

## **Gender Equality and Economic Development; Empowering Women's Participation in Decision-Making Process**

The Millennium Development Goals (MDG) provides vision to eliminate gender disparities in primary secondary education and to empower women's participation in decision-making process as well as in national parliament. Gender inequality tends to lower the productivity of labor and the efficiency of labor allocation in the economy. The main objectives of the paper are; to show positive correlation between economic development and gender equality (i); to demonstrate impacts women's participation in national parliaments on economic growth (ii) to explain MDG in terms of gender equality (iii); and to illustrate negative correlation between women's participation in decision-making process and corruption.

The Millennium Declaration, signed in September 2000 at the United Nation's (UN) Summit and it gave commitments to member states to promote gender equality, protect women's rights and empower women's participation in decision-making process. Just a year after singing of the Millennium Declaration UN proposed "road map" for implementing this declaration. The "road map" has later identified The Millennium Development Goals (MDG).

### **Box 1.**

<b>The Millennium Development Goals</b>				
1.Eradicate extreme poverty and hunger				
2.Achieve universal primary education				
3.Promote gender equality and empower women				
4.Reduce child mortality				
5.Improve maternal health				
6.Combat HIV/AIDS, malaria and other diseases				
7.Ensure environmental sustainability				

8. Develop a global partnership for development				
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**Source:** UN MDG Report, 2005

Although the Millennium Development Goals on gender equality mostly focus on elimination of gender disparities in primary and secondary education indicators encompass also gender participation in national parliament, empower women's share in non-agriculture jobs. Gender equality in non-agriculture sector, participation in decision-making process and of course in national parliaments still remain the main problem.

3<sup>rd</sup> goal of MDG directly focuses on gender empowerment;

- Goal 3. Promote Gender Equality and Empower Women
- Target: Eliminate Gender Disparity in primary and secondary education, preferably by 2006 and in all levels of education no later than 2015

Indicators;

- Ratio of girls to boys in primary, secondary and tertiary education,
- Ratio of literate females to males of 15 to 24 year olds,
- Share of women in wage employment in the non-agricultural sector,
- Proportion of seats held by women in national parliaments

Gender equality is an important goal of MDG and also contributes to the achievement of other objectives:

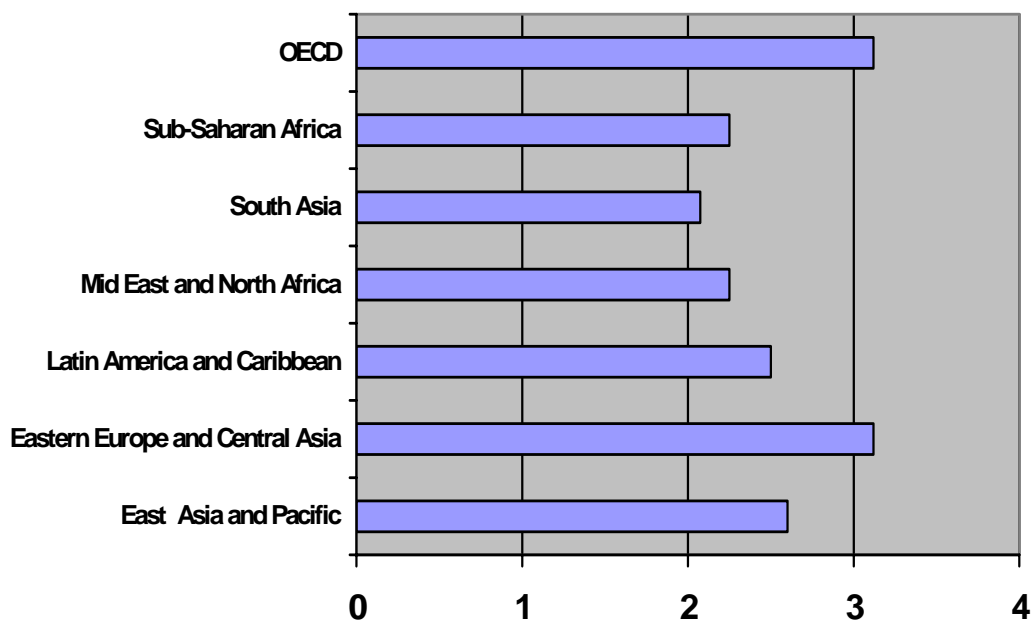
- stimulate growth and reduce poverty
- reduce inequities
- contribute to child development

In No Region of the World are Women and Men Equal in Legal, Social or Economic Rights.

