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# The Road to Gender Equality: Global Trends and the Way Forward

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## Introduction

International organizations have expressed widespread agreement that gender equality is an important social and economic goal. The assessment of trends in gender equality in well-being has thus become an important tool in efforts to promote development. Well-being is a multidimensional measure of material status and encompasses income, health, education, empowerment, relative economic and social status, and security, although precise definitions and emphases on the individual components vary. Since the early 1980s, a number of international agencies have produced analyses of gendered trends in well-being. This chapter compares and critically assesses the contribution of some of these studies to understanding the state of gender equality and the causal mechanisms that inhibit or promote such a goal.<sup>1</sup>

To undertake this task, this chapter provides a comparison of the policy-driven reports of three agencies: the United Nations Development Programme (UNDP), the United Nations Development Fund for Women (UNIFEM) and the World Bank. I assess the conceptual approach to analysing well-being and the identified sources of constraints on gender equality, which include the macroeconomic environment; the effects of war, violence and conflict; and inequality due to unequal bargaining power at the household level. This chapter also reviews methodological issues raised by the reports and grapples with the question of how to conduct

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<sup>1</sup> The reports reviewed here are: *Progress of the World's Women* (UNIFEM 2000, 2002), *Human Development Report 1995* (UNDP 1995) and *Engendering Development* (World Bank 2001). These studies are respectively referred to in the body of this chapter as: UNIFEM, HDR, and World Bank.

cross-national analyses in a meaningful way. A comparison of the various views on trends in gender equality of well-being is also made.

These reports are relatively consistent in their assessment of capabilities trends, but the pronouncements on gender inequality in access to opportunities, particularly trends in labour-market outcomes, show marked divergence. Some confusion on how to read the data persists since agencies rely on different measures of well-being, some of which move in opposite directions. However, the core of the disagreement between the reports is not related to a reading of the data. Rather, the central point of contention is to what extent, if at all, neoliberal policies over the last three decades can be causally linked to gender inequality in labour markets, and more generally, to women's unequal power.

A critical issue, as I note throughout this chapter, is that a two-way causality exists between gender equality and economic growth. Economic growth policies have varying distributional consequences. They may improve gender equity or harm it.<sup>2</sup> To properly assess that relationship requires that the effects of a particular set of policies be isolated in order to ascertain the gender effects. Further, analyses sometimes arrive at divergent conclusions, depending on which gender effects are emphasized. While, for example, there may be some

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<sup>2</sup> *Equity* is frequently referred to as fairness in economic and social *opportunities*. Thus this concept is viewed as distinct from the notion of *equality*, which generally refers to *outcomes*.

While equal opportunity is necessary for equality of outcomes, it is also difficult to attain equity without equality. For example, lower investment in daughters' education is often justified by the fact that women earn significantly less than men in labour markets. Further, equitable access to health care and education at the household level is in some measure influenced by the relative economic standing of mothers as compared with fathers.

evidence that gender equality in education is a stimulus to growth, it is not so clear that gender equality in wages has a similar effect.

This chapter further considers the differences in policy proposals advanced in the reports. In elucidating policy goals, reports either emphasize measures to promote *formal* rights, including protection from state or other institutional interference, or *substantive* rights, which emphasize the material and institutional prerequisites to human rights. Further, and perhaps because of the varying view of rights, policy proposals differ on the role of the state in promoting gender equity, including the need to regulate markets and discipline capital. This difference in policy approach is also a result of institutional constraints on the bodies producing the reports. Those constraints ultimately shape how the authors see the feasible area of intervention and, relatedly, the degree to which they emphasize the effects of macroeconomic policies on gender equality.

## **A comparison of policy-focused reports**

The UNDP's *Human Development Report* (1995), the World Bank's *Engendering Development* (2001) and UNIFEM's *Progress of the World's Women* (2000, 2002) are heavily policy oriented, but they have distinctly different foci. The differences are related to the frameworks used for measuring the gender inequality of well-being, and to a lesser extent, the variation in the stances taken on the competitiveness of markets, and therefore, the role of the state.

### **The 1995 Human Development Report**

The HDR (UNDP 1995) is devoted to an exploration of the problem of gender inequality—how to conceptualize it, how to measure it and how to address it through policy. This report is one of the first to shift emphasis from consumption and income measures of gender gaps in well-being to an expanded list of capabilities and empowerment measures. Intellectual advances in theories of social justice have fuelled this work. Such research—especially that of Sen (1999) and Nussbaum (2003)—argues that, rather than focus on economic growth, it is better to ask what women and men are able to do as a way to understand the differential barriers that societies set up, based on hierarchical gender norms, stereotypes and power relations. The HDR was at the forefront of a now-expanding intellectual project to identify the choices that matter most for living life well and the constraints on those choices. The report emphasizes that disparity in opportunities and choice is so strongly gendered that promoting human development of necessity requires the incorporation of gender into analyses and policies.

The HDR links gender gaps in women’s choices to outcomes in three dimensions: capabilities, opportunities and empowerment. *Capabilities* refers to what people can actually do and be, rather than merely their income. To measure this concept, the HDR uses indicators of basic human abilities (for example, education and health measures), but the report also notes that other aspects matter as well, including, for example, fertility, age at first marriage and women’s care responsibilities as compared with men’s.

Since the time HDR (UNDP 1995) was published, there has been some intellectual soul-searching on which capabilities are most relevant from a philosophical standpoint as compared to what is empirically measurable. For example, in a special issue of *Feminist Economics* devoted to Sen’s capabilities approach, Nussbaum (2003) emphasizes that capabilities encompass being able to laugh, play and enjoy recreational activities; freedom from care and to care for others;

bodily integrity; and having self-respect and self-esteem. In that same issue, Robeyns (1999) adds mental well-being; being able to raise children and to take care of others; mobility and religious freedom. The work of conceptualizing capabilities has been fundamentally important. It has stimulated much debate and concern over how to measure these concepts. But research has been circumscribed by the paucity of data and conceptual ability to translate these attributes into quantifiable indicators.

The second dimension of well-being the HDR addresses is women's *opportunities* to apply their capabilities in the world of work in order to generate income. For many countries the primary source of income is from remunerated employment, while in agricultural societies income generation is more frequently from self-employment as farmers or sometimes wage labour. Thus inequality of opportunity cannot be measured in the same way across economies of differing structures. In industrialized economies women's relative access to income can be measured as wage gaps, female share of the labour force and employment, and the gender gap in unemployment. But in agricultural economies, gender differences in poverty rates, time allocation and access to credit may be more meaningful. The point then is that efforts to make cross-country comparisons are made more difficult since there are few universally applicable well-being indicators in the opportunities dimension.

