

**Presentation at the Morning Hearing on Sustained and Inclusive Economic Growth  
Fifth Session of the Open Working Group on the Sustainable Development Goals  
25 November 2013**

Thank you Mr. Co-Chair. My name is Nicole Bidegain, I represent DAWN, and I am speaking on behalf of the Women's Major Group. I would like to bring to your attention some relevant points that cut across the discussion on sustainable and inclusive economic growth.

Economic growth and macroeconomic policies are not gender-neutral. Gender-based power relations explain an aspect of distribution of opportunities and resources existing in economies. This indicates, for instance, that women and men experience the impacts of international trade and financial liberalization differently, as members of the **workforce**, as **consumers** and **producers**, and as **responsible for the activities of the "care economy"** within and outside households.

There are different channels to assess how gender regimes shape economic policies. We can examine at least three areas (a) wages, employment, access to resources, livelihoods, land, and distribution of unpaid care work; (b) state of social reproductive and social protection capacities, resources and services, and (c) intra-country and intra-household sharing of financial risks and shocks. Can perpetuate inequalities and occupational segregation between men and women, or by contrary, promote gender equality in economic sectors.

However there, is a propensity of "continuing to design what are term "sound" macroeconomic policies with a focus on market-based criteria, an overriding emphasis on stabilizing the price level and reducing the role of the state, and then adding social policies in order to achieve socially desirable outcomes..." (Elson and Cagatay, 2000: 1347 in Rodriguez Enriquez 2013).

We think that the proposal of inclusive and sustainable economic growth is in line with this perspective. It keeps economic growth as the overarching goal, and inclusiveness as an attached objective that might arise with "sound" market dynamics with, just enough amount of regulation to correct market failures. The absence of **redistributive ethics and objectives** in market-based policies and institutions explains to a large extent their failure to tackle poverty, inequality, labour market segregation, commodification of nature, inadequate responses to climate change and global imbalances.

Moreover, despite multiple and converging global crises and significant evidence that discredits the over reliance on promoting growth, the perspective has not changed much, which is that there is a linear road

from growth to development and includes, among others; i) financial and trade liberalization; ii) inflation targeting; as well as iii) Industrialization through foreign investment. The belief is that economic growth will lead to increase in decent jobs creation, as well improvements in overall well-being in different countries. However, such assumptions are not consistently supported by existing evidence.

For example, in the context of unequal trade liberalization, **industrialization does not always lead to development. A dissociation from diverse and resilient and socially and environmentally sustainable local industries, domestic productive capacity and employment creation, can only lead to further environment damage, economic segmentation and social gaps.** Industrialization does not also necessarily improve **conditions of work** and increase **wages** as was contained in the UNTST briefing for this session. In some cases it does the contrary and remains in a downward spiral, through ways of production that privilege outsourcing. For instance, the gender pay gap, which is present in most countries around the globe, represents a vicious incentive for foreign direct investment in the global South. With trade liberalization, some women in developing countries have had expanded access to employment, improving short-term incomes. However women are also usually concentrated in low-paid and insecure work, and are thereby less likely to organize and assert their labour rights over a living wage, benefits, such as maternity leave and protection against sexual harassment. The experience of maquilas in Mexico and Central America are a good example of weak and occasional gains for women.

From the perspective of the Women's Major Group and DAWN, SDGs must be rooted much more in the goal of the sustainability of life, rather than on the sustainability of growth, however inclusive it might be. We make a strong call for the reorientation of economic dynamics **from corporatization and financialisation towards sustainable and equality-oriented production, consumption and reproduction patterns.**

- The SDG must be focused on **transformative redistribution of resources**, promoting productive diversification in sustainable and employment-intensive sectors, linking finance to real economy, and tackling structural discrimination based on gender, age and race. For this, much regulation is needed from governments: on financial markets, on markets structure and competition, on redistributing mechanisms, on labour markets and social protection systems (including care and sexual and reproductive health services).

## **1. Trade asymmetries and policy space**

- A target should address trade asymmetries between regions and countries, guaranteeing the Special and Differential Treatment principle for developing countries, the removal of subsidies in developed countries, especially in agriculture and the flexibilization of Intellectual Property Rights rules in order to protect public health, environment, natural resources, etc.
- So it is urgent to review investment protection treaties and Free Trade Agreements signed by countries which **erodes national laws and policy space to fulfill their obligations** regarding human rights and environmental sustainability; including women's access to quality education, healthcare including access to medicines and sexual and reproductive health services, to safe and accessible drinking water; and to sustainable and affordable energy sources. Trade and investment policies should be subject to *ex ante* and *ex post facto* gender, human rights and environmental impact assessments.

## 2. **Revert race to the bottom**

- Adopt a mechanism for global cooperation to reverse the “race to the bottom” which is based on **lowering of taxes, human rights, environmental and labour standards** to attract Foreign Direct Investment (FDI). FDI should have performance requirements in order to create decent work, by eliminating the gender pay gap, provide technology transfer and skills, promote links with small and medium enterprises and foster territorial decentralization. This mechanism should include a binding multilateral code of conduct for transnational corporations to control and monitor their compliance with human rights obligations and environmental standards and ensure accountability.

## 3. **Redistribute care work**

- Inequalities rooted in current pattern of growth can't be overcome without the recognition and social redistribution of unpaid care work. SDG should include specific targets to provide universal access to public care services, ensuring the quality of the services and the working conditions of care workers, increasing public investment in infrastructure including water and energy, transport.

## 4. **Progressive taxation for productive diversification and tackling inequalities**

- For instance, it is possible to create incentives to redirect tax exemptions from unsustainable activities, such as industrial fisheries, chemicals and extractives, towards sustainable, knowledge and employment-intensive sectors and small and medium producer and social and solidarity economy initiatives. Progressive tax systems that include taxes on wealth concentration, financial speculation and correct gender biases implicit in tax policy are also targets to be considered.

## 5. **Role of states**

- The role of the state should not be downplayed. In an age of austerity but as the recent Latin-American experience demonstrates, States can and should take proactive role in the economy. SDG cannot promote a framework where state is limited to providing an enabling environment for business to prosper or taking over the risks of private investment in strategic sectors. Instead SDG provide strong guidance to states to reorient economic dynamics toward sustainability of life and the planet and to protect, respect and fulfill human rights for all.

Thank you very much Mr. Chair.

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