

Files of Melanne Verveer, Chief of Staff to the First Lady

Box 2: Books and Files

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- Preventive Diplomacy: The case of Sudan
- African Institute for Democracy: Africa, US Foreign Policy and The American Media: Somalia, South Africa and Rwanda in the Headlines
- Troublemaker: One Man's Crusade against China's cruelty
- The Continuing Struggle: Civil Rights and the Clinton Administration: Citizen's Commission on Civil Rights
- Violence, Public Health, and the Media
- International Center Research on Women: Twenty Years of Development: 1996 Annual Report
- A Call to Care: The Women who Built Catholic Healthcare in America
- Clinton Health Care Plan: Talking Points 1993
- Background Materials: David Brock
- A Pediatric Early Literacy Program: Information Kit
- The Great Tour of America: Exhibition Project: Moscow 1995/96
- New Challenges: The Civil Rights Record of the Clinton Administration Mid-term: Citizens' Commission on Civil Rights
- The Life of Lorena Hickok, E.R.'s Friend
- Developing and Disseminating solutions to major health and population problems facing the World
- World Summit for Children Interagency Coordinating Committee for the Americas: Maternal and Child Health: Goals for the 1995 and Indicators for monitoring progress
- University of Ulster: Annual Report 95-96
- American Conference: Peace-Gender-Development
- Pioneering States Innovative Family Support and Education Programs: Connecticut, Kentucky, Maryland, Minnesota, Missouri – Second Edition
- Building Partnerships: Models of Family Support and Education Programs
- Summary: The Best Intentions: Unintended Pregnancy and the Well-Being of Children and Families – Institute of Medicine
- Television, Children, and the Constitutional Bicentennial: A Report by Action for Children's Television
- American Academy in Rome: A Perspective
- Essential Rights: The Pure, Innate Nature Calls for but Islam Requires from Muslims
- First Lady Hillary Rodham Clinton: Address to the National Association of Elementary School Principals: Arlington, Virginia, July 26, 1996 (copy)
- Graduate Theological Union: Currents Fall 1997
- Different roads to development: 1995 The Economist New Ltd. The Economist Newspaper Ltd. The Economist: August 19, 1995: US Edition

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BODY:

Why it's better to be poor in some countries than in others

IN THE fetid slums of Rio, schools, clean water and basic medical care are impossible dreams for many residents. Sad, but understandable, you might think: Brazil is a fairly poor country. Sri Lanka is a poorer one, with less than two-thirds of Brazil's income per person (on a purchasing-power basis). Yet Sri Lankan mothers are less likely to die giving birth, their babies are likelier to survive--and much likelier in due time to finish primary school. The proportion of people in absolute poverty is lower.

Disparities between levels of wealth and of health, highlighted each year by the United Nations Development Programme (UNDP) in its index of performance (its 1995 report came out this week), are only too familiar. In Morocco, infant mortality is 68 per thousand; in poorer China, it is 44. In Ghana, 72% of children finish primary school, more than in richer South Africa or Pakistan. Vietnam's income per head is about 6% of the United Arab Emirates', yet its literacy rate is much higher.

Why? One theory says that a firm hand at the top makes the difference. Not so. The UN's top-ten stars in improved human development from 1960 to 1992 are these: China, Iran, Syria, Turkey, Portugal, Thailand, Tunisia, South Korea, Malaysia and Botswana. It is a mixed bunch.

Nor, on its own, is economic growth the key. True, high growth and good standards of literacy and health tend to run together, as in the Asian tigers. Yet poor places can show good results. Kerala, home to nearly 30m people in southern India, is not rich, even by Indian standards. But it has, by far, the country's highest literacy and life expectancy, and the lowest infant mortality.

So what does make the difference? Answers: effective local government, an egalitarian outlook, an open economy, a degree of personal liberty, sensible and sustained spending--and patience.

The place to start is primary education, above all of girls. Women account for 70% of the world's poor and nearly 70% of all illiterates: in no country, not even in top-notch Scandinavia, do women fare as well as men. But when girls go to school, the knock-on effects in terms of lower fertility, healthier children and longer lives are striking.

Mortality among Indian babies of mothers with primary education is half that of those born to uneducated women. A literate mother is better equipped to understand hygiene; literate women can be trained as midwives and rural health workers, which are crucial to public health. A shortage of such women is one reason why many Muslim countries, even rich oil states, have surprisingly low social-development indicators. Buddhist societies on the whole do better. Buddha encouraged women to seek enlightenment, and thus girls have long attended school at much the same rates as boys; better health is a natural consequence.

How can more girls be got into school? The best way is to make education free. That brings in more of both sexes, but especially girls: if parents have to pay, poor ones tend to send their sons ahead of their daughters. Anything that lessens what is, in many societies, women's work, will help. A nearby water supply means girls will spend less time hauling water for the family. The offer of a free meal for children may overcome the tendency to keep girls at home cooking for the males of the household. School latrines can help; in some parts of Pakistan, when a girl needs to go, she has to go home.

The quality of local government is vital: local, not national, officials determine whether truants skip school with impunity, clinics go dirty, water pipes run dry. In Brazil's state of Ceara, in the poor north-east, a committed governor was decisive in ensuring in the early 1990s that its 6.5m people should have above-average access to infant care, immunisation and primary education. A World Bank study of 121 water and sanitation projects found a clear correlation between close participation of community leaders and officials in the design and construction of a given project, and its success five years later.

And when officialdom knows it must listen to public needs or lose its job, listen it will. Watch South Africa's dismal basic services improve now that its black majority has the vote. Keralans have been known to raise hell when a rural health clinic goes unstaffed for too long; so not many do. A British constitutional commission in 1928, noticing that life expectancy in colonial Ceylon--today's Sri Lanka--had stagnated after several decades of improvement, recommended that a planned transition to internal self-government should include votes for women, to create pressure on officials for health care. It happened, and--though a direct link cannot be proved--Ceylon went on to develop South Asia's most effective health system.

Civil liberty seems an odd parameter, given the record of some of the countries that rank high in social-development indices. Cuba and Vietnam are less-than-free societies, yet their people are generally literate and long-lived. The answer is that national and local freedoms are different: Cubans do not feel free to complain about Fidel Castro, but they are encouraged to complain about cockroaches at the local maternity clinic. In the short term, any populist revolution is likely to be good for human development: often, it was precisely the lack of this that won the revolutionaries popular support.

The trouble is that revolutionary fervour does not last. Zimbabwe's new elite did well to develop widespread primary education, but shows signs of adopting the same elitist habits as the old one. Cuba failed to develop the economic base to keep its expensive social programmes in good order now that Soviet subsidies have run out.

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Any elite tends to look after itself first. That is why many poor countries spend much of their health and education budgets on high-technology hospitals and universities, instead of rural clinics and primary schools. The tendency is still worse if the regime feels threatened by powerful interest groups such as the army or landlords. It will sooner buy them off than get into the long-term process of delivering basic education and health, whose political pay-off is real, but not immediate.

Meeting basic needs does not have to be costly. Schools and clinics are labour-intensive, and in poor countries even skilled labour is relatively cheap. So a poor country can get more for its money than a rich one. The UN's children's agency reckons that 5% of GDP is enough to deliver universal basic services--five years of education, immunisation, pre-natal care, and access to a trained medical worker. Provided, that is, that the money is well spent.

East Asian countries spent 3.7% of their GDP on education in 1989, says the World Bank, the rest of the developing world 3.6%; but the East Asians spent it better. The proportion of East Asians aged above 15 who had never gone to school dropped from 52% in 1960 to 20% in 1985. In 73 developing countries (including East Asia), surveyed by Harvard's Robert Barro and Korea University's Jong-Wha Lee, the proportion fell less, from 64% to 45%.

No society can escape its history. Ex-British colonies tend to do well in human development. Costa Rica and Panama did not have the rest of Central America's hacienda culture; their relative egalitarianism was important in building a social consensus for universal health and education. Kerala owes its achievements in part to its benevolent 19th-century rulers, in part to the influence of the 20%--the top 20%, mostly--of the population whose culture is matrilineal.

Still, what matters most are the choices made today. And the best one for any poor society is to get its girls to school.

GRAPHIC: charts

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Global Grass-Roots Banking

The World Bank, the Agency for International Development and eight other donors have joined to finance small loans to the poorest of the world's poor — loans as little as \$100, at low interest rates and with no collateral except the borrower's word. These will be loans to underwrite the aspirations of ordinary people, from funds provided by international agencies accustomed to dealing in tens and hundreds of millions, with a level of caring not routinely shown by even a generous local banker.

"Like slavery in the 19th century, the fact that 700 million human beings are hungry in the 20th century is unconscionable," says Ismail Serageldin, a vice president of the World Bank and chairman of the new aid group. "We are the new abolitionists."

The program builds on the successful model of the Grameen Bank in Bangladesh. Founded in the 1970's and still directed by Muhammad Yunus, Grameen has made some two million small loans, mostly to women. There are similar banks — some run by governments, some not — in Indonesia, Kenya, the Dominican Republic and Colombia.

Contributors to the new program have formed

the Consultative Group to Aid the Poor, an independent agency. The agency, in turn, will grant or lend funds to the existing small-loan banks and others yet to be established, and will create a global network to spread the movement's scope. At a pledge meeting last month, prospective donors made a tentative commitment to put up at least \$200 million. In addition to the World Bank and A.I.D., they included Canada, France, the Netherlands and several multinational agencies.

As an example of what they hope to accomplish, the Grameen Bank's record is illuminating and inspiring. More than 92 percent of its borrowers are women, commonly heads of families. Half have used the money to start raising livestock and poultry. The other half into handiwork, manufacturing and the trades.

They maintain an admirable rate of repayment — 97 percent, usually within a year. That is better than the rate for poor men in the same program, and much better than the rate for wealthier Bangladeshis with regular bank loans. This is an aid program that works.

Investing in Sisterhood

An Agenda for the World's Women

By Hillary Rodham Clinton

THE WOMEN'S BANK is a one-room building in Ahmedabad, a textile center in western India. The teller's counter is an old kitchen table covered with cloth. Bank clerks record all transactions by hand, on yellowed sheets bound in volumes that resemble worn-out telephone books. When I visited, I saw poor women who had walked 12 to 15 hours from their villages to take out loans—some as small as \$1—to invest in dairy cows, plows or goods that could be sold at market.

The bank is the brainchild of Gandhi disciple Ela Bhatt and was founded by the Self-Employed Women's Association (SEWA). Many of the women in this trade organization rank among the poorest, least educated and most ostracized in India. Today, the bank has more than 40,000 members and assets of more than \$2 million. Women run the bank, and only women are allowed to make deposits and borrow money. The result is impressive: Against enormous political, social and economic odds, Indian women are transforming their lives.



This is one of many images that stayed with me after my trip last month through South Asia—a trip made all the more meaningful because I shared it with my 15-year-old daughter.

Although we traveled in special circumstances, as official visitors, we were both struck by the interest an American mother and daughter can generate in places where women are not always accorded the same respect as men. For me, the trip

also prompted a rethinking of many issues that concern women—and men—in every nation.

In each country we visited—Pakistan, India, Nepal, Bangladesh and Sri Lanka—we saw women struggling to overcome poverty, illiteracy, inadequate health care and deeply rooted cultural barriers by joining together to increase their earning power and improve their circumstances. SEWA is but one example of how women have organized around their capacity as borrowers, lenders and savers to achieve greater economic independence for themselves and greater prosperity for their families and communities.

For the rest of the world, the South Asian experience offers a simple lesson: that investing in people—especially women and girls—is as essential to the prosperity of the entire global family as investing in the development of open markets and trade. South Asia reminds us that social development and economic development go hand-in-hand. It reminds us too that women represent the soundest investment any nation can make in the effort to jump-start development.

Women comprise more than half of the world's population. They care for most of the world's children. And they do more than their share of the world's work. Investing in their education and health, and assuring their full political, economic and social participation in society ought to be the bottom line in any development equation.

I realize that issues such as education and health care are still regarded in many quarters as "soft" or marginal to economic growth. Often they are reflexively dismissed as "traditional women's issues" that do not rank high among the problems we will face in the 21st century. A growing body of research from the World Bank and elsewhere suggests otherwise; questions surrounding social development, especially of women, are at the center of our political and economic challenges.

In country after country, women have dem-

First Lady Hillary Clinton traveled through South Asia from March 24 to April 6.

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Sisterhood

onstrated that, when given the tools of opportunity—education, health care, access to credit, political participation and legal rights—they are better able to make the right choices in their lives. They can lift themselves out of poverty and, even more important, they can lift their families, communities and nations as well.

The Grameen Bank in Bangladesh is a case study: In one Grameen village, women pooled savings reaped from their investments to build a communal well. A woman in another Grameen village told me that she had taken out two loans to buy dairy cows; the third loan was used to buy a rickshaw to provide her husband a livelihood.

Education also plants seeds of prosperity for women around the world. During my trip, I saw examples of the way schools in South Asia are reshaping the social and economic landscape.

The Prayas School in India is a volunteer effort, founded by wives of professors at the Indian Institute of Technology. The school serves the poorest women and girls in the neighboring slums of New Delhi, offering classes for young girls and training women to make ceramics, jewelry and other artifacts that they can sell for profit.

In Bangladesh, where the literacy rate for women is 29 percent (compared with 45 percent for men), a nongovernmental organization called the Bangladesh Rural Advancement Committee acts on the theory that education is a precondition for economic development. The committee has established 27,000 schools, most of whose students are girls, even though extremists opposed to its educational efforts have burned some of the schools.

A government-run school I visited in Bangladesh offers material incentives to parents to send their children—especially girls—to attend. This is particularly significant among the very poor, who often view school as a diversion from their children's income-producing work. As part of the Food for Education program, families re-

ceive a weekly food allotment if their children go to class. Another government program pays parents to keep girls in secondary school.

Along with access to credit and education, health care is an equally important ingredient in the recipe for development. Here too South Asia offers instructive examples of low-tech, low-cost strategies, many of which can be applied elsewhere, including the West.

In Bangladesh, I visited the International Center for Diarrheal Disease Control, and was surprised to see a doctor from Louisiana making rounds. The center is a pioneer in the use of oral rehydration therapy, a method of treating potentially fatal cases of diarrhea through ingestion of a solution of salt, sugar and water. Thousands of lives have been saved through this inexpensive treatment. The doctor from Louisiana was there to learn how the technique might be used in the United States, where 20 million children under age 5 suffer from diarrhea each year and an estimated 300,000 are hospitalized because of resulting dehydration. Intravenous rehydration treatments, which must be given in the hospital, cost on average about \$800 per day; commercial solutions cost about \$7 per day and can be administered at home, a potentially cheap and effective alternative to hospitalization.

I was also struck by the common-sense approach to health care at a clinic started by American women in Nepal. Often romanticized by Westerners because of its glorious setting in the Himalayas, Nepal is in fact a cruel health environment for indigenous women. A disproportionate number of Nepalese women die during their child-bearing years, the result of early and frequent pregnancies, inadequate health care and poor nutrition. Women are usually the last to eat in their families and as many as 80 percent are reported to be anemic. A recent report by a group of Nepalese women estimates 515 maternal deaths for every 100,000 live births.

At the health clinic I visited, midwives and others preparing to deliver a baby will soon be given a "Safe Home Delivery Kit"—a package containing a plastic sheet, bar of soap, piece of twine, wax and a razor blade. This is a cost-effective, low-tech approach that will help improve conditions for childbirth and lower the mortality rate among Nepalese women.

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Sisterhood

As an American, I was proud to learn that many of these grass-roots enterprises were succeeding because of direct assistance from the United States to governments, nongovernmental organizations, or U.S.-supported international organizations such as the World Bank. Nongovernmental organizations have been particularly effective because they are close to the people, accountable to the people, and often are good advocates for the poor. Not only do the partnerships between governments and NGOs help funnel aid directly to programs, they leverage support from local governments and other sources.

Throughout South Asia, one can see the results of American investment in governments and NGOs. The "Safe Home Delivery Kit," for example, was funded jointly by USAID, Save the Children, the Nepalese government and a small, local women-owned business. The United States has supported family planning services in Bangladesh, where population growth rates have fallen from 3 percent to 2.2 percent since the early 1970s.

In Sri Lanka, I visited a remarkable facility built with financial assistance from USAID. A program run by a former theology professor, Sister Bernice, offers shelter, schooling and financial counseling to women and girls who are homeless or victims of violence.

Like Bangladesh, Pakistan is also developing rural schools. At the Lahore University of Management Sciences, a center of higher learning in Pakistan built with USAID support, I saw dozens of young women who are training along with their male counterparts to become leaders of their nation's growing business and investment sectors.

These projects are proof that American aid—both financial and technical—has provided the tools of opportunity to people and nations who have shown a courageous commitment to democracy and a market economy. Today, that American aid remains critical. Having watched in the last 10 years as democracy has flourished and markets have opened around the globe, we cannot turn our backs on nations struggling to uphold our ideals.

As debates over foreign aid take place in the coming months, I hope that members of Con-

gress and the American public will remember that such assistance accounts for less than 1 percent of our annual budget.

Still, at a time of economic anxiety in our own country, I'm sure many Americans wonder why we should be concerned with the conditions facing women and girls living in dusty villages and urban slums around the world. The reasons go beyond humanitarian concerns. As Treasury Secretary Robert Rubin said after a recent trip to India, "Development works. It improves lives in developing countries, and as those lives improve, it will have a direct impact on our economy, on the jobs and living standards of Americans."

On every continent, we have seen how the development of skills and earning power of women leads to more prosperous regional and national economies. It also leads to better educated and more prosperous consumers of American goods and services. And it is fundamentally important to building a more peaceful world. As long as economies remain underdeveloped and spirits undernourished, conflicts that endanger our own security are less likely to be resolved.

Finally, investing in opportunities for women is critical to expanding social justice. Denying women education, health care, economic security, political freedom and legal protections is a violation of basic human rights.

Given recent objections voiced in this country about a day devoted to bringing girls to work, it probably bears mentioning that an emphasis on girls and women is not meant to exclude or diminish the rights or interests of men. Men everywhere face challenges and obstacles as they seek to fulfill themselves and their responsibilities to their families.

But around the world, including in our own country, women represent a disproportionate number of the poor and vulnerable. Investing in women strengthens families and communities, which helps everyone in society. And investing in women brings us closer to a world in which distinctions between men and women are viewed, ultimately, as complementary parts to a greater whole.

THE WHITE HOUSE
WASHINGTON

April 18, 1995

MEMORANDUM FOR THE PRESIDENT

CC: SECRETARY OF STATE WARREN CHRISTOPHER
NATIONAL SECURITY ADVISOR TONY LAKE
DEPUTY SECRETARY OF STATE STROBE TALBOTT
DEPUTY NATIONAL SECURITY ADVISOR SANDY BERGER
USAID ADMINISTRATOR BRIAN ATWOOD

FROM: HILLARY RODHAM CLINTON *HRC*

RE: REPORT ON SOUTH ASIA TRIP

Thank you for asking me to make my recent trip to South Asia. It was a personally rewarding experience and I hope useful to our relations in the region. I tried to convey to the governments and the people of the countries I visited how important the United States thinks this region of the world is and how significant you believe the development of the people of this region to be, important not only for the futures of their own countries, but also for our entire global family.

My trip to South Asia highlighted the importance of investments in people, especially women and girls, and demonstrated that the United States is committed to engagement in this critical region. My visit to Pakistan was a part of our overall effort to broaden relations strained in recent years by sanctions. In India, while investment opportunities are expanding to attract U.S. business, investments in social programs also remain critical. In Nepal and Bangladesh, U.S. assistance has long been the major element in our relationship and improvements, particularly in health and population control, are evident. Finally, Sri Lanka, a more developed small island nation with which we have historically had cordial relations, has made significant progress in universal access to education and health care.

Before describing specific activities in the countries I visited, I would like to underscore some observations:

-- South Asia has the largest number of absolute poor in the world. It faces enormous challenges in creating a better life for the great majority of its people.

-- The countries I visited are making progress in meeting these challenges. Economies throughout the region are expanding and private investment is rising. Progress also has been significant in addressing the key problem of population growth.

-- Lower population growth has resulted, to an important extent, from improvements in the social sectors -- health and education. Broad-based sustainable economic growth in the future will depend on more significant investments in these areas. Private investment by itself is necessary but not sufficient, in South Asia as well as elsewhere in the world.

-- I underscored this issue in my speech at the Rajiv Gandhi Foundation, in which I said,

"I recognize that discussion of such problems as education and health care for girls and women is viewed by some as 'soft,' labeled dismissively as a women's issue belonging, at best, on the edge of serious debate about all the problems we confront on the edge of the 21st century. I want to argue strongly, however, that the questions surrounding social development, especially of women, as discussed at the recent social summit in Copenhagen, are at the center of our political and economic challenges. Governments, businesses and citizens must recognize and act upon that truth for the betterment of nations and our global family."

-- The empowerment of women is an important aspect of development in this and other regions. Women have proven again and again in the projects I visited how quickly and effectively they can become income earners when given a chance. No investment pays greater dividends in a nation's development and productivity than investments in the education of girls and women.

-- The U.S. has long been engaged in assisting the countries of the region in development. I met countless individuals who had been helped in education, in health, and in support for creating private enterprises or NGOs by our assistance. The U.S. clearly has been effective in the past and must remain engaged in the future.

-- U.S. assistance has had a direct impact on the lives and prospects of South Asians, but more importantly it has been a catalyst for further social development by leveraging aid from

other donors and local governments in expanding effective activities. One example is the population program in Bangladesh.

-- The U.S. now channels much of its aid to South Asia through NGOs. Governments remain important, but experience shows that NGOs can be very effective partners in development. They are close to the people, accountable to the people and often are effective advocates for the people. Our government's partnership with NGOs -- our own and indigenous -- must continue to grow, while the U.S. must remain capable (as it is today) of channelling its aid in an integrated and strategic fashion toward overall development objectives. This is a partnership where the capabilities of our government and NGOs are complementary.

-- Our bilateral and multilateral aid programs are now threatened with deep cuts or even elimination (as in the case of our contributions to the World Bank). These programs absorb less than 1% of the federal budget, yet as I observed on my trip, their contributions to our foreign policy are enormous. Cuts of the magnitude now being considered in Congress could force us to reduce drastically or terminate our aid to South Asian countries just as we are beginning to see a real impact of our past aid in those countries. There is also a danger that other governments might be tempted to follow our lead in cutting aid budgets.

The United States has been of great assistance in this region for many years, and I was pleased to see the results of those years of effort. The investments we have made in the people of the countries I visited have produced concrete results, and I hope that my visits to successful programs and projects in the region helped to highlight the importance of our investments. I also believe that there are lessons we can learn here at home from some of the projects I visited.

In each country I emphasized U.S. interest in helping improve people's lives, particularly the lives of women and girls who still suffer from cultural prejudice and the lack of government investment in education for girls, and who bear the brunt of poverty. This theme seemed to find resonance as a welcome complement to the recognized concerns for global stability, non-proliferation, and market access.

My reception was very heartening. Government leaders and villagers alike went out of their way to make me feel welcome and to demonstrate the well-spring of respect and affection for the United States and the values they believe we represent. The local press was positive and impressed that our delegation braved the subcontinental heat to undertake such site visits as a village in rural Bangladesh, or SEWA headquarters in Ahmedabad, India.

While some leaders (most notably Prime Minister Bhutto who had her trip to Washington very much on her mind) raised specific bilateral political issues, most used the private meetings to get acquainted, and to share ideas and experiences on the problems of social development. The top leadership of these countries appears to be grappling with the problems of poverty and women's empowerment to a significant extent. I was also struck by how much our nation has contributed to the debate and to real progress over the years through USAID, World Bank and voluntary programs. Many commented positively on my speech to the UN World Summit on Social Development in Copenhagen where I announced the USAID initiative on girls' education. Women ministers and non-governmental leaders, in particular, talked about the significance of the upcoming UN Fourth World Conference on Woman for progress for women and the advancement of their human rights.

