



Regional Workshop:

**“From Margin to Center:
Gender Equity in Building
the Information Society”**

**Information Society:
Promoting Financial Mechanisms with a Gender Equity Perspective**

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Regional Workshop

“From Fringe to Center: Gender Equity in Building the Information Society”

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Regional Workshop

“From Fringe to Center: Gender Equity in Building the Information Society”

Information Society: Promoting Financial Mechanisms with a Gender Equity Perspective¹

I. Introduction

This document is intended to describe the funding strategies of the Information Society (IS) that are currently under discussion at the preliminary meetings of the World Summit on the Information Society (WSIS) – Second Phase, which will be held in November 2005 and, from a gender perspective, to tie them into the commitments undertaken through the Goals of the Millennium, the Beijing Action Platform and Funding for Development, among others.

This paper has been prepared for the Regional Workshop titled "From Fringe to Center: Gender Equity in Building the Information Society", called upon by the Steering Committee of WSIS Gender Caucus². This is one of the tasks pursued by the Caucus to fulfill its strategic objective: “To ensure that gender equity and women’s rights are integrated into WSIS and its subsequent processes”.

Building the Information Society in Latin America and the Caribbean requires a new outlook that, based on the understanding of the Region’s specific economic, social, political and cultural settings, should redesign the scenario for development in the Region.

Development strategies stemming from the Washington Consensus³ applied by several Latin American and Caribbean countries as from the 90’s has broadened the inequity gap in terms of economic, social and political conditions. Furthermore, the number of poor and marginalized people is increasingly higher, and the growth of unemployment is rolling out dramatic scenarios, especially among destitute women.

In this respect, the commitments to be undertaken by governments and conveyed in public policy-making should be revised in order to guarantee the fulfillment of each one of them in respect of gender equity, uprooting of poverty and funding for development issues.

¹ To quote this work state the following: Especially prepared for the Regional Workshop titled "From Fringe to Center: Gender Equity in Building the Information Society", May 9 - 11, 2005. WSIS Gender Caucus / Coordinated by UNESCO Chair on Women, Science and Technology in Latin America.

² WSIS Gender Caucus is a group of men and women from national governmental bodies, civil society organizations, NGOs, the private sector and the UN system, who have been working together in order to integrate gender-related issues into WSIS and its subsequent processes. WSIS Gender Caucus Steering Committee for Latin America is represented by Gloria Bonder and Magally Pazzello.

³ Set forth in 1990 with the participation of experts from the United States Federal Reserve, the World Bank and the International Monetary Fund.

Today we witness the vertiginous expansion of the new ICTs, which are modifying the pattern of social relations. For instance, e-commerce and the use of electronic money are changing the way business transactions are carried out. They could have a positive impact on companies due to the volume of transactions in real time; however, they may have a negative impact too for those companies making no use of such resources.

ICTs account for powerful instruments whose impact on development is not neutral. The application of ICTs may exacerbate or transform existing power relations. For that reason, governments should put in place the mechanisms required for the use of ICTs on the basis of equity and equal opportunities for all. This may only be realized if governments access and allocate the necessary resources for their implementation, operation and development. For that reason, funding proposals should be revised from a gender perspective to guarantee a comprehensive social justice-based IS, as endorsed by WSIS Gender Caucus.

II. Gender and Development

The purpose of this section is to give an overview of the main agreements and commitments undertaken by States to improve the situation of women, as stated in the Action Platform of the IV Conference on Women held in Beijing in 1995. Today its review, after a ten-year period application, shows the need to incorporate the gender dimension into the IS building process.

This Platform is not the only relevant document regarding women's rights. Rather, it is the result of the efforts of women's movements, feminists' movements and political willingness, which have raised international awareness on women's concerns. Several events took place to such end in Mexico (1976), where the United Nations Declaration on Women's Special Decade 1975-1985 was formulated, Copenhagen (1980) and Nairobi (1985).

2.1 Beijing Action Plan

Since the 70's, and based on some ground-breaking work such as that of Boserup⁴, the myth of the neutrality of policies and international cooperation for the development of women's situation begins to vanish. Thereafter the concern of nations and international bodies has been focused not only on financial aid for economic development and eradication of poverty, but also on the way in which women can leapfrog into the economy.

The best known approaches applied in our countries include **the welfare approach**. Its support strategies are aimed at vulnerable groups encompassing low-income women whose nurturing role as mothers and wives is prioritized. According to Moser⁵, this approach deems women as passive recipients of development.