Gender gaps in access to and control of resources in economic opportunities, and in power

and political voice are widespread. According to the World Bank only 4 countries (Sweden, Denmark, Finland and Norway) have achieved a combination of approximate gender equality in secondary school enrollment, at least a 30 percent share for women of seats in parliaments or legislatures and an approximate share of paid employment in non-agriculture activities for women of 50 per cent.

**In no region of the world are women and men equal in legal, social and economic rights**



**Source;** World Bank, 2004

In most countries, women continue to have less access to social services and productive resources than men;

Women remain vastly under-presented in national and local assemblies, accounting for less than 10 percent of seats in national parliaments on average,

In most low-income countries girls are less likely to attend school than boys. Even when girls start school at the same rate as boys, they are more likely to drop out mostly because of early marriage,

In industrial countries, women in the wage sector earn an average of 77 percent of what men earn; in developing countries, they earn 73 percent

Scholars have searched correlation between gender equality and economic development and found out positive relations. According to Ester Boserup, female deprivation as a significant obstacle to the success of development policies (*Ester Boserup, 2004*). Other scholars argued that women participation in economic sphere increase marginal product (*Squire and Strauss, 1986*). Goldin pointed out there is correlation between development and gender balance (*Goldin 1995*). Beside those works, women's role in decision-making process has been discussed and documented in a wide set of papers, including Sinha (1967), Durand (1975, p. 131), Psacharopoulos and Tzannatos (1989), Goldin (1995) and Horton (1996).

There are several definition on gender equality proposed by different scholars and organizations. Gender equality - women and men have equal conditions for realising their full human rights and for contributing to, and benefiting from economic, social, cultural and political development (*OECD Definition*).

Despite recent increases in women's educational attainment, women continue to earn less than men in the labor market- even when they have the same education and years of works experience as men. Women are often limited to certain occupations in developing countries and are largely excluded from management positions in the formal sector. In industrial countries women in the

wage sector earn an average of 77 percent of what men earn; in developing countries. 73 percent (*World Bank, 2005*).

In the case of Azerbaijan, 51 per cent of Azerbaijan population is women and the rest is men. According to “Poverty Reduction and Economic Development” Program poverty level among women is higher than men and half of Azeri women are under poverty. The same program confirms that 55 per cent of the unemployed, who registered officially in government departments, is women. On the other hand, women mostly gather together in social service sector as health, education, social protection, culture and art, as well as agriculture where average monthly salary is lower than country’s one.

The conditions of gender mainstreaming have changed significantly during the lifetime of the Committee and the strategy of educating the country on gender issues has developed into an awareness that gender policy is a crucial component of the country’s democratization.

The strategy of involving a large number of women in the decision-making process remains a priority. Success in achieving our basic aim, however, will not be reflected only in terms of improved statistics. Gender policy goals are achieved by changing public opinion and overcoming traditional stereotypes. This is the longterm strategy and it will be achieved by focusing on educational programmes.

Women in Azerbaijan are largely to be found in lower and middle management. The greatest number of women managers is concentrated in those sectors where female workers are predominant: trade, public catering, health and education. Women are poorly represented in the highest echelons of power. This state of affairs is perpetrated by the existing stereotypes in society.

Women’s participation in the decision-making process at the political, legislative and executive levels and their access to social security, health care, medical services, education, literacy

development programmes and social welfare are predicated on their involvement in social and political activity and are among the most important ways that they will achieve equal rights with men.

