

## **Gender Equality, Empowerment of Women and Coherence in Development Policies**

When I started working in the Austrian Finance Administration almost 30 years ago, the working environment was very different from today's: Only very few women were working on an academic level. The fact that I could continue working after having become a mother to two wonderful daughters was due to a rare combination of support, coming from both my husband and my male bosses, as well as to inventive organisation. In July 1981, I entered the unit dealing with international customs affairs.

### **Austria before EU accession**

At that time, Austria was still a member of EFTA (European Free Trade Association), and was also one of the almost 90 GATT members. We still had our own trade and customs policy, our own list of binding GATT-customs concessions, and our own national preference tariffs for developing countries, based on the UNCTAD-GSP.<sup>1</sup>

Already then did industrial countries consider that agricultural goods and textiles were sensitive sectors. Developing countries, including the least advanced ones, did not obtain the market access they had hoped for. I learnt that rules of origin - a complicated set of rules to determine the legal provenance of goods - were at the heart of customs preferences, and was surprised to learn to what extent they were shaped by national interests and lobbying. I also learnt that social or environmental standards did not really matter in international trade. Finally, I understood that the specific needs of women, be it in the developed or in the developing world, were not an issue, neither in economic theory nor in trade rules or negotiations.

In 1986, the Uruguay-Round started including services into its agenda, despite strong opposition from the developing countries. Finally, in 1995, after 9 years of tough negotiations, the WTO entered into force.

Agriculture has always held an important role in trade policy and trade negotiations. Agricultural subsidies were also a central issue at the 1999 WTO Ministerial Meeting in Seattle. Many NGOs opposed their reduction, with the argument that liberalisation plans did not take sufficient account of societal needs in the developing world, in particular regarding nutrition, health, education, combating poverty or the empowerment of women. The fact that negotiations finally failed was therefore celebrated by them as a success.

However, quite obviously, the WTO continues to be attractive to the outside world, and now counts no less than 151 member states including the EC. The current Doha Round covers a wide range of subjects, also including measures to overcome obstacles in the developing world to implement WTO-rules. Agriculture continues to be an important issue.

**Austria and the EU - The entry into force of the WTO as of 1995 coincided with Austria's accession to the EU.**

As a consequence, as of Jan. 1<sup>st</sup>, 1995, Austria became part of the Single Market, including a common trade and customs policy. All third country agreements now applied, in particular the EU-Free Trade Agreements, the ACP-EC agreement and the EU-GSP. The ACP-EC agreement which was signed on 23rd of June 2000 in Cotonou obliges the ACP countries to bring their trade relations in line with WTO requirements by concluding Economic Partnership Agreements (EPAs) with the EC. The Cotonou Agreement also provides for gender equality, as a cross-cutting issue in the development strategy. As all other EU Members, Austria has remained a member to the WTO, but is represented by the European Commission. EU positions are prepared in a committee composed of national representatives, established under art. 133 EC-Treaty. The Austrian position in turn is coordinated by the Ministry of Economy and Labour.

As an EU member, Austria also takes part in the EU Common Agricultural Policy, which also includes granting financial support for rural development and certain EU exports to third countries. Today, more than one third of the EU-Budget still goes to agriculture.

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<sup>1</sup> Generalized System of Preferences.

It is not always known that the EU is also the world's most important donor of development aid, accounting for 55 % of the world total (EU ODA in 2006: EUR 48 billion). Trade can be an important catalyst for growth and poverty reduction in developing countries. Aid for Trade plays an important role in the context of technical assistance.

The EU has committed itself to the "Millenium Development Goals", adopted by all UN member countries and to be achieved by 2015. The aim is to eliminate extreme poverty and hunger, achieve universal primary education, promote gender equality and empower women, reduce child mortality and improve maternal health, combat HIV/Aids, malaria and other diseases, ensure environmental sustainability, and set up a global partnership for development.

In its 2005 Communication on policy coherence for development, the Commission establishes the objective to promote decent employment conditions and work for all, also including both genders. It strongly supports a development-friendly and sustainable outcome of the Doha Round, conclusion of Economic Partnership Agreements with the ACP-countries, integration of trade into development strategies and strengthening the social dimension of globalisation.

In 2002, in the context of the Monterrey Conference, the EU adopted commitments regarding the level and effectiveness of development support. Since then, the Commission has provided annual progress reports. In 2005, it outlined a path towards a new interim target for higher Official Development Assistance (ODA) by 2010 and towards the UN target of 0.7 % of Gross National Income (GNI) by 2015.

Gender equality has been part of the EU Agenda since the very beginning. Art. 2 of the EC Treaty provides for the promotion of equality between men and women. Later art. 3 (2) established that in pursuit of this aim, the gender perspective shall be integrated into every stage of policy processes – design, implementation, monitoring and evaluation (known as "gender mainstreaming"). The principle of equal treatment has entered EU legislation in a number of fields over the past 30 years, and developed in extensive case law by the European Court of Justice.

The Commission's "Roadmap for Equality between Women and Men for the Period 2006-10" provides for 6 priority areas: equal economic independence, reconciliation of private and professional life, equal representation in decision-making, eradication of all forms of gender-based violence, elimination of gender-stereotypes, and promotion of gender equality in external and development policies.