⁴ BOSERUP, E., 1970, *Women's Role in Economic Development*. St. Martins Press. New York

⁵ MOSER, K. *La Planificación de Género en el Tercer Mundo, enfrentando las necesidades estratégicas y prácticas de género*. Flora Tristán. Lima, 1991.

As from 1989, international cooperation agencies such as USAID have fostered women's mainstreaming in development and the application of the so-called MED strategies:

- The **equity approach** that has promoted women's arm's length access to the labor market and placed strong emphasis on women's economic independence as a synonym of equity.
- The **anti-poverty approach** that claims that economic inequality between males and females is not tied to subordination but rather to poverty. As a result, *"...it focuses mainly on the productive role of women, assuming that the relief of poverty and the promotion of balanced economic growth require greater productivity by women in low-income households"*⁶.
- The **efficiency approach**, another MED strategy, which was applied until the mid 90's and sustains that greater economic participation by women would affect the effectiveness of the economy and equity conditions. This approach was concomitant to the structural adjustment measures applied by Latin American countries.

As of 1995, the so-called Gender in Development strategy (GID) has been applied. Thus, based on the analysis of the roles played by men and women in society, the relationships between them and their impact on development, efforts have been made to enhance the position of women vis-à-vis men in order to favor and transform society at large. This strategy seeks the empowerment of women and disadvantaged individuals and the transformation of unequal relations. The driving forces are no longer efficiency or welfare, but rather equity, justice and respect for the human rights of all persons according to the UNPD⁷.

In 1995 the Fourth World Conference on Women was held in Beijing under the motto "Equity, Development and Peace". Thanks to its Action Platform, this initiative made it possible to put the gender equity issue on the world agenda.

Today, ten years later, its significance and validity is ratified. During the UN 49th Session of the Commission on the Status of Women (CWS) organized in New York in March 2005, UN Secretary General Kofi Annan proclaimed that, when the world leaders meet in September to evaluate the progress made regarding the Goals of the Millennium, they should adopt the recommendations put forward in Beijing in 1995. He further urged governments to show political readiness by taking concrete steps to set the Beijing Action Plan into motion in order to build a society based on equity and justice for women.

These statements stressed the close relationship between both international initiatives –the Beijing Action Platform and the Goals of the Millennium- in the sense that the objectives of suppressing poverty will not be fulfilled unless progress is made regarding the human rights of women and gender equity.

This Action Plan, which since the CWS 47th Session held in March 2003 has ratified the importance of paying special heed to the gender dimension in ICTs as key instruments in women's empowerment and gender equity building, as set out in the chapter on women

⁶ MOSER, K. Op.Cit.

⁷ UNDP. www.pnud.org.co/publicaciones/default.htm.

and communications media (J.1⁸), binds governments to promote women's access to any kind of ICT.

Nevertheless, there are still major hindrances to make headway in this field and the lack of political willingness by governments clashes with public statements. The institutional nature of the engagements derived from these international events is weak and lacks political significance and sustainability to formalize concrete public gender policies.

2.2 Objectives of the Millennium Development

The Objectives of the Millennium Development⁹ were approved by 191 chiefs of state at the UN General Assembly in September 2000. Countries have engaged upon fulfilling the goals thereof and conveyed their willingness to join forces at global level to fight against poverty, illiteracy, famine, lack of education, gender inequity, child mortality, illnesses and environmental degradation.

These objectives, albeit criticized for some of its major gaps, especially in the case of certain crucial areas for women's development such as employment, reproductive rights and equity, among others, give rise to new commitments on the part of governments and international bodies that could be tapped in order to build a new development paradigm “...so as to reposition social objectives as a priority for development”¹⁰.

In this respect the premises set forth by **Objective 3 -Promoting gender equity and women's autonomy**- and related **Goal 4 -“Suppressing disparities between genders regarding elementary and high school education by 2015”**- have limited application in most Latin American and Caribbean countries, where parity has virtually been reached in male and female school attendance. However, this accounts for an opportunity to stir up resources and integrate the gender dimension into each one of the Millennium objectives and goals.

On the other hand, WSIS recognizes the fact that ICTs are a powerful tool that may help fulfill these objectives. Given the spectacular growth of broadcasting, radio and television networks, as well as fixed and mobile communications in LAC, ICTs may contribute to curtail poverty enhancing the delivery of social services, namely: education, health care, training, access to market information and, in general, access to information for decision-making on development policies.

