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# Socio economic gender inequality in Nigeria: A review of theory and measurements

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#### **Abstract**

The aim of this article is to synthesize the various views of gender inequality and various indicators used to measure it. It argues that women lag behind men in most indicators of socio-economic development and they constitute the majority of the poor, the unemployed and the socially disadvantaged. Productive differences as espoused by the traditional neoclassical as well as the institutions and markets advancement are not sufficient to explain gender inequality. The political economy view of power and self-interest enshrined at the household, community and government play relevant role in defining gender gaps. Growth models that are institutionally blind completely leaves out the impact that social institutions such as family, school, unions, government have in shaping inequalities. The collective self-interest and power within institutions motivate men and women to allocate the resource under their control to activities that best enable them to fulfill their obligations rather than to activities that are common.

## **Background**

Inequality is a phenomenon that many people have strong views. It is probably a key factor in producing or exacerbating a wide range of social ills such as educational disadvantage, health inequalities, intergenerational immobility, and crime, and may undermine social cohesion. It relates with economic performance but in a much more complex fashion than a simple trade-off between growth and inequality. (*Nolan, 2009*). Persistent inequality constraints a society's productivity and ultimately slows its rate of economic growth and the economy pays for this in reduced productivity today and diminished national output tomorrow. (Awoyemi, 2004). Since the early 1980s, rising inequality in earnings and household income has been a focal policy issue (**Scholtz, 2010,** Bluestone and Harrison, 1982; Dooley and Gottschalk, 1982, 1984; Henle and Ryscavage, 1980). In Nigeria, the inequality level is said to have worsened and many studies using household survey income and consumption concept document this fact. For example Aigbohkan (2000) showed increasing levels of inequality, poverty and polarization using nationwide surveys for 1985/86, 1992/93 and 1996/97. A much earlier study by Canagarajah, et

al., (1997) discussed rising inequality situation for Nigeria and reported increased inequality spanning 1980s and 1990s. Despite this recognition in both academic and policy circles, "gender issues are often excluded from the design and planning of empirical research and data collection both at the micro and macro levels. There is also an unbalanced analysis of women's roles, responsibilities, constraints and opportunities in different activities in relation to those of men.(Ajani, 2008).

Socio economic inequality defines the disparity not just in income but in other dimensions or argument such as education, health, employment and political participation. In much of the literature, inequalities between rural and urban areas are the most visible and widely discussed while that between men and women are less documented. Secondly measures that have been developed to track socio economic gender inequality remain an unfinished business. UNDP's gender-related measures suffer from a range of flaws and have not been able to fill this gap. Also other indicators proposed seem to have conceptual or technical drawbacks, mix empowerment and well-being issues, or deal with different issues altogether. (Klasen and Schuler (2009); Beneria and Permanyer (2010)). Yet reducing inequality in relation to bridging gender gaps in human capital, and employment amongst others is a pressing global concern. According to Ajani (2008) women are marginalized in their access to economic, political, and social resources compared to men, rendering them relatively poorer than their male counterparts. Women lag behind men in most indicators of socio-economic development and they constitute the majority of the poor, the unemployed and the socially disadvantaged, and they are the hardest hit by the current economic recession, with about 52 percent of rural women living below the poverty line. Gender inequality in disfavour of women features prominently in access to and control of land, credit facilities, technologies, education and health, and as a result, women are more vulnerable to poverty than men. The aim of this article is to understand the theory of inequality, the relationship with economic growth synthesis of the various indicators used to measure inequality.

The Nigerian labour market is characterized by the existence of formal and informal economy. The formal economy comprises wage employment in both the private and public sector and in which wage levels are institutionally determined. Governments at the federal, state and local government levels are seen as the major employers of labour in this economy. However, with the policy of privatisation, deregulation and liberalization, there has been massive downsizing of the public sector with many workers losing their jobs and some finding their way to new employment life in the informal sector and the private organised sector. The informal economy comprises rural and urban informal activities and in which wages are dictated to a very large extent by the phenomena of market forces. (Aminu, 2010). Another characteristic feature of the labour market in Nigeria is the high unemployment rate and disproportionate percentage of individuals and households participating in the informal economy. Thus informal employment accounts for far more of the jobs provided in the labour market. Within informal employment, employees who work for wages are far more compared to employers (own account operators). Also, the participation of women is less with respect to being employers within informal employment. The gender dimension for 2004 and 2005 also reveals that unemployment rate was higher for the female group at 11.2 per cent and 14.1 per cent in 2004 and 2005 respectively. Mustapha (2004) linked the historical foundation of inequalities in Nigeria to differences in education. Women generally have less education than men, particularly so among some social groups, mainly in the northern regions. The education of husbands and wives is highly correlated, with husbands generally having rather more education than their wives. The finds that gender inequalities, especially the significantly lower educational levels of females in many parts of Nigeria, especially among some ethnic groups, are associated with development disadvantages. Teriba and Philips (1971) ascribed inequality to imperfection in the employment markets, social values and prejudices, differences in skill and regional differences in resource endowment and resource utilization.