Finally, the HDR identifies *empowerment* as a well-being dimension, noting that women's relative disadvantage in empowerment is situated not only in political institutions but also in economic entities, such as the firm, labour unions and cooperatives. Women face more barriers than men to participating in deliberative bodies and entities that make rules and policies affecting the distribution of resources. Women's lack of voice and representation in such bodies means that political institutions, which have the means to redress inequality by redistributing

resources and restructuring economic opportunities, in many cases do not contribute greatly to this goal. Women's representation in political and economic bodies in decision-making roles then can have links to women's overall well-being, underscoring the importance of HDR's focus on this domain.

Generally, the HDR advocates changes in the structures and institutions that influence access to opportunities. These include overcoming legal inequalities as well as policies to redistribute the burden of unpaid labour. The HDR also identifies national economic policy as a lever that affects change in gender equity, highlighting the negative gender impacts of stabilization, liberalization and privatization. Country experiences differ, however, and as the report notes, the degree to which women shoulder an unequal burden in the process of economic crisis or transformation depends on the state's willingness to intervene in market processes.

Where the HDR is less clear, and indeed contains internal contradictions, concerns its position on the role of economic growth, and this constitutes a weakness in the report's policy message. The HDR argues that growth is necessary for improving overall economic well-being (though not sufficient, since the benefits may not be broadly or equitably shared). However, the report takes a different stance on the role of growth as regards gender equality, stating, "Removing gender inequality has nothing to do with national income" (UNDP 1995:3). To emphasize this point, the report directs attention to a number of countries with limited resources but a strong political commitment to equity, among them Zimbabwe, Sri Lanka, China and Poland. These are contrasted with countries with higher per capita GDP, such as Saudi Arabia, Syria and Spain. The HDR's argument is that gender equality requires a better distribution of existing resources and that this is inhibited by gendered norms and institutions that shape distribution.



The HDR thus claims that redistribution without growth is sufficient to promote gender equality, although not class equality. But this stance is inconsistent with other components of the report, including the formulation of two composite measures of women's well-being developed for this report, namely the Gender Development Index (GDI) and the Gender Empowerment Measure (GEM). One of the three variables used to construct these composite indices is absolute income. The GDI and GEM thereby give significant weight to income, and by inference to growth, despite the report's effort to downplay its importance in evaluating well-being.

A second and related tension regards the implications of gender redistribution. While the HDR is correct in stating that redistribution between income groups can improve gender equality in the absence of economic growth, how can we be sure that men's declining share (which implies redistribution to women without, however, an increase in the size of the "economic pie") will not prompt a backlash against women? Indeed, there is substantial evidence that a reduction in male income challenges norms of masculinity and exacerbates gender tensions.<sup>3</sup> The HDR does not explicitly address this political issue, instead taking the view that gender equality is unequivocally growth enhancing. Perhaps the report's authors believe that equity-induced growth will produce a larger "economic pie" that can attenuate gender conflicts arising over women's increased empowerment and income. But research published subsequent to the 1995 HDR shows that gender wage equality can also be growth inhibiting, due to the negative effects on corporate profits, investment and exports, resulting in employment losses (Standing 1989; Seguino 2000, 2002). There are thus dynamic constraints that inhibit the movement toward

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<sup>3</sup> See, for example, Chant (2001) on family dissolution in Costa Rica, and UNIFEM (2000) and Ackerly (1995) on the negative repercussions of microcredit lending.

gender equality that the report does not investigate, but which are critical to understand in order to plot the appropriate policy path.

### **The World Bank's *Engendering Development***

The World Bank (2001) also identifies three interlinked pathways by which to promote gender equity: *rights*, *resources* and *voice*. This framework differs from the HDR's human rights approach insofar as the Bank's report emphasizes critical areas for equality of opportunities but not necessarily equality of key outcomes, although clearly, these can overlap in some cases.

*Rights* are defined in terms of social, economic, political and legal rules that constrain women's choices, such as rules that inhibit women's movement in public spaces and their right to own land. Such constraints can inhibit women's command over productive *resources*, including education, information and financial resources, and can limit access to jobs at fair wages.

Unequal political and legal rights and women's relatively lower socioeconomic status, in turn, circumscribe *voice*—the ability to influence and contribute to development.

The World Bank points to women's more limited ability to generate income as a factor that constrains bargaining power to influence resource and labour distribution in the household. This brings to the fore that a key means by which to enhance women's absolute well-being is to improve their relative well-being. Closure of the gender income gap could provide the leverage for a fair distribution of resources in the household. Many of the impediments to closing income gaps between men and women, however, are due to gendered job segregation and the differential effects that neoliberal policies have had on women as workers. In general, women more than men have experienced a loss of bargaining power vis-à-vis employers since the jobs they get are

likely to be in labour-intensive industries. Trade and investment liberalization have made firms in such industries more “mobile”; they are able to easily relocate in response to cost pressures, thus undercutting workers’ bargaining power. This, alas, is an area of investigation entirely ignored by the Bank.

Instead, the Bank’s analysis leads it to offer a narrower set of policy goals. First, the Bank argues that gender educational equality is a stimulus to economic growth, and narrowing that gap produces a win-win outcome. Second, the Bank makes the case that trade and market liberalization are unambiguously beneficial mechanisms to improve women’s relative status because such liberalization will generate employment. Thus, the report argues that there is a clear two-way positive causality between market liberalization and growth on the one hand and gender equality on the other.

With regard to the first goal, the World Bank report maintains that the pursuit of gender equity is unequivocally beneficial in efficiency terms.<sup>4</sup> The equity-growth nexus is mediated by the effect of improvements in health and well-being for women and children. It is argued that progress in these areas raises current and future productivity in the economy. For example, gender equality in education enhances the quality of the labour supply, and a reduction of

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<sup>4</sup> The report’s narrow focus on the positive effect of gender equity on development and growth reflects the complexity of the Bank as an institution. The efficiency argument for closing gender well-being gaps is needed in order for the report’s policy recommendations to be consistent with the economic principles (and not human rights principles) under which the Bank operates. This argument was also designed to win over the neoclassical macroeconomists at the Bank who have been unwilling or uninterested in considering the role of gender.

occupational segregation can reduce labour-allocation inefficiencies, thus raising productivity and stimulating growth.

But, while the report notes that increases in female education may stimulate productivity growth, it omits discussion of the fact that a higher female education level may not be compensated with higher wages, given widespread labour-market imperfections. Increased education levels that raise labour productivity but do not lead to higher wages is indicative of the greater exploitation of women in labour markets. Typically, the ability of firms to pay women low wages relative to their productivity is a function of women's segregation in export-sector jobs where, as noted above, firms are more mobile and price competition more severe.

This discussion points to the fact that how we measure equality matters for analyses of gender effects on growth. Equality in terms of educational attainment may be growth enhancing, while equality in income across class or gender lines may have a negative effect on growth. This is likely to occur if higher wages for women, for example, slow export or investment spending. Maintaining women's vulnerable status that limits their bargaining power in labour markets can thus stimulate growth. Some may argue that in any case, growth will generate public revenues that can be used for investments in human and physical infrastructure that enhance women's capabilities. But women's lack of empowerment in labour markets holds down their wages, putting them in a weaker position to bargain for household resources. It is this fundamental labour-market gender inequality that the Bank has been unwilling to question, given its stance that labour markets function relatively competitively with wages accurately reflecting productivity.