⁸ Action Platform of the IV World Conference on Women. Section J. Chapter 3. Women and Communications Media. J.1: Increasing women's participation and access to decision-making, debate and discussion levels regarding communications media and, through the latter, to the new information technologies.

⁹ UNDP. Millennium Development Goals. Official Document. Objectives: 1. *Halving poverty*. 2. *Promoting universal primary education*. 3. *Fostering gender equality*. 4. *Reducing child mortality*. 5. *Improving maternal health*. 6. *Combating HIV/AIDS and other diseases*. 7. *Ensuring environmental sustainability*. 8. *Developing a global partnership for development, setting goals for assistance, trade and relief of the debt burden*.

¹⁰ LOPEZ MONTAÑO, CECILIA. *Globalización, Pobreza y Metas del Milenio desde la perspectiva de Género*. REPEM. Mexico, 2004.

2.3 Monterrey Consensus. Funding for Development

The major goal of the Monterrey Conference organized in Mexico in March 2002 was to discuss funding issues for development purposes within the framework of the Goals of the Millennium.

For the first time, representatives from government agencies, international institutions, the civil society and the private sector gathered to put forward funding strategies geared to “...mitigate poverty, attain sustained economic growth and promote sustainable development while moving forward towards a world economic system based on equity encompassing people at large”¹¹.

As a result of this conference, the governments of developing countries have agreed to carry out reforms to provide domestic resources, fight corruption, enforce coherent macroeconomic policies and collect taxes more effectively in order to guarantee increased private financial flow to the private sector, especially direct foreign investments.

International financial entities, on the other hand, have agreed to take all necessary measures so that the benefits of international trade may reach poor countries effectively, to provide increased official aid to development and relieve the foreign debt burden.

Funding initiatives for development, as stated in the Monterrey Consensus, become of paramount importance to build the IS insofar as, having been included in the Action Plan¹², “...they translate into concrete lines of action to achieve the development objectives agreed upon at international level, including those set forth in the Millennium Declaration, the Monterrey Consensus and the Johannesburg Declaration and Application Plan, by promoting the use of products, networks, services and applications based on Information and Communication Technologies (ICTs), and to assist countries to overcome the digital gap”.

Nevertheless, one of the main restraints to such objectives is that they are posed within a neoclassical economic model, without challenging the fact that restrictive currency policies and anticyclical tax policies have contributed to the failure of adjustment programs in Latin America. Undoubtedly, a model that focuses on the market and the mechanisms to promote “freedom and private businesses”¹³ guarantees the efficiency of macroeconomic policies rather than equity.

The experience in Latin America has provided us with a host of examples showing that, unless the market is organized based on economic justice, benefits will not reach the poor. The market rationale excludes and discriminates the poor ever more, impairing women in particular. According to ECLAC “...in households headed by females the level of extreme poverty is greater than in those headed by men in 9 out 18 countries surveyed”.¹⁴

¹¹ Monterrey Consensus. Official Document. Mexico, 2002.

¹² WSIS Document – 03/GENEVA/5 –S. December 12, 2003.

¹³ Monterrey Consensus. Op. Cit.

¹⁴ ECLAC: *Pobreza y Desigualdad desde una Perspectiva de Género*. 2002

Another limitation is that the gender discussion “*is restrained to the use of gender-sensitive descriptive raters, the list of special concerns with women's inclusion and the integration of the gender perspective*”¹⁵, disregarding gender in macroeconomic policy-making.

The trend towards the “*feminization of poverty*”, as pointed out by Sonia Montaña, Chief of the Women and Development Unit of ECLAC, is spiraling up since women, in general, lack economic autonomy. For that reason, family incidents such as separation or widowhood “*...make them more vulnerable to extreme poverty*”¹⁶. This is a pending issue that should be tackled in the sphere of human rights, redistribution of wealth and change in power relations, in order to uphold an inclusive IS based on social justice.

III. The Information Society

The world is now facing an unprecedented crucial transformation. The paradigms of the industrial society are falling apart rapidly and such a dynamic process is also changing all forms of dissemination of information, knowledge, social relations, business practices, education and even training¹⁷.

According to A. Toffler¹⁸, we are now undergoing a great revolution, perhaps the greatest one ever experienced by mankind. For that reason, it is compelling to understand and address this technological revolution and its impact on people and society on a consensus basis, particularly because we know that these changes and their outcomes will be specific to each country depending on their own organization and economic structure.