Poverty in many developing countries is linked to the labour market (World Bank, 1995). Available statistics revealed the poor in Nigeria increased from 27.2 percent in 1980 to 65.6 per cent in 1996 by 141.2 per cent. Over the same period, percentage of population in core poor category rose from 6.2 to 29.3per cent by 380 per cent. Between 1996 and year 2004, total poor plummeted to 54.4percent by 17.1per cent, while the core poor also plummeted to 22.0 per cent

by 24.9per cent. Palmer-Jones (2008) finds that female headed households are less poor, and there are fewer females among the poor; these findings may be statistical artefacts because poverty calculations may be confounded by inadequacies of the adjustments for household size and composition. Thus poverty risk depends on the extent an individual or a household participates in it and the way he is remunerated. Some scholars have suggested that poor people are often rationed out of formal employment with inherent barriers to movement from informal employment to formal employment. While this may be true, some authors found that in urban India, participation in informal employment can be difficult because of the presence of cohesive networks. (Kingdon and Knight (2001). In most cases, the poor and unemployed cannot afford to postpone earnings, they are quick to be seen in irregular, temporal and daily paid jobs. The high level of poverty over the years attests to the increasing participation of the poor in informal employment.

# Understanding the theory of gender inequality

The concept of inequality means so many things to different people and it cuts across several disciplines that include economics, sociology and political science and even within economics it cuts across different philosophies and ideologies. Schultz (1951) used the concept of income and defined inequality statistically as the deviation from the diagonal line in a graph of cumulative proportions of the population against the cumulative proportion of incomes of the population. The more the curvatures from the diagonal line of equality the greater the inequality. Fields (2007) considered the concept of income inequality as an amorphous idea and perceives it in the relative sense as that which deals with income ratios rather than income differences. He argued that income inequality measure and inequality is not the same thing and therefore standard inequality measures like Lorenz and Gini coefficient should not be at the Centre of income distribution analysis or policy but rather the concern should be the ratio of high incomes to low incomes. Amartye Sen ask the fundamental question, inequality of what? This presupposes that that there are several dimensions of inequality other than income. While economists are concerned specifically with the monetarily-measurable dimension related to individual or household income and consumption (Heshmati, 2004), other dimensions such as education, opportunities, happiness, health, life expectancy and assets are considered in a multi-dimensional sense. Inequality analysis can be horizontal in which case inequality between homogenous groups with common identity is considered while vertical inequality considers inequality

between individuals or households in a population. (See Langer et al.(2007). This study considers the socio-economic gaps between individuals or households specifically between men and women in a population.

Theoretically differences in the level of income, education, wealth, health, skill, infrastructure and opportunity within and between populations follows two schools of thought as classified in Sahota (1978). The first is a buildup of theories that posit that people are the architect of their own fortunes and societies can define the relative position of their members. Examples are individual choice, human capital, inheritance, public income distribution and distributive justice. The second school of thought posits that inequalities are largely preordained. Examples are ability theory, stochastic theory and life-cycle income hypothesis. This article assumes an intermesh of schools of thought and views endowments, public policies and institutions as playing important role in determining differences in the relative position between men and women in terms of employment, income, wages, education, health and infrastructure.

The difference in productivity and resources between individuals is well acknowledged by traditional neoclassical as a key contributor to the evolution of income inequality. Until recently equalizing policies pursued rapid growth with the notion of a trickling down effect that brings about convergence in income over time. Within this context, Kuznets (1955) suggests a rise in inequality at the early stage of development and a drop later on with a rise in economic growth. Since Kuznets many studies have been done to examine other channels of inequality besides economic growth and urbanization. These channels includes technological change, globalization, deindustrialization, and deunionization, welfare state retrenchment, a decreasing significance of nation-state democracy, and changing demographics.(Scholtz, 2010). Lots of criticisms have been levied on Kuznets hypothesis. For example, at the empirical front, Kuznets did not take into account the development of intra-sectoral wage differences. Also transition towards industrialization was not a transition towards a uniform predominance of the industrial sector, since the service sector already started to rise during industrialization (Fourastie, 1949). At the theoretical front, there is the institution-blindness of Kuznets's model that completely leaves out the impact that social institutions such as family, school, unions, democracy or the welfare state had in shaping inequalities. (Scholtz, 2010).

