

**Address by
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It is a great pleasure for me to address this conference today and to report on the progress that the IMF has made in meeting the strategic objectives of the Beijing Declaration.

I am pleased to say that much has changed since I joined the IMF as a young economist over twenty-five years ago. There has been a steady increase in the role of women both in national governments and the IMF. And the IMF is fully committed to further improving the diversity of its own staff, in particular the representation of women in professional grades and in senior management positions. While the basic mandate of the IMF, as set out in its Articles of Agreement, has remained unchanged, the focus has been broadened to ensure that all members of society, including women, benefit from the positive effects of sustainable, high quality growth. The evidence shows that this effort is already bearing fruit.

My comments today will focus primarily on achievements since the Fourth World Conference on Women, which was held in Beijing in September 1995.

The strategic objectives in the Beijing Platform for Action of particular importance to the IMF are those that call for action by the multilateral financial institutions:

- to "find effective development-oriented and durable solutions to external debt problems in order to help [governments] finance programs and projects targeted at development, including the advancement of women";
- to "seek and mobilize new and additional financial resources that are both adequate and predictable and . . . [to use] all available funding sources and mechanisms with a view to contributing towards the goal of poverty eradication and targeting women living in poverty";
- to "review the impact of structural adjustment on social development," and to "ensure that structural adjustment programs are designed to minimize their negative effects on vulnerable and disadvantaged groups and communities and to assure their positive effects on such groups and communities by preventing their marginalization in economic and social activities"; and

- to "take measures to ensure women's equal access to and full participation in power structures and decision-making," including through institutional mechanisms.

I would like to focus on some important aspects of the IMF's work in these four areas. A more detailed discussion of the IMF's involvement in social sector issues can be found in the papers that are available to conference participants.¹ I will speak first about our policy advice and financial support for member countries, and then turn to what we are doing at the IMF to promote the participation of women in power structures and decision making.

I. Policies and Financial Support to Ensure that Women Participate Fully in Economic and Social Development

The Fund's primary contribution to sustainable economic and human development, including gender equality, is through its work to promote macroeconomic stability and high-quality growth. High-quality growth encompasses policies that reduce poverty and improve equality of opportunity for all of society's members, in particular its most vulnerable segments, which frequently consist of women and children. Sustainable growth also attempts to avoid economic crises that can set back development.

Women and children suffer first and suffer most in times of economic duress. Women are typically the first to lose employment and be forced into marginal and unprotected economic activities. Female children are the first to be withdrawn from school in order to save resources and contribute to the family economy. As centers of households and caretakers of children and the elderly, women feel most acutely the lack of potable water and other basic health and social services. In times of food insecurity, women experience higher levels of malnutrition. In short, gender issues cannot be isolated from the national economic context of developing countries. Poverty reduction and crisis prevention are thus key to improving the lives of women, and pro-poor policies are inherently pro-woman.

Relying on the expertise of the World Bank, UN, and regional development banks that have the primary mandate on social issues, the Fund has sought to ensure that social issues are well-integrated into IMF-supported programs and IMF policy advice.

- The IMF's Structural Adjustment Facility (SAF) was established in 1986. In 1987, this was replaced by the Enhanced Structural Adjustment Facility (ESAF), under which greater attention was paid to the poor and related social sector issues, as well as structural reforms.
- In 1997, the IMF and World Bank launched the initiative for the Heavily Indebted Poor Countries (the HIPC initiative). The HIPC initiative provides exceptional debt relief to eligible countries that follow sound economic policies, and thereby releases additional resources to be used for poverty reduction,

focused on basic health and education, and infrastructure improvements such as improved access to clean water.

- Most recently, in 1999, it was decided to enhance the HIPC initiative so as to provide faster, deeper, and broader debt relief to eligible countries and to strengthen the links between debt relief, poverty reduction, and social policies. Already, 9 countries have received a commitment for debt relief under the HIPC initiative totaling \$14.2 billion and 1 country, Uganda, has already received debt relief. Under the enhanced HIPC initiative, 20 countries could have HIPC debt relief packages in place by end-2000.