These features explain the so-called “*digital gap*”, defined as the difference amongst people, communities or countries using ICTs and those having no access to them or which, even if they do have access, do not know how to use them. In other words, it reflects unequal opportunities to access information, knowledge and education through ICTs. This seemingly technological difference results from the merger of a number of socioeconomic and cultural factors, as well as limitations and no telecommunications and IT infrastructure in place.

Based on statistical data at world level disclosed by the International Telecommunications Union (ITU), in November 2003, the rate of digital access¹⁹ shows us the affordability gap, which is a key factor to drive the acquisition of new technologies. This indicator is quite high in developing countries. For example, Sweden ranks first at 0.85 followed by Canada and the United States at 0.78. As for Latin America and the Caribbean, Chile totals 0.58, Argentina and Uruguay 0.53 and Brazil and Mexico 0.50. The latter are deemed to have a medium-high digital access rate. By contrast, Honduras totals 0.29, Nicaragua 0.19 and Haiti 0.15 respectively and they are the bottom of the pyramid.

¹⁵ DURANO, MARIA: *El Consenso de Monterrey: Consolidar la globalización a expensas de las mujeres. Control Ciudadano* - 2003 en www.dawn.org.

¹⁶ Montaña, SONIA: *Caminos y atajos hacia la equidad de género en AL y C.* ECLAC, 2002.

¹⁷ KATZ, J. HILBERT, M. *Los caminos hacia una sociedad de la información en A L y C.* ECLAC, 2003

¹⁸ TOFFLER, ALVIN: *The Third Wave.* Ed. Plaza and Janés. Barcelona, 1980.

¹⁹ The digital access index measures citizens' capacity to access and use ICTs.

In Latin American countries, these differences affect large sectors of the population dramatically, especially women. For instance, if illiteracy is one of the major pitfalls to access the benefits of ICTs, in most countries the rate of illiteracy is even greater among women²⁰, especially among rural and indigenous females.

“...these figures are very high, chiefly in the case of minority and marginalized groups (such as indigenous women). Belonging to a certain ethnic group is another side of the LAC digital gap”. “...the chance of having a computer at home is five times greater for non-indigenous groups than for indigenous groups”²¹.

Progress made by each Latin American country in building the IS unfolds some interesting experiences and offers the possibility to replicate “good practices”. Countries such as Brazil and Chile have been able to pinpoint innovative strategies to develop ICTs. The results of such efforts have positioned Chile sixth in the world ranking as for online electronic government presence. *“Although Chile has come down four positions since the same report issued in 2003, it is still one of the world benchmarks for the developing world.”²²*

Regarding infrastructure, Chile has been able to negotiate independent access to fiber optic to deliver specialized research digital networks for universities under the umbrella of CLARA²³ (Latin American Cooperation of Advanced Networks). In turn, Brazil has developed “Casa Brasil” (Brazil Home), which is geared to promote participation through small centers located in local communities so that citizens may access the services offered by the Federal Administration to the population²⁴. On the other hand, women in Brazil and Argentina rank first as Internet users. In Argentina, they account for 51.9% of the total number of users while in Brazil they total 43.1%²⁵.

In the light of such experiences, building an IS with a gender equity perspective compels us to integrate said dimension into each component involved in this process. Thus, within the framework of public policies, an inclusive and equitable IS should be fostered providing for adequate regulatory frameworks to guarantee suitable institutional instances in order to ensure *“...an enabling and competitive environment that may promote all necessary investments in ICT infrastructure and development of new services”²⁶* on an arm's length basis and keyed to national strategies that may foster initiatives aimed at bridging the digital gap in connection with gender.

The incorporation of a gender dimension into each component of the IS building process, and particularly into financial mechanisms, will be crucial to reduce current inequalities and prevent negative results such as a wider digital gap, which are now being triggered by the implementation of ICTs in LAC.

²⁰ UNICEF. Statistics for Latin America and the Caribbean. Female illiteracy estimates in LAC in 1997 reached 14 %.

²¹ KATZ, J. HILBERT, M. Op.cit.

²² HILBERT, M. BUSTOS, S. FERAZ, C. Estrategias nacionales para la sociedad de la información en AL y C. ECLAC, March 2005.

²³ Quoted at the Conference on Telematic Network at the Universidad Nacional Mayor de San Marcos. Lima, 2005.

²⁴ Op. Cit.

²⁵ KATZ, J. and HILBERT, M. Op.cit.

