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Gender Equality Promotes Development – The World Bank's Gender Action Plan

Gender equality is a human right. This alone is reason enough for development assistance to consider the issue. In addition, there are a number of strong economic arguments for doing so. As an example, numerous studies have shown that countries with high levels of gender equality record higher rates of economic growth than countries with low levels of gender equality. Equal opportunities for women and men are therefore critical for growth and development. It is for this reason that the World Bank, which has the mandate to promote economic development and reduce poverty, takes steps to ensure that its projects and programs incorporate gender equality components. This is true in particular for the time since 2002, when the Bank adopted its first Gender Mainstreaming Strategy. However, for a variety of reaons, the Bank still does not consider gender aspects in a systematic manner ("mainstream") but on a case-by-case basis. In order to change this, the World Bank and donors created the Gender Action Plan (GAP). The plan, adopted for the period up to 2010, is financed from the Bank's budget (US$ 12 million) and donor contributions (US$ 48 million so far). The GAP funds support gender-specific research and project work, specifically in operational areas in which it has proven particularly difficult to consider gender aspects even though the potential benefits of doing so are large. This holds true for infrastructure, agriculture, the private sector, and financial markets. A first preliminary assessment shows that the GAP has surpassed all expectations in directing the attention of the Bank's staff, management, and executive directors to gender issues. It is particularly noteworthy that World Bank President Robert Zoellick has publicly committed the Bank to reaching concrete gender-specific targets.

Despite these activities it remains questionable whether the GAP will be able to effectively change the way the Bank does its business in the long run. In order for this to happen, the Bank needs to follow up on the plan by making more funds of its own available for gender studies and by improving compliance with its internal gender policies. It is up to the donors to insist that these demands are met.

Why the issue is so important

In developing countries, the economic and financial crisis has hit women harder than men. While in the developed world, more men than women have lost their jobs, the situation e.g. in Africa is exactly the opposite. The reason is that in many export-oriented industries, e.g. the cut flowers industry in Ethiopia, Kenya, and Uganda or the textile industry in Kenya and Lesotho, the majority of workers are women. And their jobs are threatened by falling demand of industrialised countries. When women's income declines, they have less to spend on food, education, and health for their children, with resulting negative consequences for future generations. In this regard, it is also important to note that the extent to which a child is impacted by the crisis depends on his/her gender: If a family does not have the funds to pay for school fees, girls are usually pulled out of school, but boys are not. To make matters even worse, the World Bank estimates that the crisis will claim the lives of an additional 700,000 infants in Africa. The infant mortality rate will be considerably higher for girls than for boys. Earlier studies have already shown that in times of economic crisis, infant mortality tends to rise more sharply for girls than for boys (see Baird / Freedman / Schady 1998).

On the other hand, programs designed to mitigate the impacts of crises (e.g. public works programs or social safety nets) have proven especially effective when they succeeded in reaching as many women as possible (see Ezemenari / Chaudhury / Owens 2002). To cite an example, in Brazil higher benefits for women have been shown to improve the calorie intake and the survival chances of their children, while this effect is not observed when men receive higher benefits.

In the following, the term "gender equality" does not refer to equality of outcomes but to equality of opportunity, including equal access to resources, equal rights, and an equal voice in political decision-making. Notwithstanding the fact that gender equality is a human right, this article argues that development assistance needs to consider gender aspects for two main reasons:

First, it is a matter of development effectiveness to consider not only the needs and concerns of men but also those of women, which are often very different . This can be achieved, for instance, by consulting with both men and women prior to designing a project or program. Otherwise, one runs the risk that the male population may benefit from a measure, while women do not. This would mean not reaching half of the target group and thus wasting scarce resources. The following example may serve as an illustration: Men often constitute the majority in local decision-making bodies in developing countries. Assuming that the matter under consideration is e.g. the course of a new road, men are more likely to decide in favor of a road leading to the next soccer field, while a majority of women would be more likely to decide in favor of a road leading to the next hospital.