It was often remarked during our meetings that it had been a very long time since the last White House trip to the region. There was a palpable sense, particularly in the smaller countries, of pride and relief that the U.S., a country they had long admired and considered a friend, was finally making an official visit focussed on direct observation of progress in economic development and poverty alleviation. On the cusp of the 21st century, the "good will tour" seemed to have new meaning and importance in securing relationships.

I believe the journey helped to renew and revitalize interest in the United States and make it easier for governments in the region to support our broader global agenda. From the positive press that the trip engendered in the U.S., we can hope that it helped to educate Americans on the importance of South Asia as well.

PAKISTAN

In Pakistan, outside Lahore, I visited a village school educating girls and a health clinic where I had a chance to talk with some of the mothers now using the family planning services of the clinic. At Pakistan's current rate of population growth, about 3.0%, its population -- already 130 million -- will double in 23 years. This rate of population growth will make significant economic progress in Pakistan unattainable. The current government in Pakistan recognizes this, and Prime Minister Bhutto indicated in her discussions with me that she is moving to address the population issue more vigorously. However, family planning programs in the past run by the Pakistan government have proven ineffective; services have been poor, unpredictable and difficult for Pakistani women to access. A new USAID project is set to begin

to finance family planning and related health and education services through U.S. and local private voluntary organizations in an effort to make these services effective.

The Lahore University of Management Sciences (LUMS) could not represent a sharper contrast to the village school I visited. It is a world class management school built with seed money from U.S. assistance together with private and public support from Pakistan. I gave a speech at LUMS (which is attached), and met with some of its impressive students to discuss barriers to women in management. The University is preparing women and men to take responsible positions in the expanding private sector in Pakistan. These and other women I met on my trip were dynamic, but conscious of their roles as pioneers in a society where female professionals remain rare. They are proving that change in society is possible if approached sensitively. The U.S. has played an important role in supporting them with programs to educate girls and women throughout South Asia.

INDIA

In India I attended a meeting in Ahmedabad of the Self-Employed Women's Association (SEWA), led by the legendary Ela Bhatt. This is a group of extremely poor women engaged in work like paper picking and selling fruits and vegetables. They are both residents of the city of Ahmedabad and the countryside for miles around it; many walked for hours to come to the meeting with me. The women have joined together in a trade union and cooperative which provides them with job training, micro-credit and opportunities to save together with mutual support and solidarity. The latter -- while intangible -- was clearly critical in giving these women, mostly uneducated, the confidence to take the initiative to become entrepreneurs.

SEWA has been effective and has had a positive influence on government, police and programs. I was so pleased that the U.S. has been able to provide some support to SEWA and private voluntary organizations like it, for it is these organizations that help women begin to earn incomes and better their own lives and those of their families. Without these kinds of efforts (even where economic policies are supportive of growth), the mass of the populations of poor countries like the ones I visited will remain trapped in poverty for the foreseeable future. And women in particular will remain excluded and marginalized, and their countries severely disadvantaged by their lack of education and productivity.

Also in India, I visited a home for children run by Mother Teresa and toured a school project housed at the Indian Institute of Technology whose mission is to provide education to children of the neighboring slums and to empower their mothers through skills training and community support. Finally, I addressed the Rajiv Gandhi Foundation and a distinguished group of Indian public and private sector leaders on the topic of investing in women and girls. In it, I focused on the theme of girls' and women's social development. (The speech is attached.)

NEPAL

Nepal was the poorest country I visited, and one of the very poorest in the world with literacy at only 25%, infant mortality at 107 per 1000 (165 per 1000 for under 5 years old), and life expectancy at 53 for women and 54 for men. It is one of the few countries where men outlive women. Yet, even here, enormous progress has taken place over the past three decades since Nepal opened to the rest of the world.

Health is a particular problem for women in Nepal; 8 out of 100 childbirths result in the death of the mother, usually for want of proper hygiene. At a small health and family planning clinic in Kathmandu (financed by a partnership of Save the Children Foundation, the government of Nepal and USAID), I was given a "Safe Home Delivery Kit" that expectant mothers receive. The primitive nature of the contents of the birthing kit (soap, twine, wax, plastic sheet, and razor blade) say a lot about conditions in Nepal and how far it has to go to reach an acceptable standard of living for its citizens. Development remains the central challenge for Nepal; it is clear that our assistance plays a key role in that development and in our relations with the Nepalese.

BANGLADESH

Bangladesh is the most densely populated nation in the world and the size of the crowds that surged around the village I visited outside Jessore were overwhelming.

Bangladesh is increasingly an example of development success. Because of effective family planning services (pioneered in a project financed first by USAID through the International Center for Diarrheal Disease Control (ICDDC), which I visited, and later by a number of other donors), population growth rates have fallen dramatically in the country -- from 3% to 2.2% at present.

The ICDDC is a world class success story in saving lives of people suffering from cholera, malnutrition and diarrhea. It is a prime example of a small USAID investment over many years leveraging significant support from other partners to attack a problem that affects people around the world.

One of the most moving events of my trip was a visit to a small village outside Jessore where the Grameen Bank, founded by Mohammed Yunus, has been active. The women in this very poor village of untouchables has significantly improved their incomes and living conditions through the micro-credit and savings programs of Grameen. This village was an impressive example of Grameen's success, but not unusual. Nearly 2 million Bangladeshis -- most of them women -- have benefitted from Grameen loans, along with many others benefitting from a variety of micro-credit schemes modeled on the Grameen approach in other countries, including the U.S. Like SEWA, which I visited in India, Grameen demonstrated the benefits of microcredit for women in reducing poverty, increasing employment and promoting social integration. It contributes to women's self-confidence and their decision-making power in the household and in their communities.

I also visited both a BRAC (Bangladesh Rural Advancement Committee) and a government school. BRAC schools, which serve primarily girls, have been burned by extremists protesting the role of NGOs promoting change. The government school participates in one of Prime Minister Zia's favorite programs, Food for Education, which provides weekly commodities to families that keep their children, primarily girls, in school instead of putting them to work.

SRI LANKA

My last stop offered a contrast to the other countries I visited. Sri Lanka has made the most social progress of any country in South Asia and is, on average, the best off. Its experience shows how important education and universal access to health care are, not only as an end in itself, but also in laying a foundation for overall economic growth, which was nearly 7% last year. Low population growth (1.2% per year) has undoubtedly played a role in facilitating real economic growth as well as the inclusion of women in the country's economic life. There I met the only woman bank president in South Asia, as well as women journalists and TV producers, lawyers, professors and women heading private voluntary organizations (PVOs) helping other women with training and credit to improve their lives.

If my visit to other countries in the region highlighted the development challenges and opportunities facing the region, my visit to Sri Lanka underlined the fact that those challenges can be met and just how important health, education and the inclusion of women can be in achieving economic progress anywhere in the world. If Sri Lanka's President is able to negotiate an end to the country's bloody internal conflict, prospects for growth will be even greater.

file 5 America

THE WHITE HOUSE
WASHINGTON

November 21, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: HILLARY RODHAM CLINTON *HRC*
CC: SECRETARY OF STATE WARREN CHRISTOPHER
NATIONAL SECURITY ADVISOR TONY LAKE
USAID ADMINISTRATOR BRIAN ATWOOD
SUBJECT: REPORT ON LATIN AMERICA TRAVEL
OCTOBER 12-17, 1995

Thank you for asking me to travel to Latin America. The purpose of my six-day visit to Nicaragua, Chile, Brazil and Paraguay was to advance the Administration's goals to alleviate poverty; promote universal, quality education; provide wider access to health care; and protect the rights of women and children throughout the Western Hemisphere. These United States goals were endorsed in Miami at the Summit of the Americas by the hemisphere's thirty-four democratic leaders and addressed directly by the hemisphere's First Ladies at the Symposium on Children.

During the trip, I stressed that only with persistent progress on social goals will the region be able to attain and sustain democracy and economic prosperity. This message was received with enthusiasm. I sensed a real commitment to tackle difficult but critical social issues and saw firsthand the region's incredible recent progress. As I traveled, I found that representatives of the entire political spectrum -- even in countries with a recent history of severe political polarization like Nicaragua and Chile -- now understand the compelling arguments for social progress. Media coverage on this message was universally positive.

Political leaders repeatedly made reference to the commitments made in Miami. This is particularly true for the social issues. The Latin American representatives had pushed the hardest in the preparatory sessions leading up to Miami for a strong focus on poverty eradication. It was in fact the Central Americans, working with a hemispheric coalition of private-sector and NGO leaders, who first proposed what became the Summit's initiative on women's

keep the schools open on weekends to allow children to pursue interests and help parents who are working. Mrs. Frei introduced me to her work with publicly-funded foundations which serve poor families by providing head-start-like day care and equipping women with marketable skills. The foundations also have innovative programs to involve fathers so they can realize the full potential of parenthood. Also in Chile, I participated in a forum on the importance of microcredit with representatives of community-based lending institutions and borrowers who had become economically self-reliant.

My speech at the University of Chile praised Chile's strong educational system and highlighted our common goals for educational reform that strives to improve high school completion rates, promote quality training to enable workers to compete in the global marketplace, and nurture civic virtues to encourage participation in democratic decision-making. The University's rector noted that Teddy Roosevelt had spoken in the same Hall of Honor in 1917 and had outlined the many collaborative efforts that link the institution to the United States. I also had the opportunity to meet informally with President Frei at the Presidential Palace.

Brazil

In Brazil, I focused on the health of women and children. We visited modern Brasilia as well as Salvador de Bahia, the capital of the poverty-ridden northeast. Site visits in Salvador included a circus which aims to save street children by enhancing their teamwork and self-esteem, a community center which provides health, education and vocational skills to at-risk adolescents, and a hospital which assists in birth and also cares for women who have performed self-induced abortions. The hospital's programs emphasize how critically important health education and family planning are to the poor community, and the programs I saw provide a model for replication. The Minister of Health is hoping to extend this successful USAID-supported program to rural areas in the region.

In Brasilia, I had an excellent meeting with President and Mrs. Cardoso. In Brasilia and Salvador, I participated in discussions with prominent women who are involved in addressing challenges in the areas of jobs, health, education, family life and other careers. President Cardoso discussed an education initiative he was about to announce that would address the problem of school drop-outs by putting more federal resources in schools below the university level.

Paraguay

In Paraguay, I participated in the Fifth Conference of Wives of Heads of State and Government of the Americas, an annual Conference which brings together the spouses of the leaders of our hemisphere. This Conference marked the first year that North America has participated, and therefore the first year that it was a hemisphere-wide gathering. The Conference focused heavily on follow-up to the issues we had discussed at the Symposium on Children in Miami. We called attention to three concrete initiatives stemming from the hemispheric Summit: the eradication of measles by the year 2000, reduction of maternal mortality by one-half by the year 2000, and education reform. I was proud to announce USAID support for a new Partnership for Education Revitalization in the Americas (PERA), which is designed to help identify, disseminate and replicate innovative education reform programs throughout Latin America. Also, as I had helped launch the measles eradication campaign initiative at the PAHO headquarters last April, it was especially gratifying to learn of the activities of the hemisphere's First Ladies in support of the measles project. The First Ladies of this hemisphere are actively engaged in their own countries on these important social issues.

In my keynote address on the opening night of the Conference, I stressed that the conferences in Miami, Copenhagen and Beijing have made clear that democracy and prosperity cannot be attained or sustained in countries that do not value women as full and equal partners in society. President Wasmosy spoke eloquently about the important role that a First Lady can play in working to better life for the people of her nation. He lauded Mrs. Wasmosy's work and stressed how complementary he viewed their efforts.

The success of the Conference was noted by representatives of international organizations, such as UNICEF, PAHO, and IDB, who participated in the Conference as resources. They remarked that the Conference was one of the most impressive discussions in which they have participated, highlighting innovative developments to enhance progress on pressing social concerns. As First Ladies, we signed a declaration and agreed to be actively engaged in the issues we discussed, ranging from microenterprise and family planning to innovative education programs.

Also in Paraguay, I met with representatives of the Peace Corps in Paraguay, which was holding a training session for its volunteers. Paraguay has the largest number of Peace Corps volunteers in the world, and it was a pleasure to hear from the American men and women who are on the front lines trying to make a difference in the quality of life in Paraguay.

Conclusions

Throughout my visit, it was striking how very small amounts of money, when placed in the hands of dedicated, well-organized institutions, can transform people's lives. USAID programs, working in partnerships with international and local NGOs and with official entities at federal, state and local levels, are having a positive impact. The World Bank, Inter-American Development Bank, Organization of American States, the Pan-American Health Association and the Inter-American Foundation are all investing in people in innovative ways. We need to do more to publicize these success stories so that they can be replicated widely, including in the United States. Development assistance is a critical component of our broad-based, active engagement in the hemisphere and it calls for our continuing strong support.

Latin America is a very diverse region undergoing dynamic change. The countries I visited are diverse in size, living standards and political development. Nicaragua and Paraguay are two small countries emerging from decades of repressive rule. President Chamorro has made great strides in consolidating democracy and restructuring the economy, even if Nicaragua is still traumatized by years of internal conflict and remains desperately poor, with over half of its population under the age of twenty-one. The United States can continue to work to promote national reconciliation. While the military still casts a shadow over political life in Paraguay, the current government appears to be working to strengthen democracy and make government accountable to its people. In his remarks at the opening of the First Ladies Conference, President Wasmosy focused his comments on the commitment to democracy.

Brazil enjoys the strong, enlightened leadership of President Cardoso, who reiterated his determination to stabilize the economy and is working with his wife, Ruth, to invigorate civil society and reform the health and education systems. The Cardosos noted that they very much enjoyed their State Visit last April and seek to forge a new partnership with the United States. Chile appears to be a spectacular success story, combining economic stability, democratic politics and a concern for social equity that has lifted many of its citizens out of poverty since democracy was restored in 1990. The Chilean government appears to be on track to attain the developmental status of southern Europe and become an articulate leader that other countries will seek to follow. The government and private sector continue to be very concerned about NAFTA fast track, and I reiterated the President's support.

Latin America continues to make progress, but the

region still confronts severe problems -- some of which we also face in the United States. Poverty is widespread and overwhelming in some areas and governments are handicapped by fiscal constraints and inflexible bureaucracies. Educational systems are badly in need of reform, both to reduce the high drop-out rates and to graduate students who can compete in the marketplace of the twenty-first century. Women are still undereducated and underpaid and many, many poor children crowd the streets of the continents' poor barrios.

Future Engagement

The United States has made a difference in ensuring hemispheric progress. It is my observation that Latin America seeks close working relations with the United States on a wide range of important issues, relations based on a genuine exchange and mutual learning. Finally, I believe we need to continue to help our neighbors strengthen their emerging democracies, expand market economies, and promote social integration.

The annual First Ladies' Conference offers another instrument to advance social progress.

Attached are copies of the speeches I gave in Nicaragua, Chile and Paraguay.

NATIONAL SECURITY AFFAIRS GUIDANCE

March 18, 1996

Israel

China

Northern Ireland

Bosnia/Croatia

Russia

Loose Nukes

Nigeria

Cuba

Defense Budget

Landmines

ISRAEL

ISRAELI BORDER FENCE

Q: What is the U.S. position on the Israeli proposal to erect a high-tech fence between Israeli and Palestinian areas? Will we support the project financially or otherwise?

A: Israel is clearly wrestling with a difficult security problem. It is considering a number of options.

We are providing certain equipment to help the Israelis deal with explosives-detection. That's the principal focus of our efforts. Our efforts do not focus on the construction of a fence.

Q: Wouldn't a fence prejudice the Declaration of Principles principle that territorial issues are a subject for permanent status negotiations between Israelis and Palestinians?

A: That's a hypothetical question. Again, I'm simply not going to get into reported proposals.

Q: Why is the U.S. continuing to provide funds to the PLO in the wake of the terror attacks?

A: Cutting off aid to the Palestinian Authority at this time would be short-sighted and self-defeating.

Chairman Arafat and the Palestinian Authority have begun to take deliberate steps to bring those responsible for these acts to justice and to prevent further attacks.

Denying aid to the Palestinians now would not increase Israeli security.

ON FREEDOM OF ACTION

- The Israelis are engaged in a struggle against violence and terror, a struggle which has claimed the lives of innocent citizens. They have the right to take steps necessary to defend themselves against these outrages.
- The President has made very clear that the United States will stand with Prime Minister Peres and the people of Israel as, along with other the peacemakers, they confront this critical challenge.
- Chairman Arafat is taking important steps to combat terror; in coordination and cooperation with Israel, there must be a sustained, decisive effort to dismantle the terrorist infrastructure.

(If pressed on "legality" of Israeli actions)

- Israel and the Palestinians are both facing a critical threat from the enemies of peace to the peace process and to their hopes for a better future. It is imperative that everything possible be done to confront terror. I am not going to elaborate further.

CHINA

CHINA AND NUCLEAR WEAPONS

Background: On C-SPAN yesterday, Win Lord dismissed the rumor that China would use nuclear weapons against the United States. There has been no threat by China that it would use nuclear weapons against the United States. This is disinformation by low-level Chinese authorities stemming from current tensions in the Taiwan Strait. We learned of this through informal conversations with a private U.S. citizen who had been traveling in Beijing.

Q: **How do you comment on reports about China's threat to use nuclear weapons against the United States?**

A: There has been no threat from China that it would use nuclear weapons against the United States. This report has no official basis.

The Chinese have told us officially that this does not represent their policy.

THE TAIWAN STRAIT

Background: There continue to be stories of escalating tension in the Strait despite the fact that the missile tests have been concluded. Hong Kong press sources misinterpreted statements by China's Premier Li Peng made at the close of the PRC legislative session, "If someone makes a show of force in the Taiwan Strait, that will not only be a futile act, but it also will make the situation all the more complicated." These comments were standard warnings against foreign interference in the Taiwan issue and did not represent a new policy.

Q: **Can you comment on Chinese "threats" against U.S. forces operating near Taiwan?**

A: I will not comment on specific movements of U.S. naval assets. However, our naval presence is a prudent effort to show our interest in sustaining peace and stability in the Taiwan Strait.

(If pressed): The U.S. reserves the right to move its naval forces in international waters at any time.

THE OKINAWA RAPE

Background: On March 17, a Okinawan woman was raped by an unidentified assailant. She was treated for knife wounds and reported to police that her assailant was a young non-Japanese person, but she has not been able to identify him from various records from the U.S. military.

Q: How do you comment on the most recent rape incident on Okinawa?

A: We are aware that a rape was reported over the weekend. There is no evidence to indicate that a servicemember was involved.

Because the alleged incident occurred outside the jurisdiction of the military, the matter is being investigated by the Okinawa City Police. They have assumed jurisdiction of the reported incident.

Military investigative services are cooperating with the Okinawa City Police.

TAIWAN ARMS SALES

Background: The annual arms sales talks with Taiwan take place this week in Washington. There likely will be reporting that Taiwan is requesting expedited sales and deliveries of new weapons systems. Taiwan's wish list includes a number of weapons systems which we believe they do not need to sustain an adequate defense. The situation in the Taiwan Strait has not led us to conclude that we should accelerate sales of new systems or deliveries of past purchases. Taiwan is having difficulty absorbing military technology it already has received.

Q: Will the U.S. be providing new weapons systems to Taiwan as a result of the arms sales talks taking place this week?

A: In accordance with U.S. law (the Taiwan Relations Act) the administration and the Congress determine which defense articles and services Taiwan needs in order to maintain a sufficient self-defense capability.

We have an annual process through which we discuss these issues with Taiwan.

This year's talks are scheduled for 19 March. This date was set some time ago through normal and routine scheduling consultations.

Both the U.S. and Taiwan authorities agree not to discuss the specific details of the talks. Announcements of any sales approved by the U.S. and agreed to by Taiwan will be notified to Congress and announced in normal fashion.

CHINESE THREAT TO USE NUCLEAR WEAPONS AGAINST LOS ANGELES

Points

- **We will continue to monitor the situation in the Taiwan Straits very closely.**

- We have had a series of high level meetings during the past several weeks with the Chinese. We have made clear our position on rising tensions in the Taiwan Straits.
- During all of these meetings we have urged the Chinese government to exercise maximum restraint.
- At no time have the Chinese threatened military action against the United States.

If asked where the reports of these threats came from:

- There never has been any official communication with the United States government or any of its representatives.

NORTHERN IRELAND

Meetings and Events March 15

- Every year for St. Patrick's Day, we celebrate the special ties between the U.S. and Ireland. Prime Minister Bruton met with the President on March 15, after which the Prime Minister presented the President with the traditional crystal bowl of shamrocks.
- A number of Northern Ireland party leaders were here for the evening's reception, including UUP leader David Trimble and his colleagues John Taylor and Jeffrey Donaldson, SDLP leader John Hume and Alliance Party leader John Alderdice. NSA Lake held meetings with the party leaders (separately).

If asked about a meeting with Adams

- We remain in contact with Adams, as with all the party leaders. Beyond that, I am not going to go into details.

Loyalist Statement Warning of Retaliation for IRA Attacks

- Praise loyalists restraint to date.
- Hope that loyalists will continue to stand firmly against violence as they have done so far. Do not believe that responding to violence with violence is right or effectual; will only increase the toll of death, destruction and hatred.

IRA Claims Responsibility for Bomb in Dumpster March 9

- We condemn the latest act of terrorism. Fortunately no one was hurt.
- No excuse or reason for campaign of violence. Will lead nowhere but to destruction and hatred.
- Only way forward is thorough political process. Talks begin June 10 -- cease-fire must be restored.
- We support the efforts of the two governments to move to talks so a lasting and just settlement can be achieved.

U.S. Response to Bombings

- Strongly condemn attacks. Hope those responsible brought to justice swiftly.
- Sympathy and prayers go out to victims and their families.

- Deeply concerned that IRA has resumed violence. People of Northern Ireland clearly want peace. No one has right to deny them that.
- Cannot allow terrorists to derail a peace process so overwhelmingly supported by the people of Northern Ireland.
- Will do everything we can to assist the two governments in continuing their search for peace.
- Note that loyalists paramilitaries have shown restraint in not responding to the breach of the cease-fire and the bombs in London.
- Welcome the firmness they are showing, which accords with the wishes of the people of Northern Ireland for peace.

Response to IRA Statements

- Call on those who have resorted to violence to restore the cease-fire immediately.
- Another “25 years of war” would be senseless and incomprehensible. Only negotiation and dialogue can achieve a just and lasting settlement in Northern Ireland.
- Setting of date for all-party talks of June 10 is a milestone for the peace process. Call on all parties to take full advantage of this opportunity to achieve a just and lasting settlement.

IRA Reiteration of No Cease-Fire

- If raised: The peace process is continuing; we hope the IRA will recognize that that is the way forward and restore the cease-fire.

“Proximity Talks”

- (Note: Sinn Fein delegation was refused admittance in accordance with British and Irish policy of no ministerial contact): Understand that British and Irish government policy is not to have ministerial contacts with Sinn Fein until the cease-fire is restored. Contacts at the official level continue, and we hope Sinn Fein will make its views known through those channels.
- Hope that the unionist parties will take full advantage of this opportunity for dialogue on how to move the peace process forward.

Adams Visa

- Have issued Adams a three-month multiple-entry visa.

- Has undertaken not to raise funds. If he did, we would revoke his visa.
- Adams will travel to U.S. at critical time for peace process. Vital that cease-fire be restored. Important that he hear how anxious American people for peace in Northern Ireland.
- Believe Adams has a vital role to play in advancing the process.

