

# International Financial Institutions and Gender Equality: a contradiction in terms?



**Can International Financial Institutions (IFIs) play a role in achieving gender equality? Despite their claims to this effect, to date the evidence is thin at best. The decision by the World Bank to hand over responsibility for monitoring gender and environmental safeguards to oppressive governments, makes a positive contribution to women's empowerment even more unlikely.**

## ECONOMIC GROWTH AND EMANCIPATION: TWO SIDES OF THE SAME NARRATIVE

The World Bank and other International Financial Institutions (IFIs) argue that an important reason why women in developing countries are poor is because they do not participate enough in the formal economy. By investing in education, development banks aim to prepare women for a working life in the money economy. This will not only help women climb out of poverty, the IFIs argue; emancipation and gender equality are also considered inevitable outcomes of the economic development that they bring<sup>1</sup>. Women will be emancipated from their 'traditional' patriarchal society, and the male dominance and violence many of them suffer, by means of schooling, paid employment and, as a result, income independence. In a modern – read, economically advanced – society, it is suggested, women will no longer be neglected, denied their

rights or discriminated against. But is it true that development banks foster women's emancipation?

## CHEAP LABOUR AND A CIRCULAR CRISIS

The IFI adagio is that economies should grow. Ongoing internationalisation of the economy is considered an effective way of realising this. The strategy has for a long time included the relocation of industries from overdeveloped to

underdeveloped countries, where a cheap labour force is still available. Women are schooled to work in, for instance, the electronic utensils or garments industries, which are often located in economic zones, where labour standards are applied much more loosely than what national laws dictate. For most women it means that they end up as part of their country's cheap labour force, producing consumer goods for the world market, and barely scraping a living from their long working days.



Many poor and landless women in the countryside, who used to work as subsistence farmers, nowadays find themselves in temporary, informal jobs because of the IFI policies. Like their male counterparts (or together with them), they move back and forth from the village to the city to find jobs and earn an income. Many of them end up in urban slums permanently. Others are stuck in a circular form of labour migration from their homesteads to large-scale plantations, where they work as casual labourers. Their work on the land no longer serves their own daily subsistence<sup>2</sup>.

It seems fair to question what the World Bank's focus on taking women to school means in a context of widespread poverty where the opportunities for the majority to climb the social economic ladder are few and far between. The fact is that decades of economic development propagated by IFIs have failed to raise the living conditions of hundreds of millions of people who remain destitute.

## DISEMPOWERING INVESTMENTS

The interference of IFIs in the economies of developing countries takes place in the belief that economic growth is the best strategy to eradicate poverty – and in the slipstream of that, gender inequality. Public investments in economic production and trade zones, transport and energy infrastructure are considered indispensable to facilitate the companies that boost the economy and create jobs.

Meanwhile, IFIs have come to recognise that, at the project investment level, the promoted economic transformation can have downsides that may particularly affect women. There is a growing awareness that women's dependence on natural resources is a determinant of their vulnerability in the face of economic change. Development banks acknowledge that the transition

### Greater Mekong region

The Asian Development Bank (ADB), the biggest multilateral donor in the Greater Mekong region in South East Asia, supports the establishment of Special Economic Zones in Cambodia and Laos<sup>3</sup>. Meanwhile, land concessions granted by the countries' governments to agribusiness companies instigate the forced eviction of people without any (proper) compensation paid to them. Ironically, many of them end up working under deplorable conditions in the Special Economic Zones.

One example are the large-scale concessions granted to Thai sugar companies in the province of Oddar Meanchey in the remote northwest of Cambodia. According to testimonies of people of O Bat Moan, their village was burnt to the ground by people in military and police uniform a year after land concessions had been granted to sugar company Mitr Phol in 2008. For the women, who traditionally had gathered food from the forest and occasionally worked as labourers to earn some cash, it became very difficult to look after their families. Without access to land and forest, a lack of food and other resources affected their quality of life and the future of their children. Many people crossed the border to Thailand to work as migrant workers. Many of them remain in the country illegally, and even if not enjoy very limited rights. According to the Thailand Migrant Report 2014, Thailand is a source, transit and destination country for men, women and children trafficked for forced labour or sexual exploitation. The majority of trafficking victims identified in recent years in Thailand were migrants from neighboring countries, namely Cambodia, Lao People's Democratic Republic and Myanmar.

Source: summary of a case research that is conducted by Project Sevana (Thailand) about migrant workers as a consequence of land grab in Oddor Meanchey province, Cambodia, Project Sevana, 2017.

to modern economies, and the damage this often does to the environment, in certain cases has served to disempower women and their roles in society. It is true that in certain countries the ability of natural resources to support poor people's livelihoods is at a crisis point.

An important culprit is the fact that agricultural production no longer serves to provide the native population with food, but to produce agricultural trade goods for international export. Large-scale plantations and industrial forms of agriculture serve the interests of big agribusiness and retail companies, much more than those of the local labourers. To make matters worse, natural resources (land, water,

biodiversity) are deteriorating because of (agricultural) over-exploitation. The effect is that people have less and less access to the resources that their livelihoods used to depend on, and are thus becoming increasingly dependent on paid labor.

The large-scale investments by IFIs often change not only entire economies, but society too: communal living is replaced by commercialised forms of agriculture, which has particularly harsh effects on women. To expect IFIs as the bringers of economic development to also solve the marginalisation of the poor and gender inequality, appears tantamount to inviting a pyromaniac to join the fire brigades.