Women's participation in the decision-making process is held back by the enduring strength of tradition, the legacy of political indifference left by the Soviets and domestic problems due to the economic difficulties of the transitional period, which have burdened women with worries that had not existed before about how to provide for their families. The main reasons for the fact that there are no women in leadership positions, however, are lack of interest, lack of time, lack of understanding of what leadership means and women's conviction that a leader has to be a man.

In the former Soviet Union, the representation of women was increased by means of quotas requiring a 33 per cent inclusion of women in State structures, which ensured that the percentage of women remained stable. After perestroika and the collapse of the Soviet Union, quotas ceased to exist and as a result women were squeezed out of all management positions, including their seats in Parliament. Until 1990, women accounted for 39 per cent of the Supreme Council of Azerbaijan, but in 1991 that proportion fell by 4.8 per cent and in 1992 by 6 per cent. In Parliament (Milli Mejlis), there were 15 women out of 125 in 1995 and 13 out of 125 in 2000. Out of 83 administrative bodies in regions and cities, only three are headed by women. Women are generally to be found in the role of deputy head of the department for humanitarian and social issues.

The State Committee on Women's Issues has been established by Presidential Decree and instruments aimed at extending women's participation in the decision-making process have been adopted. International conventions aimed at eliminating discrimination against women have been signed. Non-governmental organizations have set up various centres to involve women in the life

of society and services are operating to give women moral and social support by providing them with legal, medical and other counselling.

The diplomatic corps representing Azerbaijan at embassies and consulates abroad comprises 175 people, of whom 10 (5 per cent) are women. Of 25 ambassadors, one (4 per cent of the total) is a woman, as is one of two vice-consuls. The central administration of the Ministry of Foreign Affairs has a staff of 199 in its diplomatic section, of whom 41 (21 per cent) are women. Of the 14 heads of department, only one is a woman. Of 22 heads of section, five are women.

The female members of the staff of the Ministry of Foreign Affairs periodically participate in various international events, are included in delegations to high-level conferences and serve as members of expert committees and working groups within international organizations.

Researches indicate that average salary of women work in budgetary sector is lower than men's in Azerbaijan. For example, women, who work in health and social sector, have 45 per cent lower salary than males have. The same problem is in education sector; 28 per cent lower salary. While women's contributions are essential to the functioning of the economy, because women's contributions are not valued in the same way as men's, women consistent.

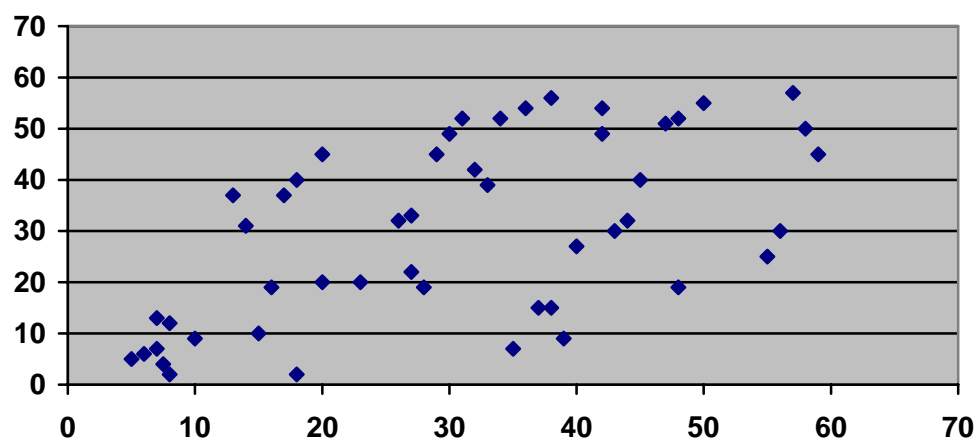
At present number of women work are in high rank position in executive system, in different government organizations is lesser than males. Only 13 per cent of parliamentarians are women in Azerbaijan. From other hand, the formalization of state budget derived from tax. Women have special influence on collection taxes. Hence female should participate in the distribution of budget revenues, because of participation in budget formalization.

