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Response to questions on notice by Joint Standing Committee on Foreign Affairs, Defence and Trade

Human rights issues confronting women and girls in the Indian Ocean and Asia Pacific region

Evidence given on 23 September 2014

I am pleased to provide further material to the committee for their consideration.

1. Measurable outcomes of gender policies pursued by foreign ministries
2. Costing and impact of special envoys
3. Evidence of the importance to a nation's GDP of the economic empowerment of women

1. Measurable outcomes of gender focus in foreign policy and development assistance

I would draw the Committee's attention to the recent DFAT report from the Office of Development Effectiveness *Smart Economics: Evaluation of Australian aid support for women's economic empowerment*.

ODE released its evaluation of Australian aid support for women's economic empowerment in August 2014. The evaluation assesses the effectiveness of Australia's policies and programming to promote women's economic development. It finds that whilst Australia's policies to promote women's economic empowerment are sound, implementation approaches are generally weak. The evaluation makes four key recommendations to improve the effectiveness of Australian economic programming, by improving the strategic approach to programming and increasing gender expertise within the Department.

Success stories outlined in the report include:

- In 2012–13, outcomes included the passing of a mayoral regulation on gender responsive budgeting in Aceh, and increased incomes for 32 786 poor women and men in rural livelihoods and agribusiness.
- A Bangladesh microfinance project reached more than 52 000 women and gave women greater control over assets, increased household decision-making and reduced violence against women.

- In Vanuatu, technical and vocational training programs related to economic sector programming saw 91 per cent of women completing training increase their incomes after one year.

The Committee is also commended to look at the independent Evaluation of DFID Development Assistance: Gender Equality and Women's Empowerment, 1 March 2005, linked to the clear UK policy - Improving the lives of girls and women in the world's poorest countries, available at <https://www.gov.uk/government/policies/improving-the-lives-of-girls-and-women-in-the-worlds-poorest-countries>.

The US State Department has [clear policy guidance](#) updated in July 2014, and USAID also have an ambitious strategy from March 2012 that guides resource allocation and evaluations - http://pdf.usaid.gov/pdf_docs/pdact200.pdf.

2. Costing and impact of special envoys

Australia has employed Special Envoys in the past - in October 2008 Mr Sandy Hollway was appointed to be Australia's first Special Envoy on Whale Conservation; the Honourable Bob McMullan and Mr Bill Fisher were appointed as Special Envoys in the context of Australia's United Nations Security Council (UNSC) candidacy. Major General Jim Molan was appointed in December 2013 as the Operation Sovereign Borders Special Envoy.

The DFAT Annual Report for 2008 notes '\$0.3 million to meet the costs of engaging and supporting Australia's Special Envoy for Whale Conservation'. In the Coalition platform, the new Envoy position is costed at \$1.1 million for the role over two years, including travel and expenses, according to a media [report](#). There has not been a public evaluation of these roles that my research revealed.

Based on media reports, these gentlemen were employed on a daily retainer basis for a set number of days and their travel covered by the department. Alternatively, DFAT could designate an existing SES Band 1 or 2 position within the department to this new purpose on a part-time basis (as was the case for the previous Ambassador for Women and Girls).

There is no easily accessible information on the cost of the other envoys, so a question to DFAT might elicit this information most effectively. The best estimate I would give would be in the range of \$0.5 million to \$1.1 million for a fixed full-time appointment for two years as a pilot scheme. The value and impact could be subject to evaluation. An alternative might be the UN Goodwill Ambassador model, where outstanding individuals volunteer their time and the government facilitates their travel and expenses.

