

TOPIC: Gender and macroeconomics – investment

Conceptual rating: [BASIC to INTERMEDIATE level](#)

Suggested module objectives:

- 1) Introduce participants to the debates surrounding the promotion of foreign investment as a strategy to promote growth and development.
- 2) Introduce a gender analysis of foreign investment and its implications for designing appropriate pro-poor development strategies.

Key concepts:

- 1) Investment – foreign direct and portfolio – definitions and examples.
- 2) Investment “liberalization” – definition and examples.
- 3) Gendered analysis of FDI liberalization

Cross reference:

- **Link with Module 6:** Gender and trade. *For a basic to intermediate level audience, it is highly recommended to pair this module with the preceding one on trade, and weave the definitions, examples and analysis of both trade and investment in both sessions rather than having one session on trade and one on investment. Follow the methodology and content points described for the 2-part option in the “alternative methodologies” section in Module 6.*
- **Link with Module 8:** Trade and finance linkages. The WTO, the World Bank Group, and the IMF form what is sometimes called “The Iron Triangle”. This module explores the policy inter-linkages and some of the consequences for Southern nations.

Time required: 90 minutes

Suggested methodology: ROLE PLAY. Mini LECTURE.

Relevant readings:

- Braunstein, Elissa, “Foreign Direct Investment, Development and Gender Equity: A Review of Research and Policy”, Jan. 12, 2006, www.unrisd.org.

- Braunstein, Elissa, “Engendering Foreign Direct Investment: Family Structure, Labor Markets and International Capital Mobility”, Political Economy Research Institute, U Massachusetts, 2000.
- Caliori, Aldo and Williams, Mariama, “Capacity of International Financial Institutions to Support Trade Liberalisation in Low-Income and Vulnerable Countries”, Commonwealth Foundation, 2004. *Especially pages 1-13.*
- Durano, Marina, “Foreign Direct Investment and Its Impact on Gender Relations”, July 2002, WIDE Info Sheet. www.wide-network.org.
- Elson, Diane, “International Financial Architecture: A View From the Kitchen”, Spring 2002, Essex. www.networkideas.org.
- Iorio, Maria Rosario, Mukherjee, Avanti and Peralta, Athena, “Trade-Finance Linkages and Gender Implications to Asian Women”, IGTN –Asia, 2006.
- Sparr, Pamela “A Gender Primer of Trade and Investment Policies”, #2 in the Economic Literacy Series, NAGT-US, March 2002, IGTN Network.

Preparation and supplies needed:

- Newsprint pad/flip chart paper and markers to record certain parts of the discussion
- Review suggested reading material.

Suggested content to be covered:

(Because of time and the difficulty of the subject, this module will focus on Foreign Direct Investment [FDI] and not discuss a gendered analysis of portfolio investment)

- Definition of foreign direct investment and portfolio investment. Relevant country examples of each.
- Discussion of the term “liberalization” and what it implies for policies affecting foreign direct investment. Relevant country examples if possible.
- Discussion of empirical evidence related to FDI and its impact on women’s employment, earnings, household structure and migration strategies, empowerment/autonomy, gender gaps in wages and incomes, etc. Provide data and analyses for relevant country, if possible.
- Discuss Braunstein’s gendered evaluation of various strategies to promote FDI (from her UNRISD paper).

Description of how to conduct the session:

1. Welcome by host group(s) and introduction of facilitator(s); provide any needed logistical information; outline goals for session.
2. Depending on size of group, invite participants to introduce themselves, share an expectation or question they bring. (Record expectations or

- questions on newsprint, if you are doing this step, and refer to them throughout the session.) This step may be omitted if this is part of a series of economic literacy workshops and the group has met recently before.
3. If you have already done one session of Module 6, recap the main points about a gendered framework and remind everyone with a couple of examples of the differential effects of trade and investment on males and females. If you have not previously introduced a gender framework for analysis, then you will need to do so at this time. EITHER use the process described in Module 6, or introduce it via a **Mini LECTURE**.
 4. **Large group DISCUSSION**. Segue into a discussion about liberalization. Ask participants to define it, to describe how it works in the area of investment. If they or you can provide examples from your country, do so. Consider doing one or more short **SIMULATIONS** using play money and participants assuming different roles to illustrate the financial dynamics at play when certain policies change. (e.g. changes in exchange rates, dropping capital controls, dropping reinvestment requirements, offering special tax incentives to foreign investors, etc.)
 5. Once the group is comfortable with the basics of liberalization related to investment, then introduce a gendered analysis. This can be done through **CASE STUDIES**, showing a segment from a **VIDEO** and/or **Large group DISCUSSION** with the facilitator supplying information about the empirical evidence as needed. If you have a mural/map already in process, add to it at this point (as described in Module 6).
 6. Close the session by recapping the definition of investment liberalization (and trade if this is paired with Module 6), the types of policies involved, and some of the effects. Finish with a short mention of highlights from Braunstein related to foreign investment policies which are good for economic development and promote equality.
 7. If this is part of a larger economic literacy effort, link this session to the next one. Provide logistical details related to the next session, as appropriate. Thank the audience for their participation.

Ideas for alternative methodologies/modification of the level of discussion:

- **For an intermediate to advanced audience:** Distribute copies of Braunstein's Jan. 12, 2006 paper published by UNRISD and Section 4, "Gender-Based Distributional Dynamics in Trade and Financial Flows" in the Iorio et. al. piece on Trade-Finance Linkages by IGTN Asia 2006. Have participants read them in advance, considering various discussion questions you have prepared for them, related to the state of the empirical evidence of the impact of FDI and possible win-win policy interventions that would promote gender equality and stimulate FDI. Analyze the state of the debate in the country where participants live.

- **For an intermediate to advanced audience:** Add a discussion of portfolio investment and the connection between capital account liberalization and financial crises – with their gendered effects. Use the Asian Financial Crisis as a case study. The Elson Paper from the Ideas Network site would be helpful background.

Some useful organizations or websites related to this topic:

- International Gender and Trade Network, www.igtn.org. Note: different regional sections within this website may offer analyses and economic literacy materials in languages additional to those in English.
- Third World Network, www.twinside.org.sg
- Focus on the Global South, www.focusweb.org
- DAWN, www.dawnnet.org
- www.genderandmacro.org
- www.networkideas.org
- www.umass.edu/peri
- www.coc.org – Center of Concern, a Catholic Think Tank in Washington, DC; see the Rethinking Bretton Woods project