²⁶ WSIS. *Financing Mechanisms - Chapter II. Chapter on Operation*. March 2005.

3.1 Financial Mechanisms with a Gender Equity Perspective

The funding of the Information Society is a core issue on the WSIS agenda. However, funding strategies, and how and who should finance the IS, have stirred up intense debate on the various positions presented at WSIS Phase 1 in Geneva 2003. On the one hand, developed countries believe that current financial mechanisms are not sufficient and that emphasis should be put on their adequate use. On the other hand, and based on the evidence of the inefficiency of traditional mechanisms, developing countries have put forward cutting-edge strategies such as the creation of the “digital solidarity fund”²⁷.

While the suitability and sufficiency of traditional mechanisms to face up to the difficulties of ICTs for development are being discussed, a task force²⁸ has been created under the auspices of the General Secretary of the United Nations, who will evaluate and submit to WSIS Phase 2 a proposal of enhancements and innovations to financial mechanisms, including efficacy, feasibility and the creation of a Digital Solidarity Fund, as stated in WSIS Action Plan²⁹:

*“The baseline objective of the Task Force has been to determine sustainable ways to guarantee the continuity of current trends and innovative methods to speed up the use and availability of ICTs within a wider range of developing countries and groups of the population in each country.”*³⁰

Funding is not only about getting resources, but also about how to invest them to ensure appropriate allocation, as per the recommendations of the Monterrey Consensus geared to the attainment of the Goals of the Millennium and the construction of a sustainable IS.

The Gender Caucus³¹, which has been involved in this process analyzing WSIS's funding issues from a gender perspective, sustains that the proposals set out in the official documents put too much emphasis on private investment to attain development goals, overlooking the fact that the concept of development entails much more than just economic growth and that, unless society is built on social justice and equity foundations, ICTs will fall short at the attempt of building an inclusive society that respects the economic, social, cultural and political rights of all men and women.

After recognizing the existence of a digital gap by gender within each LAC country, the Gender Caucus's concern is now aimed at monitoring financial mechanisms to guarantee gender equity and equal opportunities to benefits, infrastructure and ICT services. In this respect, efforts must be geared to integrate gender equity into each financial strategy and mechanisms.

²⁷ APC Report. “*CMSI: Participación de APC en el Grupo de Trabajo sobre Mecanismos de Financiación*”.

²⁸ Task Force on Financial Mechanisms for ICT for Development.

²⁹ WSIS Document – 03/GENEVA/5 –S, December 12, 2003.

³⁰ The Report of the Task Force on Financial Mechanisms for ICTs for Development. December, 2004.

³¹ Statement of the Gender Caucus. WSIS. Bamako. May, 2002.

3.1.1 Traditional Financial Mechanisms

The Task Force on Financial Mechanisms for ICTs has revised financial mechanisms in place and funding levels, types of programs and experiences within each funding category³². Conclusions show that the resources provided by such traditional mechanisms are not sufficient to build an inclusive equity-based IS.

The funding documents analyzed are as follows: Private investment, especially direct foreign investment, public domestic funding and official aid for development. In LAC, according to ECLAC³³, the bulk of investments derive from the private sector through different loan and investment modalities, direct foreign investment being the major source of resources for the development of ICT infrastructure and services.

a. Direct Foreign Investment

The document proposed by TFFM³⁴ underscores the significance of developing markets in the investment arena. For that reason, “*ongoing promotion of equitable conditions for investment in ICTs and regulations that may foster free access and fair competition to improve the delivery of services and encourage new business investments in marginal areas*”³⁵ is the crucial role to be played by governments.

Nevertheless, we know that Latin America is highly sensitive and vulnerable to international financial cycles. Direct foreign investment flows have dropped substantially over the past years, having a special impact on the telecommunications industry. “*In 2000, Latin America accounted for 4.5% of the world’s expenses on telecommunications. Between 2001 and 2002, the region went through the greatest retrenchment on expenses by telco carriers at a global scale (62%) (eMarketer, 2002).*”³⁶

According to ECLAC³⁷ estimates, growth forecasts –relying solely on the market strengths- as for the penetration of the use of Internet in Latin America vis-à-vis countries such as Finland, Sweden, the United States or Singapore, will become a reality by 2020 approximately.

On the other hand, evidence shows that private investors, when faced with favorable and steady market conditions, make investments prioritizing profitability and earnings. Therefore, investments are mainly aimed at profitable activities, thus leaving large marginalized sectors of the population outside the system of benefits of technology and services. This is especially the case in rural areas, where access is more costly or demographic distribution does not provide for an appealing marketplace.

