

Women's Working Group on Financing for Development (WWG on FfD) *

**A call for structural, sustainable, gender equitable
and rights based responses
to the global financial and economic crisis**

April 27, 2009

We, the Women's Working Group on Financing for Development (WWG on FfD), recognize that the financial and economic crisis represents a critical political opportunity to make significant structural changes in the global development macroeconomic and financial architecture that reflect rights-based and equitable principles.

The recent G-20 decision to replenish International Monetary Fund (IMF) resources is deeply flawed as it perpetuates failed neoliberal economic policies, reinforces structural inequalities, and will increase developing country indebtedness. Moreover it is based on an overproduction and overconsumption model that ignores social reproduction, sustainability of the resources of the planet; and is based on a few acting to the exclusion of the many.

We need an alternative more inclusive process not one lodged in the International Financial Institutions (IFIs) that have created the crisis but in the United Nations (UN), which today is the only platform for genuine global dialogue and governance on global public 'goods'; where women's rights and human rights are enshrined; and where each country large or small has a voice at the table.

It is only through a more inclusive approach that the search for solutions can move beyond double standards, the perpetuation of moral hazard, the inequitable distribution of resources, and disproportionate burdens on the most vulnerable.

We call on all heads of state and government to commit to constructively engage in the High Level Conference on the UN Conference on the World Financial and Economic Crisis and Its Impact on Development (HLC) and ensure an effective follow up mechanism.

Therefore, we propose the following actions to respond to the current crisis with alternative policy approaches that harmonize with international standards and commitments to gender equality, women's rights and human rights and empowerment.

* This declaration emerged out of the Second Women's Consultation convened by the WWG on FfD in New York from April 24-26, 2009. The following WWG on FfD members and invited networks endorse this statement: African Women's Development and Communication Network (**FEMNET**), Agribusiness Action Initiatives (**AAI**), Arab NGO Network for Development (**ANND**), Association for Women's Rights in Development (**AWID**), Center for Budget Accountability and Governance (**CBAG**), Development Alternatives with Women for a New Era (**DAWN**), Feminist Task Force-Global Call to Action against Poverty (**FTF-GCAP**), Global Policy Forum (**GPF**), International Gender and Trade Network (**IGTN**), International Trade Union Confederation (**ITUC**), Medical Mission Sisters, Network for Women's Rights in Ghana (**NETRIGHT**), Third World Network-Africa (**TWN-A**), Women's Environment and Development Organization (**WEDO**) and Women in Development-Europe (**WIDE**). The WWG on FfD is coordinated by DAWN.

I. Re-position the UN's leadership role in a new global development, economic and financial architecture that fully integrates gender equality and women's rights

1. Strengthen the authority of the UN to lead the necessary rights-based pro-development economic and financial reforms, in particular responding to issues of global macroeconomic policy including its social and ecological dimensions.
2. Support the HLC with Summit level participation and ensure concrete recommendations on new foundational and structural agreements on global development, economic and financial governance that fully integrates gender equality and women's human rights based on internationally agreed goals, including the Beijing Platform for Action, the Convention on the Elimination of All forms of Discrimination Against Women (CEDAW), and International Labour Organization Conventions.
3. Establish a global representative UN body that would guarantee accountability of all international economic organizations, set the agenda for macroeconomic, financial and development cooperation reforms and management in ways that respect policy space and country ownership while enhancing mutual accountability for internationally agreed goals and standards including those related to gender equality.
4. Ensure that in the ongoing UN reform process, the new gender equality entity will have the capacity and resources to participate meaningfully in the coordination necessary for development, macroeconomic and financial governance.

II. Immediate reform of the global financial architecture to effectively manage liquidity shortages and payments imbalances and ensure that policy responses do not shift the burden of adjustment to the care economy.

1. Immediately create a range of alternative regional and international funding arrangements for governments to meet their liquidity requirements, especially those of developing countries.
2. Establish a UN Global Economic Coordination Council that is transparent, accountable, and with the full and equal representation of developing countries and the involvement of women's rights and other civil society organizations.
3. Hasten the adoption of national capital gains taxes, environment taxes, and taxes on financial transactions in order to change incentive structures for profit generation and generate funds for programs/projects (such as increased access to health insurance and finance) that support impoverished women and men.
4. Cancel the illegitimate and odious debt of developing countries and immediately create an international legally binding framework for an orderly and transparent debt audit process and workout mechanism with the participation of debtor governments, women's rights and other civil society organizations.
5. Ensure that the UN plays a pivotal role so that developed countries fulfill their commitments to increase the quantity and quality of Official Development Assistance (ODA), including to deal with the negative effects of the crisis in developing countries. Traditional ODA and new financing must not impose any kind of policy conditionalities including on the basis of gender, environment and human rights.