Do you have any regrets about issuing Adams a visa or your involvement in the peace process?

- No regrets about support we have given and will continue to give to search for lasting peace in Northern Ireland. Many people are alive today because of the 17-month cease-fire. People have new hope and confidence in the peace process, in spite of the resumption of violence.

Is Adams in control of the IRA?

- Do not have insight into inner workings of IRA, but believe Adams is influential within republican movement.

U.S. Role

- President stays in touch with two prime ministers by phone and letter. Spoke with them February 23 on their efforts to get peace process back on track.
- NSA has been in close touch two governments and party leaders (including Gerry Adams) all along, and on an intensified basis since the cease-fire was broken.
- Have urged them to keep eye on goal of inclusive negotiations leading to just and lasting peace. Have also vouched for good faith of two governments.

White House Meetings?

- Since the cease-fire was broken, we decided there will be no meetings with Adams at the White House or other government departments.
- No plans for meetings with any other USG officials.

Major/Bruton Announcement

- Pleased with announcement, which is a significant step forward for the peace process. President has issued a statement welcoming it.
- Process provides clear path to substantive all-party negotiations on a lasting settlement starting June 10.

- Continue to call on those who have resorted to violence and terror to respect the wishes of the people of Northern Ireland and restore the cease-fire.
- If asked about Sinn Fein or SDLP opposition to elections: Understand that the elective process will include all parties in Northern Ireland. We would hope for the widest possible participation in all aspects of the process leading to talks.
- If asked: We do not have a view on what kind of elective process is appropriate for Northern Ireland. That is a matter primarily for the parties and the British Government. But we call on the parties to participate fully in the process announced as the best chance of creating a lasting peace.

President's Phone Calls

- President spoke with both Prime Minister Major and Prime Minister Bruton on February 23 to discuss their efforts to get the Northern Ireland peace process back on track. He reiterated his commitment to supporting that effort.

Fundraising

(Background: The Financial Times ran an article February 20 implying that there was something unexpected or sinister about the fact that some of the funds raised had been transferred to Ireland. **Friends of Sinn Fein is suing the FT over that report.** Way the system works is that some of the funds are used for expenses of local Sinn Fein office; some is transferred to bank in Dublin for political expenses of Sinn Fein in Ireland. That has been the understanding since permission to fundraise was granted in March of 1995.)

- DOJ and Treasury monitor funds raised here by Friends of Sinn Fein. For details on how the system works, I refer you to them.

Sinn Fein Currently Fundraising?

- There are currently no Sinn Fein fundraisers with visa waivers in the U.S.

Troops Back to Northern Ireland?

(Background: HMG is sending 500 troops back to Northern Ireland. They had withdrawn 1600 during the cease-fire.)

- British are responsible for security in Northern Ireland.

Why did Adams call Lake February 9? Did Lake have advance warning?

- He alerted us to disturbing rumors he was hearing, but nothing specific.

- Call came shortly before the bomb went off.

BOSNIA/CROATIA

Christopher Meeting in Geneva with Balkan Presidents

- **Leaders of Bosnia, Croatia and Serbia meeting today in Geneva at invitation of Secretary Christopher. Contact Group representatives, Italian EU Presidency, Carl Bildt and military commanders are also participating.**
- **Aim is to give impetus to next phase of implementation of Dayton accords, now that initial military withdrawals have been completed.**
- **Secretary Christopher will report on results when meetings conclude later today.**

Arson and Looting in Sarajevo Suburbs

- **We condemn the violent incidents and the wanton destruction of property Bosnian Serbs have left in their wake, most recently in Grbavica over the weekend. We regret that a large number of Bosnian Serbs have left Sarajevo.**
- **Ultimate responsibility lies with Bosnian Serb leaders in Pale who have stirred up fear and distrust in the suburbs with the aim of forcing all Serbs to leave the capital.**
- **Transfer to Federation of control over Sarajevo suburb of Ilidza (ee-LEED-jah) has been completed. Turnover of Grbavica (gur-ba-VEET-sa) will be completed tomorrow, March 19.**
- **The ability of all Bosnian citizens to return to their homes is a central tenet of the peace process. We hope as transition progresses the citizens of Sarajevo will realize the importance of a unified city and that many Serbs will remain or return.**
- **Bosnian government has worked hard to persuade the Bosnian Serbs to stay. They have granted general amnesty; delayed deployment of armed forces into suburbs by several weeks; agreed to a multiethnic police force; and conducted an extensive media campaign assuring Serb residents of their safety.**

IFOR Role in Sarajevo Suburbs

- **IFOR and the International Police Task Force have increased their presence in Ilidza and Grbavica in order to secure utilities and other facilities and to provide IFOR security for firefighters.**
- **But limit on how much IFOR can do given its limited resources. IFOR not meant to serve as police force.**

Equip and Train.

- **As we have said before, U.S. is leading effort to provide Bosnian Federation with self-defense capability for future.**

- Believe pursuit of equip and train program for Federation complements the arms reduction process mandated by Dayton and contributes to a stable military balance. Will facilitate IFOR's safe departure at the end of the deployment period.
- One reason why we are taking lead is to ensure that equipping and training is carried out by pro-Western coalition rather than radical states such as Iran.
- The U.S. and Turkey co-hosted a conference in Ankara on Friday to give impetus to the equip-and-train effort and to coordinate the contributions of potential donors. U.S. delegation was headed by Deputy Secretary of State Talbott.
- At that meeting, U.S. announced plans to provide various kinds of defense articles and equipment under the \$100 million drawdown authority established by the Congress. Includes communications equipment, rifles and other small arms, tanks and APCs.
- U.S. offer fully consistent with Dayton arms control provisions and UNSC resolutions. Delivery of heavy weapons cannot begin until full lifting of arms embargo in June, but training and delivery of small arms can begin now.
- Disappointed that more substantial pledges of support for the equip-and-train effort were not forthcoming in Ankara. But this is only beginning of process, and we will step up our efforts to secure broad participation in the program.

If asked about European opposition to equip and train

- Our European Allies have voiced reservations about our commitment to equipping and training Federation forces, and EU members states have agreed to continue to observe the arms embargo at least until IFOR departs.
- We and our allies fully agree on the need to seek a stable balance among the parties to the Dayton accords at the lowest possible level of armaments.
- But even with the full implementation of the arms reduction provisions of Dayton, Federation forces will still be at a major disadvantage vis-à-vis the Bosnian Serbs -- hence the importance of providing the Federation an effective self-defense capability.

Funding for Bosnia

- The Administration sent to Congress a \$991 million reprogramming request to fund a major portion of Bosnia operations. The Administration also sent an additional supplemental/rescission request to the Congress, and will send an additional reprogramming request at a later date, to fund the remainder of these operations through September 30, 1996.

Where will funds come from? How much?

- This reprogramming action is financed by inflation savings resulting from revised economic assumptions. The supplemental/rescission action will be financed from classified intelligence programs, while the source of the second reprogramming request is not yet identified. The total amount required for U.S. Bosnia military operations in FY 1996 is just under \$2 billion
- The EU and the World Bank are responsible for coordinating donors' support for Bosnia.
- The \$200 million rescission/supplemental package, presently before Congress, is essential to the overall international reconstruction effort.
- Although the Europeans are expected to donate the bulk of the needed funds, the U.S. contribution will be important for creating momentum for the International Donors' Conference in April and demonstrating our credible commitment to the people of Bosnia. If Congress does not approve our contribution, then the international donors' conference in April will probably fail.

Reconstruction

- The World Bank approved a plan for Bosnia to become a member of the Bank and expected to lend the country \$450 million over the next four years.
- We welcome the decision. This is another important step toward recovery, stability and peace. Helps pave the way for the upcoming Donors' Conference in April.

IFOR Support for Civilian Implementation

- NATO, SACEUR, High Rep Bildt, and civilian implementation officials are discussing how IFOR can help support civilian aspects of implementation within the limitations of IFOR's primary mission and available resources.
- IFOR Commanders have the authority for supporting tasks, including provision of assistance to War Crimes Tribunal and other international organizations in their humanitarian missions.

Removal of Head of Bosnian Security Agency

- We have made clear to Bosnian officials that Bosnian relations with Iran beyond normal diplomatic relations do not contribute to regional stability. These ties also impede the development of our relations with Bosnia.
- The presence of any terrorist training elements is unacceptable.
- The Bosnian government has assured us that all such activities will come to an immediate halt.
- **Removal of Alispahic, the Head of Bosnian Agency for Investigation and Documentation's (BAID), is encouraging given evidence of BAID's continued links with Iranian forces and intelligence personnel.**

- The Dayton Agreement is very clear. It requires that all foreign forces, including individual advisors, freedom fighters, trainers, volunteers, and personnel from neighboring and other States be withdrawn from Bosnia-Herzegovina.
- The discovery of the suspected terrorist training site at Fojnica was clear evidence that foreign forces were still operating in Bosnia-Herzegovina despite assurances by BAID to the contrary.

Request to Serbian officials by Tribunal to hand over War-Crimes Suspects

- The parties agreed at Dayton and reaffirmed their commitment in Rome to comply with any order or request of the Tribunal for the arrest, detention, surrender of or access to persons involved in committing war crimes.
- We expect that all parties will honor their commitments to the Dayton Accords. **This is a key item on Secretary Christopher's agenda in Geneva today**
- The issue of the two Serbs who have admitted to involvement in the Srebrenica atrocities was raised by Assistant Secretaries of State Shattuck and Kornblum when they met with President Milosevic in Belgrade **last week**.
- Shattuck met with the two suspects, and they were interviewed by a representative of the War Crimes Tribunal as well.
- We are encouraged by Milosevic's cooperation and expect him to follow through on his assurance that the two suspects will be transferred to the Tribunal in The Hague.

RUSSIA/NIS

Current Items

Duma Vote on Belovezhskoye Accords

- On March 15 Duma passed nonbinding resolution to repeal Supreme Soviet's ratification of December 1991 Belovezhskoye Accord, which led to dissolution of USSR. Duma also approved second nonbinding resolution to recognize March 17, 1991 referendum that called for preservation of Soviet Union.
- Neither resolution has any legal effect. Yeltsin has denounced them as unconstitutional, irresponsible and inflammatory. Yeltsin stated that integration among NIS should be voluntary, with respect for individual states and without pressure from any side.
- U.S. recognizes NIS as sovereign and independent nations and deals with them as such. Reject any attempt to call into question their sovereignty.
- Support good, cooperative relations among NIS. As for integration, should be based on equality, voluntary and outward-looking.

Russian Poultry Sanctions

Background. Wires out of Moscow have carried comments by Russian officials this morning (March 18) that initially put progress on the poultry trade issue in question. AP originally ran a story quoting Deputy Prime Minister Alexander Zaveryukha saying the suspension on existing U.S. licenses would not be lifted until concerns over salmonella were resolved. Reuters later ran a story softening this position and quoting Russia's chief veterinary inspector, Vyacheslav Avilov, saying Russia would meet this week in the U.S. to formalize granting new licenses and resolving any remaining hygiene issues. Avilov specifically refuted Zaveryukha saying existing U.S. shipments would be allowed to enter the country.

Points

- We believe that U.S. poultry, and its inspection system, are as safe and rigorous as that of any poultry-producing nation in the world.
- We have received conflicting press reports concerning statements by Russian officials regarding U.S. poultry imports, some, more forthcoming than others.
- Russian officials have confirmed they will arrive in Washington this week to discuss food safety and tariff issues related to U.S. exports of poultry to Russia.

- **We do have recourse to Section 301 (under 1974 Trade Act), and currently the Administration is examining modalities for their potential application.**

Alleged "Zavtra" Transcript of January 26 POTUS-Yeltsin Telcon

- The President and Yeltsin spoke by phone on January 26. White House Spokesman McCurry summarized the main points of the call at that day's press briefing.
- We do not comment in detail on private diplomatic exchanges between the President and other leaders and do not intend to comment on the veracity of the alleged transcript.

Berger/Talbott Travel

- Berger, Talbott traveled to Baku, Yerevan, Ankara March 13-15 to explore ways to promote regional peace efforts and to discuss Caspian basin energy development. **Had very good talks in all three capitals.**

General Items

\$10.2 Billion IMF Program for Russia, Impact of Protectionist Measures

- IMF-Russia agreement sets clear course for next stage of Russian reform. Encourage Russia to follow through with key policy steps they agreed to take prior to IMF board's final approval of program in late March/early April. Have noted with concern recent statements on protectionist measures that could violate IMF conditions.
- If Russia follows through with its commitments, expect that, by time IMF board meets to approve program, Russia will have had three months of solid economic performance in 1996, building on exceptional performance in 1995 when Russia met or exceeded all IMF targets.
- Commend IMF focus on good economic policy. Program sets forth economic guidelines we would back for any government. Once in place, program entails monthly performance reviews that trigger monthly disbursements; carefully paced cash flow tied to performance.

Russian Presidential Election

- June election for Russian people to decide, exercising democratic habits that are increasingly taking hold in their country. Not for us to intrude on choice of future Russian leader. As elsewhere, we will work with any democratically-elected leadership on the basis of its policies.
- We remain steady in our policy of active engagement with Russia to support democracy, economic reform and Russia's integration, and to promote cooperation to advance common foreign and security policy goals.

- Working to advance common interests: nuclear disarmament; detargeting; new trade, investment opportunities. Engagement remains in strong interests of both nations.

Chechnya

- Strongly believe cycle of violence must be broken. Our consistent position has been that only reliable path to peace is negotiated settlement that takes interests of all parties into account.
- Thus hope that Russian government, as it has previously indicated, will soon put forward plan for peaceful resolution to Chechen conflict that addresses interests of all concerned.

Russia and NATO

- U.S. and Russia have different views on logic of NATO enlargement. Have ongoing dialogue with Russians on this issue.
- For our part, we intend to manage enlargement process in deliberate, transparent manner that strengthens security, stability of Europe as a whole. Russia a key player in building stable, undivided Europe. Our goal is to develop strong, cooperative NATO-Russia relationship in parallel with NATO's process of taking in new members.

LOOSE NUKES: SECURITY OF NUCLEAR MATERIALS IN THE FSU

- Administration aware of and working to address concerns over security of nuclear materials in the Former Soviet Union.
- Our concern reflected in \$70 million FY-96 budget for improving nuclear materials security in FSU and plans (detailed in recent GAO report) for \$400 million program over 7 year period.
- Cooperative programs currently underway with all appropriate governments. Cooperation by host nations -- including Russia -- is excellent.
- Nuclear material security frequent topic of discussion by Presidents Clinton/Yeltsin and Vice President Gore/Prime Minister Chernomyrdin. VP and PM recently submitted joint report to Presidents on our cooperative efforts -- see Hyde Park statement.
- **Last year, President Clinton consolidated overall management of programs to improve nuclear material security in NSC.**
- Rate of progress is extremely rapid -- information correct just months ago is seriously dated today.
- Over the past year, agreements put in place and work started at more than 35 locations in Russia and FSU, or about 75% of all known locations where weapons-useable material believed to be stored.
- Over past year, U.S. and Russia completed projects protecting more than 8 tons of material -- enough for hundreds of nuclear bombs. In past six months, U.S. and Russia agreed to improve nuclear material security at 17 additional locations, including some large defense-related facilities.
- **Administration agrees with need for funding; current FY-97 budget request is \$95 million; call on Congress to support Administration's efforts.**
- U.S. experts never denied access at any facility where we have agreement on improving in nuclear material security.
- While valuable, Harvard/Graham Allison study cited by Washington Times based on data collected a year ago and fails to reflect many developments. Even new GAO report based on data collected several months ago.
- **For up-to-date information on on-the-ground efforts, direct you to Department of Energy.**

NIGERIA: SANCTIONS

Q: Are we seeking tougher sanctions against Nigeria?

A: Since the annulled elections in 1993, we have been engaged in close consultation with the international community on the full range of issues and options related to Nigeria.

The U.S. imposed additional measures against Nigeria following the execution of Ken Saro-Wiwa and his eight colleagues. At that time, we indicated we would review further measures to move Nigeria towards democracy; that review process continues.

We are actively considering various measures. All options remain on the table. Nothing has been ruled out.

Q: With whom are we consulting? What has been their response?

A: We are consulting with our allies, African governments, American business groups, and the broader international community.

I am not going to discuss the specifics of our diplomatic exchanges.

Q: What types of sanctions are under consideration? Do they include banning all new foreign investment in Nigeria, freezing of Nigerian leaders' financial assets in foreign countries, a sports ban, and/or a ban on cultural contacts?

A: The United States is continuing to keep all options under review that could possibly persuade the Government of Nigeria to quicken its pace toward democratic transition and to respect the human rights of the Nigerian people.

I'm not going to either confirm or deny any specific measures under consideration. All economic and non-economic options remain on the table. Nothing has been ruled out.

We believe that multilateral measures would be most effective in sending a message to the Nigerian Government, but we have not ruled out unilateral action.

Q: What sanctions has the U.S. already imposed on Nigeria?

A: To demonstrate U.S. concern over Nigeria's lack of progress toward democratization, we instituted visa restrictions and banned arms sales.

To demonstrate U.S. concern over Nigeria's lack of cooperation in counternarcotics efforts, we terminated all aid except humanitarian/democratization aid through non-governmental entities, and suspended consideration of Nigeria's applications for Exim and OPIC financing.

Nigeria was again denied certification on March 1, 1996.

Q: What about an oil embargo?

A: In order to be effective, an oil embargo would have to be multilateral.

Q: What are your views on Shell's offshore oil exploration and other oil and gas-related investments by other companies, including the American firm, Mobil Corporation?

A: We believe that now is not the time for new investments to go forward.

(If asked) We have listened to the concerns of American businessmen, and we have made our concerns known to them.

Q: What is U.S. policy towards Nigeria?

A: The U.S. seeks to promote the earliest possible restoration of civilian, democratic government and respect for human rights in Nigeria.

We remain concerned about the length of the transition period, about arrests of critics of the government, and about incidents of violence.

Ambassador Carrington returned to Nigeria on March 3 to convey our views to -- and to continue our discussion with -- the Nigerian leadership on what is needed to move forward with a credible democratic transition in Nigeria.

As Ambassador Carrington said, his return does not signal any lessening of U.S. concerns over the transition process or human rights. Nor has it lessened our determination to persuade the Nigerian leadership to reconsider its current policies.

CUBA

Helms-Burton

- We worked with the Congress and thanks to the determination of Congressman Bob Menendez were able to reach common ground on Helms-Burton in an effort to increase the pressure on Fidel Castro and to underline and ensure united bipartisan support behind U.S. Cuba policy. The President signed the bill Tuesday morning. The bill:
 - Codifies the current economic embargo against Cuba.
 - Preserves the October 6 Track II measures of the Cuban Democracy Act.
 - Gives Cuban-born U.S. citizens the right to sue in U.S. courts those who have acquired expropriated property.
 - Permits the President to invoke a waiver of this (Title III) measure that would delay its implementation six months at a time. The bill takes effect on August 1. The President must decide by mid-July. The President has made no determination as to whether he will waive this provision, expect that decision will not be made for some time.
 - Denies entry to those who own or traffic in expropriated property as defined by the bill. This applies to corporate officers, principal owners, or controlling-share holders and their spouses and children. Applies to new activity only, not to existing activity.

DEFENSE BUDGET

Background: AP reported that in testimony before Congress on Wednesday that the Service Chiefs "took issue" with the Administration's defense budget and disagreed with a proposed cut in weapons spending. The article reports that under questioning each Service Chief acknowledged that he had recommended to Secretary Perry that the modernization (procurement) account of the defense budget be increased to \$60 billion by FY 1998. The Administration's procurement budget is \$38.9 billion for FY 1997 -- \$3.4 billion less than last year -- and reaches \$60 billion in FY 2001.

Points

- The Administration is committed to meeting the modernization requirements necessary to maintaining the best military in the world. That is why the President:
 - Added \$25 billion in December 1994 to the defense budget over the next six years.
 - This year gave Defense \$30 billion more in budget authority over six years out of the \$46 billion which could have been cut from the defense budget because of inflation savings.
- The procurement budget has decreased in real terms every year since 1985, as every Administration since 1985 took advantage of the huge procurement buys in the early Reagan years in order to defer large-scale recapitalization of U.S. forces.
- However, the Clinton Administration reverses this downward trend, embarking upon the modernization of the force with real growth in procurement funding beginning in FY 1998 and increasing to \$60.1 billion by FY 2001 -- 40 percent higher in real terms than that requested in FY 1997.
- Secretary Perry said on March 4 that he "...is quite comfortable with the capability -- military capability -- that will result from this program....not just for next year, but into the Future Years Defense Program...".
- All the Service Chiefs agree with General Shalikashvili's statement that he would "prefer to see a target date of sooner rather than later for meeting the \$60 billion procurement goal." However, as the Chairman said, "it is more important that we have set such a target and commit ourselves to it" and that, "The challenge is to maintain readiness and force structure, procure the enhancements to our force and to get on with recapitalization of the force all within the current defense top line."

LANDMINES

Background: The New York Times reported on Sunday that the Pentagon was conducting a new review of our policy on anti-personnel mines policy and that General Shali reportedly favors a complete ban on these weapons. Recently-passed Leahy legislation banning use of anti-personnel mines for one year beginning in 1999, except along international border and DMZs, has indeed led to a fast track internal review of existing policy. The first stage of that review is internal to the Department of Defense and is still underway.

Points

- As the President made clear in his 1994 speech to the UN General Assembly, he is committed to the eventual elimination of anti-personnel landmines (APL).
- As a first step, the U.S. is leading the way to strengthen laws governing APL use and has proposed a regime to restrain their transfer, production and stockpiling.
- In light of the new legislation imposing a one-year ban in 1999 on the use of all APLs except in marked minefields along international borders or in demilitarized zones, and the ever-growing danger these weapons pose to civilians and U.S. military personnel, the Administration is reexamining its policies on APLs.
- The first part of this review is now underway in the Pentagon, led by General Shalikashvili. Cannot comment on the review until it is complete.

NAFTA: ASSESSING THE RECORD

January 30, 1996

NAFTA expands access for U.S. products in the markets of two of our top three trading partners, creates jobs, and raises standards of living. Mexico's current economic problems make NAFTA more important than ever in safeguarding U.S. jobs and income. Without NAFTA, the current trade situation with Mexico would be far worse for both the United States and Mexico.

NAFTA has been a success.

Since NAFTA began, U.S. exports to Mexico have risen, U.S. wages have increased, and exports to our NAFTA partners have created nearly 310,000 jobs, despite Mexico's financial crisis. In NAFTA's first year alone, trade among the NAFTA partners grew by 17 percent -- an increase in trade of more than \$50 billion.

U.S. merchandise exports to Mexico and Canada grew by 16 percent in NAFTA's first year -- over twice as fast as U.S. exports to the rest of the world. And over the first ten months of 1995, our NAFTA exports grew nearly 24 percent over the same period for 1993. U.S. exports of autos, semiconductors, machine tools, and even apples surged as Mexican trade barriers came down.

NAFTA gives U.S. farmers preferred access to an enormous and rapidly growing market. In 1994, agricultural exports to Canada and Mexico reached a record \$4.5 billion, up 25 percent from the previous year.

NAFTA means better jobs for American workers. Merchandise exports to Canada and Mexico currently support an estimated 2.5 million jobs. These export-related jobs pay 13 to 17 percent more than the average wage.