³² *The Report of the Task Force on Financial Mechanisms for ICT for Development*. December, 2004.

³³ ECLAC: *Public policies for the development of information societies in LAC*. June, 2005.

³⁴ *The Report of the Task Force on Financial Mechanisms for ICT for Development*. December, 2004.

³⁵ Ibidem.

³⁶ Mentioned in the page on events. ECLAC [www.ahciet.net/agenda/ECLAC 2003](http://www.ahciet.net/agenda/ECLAC%2003)

³⁷ KATZ, J. and HILBERT, M. Op.cit.

Regarding investments to overcome inequity conditions and discrimination in ICT access and use amongst women, direct investment is very limited and characterized by relatively scarce funds, which are not always aimed at addressing women's specific needs and must be supplemented by financial mechanisms from the public sector in order to encourage private investment. In this case, as well as in the promotion of ICTs in small and medium-sized companies, it is necessary *“to move forward towards a regulatory convergence that may simplify the regulator's tasks and increase competition in the service market”*³⁸.

Inasmuch as providing favorable market mechanisms does not guarantee equity, corporate social accountability must be encouraged, creating mechanisms with a gender perspective to address ICT access and use based on equity and arm's length conditions for both men and women. Such mechanisms, which have been drafted in the Action Plan³⁹, must be explicit as to the gender perspective, as it has been suggested by various women's organizations lately in their individual preliminary documents for Tunisia 2005.

b. Domestic Public Funding

The role of public finance is crucial, especially in Latin American countries where market distortions cause major asymmetries in ICT access, and public actions may provide the opportunity to address ICT infrastructure, software and service needs - especially in the case of the destitute, rural men and women- and to avoid an ever-growing digital gap.

Nevertheless, public funding is limited to the efficient allocation of internal resources to finance public activities. On the other hand, the taxation scheme must work adequately and the allocation of resources must be used on an efficient and transparent basis. In most countries in the region, resources have been chiefly used *“to subsidize traditional telephony, especially fixed telephony, and new technologies to a much lower extent, such as wireless solutions in remote or rural areas”*⁴⁰.

On the other hand, leveraging the role of public funding for ICTs requires a clear-cut understanding of their nature as “public technological assets”, so that those mechanisms in place to address the specific needs of marginalized groups may fulfill that purpose adequately.

In this respect, it is the public sector's responsibility to take care not only of connectivity levels, that is, the infrastructure that guarantees the access and use of technology, but also of the quality of such access. In other words, it must remain on the technological leading edge, which is only possible by promoting the delivery of IT services, research and training to bridge the digital gap.

³⁸ ECLAC: *Public policies for the development of information societies in LAC*. June, 2005.

³⁹ WSIS Document -03/GENEVA/5-S. May 12, 2004.

⁴⁰ ECLAC: *Public policies for the development of information societies in LAC*. June, 2005.

Successful initiatives include the one carried out by the Ecuadorian government that in 2002 enforced a “zero tariff scheme for the import of hardware and software”. Such initiatives have made it possible to cut back on cost by 20%. As a result, Internet access services have increased and this, in turn, has created more opportunities to extend accessibility over to lower-income sectors.

In this sense, public funding has become a privileged instrument to bridge the digital gap with respect to gender. For that reason, gender-sensitive public policies must be fostered, especially in the contexts of macroeconomics, finance and sectorial budget, which are by no means neutral to the gender issue.

This will be no easy task as long as macroeconomic and social policies continue to be tackled as areas detached from public policies⁴¹. In addition, the development of appropriate coordination and cooperation strategies is required for both public and private finance based on shared responsibility, in order to make development strategies more efficient in terms of equity and social inclusion.

c. Official Aid for Development

This mechanism takes in credits and donations by multilateral agencies, whose role has been instrumental to the provision of public assets that neither the market nor the government can offer, especially for the destitute population. In this respect, the official aid for development must supplement national development efforts to carry out programs, projects and strategies aimed at curtailing poverty.

