Economic Commission for Africa

The Missing Link in Growth and Sustainable Development:

Closing the Gender Gap

An Issues Paper

ADB/ECA SYMPOSIUM ON GENDER, GROWTH AND SUSTAINABLE DEVELOPMENT

24 May 2004, Kampala, Uganda

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Introduction

It is no secret that in recent decades, sub-Saharan Africa has been the world's worst-performing region in terms of poverty reduction. Today, nearly one in two people on the African continent survives on less than $1 per day. Between 1987 and 1998, the number of poor people increased from 217 million to 290 million. Of these poor, 80 per cent are estimated to be women. In sub-Saharan Africa, women comprise 60 per cent of the informal sector (including informal trade), provide about 70 per cent of the total agricultural labour, and produce about 90 per cent of the food (World Bank, 2000). Yet, they lack equal access to health, education, finance and other essential resources.

The World Bank (2000) estimates that Africa would need to grow by 5 per cent per year just to keep the number of poor from rising. If the number living in extreme poverty is to be halved by 2015, as called for in the Millennium Development Goals (MDGs), not only will economies need substantial growth of 7 per cent or more, but incomes will also have to be distributed more equitably. The Economic Commission for Africa (ECA) estimates that an investment of 33 per cent of the gross domestic product (GDP) is needed to reach the desirable growth rates.

This *Issues Paper* discusses how to take gender into consideration when addressing growth issues and how to close the disturbing gender gap in African development. It recommends officially recognizing the contribution of household production and services, to which women provide substantial labour, and then integrating these figures into national budgeting and policy-making processes.

The paper has three primary objectives. The first is to address the linkages between gender inequality, economic growth, and sustainable development in Africa, with a view to proposing further options for promoting pro-poor growth policies in Africa. The second is to provide Ministers of Finance, Planning, and Economic Development, as key decision-makers directing structural economic reforms, the opportunity to further deepen their understanding of gender equality as a necessary component of national growth and poverty reduction strategies. The third is to garner the commitment of the Ministers to act on this understanding by integrating measures to overcome gender-related obstacles into national strategies and budgetary policies and procedures in order to achieve the objectives of the New Partnership for Africa's Development (NEPAD), Poverty Reduction Strategy Papers (PRSPs) and the Millennium Development Goals (MDGs).

The paper is divided into three parts. In the first part, two sections address the nature of the problem. The starting points in Section 1 are the following factual elements: (i) households are the most influential social and economic units of the nation, their outputs comprising non-market work, and subsistence and informal sector production; (ii) men and women both play substantial—though different—roles in African economies; and (iii) there is a large body of microeconomic empirical evidence, and increasing macroeconomic analysis, which shows that gender inequality directly and indirectly limits economic growth in Africa.

Section 2 examines gender-based inequality in access to: (i) time; (ii) education and health opportunities; (iii) direct productive assets; and (iv) decision-making. Because their economic margin is slim, poor women are more vulnerable not only to external shocks, but also to the HIV/AIDS pandemic. The main policy implications of this analysis are that because gender inequality acts as a powerful constraint to growth in Africa, removing gender-based barriers will make a substantial contribution to realizing Africa's development potential.

In the next part on presenting the solutions, Section 3 examines the challenges of integrating household production data into national policies, and introduces concepts and tools to address these needs. Finally in the last part on applying the solutions, Section 4 reviews recent international and regional commitments made mostly by Ministers of Finance, Planning and Economic Development to remove gender-related obstacles to development. As a follow-up to these pledges, the paper presents specific issues for consideration by the Ministers.

Understanding the Problem

1. The Case for Gender Equality for Sustainable Development in Africa

1.1 Linkages between Gender, Growth, and Sustainable Development

Emerging macroeconomic analyses on Africa by the Economic Commission for Africa (ECA), the African Development Bank (ADB) and the World Bank consistently show that gender inequality acts as a constraint to growth and poverty reduction. For instance, *Can Africa Claim the 21st Century?* (2000), a study by the three above-mentioned institutions, reveals that Africa has unexploited hidden growth reserves residing in potential partnerships between governments and households, particularly the women in these households. The study concludes that gender inequality is both an economic and a social issue, and that greater gender equality could be a potent force for accelerated poverty reduction in Africa. With households as the biggest sector in the African economy, they are the prime place to examine the substantial contributions made by women and the limitations they face.