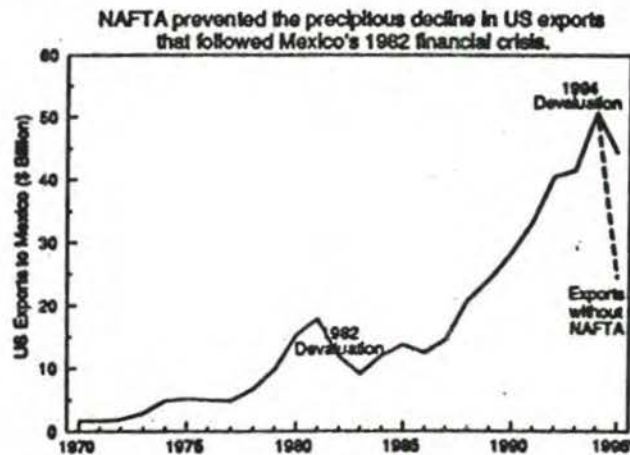
NAFTA's tariff cuts have expanded opportunities for U.S. exporters in Mexico. In 1992, 12 U.S. corporations formed a business consortium -- *AGC Affiliated* -- to promote the development and international sales of mobile cogeneration units (MCUs), an innovative energy device that is used by industries ranging from textiles to automobiles. NAFTA has cut Mexican tariffs on MCUs by 50 percent, leading to a twofold increase in sales for AGC to Mexico and a tenfold increase in employment in Tulsa, Oklahoma.

NAFTA's services provisions have also helped to fuel increased U.S. exports. U.S. services exports to Canada have grown by one third since before NAFTA was signed, to more than \$15 billion.

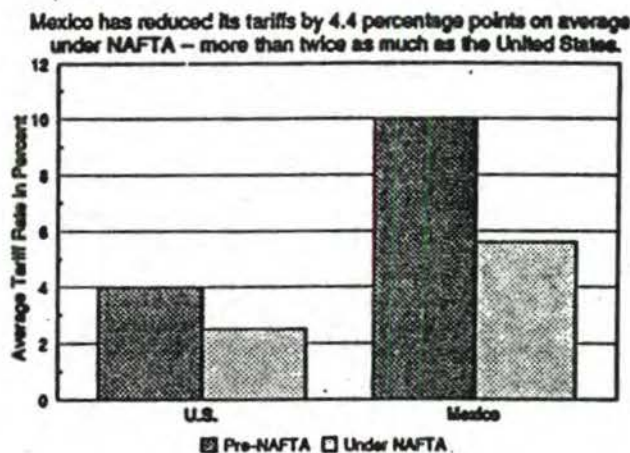
Without NAFTA, the impact of Mexico's financial crisis on U.S. jobs and income would be much worse.

NAFTA has helped to protect the over 700,000 American jobs that are supported by exports to Mexico.

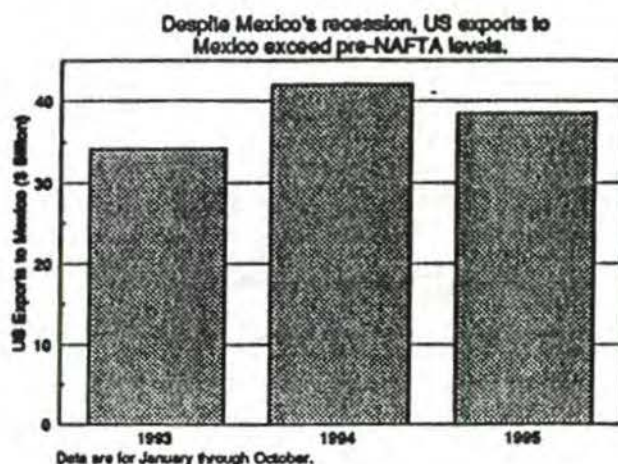
The best test of an agreement is how it works in bad times. Because of NAFTA, U.S. exports have fared much better this year than after the last Mexican financial crisis in 1982. In 1982, the Mexicans imposed 100 percent duties on American products, a move that cut our exports to Mexico in half. It took 6 years to recover. If the same thing had happened this year, U.S. exporters would have lost \$25 billion in sales and not recovered until the year 2000.



Instead of retreating into protectionism, Mexico is honoring its NAFTA commitments: it actually cut its tariffs on U.S. products in January 1995 in accordance with NAFTA provisions, and maintained existing NAFTA tariff cuts. In contrast, Mexico raised tariffs on some goods from non-NAFTA partners by 15 percentage points.



That is why U.S. exports have grown as a share of the Mexican market -- from 70 percent in 1994 to 73 percent in 1995, according to Mexican government statistics -- while the export share of other countries has fallen. That is also why, despite the recession in Mexico, U.S. merchandise exports to Mexico in the first ten months of this year were 13 percent greater than in the first ten months of 1993, before NAFTA was adopted.



Take the example of *Goulston Technologies* in North Carolina. Under NAFTA, tariffs on Goulston's lubricant products have fallen from 15 percent to zero. Far from losing sales during Mexico's recession, Goulston has gained *more* business because it now enjoys lower tariffs on its exports to Mexico relative to its foreign competitors. Increased business has led to an 8 percent increase in employment in this North Carolina-based company of 215 since NAFTA took effect.

The California-based *Panamax* company has seen its exports of surge protectors to Mexico increase *tenfold* over the last three years. The company's president, Henry Moody, reports that he expects NAFTA-generated sales alone to require an extra shift of production workers -- or 15 to 18 new U.S. jobs.

Despite the crisis, Mexico is going beyond its NAFTA obligations by liberalizing financial services and embarking on a round of further privatization in the transportation, telecommunications, and petrochemicals markets. This will create new opportunities for U.S. businesses and workers.

Independent forecasters predict a resumption of growth in Mexico as early as next year, which should restore strong export growth.

Because of Mexico's market reforms and the measures it has adopted under NAFTA, Mexico's improved economic fundamentals promise a faster recovery than in 1982. Private analysts forecast GDP growth of 2 to 3 percent next year. Since the U.S. supplies over two-thirds of Mexico's imports, the resumption of Mexican growth will translate into additional higher-paying export jobs for Americans.

Through NAFTA, U.S. interests in protecting workers' rights and cleaning up the environment in North America are addressed in an open and constructive manner. Without NAFTA, there would be no mechanism for addressing these issues.

NAFTA is the first comprehensive trade agreement to include provisions on labor and environmental issues related to trade. These provisions ensure that expanded trade fully supports the improvement of labor and environmental conditions and the enforcement of national labor and environmental laws.

As a result of the NAFTA labor agreement, the Ministers of Labor of the three NAFTA countries have had two council meetings in which they discussed a broad range of issues, including union registration, health and safety, and wage and compensation issues. In addition, 5 submissions related to the enforcement of labor law in Mexico and the United States have been reviewed. This review process provides an important mechanism for Mexican and American workers to raise concerns about labor law enforcement.

In the past two years, the United States and Mexico have made enormous progress in protecting our environment and our public health -- thanks to efforts set in motion by NAFTA's environmental agreement. Our nations are cooperating to build a stronger infrastructure to protect public health and the environment. The institutions established by NAFTA are working with affected state and local governments and the public to develop solutions to environmental problems such as unsafe drinking water and inadequate municipal waste disposal and sewage treatment affecting border communities in Texas, New Mexico, California, and Arizona.

NAFTA makes both economic and environmental sense. For example, Mexico's much-strengthened pollution controls have resulted in an increased need for U.S. technology and expertise. Last May, Mexican officials joined with executives from the California company, *U.S. Filter*, to inaugurate a 13.8 million-gallons-per-day wastewater treatment plant for the Mexican city of Cuernavaca. Construction of the plant was spurred by a combination of stepped-up enforcement of Mexican water pollution control regulations and liberalized foreign investment rules under NAFTA. This project supports 50 jobs back home in the United States.

NAFTA makes an essential investment in our future by promoting vital U.S. interests in Mexico and throughout the hemisphere.

America has a vital stake in a sound democratic government and an open and prosperous economic system in Mexico. The shared 2000-mile border dictates that we will inevitably be affected by developments in our large, populous neighbor to the south. Our challenge is to help shape change in Mexico in ways that benefit both Mexicans and Americans. By raising growth and living standards south of the border, NAFTA will help to reduce immigration pressures and improve cooperation on a wide range of other issues, such as counternarcotics.

The United States and Mexico have a historic relationship. We cooperate on issues ranging from law enforcement to the environment and from trade to education. The United States and Mexico have a common interest in ensuring stability and economic prosperity throughout the hemisphere.

The continued success of our commercial and political relationship with Mexico is pivotal for the success of our relationships with countries further south. NAFTA helps to assure that the forces of economic liberalization and market opening prevail into the next century throughout the hemisphere. The emergence of rapidly growing, market-oriented economies in Mexico and further south will make an important contribution in ensuring a fully employed, high-wage, and prosperous economy at home. The rapidly growing middle class population of Latin America generates demand for the types of goods and services the United States makes best.

AMERICA'S CHALLENGE

*Background on President Clinton's
State of the Union Address to Congress
January 23, 1996*

1. **CHALLENGE ON FAMILIES:** Cherish our children and strengthen the American family.
2. **CHALLENGE ON EDUCATION:** Renew our schools for the new century and open wide the doors of college.
3. **CHALLENGE ON ECONOMIC SECURITY:** Provide new security for the American family in the new economy.
4. **CHALLENGE ON CRIME AND DRUGS:** Join together to take back our streets from crime, gangs and drugs.
5. **CHALLENGE ON THE ENVIRONMENT:** Protect the environment for future generations.
6. **CHALLENGE ON WORLD LEADERSHIP:** Meet our responsibility to lead the fight for freedom and peace.
7. **CHALLENGE ON GOVERNMENT :** Reform our political system and make government work for the people.

AMERICA'S CHALLENGE

*President Clinton's State of the Union Address to Congress
January 23, 1996*

CHALLENGE ON FAMILIES

- Challenge fathers to care for their children.
- Cut-down on TV violence.
- Protect our children from tobacco.
- Child support enforcement
- National campaign against teen pregnancy.
- End the tragedy of domestic violence.

CHALLENGE ON ECONOMIC SECURITY

- Raise the minimum wage.
- Preserve the Earned Income Tax Credit.
- \$500 per child tax credit.
- Protect workers' pensions.
- Protect Medicare and Medicaid.
- Make health care portable and eliminate pre-existing conditions exclusions.

CHALLENGE ON WORLD LEADERSHIP

- America as Peacemaker, not isolationist and not global policeman.
- Ratify Start II Treaty to cut nuclear stockpiles by another 25%.
- Pass Comprehensive Test Ban Treaty.
- Approve Chemical Weapons Convention.
- Pass Anti-Terrorism Bill to give law enforcement greater power to fight terrorism at home and abroad.

CHALLENGE ON EDUCATION

- Higher standards and public school choice.
- Educational Technology Initiative.
- Expand college work-study to more than 1 million students.
- \$10,000 tax deduction for college tuition.
- \$1,000 college merit scholarship for top 5% of high school graduates.

CHALLENGE ON CRIME AND DRUGS

- Challenge states to meet 85% truth-in-sentencing.
- Direct FBI to wage war on gangs that involve juveniles in violent crime.
- "One-Strike-and-You're-Out" in Public Housing.
- Appoint General McCaffrey as Drug Czar.

CHALLENGE ON THE ENVIRONMENT

- Brownfields Initiative to clean up contaminated sites in distressed areas.
- Project XL-- Challenge businesses to find cheaper ways to meet tougher standards.
- Expand and strengthen citizens' Right-To-Know about toxic chemicals in their communities.

CHALLENGE ON GOVERNMENT

- Executive Order revoking federal contracts of businesses that hire illegal workers.
- Continue Reinventing Government -- creating the smallest, smartest government in 30 years.
- Enact McCain-Feingold real campaign finance reform.

6. CHALLENGE ON WORLD LEADERSHIP: *Meet our responsibility to lead the fight for freedom and peace.*

President Clinton has continued the strong tradition of American leadership in the world that has brought our people 50 years of security and prosperity. He has addressed the challenges of today: ethnic and religious hatreds; aggression by rogue states; the spread of weapons of mass destruction; terrorism; crime; drug trafficking; environmental decay -- because problems that start beyond our borders can quickly become problems within them. The United States cannot be the world's policeman, because our reach and resources are limited. Instead, where our interests and values demand it -- and where we can make a difference -- America takes the lead.

America The Peacemaker -- Not Isolationist, Not Global Policeman.

- ▶ We stayed engaged with Russia -- now there are no Russian missiles pointed at our cities or citizens.
- ▶ Our patient pressure persuaded North Korea to freeze its nuclear weapons program.
- ▶ By threatening to use force in Haiti, we gave democracy a second chance and stopped the flow of refugees to our shores.
- ▶ By standing with those who take risks for peace in Northern Ireland and the Middle East, we have helped people turn from conflict to cooperation.
- ▶ By opening markets abroad, we have created more jobs for Americans at home.
- ▶ By standing up for peace in Bosnia, we have helped end the worst atrocities in Europe since World War II.
- ▶ We are bringing the nations of Europe closer together, modernizing and preparing to expand NATO, working with Russia and revitalizing the economies of Central Europe and the Former Soviet Union.
- ▶ America is leading because we've kept our military strong and know when to use it.

Ratification of START II Treaty To Cut Nuclear Stockpiles By Another 25%.

President Clinton calls on the Senate to give its advice and consent to ratification of the Treaty Between the United States and Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms (START II) now. Before Christmas 1995, the Senate virtually completed debate on the Treaty and adopted a unanimous consent agreement that no further amendments to the resolution of ratification would be in order.

When ratified by Russia and entered into force, START II will require far-reaching nuclear arms reductions. In combination with the START I Treaty, START II will eliminate launchers that carried over 14,000 of the 21,000 warheads deployed when the START I Treaty was signed in 1991 -- a reduction of two-thirds. In addition, START II will eliminate the most destabilizing strategic nuclear arms -- heavy ICBMs and multiple warhead ICBMs. The President urges no further delay in reducing the nuclear threat to all Americans.

Supporting Resources for Leadership

America cannot lead without adequate resources. Some want to retreat in the post-card war era, while others want to lead on the cheap. Our ability to lead now faces a clear and present danger from efforts to drastically cut our foreign affairs budget. Such cuts could eliminate aid to some states of the former Soviet Union and hinder our efforts to reduce the nuclear threat; cripple our non-proliferation efforts; eliminate our contribution to peace operations, which can save us from deploying our own forces; limit our ability to promote peace in the Middle East; undermine our efforts to expand U.S. exports; and slash programs to wipe out production and smuggling of drugs that ultimately destroy our neighborhoods.

Support for these programs requires only 1% of the Federal budget. This is good investment for the American people -- and a good bargain.

America must maintain the best trained, best equipped, and best prepared military in the world. Together with a strong military, an adequately funded international affairs programs will preserve our security, expand our prosperity and advance democracy. The President calls on Congress to give us the resources we need to lead for peace.

Investing in All the People

by
Lawrence H. Summers

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This paper was prepared for the Quad-i-Azam Lecture at the Eighth Annual General Meeting of the Pakistan Society of Development Economists in Islamabad, Pakistan, in January 1992. The author is grateful to Dennis de Tray, Barbara Herz, Dale Hill, Lant Pritchett, Laura Raney, Sheryl Sandberg, and Kalanidhi Subbarao for valuable discussions and assistance in the preparation of this paper.

I am honored to have the privilege of addressing this distinguished conference. I have read about Pakistan's accomplishments and problems for many years and since coming to the World Bank I have followed your government's bold reform efforts closely. I feel fortunate to finally have the opportunity to visit your country.

I decided to speak today on "Investing In All The People" because an extensive body of recent research has convinced me that once all the benefits are recognized, investment in the education of girls may well be the highest return investment available in the developing world. And, as I will make clear, increasing the education of girls is an especially high priority for Pakistan.

Women's education may seem an odd topic for an economist to address. But enhancing women's contribution to development is as much an economic as a social issue. Economics, with its emphasis on incentives, provides a useful way to understand why so many girls are deprived of education and employment opportunities. And concrete calculations demonstrate that there are enormous economic benefits to investing in women.

In examining the links between women's education and development, I will make five main points that, taken together, provide a compelling case for action.

First, comparisons of the female fraction of the population in different countries suggest that as many as 100 million women are missing worldwide primarily due to higher death rates for young girls than boys. Higher death rates are symptomatic of a much more general pattern of female deprivation in the developing world, especially in South Asia.

Second, underinvestment in girls is not an ineluctable consequence of poverty, nor is it made necessary by any religious or cultural tradition. It is an economic problem that results from a vicious cycle caused by distorted incentives. The expectation that girls will grow to do little other than serve their husbands reduces parent's incentive to invest in their daughter's human capital. Uneducated women then have few alternatives and so the expectation becomes self fulfilling, trapping women in a continuous circle of neglect.

Third, increasing educational opportunities for girls offers the best prospect for cutting into this vicious cycle. As an economic investment, increased outlays directed at educating girls may well yield the highest return of all investments available in developing countries considering both private benefits and returns to other family members.

Fourth, experience suggests that female education programs are relatively inexpensive compared to other development investments and could quickly increase female enrollment rates.

Fifth, major initiatives to increase female education have the potential to transform society over time. If a larger fraction of girls had gone to school a generation ago millions of

Infant deaths each year could have been averted and tens of millions of families could have been healthier and happier.

The Problem of Excess Female Mortality

The experience of different countries as reflected in the statistical record provides a natural starting point for any discussion of development policy. I want to start with one of the most basic of all national statistics-- the demographic composition of the population. In examining these statistics, many observers have been struck by the differences between countries in what one might have expected to be a biologically determined constant-- the share of the population that is female. My Harvard colleague Amartya Sen has recently highlighted how large these differences are by calculating that worldwide more than 100 million women¹ are missing and labelling the fate of these women, "one of the more momentous problems facing the contemporary world."² This problem is symptomatic of an even larger problem of hidden underinvestment in the human development of the women who survive and are counted.

In the industrialized world females comprise over 51 percent of the population. In Sub-Saharan Africa the percent of the population that is female is a little bit lower, ranging from 50.9 to 49.2 percent (Table 1). Likewise, the percentage of females in Latin America ranges from 50.7 to 49.5 percent. But, as seen in figure 1, Asia in general and Pakistan in particular stand out in any examination of sex ratios. The female share of the population is 48.5 percent in China, 48.1 percent in India, and 47.6 percent in Pakistan-- the lowest measured share in the developing world.

Why are there such large differences in sex ratios across countries? As a matter of logic there are four possibilities-- differences between men and women in migration patterns, differences in the share of female babies born, differences in male and female population shares counted by census data, or differences in female survival rates. There is no evidence that differing patterns of migration between women and men can explain such large differences in national sex ratios, nor are there noticeable differences across countries in the share of female births.³ Claims that women are undercounted in certain societies are largely unsubstantiated

¹ Ansley Coale (1991), using slightly different assumptions about expected masculinity ratios, calculates that the total number of missing females is approximately 60 million. As Coale says, even this lower independent estimate "confirms the enormity of the social problem."

² Amartya Sen. "Women's Survival as a Development Problem." Comments prepared for the 1700th Stated meeting of the American Academy of Arts and Sciences on March 8, 1989.

³ There is some evidence that in higher income Asian countries modern medical technologies have been used to selectively abort female fetuses. Where selective abortion is not practiced, male births generally slightly outnumber female births. The median ratio of the number of male to female births in 24 countries in Europe from 1962 to 1980 was 1.059, with 71 percent falling between 1.055 and 1.064 (Chahnazarian, 1986).

and fail to explain differences in population ratios in nations of similar culture. It follows that discrepancies in the share of women in the population must be primarily a matter of differences in survival probabilities.

Direct analysis of mortality rates supports the proposition that discrepancies in female population ratios are caused by gender differences in survival probabilities (Table 2). These differences are most pronounced for girls and boys between the ages of 1 and 4. Moreover, these current mortality rates and examination of cohort data⁴ demonstrate that the present low female population ratios do not reflect excess female mortality that took place in the past but indicate an ongoing problem. The precise mechanisms which cause these discrepancies in mortality rates between boys and girls are not fully understood. But studies have found evidence of differential feeding, additional work burden inside and outside the home, and less attention during illness for girls than for boys. Women also suffer excess mortality due to the risks of childbearing. One third of all deaths among Pakistani women aged 15 to 49 are due to complications of pregnancy.⁵

Given that women get less than their share of the goods necessary for survival, it is hardly surprising that their treatment falls short in other respects (Table 1). There is a considerable tendency for various indicators of the relative treatment of women to be correlated across countries. I am afraid that Pakistan clearly illustrates this point. It lags badly on almost every indicator. As I have said, Pakistan has the lowest ratio of women to men, and among low income countries, the fifth lowest ratio of female to male primary enrollment, and the seventh lowest female/male ratio in secondary enrollment.

The Vicious Cycle of Deprivation?

Why are girls deprived in so much of the world and what explains the large variations across countries? These questions defy any simple answer. But even a cursory examination of the available information suffices to reject some explanations and to support others. It is a misconception that low female population ratios are an inevitable consequence of poverty. Africa has a far higher fraction of women than South Asia despite the fact that it fares equally poorly on measures of per-capita income and much worse on most other social indicators.

Comparisons between populations also allow us to rule out the notion that low female population ratios are unavoidable due to cultural tradition. It would be foolish to deny that culture has a role in explaining differences in sex ratios; any explanation of differing survival

⁴ Examination of the female population ratios for cohorts in 1951, 1961, and 1972 show near equal increases as the cohort ages from 0-10 years to 10-20 years, indicating consistently higher female mortality.

⁵ Senior Minister Begum Nusrat Bhutto. Inaugural Address. Safe Motherhood South Asia Conference. Lahore, Pakistan. March 1990.

rates for children must consider parents' aspirations for their sons and daughters, which obviously cannot be divorced from culture. Yet large differences in the treatment of girls exist between nations with important cultural similarities. To take just one example, the share of the female population in Indonesia is much closer to the African share than to the Pakistani share. Even within a single country large discrepancies in the ratio of females can exist. The state of Kerala in India, for example, has a proportion of females which is far higher than the nation as a whole.⁶

Whatever its original roots, the problem of excess female mortality today is a consequence of a vicious cycle (depicted in Figure 2) whereby parents fail to invest in their daughters because they do not expect their daughters to be able to make an economic contribution to the family, and the prophecy turns out to be self fulfilling. The nature of this cycle is illustrated by two stories.

Situation A. A poor family has 6 children. The mother never attended school and was married at age 15. She is completely illiterate and cannot do arithmetic well enough to count out change. She stays home, does household chores with her daughters, and works in the fields even though she is 7 months pregnant. Her husband earns most of the family's meager income and decides how it is spent. As he, not his sisters, is expected to support his parents, he recognizes that his economic security depends on his sons' ability to support him in his old age. He insists that the boys go to school while the girls stay home to do chores and take care of the young babies. When his daughter becomes mysteriously ill, he feels he can not afford to go with her for two days to the medical clinic in the city. His wife pleads with him but he will not change his mind, repeating the words "we have to think about our future." The wife finally relents, realizing that he is right. The daughter dies.

Situation B. A poor family has 3 children. The mother went to school for five years and is able to read and do arithmetic well enough to teach school in the village. As her last birth was extremely difficult, she and her husband adopted family planning. This allows her more time and resources to spend on her family; she visits her ill mother often and buys her medicine. She insists that all of her children go to school and practice their reading each night, hoping to expand their horizons. She is especially determined that her middle daughter, who has a remarkable ability to make up stories, continue in school and develop her talent. When the daughter gets sick and does not seem to be getting better, she takes her to the medical clinic. The doctor gives them some ampicillin tablets and instructs the mother to give them to any of the children who fall ill. The daughter's strep infection is cured, as is the infection of the son who was running a high fever by the time the mother returned home.

⁶ This difference may be partially due to migration. But this is unlikely to be the whole story. It is noteworthy that Kerala's health and primary education systems are very strong, both overall and in their treatment of girls and women.