- At the time the enhanced HIPC initiative was introduced, the ESAF was transformed into the Poverty Reduction and Growth Facility (PRGF), in which poverty reduction, together with economic growth, was made the central objective of PRGF-supported programs. The objectives and targets of the PRGF are in line with the International Development Goals adopted in 1995, which seek, among other things, to promote gender equality by reducing gender disparity in primary and secondary school enrollment, reducing the maternal mortality rate, and increasing access to reproductive health services. An important feature of the new facility is the Poverty Reduction Strategy Paper (PRSP), which articulates a country's comprehensive strategy for poverty reduction. The PRSP is to be prepared by countries through a broad-based participatory process involving civil society, as well as UN agencies, IFIs, multilateral development banks, NGOs, and bilateral donors. By giving women a greater voice in the development of poverty reduction strategies, we not only hope to ensure that their needs are addressed more effectively, but also to enhance their participatory and decision-making capacity.

- The importance of the IMF's debt relief and poverty reduction initiatives was underscored most recently by the new Managing Director. In presenting the work program to the Executive Board, Mr. Köhler stressed that "making the debt relief initiative for heavily indebted countries (HIPC) a success is among the most important tasks that the Fund is currently undertaking." And in a speech to the International Monetary Conference in Paris on May 30, he stated that "we have to acknowledge that there is a problem of global inequality and poverty.... Poverty reduction should be a vitally important issue for all of us... It needs, of course, a comprehensive approach, including education and training, good governance, and a well-functioning social safety net. But, key to the solution is strong world economic growth and the opportunity for developing countries to participate in this growth."

Results demonstrate that IMF-supported programs for low-income countries have indeed sought to reduce poverty. Programs have promoted universal access to social services and increased spending on basic social services where it was low. Programs have also sought to protect social spending during periods of economic and fiscal adjustment to help protect the poor. For example, in HIPC countries for which the IMF has

committed debt relief, spending on health and education increased on average by 3.8 percentage points and 2.9 percentage points, respectively, of total government spending between the preprogram and most recent program year. Fund-supported programs also focus on good governance and achieving greater efficiency in government spending to ensure that public resources contribute to actual improvements in social outcomes.

In country after country, women are seeing the benefits of the social spending that the IMF is striving to protect. To be more specific, between 1985 and 1997 on average, female literacy in countries with Fund-supported programs improved by 3.5 percent per year; female gross primary school enrollment increased by 0.8 percent per year, and female gross secondary school enrollment increased by 1.9 percent per year. Births attended by skilled staff have increased by 1.8 percent per year, on average. And the immunization rate for children under 12-months old has increased by 4.6 percent per year. In HIPC program countries, access to safe water and sanitation increased, on average, by 4 percent and 3.2 percent per year, respectively. In this regard, the Fund would like to commend countries' continuing efforts in implementing sound social policies, for only when there is true ownership of policies can these advances be made. The preparation of PRSPs aims to promote this type of ownership.

The use of social safety nets to mitigate the short-run adverse effects of adjustment and reform programs on poor groups has been an important aspect of the IMF's policy advice and program design. Social safety nets can take a variety of forms, depending on the expected size of the adverse social impact, and the availability of existing arrangements. Since 1985, IMF-supported programs have given increasing priority to social protection objectives, and larger budget allocations for social safety nets have been sought. IMF-supported programs have included new temporary arrangements, such as temporary subsidies, public works programs, and micro-credit programs, and have adapted existing social protection instruments to the needs of target groups, such as pensions and other social security benefits. Examples include public work programs in Thailand, Indonesia, and Malawi; and subsidized rice for the poor in Indonesia. The IMF staff has, in most cases, relied largely on the World Bank, and to some extent regional development banks, to take the lead in the design of social safety nets for IMF-supported programs. The IMF's job is to ensure that the macroeconomic frameworks and, in particular, government budgets make adequate provision for the financing of cost-effective social safety nets and critical social services. Effective social safety nets are particularly important to women who bear the brunt of job loss, decreases in food consumption, and cuts in basic social services.