Further, in a paper entitled "*Gender and Growth in Africa: A Review of Issues and Evidence*", Mark Blackden (2003) discusses in depth the results of both macro- and micro-level analyses of the links between gender inequality and growth. This research portrays a remarkably consistent picture of gender-based asset inequality acting as a constraint to growth and poverty reduction in sub-Saharan Africa. Women's lack of educational opportunities appears to be related to lower economic growth through its association with higher fertility rates, lower savings rates, and a resulting lower productivity of the entire workforce. Women's disadvantages in finding formal employment seem to correlate to lower economic growth, while increases in female formal sector employment appear to be associated with considerably higher growth.[1]

Gender inequalities in education and employment combined are estimated to have reduced sub-Saharan Africa's per capita growth in the 1960-1992 period by 0.8 percentage points per year. If the continent had had less gender inequality in education, as did East Asia, and the same growth in female formal

1. This result should be seen as tentative as it is very difficult to measure and compare gender inequality in employment across countries, and clear causality links are difficult to establish.

sector employment, per capita income levels in 1990 would have been 30 per cent higher (Blackden, 2003). These disadvantages appear to account for about 15-20 per cent of the difference in growth performance between sub-Saharan Africa and East Asia. In this context, gender considerations can be considered the *missing link* in achieving sustained growth.

At the micro level, the analysis points to patterns of disadvantage women face, compared with men, in accessing basic assets and resources, especially the labour and capital needed if they are to participate fully in realizing Africa's growth potential. These gender-based differences affect supply response, resource allocation within the household, and labour productivity. They have implications for the flexibility, responsiveness, and dynamism of the continent's economies, and directly limit growth as is evident across a range of country case studies (Box 1). The study *Can Africa Claim the 21st Century?* also shows that investment through women's education and training, as well as their access to productive assets, such as credit, land, and time-saving technology, could contribute to reaching the 7 per cent annual growth rate needed to achieve the MDGs.

Although, lack of sustained economic growth has been a major obstacle to reducing poverty, growth alone is not enough to reduce poverty. In recent years, poverty has not been reduced even in African countries that have achieved economic growth of 7 per cent or higher. This means that the benefits of growth have not equitably addressed the social needs in these countries. Thus, sustained poverty-reducing growth (or pro-poor growth) is the type of growth Africa needs. Pro-poor growth has strong positive effects in reducing poverty,

Box 1: Gender and Growth: Missed Potential

Burkina Faso: Shifting existing resources between men's and women's plots within the same household could increase output by 10-20 per cent.

Kenya: Giving women farmers the same level of agricultural inputs and education as men, could increase the yields obtained by women by more than 20 per cent.

Zambia: If women enjoyed the same overall degree of capital investment in agricultural inputs as their male counterparts, including land, output in Zambia could increase by up to 15 per cent.

Sources: *Udry et al. 1995 ; Saito 1992.*

especially in Africa's Least Developed Countries (LDCs) where absolute poverty is "generalized."[2]

There is an opportunity for rapid poverty reduction in conditions of generalized poverty, but it is very difficult to realize precisely because absolute poverty is generalized. In such a situation, not only does economic growth affect the incidence of poverty, but also the incidence of poverty acts as a major constraint on economic growth, through the way generalized poverty affects domestic resources available for private investment and public goods—a condition commonly referred to as the vicious cycle of poverty (UNCTAD, 2002).

Given the rather dire prospects for poverty reduction in Africa, under any scenario, it could be argued that the continent needs to exploit all the available opportunities for reducing poverty, through higher pro-poor growth, as well as by reducing inequality—particularly gender inequality. According to recent analysis, reducing gender inequality in Africa has greater effects on poverty alleviation than reducing the income gap (UNCTAD, 2002). These actions therefore deserve high priority in the policy agenda if the continent is to reduce poverty systematically and to accomplish the MDGs.

1.2 Households: The Most Influential Social and Economic Units of the Nation

According to the publication *The World in Figures,* in 2001, there were 166 million households in Africa (Statistics Finland, 2004). Throughout the world, the number of households is growing faster than the number of people. In Africa the number of households has been growing by almost 5 million a year; the total is estimated to exceed 180 million by early in 2005. This means, of course, that the average household size (persons per household) is declining.