The experience of the United States, parts of Europe and Japan, all societies in which gender inequality in incomes continues to be substantial (despite the fact that capabilities gaps

are very narrow), suggests that market economies are quite comfortable and even robust in the face of inequality of some kinds, depending on which group experiences the inequality. This may be an uncomfortable reality for proponents of gender equality: that we cannot unequivocally argue that gender equality enhances growth. We should not, however, shy away from this fact. It is well known in the neo-Kaleckian macroeconomics literature that growth can be profit led or wage led (Bhaduri and Marglin 1990; Taylor 1991). Growth is called profit led if redistribution from workers to firm owners provides demand-side stimulus, whereas wage-led growth characterizes economies in which redistribution to workers in the form of higher wages (and thus a lower profit share of income) stimulates output and employment in the short run. Thus, redistribution to females in the form of higher wages, for example, could stimulate economic growth under some conditions, or it could retard growth under other conditions, with job losses eliminating beneficial effects of wage gains. The challenge for policy makers is to determine which set of institutional rules and macroeconomic policies will make gender (as well as class and ethnic) equality compatible with economic growth.<sup>5</sup>

With regard to the beneficial effects of market and trade liberalization on gender equality, the Bank's support for this stance must be questioned in light of the effects of such policies on the government's ability to fund social safety nets and public expenditures, as well as the downward pressure exerted by trade liberalization on female wage growth. Especially disappointing in this report is the Bank's weak assessment of the effects of structural adjustment on gender equality, overlooking more than 20 years of research that points to negative effects.

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<sup>5</sup> The World Bank's own growth framework differs substantially in that it emphasizes long-run, Solow-type growth, assuming full employment in the short run. In contrast, the Kaleckian approach allows for the possibility of excess capacity due to insufficient demand in the short run.

The report also omits discussion of the significant negative gender effects of the shift to market economies in Eastern Europe and Russia. Widespread evidence notes the severe declines in well-being, due to the shrinking role of the state and rising unemployment, with women put at the back of the jobs queue (Fodor 2005).

Herein lies a major tension in the report that is ultimately not resolved. The Bank willingly acknowledges a variety of inequities at the micro and meso level, including institutional barriers to equity, and this is a major step forward. But the report also reflects the Bank's institutional complexity that gives rise to political constraints in discussing comprehensively and head-on the macro-level constraints to gender equality and, in particular, the effects of neoliberal macroeconomic policies. That is, the report is unwilling to see the macroeconomy through a gender lens. It is therefore not a unified report, portraying as it does the internal conflicts of the Bank as an institution.

### ***Progress of the World's Women***

UNIFEM (2000, 2002) builds on the well-being framework developed in the HDR, exploring trends in women's progress in well-being since the early 1980s. Two significant contributions emerge from these reports. The 2000 edition provides a gendered lens for understanding economic restructuring, situating it within the context of growing global inequality. The second edition (2002) focuses on the gender effects of war and conflict—that is, challenges to the capability of bodily integrity. This 2002 report suggests that physical insecurity for women, relative to men, is heightened during periods of conflict. The implications of the analysis are that a critical structure of constraint impeding gender equality is the set of national and international

institutions that manage refugee programmes; negotiate peace processes, agreements and transition governments; and make decisions on how to resolve conflict. But as the report notes, “The extreme violence that women suffer during conflict does not arise solely out of the conditions of war; it is directly related to the violence that exists in women’s lives during peacetime” (UNIFEM 2002, Vol. 1:15).

This problem is evident in relation to domestic violence, a widespread phenomenon during peacetime, although the report notes that the incidence rises during or after conflict. The conditions that contribute to domestic violence are complex. Certainly, norms of masculinity play a role, a subject to which gender experts in the Caribbean have devoted a good deal of attention in recent years.<sup>6</sup> Economic crises during which men face the deterioration of their economic circumstances and experience failure in their male-breadwinner role can precipitate a “crisis of masculinity” that leads to increased violence against women, whether intimate partners or women in public spaces. Larraín (1999) notes, for example, that in Latin America and the Caribbean, the severely inequitable distribution of wealth is one of the chief factors fuelling a rise in the rates of domestic violence, which is also one of the highest in the world. Domestic violence against women, moreover, is linked to their economic dependence, with rates of violence lower for more economically active women (Basu and Famoye 2004). By implication, women’s relative safety is linked to expansionary macroeconomic policy.

The UNIFEM 2000 report emphasizes that the macroeconomy, and more narrowly the neoliberal policies of the last 30 years, form a structure of constraint that impedes women’s

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<sup>6</sup> See, for example, the research publications produced by the Centre for Gender and Development Studies at the University of West Indies, Trinidad and Tobago and Barbados at the following Web sites: <http://sta.uwi.edu/cgds/> and <http://gender.uwichill.edu.bb/>.

choices and gender equality. In contrast to the World Bank, which emphasizes the win-win possibilities of globalization, UNIFEM underscores the contradictory effects of this process that can, on net, worsen inequality. According to the report, overcoming these adverse effects requires policies to alter power relations at the national and international levels, as well as steps to make corporations accountable for their treatment of workers.<sup>7</sup> This emphasis is significant and enlarges the space wherein to give attention to macroeconomic policy, with such policy constructed so as to promote equality together with improvement in material well-being.

Taken together, these reports represent a significant advance in understanding the contours of gender inequality in well-being. Their weaknesses point the way forward, as they expose the research gaps that should be filled in order to have a clearer understanding of the landscape of gender relations. One piece of the landscape missing in all of the reports is an exploration of the role of ethnicity and class in shaping women's relative well-being. Research on gender and globalization has established that the most vulnerable groups bear the burden of adjustment, structural change and efforts to increase competitiveness. But vulnerability may be due to a variety of factors in addition to gender, such as social exclusion (for example, from employment) along ethnic lines. Research that is focused exclusively on gender misses this phenomenon. The paucity of statistical data by ethnicity makes such a focus challenging, but there are many case studies, qualitative analyses and sources of micro-level data that can shed light on this issue, and it remains an important lacuna to fill in influential reports such as those produced by the United Nations (UN) system.

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<sup>7</sup> The UNIFEM report notes several broad areas for policy innovations to promote gender equity, including microfinance programmes, gender-sensitive budgeting, gender-aware macroeconomic policy making and corporate codes of conduct.