Finally, a word on labor markets. Access to paid jobs is critical for the advancement of women, in both developing and developed countries. The Fund supports policies that promote flexibility in labor markets, so as to increase employment opportunities, as well as measures such as training that increase productivity and thereby wages. At the same time, we also support the Core Labor Standards for which the International Labour Organization is the responsible institution. These include freedom of association and the right to collective bargaining, and freedom from discrimination, forced labor, and exploitative child labor. In addition to being important in themselves, these standards are

important elements in the pursuit of high-quality growth that is crucial to improving the well being of women worldwide.

Of course, we are all aware that much more remains to be done to achieve the goals of the 1995 Beijing Declaration. I can assure you the IMF is continually seeking to further improve the quality of its policy advice and deliver its assistance to its member countries in pursuit of these goals.

II. Measures to Promote the Participation of Women in Power Structures and Decision Making

Let me now turn to the call in the Beijing Platform for Action to "ensure women's equal access to and full participation in power structures and decision-making." This is an area where the IMF is having both an indirect and direct impact. First, through its training programs for participants from member countries. And, second, through its efforts to improve the representation of women in the IMF itself, particularly in core departments and at the senior management level.

Training

The IMF provides at its headquarters in Washington and, together with other agencies at the Joint Institute in Vienna, the Singapore Institute, and the Joint Africa Institute, a range of training programs for officials from member governments. These courses are specifically aimed at future decision-makers, particularly in central banks and ministries of finance of the world. During the last five years, women accounted for 29 percent of the participants selected for courses at headquarters. At the Joint Vienna Institute, where participants are primarily from the countries of the former U.S.S.R. and other transition economies, more than 50 percent have been women. At the Singapore Institute and the Joint Africa Institute, where the participants are primarily from each region, women accounted for 32 percent and 19 percent of participants respectively.

Staffing at the IMF

I turn now to staffing at the IMF. In 1996, the former Managing Director of the IMF, Michel Camdessus, launched a major initiative to achieve greater diversity among Fund staff-by gender, nationality, and geographical region. This followed the recommendations of two working groups that Mr. Camdessus had established to examine the status of women in the IMF, and the extent and source of any discrimination based on nationality, race, religion, and other personal characteristics. To guide its new diversity effort, the IMF created, at a very senior level, the position of Special Advisor on Diversity. The Diversity Advisor prepares an annual report to the Managing Director, which is available to all staff.

In launching the initiative on diversity, the management of the IMF recognized that the institution has a responsibility to serve as a model of excellence in managing its human resources and in ensuring that all staff are treated fairly. At the same time, it was

recognized that diversity is an attribute that contributes to organizational performance and effectiveness-one that makes good business sense. Thus the IMF's human resource policies, programs, and practices were to be geared toward tapping and making full use of the best women and men in our member countries.

I am pleased to report that major progress has been made in improving gender equality in the IMF since 1995. Qualitative, quantitative, and process indicators in individual departments as well as for the Fund as a whole show improvement. Specifically:

- The working environment, including support systems, communication, and transparency, has become more supportive of women;
- Important new programs and policies have been developed and existing ones modified to strengthen the IMF's capacity to locate, attract, and retain a high quality diverse staff; and
- The representation of women in professional grades, senior positions, and in core departments has improved.

The IMF's working environment. The IMF's Code of Conduct, issued in July 1998, brings together in one document the core values expected of IMF employees and promotes mutual tolerance and respect. Consistent with the importance it attaches to diversity, in 1999, the IMF completed a special one-time review of individual discrimination complaints that had arisen over a number of years (in some cases over 20-30 years). This review resulted in remedial measures for a number of staff, including some women. The position of Ethics Advisor was created recently to supplement other procedures (the Ombudsperson's Office, Harassment Advisors, the Grievance Committee, and the Administrative Tribunal) that are available to deal with staff's concerns and unfair treatment of staff.