A household is defined as a small group of persons who share the same living accommodation, who pool some or all of their income and wealth and who consume certain types of goods and services collectively, mainly housing and food (SNA 4.132 [4.20], 1993). Further, households are characterized by three categories of work: (i) non-market; (ii) subsistence production; and (iii) informal. In all these categories, African women provide most of the labour. They also have the crucial responsibility for making decisions related to savings and investment, education, migration, and labour that affect a country's level of economic performance.

2. In its 2002 report on LDCs, the UN Conference on Trade and Development (UNCTAD) defines generalized poverty as a situation in which the majority of the population lives at or below poverty line and poverty is persistent.

Households, both rural and urban, are most influential in terms of the livelihood options of both women and men. Households and their immediate surroundings are where people sleep, have most of their meals, enjoy most of their leisure and social interaction with families and friends, and do more hours of work than anywhere else. That given, households provide the basic structure for cooperation between women and men to supply the daily necessities and luxuries of life. Both men and women play substantial economic roles in both market and household economies, albeit different ones.

Women offer most of the education and training for future generations, and they do most of the work in the care economy—by supplying human resources (human capital) and maintaining the social framework (social capital). These family and community-oriented goods and services, though, are defined in the 1993 UN System of National Accounts (SNA) as lying outside the system. Despite many recommendations made at various international fora to "reward" these contributions, efforts are still insignificant.

2. Gender-based Inequalities Related to Poverty at the Household Level

2.1 Gender Inequality in Access to Resources

Inadequate income and assets to attain the basic needs of households—food, shelter, clothing, and acceptable levels of health and education—are indicators of poverty. It is often argued though that the redirection of investments is likely to raise incomes of the poor and enable them to be more productive members of society. Thus, a pro-poor growth strategy in Africa should not only focus on economic growth, but should also be combined with an active policy of equality in income as well as asset distribution.

Generally, women and girls in Africa lack equal access to: (i) time; (ii) education and health opportunities; (iii) use of direct productive assets; and (iv) decision-making. The traditional allocation of gender roles is a major cause of gender inequality in access to these resources. Specific examples are discussed below.

2.1.1 Gender Inequality in Time Use

Time burdens are considered serious causes of poverty. People can be poor in terms of *time* as well as *money*. Women, especially in rural areas, are subject to heavy time burdens due to their need to balance the demands of their productive, social, reproductive, and community management roles (World Bank, 1999). When women are overburdened at the household level, lower productivity and increased production costs are manifested both in the household and market economies. Women's time burdens could affect the level of output of all sectors and perpetuate poverty as follows:

- Compared to men, women operate under severe time constraints, which limit their options and flexibility to respond to changing market opportunities;
- Low substitutability of male and female time in domestic activities reduces women's ability to reallocate their time to changes in market and non-market opportunities;
- Women's outputs and money income are lower than they would be if time constraints were reduced. For example, a study in Tanzania found that reducing women's time constraints in a community of small-holder coffee and banana growers could increase household cash incomes by 10 per cent, labour productivity by 15 per cent and capital productivity by 44 per cent (Tibaijuka, 1994);
- The time burden on women is considered to be a contributory factor to maternal mortality.

Therefore, addressing women's time use should be one of the highest priorities for poverty reduction strategies, particularly those measures that save time or improve the productivity of time use, such as women's access to education, land, credit, information, and technology.

2.1.2 Gender Inequality in Access to Education and Health

If both more women and men were educated, African countries would have higher levels of human capital. Simply bringing up the girls' schooling percentages to the boys' (even if the factors behind these differences could be overcome) would still not do enough to reduce the human capital inequality between countries within Africa, and between Africa and the rest of the world. In Africa, neither boys nor girls are obtaining sufficient access to education.

Nevertheless, the increased human potential of educated girls and women may not get absorbed because effective policies on equal opportunities for men and women in the job market are generally lacking in Africa. Women's disadvantages in accessing education and training still prevent them from profiting from new economic opportunities, and they continue to be discriminated against in the labour market. Recommendations on the need to have equal opportunities for paid employment at the national level are contained in various international agreements, such as the UN Beijing Platform for Action (1995). However, these commitments have largely yet to be translated into policies and enforced.

Equally critical is access to information and knowledge among women. Increasingly, these have become essential building blocks of the Information Society and vital resources in the information economy in Africa. An ECA study on assessing the impact of information and communication technologies (ICTs) on society concluded that in a number of spheres, there are significant discrepancies between men and women in terms of access to ICTs and involvement of women in IT professions (ECA, 2003b).[3] These factors, and many others, are no doubt prohibitive in enhancing women's opportunities for advancement.