In addition, while gender experts have been able to devise gender-enabling policies in a number of areas—including the political and legal arenas and in labour and credit markets—the reports display limited understanding about the macroeconomic and trade policies that could promote gender equality. There is clearly more work to be done in this sphere, but much has already been achieved, and a greater integration of that knowledge into these types of reports is of vital importance.<sup>8</sup>

Finally, while most of the reports use a similar approach in defining well-being as capabilities, opportunities or access to resources, and empowerment (although the precise indicators differ), more analysis of the dynamic interrelationship between the components of well-being is needed. As the reports note, change in one component of well-being may leverage change in another domain. Disentangling these dynamics in a more concrete way will be a critical step in the development of sound gender policy and prioritization of goals. As an example, capabilities equality may contribute to greater equality of income. But it is possible that gender equality in income and employment have even stronger impacts on gender equality in capabilities.<sup>9</sup> If so, a key tool to promote gender equity might be expansionary macroeconomic policies rather than simply policies to close education gaps.

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<sup>8</sup> See, for example, Klasen (2002), Benería (2001, 2003), Braunstein and Heintz (2006), Seguino and Grown (2006), and Kabeer (2004).

<sup>9</sup> Blumberg (1984) and Chafetz (1989) have developed theories of gender stratification that point to the critical role of female relative income as a means to leverage change in other domains. Seguino (2007b) provides evidence to support this hypothesis, with women's increased share of paid employment contributing to a reduction in patriarchal norms and stereotypes held by both men and women in a number of countries. In contrast, some empirical evidence suggests that

## **Trends in gender equality**

A fundamental ongoing debate among gender scholars concerns the effects of globalization on gender equality. For that reason, the reports examined here are looked to for analyses of trends in well-being. Although the reports give a mixed and sometimes contradictory message, it is clear that even the most optimistic reports cannot completely exonerate globalization from negative gender effects.

### **Level of analysis: Regional versus economic structure**

Most of the reports provide regional comparisons of women's status and progress toward equality (for example, Latin America and sub-Saharan Africa). Grouping countries that may be culturally similar can be useful insofar as cultural norms can be a constraint on, or occasionally a stimulus to, gender equality. But the groups often include countries for which economic

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changes in social institutions that embody and perpetuate social definitions of female subservience have a predominant influence on women's access to income-generating opportunities, such as employment (Morrisson and Jütting 2004). The implication is that policy should be directed to changing the binding social institutions, such as age at first marriage, polygamy, rules on land ownership and access to credit. These contradictory findings underscore the need for further research in this area.

structures vary widely.<sup>10</sup> There are several reasons why it is useful to conduct analyses based on countries grouped according to economic structure.

First, economic shocks and pressures will have different effects in economies, depending on a country's economic structure. For example, economies dependent on primary-goods exports are influenced strongly by global commodity prices; financial panics can wreak havoc on small open economies specializing in financial services but may have little effect on agricultural economies (Taylor 2004). Women's well-being will also be differentially affected by economic shocks, depending on the economic structure and the pattern of job segregation in the economy in question. Thus, for example, a decrease and eventual elimination of multi-fibre agreement quotas will likely have a negative effect on women's employment in semi-industrialized manufacturing economies, but subsistence female farmers in sub-Saharan Africa will not be affected.

Second, the adequacy of types of capabilities is likely to vary according to economic structure. In particular, in the case of education, the relevant issue is which level of education is sufficient to generate a living wage or income for the individual. The gender gap in primary education is a relevant measure in less industrialized economies, but the secondary education gap is a better measure in semi-industrialized economies. In industrialized societies, secondary

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<sup>10</sup> Economic structure refers to the structural characteristics of the economy that influence output, demand, prices, employment and the trade balance. These include the production mix of the economy (agriculture, services, manufacturing, public-sector production, as well as exportables and non-tradables), the role of informal markets, reliance on imported intermediate goods and labour-market segmentation.

education is often not sufficient to generate a living wage. A better measure of the education gap in that case is tertiary education.

Furthermore, indicators of gender status in the area of economic opportunity will vary by economic structure. For example, agricultural economies, which have thin labour markets or very small manufacturing sectors, cannot rely on market data and may need to rely on alternative indicators, such as female and male age at first marriage or maternal mortality in addition to education data. In contrast, in newly industrializing economies that have low per capita income, informal labour markets are important sources of female labour, and measures of this type of work would thus be an important indicator of trends in well-being. For semi-industrialized and industrialized economies with widespread waged employment, formal labour-market data may suffice to provide an understanding of women's relative status.

This discussion implies that in cross-country comparisons of gender equality in well-being, one size does not fit all. Rather, well-being indicators should appropriately differ by economic structure and per capita income. None of the reports addresses this issue, although the World Bank categorizes countries by low, middle and high income for some of its analyses. This approach could be usefully expanded to differentiate among agricultural economies, low-income industrializing, semi-industrialized and highly industrialized economies.

### **Trend and causal analysis in the reports**

The few variables on which trend data are relatively widely available are in basic capabilities: education and illiteracy, life expectancy and population ratios. Unfortunately, there are no trend analyses of the latter variable in the reports. Yet, other studies have found evidence of declining

population ratios in countries with rising per capita GDP, underscoring that growth is not sufficient to improve women's status, and indeed, that in spite of growth, women's relative status can worsen (Klasen and Wink 2003). Cases in point include the Republic of Korea, China and India, which are otherwise considered prime examples of the benefits of globalization. Such cases merit more attention since it has become increasingly clear that economic growth does not always improve equity in well-being. The reports miss an important opportunity to explain the ways in which institutions, public policy and macroeconomic variables must be made to work together to produce a win-win outcome for gender equity *and* growth.

Several of the reports do assess trends in life expectancy and education, and note the narrowing of gender gaps, though there are notable exceptions. Female-to-male secondary enrolment ratios have declined in a number of countries in recent years, including in central and western Asia (seven countries), sub-Saharan Africa (10 countries), Eastern Europe (six countries), Latin America and the Caribbean (six countries), and Asia and the Pacific (two countries) (UNIFEM 2002). This is a disturbing and perplexing finding, contradicting the notion that progress toward gender equity is a slow-moving but steady positive process due to change in social norms and institutional rules that disadvantage women. That there are substantial reversals in a short period of time suggests that positive changes are not steady or enduring, and these reversals require more scrutiny to fully understand the dynamics that can undermine progress.

Moreover, the reports fail to provide a consistent message on trends in women's *economic* well-being relative to men's. Labour data can be among the most revealing measures of women's well-being and empowerment. Higher income provides access to the material goods necessary for well-being and social inclusion. It also improves bargaining power within the household and may thus leverage additional resources (Blumberg 1988).