The Commission seeks to implement this "Roadmap" in close cooperation with Member States and other actors. A key area is the promotion of flexible work arrangements. A novel feature is the attention paid to actions directed towards men, in order to promote a workplace culture in support of equality, including shared parental leave. Another focus is the male role in relation to gender-based violence.

In summarizing, the legal base in the EU is already sound and coherent. However, reality does not always follow. In the domain of economics, finance or trade, an important reason is that the respective working groups or committees are not always equipped or interested to deal with gender aspects. For this reason, these aspects tend to be left to specialised groups or institutions. The obvious conclusion is that, in order to make equality a reality, gender aspects need to be tackled not only by ministers of equality, but also by ministers of finance or economics.

## **The UN context**

In the context of the UN, the most important legal instrument on women's rights is the UN Convention on the Elimination of All Forms of Discrimination against Women. It was ratified by Austria in 1982, the Optional Protocol was ratified by Austria in 2000.

The 4<sup>th</sup> World Conference on Women in Beijing in 1995 is memorable for several reasons: Within Austria, the Minister of Women, Johanna Dohnal, established a National Committee, co-ordinated by Ilse König. Never since then did so many women gather to discuss women's issues, coming from the various political parties, ministries, provinces and local authorities, NGOs and other entities. It was also important that the Conference highlighted the gender concept and the need to incorporate gender equality in all institutions, policies and actions in UN membercountries. Finally, the famous "Platform for Action" could be adopted, thanks also

to the guidance provided by Irene Freudenschuss-Reichl as chairperson of one of the working groups.

The UN Development Fund for Women provides financial and technical assistance to innovative programmes and strategies to foster women's empowerment and gender equality. In this context, it also supports initiatives on gender-responsive budgeting. In 2006, a study was published which offers practical experience and advice on the subject.<sup>2</sup>

**The Austrian National Committee for UNIFEM donated 10.000 Euro to the UN Trust Fund to End Violence against Women.**

In its most recent conclusions of March 2008, the UN Commission on the Status of Women emphasises the central role that women play for achieving sustained economic growth as well as the Millennium Development Goals. It calls on financial institutions, in particular the Bretton Woods Institutions, as well as on the private sector to ensure that development finance is conducive to gender equality and the empowerment of women and girls. All countries should allocate budgetary resources for building up expertise in gender mainstreaming. All relevant economic sectors and policies should be analysed with a view to achieving the objectives of the "Platform for Action". The follow-up to the Monterrey Conference, to be held in Qatar later this year, should also integrate the gender perspective.

**Austria, women and development**

Gender equality is also well anchored in Austrian legislation: Art. 7 of the Federal Constitution obliges the Federal Government, the Provinces and the local authorities to equal treatment of women and men in actual fact. The most recent amendment to the Federal Constitution (art. 13(3)) also obliges the same entities to aim at gender equality in the context of budgetary management, and the 2009 federal budget will already include a gender component. Other articles refer to effective implementing arrangements.

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<sup>2</sup> Elson, Diane: Budgeting for Women's Rights: Monitoring Government Budgets for Compliance with CEDAW.

A recent decision of the Council of Ministers of March 5<sup>th</sup>, 2008 establishes two guiding instruments for implementing gender mainstreaming in the legislative process and gender budgeting.

Since 1993 there is a Federal Equal Treatment Act and a Plan for the Advancement of Women in each ministry.

Even so, equal treatment is not yet a reality: There is a significant gender pay gap, and women are not yet equally represented at higher levels. In the Ministry of Finance, for example, there has never been a female director-general, and the share of female directors currently holds at 20 %.

Colleagues in the Ministry of Finance have looked into the gender effect of Austrian income taxation.<sup>3</sup> The study was motivated by the assumption that, despite a neutral wording of tax legislation, gender-specific differences in the economic and social situation should result in differences in the tax burden. The finding is that there is a moderate redistribution effect in favour of women which closes about one tenth of the pay gap.

Austria's official development assistance (ODA) reached 0.47 % of GNI in 2006, thus exceeding the Monterrey target of 0.33 %. The target for 2010 is 0.51 % of GNI. More than two thirds of the total is managed by the Ministry of Finance and channelled via the multilateral development banks - e.g. the World Bank or the regional development banks - or takes the form of debt relief. Aid to the African Development Bank and the International Development Association over the next 3 years will amount to 410 million Euros.

As a donor, Austria has a political interest that financial support does not only translate into higher economic growth, but also into poverty reduction and societal equality. Development strategies of all countries and the overall Poverty Reduction Strategy should therefore include gender equality as an integral part. Developing countries should also apply gender budgeting, helped by the International Financial Institutions (IFIs). They should establish a Gender Action Plan, monitor its implementation and submit annual progress reports.

As holds at national level, the under-representation of women in official functions constitutes a serious flaw in the governance structure. Equal opportunity in official institutions is therefore part of the Ministry of Finance's IFI strategy.

I would like to conclude with a positive note: Since 1981, when I entered the Ministry's customs unit, the chances between women and men have become much more equally distributed. Even so, and this goes without saying, a lot still remains to be done, and it needs cooperation on a broad front.

Sources:

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<sup>3</sup> "Is Austrian Income Taxation Gender-Neutral", Working Paper 2/2006 and homepage of the Ministry of Finance.