In the area of health, African men and women face an array of problems, though their needs and priorities are quite different. This is seen, for example, in the significant gender differential in the region's sexual and reproductive burden of disease. For people aged 15-44 in sub-Saharan Africa, 26 per cent of females die due to sexual or reproductive health diseases or complications as compared to only 7 per cent of males (World Bank, 1999). Africa accounts for 20 per cent of the world's births but 40 per cent of the world's maternal deaths. Maternal mortality rates in most African countries remain the highest in world: between 600 and 1,500 maternal deaths for every 100,000 births.

2.1.3 Gender Inequality in Access to Direct Productive Assets

The labour of women and girls sustains most of the continent's basic subsistence production, yet they lack access to productive assets, such as land, capital and financial services. Instead, they have to rely on their own time and energy. For instance, the absence of wide use of food processing technologies and basic time-saving infrastructure, such as adequate water sources and good-quality roads, make it difficult for women to overcome the problems of subsistence farming in rural Africa. Examples of lack of access to productive assets are as follows:

3. Since its inception, the African Information Society Initiative (AISI) has recognized access to information and knowledge as key to empowerment of women and thus achieving gender equality. See www.uneca.org/aisi.

- Women in Kenya provide approximately 75 per cent of total agricultural labor, but they own only 1 per cent of the land (Mark Blackden, 2003);
- UNDP studies show that women in Africa receive less than 10 per cent of the credit for small farmers and only 1 per cent of the total credit to the agricultural sector (ECA, 2001);
- In 1990, multilateral banks allocated US$5.8 billion for rural credit in developing countries, but only 5 per cent reached rural women (ECA, 2001).

Poverty reduction efforts can be enhanced by investing in empowering women through gender-sensitive land reform policies, asset ownership, and access to credit, among others.

2.1.4 Gender Inequality in Access to Decision-making

The poor in general, and poor women in particular, have little voice in decision-making; thus their different needs and constraints do not inform public policy choices and priorities related to poverty reduction. Generally, women in Africa have been consistently underrepresented in institutions at the national and local levels. By 1997, women in sub-Saharan Africa comprised only 6 per cent of national legislatures, 10 per cent at the local level, and 2 per cent in national cabinets (World Bank, 1999). Half of the national cabinets have no women at all. However, it is also now widely accepted that women's perspectives are needed at all levels of decision-making in order to achieve sustainable development goals on the continent.

Conditions are changing. According to the latest ECA studies on governance, women have increased access to positions of power in all spheres of public life. In four of the 28 countries in the ECA study—Mozambique, Namibia, South Africa, and Uganda—women occupy over 25 per cent of national parliamentary seats, while in another 14 countries, representation is between 17-23 per cent. The South African cabinet is composed of 30 per cent women. And at the highest level of African governance, half of the Commissioners of the African Union are women. But clearly pro-active measures are needed to ensure gender-inclusive participation in growth and poverty reduction interventions.

2.2 Gender Inequalities and Vulnerability of Households to External Shocks

Vulnerability to adverse shocks (i.e., the inability to reduce risk or cope with shocks) is a major material and human deprivation that perpetuates poverty.

The causes of this vulnerability are the risks that poor and near-poor face continually, including economic shocks, such as international price fluctuations; living and farming on marginal lands with uncertain rainfall; precarious employment, in the fringes of the formal or informal sector; sudden illness; and violence, crime and social exclusion—especially women.

External shocks do not necessarily affect the poor or women disproportionately, but certainly women who are the majority poor in Africa are more vulnerable, since their economic margins are slim and their social safety nets inadequate and largely dependant upon fathers, husbands and sons. Resilience to these shocks can be enhanced by better access to health, education, finance and other productive resources.

Informal institutions are very important in helping households manage risk and vulnerability; the poor, especially women, generally lack access to the broader range of formal networks that assist in absorbing external shocks. However, many programmes that have been successful in reaching the poor (e.g., micro-finance schemes and subsidies on agricultural inputs) are not financially sustainable.

2.3 Gender Dimensions of HIV/AIDS

In 2003, the UN Secretary-General Kofi Annan said: "*I urge you to put African women at the centre of the fight against AIDS. On all fronts, the role of women is absolutely crucial. A Green Revolution in Africa will happen only if it is also gender revolution. And since AIDS in Africa and around the world is more and more wearing a woman's face, we will gain the control of the pandemic if women are the very centre of our strategies. In short, if you want to save Africa, you must save Africa's women first*" (SG/SM/8611, 2003).