State budget is one technique to reduce poverty. While budgets have been instrumental in transmitting and reproducing gender biases, they also offer the possibility for transforming

existing gender inequalities. It is very important to increase the role of women in budget process to force government to consider the interest of women in the budget, to increase the role of budget in reduction women poverty, and to broaden the role of women in budget decision-make process.

World Bank found out the positive correlation between gender equality and economic development. They argued that no country is developed without protecting women's rights.

### **Correlation; Growth Competitiveness Index (GCI) ranks and gender gap ranks**

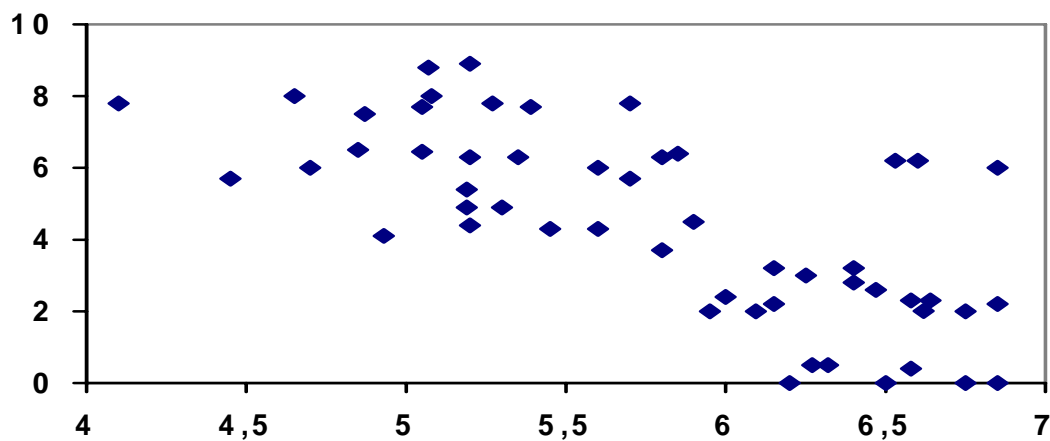


**Source;** World Bank, 2005

Researches conducted in Georgia, the former soviet republic, by UNDP found out that entrepreneurs managed by women paid less bribe than entrepreneurs managed by men (UNDP, 2005). Only 8 per cent of businesswomen are likely pay bribe compare with 70 percent businessmen. Researches also argued that less corruption is observed where women's participation in decision-making process and national parliaments are empowered. The conclusion of those researches are that more gender equality, less corruption.



## More Equal Rights, Less Corruption



**Source;** World Bank, 2005

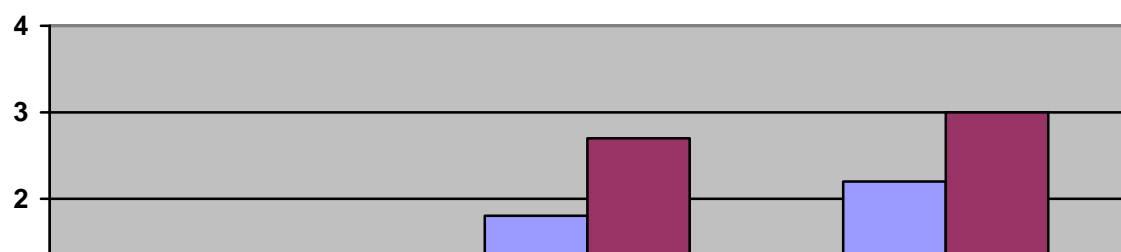
Gender issues are highly related to achieving of all Millennium Development Goals (MDGs) and its 3<sup>rd</sup> goal is to promote gender equality and empower women where proportion of seats held by women in national parliaments.

The interest of both social gender groups in the budget distribution should be considered.

Whereas gender issue is not evaluated much, because number of men in the budget preparation, administrative process undoubtedly is higher and a small part of parliamentarians are men.

Gender relations have a clear effect on the distribution of wealth, access to services and resources, and the opportunities needed to fully develop human potential. In turn, budgets - which are the main expression of macroeconomic policy at the national and sub-national levels - have largely inherited this failure to acknowledge the different circumstances women and men face, and their differentiated needs.