However, more than ever before

“Multilateral banking, and the World Bank particularly, has become the epicenter of the debate and of educational actions in this region and worldwide. However, criticism extends over to other agencies and to international cooperation as a whole. The problems stated in the abovesaid documents -protagonism, verticalism, prescription and lack of attention to diversity and the specific needs of each country, inter-agency coordination, lack of transparency, no accounting for expenses and lack of accountability over results, growing foreign debt and finally (and due to all of the foregoing) inefficiency and inefficacy of such “cooperation” – go across the international cooperation system in place in our countries...”⁴²

As a counterpart of such criticisms, we find some interesting experiences as well with respect to the role played by international cooperation. In Ecuador, the Cibernarium Project⁴³ has been implemented thanks to the support of the European Union. It is geared to develop dissemination and digital training strategies, taking advantage of technological convergence benefits: CiberEspacio, CiberTV and CiberWeb. Services are rendered at national level in coordination with municipalities.

⁴¹ DURANO, MARIA: Op.cit. In www.dawn.org.

⁴² Cochabamba Declaration. VII Meeting of the Intergovernmental Regional Committee on the Main Education Project. UNESCO 2001.

⁴³ See Cibernarium Project: www.alis-cibernarium.org.

At the Monterrey Consensus, an aid fund for less developed countries was fostered whereby each developed country had to contribute 0.7% of its GDP. One year after its approval -during the UN 58th session period: Application and Follow-up on the International Conference on Funding for Development held in August 2003- the key concern was to reinforce such participation that, as at that date, hardly reached between 0.35% and 0.22% of their GDP respectively, and to strengthen commitments regarding technical assistance and cooperation for development.

In the Region, according to ECLAC⁴⁴, “countries have allocated ever fewer resources to foreign aid for ICT development. Whereas between 1990-1998, 5.8% of the official aid for the development of infrastructure was devoted to the development of ICTs, this figure fell down to 1.6% between 1999-2002.”

Among other conclusions, the TFFM report states the following:

“By the same token, we encourage multilateral institutions and bilateral public donors to consider the possibility of granting greater financial support to large-scale ICT regional and national projects and other related activities aimed at capacity building.”⁴⁵

In this regard, LAC countries should set priorities on their agendas regarding official aid for development and commit themselves to apply them on a transparent and effective basis, allocating this aid to human capacity building with a gender equity perspective to allow for the sustainability of ICTs at the service of the IS.

3.2 Cutting-edge Financial Mechanisms

In the face of the limitations of traditional financial mechanisms to guarantee the development of an inclusive equity-based IS, the TFFM document highlights, among other major conclusions, that in addition to improving the application of these mechanisms, alternative funding strategies must be promoted. Furthermore, special support is required for the creation of a Digital Solidarity Fund.

These mechanisms have different degrees of application in each country within the Region and some of them have not been applied yet. Therefore, their suitability and operability are not sufficiently developed yet. As a result, there are no comparable metrics to measure their effectiveness.

⁴⁴ ECLAC: *Public policies for the development of information societies in LAC*. June, 2005.

⁴⁵ Revised Chapter II on Operation (FINANCIAL MECHANISMS). Conclusion 30. PreCom 2. March, 2005.

a. Digital Solidarity Fund

This proposal set forth by the President of the Republic of Senegal, Abdoulaye Wade, was officially submitted at WSIS Phase I held in Geneva in order to address the broad digital gap and the failure of funding strategies for development. This proposal is intended to be responsive to basic needs, IT literacy, use and access of ICTs, based on joint efforts by States, the civil society and the private sector, in order to supplement current financial mechanisms.

Its objectives⁴⁶ include the provision of funding sources aimed at:

- Projects with a strong impact on socioeconomic activities compliant with cultural diversity.
- Unsound demand to create new activities and, in the long run, new markets with the subsequent generation of steady jobs.
- The tune-up of adapted equipment.
- The development of local contents, applications and services for administrations and communities (health, education, etc.), especially aimed at marginalized groups (women, disabled individuals, etc.).
- Training of human resources and fight against intellectual drain.

This Fund consists of voluntary contributions handled on a fast and transparent basis with the aim of promoting and financing projects that may offer an opportunity for disadvantaged groups to enter into the IS.

This proposal has been endorsed by a great number of nations, which have agreed to allocate to the Fund 1% of all their digital goods and services tenders derived from the seller's profit margin. This Fund will chiefly cover ICT community initiatives, prioritizing the situation of women, including training, contents and others. However, it will not address major telecommunications infrastructure projects. For the latter, the key strategy continues to be the sector deregulation to boost private investment.

Nevertheless, the instruments, administrative system and mechanisms required to guarantee their application with a strategic social view are still under discussion. At PreCom 2, GRULAC (Latin America Group 2005) raised the issue of equitable access to the Fund for all developing countries. Meanwhile, the Region is developing proposals – with the support of ECLAC- included in the Regional Action Plan, which should promote the funding of research and development programs.