According to UNAIDS, in 2003 alone, some 2.3 million Africans died of AIDS, and an estimated 3.4 million people contracted the HIV virus. A total of about 30 million people on the continent are living with the virus. HIV/AIDS and its wider health, social and economic impacts are huge obstacles to sustainable development (ECA, 2004). And the gender dimensions of HIV/AIDS are particularly grave for Africa: women are more vulnerable to HIV infection than men, and gender inequality contributes to the further spread of the pandemic. For example, a survey in Burkina Faso showed that infection rates among young girls aged 13 to 24 was five to eight times higher than among boys of the same age (ECA, 2004). The vulnerability of women to HIV/AIDS is also exacerbated by cultural practices such as polygamy, early marriage and forced marriage, as well as rape.

Further, AIDS is not just worsening a severe food crisis, it is one of the underlying causes of food insecurity. Since women produce more than 70 per cent of food in Africa, ill health and death among them have tremendous impacts on agricultural productivity and hence food security. And in the past, it was their knowledge of foods that sustained their families during drought. Women also nurture social networks that help societies share burdens. With AIDS rising dramatically and disproportionately among women, that lifeline is threatened.

Seeing the Solutions

3. Integrating Household Production into National Policies

3.1 Actions Needed to Address Gender-related Causes of Poverty

Prospects for effectively addressing gender-related causes of poverty face several challenges as outlined below, related to the need for better understanding of both the linkages between gender, growth and development and gender-inclusive analysis of poverty; and ensuring the capacity to implement gender-aware poverty reduction strategies.

3.1.1 Improving Understanding of the Linkages between Gender, Growth and Sustainable Development

To better evaluate the linkages between gender, growth and sustainable development, a deeper understanding is needed of the following research and analytical concepts and tools:

- Improved measurement of poverty-reducing growth;
- Interactions between non-market economy and market economies;
- Poverty profiles that take into account both women's and men's needs;
- Time use studies and other household surveys to generate gender-disaggregated data;
- Social and economic impacts of HIV/AIDS;
- Gender analysis of all trade issues under negotiations (i.e., related to the World Trade Organization), including country-specific studies of gender-differentiated impacts of trade policies and the ways that gender inequalities affect trade performance;
- Gender analysis of the impacts of policies on poverty reduction and welfare;
- Monitoring and evaluating progress made in reducing gender inequality.

3.1.2 Deepening Gender-inclusive Poverty Analysis

Gender-disaggregated data to measure the extent and severity of Africa's poverty remains inadequate in most countries. Although the basic needs for men and women for accommodation, clean water, sufficient nutrition, and adequate access to health, education and care are the same, emerging studies in and outside Africa show that the causes of poverty are dissimilar for men and women and that they are affected differently by poverty reduction measures. Thus, constraints, opportunities, incentives and needs in poverty reduction differ along gender lines.

The distinct circumstances of men and women are often not fully recognized in poverty analysis and participatory planning and are frequently not taken into consideration in the design of poverty reduction strategies. Gender-aware analyses of poverty contribute to better understanding the causes and indicate, in turn, different policy responses and investment priorities for alleviation. One such resource are gender-disaggregated poverty maps, which prove to be central to poverty incidence analysis as they provide detailed statistically reliable geographical profiles of the poor that can then be used to strengthen the impact of spending by targeting the hardest hits areas.

In another special case, methodologies and capacities to systematically integrate gender analysis into Poverty Reduction Strategy Papers (PRSPs) are yet to be promoted in key institutions and many countries. Guidelines to incorporate gender analysis to identify the key gender gaps and issues to be addressed in PRSPs need to be developed and harmonized among African countries and then systematically monitored.

3.1.3 Ensuring Sustained Budgetary Allocations for Pro-poor Growth

African states have committed themselves to meet targets in various international and national conventions, and most countries have developed national frameworks and set up offices to address gender issues. The Beijing Platform for Action (1995) calls for regular monitoring and evaluation of the progress made in implementing its recommendations. The MDGs have also set benchmarks against which progress is to be measured. However, there is often a gap between policy statements and ways in which governments actually raise and spend money. To date, most African countries do not have adequate sustained budgetary allocations to address gender-based obstacles to pro-poor growth.

