the Triple Role in Guayaquil, Ecuador” in Afshar and Dennis (eds.), *Women and Adjustment Policies in the Third World*, (Macmillan, 1992).
- ⁶ See <http://www.worldbank.org/gender/overview/ssp/home.htm>.
- ⁷ See for example the World Bank Policy Research Report *Engendering Development: Through Gender Equality in Rights, Resources, and Voice* (Oxford University Press, 2001).
- ⁸ A study by Elaine Zuckerman indicates that even if women have been able to participate in the PRSP process, the outputs of the participatory processes have seldom fed into the actual PRSP. See “Poverty Reduction Strategy Papers and Gender” (Background Paper for the Conference on Sustainable Poverty Reduction and PRSPs – Challenges for Developing Countries and Development Cooperation, Berlin, May 13-16, 2002).
- ⁹ See D. Elson and N. Çağatay, “The Social Content of Macroeconomic Policies” 28(7) *World Development* (2000), page 1352.
- ¹⁰ *Ibid.*, page 1347.
- ¹¹ D. Tsikata and J. Kerr (eds.), *Demanding Dignity: Women Confronting Economic Reforms in Africa* (The North-South Institute and Third World Network-Africa, 2000) page 7.
- ¹² United National Development Fund, “Budgets as if People Mattered: Democratizing Macroeconomic Policies” (Social Development and Poverty Elimination Division, Bureau for Development Policy), page 10.
- ¹³ See <http://www.inspectionpanel.org>.

The Association for Women’s Rights in Development (AWID) is an international membership organization connecting, informing and mobilizing people and organizations committed to achieving gender equality, sustainable development and women’s human rights.

A dynamic network of thousands of women and men, AWID members are researchers, academics, students, activists, business people, policy-makers, development practitioners, funders, and more, half of whom are situated in the Global South and Eastern Europe.

AWID’s goal is to cause policy, institutional and individual change that will improve the lives of women and girls everywhere. Since 1982, AWID has been doing this by facilitating ongoing debates on fundamental and provocative issues as well as by building the individual and organizational capacities of those working for women’s empowerment and social justice through its International Forums and strategic communications.

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Women Demanding Human Rights Accountability:

Given the power and impact of the World Bank's activities, it is impossible to work for gender equality, women's rights and sustainable development without paying some attention to the policies and activities of the Bank. Feminist strategies to create sustainable and equitable economies take numerous forms: some are advocating for the abolition of the World Bank, others argue that its scope should be narrowed and its structures democratized, and still others contend that the Bank can play an important role in reconstruction and development efforts. **We need to develop strategic short- and long-term strategies to influence the dominant economic agenda and to shape international governance.** Here are a few ideas that can be adapted to local experiences and goals:

- From billion dollar health care reform programs to forestry projects and financial sector reforms, large loans are being designed and implemented throughout the world without the input of the individuals they are meant to benefit. **These programs need to be monitored from a gender perspective.** Those with expertise in economics and gender analysis can provide the needed skills for the integration of gender analysis into projects and into CAS and PRSP documents. Furthermore, gender advocates can contribute to CGAs and work to ensure that the CGA recommendations are actually prioritized in the Bank's lending and project design.
- Advocacy around international financial institutions should not be confined to women of the South. Northern governments are members of the World

Bank and Northern citizens should demand accountability and transparency of the institution through their government representatives. **As members and "owners", Northern governments can influence the Bank's agenda and hold it to account** for human rights violations and environmental degradation resulting from the projects it funds. Thus far, the West has driven the globalization agenda — it's time to use this power responsibly to demand human rights accountability and gender justice.

- When women's rights are negatively impacted by World Bank funded programs, victims can request that the Inspection Panel investigate and hold the Bank to its own policies on indigenous peoples, involuntary resettlement and other issues. Moreover, women's groups can **keep pressure on the World Bank to operationalize its promises to mainstream gender** by adopting strong operational policies and monitoring procedures for gender. Bank staff are required to follow operational policies and the Inspection Panel can review their compliance.
- Gender advocates can **join the voices of environmental and social justice activists all over the world demanding accountable and democratic governance.** The women's movement needs to ensure that gender equality is at the center of this agenda.



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