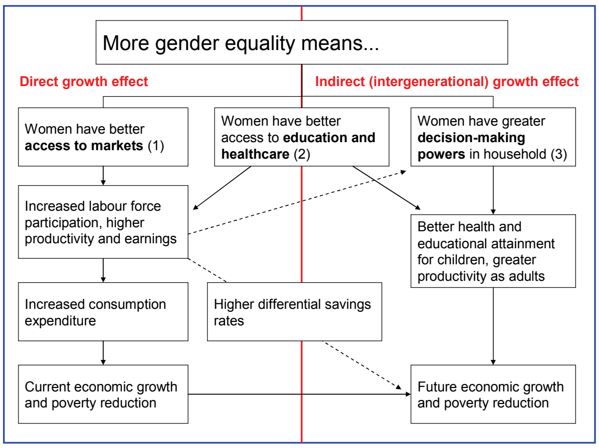
Second, a large number of empirical studies point out that gender equality is critical for successful economic development. To cite an example, the World Economic Forum's Global Gender Gap Report 2008 shows that economic competitiveness correlates strongly with gender equality. In other words: If we measure – independently of one another – the competitiveness of a group of countries and the level of gender equality in the same group of countries, we will in both cases come up with a similar country ranking. Other studies show that women in developing countries tend to enjoy more equality of opportunity the lower the respective national poverty rate. These findings can be explained in theoretical terms:

Fig. 1 illustrates in which ways gender equality contributes to higher economic growth and a lower incidence of poverty. Productivity increases when women are not prevented from doing work in line with their qualifications, meaning when they have access to markets, including the labor and financial markets. In this case, both aggregate economic output and consumption rise, boosting economic growth (1). At the same time, aggregate savings which are available for investment tend to increase. Greater economic participation of women therefore enhances the basis for future economic growth. Greater earnings of women lead to greater decision-making powers of women in the household, resulting in indirect growth effects (3). Generally speaking, this translates into higher household expenditures for children. Regardless of earnings, better access of women to health services and education has positive effects for the well-being of their children (2). Healthier and better-educated children in turn tend to be more productive as adults.

The World Bank's gender equality policies

In view of the strong economic arguments supporting the integration of gender aspects in development assistance, one would expect that the Bank considers gender equality in a systematic manner in its day-to-day business. This is, however, not the case.

Fig. 1: The relevance of gender equality for economic growth and poverty reduction



Source: World Bank, Global Monitoring Report 2008, 9

Pointing to the principle of "ownership," the World Bank argues that partner governments show little interest in gender-sensitive analyses and programs, and that therefore there is no point in forcing them to consider gender issues. In many countries, women are still expected to conform to the traditional role model, which is why decision-makers are often not interested in expanding the economic participation of women. It is one of the Bank's priorities to maintain good relationships with its major clients from emerging markets. However, it is not only the Bank's job to foster ownership but also to promote, for example, social and environmental standards or gender equality (the World Bank's so-called "advocacy role").

One additional reason for the World Bank's slow progress with regard to gender is that a project manager's career in the Bank is not necessarily determined by a project's long-term success. Rather, it is important to successfully present the project to the Board of Executive Directors, where 24 Executive Directors represent the185 member countries of the World Bank (of IRBD). Success in promoting gender equality often takes considerable time to materialise. Efforts to consider gender are thus not always conducive to a successful career in the Bank. In addition, the Bank's project managers already need to pay attention to a large number of cross-cutting issues (including e.g. governance, the environment, etc.). Last but not least, the World Bank's working culture tends to be dominated by economists and engineers who have little interest in dealing with sociological issues.

As potential economic benefits are not sufficient to overcome the described barriers, the Board of Executive Directors adopted, in 2002, the Gender Mainstreaming Strategy developed by the Bank's gender unit. The strategy aims to identify gender-specific barriers to poverty reduction in partner countries and to develop measures to overcome them and to facilitate sustainably higher growth rates. As per its Articles of Association, the World Bank is mandated to reduce poverty and to promote sustainable development. At the same time, the Bank may take up political and social aspects only to the extent that they have economic implications. In other words, for the World Bank, attaining political and social progress is not a goal in itself but rather a precondition for the success of projects or for the economic development of partner countries. Accordingly, the Bank can only promote the issue of gender equality in the framework of its mandate. The Gender Mainstreaming Strategy is to form the basis for the integration of gender aspects in all of the Bank's products, including e.g. sector studies, projects, and country strategies. The document holds the World Bank's Vice-presidents and country directors accountable for implementing the strategy and authorizes them to spend an additional US$ 2.5 million each year to this end. As a consequence of this strategy, the Bank has developed a new operational policy which contains binding guidelines for the integration of gender aspects in the Bank's operational work (Operational Policy and Business Procedure on Gender and Development, OP/BP 4.20). Unlike all other World Bank policies and procedures, monitoring OP/BP 4.20 is not the responsibility of OPCS – the unit in charge of formulating and implementing policies and procedures – but of the Bank's gender unit.