Policies, programs, and practices

Major steps have been taken to "mainstream" diversity considerations into all of the IMF's human resource policies, programs, and practices. More specifically:

- Since 1996, every department has been required to prepare a specific diversity action plan and report on progress in meeting diversity goals. Beginning in the year 2000, these action plans are to be incorporated into departmental Human Resource Plans.
- Recruitment and selection procedures have been modified and training programs developed to support diversity objectives by recognizing the differences candidates may demonstrate during the selection process and the strengths that women and other diverse candidates bring to the work place.

- New learning and training programs have been developed on gender and cultural awareness; and management training and assessment programs have been reviewed to ensure that they are gender sensitive and fair.
- Mentoring programs are being made available for all new staff; specific mentoring is provided to women and to minorities at mid-career levels.
- Performance assessments and promotion policies and procedures are monitored to ensure they are gender neutral. Studies are conducted to analyze possible gender bias.
- Flexible work arrangements, including part-time work, work at home and compressed work schedules, and other initiatives to help staff better balance their work and private lives and to reduce stress, have been introduced; these are of particular value to young working parents, especially women, who often bear a disproportionate share of child raising and family responsibilities.

Quantitative indicators

While there is considerable scope for improvement, there has been progress in terms of the representation of women in managerial positions and at the professional level in core operational departments. Specifically:

- Women's representation in all managerial positions rose from 5.5 percent in 1990, to 9 percent in 1996, and to 12 percent in 1999; in the career stream departments, their representation rose from around 5 percent in 1990, to 6 percent in 1996, to over 9 percent in 1999. In other professional job categories (such as accounting, writing and editing, law, human resources, and information technology), the percentage of managerial positions occupied by women rose from 8 percent in 1990 to 22 percent in 1999.
- The participation of women in country mission teams has increased and the proportion of country missions led by women rose from 4 percent in the early 1990s to close to 10 percent at the end of the decade.
- Among professional economists, the representation of women increased from 13 percent in 1990 to 18 percent in 1996 and to 21 percent in 1999. The improvement has been most dramatic at the entry level, with women now accounting for 35-40 percent of new recruits to our Economist Program-the program through which most young economists enter the IMF. (This exceeds the share of women among Ph.D. economics graduates in the top U.S. schools-which is around 25 percent.)² With this strong pipeline, the potential for women occupying future managerial and leadership positions is high.

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The IMF is strongly committed to making further progress in improving diversity and empowering women within the IMF itself. This message was strongly endorsed by Mr. Köhler in his address to staff upon assuming his duties at the IMF. We have in place the policies that are needed to reach our goals. We intend to move aggressively to implement these policies because it is the right thing to do. We need to be able to hire women with families, partners and children, and a variety of life experiences-not only single career women. We need to have broad and realistic perspectives of our work. In this context, the removal of limitations on the employment of spouses of staff of international organizations by host governments is critical to strengthening the role of women in these international organizations. I would therefore like to take this opportunity to ask those of you representing your governments here today to assist us in our efforts to increase the employment of women in the IMF.

Finally, let me assure you that the IMF is committed to ensuring that our economic policy advice takes into account its impact on women and other vulnerable groups in society and will continue to improve both our policy advice and assistance to member countries to ensure that women are able to participate fully in economic and social development.

1 "[Social Issues in IMF-Supported Programs](#)," IMF, Occasional Paper 191; "Social Policy Issues in IMF-Supported Programs-Follow-up on the 1995 World Summit for Social Development" paper for the U.N. conference "Follow-Up on the 1995 World Conference on the 1995 World Summit for Social Development," and "Rise in Social Spending under IMF-Supported Programs Continues, but Benefits are Unequal," [IMF Survey, March 20, 2000](#), pp. 95-96.

2 In the IMF's [summer intern program](#), under which top graduate students in fields of study relevant for the IMF are brought to Washington to work for the summer, this year we have 41 interns from 27 countries, of whom 16 are women.

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