5

Some of the differences between these two situations are obvious enough. An uneducated mother without skills that are valued outside the home has less ability to influence choices within the family. Her daughters are uneducated as well and a vicious cycle is perpetuated—girls grow up only to marry into somebody else's family and bear children. Girls are thus less valuable than boys and are kept at home to do chores while their brothers are sent to school. They remain uneducated and unskilled and the conditions necessary for them to contribute to the economy are not created. The economy suffers and young girls die of neglect.

By contrast, an educated mother faces a higher opportunity cost of time spent caring for children. She has a greater value outside the home and thus has an entirely different set of choices than she would without education. She is married at a later age (Figure 3) and is able to better influence family decisions. She has fewer, healthier children and can insist on the development of all of them, ensuring that her daughters are given a fair chance. And the education of her daughters makes it much more likely that the next generation of girls, as well as of boys, will be educated and healthy as well. The vicious cycle is thus transformed into a virtuous circle.

The Need for Education

What is the best way to convert what is too often a vicious cycle into a virtuous circle? There is no one answer to this question. But I believe that the available evidence suggests that programs to raise the education of girls offer the best hope. When one takes into account all of its benefits, educating girls quite possibly yields a higher rate of return than any other investment available in the developing world. Consider its benefits.

Most obviously, there is the direct effect of increased female education on the wages of female workers. The evidence is that the returns in the form of higher wages are fairly similar for men and women. As a rough approximation, wages increase by more than 10 to 20 percent for each additional year of schooling. In parts of the world like South Asia and Africa, where literacy and school enrollment rates are low, the returns to education are particularly high.

Returns of this magnitude are impressive by the standard of other available investments, but they are just the beginning of the benefits from increasing female education. In part because of what women do with the extra income they earn, in part because of the extra leverage it affords them within the family, and in part because of the direct effects of being more knowledgeable and aware, female education has an enormous impact on health practices including adoption of family planning—an impact that as Table 3 demonstrates, is large enough to justify increased educational outlays even if there were no direct pecuniary benefits. While the evidence is that increased schooling of boys and girls is similar in its wage impact, it is clear that educating girls is much more effective in generating social benefits.

Educating women yields high returns in terms of healthier children by cutting through the vicious cycle I just described. There is overwhelming evidence that mothers channel much

more of their income to expenditures on children than their husbands do. But this is only one of the channels through which education improves health. It also increases the willingness to seek medical care and improves sanitation practices. Educating an extra 1000 girls an additional year in 1990 would have cost approximately \$30,000.⁷ The best available estimates suggest that each year of schooling reduces under five mortality by up to 10 percent. Similar estimates are obtained both from studies of cross sections in individual countries and for studies of cross country variations in infant and child mortality rates. With an average woman in Pakistan having 6.6 children, it follows that providing an additional 1000 women one extra year of schooling would prevent roughly 60 infant deaths.

What would it cost to achieve similar results through investments in health care? Obviously the answer differs across health care investments. For example, cost effectiveness estimates suggest that programs of supplementary antenatal feeding cost in the neighborhood of \$700 per life saved. Other commonly recommended health interventions are more expensive; measles immunization programs outside of high risk environments, for example, cost \$1000 per life saved.⁸ Taking \$800 as the cost of saving a life with health care interventions, the cost of achieving the same reduction in mortality that would accrue from devoting \$30,000 to educating another 1000 girls is \$48,000. As this calculation ignores any other benefits of reduced child morbidity, it underestimates the returns to female education as a health care investment.

Educated women also choose to have fewer children. Econometric studies within individual countries looking at the effects of education on fertility find that an extra year of female schooling reduces female fertility by approximately 5 to 10 percent, or in the case of Pakistan by about .7.⁹ Thus a \$30,000 investment in educating 1000 women would avert 500

⁷ The World Bank's best estimate of the average recurrent cost of one year of secondary school in Pakistan is \$28.7. On the one hand, the marginal cost will be higher for girls. On the other hand, primary school is cheaper than secondary school so our use of \$30 as the recurrent costs of one year of school is conservative.

⁸ Jamison and Mosley's study, described in Chapter 1 of Disease Control Priorities in Developing Countries (1990), gives costs for a wide variety of health interventions. The cost of supplementary antenatal feeding per discounted healthy life year gained is \$25. The cost of measles immunization per discounted healthy life year gained outside of high risk environments is \$40. The cost of immunization for tuberculosis and leprosy per discounted healthy life year gained is \$75. The cost of improved cholera immunization per discounted healthy life year gained is \$200.

⁹ A study by Dennis de Tray (1972) finds the elasticity of fertility with respect to female education is -0.3. At a level of three years of schooling an additional year would reduce fertility by 10%. Other more recent studies confirm this magnitude. In Kenya (Schafgans, 1991) a woman with secondary education has one fewer child than a woman with five to eight years of

births. I will avoid the metaphysical question of trying to value an averted birth and simply ask how much typical family planning programs spend per birth that they avert. A typical family planning evaluation concludes that costs run approximately \$65 per birth averted. Averting 500 births would cost about \$33,000, enough to justify education on family planning grounds alone.¹⁰

There is a final group of beneficiaries of investments in female education-- the women themselves. Maternal mortality rates are ten times as high in South Asia as in East Asia. By increasing knowledge about health care practices and reducing the average pregnancies of these women, female education significantly reduces the risk of maternal mortality (Figure 4). Based only on the impact on the number of births, and not including what are surely significant impacts on the risks associated with any given birth, one can calculate that an additional year of schooling for 1000 women will prevent three maternal deaths. Achieving similar gains in adult mortality through medical interventions of average cost effectiveness would cost close to \$7,500.¹¹

These estimates of the social benefits are of course crude. On one hand, I have failed to discount benefits to reflect the fact that female education operates with a lag. On the other hand, I have neglected the add-on benefits as healthier better educated mothers not only have healthier better educated children but healthier better educated grandchildren. When the average mother has nearly 40 grandchildren as in Pakistan, this is no small thing.

Even discounting the social benefits of education to reflect the lags and taking no account of add-on benefits, the social benefits of increased female education are sufficient to more than cover its costs. Given that increases in female education also yield large wage increases, it seems reasonable to conclude that the return to getting more girls into school is in excess of 20 percent and may well be considerably greater. Turning the vicious cycle I have described into a virtuous circle has other benefits as well. It provides more women the means to escape the exploitation and neglect that remains all too common in many parts of the world and it helps them to become dignified members of their family, their society, and their nation. I will come later to the comparison of the return to educating girls with other developmental expenditures. But let me just note for now that the calculations I have just presented imply that educating girls looks quite attractive compared with educating boys and quite likely has higher returns than health or family planning interventions.

schooling. In Peru (Herz and Khandker, 1991) an additional year of schooling reduced urban women's number of offspring by roughly 0.26 (6.7% of the country's mean fertility rate of 3.9). In Thailand (Schultz, 1991) an additional year of schooling reduced fertility by 7 to 9%.

¹⁰ Of course family planning is also useful in promoting women's and children's health and preventing primitive abortion with its high risks of morbidity and mortality.

¹¹ The cost of integrated antenatal and delivery care for maternal mortality per discounted healthy life year gained is \$150 (Jamison and Mosley, 1990).

Increasing the education of girls

There is then an overwhelming case for increased investments in the education of girls. How can this best be done? The first component of any effort to raise female enrollment rates must be policies that promote economic growth and poverty alleviation. Comparisons of both countries and families demonstrate a strong impact of poverty alleviation on enrollment rates. Because parents are more reluctant to send girls than boys to school, poverty alleviation is especially important for raising female enrollment rates.

But female enrollments do not always rise as incomes grow. It takes the right policies to alter perverse incentives and provide the needed encouragement to let girls learn.

Ultimately, whatever laws legislatures enact, it is parents who decide whether or not to send their daughters to school. And although the social returns to educating girls far exceed the returns to educating boys, parents capture a larger fraction of the benefits of educating their sons. In a survey done some years ago, by far the largest single reason given by parents (over 45%) for not educating daughters was lack of financial gain to the family (Table 4).

What can be done to make educating girls more attractive to parents? While the evidence is far from clear and there is a need for controlled experiments, current knowledge suggests enactment of an agenda which will recognize the external benefits of female education in determining financing policies and would seek to make educating girls more attractive given both cultural traditions and the many competing needs of poor families. As there are greater social benefits to educating girls than boys, it is appropriate for females' education to cost less than male education. Scholarship funds should be established and more free books and other supplies provided for girls. Because parents are more reluctant to educate their daughters, this is particularly important. One study in Peru found that rules requiring students to pay for textbooks had a large negative effect on female enrollment but almost no effect on males. Whatever the general merits of cost recovery in the case of basic education may be, the argument is much weaker where there are large external benefits, as there are with the education of females.

Providing schooling that responds to cultural and practical concerns is also essential. Female enrollment is heavily dependent upon schools not being too far away, upon the provision of appropriate sanitation facilities, and upon the hiring of female teachers. This, of course, is facilitated by raising female enrollment rates. Flexible hours and the provision of care for younger siblings can also be helpful in some cases.

These two measures-- reducing costs for girls and making special efforts to accommodate parents' practical needs-- will make a big difference in raising families' demand for female education. In the survey cited above, the largest single reason given by girls for their lack of enrollment was "there is no school for girls" (Table 5). A recent survey of households in four Pakistani districts shows that enrollment rates for girls with a school in their village is equivalent to male enrollment (Table 6). The enrollment rate of girls with a school nearby, instead of in

their village, is ninety percent of that of males. This indicates that increasing the supply of educational facilities for girls has tremendous potential for expanding enrollment.

Increasing female enrollment in school is dependent upon providing resources for increased schooling. As education is a labor intensive business, it is relatively inexpensive to provide in low income countries. The available statistics indicate that in low income economies, the average annual recurrent costs of primary schooling (which comprise the vast majority of the costs) run slightly over \$36 per student. Secondary education is somewhat more expensive per student, reflecting in part lower enrollment rates. Since satisfactory estimates of the average cost of secondary school are not available, I simply assume that they are twice primary costs.¹²

* Raising the female primary school enrollment rate of girls to equal the male primary school enrollment rate in the world's low income countries would involve educating an additional 25 million girls each year at a total cost of approximately \$938 million (Table 7). Raising the secondary school enrollment of girls to equal the secondary school enrollment rate of boys would involve educating an additional 21 million girls at a total cost of \$1.4 billion. Eliminating educational discrimination in the low income parts of the world would thus cost a total of \$2.4 billion. This represents less than one-quarter of one percent of their GDP, less than two percent of their government consumption spending, less than one percent of their investment in new capital goods, and less than 1/10 of their defense spending.

* Similar calculations can be made for Pakistan. The recurrent costs of raising female primary enrollment to equal the current primary enrollment of males would be about \$36 million or 625 million rupees. This represents only 0.12 percent of GNP. Achieving the more ambitious objective of equalizing male and female enrollment rates in both primary and secondary school would cost \$64 million, 1.1 billion rupees or .22 percent of GDP. Of course these low costs will not meet all of Pakistan's educational goals. Maintaining and raising the current low overall enrollment rates with existing population growth will not be cheap and will require major investments.

" Considering the very low cost both in Pakistan and in low income countries in general of equalizing educational opportunities for men and women, it is easier to wonder whether the world can afford not to make the necessary outlays than it is to wonder if they are affordable. I have already suggested that education looks very attractive relative to other social sector investments. When compared to development investments outside the social sector, education looks even more attractive. Taking investments in power generation as an example, current projections suggest that developing countries will spend approximately \$1 trillion on power

¹² This assumption overstates the cost of secondary education Pakistan and understates the cost in some other parts of the world, particularly where foreigners are hired to teach secondary school. For Pakistan, we have rough estimates and hence we use \$30 as the recurrent cost of one year of secondary school.

plants over the next ten years. In many of these nations, existing power plant capacity utilization is less than 50 percent due to poor maintenance and pricing problems. The overall return on power plant physical assets in a sample of 57 developing countries has been estimated at an average of less than 4 percent over the last 3 years and less than 6 percent over the last decade, returns which can not even compare with those of providing education for females.

No doubt efficiency in the power sectors of developing countries can and will be improved. And I have probably understated somewhat the difficulty of raising enrollment rates by neglecting capital costs and not taking explicit account of the special costs that must be incurred in targeting girls. Nonetheless, it is hard to believe that building 19 out of every 20 planned power plants and using the savings to finance world equal educational opportunity for girls would not be desirable.

What Could Be Accomplished?

Letting girls go to school, learn to read, and experience more of the world beyond their homes makes them better off immediately and enriches their families. Over time, getting girls into school can transform societies as their sons and daughters and grandsons and granddaughters reap the benefits. Contemplate a very crude estimate of how much better off the world would be today if major investments in increasing female education had been made a generation ago.

There are a number of different strategies to approaching this counterfactual. One method would be to simply extrapolate the calculations based on microeconomic estimates based on surveys of women within individual countries. Instead, as a kind of check on those calculations, I examine the relationship between national rates of infant mortality and female education a generation ago (Table 8 and Figures 5 and 6), holding constant a variety of country characteristics. The estimates are derived from a sample of the 45 developing countries for which all the needed data are available. As the evidence I have presented so far might lead one to expect, the relationship is both statistically significant and implies large effects of education on health and fertility. Female education rates are the most potent variable in these equations, dwarfing the effects of male education or the availability of medical care.

These relationships can be used to simulate the impact of an increase in the female secondary school enrollment rate from its average in 1965 to 30 percent (Table 9). For comparison, the male secondary enrollment rate in this sample of countries averaged 22 percent in 1965. The results are striking. In Pakistan alone raising the female secondary enrollment rate from 6 to 30 percent in 1965 would have averted 1.2 million births per year and 297 thousand infant deaths. For a sample of 45 countries that includes about 71 percent of the low income world's population (excluding China), the result would be 9.1 million births per year averted and 3.0 million fewer infant deaths.

Conclusion

My emphasis this afternoon is on the need for increasing expenditures on female education. Those who advocate such policies also argue for programs directed at enhancing family planning and women's health services as well as measures to combat discrimination in labor and credit markets. I have little doubt that such actions would also be constructive, but I believe that they are less important than improvements in female education. Hard statistical evaluations fairly consistently find that female education is the variable most highly correlated with improvements in social indicators. And the benefits of education have multiplier effects because they empower women to bring about other necessary changes. The greatest emphasis, therefore, should be put on closing the education gaps that I have described.

Lectures and papers that plead the importance of a particular type of investment in developing countries are hardly uncommon. Reflecting the biases of an economist, I have tried to concentrate on the concrete benefits of female education and explicitly contrast it with other proposed investments. Expenditures on increasing the education of girls do not just meet the seemingly easy test of being more socially productive than military outlays. They appear to be far more productive than other social sector outlays and than the vastly larger physical capital outlays that are projected over the next decade.

In making an economic argument for investing in the education of women, I have tried to steer clear of the moral and cultural aspects unavoidably implicated in any gender related question. Partially this reflects my comparative advantage as an economist. But it also reflects a conviction that one's viewpoint on feminism should not affect one's evaluation of the arguments for educating girls. Helping women be better mothers to their children is desirable on any view of the proper role of women in society.

There are those who say that educating girls is a strategy that pays off only in the long run. I am reminded of a story that John F. Kennedy used to tell of a man asking his gardener how long it would take for a certain seed to grow into a tree. The gardener said it would take 100 years, to which the man replied, "Then plant the seed this morning. There is no time to lose."



The revolution for gender equality

Sabrina — This is from the
first section, page 1 —
Good luck
with the speech!

— Paul

One of the defining movements of the 20th century has been the relentless struggle for gender equality, led mostly by women, but supported by growing numbers of men. When this struggle finally succeeds—as it must—it will mark a great milestone in human progress. And along the way it will change most of today's premises for social, economic and political life.

The *Human Development Report* has consistently defined the basic objective of development as enlarging people's choices. At the heart of this concept are three essential components:

- Equality of opportunity for all people in society.
- Sustainability of such opportunities from one generation to the next.
- Empowerment of people so that they participate in—and benefit from—development processes.

Equal enjoyment of human rights by women and men is a universally accepted principle, reaffirmed by the Vienna declaration, adopted by 171 states at the World Conference on Human Rights in June 1993. It has many dimensions:

- Equal access to basic social services, including education and health.
- Equal opportunities for participation in political and economic decision-making.
- Equal reward for equal work.
- Equal protection under the law.
- Elimination of discrimination by gender and violence against women.
- Equal rights of citizens in all areas of life, both public—such as the workplace—and private—such as the home.

The recognition of equal rights for women along with men, and the determination to combat discrimination on the basis of gender, are achievements equal in

importance to the abolition of slavery, the elimination of colonialism and the establishment of equal rights for racial and ethnic minorities.

A full analysis of the historical and political movement for gender equality extends far beyond what can be covered in this Report. No numbers, no indices, no policy packages can capture the true essence of that movement. But they can help propel that movement by providing the background of professional analysis.

Human development, if not engendered, is endangered. That is the simple but far-reaching message of this Report

Human development is a process of enlarging the choices for all people, not just for one part of society. Such a process becomes unjust and discriminatory if most women are excluded from its benefits. And the continuing exclusion of women from many economic and political opportunities is a continuing indictment of modern progress.

For too long, it was assumed that development was a process that lifts all boats, that its benefits trickled down to all income classes—and that it was gender-neutral in its impact. Experience teaches otherwise. Wide income disparities and gender gaps stare us in the face in all societies.

Moving towards gender equality is not a technocratic goal—it is a political process. It requires a new way of thinking—in which the stereotyping of women and men gives way to a new philosophy that regards all people, irrespective of gender, as essential agents of change.

The relentless struggle for gender equality will change most of today's premises for social, economic and political life.

The human development paradigm must be fully engendered

The human development paradigm, which puts people at the centre of its concerns, must thus be fully engendered. Any such attempt would embrace at least the following three principles:

- Equality of rights between women and men must be enshrined as a fundamental principle. Legal, economic, political or cultural barriers that prevent the exercise of equal rights should be identified and removed through comprehensive policy reforms and strong affirmative action.

- Women must be regarded as agents and beneficiaries of change. Investing in women's capabilities and empowering them to exercise their choices is not only valuable in itself but is also the surest way to contribute to economic growth and overall development.

- The engendered development model, though aiming to widen choices for both women and men, should not predetermine how different cultures and different societies exercise these choices. What is important is that equal opportunities to make a choice exist for both women and men.

In no society do women enjoy the same opportunities as men.

An innovation of this year's Report, the gender-related development index (GDI), reflects gender disparities in basic human capabilities—and ranks 130 countries on a global scale. The four top countries are in the Nordic belt—Sweden, Finland, Norway and Denmark, in that order. This is hardly surprising. These countries, much concerned with ending the relative deprivation of women, have adopted gender equality and women's empowerment as conscious national policies. In these countries, adult literacy rates are similar for women and men, and combined enrolment is higher for females. Life expectancy is, on average, about seven years higher for women (compared with an estimated global biological edge of five years). And women's earned income is around three-fourths of men's income.

Several developing countries and areas also do quite well in the GDI rankings:

Barbados (rank 11), Hong Kong (17), the Bahamas (26), Singapore (28), Uruguay (32) and Thailand (33). These countries have succeeded in building the basic human capabilities of both women and men, without substantial gender disparity.

But it is clear from the GDI estimates that in no society do women enjoy the same opportunities as men. The top rank is enjoyed by Sweden, with a GDI value of 0.92—compared with a maximum possible value of 1.00 (maximum achievement with perfect equality). After the top 32 countries, the GDI value drops below 0.80—showing how far women still have to travel towards gender equality even in countries that seem to be doing better on this score. More disturbing is that as many as 45 countries in the sample analysis are below a GDI value of 0.5, showing that women suffer the double deprivation of gender disparity and low achievement.

Another interesting comparison is between the overall HDI rank of a country and its gender-adjusted rank for the GDI—since this shows how equitably basic human capabilities are distributed between men and women. The countries showing GDI ranks markedly higher than their HDI ranks are fairly diverse. They include Denmark, Sweden, Norway and Finland—and the Czech Republic, Slovakia, Hungary, and Poland—and Barbados, Thailand, Sri Lanka, Malaysia, Jamaica and Cuba.

The countries with GDI ranks markedly below their HDI ranks include Argentina, Chile, Costa Rica and several Arab states. Arab countries face a formidable agenda for equalizing gender opportunities—though they have made the fastest progress in the past two decades in several gender-related indicators, particularly in female education.

Among the countries with sharply lower GDI ranks are four industrial countries—Canada (a drop from HDI rank of 1 to GDI rank of 9), Luxembourg (–12), the Netherlands (–16) and Spain (–26 ranks). The real difference is in women's share of earned income compared with men's share—a reflection of the much lower participation of women in the labour force and their lower average wage.

Removing gender inequality has nothing to do with national income

Income is not the decisive factor. Several of the world's poor nations have been able to raise female literacy rates. With limited resources but a strong political commitment, China, Sri Lanka and Zimbabwe raised adult women's literacy to 70% or more. By contrast, several richer countries lag behind.

The decision to invest in the education and health of people, irrespective of gender, seems to cut across income levels, political ideologies, cultures and stages of development. In many cases, a strong political commitment has driven efforts to improve women's human development despite a shortage of resources. Countries applying socialist models, for example, used social and political mobilization to achieve rapid—and equal—progress in education and health for men and women and to engineer social transformations to expand opportunities for women.

Comparing GDI ranks with the income levels of countries confirms that removing gender inequalities is not dependent on having a high income. China is ten GDI ranks above Saudi Arabia, even though its real per capita income is a fifth as high. Thailand outranks Spain in the GDI, even though Thailand's real per capita income is less than half of Spain's. Poland's GDI rank is 50 places higher than Syria's, even though the two countries have about the same real income. So, gender equality can be pursued—and it has been—at all levels of income. What it requires is a firm political commitment, not enormous financial wealth.

Every country has made progress in developing women's capabilities, but women and men still live in an unequal world

Gender gaps in education and health have narrowed rapidly in the past two decades, although the pace of this progress has been uneven between regions and countries:

- Female life expectancy has increased

20% faster than male life expectancy over the past two decades.

- High fertility rates, which severely restrict the freedom of choice for women, have fallen by a third—from 4.7 live births per woman in 1970–75 to 3.0 in 1990–95. Life choices are expanding as women are progressively liberated from the burden of frequent child-bearing and from the risk of dying in childbirth. Maternal mortality rates have been nearly halved in the past two decades.

- More than half the married women of reproductive age in the developing world, or their partners, used modern contraceptives in 1990, compared with less than a quarter in 1980. This planned parenthood has brought women much greater control over their lives.

In adult literacy and school enrolment, the gaps between women and men were halved between 1970 and 1990 in developing countries. Women's literacy increased from 54% of the male rate in 1970 to 74% in 1990—and combined female primary and secondary enrolment increased from 67% of the male rate to 86%. Female rates of adult literacy and combined school enrolment in the developing world increased twice as fast as male rates between 1970 and 1990.

The Arab States have led the advance in women's education, more than doubling female literacy rates. Indeed, the fastest improvement in women's literacy rates—68 percentage points between 1970 and 1990—took place in the United Arab Emirates.

Overall, female primary enrolment in developing countries increased 1.7% a year during 1970–90, compared with 1.2% for male enrolment. Girls' combined primary and secondary enrolment in the developing world jumped dramatically, from 38% in 1970 to 68% in 1992. East Asia (83%) and Latin America (87%) are already approaching the high levels in industrial countries (97%).

Also remarkable is the rapid closing of the gap in higher education. In developing countries, female enrolment at the tertiary level was less than half the male rate in 1970, but by 1990 it had reached 70%. In

It is still an unequal world

The doors to economic and political opportunities are barely ajar

32 countries, more women than men are now enrolled at the tertiary level.