**Faster Progress in closing gender gaps would accelerate economic growth (last 30 years, actual and predicted)**



**Source;** Regression results from Klasen

According to World Bank's researches gender discrimination diminishes an economy's capacity to have economic growth, promote economic development, reduce poverty and increase living standards. Their findings can be listed as following;

- Hammering in outputs in result of inefficiencies in the allocation of productive resources between men and women within households.
- Low investment in female education also reduces a country's overall output.
- Lower women's rights and unequal participation in public life by women and men are associated with non-transparent economic activities.
- Less women's participation in decision making process causes more corruption level.
- Gender disparities negatively influence household decisions' quality and economic policy.

Gender inequalities reduce productivity in farms and enterprises and thus lower prospects for reducing poverty and ensuring economic progress. Gender inequalities also weaken a country's governance as well as effectiveness of its development policies.

*Following citations on women's participation in the decision making process are supported the idea that there is positive link between gender equality and economic development;*

*"The most interesting aspect of the Swedish Parliament is not that we have 45 per cent representation of women, but that a majority of women and men bring relevant social experience*

*to the business of parliament. This is what makes the difference. Men bring with them experience of real life issues, of raising children, of running a home. They have broad perspectives and greater understanding. And women are allowed to be what we are, and to act according to our own unique personality. Neither men nor women have to conform to a traditional role. Women do not have to behave like men to have power; men do not have to behave like women to be allowed to care for their children. When this pattern becomes the norm then we will see real change."*

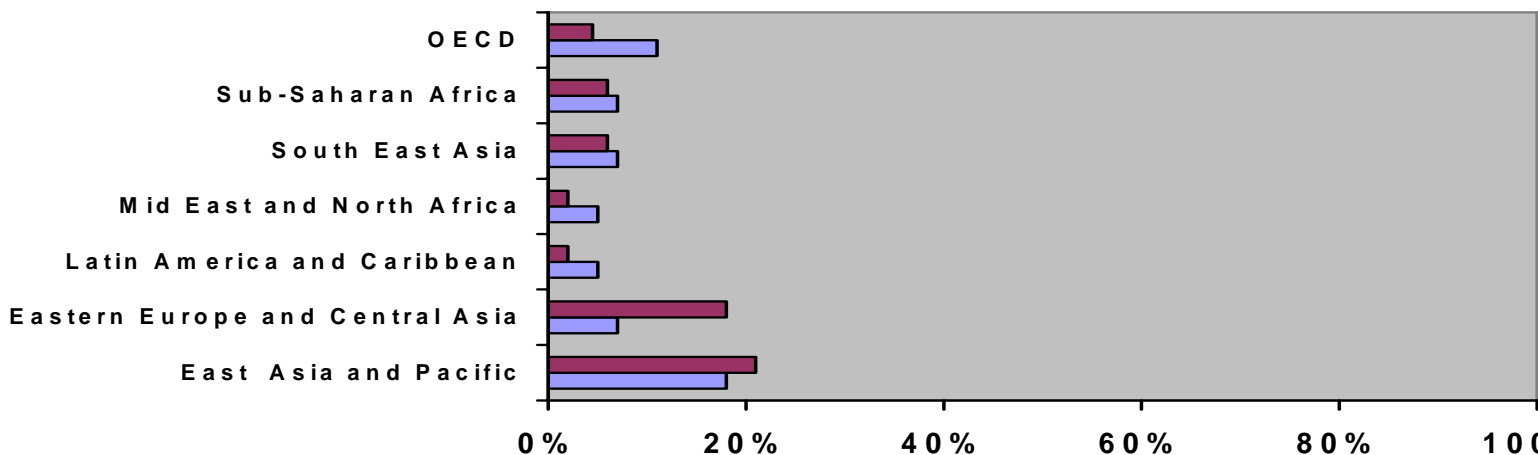
Birgitta Dahl, Speaker of Parliament, Sweden

*"It is very difficult for a woman to make up her mind to enter politics. Once she makes up her own mind, then she has to prepare her husband, and her children, and her family. Once she has overcome all these obstacles and applies for the ticket, then the male aspirants against whom she is applying make up all sorts of stories about her. And after all this, when her name goes to the party bosses, they do not select her name because they fear losing that seat."*

Sushma Swaraj, MP India

According to United Nations in terms of female representation in parliament, Kyrgyzstan is at the bottom of the list, along with countries like Saudi Arabia that prohibit women from running for office.

