



Chapter 4

Consolidating women's gains: The need for a broader policy agenda

The preceding chapters underscore that neoliberal policies and globalization produce contradictory effects on individual well-being. While under current rules of liberalization, capital becomes increasingly less encumbered by national rules and constraints, there are contradictory effects on productivity growth and standards of living. Although competition might stimulate productivity, this is not guaranteed since increased firm bargaining power can allow firms to rely on low wages to reduce costs instead of embarking on innovation. Furthermore the public sector's ability to manage the process of growth and development can become more limited. In this process, women can benefit from employment possibilities that heretofore had not existed, but at the same time they are confronted with a macroeconomic environment that is more volatile than before, and there is little social protection. How have gender gaps in well-being changed during the era of liberalization and outward-oriented growth? Further, do those countries that grow more rapidly do better in closing gender gaps?

To answer these questions requires a method of evaluating gendered well-being. Measures of average income are inadequate because they most often use the household as the unit of analysis, and assume equal sharing of household resources between males and females; they are not therefore a good measure for tracking changes in women's access to household income. Furthermore, macroeconomic aggregates such as gross domestic product (GDP) per capita do not take into account unpaid labour, which is largely undertaken by women. In any case well-being is more extensive than can be measured by a money metric. These concerns have resulted in a profound transformation in the way that gendered well-being is conceptualized.

The newer frameworks for evaluating trends in gender well-being bear some similarity to the human development approach. In that approach, development is conceptualized as the broadening of people's choices, created by expanding "capabilities". Central to the notion of capability is the ability to live a long and healthy life, to be well nourished and clothed, to be knowledgeable, to have access to the resources and opportunities that ensure an adequate standard of living. Other less quantifiable capabilities include the ability to have self-esteem, to be treated with dignity, to be able to be connected—that is to be able to care, to be cared for, and to be free of systematic social exclusion due to discrimination or other factors. It includes too the freedom to have a voice in economic, social and political arenas: to be empowered and to exhibit agency. In this approach inequality is seen as an "unfreedom" because it contributes to social exclusion and can lead to disempowerment, lack of political and economic voice, and possibly to a degradation of other basic capabilities.¹ This concept of well-being is complex, extending beyond the material realm, which makes translation into measurable indicators a challenging prospect.

Most gendered analyses of well-being evaluate not only women's absolute status, but also their status relative to men: that is, the degree of gender inequality in well-being. Measures of female well-being relative to men's are useful because the gaps both affect and reflect power dynamics that influence the process of resource distribution. Gender wage inequality, for example, can contribute to unequal bargaining power within the household and thus an unequal distribution of family

resources, and this condition, as a result, can affect women's absolute level of well-being. This implies that measures of both absolute and relative well-being are necessary, not only to capture status at a point in time, but also to illuminate the potential for change in a positive direction over time.

Research on gender equity in well-being focuses assessments on three distinct but interrelated domains: capabilities, access to resources and opportunities, and empowerment. In empirical research to date, capabilities are more narrowly defined than in the human development literature, and capture basic human abilities as measured through indicators of health, education and nutrition. The second domain refers to equality of access to resources (such as credit, land and property) and to opportunities for generating income (such as through participation in labour markets). Finally, empowerment refers to the ability to make choices from a meaningful set of alternatives that can alter outcomes, and is meant to reflect the degree of participation relative to men in deliberative bodies as agents of change.²

INDICATORS AND MEASUREMENT

In practice the selection of indicators is shaped by data availability, although in some instances this difficulty can be overcome by using more easily quantifiable proxies. In the category of capabilities, educational attainment and enrolment ratios are important indicators, along with measures of life expectancy and sex ratios in the population. Additionally, measures of maternal mortality may be used: this is narrower because it captures women's absolute status, rather than gender inequality. Indicators of health and education are markers of capabilities that have intrinsic value and are also the preconditions for participation in provisioning and decision making.

There are many serious concerns about the existing data sets. For example, the ratio of girls to boys in schools reflects educational inputs into children, but this is not strongly correlated with completion rates, and does not reflect the quality of education and student learning.³ Completion rates are not, however, as widely available as enrolment ratios. While overall life

expectancy is useful as a measure of well-being, the use of male and female life expectancy to capture gender differentials in well-being masks age-specific differentials in mortality. In India, for example, the higher life expectancy of women is largely the consequence of the greater survival chance of older women, which "more than compensates (mathematically speaking) for the lower survival of younger females".⁴

Data problems to do with reliability and comparability are as limiting in the area of social indicators as they are in the case of economic data. Very few developing countries, for example, have comprehensive and reliable systems, for registering vital statistics (that is, births and deaths) from which demographic profiles can be obtained, India being perhaps an exception. And even for those with complete registration systems the estimates of mortality and life expectancy produced by international agencies may not be accurate because of the overuse of model life tables.⁵ Many of the statistics used for estimating under-five mortality are based on mathematical models rather than on up-to-date data.⁶