But it is still an unequal world. Among the developing world's 900 million illiterate people, women outnumber men two to one. And girls constitute 60% of the 130 million children without access to primary school. Because population has grown faster than women's education has expanded in some developing regions, the number of women who are illiterate has increased.

During the 20 years from 1970 to 1990, only half the educational gap between men and women was closed. Another 20 years is too long to wait to close the remaining half.

Women's special health needs also suffer considerable neglect. Many developing countries do not provide qualified birth attendants, good prenatal or postnatal care or emergency care during deliveries. In most poor countries, pregnancy complications are the largest single cause of death among women in their reproductive years. Nearly half a million maternal deaths occur each year in developing countries. Too often, the miracle of life becomes a nightmare of death.

While doors to education and health opportunities have opened rapidly for women, the doors to economic and political opportunities are barely ajar

Major forces in closing the gender gaps over the past two decades are higher female enrolments at all levels in developing countries—and rising women's paid employment in industrial countries. But the opportunities open to women have remained limited. The Report marshals detailed evidence of the unequal access to opportunities. Some telling examples:

- Poverty has a woman's face—of 1.3 billion people in poverty, 70% are women. The increasing poverty among women has been linked to their unequal situation in the labour market, their treatment under social welfare systems and their status and power in the family.

- Women's labour force participation has risen by only four percentage points in 20 years—from 36% in 1970 to 40% in

1990. Compare that with a two-thirds increase in female adult literacy and school enrolment.

- Women receive a disproportionately small share of credit from formal banking institutions. They are assumed to have no collateral to offer—despite working much harder than men. For example, in Latin America and the Caribbean, women constitute only 7–11% of the beneficiaries of credit programmes.

- Women normally receive a much lower average wage than men, because they hold low-paying jobs or work in the informal sector and because they are sometimes paid less than men for equal work. The average female wage is only three-fourths of the male wage in the non-agricultural sector in 55 countries that have comparable data.

- All regions record a higher rate of unemployment among women than men.

- In developing countries, women still constitute less than a seventh of administrators and managers.

- Women still occupy only 10% of the parliamentary seats and only 6% of the cabinet positions.

- In 55 countries, there are either no women in parliament or fewer than 5%. These countries range from very poor (Bhutan and Ethiopia) to reasonably affluent (Greece, Kuwait, the Republic of Korea and Singapore).

Despite considerable progress in developing women's capabilities, their participation in economic and political decision-making remains very limited.

Another innovation of this year's Report, the gender empowerment measure (GEM), looks at women's representation in parliaments, women's share of positions classified as managerial and professional, women's participation in the active labour force and their share of national income. It ranks 116 countries with comparable data.

Once again, the Nordic countries lead the world, with Sweden and Norway on top. These countries are not only good at strengthening female capabilities but have also opened many opportunities in economic and political fields. The Nordic countries have crossed the critical 30%

FIGURE 1

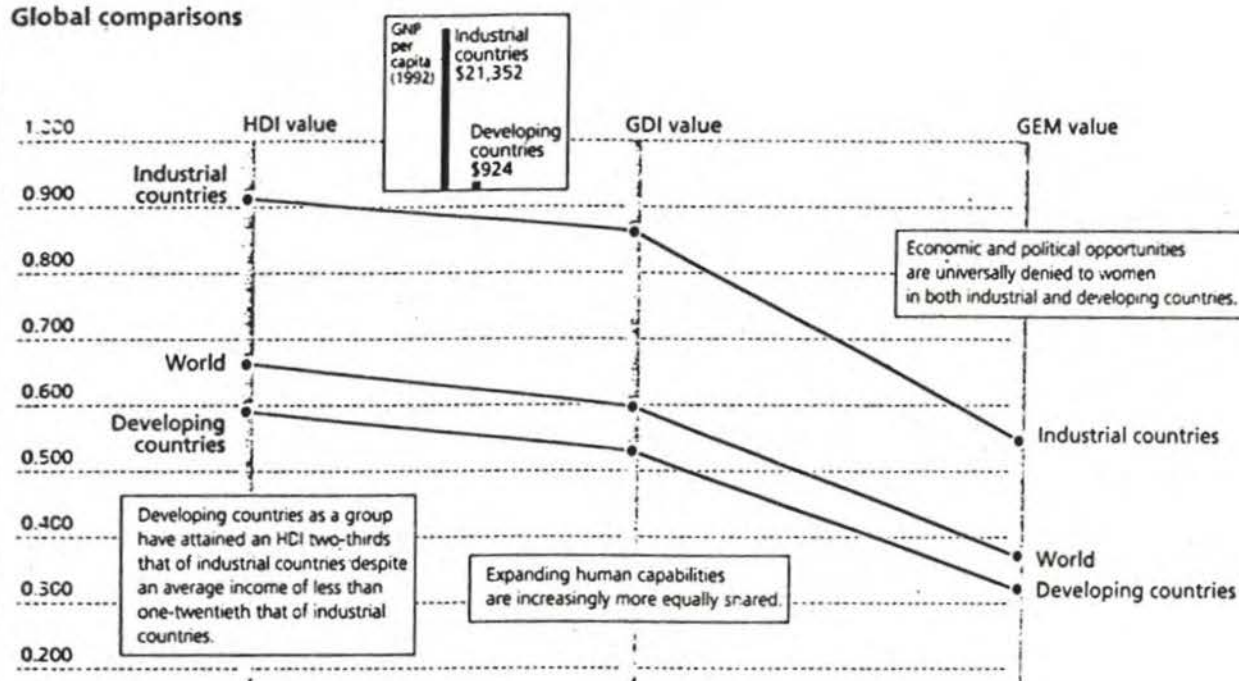
Expanding capabilities, limited opportunities

The human development index (HDI) measures the average achievement of a country in basic human capabilities. The HDI indicates whether people lead a long and healthy life, are educated and knowledgeable and enjoy a decent standard of living.

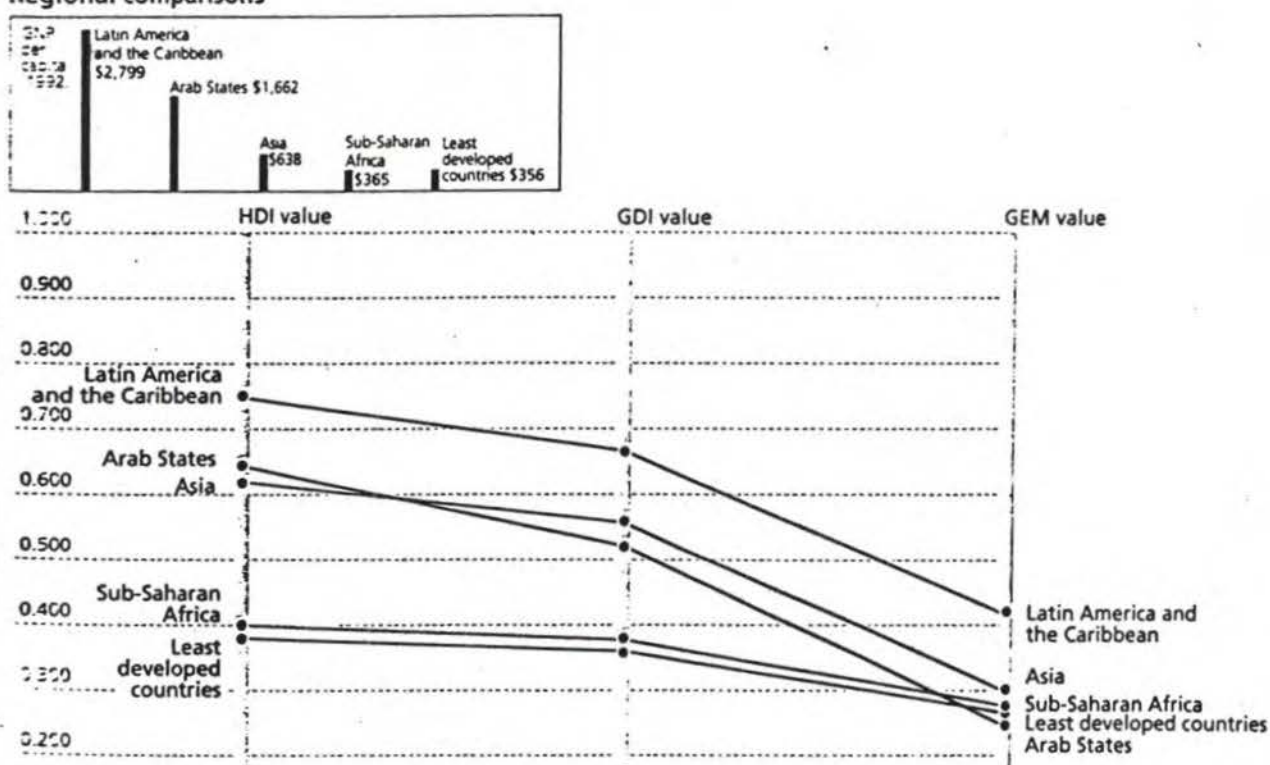
The gender-related development index (GDI) measures achievement in the same basic capabilities as the HDI does, but takes note of inequality in achievement between women and men.

The gender empowerment measure (GEM) examines whether women and men are able to actively participate in economic and political life and take part in decision-making.

Global comparisons



Regional comparisons



Figures are calculated for the 104 countries for which estimates of HDI, GDI and GEM are available. The graphs include 27 countries in Africa, 11 Arab States, 17 countries in Asia, 25 countries in Latin America and the Caribbean and 28 of the least developed countries.

The non-monetized, invisible contribution of women is \$11 trillion a year

threshold for women's participation in these spheres of life.

Only nine countries have GEM values above 0.6, compared with 66 countries with a GDI value above 0.6. On the other hand, 39 countries have a GEM value below 0.3, compared with only 13 countries with a GDI value below 0.3. Since the GDI measures gender equality in basic human capabilities and the GEM gender equality in economic and political opportunities, this comparison makes it clear that many countries have a longer distance to travel in extending broad economic and political opportunities to women than they have already traveled in building basic female capabilities.

But it is precisely the participation of women at the highest decision-making levels in political and economic life that can drive the change for greater equality between men and women.

A major index of neglect is that many of women's economic contributions are grossly undervalued or not valued at all—on the order of \$11 trillion a year

The undervaluation of women is reflected in the undervaluation of their work and in the absence of recognition of the contribution that they make. The debate therefore must cover equality of rewards as well as equality of opportunity. Data on time use by women and men for a sample of 31 countries tell a dramatic story:

- Women work longer hours than men in nearly every country. Of the total burden of work, women carry on average 53% in developing countries and 51% in industrial countries.
- On average, about half of this total work time of both men and women is spent in economic activities in the market or in the subsistence sector. The other half is normally devoted to unpaid household or community activities.
- Of men's total work time in industrial countries, roughly two-thirds is spent in paid activities and one-third in unpaid activities. For women, the situation is the reverse. In developing countries, more than

three-quarters of men's work is in market activities. So, men receive the lion's share of income and recognition for their economic contribution—while most of women's work remains unpaid, unrecognized and undervalued.

With no economic value given to these activities, the contribution of women is seriously underestimated, and there is no adequate reward or recognition for the burden of work that women carry. In fact, the failure to value most of their work reduces women to virtual non-entities in most economic transactions—such as property ownership or offering collateral for bank loans.

Since status in contemporary society is so often equated with income-earning power, women suffer a major undervaluation of their economic status. But they carry a higher share of the total work burden. And men's work in the market-place is often the result of "joint production", not a solo effort, since much of it might not be possible if women did not stay at home looking after the children and household.

If women's unpaid work were properly valued, it is quite possible that women would emerge in most societies as the major breadwinners—or at least equal breadwinners—since they put in longer hours of work than men.

The monetization of the non-market work of women is more than a question of justice. It concerns the economic status of women in society. If more human activities were seen as market transactions at the prevailing wages, they would yield gigantically large monetary valuations. A rough order of magnitude comes to a staggering \$16 trillion—or about 70% more than the officially estimated \$23 trillion of global output. This estimate includes the value of the *unpaid* work performed by women and men as well as the value of the *underpayment* of women's work in the market at prevailing wages. Of this \$16 trillion, \$11 trillion is the non-monetized, invisible contribution of women.

Such a revaluation of women's work will thoroughly challenge the present conventions. For husbands to share income with their wives will become an act of entitlement rather than benevolence. The basis of

property rights, divorce settlements, collateral for bank credit—to name only a few areas—will have to change completely. Men will also have to share more of the burden of household and community work.

If national statistics fully reflect the “invisible” contribution of women, it will become impossible for policy-makers to ignore them in national decisions. Nor will women continue to be regarded as economic non-entities in market transactions.

Another major element of discrimination is the unacceptably low status of women in society, with continuing legal discrimination and violence against women

The starkest reflection of the low status accorded to women is the discrimination against them in the law. In many countries, women still are not treated as equal to men—whether in property rights, rights of inheritance, laws related to marriage and divorce, or the rights to acquire nationality, manage property or seek employment.

In 1979, the United Nations approved the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), a path-breaking charter of the legal and human rights of women. But 41 UN member states still have not signed the convention, 6 have signed without ratification, and 43 have ratified the convention with reservations about some of its provisions. In other words, 90 countries have not yet accepted all the tenets of legal equality for women and men. Even in some countries ratifying CEDAW, the implementation of the convention has remained half-hearted and incomplete. So, even under law, the equality of women is not yet assured in many societies—let alone in practice.

The most painful devaluation of women is the physical and psychological violence that stalks them from cradle to grave. For too many women, life is shadowed by a threat of violence.

■ *The devaluation begins even before life begins.* In some countries, testing is used to determine the sex of the fetus, which may be aborted if it is female.

■ *It scars early life.* A third of the women in Barbados, Canada, the Netherlands, New Zealand, Norway and the United States report sexual abuse during childhood or adolescence. An estimated one million children, mostly girls in Asia, are forced into prostitution annually. And an estimated 100 million girls suffer genital mutilation.

■ *It becomes a part of marriage.* Studies in Chile, Mexico, Papua New Guinea and the Republic of Korea indicate that two-thirds or more of married women have experienced domestic violence. In Germany, it is estimated that up to four million women a year suffer from domestic violence.

■ *It is sometimes manifested in rape.* Studies from Canada, New Zealand, the United Kingdom and the United States suggest that about one woman in six is raped in her lifetime.

■ *It may end in murder.* More than half of all murders of women in Bangladesh, Brazil, Kenya, Papua New Guinea and Thailand are committed by present or former partners.

■ *Or in suicide.* Cross-cultural evidence from Africa, South America, several Melanesian islands and the United States established marital violence as a leading cause of female suicide.

Although violence stalks women's lives, laws can do little unless present cultural and social values change.

The revolution towards gender equality must be propelled by a concrete strategy for accelerating progress

Engendering the development paradigm involves radical change in the long-standing premises for social, economic and political life. And the free workings of economic and political processes are unlikely to deliver equality of opportunity, because of the prevailing inequities in power structures. When such structural barriers exist, government intervention is necessary—both through comprehensive policy reforms and through a series of affirmative actions.

Each nation will need to adopt its own agenda for overcoming obstacles to equal

*Government
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affirmative actions*

rights. This Report identifies a five-point strategy for accelerating progress.

1. *National and international efforts must be mobilized to win legal equality within a defined period—say, the next ten years.* To achieve this objective, the international community will need to move on several fronts:

- A campaign should be launched for unconditional ratification of CEDAW by the 90 UN member states that have not yet signed or ratified it or that have entered reservations. Public pressure should be mobilized for this purpose.

- The monitoring of CEDAW's implementation should be strengthened within the UN system, and regular, candid reports should be published on legal discrimination in countries.

- An international non-governmental organization—World Women's Watch—should be set up to prepare country-by-country reports on key aspects of legal discrimination and on progress towards gender-related targets fixed by national governments and international forums. It could base its reports on information from national NGOs and mobilize pressure groups and political lobbies in alliances for change.

- Pools of legal professionals should be organized to offer legal advice for winning equality before the law.

- Legal literacy campaigns could be organized to make women aware of their legal rights and to encourage more women to study law through the generous provision of scholarships.

- To facilitate women's access to legal systems, it may be desirable to set up legal ombudswomen at national and global levels.

- Violence against women as a weapon of war should be declared a war crime, punishable by an international tribunal.

2. *Many economic and institutional arrangements may need revamping to extend more choices to women and men in the workplace.* For example:

ENCOURAGING MEN TO PARTICIPATE IN FAMILY CARE. In the 1980s, in most industrial coun-

tries, maternity leave was changed from protecting mothers' health after birth to providing parents with legal rights for parental care. The concept of paternity leave supplemented maternity leave. Japan introduced parental leave in 1992—for both mother and father. The United States in 1994 endorsed limited parental leave, but without pay.

The Nordic countries have perhaps traveled furthest. In Finland starting in 1990, parents could choose between two alternatives: after a 12-month maternity leave, either parent can stay at home until the child is three years old, with monetary compensation and job guarantees. Or the community must arrange for child care while parents work outside the home. Some Nordic countries have legislation that allows parents to reduce their daily working hours to take care of family commitments: since 1976, Finland has allowed parents of children under age four—and Sweden parents of children under age ten—the right to shorten their workday by two hours.

FLEXIBLE WORK SCHEDULES. If workers were to have the opportunity to stagger their working hours, they would be in a better position to combine paid work with other responsibilities, such as child care. Sweden already allows interim part-time work, with the option to return to full-time hours, so that women and men can combine a career with family commitments. Germany and Japan have devised "flextime" practices to enable their workers to combine their family needs with production schedules. And increasingly, employers are allowing workers to work out of the home or to bring their home to work (by providing child care at the workplace).

EXPANDING THE CONCEPT OF PUBLIC SERVICES. Some countries have expanded public services beyond education and health to child care, including public day-care centres and school lunches. The private sector could also provide such services, helping women and men to pursue careers.

CHANGING TAX AND SOCIAL SECURITY INCENTIVES. Some countries have revised their tax and social security systems to accommodate family structures different from the one-breadwinner, two-adult fam-

ily norm. Sweden has separate taxation for part-time and full-time work to increase after-tax earnings for part-time work. In Zambia, an income tax amendment was introduced in 1987, allowing women to claim child allowances and deductions on their insurance contributions—and removing some tax discrimination against women.

CHANGING LAWS ON PROPERTY, INHERITANCE AND DIVORCE. Once women are recognized as the main or equal "breadwinners" in most families, a convincing basis exists for a more equitable sharing of rights in property, inheritance and divorce. The distribution of land during agrarian reform would require joint landholding, with women having equal access to assets. Current restrictions on women's collateral for bank loans would no longer hold.

These changes cannot all originate from the state. Many will start from movements in civil society. And some must come from changes in the business community.

3. *A critical 30% threshold should be regarded as a minimum share of decision-making positions held by women at the national level.* Few countries have reached or even approached this target, recommended in 1990 by the UN Commission on the Status of Women. In parliamentary or cabinet representation, only Denmark, Finland, the Netherlands, Norway, Seychelles and Sweden have crossed the 30% threshold. Progress is somewhat better in administrative and managerial positions (15 countries have crossed the 30% threshold) and in municipalities (8 countries). But most countries are still far from this 30% threshold in many of the key decision-making fields.

The Report recommends that each nation identify a firm timetable for crossing the 30% threshold in some key areas of decision-making. The 30% threshold should be regarded as a minimum target, not as the ultimate goal. But achieving this threshold would build considerable momentum for attaining complete equality.

4. *Key programmes should embrace universal female education, improved reproductive health and more credit for women.* These programmes can make a decisive

difference in enabling women to gain more equitable access to economic and political opportunities.

Analysis of experience shows that in three critical areas—access to education, reproductive health and credit resources—women face barriers that can be overcome only through determined policy action. As long as these barriers persist, women will not have equal access to opportunities and to the benefits of development.

The returns from educating girls have few parallels in any other type of social investment. There are measurable benefits for women, for their families and for the community. If universal girls' enrolment is to be ensured at primary and secondary levels over the next 15 years, an additional investment of \$5–6 billion a year is required.

The International Conference on Population and Development in Cairo in September 1994 underlined the principle "that advancing gender equality and equity and the empowerment of women, and the elimination of all kinds of violence against women, and ensuring women's ability to control their own fertility, are cornerstones of population and development-related programmes".

Choice in the spacing and number of children has enabled women to control their life choices. It has meant control over how their time is spent, released them from continuous child-bearing and child-rearing and enabled them to participate more freely in public life. But half a million women die every year from pregnancy-related causes, and millions more are disabled. The Cairo conference estimated that attaining comprehensive coverage of family planning over the next decade would require an additional investment of \$5–6 billion a year. A similar amount would be required for reproductive health services. The policy challenge is not only providing services, but ensuring that these policies and services enable women to make free choices on their own.

Access to productive resources is critical to enhancing women's economic choices. For low-income women—the vast majority of women in the world—lack of access to bank credit is a persistent barrier to attain-

ing economic independence and widening choices. Experience in many countries demonstrates that poor women invest money wisely and make sound decisions to maximize returns. The policy challenge is to support effective grass-roots credit schemes and intermediaries and to ensure that low-income women have assured credit from the formal financial system.

5. National and international efforts should target programmes that enable people, particularly women, to gain greater access to economic and political opportunities. Some elements in such a package:

BASIC SOCIAL SERVICES FOR ALL. As endorsed by the Social Summit in Copenhagen, interested developing countries should move progressively towards earmarking at least 20% of their budgets—and interested donor nations 20% of their aid budgets—to human priority concerns, including basic education, primary health care, safe drinking water, family planning services and nutrition programmes for the most deprived people.

REPRODUCTIVE HEALTH CARE. Although primary health care and essential family planning services are already included in the 20:20 compact, they need to be supplemented by another \$5–10 billion to ensure reproductive health care services. These additional sums should be priority items in the enlarged effort.

CREDIT FOR POOR PEOPLE. As argued above, access to credit is one of the key elements in empowering people and in enabling them to participate in market opportunities. Since formal credit institutions rarely lend to the poor, special institutional arrangements may become necessary to extend credit to those who have no collateral to offer but their enterprise.

SUSTAINABLE LIVELIHOOD FOR ALL. Remunerative employment opportunities are the key to the attack on poverty. But not all of them need to be in the formal, organized sectors of the economy. What is essential is

to encourage self-employment schemes, microenterprises and opportunities for the poor to enter the market.

TARGETED PROGRAMMES FOR POVERTY REDUCTION. Poverty reduction requires an overall national strategy on many fronts. But it also demands some targeted programmes and affirmative action for the poorest groups—among them landless peasants, urban slum dwellers, deprived ethnic minorities, economically disenfranchised women.

CAPACITY BUILDING AND EMPOWERMENT. Considerable decentralized capacity will have to be built in each country—in the public sector, in the private sector and among grass-roots organizations—so that disenfranchised groups can participate in designing and implementing the new projects and programmes.

• • •

What vision should inspire gender relations in the 21st century? A new world order that would embrace full equality of opportunity between women and men as a basic concept. It would also eliminate the prevailing disparities between men and women and create an enabling environment for the full flowering of the productive and creative potential of both the sexes.

This new world order would promote more sharing of work and experience between women and men in the workplace as well as in the household. It would respect women as essential agents of change and development and open many more doors to women to participate more equally in economic and political opportunities. And it would value the work and contribution of women in all fields on par with those of men, solely on merit, without making any distinction.

The new world order would thus put people—both women and men—clearly at the centre of all development processes. Only then can human development become fully engendered.

The new world order must put people—both women and men—at the centre of development processes.