### Female Representation in Parliament Continues to be low



Source; World Bank, 2004

IPU Secretary-General Anders Johnson says that Kyrgyzstan lost its female legislators when it moved over the past year from a bicameral to unicameral parliament.

### **Women in Selected countries parliaments, 2006**

Country	Total seats filled	Total women	%Total women	Quota
Norway	166	64	37.9	<b>Yes*</b>
Denmark	179	66	36.9	<b>No</b>
Germany	614	195	31.8	<b>Yes*</b>
Republic of Moldova	101	22	21.8	<b>No</b>
Bulgaria	240	50	20.8	<b>No</b>
Poland	460	94	20.4	<b>Yes*</b>
United Kingdom	646	128	19.8	<b>Yes<sup>~</sup></b>
St. Vincent & Grenadines	22	4	18.2	<b>No</b>
Tajikistan	63	11	17.5	<b>No</b>
Venezuela	167	29	17.4	<b>Yes**</b>
Mauritius	70	12	17.1	<b>No</b>
Bolivia	130	22	16.9	<b>Yes**</b>
Azerbaijan	115	15	13.0	<b>No</b>
Dominica	31	4	12.9	<b>No</b>
Central African	105	11	10.5	<b>No</b>

Republic				
Egypt	442	9	2.0	No
Kyrgyzstan	75	0	0.0	No

"Kyrgyzstan had women in parliament, it was a bicameral parliament. And then they changed the parliament to a single chamber, monocameral parliament. And of course there were outgoing members of parliament from both chambers fighting for a lower number of seats on a smaller parliament, and the ones who tended to lose out were the women," Johnson says.

#### **Women ministries in the selected former soviet union countries**

Country	Women Ministries (%)
Russia	0,5
Azerbaijan	0,5
Georgia	1,2
Ukraine	2,0

**Source:** Author's own calculations

The IPU report says that the number of female presiding officers of parliament reached a new high in January -- 10 women in unicameral parliaments and 18 women in bicameral parliaments.

Among the countries where solely women preside over the parliaments are Albania, Estonia,

Georgia, Greece, Hungary, and Latvia.

**Women's participation in the selected former soviet union countries**

Country	Women's Participation
Belarus	29,0
Russia	11,3
Azerbaijan	11,0
Ukraine	7,7
Kyrgyzstan	0,0

**Source:** International IDEA 2006 and author's own calculations

According to the IPU, the country with the highest percentage of women in parliament is Rwanda. There, 39 of a total of 80 seats in the legislature are held by women, almost 50 percent.

Belarus ranks 21st in the world in female representation in parliament, with 32 of 110 seats in the lower house held by woman, about 29 percent.

Afghanistan ranks 23rd, with 68 out of 249 seats in the lower chamber held by women, or a little over 27 percent.

Iraq ranks 26th, with 70 out of 275 seats in the single-chamber National Assembly held by women, or 25.5 percent and the United Kingdom ranks 50th, with 127 out of 646 seats in the House of Commons held by women, or 19.7 percent

Differences between men and women also appear with respect to the content and priorities of decision-making, which are determined by the interests, backgrounds and working patterns of both sexes. Women tend to give priority to societal concerns, such as social security, national health care and children's issues.

Men dominate the political arena; men formulate the rules of the political game; and men define the standards for evaluation. Furthermore, political life is organized according to male norms and values, and in some cases, even male lifestyles. For example, the political model is based on the idea of "winners and losers", competition and confrontation, rather than on mutual respect, collaboration and consensus building.

The conclusion of the paper are that gender inequality is still main problem in CIS, gender equality is key to development, more participation of women in decision making on community level is considerable tool for economic development (example: applying quota) and more gender participation less corruption.

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