## FROM BANK TO BORROWER RULES

To prevent the potential negative impacts of large-scale investments on the local environment and livelihoods of people, IFIs developed social and environmental policies<sup>5</sup>. The World Bank's Safeguards Policy is meant to protect women and their communities against possible harm done by the Bank's investment projects. In the past decades, these safeguards were of crucial importance for civil society groups in developing countries that lack well-established legal and democratic decision-making frameworks. For them, the Bank's safeguards were one of the few incentives and means through which they could hold their own governments to account. Due to a move made recently by the World Bank, a dark cloud is hanging over the effective use of these safeguards in the future<sup>6</sup>.

The Bank has chosen to rely much more on the national laws and regulations of borrower countries and the policies of financial intermediaries. Following the new safeguard policies, borrower countries can now monitor their own projects in terms of social and environmental impacts and their compliance with national legislation and regulation. The fact the Bank has taken this turn in a time that decision-making in many countries is drifting further away from the public arena of democratic decision-making, is both unfortunate and a source of great concern. A growing number of governments around the world hopes to contain mounting discontent among the population - caused by inequality, environmental pollution and corruption - through increased oppression. Increasing restrictions on political space for civil society organisations are part and parcel of this. This puts a big question mark on the effects that safeguard policies will deliver on the ground in countries where civil society is barred from playing any significant role in oversight or monitoring.

### Bangladesh

In Bangladesh, the creation of polders for large-scale agriculture and crop production have caused the outer-dike depositing of silt on the river beds. Due to the increasing levels of silt on their beds, rivers have started drying up<sup>4</sup>.

Hundreds of thousands of poor farmers, share-croppers, landless agricultural wage labourers, petty traders and boatmen became unemployed because of the environmental degradation caused by waterlogging (the saturation of the soil with water). The culprit are the badly designed water management projects that were financed by the World Bank, USAID and the government of the Netherlands, among others.

Many trees including fruit trees have died due to the long period of waterlogging. The high levels of salinity have killed vegetation. Agricultural activity on waterlogged fields was drastically reduced, as well as homestead vegetable gardening and cattle rearing. Waterlogging instead has encouraged the introduction of ecologically destructive large-scale shrimp farming. It is in this business that many women who became unemployed or who lost their fields, now work as casual laborers.

Source: summary of case research that is conducted by Initiative for Right View, Bangladesh, about the Khulna-Jessore Drainage Rehabilitation Project (1993-2004), NGO Forum on ADB, 2017.

### India

In Kolkata, India, millions of people live in slums and along the canals in the outer area of the city. Their living conditions are deplorable; they lack the basic facilities of clean drinking water and sanitation. The Municipal Kolkata Environmental Improvement Program was initiated with support from the Asian Development Bank (ADB) to improve the sewerage system as well as the canals which provide drainage for the city's sewage out-falls. The Program's objective was to reduce poverty in Kolkata's slums. The canal bank dwellers had never been recognised as authorised inhabitants of the city. It was only because of ADB involvement that a resettlement and rehousing plan for the canal bank dwellers was developed.

The Program's documents emphasise the importance of mainstreaming gender into the project plans in order to tackle disparity. However, the women whose lives were affected by the resettlement programme, claim that from the very start they were never listened to by the authorities. Many of them had for years been working as domestic labourers in homes nearby. After being resettled, the women complained that long distance travel forced them to reduce the number of homes where they worked. The reduction, or for some even sudden loss of income, compromised their decision-making power within the household as the women were no longer able to contribute equally to the expenses of the family.

Source: summary of a case research that is conducted by NGO Forum on ADB about the ADB funded Kolkata Environmental Improvement Program in India (2002-2013).

## CONCLUSION

Economic development that is based on extraction of natural resources and exploitation of labourers is unlikely to bring the positive change for women's economic independence and equality that development banks claim to contribute to. Instead, if we do not try to ensure that the IFIs comply with their own gender and environmental justice policies, their investments will only further marginalise the poor, and women in particular.

As NGOs, we pressure IFIs to strengthen their oversight and checks on the implementation of projects and programmes by borrower countries. At the very least, the environmental and social indicators that can be tracked and reported against by borrowers, must be laid down as legal conditions in contracts between the Bank and its borrowers as a condition for approving high and substantial risk projects.

## NOTES

<sup>1</sup> Read for example: World Bank Group Gender Strategy (FY16-23) : Gender Equality, Poverty Reduction and Inclusive Growth. World Bank Group. 2015. Gender equality here is vice versa considered a precondition for development.

<sup>2</sup> Outcast Labour in Asia. Circulation and Informalization of the Workforce at the Bottom of the Economy, Jan Breman, Oxford University press. 2012.

<sup>3</sup> ADB and the Greater Mekong Subregion Program: Special Economic Zones, Both ENDS. 2011.

<sup>4</sup> Tidal River Management (TRM), Climate Change Adaptation and Community Based River Basin Management and in Southwest Coastal Region of Bangladesh, Uttaran, Both ENDS. 2011.

<sup>5</sup> Environmental and social policies for projects, World Bank. (<http://www.worldbank.org/en/programs/environmental-and-social-policies-for-projects>)

<sup>6</sup> Safeguards comments. 2015. <http://www.safeguardcomments.org/wb-safeguard-policy-ngo-comments.html>.

**\*LITERATURE:** outcast labour in Asia, circulation and informalization of the workforce at the bottom of the economy, Jan Breman, 2010.

**LINKS:** <https://www.forum-adb.org>, <http://www.sevanasea.org>, <http://www.irv-bd.org>,

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