⁴⁶ Digital Solidarity Fund. www.dsf-fsn.org.

b. Debt Relief

In view of the fact that most Latin American countries face an unbearable foreign debt, recommendations are made to tap debt-cutting initiatives through transforming proposals. Debt swaps imply exchanging debts for social actions as a mechanism to eliminate the expensive debt from the market. For example, exchanging debt for social development projects involving ICTs or acquiring debts to promote equity, protect the environment or foster education, health and nutrition.

WSIS Action Plan states that “*an efficient utilization of **debt relief** mechanisms, including the allocation of debt payments to the development of ICT projects through debt swap proceedings, should be encouraged*”⁴⁷.

The World Bank⁴⁸, in view of the serious poverty that strikes the so-called *medium-income* countries, grants debt relief through BIRF loans. In general, an adequate investment climate must be created to attract private capital and thus help create efficient and equitable social expenditure programs aimed at developing human capital and ensuring equal access to economic opportunities.

However, even if the proposal is encouraging, in practice it is very difficult to do away with the link between debt relief aid and decisions about its allocation. Such decisions are normally made according to creditors’ priorities. Therefore, governments and financial entities must be urged to integrate gender equity and ICT related issues into their top agenda and areas of concern.

c. Tax on Money Transactions

This proposal is the result of the need to extend access strategies over to alternative financial mechanisms, as set forth in the report issued by WSIS Task Force on Financial Mechanisms, which states that “*...the capture of investments aimed at ICTs has mainly hinged upon an enabling environment, and specifically on effective governance across all levels, as well as on an appropriate and transparent political and regulatory framework that may favor competition while reflecting national needs*”⁴⁹.

This is a mechanism that would function as a Tobin⁵⁰ tax, justified by large volumes of transactions carried out in the ICT sector and concentrated in the hands of a few transnational companies involved in key industries such as telecommunications, IT and content providers (communications networks). Their domestic transactions would be charged with a 0.05%. This proposal is still under discussion and its application is still to be defined. However, it accounts for a highly advantageous alternative, especially if resources are allocated to research and training.

⁴⁷ WSIS-03/GENEVA/5-S Document. May 12, 2004.

⁴⁸ Publication by the World Bank. www.worldbank.org/website.

⁴⁹ WSIS-II/PC-2/DOC/11-S Document. March 1, 2005. Note of the Chairman of the Subcommittee. Chapter on Operation (Financial Mechanisms).

⁵⁰ Tool created in 1978 by James Tobin, American professor at Yale University, to promote the stability of financial systems, mainly in depending countries, restraining speculative financial transactions to the short term, without prejudice to international trade or long-term capital flows.

A previous experience described on the UNDP Report on Human Development 1999 provides good background for this initiative, as it refers to a tax levied in Belgium on “bytes”; that is, on the amount of private data sent by electronic mail that only in 1998 resulted in 10 million dollars.

In general, with respect to cutting-edge financial mechanisms, we deem it necessary to foster studies aimed at improving their application, measure their outcomes and identify good practices, tailored to the Region's specific requirements and which, from a gender perspective, could provide instruments to bridge gender gaps in the use of ICTs.

IV. Conclusions

The work conducted by WSIS Gender Caucus to guarantee that gender equity and women's rights be integrated into all WSIS's processes is aimed at a twofold purpose: Eliminating gender inequalities and the status of global public information and communications assets. In this respect, funding for the IS building must:

- Incorporate the gender perspective as a state policy within the IS.
- Funding is concerned not only with ways of collecting funds, but also of investing them in order to ensure appropriate allocation for the attainment of gender equity.
- Given the fact that ensuring favorable conditions for market mechanisms does not guarantee equity, private investment cannot supersede the central role of public investment. Consequently, it is imperative to reinforce public funding mechanisms in order to address ICT access, use and innovation issues with a gender perspective and based on the arm's length principle for both men and women.
- Strengthen citizens' participation to guarantee the exercise of democracy. To that end, a follow-up system for funding strategies must be in place in order to assess the progress of gender equity policies in the IS.
- Foster the Digital Solidarity Fund and other alternative financial mechanisms, promoting community initiatives for ICT access, use and innovation, focusing on the situation of women and gender equity.
- Carry out research on IS funding aspects and macroeconomic policy facilities in order to strengthen finance initiatives within an adequate regulatory framework.

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