Several factors determine the level of income. A general example of the determinants of female income is provided here in order to underscore the data requirements for accurately representing female access to resources and the ambiguity that arises if any one of these indicators is relied on to the exclusion of others. This general example, which could be altered to reflect country-specific conditions, models total female income as the sum of:

$$Y_F = Tr + (e_p * H_p + e_R * H_R)^{1/\theta} \quad (1)$$

where  $Y_F$  is female income;  $Tr$  is transfers from government and kin;  $e_p$  and  $e_R$  are earnings per hour in the productive and reproductive sectors, respectively;  $H_p$  and  $H_R$  are hours worked in the productive and reproductive sectors, respectively; and  $\theta$  is a measure of the variability of earnings. The value of  $\theta$  could be modelled as a function of women's labour-market status, the larger the  $\theta$ , the more insecure the job (such as informal sector work). A larger  $\theta$  lowers income. Time spent working is constrained by the total hours in the day, as well as time spent in leisure and recuperation (that is, sleep, eating).<sup>11</sup> Thus, for income maximization problems, we may specify the time constraint as:

$$\bar{H}_T = H_p + H_R + H_L + H_C \quad (2)$$

with  $H_T$  defined as total hours and  $H_L$  and  $H_C$  as time spent in leisure or recuperation, respectively. (The bar over  $H_T$  signifies this is fixed). Using (2) to rewrite (1), as well as the assumption that earnings from reproductive labour are equal to zero, we obtain:

$$Y_F = Tr + \{e_p * (\bar{H}_T - H_R - H_L - H_C)\}^{1/\theta} \quad (1')$$

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<sup>11</sup> Leisure is often modelled as a residual use of time, available only after labour demands are met. Women's recuperation time is also a residual to a larger extent than men's in many cases.

The level of income is thus dependent on five variables: transfers, earnings for paid labour, hours of reproductive labour, leisure and recuperation time, and the variability of earnings. Note that an increase in hours spent in reproductive labour, leisure or recuperation will have a negative effect on income, as will an increase in the variability of earnings.<sup>12</sup> As can be seen, the data necessary to accurately measure income are quite demanding. *No single variable* on the right-hand side of equation (1') is sufficient to describe women's status as regards access to income. More than one of these five variables may be changing and in opposite directions. For example, while women may experience an increase in earnings per unit of time ( $e_p$  rises), jobs may also become less stable, causing  $\theta$  to be larger. The net impact on income depends on which effect dominates. Likewise, if women need to work longer hours in paid labour to make up for low earnings, they may have to do so at the cost of time spent in recuperation, which will have its own negative effects on well-being.

The reports make some effort at assessing access to economic opportunities, despite the challenges. However, the data are usually limited to labour-force participation rates and employment shares. Wage data are sparse and hours of work even sparser, so cross-country comparisons of trends in female relative income are virtually impossible. The data that are available suggest that more women are now part of the economically active population, and in some cases women have increased their share of paid employment. The UNIFEM (2002) report, however, notes some reversals in female share of employment in Asia, Latin America and Eastern Europe from the 1980s to the late 1990s. In the case of Asia, the cause is linked to the financial crisis (although declines in female shares of formal sector employment were evident

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<sup>12</sup> Productivity may be enhanced by leisure and recuperation, thus raising earnings, but that is a possibility ignored here for simplicity.

prior to this time). Declines in the female share of manufacturing jobs are also noted in mature semi-industrialized economies, with women facing difficulty in obtaining employment in more capital-intensive industries as countries move up the industrial ladder (Berik 2000; Ghosh 2001).

There is little clear-cut evidence on trends in employment status (for example, informal, irregular and formal), so it is difficult to directly assess trends in women's chances of finding formal-sector employment as compared with more secure forms of work. There are, however, data on women's share of informal-sector work. A rising share would indicate that women have fewer opportunities than men for formal-sector work. The UNIFEM (2000) and World Bank (2001) reports provide rough estimates of the magnitude of the female intensity of informal work, arriving at conflicting conclusions. UNIFEM reports that informal work is female intensive, implying female disadvantage in access to work; the World Bank concludes that women are not more predominantly employed in the informal sector than men. A study by Chen et al. (2002) concurs with the UNIFEM report, noting that informal-sector employment is a larger source of employment for women than men. Balakrishnan (2002) and Benería (2001) link the growth of informal employment to the process of globalization that has led to the expansion of subcontracting employment and home work. The organization of production has changed in a way so as to reduce overhead costs, shifting the burden of unevenness in product demand to vulnerable workers. Evidence thus far, though insufficient to be globally generalizable, indicates that women are the target force to provide such labour.

Trends in gender wage differentials also provide ambiguous results. Despite some evidence of closing gaps, there are several notable cases of declines in female relative wages in



recent years—Chile, China, Taiwan Province of China, Hong Kong and Mexico.<sup>13</sup> These countries are notable for their export orientation that is heavily reliant on female labour. Cross-country studies have found that increasing international trade tends to widen gender wage gaps (Gupta 2002; Berik et al. 2004). Foreign direct investment has also been linked to a slowdown in the growth rate of wages and expanding wage inequality (Barry et al. 2001; Gopinath and Chen 2003). Women’s concentration in mobile industries would make them more vulnerable to those downward pressures on wages, and may explain why, despite the strong demand for female labour, there is not more evidence of narrowing gender wage gaps, even as education gaps are closing.

In all, the data requirements to assess gender trends in well-being are very demanding, and we have far less to work with than would be desirable to reach hard and fast conclusions about trends. Two inferences can be drawn from these reports, however. First, the trend toward the feminization of labour is evident. This positive outcome has to be tempered by the fact that work is simultaneously becoming less secure. Second, economic growth and structural change do not appear to be sufficient conditions to move countries toward greater gender equity in well-being, as evidenced by a number of Asian economies where wide gender wage gaps stubbornly persist and female to male population ratios are falling.

### **Effects of growth on gender equality**

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<sup>13</sup> See, for example, Seguino (1997), Liu (1998), Maurer-Fazio et al. (1999), Barrientos et al. (1999), and Artecona and Cunningham (2002).

The Bank's (2001) economic development and growth analysis uses cross-country regressions with well-being indicators regressed on per capita GDP, controlling for gender rights using the Humana Index.<sup>14</sup> The results show a positive and non-linear relationship between the capabilities indicators and per capita GDP but little effect of GDP on female political representation relative to men's. Thus, women's well-being and gender equity are found to be higher in rich countries than poor. While these results show an interesting link between gender inequality in well-being and level of per capita GDP, the World Bank infers that higher incomes will automatically yield improvements in gender equality without questioning the policies that are necessary to ensure this outcome. The method the Bank uses does not allow for an assessment of the effects of the specific set of policies known as liberalization that have been in effect for nearly three decades. As such, the results are open to question for several reasons.

The Bank's cross-country regression analysis is ahistorical and without context; growth is uniformly assumed to promote equality. A more appropriate approach is to explore the impact of a specific set of macroeconomic policies—those in force since the early 1980s—which have given rise to more economic openness, liberalization and of course, in many countries, debt crises and structural adjustment policies. This can be done statistically in the following way. The independent variable that explains well-being should be the change in per capita income in the relevant period, rather than the level of per capita GDP (as is used in the World Bank study), but the initial level of per capita GDP at the beginning of the period should be added as a control

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<sup>14</sup> The World Bank study uses the Humana Index to control for country-specific differences in rights that might influence the relationship between gender well-being and growth indicators. See Elson (2002) for an excellent critique of this data source. One of the many problems with this measure is that the data are available only for two years (1985 and 1990).

variable.<sup>15</sup> In this way, the gender effects of economic growth policies for a given time period are isolated and assessed. The Bank, however, does not take this approach. Their analysis relies heavily on the results of two studies that find evidence of a positive relationship between growth and gender equality in education: Dollar and Gatti (1999) and Knowles et al. (2002). The Dollar and Gatti study covers the 1975 to 1990 period, using five-year averages, while the Knowles et al. study averages the data over the entire estimation period of 1960–1990. As such, their results that show a positive relationship between levels of economic development and gender well-being are likely capturing the positive effect of pre-1980s growth strategies, which may indeed have been more gender enabling than the post-1980s macro policies.