To bridge this gap, the institutional variant of the neoclassical theory attributes income inequality not just of factor endowment and productivity but as a result of institutions and markets. It is argued that imperfect capital and insurance markets inhibit the poor from making investments in physical and human capital. Studies by Galor and Zeira(1993) show how imperfections in credit markets can exacerbate inequality in household incomes, because the poor wanting to undertake a given project, have to borrow at high rates of interest while the better off or those who are connected can borrow more cheaply, or may not need to borrow at all, or may be able to act as lenders. A certain minimum level of education may be necessary for an individual to have access to wage employment in the formal sector. Richer households may be better placed to make the necessary sacrifices. A little departure from the institutional neoclassical is the political economy view. This view argues that institutions are not just about coordinating individuals and groups and driving for efficiency, but a reflection of collective self-interest and power. Whether at the level of government or the household or firm, men and women allocate the resource under their control to activities that best enable them to fulfill their obligations rather than to activities that are common to all (Awoyemi, 2004). Thus gender based differences can be seen as the interplay between incentives and social structures of power and cooperation.

## Gender inequality and economic growth

Gender differences in all socio economic attributes of income, wages, skill, health, wealth and poverty widened in developing countries because women cannot have access and control over resources, benefit from economic opportunities, and influence their power in political arena. The existing literatures in Nigeria attest to the male dominated agriculture linked to the disproportionate male access to resources and information required to produce crops more efficiently than their female counterparts (Fasoranti, 2006; Otitoju and Arene 2010, Liverpool-Tasie et al., 2011). The notion of gender inequality is less apparent in the unitary household model that assumes altruistic behaviour and the allocation of resources is equitable and all-household member's interest and problems are catered for. Whereas collective household model reveals differences in the roles, incentives and constraints of men and women in the household. Thus household members are likely to have conflicting preferences in regard to the intra-household distribution of effort and reward. The role of socio economic gender inequality on economic growth has been discussed theoretically and empirically.

Theoretically it has direct effects on growth via selection distortion-type effects in education and labour markets, and creates growth-inhibiting incentives in investments in human and physical capital. Secondly the indirect effects on growth happen via the growth externalities of fertility, investments in children. Low female human capital (relative to male levels) may lead to slow growth of incomes and of well-being, and, conversely, the pattern of economic growth may not benefit different genders fairly. (Palmer-Jones, 2008). Empirical evidence from macro and micro studies has revealed the role of gender differences on economic growth through the channels of education and employment. Klasen (1999) finds that the period 1960 to 1992, between 0.4 and 0.9 percent of annual per capita growth differences between East Asia, Sub-Saharan Africa, South Asia and the Middle East can be attributed to gender based differences in education. Knowles et al (2002) using a model of long-run growth that incorporates the time-averaged stocks of female and male education for about 70 countries, find GDP per worker elasticity with respect to the stock of female education to be between 0.2 and 0.45, while male education productivity elasticities are either not statistically significant or slightly negative. In another study that includes 127 countries at various stages of development and four five-year periods between 1975 and 1990, Dollar and Gatti (1999) find that gender differences in secondary education negatively impacts growth.

In terms of occupation, Klasen (1999b) using Panel growth regressions for the period 1960 to 1992 find that gender based differences in employment negatively impacts growth by 0.3 percent per year loss in South Asia and Sub-Saharan Africa compared to East Asia during this period. Employing a what-if scenario Tzannatos (1999) looks at a number of Latin American countries in the 1980s and estimates that eliminating occupational segregation would have increased GDP between two percent in Guatemala and Venezuela; and nine percent in Brazil and Ecuador. Besley et al, (2004) provide an Indian case study that considers the cross-regional effects of gender gaps in access to managerial positions and general employment on per capita income between 1961 and 1991. They find that a 10 percent increase in the female to male ratio of managers raises nonagricultural output by two percent; a 10 percent increase in the female share of the labor force raises overall output by eight percent.