Despite some progress, gender aspects still have not been integrated systematically into the World Bank's day-to-day operations. One reason for this is the wording of OP/BP 4.20. While all but one of the World Bank's administrative regulations contain concrete and binding guidelines governing the design of projects (e.g. regarding environmental and social standards or the protection of cultural assets), OP/BP 4.20 merely obliges the Bank to address gender issues in its country strategies. Based on this country-level analysis, only activities in so-called priority sectors are expected to be designed in a gender-sensitive manner. In other words, if a country strategy does not specify any priority sectors, the Bank does not have to integrate any gender components into its projects, studies, or other activities. Surprisingly, OP/BP 4.20, which was devised in the framework of the Bank's Gender Mainstreaming Strategy, fails to meet the requirements of gender mainstreaming. Another surprising fact is that OP/BP 4.20 replaces a predecessor rule which called for gender aspects to be monitored in all projects. In addition, the implementation of OP/BP 4.20 is not sufficiently monitored. This becomes evident from the fact that most country strategies do not even contain the requested gender analysis at the country level. The latter problem could easily be solved by transferring the monitoring responsibility for OP/BP 4.20 to OPCS.

Given the limited progress with regard to gender mainstreaming in general, the Bank has achieved relatively better results in the education and health sectors than in the economic sectors (agriculture and private sector, finances and infrastructure). As an example, the aspect of gender equality has been integrated into 90% of all World Bank projects in the education and health sectors. On the other hand, a recent evaluation of activities in the infrastructure sector covering the period from 1995 to 2006 indicates that gender has hardly been considered here. One reason for these different success rates with regard to designing gender-sensitive projects is that, structurally, it is far easier to apply gender indicators and measures in the education and health sectors (e.g. school enrolment rates for girls and boys) than in the economic sectors. In addition, there is a general lack of knowledge regarding how to effectively integrate gender aspects in the design of projects in the economic sectors, and there is also a lack of incentives to dedicate funds to purchase outside expertise. Furthermore, when it comes to the "hard" economic sectors, there tends to be considerable resistance on the part of both the Bank and partner countries.

The Gender Action Plan

In 2007, the Bank, through the initiative of donors and of Germany in particular, launched the Gender Action Plan "Gender Equality as Smart Economics" in order to overcome existing bottlenecks with regard to the integration of gender in the economic sectors. The plan, with a run-time from 2007–2010, is designed to bolster the Bank's existing gender policies. It obliges the Bank to do more to advance gender equality in the economic sectors, in collaboration with partner countries, other donors, and the private sector. Under the plan, World Bank staff members who wish to conduct gender-specific research or integrate gender aspects into project work can apply for funds from the Gender Action Plan (GAP). One of the plan's aims is to close knowledge gaps. Another is to provide further evidence that gender-responsive planning and implementation contribute directly to better project results and thus indirectly to promoting economic growth and reducing poverty. In other words, the GAP puts emphasis on strengthening incentives for Bank staff and for partner governments to tackle the issue of gender inequaliy. The implementation of the GAP is financed both from the World Bank's budget (US$ 12 million) and from donor contributions (US$ 48 million). However, these funds are meant to provide only initial support, and it is hoped that the GAP will ultimately lead to sustainable changes in the way Bank policies and programs are designed. Such changes are necessary in particular in case the Bank does not receive any additional donor funds for the GAP.

In early 2009, the Board of Executive Directors discussed the GAP second progress report. The report indicates that the funds made available through the GAP have created noticeable demand for the integration of gender aspects into World Bank projects and have also resulted in the production of gender-specific studies, statistics, and impact assessments.