3.2 Concepts and Tools Required to Integrate Household Production into National Policies

3.2.1 A Broader View of Work

As a first priority, all development stakeholders in Africa need to change their thinking about what constitutes "work" and what encompasses "economic activity." Economic activity includes all work, whether paid or not, in the household and in the market. Household work includes three broad categories:

- The unpaid reproductive or "care" work involved in rearing and caring for household members, where members provide services for the household's own consumption;
- Subsistence work, especially in agriculture, where the household produces goods primarily for its own consumption;
- Informal sector work, where household members produce for the market, but their "business" is counted as part of household activities.

Considered in this way, over 90 per cent of African adults are actually "economically active". Of course, the market and the money it brings are important, but policy discussions about growth and development and the economy need to factor in household production and services as contributions to the total national economy—and consider reforms and policies at the household level as well. By doing so, women's contributions to the national economy become more "visible."

3.2.2 Basic Statistics and Economic Models

Another urgent need is to generate the basic statistical information and economic models needed to do the job of leading Africa to a better future. African countries need to put together the expertise and resources in their official statistical organizations to obtain regular, up-to-date information on what is occuring in African households. Official recognition of household production and services, implies institutionalizing reforms in the national statistical system to ensure expanded enumeration and valuation of unpaid work

Gender-disaggregated data could be obtained through sample surveys of households in every African country. National surveys of a representative sample of a few thousand households are only a fraction of the cost of a national census but are sufficiently accurate, often more accurate, than other survey forms covering millions of households.[4] These could be conducted every six months, rather than every month as they are in most developed countries, and the sample size need not be more than 5,000 households per country. Thus, the data could be available within three months (i.e., June statistics available by the end of September and December statistics by the end of March, etc.).

Further, governments should call for *time use surveys* as part of their normal official data collection efforts, such as with price statistics. In addition to covering paid work in the market economy, the surveys would cover unpaid work in subsistence agriculture, in child care, in household duties, and in education. Time use data would provide a moving picture of the activities of all human resources (i.e., women and men, girls and boys), which is currently almost entirely lacking or out-of-date.

On the basis of data from these regular surveys, African statistical organizations would have a greatly improved base for their estimates of the Gross National Income (GNI) and the Gross National and Domestic Products (GNP and GDP). These new and more accurate figures of the complete economic system, together with household survey data, would greatly enable improved modelling and forecasting of African economies. The survey data would also be used for ECA's "*African Gender and Development Index*," which is a tool that has been developed to help African countries monitor their progress in reducing gender gaps. Because of its perceived importance, the index is being considered for use in NEPAD's African Peer Review Mechanism.

3.2.3 Satellite Accounts of Household Production (SAHP)

Calculations of the value of household production have been made in eight countries worldwide, and recently attempts have been made in Benin, Madagascar and South Africa. Time use studies show that people use significant amounts of time in producing goods and services in households. Estimates of the value of household work as a proportion of Gross Domestic Product (GDP) has varied between 35 to 55 per cent in developing countries (Ironmonger, 1993). However, this significant area of economic activity is not covered by official statistics. It is estimated that 66 per cent of female activities in developing countries is not captured by the 1993 UN Systems of National Accounts (SNA), compared with only 24 per cent of male activities (Blackden, 2003).

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4. To give some order of magnitude, a national sample survey of 5,000 households might cost approximately US$ 100,000. Such a survey could provide accurate data about an entire population of 5 million households of a country much faster than other forms of large-scale household surveys (Ironmonger, 1994). This would obviously vary from country to country.

Yet complete coverage of economic production is a vital aspect of the quality of national accounts. And accurate national accounts are vital for GDP definition and estimates and enhanced economic policy making and research. In response, it is recommended in the SNA that various additional accounts should or could be prepared within the national accounting framework to cover omissions from the core accounts, this being the case with household production. These are considered "satellite" accounts to the SNA. In this system, the Gross Household Product (GHP) is a separate entity, outside of but consistent with GNP and GDP.

The main reasons for preparing *Satellite Accounts of Household Production* (SAHP) are to obtain separate estimates of GHP, map out the interaction of the "two economies" (the market and the household), and collect data for strategic planning and policy analysis to identify more equitable and sustainable development options. Towards this end, ECA has developed a guidebook for integrating household production into national poverty reduction policies in Africa. One of the key components relates to procedures to help governments prepare these satellite accounts. This initiative attempts for the first time in Africa to bring together economic and household information in a common framework to measure the contribution of household production to the economy and to assess the impact of the economy on household production.