At the micro level, **Duflo** (2006), points out that weak or nonexistent property rights for women, especially in Africa, are identified as creating production inefficiencies. He argues that weak property rights prevent women from renting land to their husbands because if the husband works the land long enough, the wife may lose her property rights. Similar issues crop up in markets for capital, credit and insurance in the micro econometrics literature. Women have systematically weaker access to credit markets than men, partly because they command fewer resources to begin with and hence have little to offer in the way of collateral, and partly because there is direct discrimination against women in credit markets. Particularly in agrarian or petty trader contexts, these types of credit market imperfections bar women from making production- or profit-maximizing choices. The is ample evidence among micro economic studies that gender inequity in access to productive assets such as land, fertilizer, seeds, credit or know-how lower the productivity of female producers by more than it increases the productivity of male producers (Blackden and Bhanu 1999; Klasen 2005; Quisumbing 2003; World Bank 2001). Using household survey data from Burkino Faso, Udry (1996) finds a six percent output loss because of inefficient factor allocation – plots controlled by women are farmed less intensively than plots controlled by men. In another study in the same country, doing away with these types of allocative inefficiencies were linked with a production increase of between 10 and 15 percent (Udry et al 1995).

### **Gender inequality measurement**

The measurement of inequality comes across a number of methodological issues. First is what argument to use, monetary or non-monetary or both. In terms of monetary argument, income or or consumption concept is often used by economists because of the ease of measurement and availability. Yet there is the problem of how it should be defined. Should it include capital gains, imputed house rents from home ownership, and gifts? Generally it is made up of earnings and transfers. O'Donnell et al, (2008) summarised income as wage income from labour; rental income from the supply of land, capital, or other assets; self-employment income; and current transfers from government or nongovernmental agencies or other households. Most studies using Nigeria data have considered the household rather than individuals and used monetary indicators of inequality such as income and wages (see Aighbokan, 2000, Awoyemi, 2004, Oyekale et al (2006), Canagarahaja and Thomas (2001)). Indices include female to male ratio and use of gini coefficient and Lorenz curve. The non-monetary argument, multi-dimensional indicators are

often used to describe gender inequality. This approach is a follow up of the political economy view of inequality as capability-entitlement. A review of the various indicators is found in Beneria and Permanyer (2010). The first indicator advancing from this view is the Human Development index (HDI).

HDI is based on Sen's capability approach and seeks to capture key capabilities, particularly health and longevity, education, as well as access to nutrition, shelter, clothing, and related capabilities. The HDI captures this using a standardized index for life expectancy, literacy and enrolment, and for a logarithmic transformation of per capita incomes. Akder (1994) proposed that the HDI can be disaggregated by groups, including gender. A straightforward assessment of gender inequality would therefore be the difference or the ratio of the female/male HDI. Akder noted the difficulties of doing this, particularly with the earned income component, where information is typically available at the household level. A couple of reports have used this approach. For example, some National Human Development Reports including Turkey in 1996 (UNDP, 1996) and Kazhakstan in 2003 (UNDP, 2003). One of the criticisms brought up about the HDI is that it does not take into account inter-group inequality in a society. To correct for this gap, Gender related development index (GDI) was proposed.

The indicator is regarded as the gender sensitive measure of human development. That is it is able to track human development considering gender gaps in all the factors entered in the HDI. It measures the absolute human development level corrected downwards by the existing gender inequalities in say, life expectance at birth, adult literacy rates and the combined secondary and tertiary gross enrolment ratios, earned income in PPP US\$ or female-to-male ratio of non-agricultural wages, the female and male population and the GDP per capita. The GDI is to be interpreted as the HDI discounted for gender disparities in its components and should not be interpreted independently of the HDI. The gap between HDI and GDI is to be interpreted as the loss of human development due to gender inequality. Severe conceptual and empirical problems have been noted in GDI. First is that the income component of GDI is based on the earned incomes of males and females and accounts for the largest difference between the HDI and the GDI. Secondly, it is not reasonable for gender gaps in earned incomes to be very good proxies for gender gaps in consumption at the household level (Bardhan and Klasen, 1999; Klasen,

2006b). thirdly the empirical assumptions to derive the earned income shares have a very weak empirical base and thus cannot really be seen as a good representation of earned incomes (Bardhan and Klasen, 1999, 2000). Thus these conceptual and empirical problems as well as the fact that it is a gender sensitive measure of overall human development rather than a direct measure of gender inequality has been seen as a major drawback.