NOTE: The Human Development Report 1995 will be released on 17 August in Oslo by chief author Mahbub ul Haq and in Washington, DC, by UNDP Administrator James Gustave Speth. It is embargoed for 1500 hours GMT (10:00 am EDT) on the 17th.

Dear Editor:

This is the sixth *Human Development Report*, and once again it breaks important new ground. It is possibly the most complete, serious and provocative look at the disparities between women and men around the world that has been written so far. It tells a cheering tale of women in many countries closing the gap with men in education and health. But it also shows how far many women have to go: 70 percent of the world's poor and two-thirds of the world's illiterates are women, and their economic and political clout is virtually non-existent compared with that of men, except in a very few countries. In fact, in no country do women fare as well as men. The report measures the disparities, both in welfare and in opportunities lost to women.

As before, the *Human Development Report* was written for UNDP by a group of international experts under the guidance of Dr. Mahbub ul Haq, former Finance and Planning Minister of Pakistan and now Special Adviser to the Administrator of UNDP. It is not a policy document of UNDP, but provides valuable data and insights for governments, non-governmental organizations, academics and the journalists who cover them, as well as for UNDP. Dozens of governments have used the report as a starting point for action to improve the well-being of their citizens. The report has stirred debate every one of the five years past, and will do so this year as well. The basic feature of the report, the Human Development Index, ranks countries once again on the basis of life expectancy, education and basic purchasing power. Then that index is adjusted to show the difference between the human development of men and women. Finally, a third index is introduced to measure the empowerment of women in economic and political terms — the saddest story of all.

Here are some key findings:

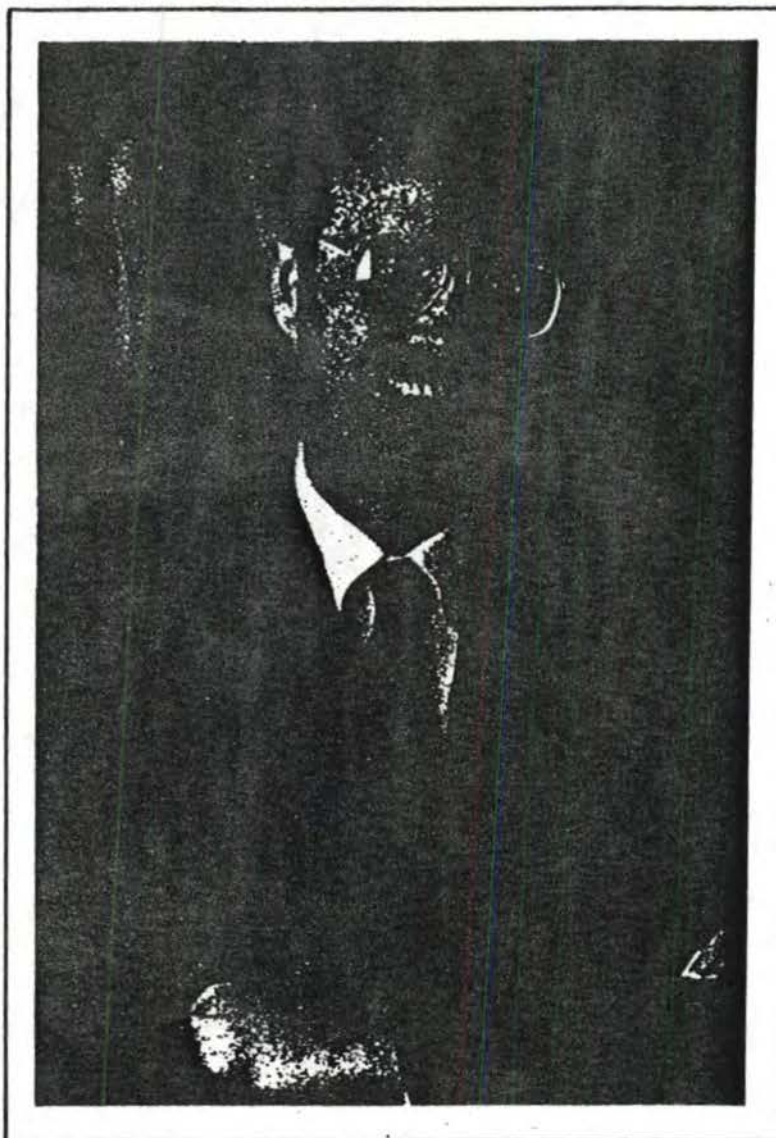
- Eleven trillion dollars are unaccounted for in the total world economy because so much of women's work is unpaid or underpaid.
- Lack of opportunities for women in political and economic decision-making is a universal problem, among countries rich and poor.
- Progress in gender equality can be made by any nation, regardless of income, as witnessed by the achievements of many low-income countries.

The report recommends ways to redress the imbalances between men and women, solutions that not every reader will buy. For example, it suggests that all countries strive to reach a minimum target of 30 percent female representation in national parliaments or legislatures. And that legal systems in countries around the world ensure the equal rights of women in matters of property, inheritance and divorce. But however they are received, the findings and proposed solutions of the *1995 Human Development Report* will find avid readers at the Fourth World Conference on Women in Beijing in September, and as people debate the state of women after that conference. You will find this book both a source of news and a valuable reference as you pay attention to the situation of more than half the world's population. We invite you to read the report and discuss it. We would deeply appreciate receiving any articles or commentary that you write or broadcast, or any observations you want to send us, at one of the addresses on the back of the folder.

Sincerely yours,



Djibril Diallo, Director
Division of Public Affairs



James Gustave Speth

Administrator
United Nations Development Programme

Administrateur
Programme des Nations Unies pour le développement

Administrador
Programa de las Naciones Unidas para el Desarrollo

Amministratore
Programma delle Nazioni Unite per lo Sviluppo

Administrator
Entwicklungsprogramm der Vereinten Nationen

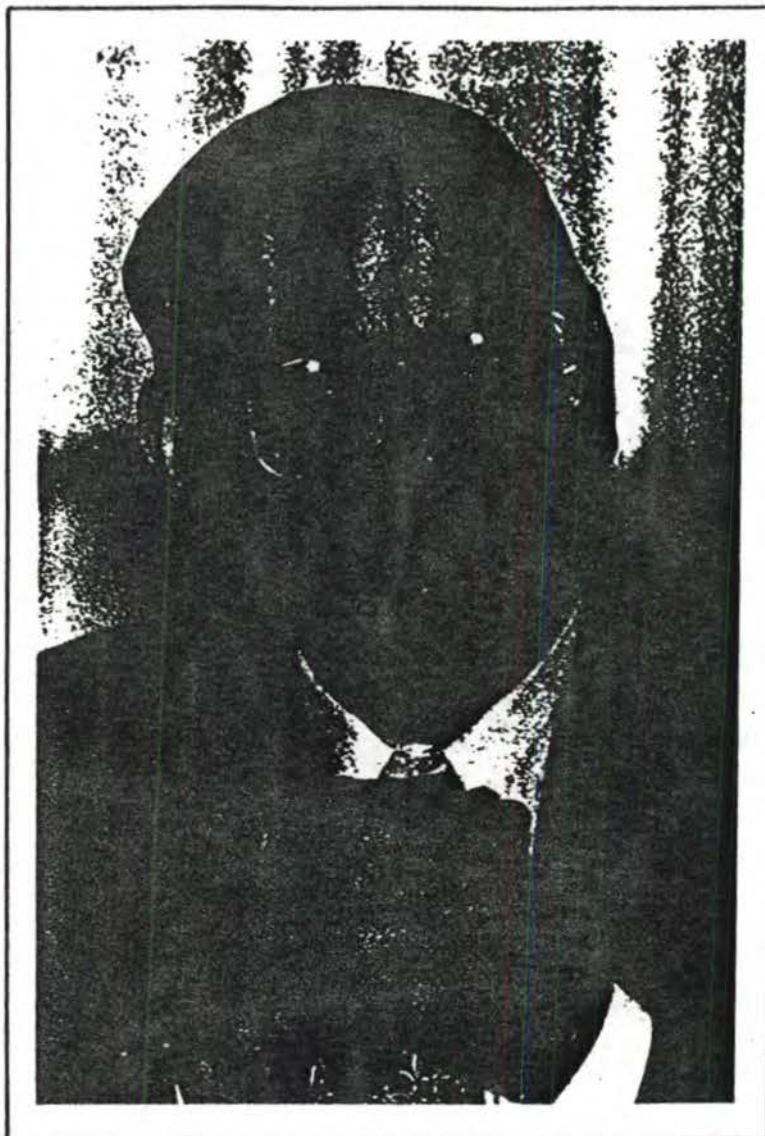
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منسق تقرير التنمية البشرية ورئيس الفريق الذي قام بإعداده
والسنتشار الخاص لمدير برنامج الأمم المتحدة الإنمائي



cognizing women's contribution

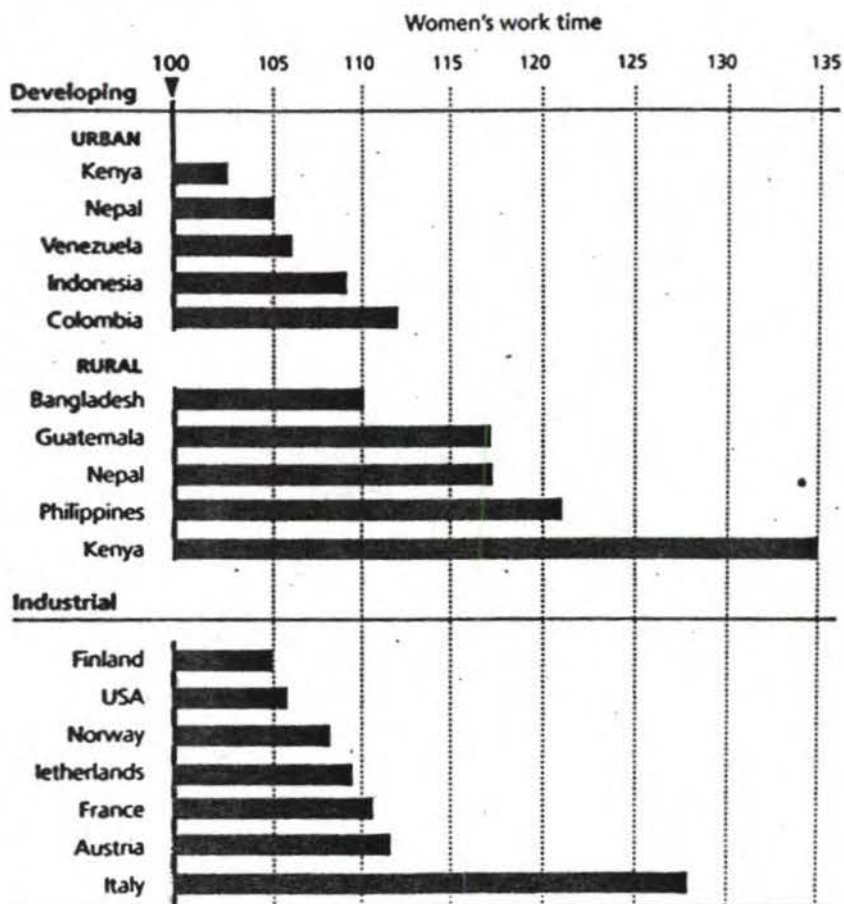


The cover design of the 1995 Human Development Report dramatically captures the undervaluation of women's economic contribution:

- Of the total burden of work, women carry more than half.
- Of men's total work, three-fourths is in paid market activities while only one-third of women's work is spent in paid activities.
- As a result, men receive the lion's share of income and recognition for their economic contribution – while most of women's work remains unpaid, unrecognized and undervalued.

Women work more hours than men

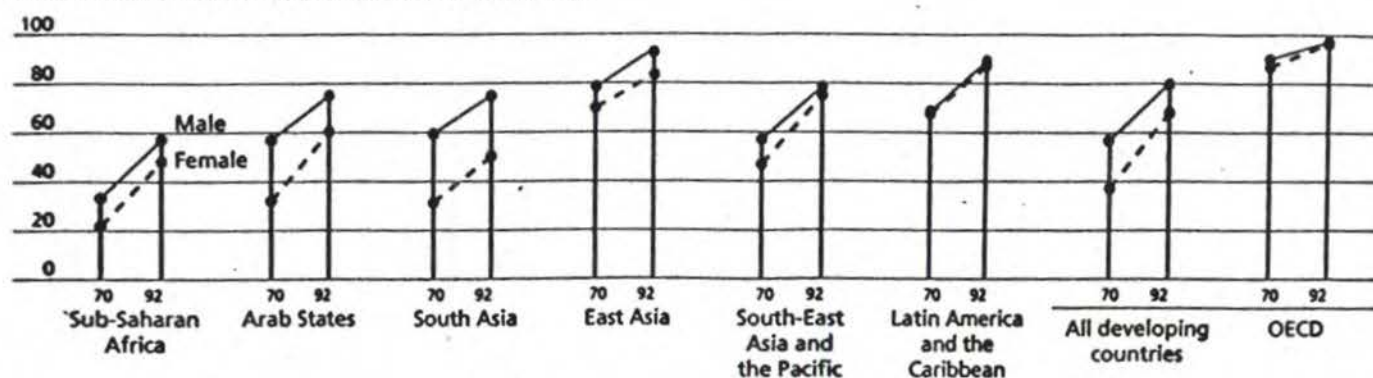
(men's work time = 100)



Women move ahead in education and health

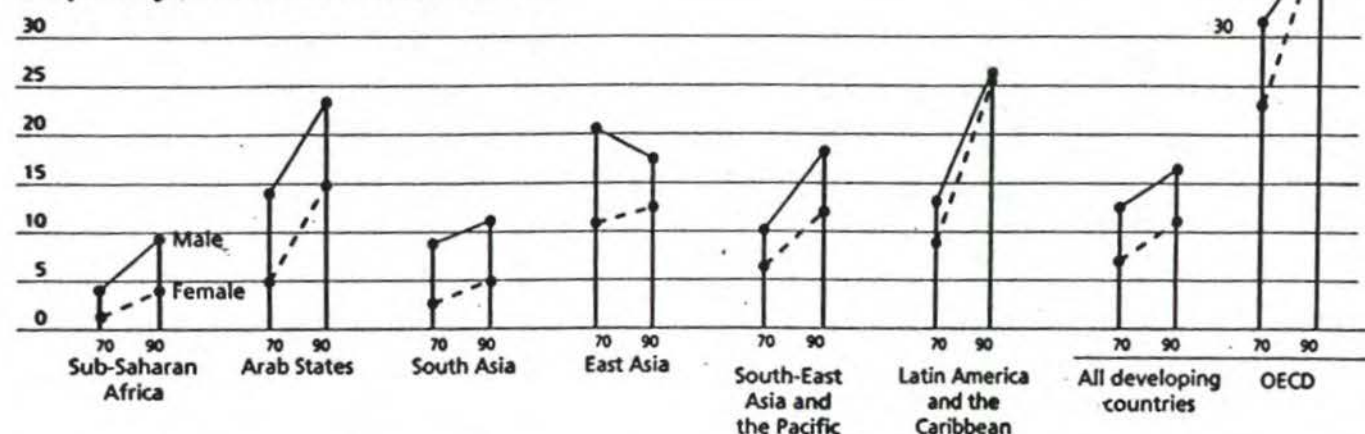
Closing the enrolment gap

Combined primary and secondary enrolment ratio (%), 1970 and 1992



Preparing for careers

Tertiary-school-age (18-23) enrolment ratio (%), 1970 and 1990

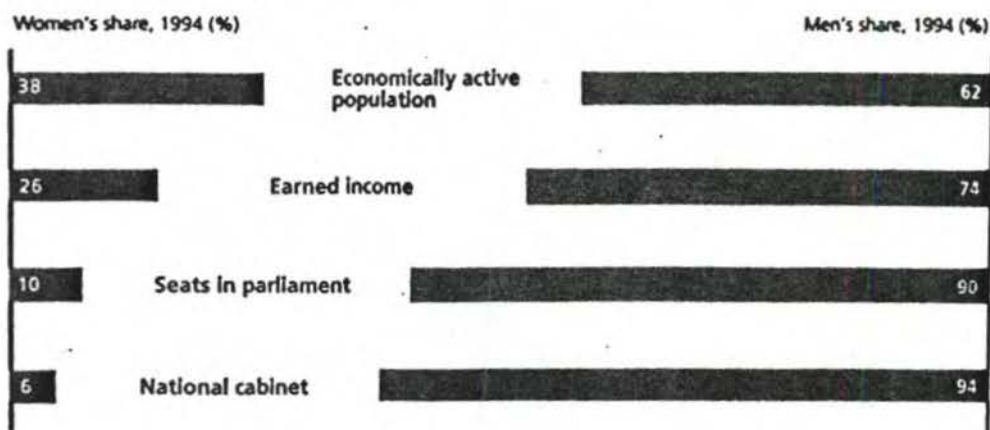


Advances in women's health

Country group	Life expectancy (years)		Total fertility rate (live births per woman)	
	1970	1992	1970	1992
All developing countries	53.7	62.9	5.7	3.5
Sub-Saharan Africa	46.3	52.4	6.6	6.3
Arab States	52.6	63.3	6.8	4.8
East Asia	64.0	70.6	5.3	1.9
South-East Asia & the Pacific	53.6	65.5	5.6	3.3
South Asia	49.0	60.2	5.9	4.1
Latin America & the Caribbean	63.0	71.0	5.3	3.1
Least developed countries	44.5	52.0	6.7	5.8
Industrial countries	74.2	79.4	2.3	1.9

But gaps persist in economic and political participation

In most respects, it is still an unequal world

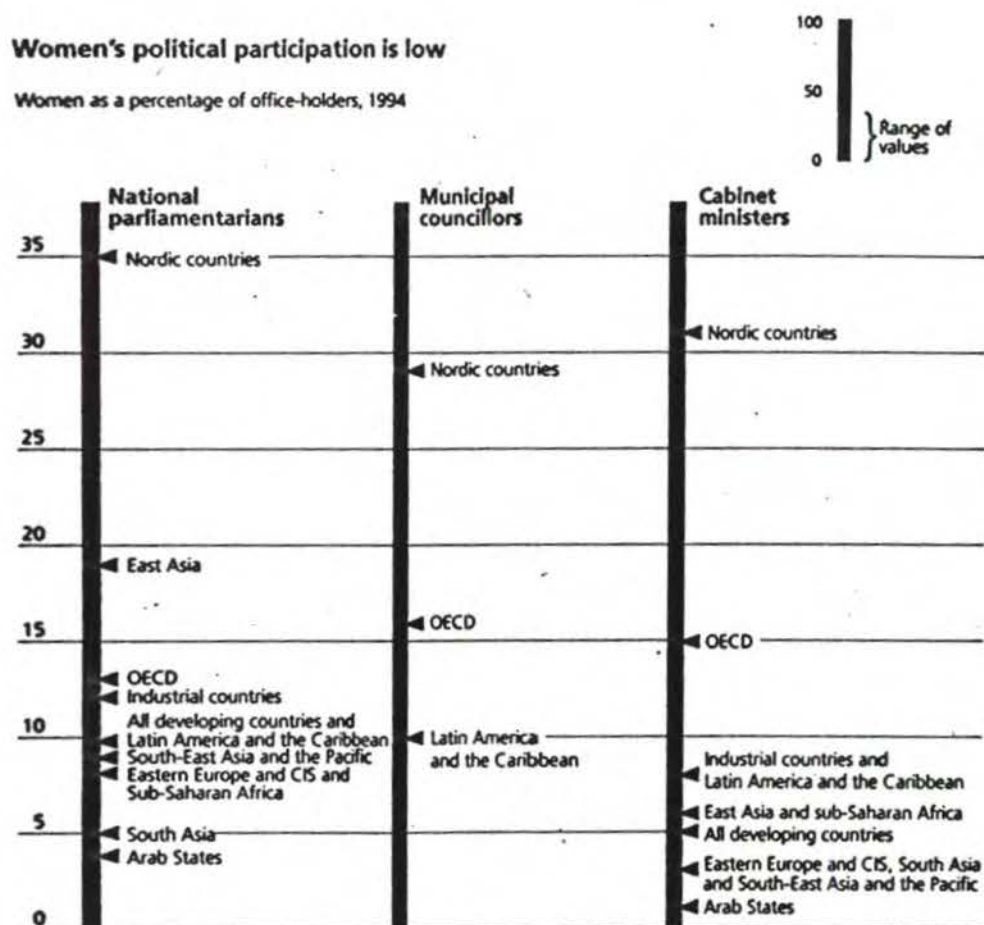


Lower average wage for women

Country	Women's non-agricultural wage as % of men's
Tanzania	92.0
Viet Nam	91.5
Australia	90.8
Sri Lanka	89.8
Iceland	89.6
Sweden	89.0
Norway	86.0
Bahrain	86.0
Kenya	84.7
Colombia	84.7
Turkey	84.5
Jordan	83.5
Costa Rica	83.0
Denmark	82.6
Hungary	82.0
Mauritius	81.3
France	81.0
New Zealand	80.6
Italy	80.0
Egypt	79.5
Zambia	78.0
Greece	78.0
Poland	78.0
Austria	78.0
Finland	77.0
Netherlands	76.7
Portugal	76.0
Brazil	76.0
Paraguay	76.0
Germany	75.8
USA	75.0
Mexico	75.0
Belgium	74.5
Uruguay	74.5
Swaziland	73.0
Central African Rep.	72.6
Singapore	71.1
Spain	70.0
United Kingdom	69.7
Hong Kong	69.5
Ireland	69.0
Thailand	68.2
Switzerland	67.6
Luxembourg	65.2
Argentina	64.5
Ecuador	63.7
Canada	63.0
Bolivia	62.3
Philippines	60.8
Cyprus	60.8
Chile	60.5
Syrian Arab Rep.	60.0
China	59.4
Korea, Rep. of	53.5
Bangladesh	42.0
Average	74.9

Women's political participation is low

Women as a percentage of office-holders, 1994



Note: Data are for latest available year.

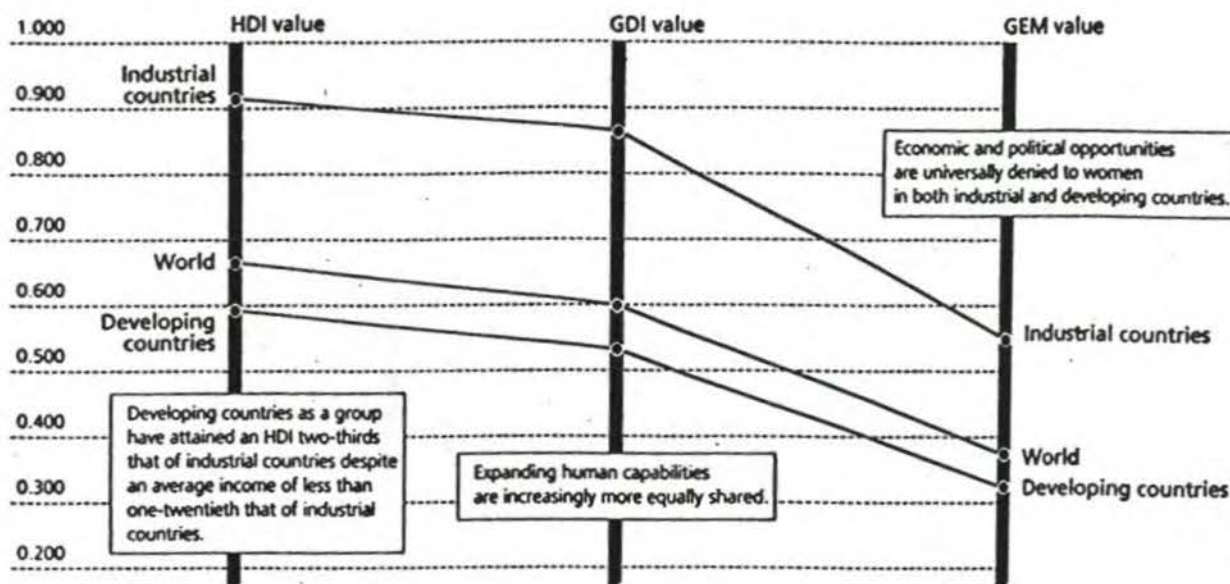
Gender inequality is a universal problem, both in rich countries and poor

The Human Development Index (HDI) measures the average achievement of a country in basic human capabilities. The HDI indicates whether people lead a long and healthy life, are educated and knowledgeable and enjoy a decent standard of living.