Two initiatives that have received GAP support are particularly worth mentioning. The Doing Business Law Library (see www.doingbusiness.org/genderlawlibrary) is a new online database. It covers 181 countries and includes for each country – if available – a list of national laws and regulations that affect women's participation in economic life, including e.g. property and inheritance rights or labor laws. The database sets the stage for cross-country comparisons of good and poor legal frameworks. Governments, civil society, and scientists/scholars may use it to further analyze the impact of legal reforms on the economic participation of women.

In addition, the Economic Intelligence Unit (EIU), with funds from the Gender Action Plan, developed the Women's Economic Opportunity Index. Thus, one of the world's leading economic information services and providers of country, industry, and management analyses has acknowledged the importance of gender equality for economic growth.

The Index compares and assesses the framework conditions which influence the economic participation of women in some 100 countries. This cross-country index contains a large number of legal, economic, and social factors, including national labor legislation (e.g. legal protection of working mothers), access of women to education and credit, cultural norms, etc. The Index is set to be launched in 2010 and will be made publicly available on the Internet.

Assessment of the GAP and outlook

The many innovative ideas that have emerged in the first two years of implementation clearly indicate that the GAP is an instrument well-suited to closing knowledge gaps with regard to considering gender aspects in the economic sectors. In addition, much of the data collected with the support of the GAP is available to researchers and decision-makers worldwide, which means that the impact of the GAP goes far beyond the Bank itself. The GAP has not yet been operational long enough to clearly prove that gender-sensitive projects do contribute to higher economic growth. But as explained above, this is very likely to be the case.

The GAP has received the welcome support of the current (since 2007) World Bank President Robert Zoellick, who shares the conviction that more economic participation of women is essential to making progress in poverty reduction. This became clear on the occasion of the Bank's 2008 Spring Meetings during which Robert Zoellick committed the Bank to implement Six Commitments on Gender Equality. It is remarkable that Zoellick, on this occasion, announced that future funds provided to the poorest countries by the International Development Association (IDA) will be dedicated to a larger extent to the issue of gender equality. (IDA is the World Bank arm responsible for cooperation with the poorest developing countries. IDA's funding volume for the period from 2007 to 2010 [= IDA15] amounts to a total of US$ 41.6 billion). Furthermore, president Zoellick announced his intention to call on the Bank's country directors to report on the World Bank's gender activities at the country level and to submit proposals outlining how the economic participation of women in the Bank's partner countries can be increased. While some former World Bank presidents likewise provided support for the issue of gender, Robert Zoellick is the first to publicly commit the Bank to reaching gender-relevant targets and to show great engagement with regard to equal opportunity for men and women. This is due, at least in part, to the GAP. Another of the GAP's merits is that it focuses political attention on the importance of gender equality. One indication of this is that during the World Bank Annual Meetings in the past two years, several gender-related events took place and were attended by Government Ministers. High-visibility events of this kind have proven effective in boosting the number of gender-responsive Bank projects in the short term.

Still, doubts remain as to whether the GAP will be able to sustainably change the Bank's work:

1. Given the rivalry among themes, the political attention directed to gender at the moment is likely to be diverted to other issues sooner or later.
2. Without the GAP, project managers currently have no funds available for gender analyses and additional measures based on such analyses.
3. The GAP's main aim is to create incentives to give more consideration to gender aspects. However, incentives are no substitute for compliance with existing policies and rules.
4. One contradiction remains despite the GAP: Although the Bank has a gender mainstreaming strategy, it only requires the consideration of gender at the country level but not at the project level. OP/BP 4.20 therefore needs to be revised.

What can donors do to ensure that the GAP will not be a mere "flash in the pan" but rather will sustainably change the Bank's work? For one thing, they could regularly remind the president of the need to meet his six commitments. Of particular importance is the need to conduct a gender audit during the IDA15 midterm review (this is the review of IDA15 policies and their implementation), and the need to integrate gender targets into IDA16. Furthermore, donors could and should insist that compliance with existing rules be better monitored and that the organisational reforms necessary for better compliance be carried out. And finally, they should call on the Bank to make sufficient funding available for gender mainstreaming when the GAP comes to an end in two years time. We can only hope that the donors make use of the opportunities they now have. The next generation in developing countries will be grateful to them.

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