3.2.4 Gender-responsive Budgeting: A Tool for Integrating Household Production into National Policies

Progress towards gender equality is slow, and this is in part due to the failure to attach money to policy commitments. Overall research shows that not enough attention is given to the impact of allocated resources, which perpetuates gender biases. Budgetary processes thus offer the potential to transform gender inequalities in a transparent, accountable and participatory manner. Gender-responsive budgets are tools and processes designed to facilitate a gender analysis in the formulation of government budgets and the allocation of resources. Gender budgets are not separate budgets for women, or for men. They are attempts to break down or disaggregate the government's mainstream budget according to its impacts on women and men.

Gender-responsive budgeting initiatives differ in their scope: some cover the budget of a particular ministry; some encompass key ministries chosen for the size of their budget or because of their importance from a poverty reduction or gender perspective; and some cover all ministries. Some start from a particular gender issue (e.g., women's access to water) and look at relevant programmes across ministries. Most focus on the expenditure side of the budget, but a few have looked at revenue. Some focus on budgets at the national level, but increasingly there are also initiatives at the local level.

The gender-responsive budget initiatives that have emerged in eight African countries are starting to address gender inequalities in household production. While gender-responsive budgeting is sometimes perceived as advocating for "more for women," this tool is not designed to promote special interests. Instead, the initiatives are intended to make visible the invisible. Firstly, they make visible the differences in needs and interests between different groups of people living in the country. Secondly, they represent an improved economic paradigm that recognizes the costs of household work: unpaid, subsistence, and informal.

In addition to developing guidelines for preparing Satellite Accounts of Household Production, ECA has also developed two tools to assist governments in preparing and analyzing gender-responsive budgeting (Figure 1 and Box 2). These frameworks, which have been used by initiatives in Kenya, Rwanda, South Africa, Tanzania and Uganda, comprise five "steps" and three "categories" (ECA, 2003a). These frameworks can easily be adapted for budget analysis related to household production.

Figure 1 describes each of the five steps of gender-responsive policy and budget analysis. The steps are very similar to those used in performance-based budgeting (PBB). Gender-responsive budgeting adds value to the PBB approach because it does not assume that all individuals living in the country have the same needs, nor that programmes will affect people in the same way.

Figure 1: The Five Steps for Gender Budget Analysis

Step #	Description of Step	Entry Point
1	A description of the situation of women and men, girls and boys (and different sub-groups, such as rural/urban, age-based, etc.) in the sector.	Target population
2	An assessment of the policies, programmes and projects in terms of their gender-sensitivity, i.e. if they address the situation described in Step 1.	Policies and programmes
3	An assessment as to whether adequate financial (i.e., budgetary) and other resources are allocated to effectively implement gender-sensitive policies, programmes and projects from Step 2.	Inputs
4	Monitoring to assess whether expenditures allocated in Step 3 have been spent as planned.	Outputs
5	Assessment of whether the policies and associated expenditures have promoted gender equity as intended, and effected the situation described in Step 1.	Impacts

Source: ECA, 2003a.

The three-category approach (Box 2) visualizes the budget as made up of distinct sections that together make up 100 per cent. The categories are as follows:

Box 2: The Three-category Approach to Gender-Responsive Budget Analysis

Category 1: Targeted gender-based expenditures of government departments. These are expenditures that are clearly for addressing gender or women's issues (e.g., women's health and special business programmes for women, grants for single mothers, and support for widows).

Category 2: Equal employment opportunity expenditures for government employees. These are expenditures that promote equal opportunities for women and men employed by the government. Examples include training for women managers, provision of crèche facilities, and parental leave.

Category 3: General (mainstream) budget expenditures judged on their impact on women and men, girls and boys. This covers all other government expenditures. Analysis of this category asks questions such as who needs particular services, and whom do they reach. It asks how programmes, projects and the associated budgets advance the roles women and men in the society.

Source: ECA, 2003a.

In this approach, ideally gender-responsive initiatives should pay most attention to Category 3. Categories 1 and 2 can be seen as representing a type of affirmative action or positive discrimination—i.e, expenditures that fast-track gender equality. Category 3 represents mainstreaming—i.e., using "general" programmes and their budgets to achieve gender equality. Ultimately, when all mainstream expenditures are gender-responsive, there will be no further need for expenditures in Categories 1 and 2.