Another issue is that the dependent gender variables used in the Bank’s analyses are basic *capabilities* measures. It is not surprising that the Bank finds that per capita income is positively correlated with capability indicators since infrastructure investment expands with per capita GDP and, with it, the availability of public goods. These goods, by their nature, do not exclude subaltern groups from consumption.<sup>16</sup> Thus, women may passively benefit from the increased availability of certain public goods, just as, for example, the poor may passively benefit from public health expenditures that reduce the incidence of infectious diseases. Such improvements

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<sup>15</sup> Technically, then, gender well-being and empowerment variables should be regressed on GDP growth during the relevant period, controlling for the *initial* level of development (that is, controlling for per capita GDP at the beginning of the period under analysis).

<sup>16</sup> The term *subaltern* is used in stratification economics to describe persons or groups with lower status in a socioeconomic hierarchy. In current philosophical usage, the term describes a person who lacks agency due to his or her social status. In both usages, weaker power vis-à-vis dominant groups is implied.

in female well-being are not the result of an explicit policy stance to promote gender equity. Any evidence of improvements in female opportunities and empowerment, on the other hand, would be indicative of an affirmative stance toward women's active participation in economic, political and social life. But the Bank does not analyse effects of per capita GDP on these. This is an important lacuna, since opportunities and empowerment may be lacking (and evidence suggests that this is widely the case), even when per capita incomes are high. This may be due to market outcomes (shaped by economic structure, combined with the effects of globalization and gender discrimination in labour markets), to gender roles and care pressures at the household level, or to public expenditures that favour males. Thus, the World Bank approach to analysing this question is limited by its focus on basic capabilities.

A composite index developed by Dijkstra (2002) provides a broader measure of gendered well-being than the basic capabilities variables used by the Bank and yields a different result on the relationship between growth and gendered well-being.<sup>17</sup> Figure 1 provides data that assesses the correlation between GDP growth and Dijkstra's composite index. The index is based on five measures of relative well-being: (i) education, measured as literacy ratios (two-thirds weight) and primary and secondary enrolment ratios (one-third weight); (ii) the ratio of female-to-male life expectancy; (iii) relative labour-force participation rates; (iv) the female share of technical, professional, administrative and managerial positions; and (v) the female share of parliamentary seats. These five components capture aspects of capabilities, opportunities and empowerment. The indicators are standardized and then summed to yield the Standardized Indicator of Gender Equality (SIGE). Dijkstra's data are for 1995 and have not been updated, and thus I compare

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<sup>17</sup> For more discussion of this topic, see Seguino (2004).

SIGEs across 101 countries with per capita GDP in that year, as well as total per capita GDP growth in the previous 15 years (1980–1995).

The countries in figure 1 are grouped into four groups (or quartiles), ranging from the poorest to the richest in terms of per capita income because, as noted, the structure of economies differs at varying levels of development (proxied by per capita GDP), and this has gender implications. Economic structure within each group is roughly similar, with the lowest quartile comprised largely of agricultural economies with a primary commodity export dependency. As a rule of thumb, the higher the per capita GDP, the more industrialized the countries in the group. The role of women in the economy differs by economic structure, so we can expect that the influence of growth on gender equality will also vary. Thus, it is useful to gauge the relationship between gender and growth by level of development as is done in figure 1.

The correlation between the growth rates of countries in these groups to the SIGE is calculated to assess whether higher growth rates produce better performance in achieving greater gender equality. The correlation can lie between -1 and 1. If economic growth is highly positively related to gender equality, the correlation coefficient is close to 1; if it is highly negatively related, its value is close to -1 and if there is no relationship between the two variables, the value of the correlation coefficient is 0.

The data indicate that economic growth is negatively related to gender equality in the lowest group as well as in the second highest income group. This suggests that, with respect to these two groups, the countries that on average grew the most rapidly over the period 1980–1995 recorded the worst performance in terms of gender equality.

This type of analysis by economic structure is a beginning point for exploration and tells us that disaggregation by level of income may be useful, and perhaps more importantly, that it is

essential to consider the gender effect of explicit policies. A focus on economic growth itself paints with too broad a brush. Applying this understanding to the World Bank analysis, its regressions do not control for level of development (that is, economic structure) nor explore the effects of macroeconomic policies on gendered well-being during the period of globalization, commonly identified as the 1980s to the present. This is problematic since we are not concerned with knowing whether growth improves women's relative status but under *which* conditions growth improves well-being. In particular, the most important current debate concerns whether the specific policies of the 1980s and 1990s are the right ones to do this job.

### **Comparative analysis of policy proposals**

The policy proposals advanced by the various reports are linked to the mechanisms that are assumed to cause gender inequality to persist as well as their view on the proper role of the state. These proposals can be divided into two groups. The World Bank focuses attention largely on formal rights. The HDR and UNIFEM studies, on the other hand, emphasize state and civil society actions that can promote substantive rights (that is, rights to the material preconditions necessary to live a decent and dignified life with meaningful choices), by focusing on the alleviation of the constraints imposed by globalization.

### **The role of the state in the World Bank report**

In arguing for a three-prong strategy to promote equality, the World Bank emphasizes formal (legal) rather than substantive individual rights. Intervention by the state to alter the gender

distribution of material well-being would be unambiguously justified only if gender equality promotes growth, thus producing a Pareto optimal outcome.<sup>18</sup> On this basis the Bank first offers strategies (led by the state) to level the playing field in various institutions in order to establish equal rights and opportunities. The Bank suggests that reforms are needed in family law, protection against violence and land rights. In addition, labour laws that restrict female access to work or limit hours should be eliminated, and political rights to vote and hold office should be promoted. Further, the Bank suggests that the promotion of gender equality requires the establishment of incentives to discourage discrimination, such as the expansion of markets, as well as sanctions against firms that discriminate.

Second, the Bank proposes that states should foster economic development, which will increase productivity and, as a result, work opportunities for women through more jobs, higher incomes and better living standards. The critical question, of course, is what promotes development and growth, a question not considered with the exception of advocating reliance on markets. In support of this argument, the Bank cites Black and Brainerd (2002) who find evidence of closing gender wage gaps in the United States, arguing that increased competition due to trade liberalization benefits women by reducing firms' ability to engage in employment discrimination. This argument is based on the assumption that, in competitive environments, firms are under great pressure to lower costs, and thus the desirability of hiring women workers whose wages are lower than men's serves the firms' profit goals. Over time the increased

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<sup>18</sup> The report states, "It would be naïve to expect that everybody wins when discrimination is prohibited," and "such intervention disallows some people's right to discriminate" (World Bank 2001:101), implying that some types of intervention to remove discrimination would not be Pareto optimal.

demand for female labour, it is argued, should push female wages up relative to men's, closing the gender wage gap.