The value and impact of the position of a Special Envoy to complement the role of Ambassador for Women and Girls must be speculative, but is one being employed by many countries comparable to Australia. One can imagine the 'force-multiplier' impact to Minister Bishop and Ambassador Stott-Despoja in their activities of a senior businesswoman like Ann Sherry or Gail Kelly acting as an Envoy for Women in SMEs or Women in Trade and Tourism. Or indeed as a retired CDF Morrison or Hilary Charlesworth or Marie Bashir or Helen Durham as the Envoy for Women, Peace and Security in the Indo-Pacific, or an indigenous leader like Professor Megan Davis, or a distinguished disability advocate like Maryanne Diamond or Ron McCallum. Australia's efforts in this space are always more successful when we are modelling the behaviour we wish to promote in the region.

3. Evidence of the link between economic growth and women's empowerment

I would draw the Committee's attention to a [report](#) recently accepted by the G20 Employment Ministers in September 2014 and commended to the Leaders Summit - OECD, ILO, IMF and WBG: *Achieving Stronger Growth by Promoting a More Gender-balanced Economy*.

Previously, [The World Development Report 2012 on Gender Equality and Development \[external website\]](#) had concluded that the misallocation of women's skills and talents comes at a rising economic cost. Eliminating barriers that discriminate against women could increase productivity in some countries by as much as 25 per cent.

DFAT [claims](#) that the Asia-Pacific region loses up to \$47 billion per annum as a result of women's limited access to employment opportunities.

The major global economic institutions have been providing evidence since 2006 that when women are able to develop their full labour market potential, there can be significant macroeconomic gains for the nation (Elborgh-Woytek et al, 2013). There is no question that the 'size of the prize' is large. Some studies have put the figure as high as a 27 percent increase for some regions (Aguirre). It is not just the quantum of growth that interests economists but the quality of the growth. Growing evidence from the OECD is that high rates of inequality hamper sustainable growth. More inclusive growth based on women's participation is more sustainable in the longer term.

The World Development Report 2012: Gender Equality and Development released by the World Bank urged states to close differences in access to economic opportunities and the ensuing earnings and productivity gaps between women and men. The Bank advocates increasing access to child care and early childhood development, and investing in rural women (World Bank 2012). These are social policy recommendations, but driven by an economic growth goal.

These World Bank studies usually focus on the potential of female labour force participation. Between 1980 and 2008, 52 million women joined the labour force, which equates to 52 percent of all workers globally. Men's participation rates declined only slightly from 82 percent in 1980 to 78 percent in 2008. The rise in female labour force participation can be attributed to rising education levels, economic development, anti-discrimination measures & declining fertility rates.

'Womenomics' is posited to have several overall macro benefits:

- Some argue that higher female work force participation would also result in a more skilled labour force, in view of women's higher education levels (Steinberg and Nakane, 2012)
- Studies have shown that women in developing countries are more likely than men to invest a large proportion of their household income in the education of their children. According to the International Labour Organisation (ILO), women's work, both paid and unpaid, may be the single most important poverty-reducing factor in developing economies (Heintz, 2006)
- The benefits can be very large. Detailed studies have modelled that increasing the female workforce participation in developed economies such as Australia, using the same policy measures that

our comparator Canada has successfully implemented (tax, welfare reform and affordable childcare), would add \$AUD25 billion to Australia's gross domestic product, without affecting male employment rates.

Significant evidence supports the formal and informal education of women and girls as the foundation for women's participation in the formal economy in the longer term. As the Australian Minister for Women Michaelia Cash stated at the United Nations earlier this year: "Education is the anti-poverty vaccine for women".

Other benefits of women's economic empowerment for economic governance need more research. The employment of women on an equal basis should allow companies to make better use of the available talent pool, with potential growth implications (Barsh and Yee, 2012). There is evidence (contested) of a positive impact of women's presence on boards and in senior management on companies' performance. Companies employing female managers are likely to be better positioned to serve consumer markets dominated by women (OECD 2012).

There might also be better corporate governance (OECD 2012) and risk management (Coates and Herbert, 2008) from more diversity on boards. As IMF head Christine Lagarde famously said: "Gender-dominated environments are not good... particularly in the financial sector where there are too few women."

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Yours sincerely,

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