III. Reduce financial sector instability and arrest capital flight through transparent and accountable regulation

1. Replace the IMF with a new multilateral institution that will monitor the financial sector to prevent volatility, take into account the social, gendered and environmental costs of financial products, and be based on a one-member-one-vote system not weighted by monetary contribution.
2. Strengthen the independence, credibility and transparency of national, regional and international regulatory mechanisms by moving away from free market and moral hazard practices.
3. Improve credit rating classification methods, governance and transparency of credit rating agencies, as well as institute an oversight mechanism.
4. Establish or strengthen national regulatory measures in the banking and financial markets that are complemented by appropriate competition policy and consumer protection policies.

IV. Abandon neo-liberal policies governing trade and finance toward addressing global imbalances and social and gender inequalities

1. Set in place national, regional, and international measures and processes that respect national policy space, ensure the principle of Special and Differential Treatment and are consistent with internationally agreed standards and commitments, including to women's rights and gender equality. The crisis opens an opportunity to move countries away from the imbalances and gaps of the World Trade Organization (WTO) regime and the failed Doha Round.
2. Regain lost national policy space resulting from bilateral and multilateral trade agreements by undertaking global and regional reviews of related commitments. Mandatory clauses in the General Agreement on Trade in Services (GATS) and Free Trade Agreements (FTAs) on the liberalization of trade in financial services have been one of the main causes of the contagion and have contributed to the exclusion of women from credit services; these must be stopped and rolled back immediately.
3. Remove agricultural goods from the Commodities Futures Market and reform trade in agriculture toward protecting people's livelihoods and right to food. Protect all small-scale commodity producers from financial speculation by improving monitoring and reporting of market-based price risk management techniques and products.
4. Strengthen the ability of developing countries to use a mix of trade and investment policy tools necessary for them to mitigate the impact of the global financial crisis on their real economies. Industrialized countries must not use their stimulus packages for subsidies and procurement that exacerbate asymmetries in the global trading system.
5. Central monetary authorities must balance the relationship between price stability and development goals, using counter-cyclical policies and other tools. To bridge the gap between micro-finance and the financial sector, they should rationalize their credit allocation programs in accordance with development goals with a view to upscale financial resources accessible to asset-poor women, small farmers, and the impoverished thereby ensuring decent livelihoods and the right to food.

6. Regulate Foreign Direct Investment (FDI) and multinational corporations ensuring that their practices are consistent with environmental sustainability, social protection, gender equality, human and labour rights and people's livelihoods. Establish reporting standards to address tax evasion in the context of intra-firm trade and adopt a stronger global agreement on the closure of tax havens.

V. Recognize and value social reproduction in responding to the crisis and in re-designing development strategies and macro economic policies

1. Create or strengthen automatic macroeconomic stabilizers and social insurance systems to help developing economies weather the crisis. In the absence of such systems, women's unpaid labour acts as a stabilizer and increases their burden.
2. Prioritise social infrastructure investments and not just physical infrastructure investments and move beyond one-time subsidies to gender equitable job creation, social services provisioning and social protection within a rights based framework.
3. Ensure that stimulus packages feature micro finance for women who have lost their jobs due to the crisis and who must be provided additional support to sustain their micro enterprises. Moreover governments lending programs must be accessible to poor women who do not have assets, particularly women farmers.
4. Carry out gender budgeting on fiscal stimulus packages and ensure that there is participation and consultation with national women's machineries and women's groups on all measures related to responding to the crisis.

In the long run:

1. Create coherence between macroeconomic policy and gender equality goals by, among other actions, changing the incentive structures in society so that the responsibilities for provisioning and care are shared among states, markets, households, and between women and men.
2. Eliminate the gender-wage gap, promote living wage and decent work policies to recognize the contributions of formal and informal workers to productivity and the range of services required for a fully functioning society, including the care of all generations and their gendered implications.
3. Develop and utilize indicators of both paid and unpaid work in national income accounts and labour force statistics, including time use, in order to institutionalise the value of social reproduction and establish its relationship with production in macroeconomic policy making.
4. Increase public investment in social services and sectors and halt their privatization since this increases the burden on women and undermines their enjoyment of economic and social rights.
5. Create efficient, effective, transparent and accountable public finance management systems and practices through participatory mechanisms, including but not limited to gender-responsive budgeting.