Relative Status of Women (RSW) index proposed in Dijkstra and Hanmer(2000) uses the same indicators as the GDI but represents the first serious attempt to drop the confusing GDI methodology. The index is defined as:

$$RSW = \frac{1}{3} \left( \frac{E_f}{E_m} + \frac{L_f}{L_m} + \frac{w_f^*}{w_f^*} \right)$$

Where Ef, Em are female and male education attainment indices, Lf and Lm female and male indices for life expectancy and wf wm, the female and male rates of return to labour time. If RSW<1, women are discriminated against, if RSW>1 men are discriminated against and if RSW=1, there is gender equality between women and men, so the interpretation of the index is plain and intuitive. RSW measures gender inequality in itself whereas GDI adjusts for inequality. However, RSW has some drawbacks. First the use of the arithmetic mean for the ratios of the achievement levels of women and men in education, health and income can lead to non-intuitive results. This is due to the fact that the arithmetic mean is additive function whereas the ratios are multiplicative. For instance, one can easily check that for any symmetric distribution in which equally large gender gaps run in opposite directions, the RSW will always score above one, thus stating that men are discriminated against which is a non-desirable result. Second, since the RSW allows for compensation between dimensions (that is gender gaps favouring women can be compensated by gender gaps favouring men), there might be some circumstances in which RSW=1 but with large gender gaps running in opposite directions. This means that if large gender dispartities exist in all socioeconomic dimensions included in the index, its value can never reach or approach the normatively desired value of 1. Third given the fact that the gender gaps favouring women and men are mixed together in a single formular, it is not possible to decompose the values of RSW in order to identify the contribution of any of the three subcomponents to the overall gender inequality levels. More generally for any symmetric distribution in which equally large gender gaps run in opposite directions, RSW will always score above 1, a striking and undesirable result that in practice can appear in those countries in which some gender gaps favour women and others favour men. The simplest way of avoiding this problem is to use the geometric mean rather than the arithmetic mean in the definition of the index. Hence we define the gender relative status index(GRS) as

$$GRS = \left(\prod_{i=1}^{n} \frac{x_i}{y_i}\right)^{1/n}$$

Where xi, yi are the average female and male achievement indices in the respective dimensions (which are assumed to be strictly positive) and n is the number of the socioeconomic dimensions we are taking into account. When we talk about gender gaps, we are referring to the ratios gi=xi/yi. The way that GRS measures gender inequality within dimensions and then averages across them is more consistent than the procedure followed in the definition of RSW. Nonetheless, GRS and RSW share important limitations since they both include gender gaps that may be running in opposite direction. This can be muddy because of the possibility of compensation between dimensions, which leads to distorted picture of the existing levels of gender inequality. Also it is interesting to know the extent to which the values of the GRS are due to gender gaps favouring women or men. In order words the extent to which there is compensation between gender gaps in different dimensions. At the same time it would be useful to decompose a multidimensional gender inequality index and explain the influence of the different sub-components on the overall values of the index. Neither of these can be handle by GRS and even less with the RSW. To tackle this problem is the advancement of women disadvantage (WD) index as:

$$WD = \left(\prod_{i \in I_M} \frac{x_i}{y_i}\right)^{1/n}$$

The WD is the same as the GRS but only taking into account the gender gaps favouring men. There are powerful reasons to focus only on those dimensions in which women are worse-off than men. First the rare cases in which women are better-off than men in certain socioeconomic dimensions cannot be attributed to gender discriminative practices against men. Since the WD only focuses on the gender gaps in one direction, the potential for confusion by mixing opposing effects is avoided, thus resulting in a clearer measure(see Klasen and Schuler, 2009). By definition the values of the WD oscillate between 0 and 1. Roughly speaking these values should be interpreted as the average ratio of women's vs. mean's achievement levels in those dimensions where men outperform women. A value close to 1 means that the gender gaps favouring men are very small and a value close to 0 implies that the gender gaps favouring men are very large. Like all composite measures, the values of WD are not measured in any specific unit, so they are useful for comparative purposes only. WD is preferred to GRS because it only takes account of gender gaps going in one direction and thus provides a more transparent measure that does not have the problem of compensation between dimensions. Secondly the values of WD can be decomposed by sub-components. This implies that we are able to account for the contribution of the different sub-components on the aggregate value of the index.