There is, however, ample evidence that markets perform in such a way as to take advantage of such inequities and, in fact, contribute to their perpetuation. For example, increased competition has led to disproportionate job losses for female low-wage production workers in the United States (Kongar 2007). A reduction in the number of low-wage women employed has led to an increase in the average female wage of employed women. As a result the narrowing of the gender wage gap reflects an artificial increase in women's relative wages due to these job losses, rather than a decline in discrimination. The Bank identifies a series of studies on the determinants of gender wage differentials in developing countries. In all cases there is a sizeable unexplained portion of the gender wage gap not accounted for by productivity gaps and likely due to "discrimination," which may be as simple a process as firms being able to offer lower wages to women because their fallback position is much weaker than men's.

Third, the World Bank (2001) advocates a number of policies that suggest an activist role for the state and would be supportive of substantive rights. These include increasing female access to credit, affirmative action, time-saving infrastructure investments, reproductive rights and services, political reservation (quotas in elected bodies) and gender-aware budgeting initiatives. Yet, the state's ability to pool and redistribute resources and to ensure basic economic security is a central problem today, and is linked to globalization.

Two distinct features of the globalization process constrain gender equality. First, what Elson and Çagatay (2000) and the *World Survey* (United Nations 1999) refer to as "deflationary bias" arises from the increased mobility of financial capital. Financial liberalization allows rentier households and offshore financial institutions to exert pressure for lower taxes and higher



interest rates, posing a credible threat of exiting the country if their interests are not met. Further, because wealth holders fear inflation due to its effect on wealth holdings, governments are forced to reduce public-sector deficits as a way to assuage fears.

The combined effect of these pressures is to dampen economic growth, causing output to be below its potential, and to reduce public sector spending. With these negative pressures on output, employment and state spending on social safety nets, efforts to promote gender equality are compromised. Further, restrictive policies of institutions such as the World Trade Organization (WTO) that circumscribe the ability of the governments of poor countries to use trade and industrial policies to promote development amount to “kicking away the ladder” in the words of Ha-Joon Chang (2002), a ladder that rich countries have already climbed.

Moreover, international financial institutions (including the Bank itself) push countries to privatize public sector-social services and infrastructure, including water, education, social security and health services. Elson and Çagatay (2000) refer to this as “commodification bias.” The effects of privatization on access to services for low-income groups has been resisted by many citizens groups, and the negative effect on women’s labour time and care burden have been noted.

Together, these international constraints prevent states from using policy tools that could ensure that growth also promotes gender equality. Indeed, they leave the state in a weakened condition to fulfil many international conventions that ironically hold national governments accountable for progress toward improved well-being.

### **Structural adjustment and gender**

The World Bank's policy advice to developing countries over the last three decades has emphasized export growth, privatization and the reduction of inflation and public sector deficits. In the 1980s these combined policies comprised the core components of structural adjustment packages. As such, they merit investigation as to their impact on gender equity.

The World Bank report provides such an analysis, based on a comparison of capabilities trends in adjusting and non-adjusting countries, as defined by whether the country ever took a loan from the Bank. The underlying assumption of this analytical approach is that although structural adjustment programmes may be painful in the short run, they create the conditions for sustained growth, and thus improvements in well-being in the long run.

The concern with the long-run implications of specific macroeconomic policies for gender equity is an important one. The results provided by the analysis in the World Bank report, however, may not be reliable or generalizable for several reasons. The non-adjusting countries include just four, while the adjusters are 24 countries, all from sub-Saharan Africa. The Bank concludes, after reviewing the evidence, that on balance adjusters perform better than non-adjusters. This conclusion is unwarranted, particularly in light of the unrepresentativeness of the sample and the limited measures of well-being used. Numerous countries not included in the Bank sample have adopted policies similar to structural adjustment programmes, to wit, India in 1991. Much of the reported evidence on the negative effects of adjustment comes from adjusting Latin American economies.

In addition, the two measures of basic capabilities (education and life expectancy) do not capture the full extent of repercussions of structural adjustment; there are no measures of opportunities, empowerment or the labour burden that women bear. Indeed, the long-term effects of adjustment also relate to the toll on women's health, associated with overwork and stress.

In spite of these positive conclusions, the Bank has come to acknowledge the negative effects of structural adjustment and argues here (and in other publications) for social-protection spending. While the targeting of funding to vulnerable groups, particularly women, is welcome, such targeting does not address the problem of women's lack of bargaining power in labour markets and in job access. The underlying cause of women's need for such a safety net is due to job segregation, coupled with firm mobility among other things. These problems are not remedied by state transfers. Addressing more directly the unequal bargaining power of women vis-à-vis capital would lessen women's greater need for social safety-net spending. This is not to imply that social protection is undesirable. Rather, the point is that the source of women's greater need for assistance is not addressed with social safety nets.

### **UNIFEM and HDR: Grappling with human rights and globalization**

The Bank's policy proposals contrast with those of UNIFEM and HDR, which take a human rights approach and begin with the objective of ensuring equity and a decent standard of living for all persons. In so doing, they seek to promote policies that ensure the material preconditions necessary for human rights to be realized in practice. Insofar as discriminatory behaviour inhibits the attainment of these material preconditions (for example, the right to work at a decent wage), states have obligations to intervene to ensure that those conditions are met.

The UN reports emphasize the need to ensure women's access to resources in order to promote capabilities (for example, education and health care), as does the Bank. In addition, the HDR underscores the importance of ensuring basic human services and sustainable livelihoods, although it does not address the structural constraints on meeting these goals. The UNIFEM

studies do, however, and they argue for gender-sensitive macroeconomic policies. The UN reports reflect the view that globalization, combined with gender segregation, severely disadvantage women relative to capital, even if women do possess sufficient education, and even if they succeed in juggling care burdens with income-generating work. There is a recognition that it is necessary to improve women's bargaining power both within the household, by increasing outside options, *and* within the productive economy. Without such intervention, women are concentrated in insecure and unstable jobs that provide little opportunity for upward mobility and do not lead to improvements in well-being within the household.

Thus, gender-sensitive labour-market policies similar to those advanced by the World Bank, such as increased training, equal pay legislation and enforcement, non-discrimination in access to employment and affirmative action, are advocated. UNIFEM goes further, however, in arguing for policies that bolster employment security, including basic worker rights; improvement in the stability of work, such as extending benefits to part-time workers, coverage of informal-sector workers by social insurance and helping women in the informal sector raise their skills. The UN reports hold that governments should offer additional resources for training and social security so as to improve women's bargaining power vis-à-vis employers, and introduce measures that increase women's access to credit and improve the provision of care labour and women's access to and control over land. Thus, in addition to the World Bank proposals that focus on social protection for vulnerable groups, UNIFEM advances proposals that would increase labour-market protections and job security.