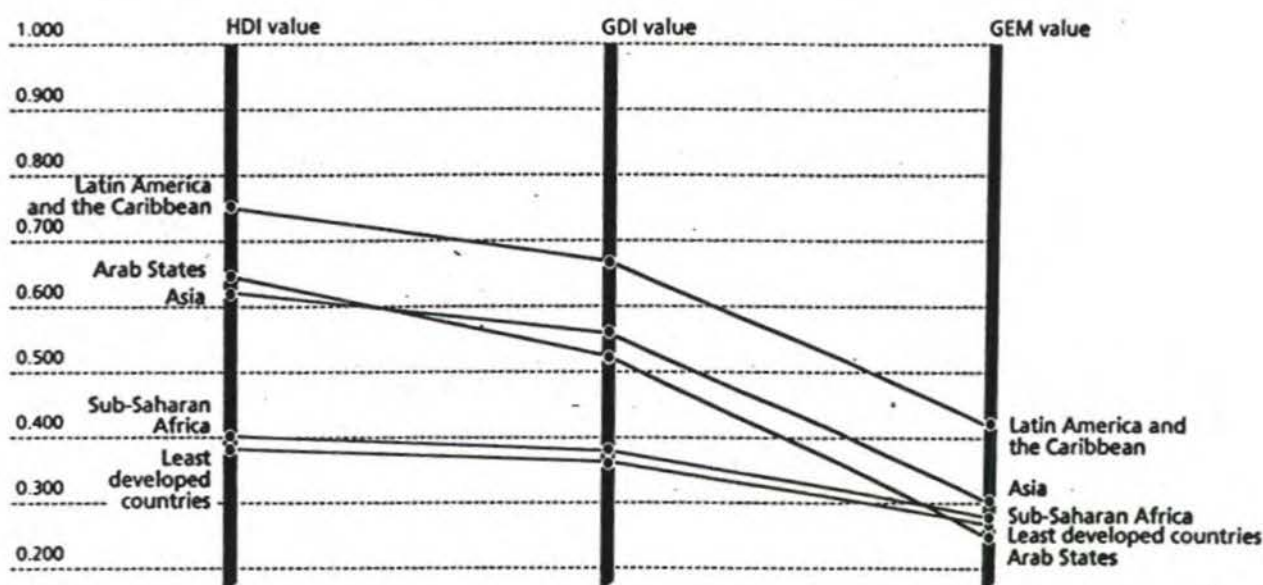
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The Gender Empowerment Measure (GEM) examines whether women and men are able to actively participate in economic and political life and take part in decision-making.

Global comparisons



Regional comparisons



Human Development Index: Rank and Value by Country

The HDI measures a country's achievements in terms of life expectancy, educational attainment and adjusted real income.

HDI Rank	Value	HDI Rank	Value	HDI Rank	Value
High human development		Medium human development		Low human development	
1	Canada	0.950	64	Kazakhstan	0.798
2	USA	0.937	65	Bulgaria	0.796
3	Japan	0.937	66	Turkey	0.792
4	Netherlands	0.936	67	Grenada	0.786
5	Finland	0.934	68	Ecuador	0.784
6	Iceland	0.933	69	Dominica	0.776
7	Norway	0.932	70	Iran, Islamic Rep. of	0.770
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30	Argentina	0.882	93	Peru	0.709
31	Korea, Rep. of	0.882	94	Uzbekistan	0.706
32	Uruguay	0.881	95	South Africa	0.705
33	Chile	0.880	96	Dominican Rep.	0.705
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35	Singapore	0.878	98	Romania	0.703
36	Portugal	0.874	99	Azerbaijan	0.696
37	Saint Kitts and Nevis	0.873	100	Philippines	0.677
38	Czech Rep.	0.872	101	Lebanon	0.675
39	Trinidad and Tobago	0.872	102	Samoa (Western)	0.651
40	Slovakia	0.872	103	Tajikistan	0.643
41	Brunei Darussalam	0.868	104	Indonesia	0.637
42	Belarus	0.866	105	Guyana	0.622
43	Estonia	0.862	106	Iraq	0.617
44	Bahrain	0.862	107	Egypt	0.613
45	United Arab Emirates	0.861	108	Namibia	0.611
46	Fiji	0.860	109	Nicaragua	0.611
47	Venezuela	0.859	110	Mongolia	0.604
48	Latvia	0.857	111	China	0.594
49	Panama	0.856	112	Guatemala	0.591
50	Hungary	0.856	113	Bolivia	0.588
51	Poland	0.855	114	Gabon	0.579
52	Russian Federation	0.849	115	El Salvador	0.579
53	Mexico	0.842	116	Honduras	0.578
54	Ukraine	0.842	117	Morocco	0.554
55	Antigua and Barbuda	0.840	118	Maldives	0.554
56	Qatar	0.838	119	Vanuatu	0.541
57	Colombia	0.836	120	Viet Nam	0.539
58	Thailand	0.827	121	Zimbabwe	0.539
59	Malaysia	0.822	122	Congo	0.538
60	Mauritius	0.821	123	Cape Verde	0.536
61	Kuwait	0.821	124	Swaziland	0.522
62	Seychelles	0.810	125	Solomon Islands	0.511
63	Brazil	0.804	126	Papua New Guinea	0.508
			127	Cameroon	0.503
			128	Pakistan	0.483
			129	Ghana	0.482
			130	Kenya	0.481
			131	Lesotho	0.473
			132	Myanmar	0.457
			133	São Tomé and Príncipe	0.451
			134	India	0.439
			135	Madagascar	0.432
			136	Zambia	0.425
			137	Yemen	0.424
			138	Lao PDR	0.420
			139	Comoros	0.415
			140	Togo	0.409
			141	Nigeria	0.406
			142	Equatorial Guinea	0.399
			143	Zaire	0.384
			144	Sudan	0.379
			145	Côte d'Ivoire	0.369
			146	Bangladesh	0.364
			147	Tanzania, U. Rep. of	0.364
			148	Haiti	0.362
			149	Central African Rep.	0.361
			150	Mauritania	0.359
			151	Nepal	0.343
			152	Senegal	0.340
			153	Cambodia	0.337
			154	Djibouti	0.336
			155	Benin	0.332
			156	Rwanda	0.332
			157	Malawi	0.330
			158	Uganda	0.329
			159	Liberia	0.325
			160	Bhutan	0.305
			161	Gambia	0.299
			162	Chad	0.296
			163	Guinea-Bissau	0.293
			164	Angola	0.291
			165	Burundi	0.286
			166	Somalia	0.246
			167	Mozambique	0.246
			168	Guinea	0.237
			169	Burkina Faso	0.228
			170	Afghanistan	0.228
			171	Ethiopia	0.227
			172	Mali	0.222
			173	Sierra Leone	0.221
			174	Niger	0.207

Note: The components of HDI are life expectancy; literacy and combined enrolment; and adjusted real GDP per capita. The values are scaled from 0 to 1, with 1 representing maximum achievement.



Gender-related Development Index: Rank and Value by Country

The GDI measures achievement in the same basic capabilities as the HDI does, but takes note of inequality in achievement between men and women. The greater the gender disparity, the lower a country's GDI.

GDI Rank	Value	GDI Rank	Value	GDI Rank	Value
1 Sweden	0.919	46 Mexico	0.741	91 Ghana	0.460
2 Finland	0.918	47 Cuba	0.726	92 Egypt	0.453
3 Norway	0.911	48 Fiji	0.722	93 Morocco	0.450
4 Denmark	0.904	49 Mauritius	0.722	94 Myanmar	0.448
5 USA	0.901	50 Colombia	0.720	95 Madagascar	0.432
6 Australia	0.901	51 Kuwait	0.716	96 Lao PDR	0.405
7 France	0.898	52 Jamaica	0.710	97 Zambia	0.403
8 Japan	0.896	53 Brazil	0.709	98 Comoros	0.402
9 Canada	0.891	54 Suriname	0.699	99 India	0.401
10 Austria	0.882	55 Botswana	0.696	100 Nigeria	0.383
11 Barbados	0.878	56 Bahrain	0.686	101 Togo	0.380
12 New Zealand	0.868	57 United Arab Emirates	0.674	102 Zaire	0.372
13 United Kingdom	0.862	58 Sri Lanka	0.660	103 Pakistan	0.360
14 Italy	0.861	59 Tunisia	0.641	104 Tanzania	0.359
15 Czech Rep.	0.858	60 Ecuador	0.641	105 Haiti	0.354
16 Slovakia	0.855	61 Qatar	0.639	106 Central African Rep.	0.350
17 Hong Kong	0.854	62 Peru	0.631	107 Côte d'Ivoire	0.341
18 Belgium	0.852	63 Paraguay	0.628	108 Bangladesh	0.334
19 Switzerland	0.852	64 Philippines	0.625	109 Sudan	0.332
20 Netherlands	0.851	65 Lebanon	0.622	110 Uganda	0.316
21 Estonia	0.839	66 Iran, Islamic Rep. of	0.611	111 Senegal	0.316
22 Poland	0.838	67 Mongolia	0.596	112 Djibouti	0.315
23 Hungary	0.836	68 Indonesia	0.591	113 Malawi	0.315
24 Latvia	0.833	69 Dominican Rep.	0.590	114 Benin	0.314
25 Portugal	0.832	70 Guyana	0.584	115 Nepal	0.310
26 Bahamas	0.828	71 China	0.578	116 Mauritania	0.309
27 Greece	0.825	72 Syrian Arab Rep.	0.571	117 Yemen	0.307
28 Singapore	0.822	73 Nicaragua	0.560	118 Angola	0.286
29 Russian Federation	0.822	74 Viet Nam	0.537	119 Gambia	0.277
30 Ireland	0.813	75 Libyan Arab Jamahiriya	0.534	120 Guinea-Bissau	0.276
31 Brunei Darussalam	0.812	76 El Salvador	0.533	121 Burundi	0.274
32 Uruguay	0.802	77 Honduras	0.524	122 Chad	0.260
33 Thailand	0.798	78 Iraq	0.523	123 Mozambique	0.229
34 Spain	0.795	79 Maldives	0.522	124 Ethiopia	0.217
35 Luxembourg	0.790	80 Bolivia	0.519	125 Guinea	0.214
36 Trinidad and Tobago	0.786	81 Saudi Arabia	0.514	126 Burkina Faso	0.214
37 Korea, Rep. of	0.780	82 Zimbabwe	0.512	127 Niger	0.196
38 Malaysia	0.768	83 Swaziland	0.508	128 Mali	0.195
39 Argentina	0.768	84 Algeria	0.508	129 Sierra Leone	0.195
40 Venezuela	0.765	85 Cape Verde	0.502	130 Afghanistan	0.169
41 Panama	0.765	86 Papua New Guinea	0.487		
42 Costa Rica	0.763	87 Guatemala	0.481		
43 Chile	0.759	88 Kenya	0.471		
44 Lithuania	0.750	89 Lesotho	0.466		
45 Turkey	0.744	90 Cameroon	0.462		

Note: The components of GDI are life expectancy, literacy and combined enrolment; and earned income. The values are scaled from 0 to 1, with 1 representing maximum achievement with perfect gender equality.



Gender Empowerment Measure: Rank and Value by Country

The GEM measures the participation of women in economic and political decision-making. The greater the gender disparity in participation, the lower the GEM.

GEM Rank	Value	GEM Rank	Value	GEM Rank	Value
1 Sweden	0.757	41 Peru	0.400	81 Syrian Arab Rep.	0.285
2 Norway	0.752	42 Mexico	0.399	82 Burkina Faso	0.280
3 Finland	0.722	43 Zimbabwe	0.398	83 Angola	0.278
4 Denmark	0.683	44 El Salvador	0.397	84 Benin	0.271
5 Canada	0.655	45 Venezuela	0.391	85 Morocco	0.271
6 New Zealand	0.637	46 Guatemala	0.390	86 Zambia	0.271
7 Netherlands	0.625	47 Iraq	0.386	87 Algeria	0.266
8 USA	0.623	48 Cyprus	0.385	88 Senegal	0.265
9 Austria	0.610	49 Malaysia	0.384	89 Malawi	0.255
10 Italy	0.585	50 Korea, DPR	0.380	90 Korea, Rep. of	0.255
11 Australia	0.568	51 Cape Verde	0.379	91 Tunisia	0.254
12 Barbados	0.545	52 Namibia	0.376	92 Equatorial Guinea	0.250
13 Luxembourg	0.542	53 Ecuador	0.375	93 Kuwait	0.241
14 Bahamas	0.533	54 Thailand	0.373	94 United Arab Emirates	0.239
15 Trinidad and Tobago	0.533	55 Belize	0.369	95 Iran, Islamic Rep. of	0.237
16 Cuba	0.524	56 Indonesia	0.362	96 Egypt	0.237
17 Switzerland	0.513	57 Uruguay	0.361	97 Mali	0.237
18 Hungary	0.506	58 Brazil	0.358	98 Turkey	0.234
19 United Kingdom	0.483	59 Swaziland	0.357	99 Jordan	0.230
20 Bulgaria	0.481	60 Romania	0.352	100 Papua New Guinea	0.228
21 Belgium	0.479	61 Mozambique	0.350	101 India	0.226
22 Costa Rica	0.474	62 Mauritius	0.350	102 Sudan	0.219
23 China	0.474	63 Haiti	0.349	103 Lebanon	0.212
24 Ireland	0.469	64 Suriname	0.348	104 Congo	0.206
25 Guyana	0.461	65 Bolivia	0.344	105 Ethiopia	0.205
26 Spain	0.452	66 Paraguay	0.343	106 Central African Rep.	0.205
27 Japan	0.442	67 Greece	0.343	107 Zaire	0.201
28 Philippines	0.435	68 Cameroon	0.339	108 Nigeria	0.198
29 Colombia	0.435	69 Lesotho	0.339	109 Solomon Islands	0.198
30 Portugal	0.435	70 Burundi	0.337	110 Togo	0.182
31 France	0.433	71 Malta	0.334	111 Mauritania	0.163
32 Poland	0.432	72 Guinea-Bissau	0.327	112 Côte d'Ivoire	0.157
33 Panama	0.430	73 Nepal	0.315	113 Comoros	0.157
34 Nicaragua	0.427	74 Gambia	0.315	114 Pakistan	0.153
35 Singapore	0.424	75 Fiji	0.314	115 Djibouti	0.130
36 Argentina	0.415	76 Ghana	0.313	116 Afghanistan	0.111
37 Dominican Rep.	0.412	77 Samoa (Western)	0.309		
38 Botswana	0.407	78 Maldives	0.294		
39 Honduras	0.406	79 Sri Lanka	0.288		
40 Chile	0.402	80 Bangladesh	0.287		

Note: The components of GEM are the female and male share of parliamentary seats; of administrators and managers and of professionals and technicians; and of earned income. The values are scaled from 0 to 1, with 1 representing perfect equality.

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THE UNITED NATIONS DEVELOPMENT PROGRAMME

Through a network of 136 offices worldwide, the United Nations Development Programme (UNDP) helps people in 175 countries to help themselves, focusing on poverty elimination, environmental regeneration, job creation and the advancement of women. Increasingly, UNDP is asked to assist in democratic elections and to support the reconciliation and rebuilding process in the aftermath of war. UNDP's overarching goal is to help countries build *national capacity* to achieve sustainable, people-centred development.

In administering its programmes, UNDP draws on the expertise of developing country nationals and non-governmental organizations, the specialized agencies of the UN system and research institutes in every field.

In 1994, UNDP received contributions of US\$928 million in core resources, in addition to \$912 million in cost-sharing and in other financing for various UNDP-administered funds. Contributions to UNDP are voluntary, and come from nearly every government in the world. Developing country governments cover more than half of total project costs through personnel, facilities, equipment and supplies. Eighty-seven per cent of UNDP's programme funds go to countries with an annual per capita GNP of \$750 or less.

In addition to its regular programmes, UNDP administers a number of special-purpose funds, including the UN Capital Development Fund, the UN Office to Combat Desertification and Drought, the United Nations Volunteers, and the UN Development Fund for Women. Together with the World Bank and the UN Environment Programme, UNDP is one of the managing partners of the Global Environment Facility. The GEF is a \$2 billion fund that helps countries translate global concerns into national action to help fight ozone depletion, global warming, loss of biodiversity and pollution of international waters. UNDP is also one of six UN sponsors of a global programme on HIV/AIDS.

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HUMAN DEVELOPMENT REPORT 1995

Embargoed for 1500 GMT (USA: 10:00 EDT) on 17 August 1995

WOMEN'S INVISIBLE CONTRIBUTION TO THE GLOBAL ECONOMY ESTIMATED AT ELEVEN TRILLION DOLLARS, SAYS UN REPORT

Women's work goes unpaid, unrecognized and undervalued

A staggering sixteen trillion dollars is missing from the global economy each year, according to researchers of a report commissioned by the United Nations Development Programme (UNDP). This estimate includes the value of the *unpaid* work performed by women and men and the *underpayment* of women's work in the market at prevailing prices. Of this US\$16 trillion, \$11 trillion is the "invisible" contribution of women.

This undervaluation of women's work not only undermines women's purchasing power, says the *Human Development Report 1995*, it also reduces women's already low social status in many countries, as well as their right to own property and acquire credit from financial institutions.

Published annually since 1990, the report examines the worldwide progress of people and provides country-by-country comparisons on a broad range of social and economic indicators. This year's *Human Development Report* takes an extensive look at gender inequalities — the economic and social gaps between women and men.

"There is an unwitting conspiracy on a global scale to undervalue women's work and contributions to society," says Mahbub ul Haq, principal author of the report. "In virtually

the-clock days every year.

- While men normally spend less than a quarter of their work time in unpaid activities, such as child care, there are large variations. Men in Venezuela spend about 13% of their time on unpaid work; for men in the Republic of Korea, 44% of their productive time is unpaid.
- The disparity between rural and urban areas is startling. To begin with, the total work day is 20% longer in rural as compared to urban areas. Moreover, women in rural areas spend an average of 20% more time than men working; in urban areas they spend 6% more time.

Key findings among the 14 industrial countries studied include:

- Total work time for men and women in industrial countries is about 20% less than in developing countries. The longest workdays are put in by women in Italy and the shortest by men and women in The Netherlands.
- There are significant variations in the proportions of time spent on paid and unpaid activities. Women's share of total unpaid work is 81% in Italy; in Finland and Germany it is 64%. Men's share of paid work ranges from 58% in Denmark to 73% in Italy.
- When comparing the proportion of time that men and women spend on paid and unpaid activities, Denmark shows the least inequality, and Italy the most.

The study identified other factors that are often overlooked in evaluating women's work, such as the labour intensity of household tasks in the developing world. For instance, because women in Kenya are the primary gatherers of fuelwood and water (as is the case in most developing countries), they work an average of ten times the hours of men performing these tasks. This carries over to Kenyan girls, who spend seven times as many hours as

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HUMAN DEVELOPMENT REPORT 1995

Embargoed for 1500 GMT (USA: 10:00 EDT) on 17 August 1995

1995 HUMAN DEVELOPMENT REPORT MEASURES GLOBAL GENDER GAP

Women's health and education improve, but access to political and economic opportunities lags far behind

A frustrating global pattern in women's lives shows them making rapid strides in education and health while lagging seriously behind men in economic and political status. Thus, while the gender gap in education was more than halved in developing countries between 1970 and 1990, women still represent 70% of the 1.3 billion people living in poverty today, according to the *Human Development Report 1995*. Worldwide, women hold an average of only 10% of parliamentary (legislative) seats and 6% of cabinet positions in national governments.

"Over the past 20 years, doors to education and health opportunities have opened rapidly for women, but the doors to economic and political power are barely ajar," say the authors of the report, a team of world-renowned independent scholars under the guidance of Mahbub ul Haq, former Finance and Planning Minister of Pakistan and currently Special Adviser to the Administrator of the United Nations Development Programme. The report, which was commissioned by UNDP, was released today. It is published by Oxford University Press in the USA.

As in previous reports, the *Human Development Report 1995* takes a country-by-country look at human development, using a range of economic and social indicators. This year's

countries.

The new "Gender-related Development Index" (GDI) reveals that, among 130 countries for which comparable literacy, life expectancy and economic data were available, the four top countries are in the Nordic region — Sweden, Finland, Norway and Denmark, in that order. "This is hardly surprising," say the authors of the report. "These countries have adopted gender equality and women's empowerment as conscious national policies."

The highest ranking developing countries on the GDI are: Barbados (rank 11), Hong Kong (17), the Bahamas (26), Singapore (28), Uruguay (32) and Thailand (33).

The "Gender Empowerment Measure," or GEM, looks at women's representation in parliaments, their share of positions classified as managerial or professional, their participation in the active labour force and their share of national income. It ranks 116 countries with comparable data.

Once again, the Nordic countries lead the world, with Sweden and Norway on top. As the report points out, the Nordic countries have crossed the critical 30% threshold for women's participation in political and economic decision-making. Since May 1994, when GEM data were gathered, Sweden crossed a milestone by being the first country in history to have 50% female representation among cabinet ministers. France also progressed, moving from 6.9% female representation among cabinet ministers last year to 27.9% in May 1995.

The report documents the considerable progress of developing countries in building women's basic capabilities and in closing the gender gap in education and health. For instance, in adult literacy and combined primary and secondary school enrolment, the gender gap was halved between 1970 and 1990. The Arab States led this advance by more than doubling female literacy rates.

In the area of health, female life expectancy has increased 20% faster than male life expectancy over the past two decades. High fertility rates, which severely restrict the

mostly girls in Asia, are forced into prostitution annually. An estimated 100 million girls suffer genital mutilation. In Germany, it is estimated that up to four million women a year suffer from domestic violence. And studies in Canada, New Zealand, the United Kingdom and the United States suggest that one woman in six is raped in her lifetime.

- *The starkest reflection of the low status accorded to women is the discrimination against them in the law.* In many countries, women are still not treated as equal to men — whether in property rights, rights of inheritance, laws related to marriage and divorce, or the rights to acquire nationality, property or seek employment. In many parts of the developing world, women do not have legal control over the land they farm.

This year's report comes at a critical time, just one month before the Fourth World Conference on Women to be held this September in Beijing, and it lays a foundation for Beijing and beyond. Acknowledging that each nation will need to adopt its own prescription for overcoming obstacles to equal rights, the report identifies a five-point strategy for action:

- 1) Implementing a timetable to eliminate legal discrimination, including a global campaign for the unconditional ratification of CEDAW (the UN Convention on the Elimination of All Forms of Discrimination Against Women) by the 90 UN member states that have not yet signed or ratified it or that have entered reservations.
- 2) Making changes in social and institutional norms in order to extend more choices to women and men in the workplace, such as more flexible work schedules and expanding maternity and paternity leave.
- 3) Attaining a critical 30% threshold as a minimum share of decision-making positions held by women at the national level. Only six countries — Denmark, Finland, The Netherlands, Norway, Seychelles and Sweden — have crossed the 30% threshold in parliamentary or cabinet representation.

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