# General policy to eliminate gender inequality

Gender inequality is endogenously determined by markets, institutions and endowments and relates with economic growth through the channels of among others, wealth; employment and education. To realign markets and institutions, three strategies have been emphasized: First, the reformation of institutions needed to establish equal rights and opportunities for women and men. The second strategy is to provide ways for women to access more equal resources and participation. The third strategy is to put serious measures in favor of women to command over resources and political voice. World Bank Report (2001). In the early years of development policy emphasis was on economic growth. Industrialization with investment in physical capital formation and Import-substituting' industrialization were recommended as the way for countries to become more self-reliant. The benefits were expected to gradually 'trickle down' through society to its poorer members. However, by the end of the 1960s, it was obvious that such strategies had failed to bring about the expected reductions in gender based differences. In the 1970s there was a greater concern with the productivity of small farmers, with meeting basic needs and with income-generation for the landless poor. These approaches, however, tended to be project-based and piecemeal. Also, they were soon overtaken by the accumulated effects of

the oil crisis, and the increasing debt burden of the less developed countries. In the 1980s, Structural adjustment policies (SAPs) were then imposed by the World Bank and the International Monetary Fund (IMF) under the following conditions: market forces dictating relative prices; reduction in state expenditure and intervention; and liberalization of markets and foreign investment. However, both the economic crisis and the SAPs had tremendous social costs. In the 1990s the World Bank moved away from the preoccupation with 'getting prices right' and advocating for pro-poor growth: broad-based, labour-intensive strategies to generate income-earning opportunities for the poor by using their most abundant asset – their labour power; and social investment in basic health and education to improve the productivity of labour. These were to be supplemented by transfers and safety nets to assist the most vulnerable and least accessible sections of the poor, such as those in remote areas, the elderly and the disabled. Also featuring during this period is the human capabilities approach approved by United Nations Development Programme (UNDP). That it is the resources and abilities that enable people to achieve the range of valued ways of being and doing possible in a particular society. This put the human person at the heart of development.

In the 2000s, World Development Report (WDR) provided a deeper understanding of the relationship between poverty and growth than the 1990 Report. It was organized around the three themes of 'opportunity', 'security' and 'voice'. *Opportunity* was still discussed in the context of market-led, labour-intensive growth. However, the idea of the 'assets' of the poor was expanded to include not only labour and human capital but also natural, financial, social and physical assets. The report noted that lack of assets was both a cause and an effect of poverty. It suggested that simultaneous action was needed on several fronts, with priority given to what poor people lacked most relative to the opportunities available to them. The idea of 'synergies' was emphasized as a guiding principle for promoting livelihood strategies. These synergies included, for example, that between a mother's education and her children's nutritional levels and those between the causes of poverty. *Security* was much more prominent than in the 1990 report. This was because of the growing globalization of production and trade and the financial crisis caused by short-term fluctuations in international capital flow. *Voice* was related in particular to the inability of the poor to influence policies that directly affected their lives.

#### **CONCLUSION**

Gender differences in all socio economic attributes of income, wages, skill, health, wealth and poverty widened in developing countries because women cannot have access and control over resources, benefit from economic opportunities, and influence their power in political arena. Theoretically it has direct effects on growth via selection distortion-type effects in education and labour markets, and creates growth-inhibiting incentives in investments in human and physical capital. Secondly the indirect effects on growth happen via the growth externalities of fertility, investments in children. Low female human capital (relative to male levels) may lead to slow growth of incomes and of well-being, and, conversely, the pattern of economic growth may not benefit different genders fairly.( Palmer-Jones, 2008). While much of the literature focuses on socio economic gaps between rural and urban areas, gaps between men and women are less visible and documented. Furthermore some measures that have been developed to track socio economic gender inequality are fraught with and conceptual and empirical setbacks and are not true measures of gender inequality. Productive differences as espoused by the traditional neoclassical as well as the institutions and markets advancement are not sufficient to explain gender inequality. The political economy view of power and self-interest enshrined at the household, community and government play relevant role in defining gender gaps. Growth models that are institutionally blind completely leaves out the impact that social institutions such as family, school, unions, government have in shaping inequalities. The collective self-interest and power within institutions motivate men and women to allocate the resource under their control to activities that best enable them to fulfill their obligations rather than to activities that are common. Thus gender inequality is endogenously determined and relates with economic growth. To realign markets and institutions, three strategies have been emphasized: First, the reformation of institutions needed to establish equal rights and opportunities for women and men. The second strategy is to provide ways for women to access more equal resources and participation. The third strategy is to put serious measures in favor of women to command over resources and political voice. World Bank (2001).

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