Further to its tools, ECA is also developing a gender-aware macroeconomic model that aims to demonstrate to policy makers with numerical precision how gender inequalities in national accounts and fiscal policy might have differentiated impacts on women and men in terms of paid and unpaid work, money and non-money income, leisure time, education, etc. The model is also expected to generate insights into how gender differences in economic behaviour in both the market and the non-market economies impact on various macroeconomic outcomes, including growth, trade and poverty reduction.

To construct a working model, full data from satellite accounts of household production are needed. Given a sufficient supply of data, it should be possible to generate micro-simulation models of every African country. These types of models inherently embody economic, social and life-course data on a gender-disaggregated basis. They are likely to be the most promising of all modeling approaches to address the many policy issues concerning national budgets, including taxation, subsidies, public investment and government policies in all areas.

Applying the Solutions to the Problem

4. Pro-active Interventions to Realize Sustainable Growth and Development

4.1 International and Regional Commitments to Remove Gender-related Obstacles to Development

Over the past 10 years, the following commitments have been made mostly by Ministers of Finance, Planning and Economic Development to address gender-related obstacles to development. They serve to illustrate the importance attached to gender equality as an central component of the development process. These pledges now need to be translated into national policies for implementation. However, to date, implementation of the various action plans made in these commitments is unfortunately not encouraging, hence the need for renewed action.

(i) The UN, through the Beijing Platform for Action (1995), the MDGs, as well as NEPAD, have identified gender equality as a key area of policy intervention for realizing sustained economic growth and poverty reduction;

(ii) The 1998 International Conference on "*African Women and Economic Development: Investing in our Future*" held on the occasion of the 40th Anniversary of ECA made important recommendations towards closing the gender gap in the development process. The meeting was attended by Heads of State, the Secretary-General of the UN, Secretary General of Organization of African Unity and sectoral Ministers;

(iii) At various meetings, the Highly Indebted Poor Country (HIPC) Ministers of Finance and Coordinators of PRSPs emphasized the need for in-depth analysis of the targeted growth rates and social inclusion of gender concerns in poverty reduction strategies;

(iv) The Third UN Conference on the LDCs (Brussels, Belgium, 14-21 May 2001) expressed the belief that the eradication of poverty and the improvement of the quality of lives of people in the LDCs could be achieved among other areas through promotion of gender equality;

(v) The Twenty-fifth Session of the Conference of Ministers of Finance, Planning and Economic Development (Johannesburg, South Africa, 19-20 October 2002) issued a Ministerial Statement urging African Governments to incorporate gender perspectives into their national development plans and budgets. The Ministers further urged governments to increase the use of time use surveys to measure and integrate women's non-market work into national planning instruments, and to evaluate the impacts of macroeconomic policies on poverty reduction and women;

(vi) In 2003, at the Commonwealth Finance Ministers' Meeting, ministers pledged to implement gender-responsive budgeting by 2005.

4.2 The Way Forward

Pro-poor growth can be realized if the policy and institutional environment is right. As a follow-up to the aforementioned pledges, specific issues are presented below for consideration by Ministers of Finance, Planning and Economic Development. The recommendations are most actionable if taken up by the Finance Ministries due to their pivotal role in directing structural economic reforms aimed at the long-term growth of the economy. This Ministry, in particular, will have the responsibility for setting the parameters today to meet the challenges of mainstreaming gender into the development process tomorrow. In this regard, it is recommended that Ministers of Finance:

- Act on the understanding of the importance of addressing gender-based obstacles to growth and poverty reduction in Africa as a necessary part of sustainable development strategies;
- Integrate measures to overcome gender-based obstacles and challenges into national growth and poverty reduction strategies by:
    - Officially recognizing the household economy as part of the total national economy to be measured and integrated into the System of National Accounts (SNA);
    - Reforming the national statistical system to introduce regular household surveys, including time use studies, to generate vital gender-disaggregated data;
    - Adopting Satellite Accounts of Household Production (SAHP) to provide a database for strategic planning and policy analysis to identify more equitable and sustainable development options;
    - Adopting gender-responsive budgeting in country bud-

get statements through a systematic allocation of national budgets towards women's empowerment; and

- Considering the allocation of 2 per cent of the national budget specifically to address gender-related obstacles to poverty reduction.

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