UNIFEM further recommends that steps be taken to rectify the severe constraints on public expenditures due to globalized and freely moving capital flows. In so doing, they highlight that the issue of capital flows is a gender issue and reform of the international financial

environment is a policy target. The UNIFEM (2000) report also proposes efforts to promote corporate social responsibility through such mechanisms as corporate codes of conduct. Clearly governments can play a pivotal role by ensuring that businesses pay their fair share of taxes and advocate that they treat workers with fairness, thus contributing to the formation of corporate norms that enhance human rights and gender well-being. Finally, the UNIFEM report emphasizes that global economic governance must be engendered, in particular, at institutions such as the WTO.

The lack of gender analysis at such institutions as the WTO poses a severe constraint on the ability of countries to raise incomes and stimulate job growth, reflecting the fact that trade has not yet been recognized as a gendered issue. The relationship between trade and gender is an especially difficult policy area and one that is rife with dissent, not only at gender-insensitive institutions such as the WTO, but also among feminist researchers, activists and policy makers themselves. This is because the rules that affect trade raise questions about not only inter-gender redistributive effects but also about the distribution of income between rich women and poor women within and among countries. The question of tying labour standards to trade rules is an example of just such an issue on which feminists have divergent viewpoints, and indeed, a great deal of distrust. As such, these policy issues deserve much more attention in order to facilitate greater policy consensus on what can actually be done to promote both greater equality between men and women, and also among women, across the globe.<sup>19</sup>

## **Conclusion**

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<sup>19</sup> On this issue, see for example, Singh and Zammit (2000), Kabeer (2004), and Seguíno (2005, 2007a).

These reports reflect the intellectual distance researchers have travelled over the past two decades, developing new ways to conceptualize and measure well-being and to assess the factors that can promote gender equality. Social norms that buttress inequality have begun to shift in some countries (Inglehart and Norris 2003; Seguino 2007b). But one of the major themes in feminist research, reflected to widely varying degrees in these reports, is that globalization and neoliberal policies have reorganized and redistributed power over nearly three decades, changing the economic landscape in which gender equality is sought. Women have been resilient in the face of increased economic insecurity, but macroeconomic policy that relies on women's coping strategies for success is not good policy—and it is most decidedly not equitable.

This argument implies that it is crucial for policy reports to analyse the effect of specific macroeconomic conditions and policies. The constraints on well-being posed by globalization differ by economic structure. In the poorest countries, the lack of public-sector investment is a core problem, including social spending on public goods, such as education and health care. In middle-income countries, and increasingly in some advanced industrial countries, a porous social safety net coupled with mobility of capital contributes to uncertainty and economic instability, limiting female bargaining power. In industrialized countries, inequality is fuelled by women's lack of access to paid jobs with security at sufficiently high wages and by their care responsibilities, coupled with inadequate fiscal reallocations in the form of social protection.

The way forward now requires a fuller understanding of how to promote the closure of gender gaps. Which macroeconomic policies can alleviate constraints on gender equality in well-being? Can states actively intervene to create an environment where equality and economic growth are compatible? How can capital be disciplined in such a way as to create the possibility

for greater equality? To answer these questions, we must expand our knowledge about the relationship between specific macro-level policies and gender equality. For example, what are the gender effects of monetary policy and which approaches are gender enabling? What are the effects of inflation targeting by central banks, and are there ways to control inflation other than through tight money? Can labour standards promote gender equality? Likewise, the gender effects of devaluations, and more generally the rules imposed on the trading system by regional and global agreements, should be explored.

Attention to the economic realm is not sufficient. Even with women's economic empowerment, political empowerment is not ensured and, here, gender norms are slow to change. National and global conflict and violence serve to undermine efforts in this direction, as hyper-masculinity becomes more evident in males in decision-making roles at such times. The way forward thus also requires working for peace as a gender-enabling strategy and continuing work to change the terms and conditions under which the global economy functions.

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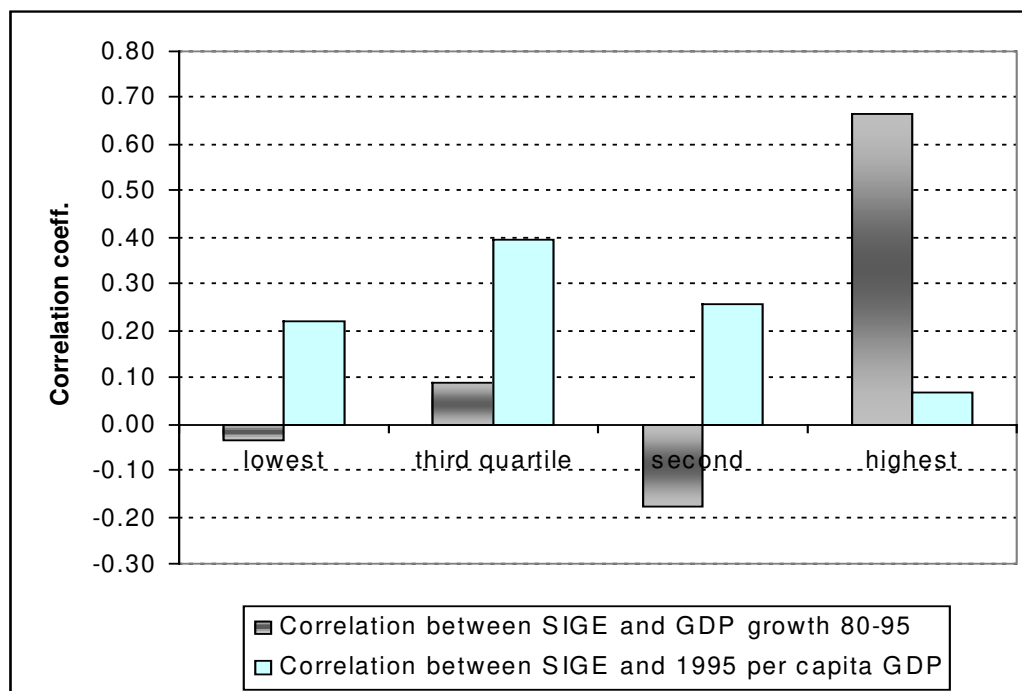
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Figure 1 Correlation of SIGE with per capita GDP (1995) and GDP growth (1980–1995)



Notes: GDP is for 1995 in constant 2000 US dollars. Per capita growth is for the 1980–1995 period. The range of income for the poorest quartile is \$116–1,000; third quartile \$1,001–3,470; second quartile \$3,500–13,000 and richest (highest) quartile \$16,500–35,525.

Source: Author's calculations with data from World Development Indicators and Dijkstra (2002).