Data challenges also make it difficult to assess gender equality in access to resources and opportunities. The measures most frequently relied on are labour market data, including labour-force participation rates and employment rates. The scarcity of data on unemployment, hours of paid and unpaid work, security of employment and wages makes it difficult to gain a complete and reliable picture of income-generating opportunities in labour markets. Ideally, such data would be combined with information on job segregation to paint a more complete portrait of gender gaps in opportunities. Of all of these variables, what are most needed are improved data on gender wage gaps in different industries and occupational categories, and on unemployment, for measuring status in labour markets. For countries in which income is generated by other means, such as through small-holder farming, information on the extent of women's access to, and control over, land, labour, capital and crops would be useful but is not widely available. All of this suggests that we only have a partial picture from which to infer trends in access to resources and opportunities.

Empowerment reflects a dynamic process, with power exercised in a variety of settings, including in the household, in the

economic, legal and political arenas, and in cultural institutions (such as religious bodies).⁷ As yet, the development of measures of empowerment is at an early stage, rendering difficult the quantitative analysis of trends. It is also intrinsically difficult to capture processes of social change, such as empowerment, through indicators. Measurement of empowerment cross-nationally and over time therefore has to rely on innovative proxies to capture the ability of women to make meaningful choices and to influence decision making. It is most frequently tracked as the female share of parliamentary seats, one of the few measures for which global data are available. The indicator is imperfect since it says little about whether women in parliament can make an impact on the shape and content of policies. However, as noted earlier, the economic power of national political bodies has, in some countries at least, been circumscribed in the period of global economic integration.

Other measures of empowerment have been used, though less broadly. For example, the age of women and men at first marriage reflects bargaining power in the household, and this has implications for resource distribution and opportunities. This indicator is salient in a number of developing countries that tend to be agriculturally based, but may not be broadly relevant for global comparisons of trends in well-being. Women’s economic empowerment is also sometimes represented by their share of executive and managerial positions. There is limited data on this variable, however, and it may be more relevant in countries with extensive labour markets, than in countries with large agricultural sectors. Violence against women is also now recognized as a measure of dis-empowerment.⁸ Such violence is a barrier to women’s use of capabilities or access to opportunities. Worldwide, it has been estimated that violence against women is as serious a cause of death as cancer among women of reproductive age.⁹ While accurate data on violence against women could tell us a good deal about women’s status and well-being, efforts to measure this variable are constrained by serious under-reporting, as well as difficulties in disaggregating acts of violence into specific acts. Thus while little comparable cross-national data is available, efforts are being made to address this gap.

PROGRESS IN CLOSING GENDER GAPS IN WELL-BEING

Analyses of well-being have to take into account that, while there may be progress in one domain, there may be lags or setbacks in others. Thus, assessments of well-being need to evaluate progress not only on individual indicators, but also across a wide spectrum of measures in the three domains, in order to achieve a more comprehensive picture of women’s relative status. It is, however, useful to review the evidence on the three domains separately before turning to an analysis of the composite state of gender equality of well-being.

Trends in capability gaps

Several UN reports have assessed trends in life expectancy and education and observed the narrowing of gender gaps.¹⁰ There are notable exceptions. Female to male secondary enrolment ratios have declined in a number of countries in recent years, including in Central and West 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).¹¹ This is a disturbing and perplexing finding, contradicting the notion that progress toward gender equity is a positive though slow-moving 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 stable or enduring. These reversals require scrutiny to understand more fully the dynamics that can undermine progress.

As further evidence of the persistence of gender inequality, several recent studies have found that the ratio of females to males in the population has declined in a number of countries, including in several with rising per capita GDP—China, India and the Republic of Korea—as well as in several Latin American countries.¹² The causes for the declines are varied. Low sex ratios often reflect excess female infant and child mortality, primarily due to sex bias in access to health care. But, in some

countries at least, they seem to reflect sex-selective abortion, especially of higher-order daughters.¹³ This underscores the notion that growth is not sufficient to improve women's status, and indeed that, in spite of growth, women's relative status can worsen.

Further, dismal statistics from Africa and Asia on death, disablements and chronic illness related to preventable complications during pregnancy or childbirth underscore that women continue to lack access to essential and emergency obstetric care, as well as more comprehensive reproductive health services.¹⁴ In addition to these problems, HIV/AIDS has developed into a serious health threat in Africa, with women's infection rate exceeding that of men: they comprise 55 per cent of infected persons.¹⁵ This underscores the continued power differential between women and men, with women frequently unable to protect themselves from sexual encounters or to ensure that those encounters are safe. The epidemic puts heavy costs on women in terms of care work. Increasingly, older female family members are left to care for orphaned children.

In contrast to these statistics, there are numerous cases in which women have surpassed men in various categories of capability. The most frequently discussed are cases where female enrolment rates in educational establishments now exceed those of men. One analysis showed that 72 of 191 countries in 1999/2000 had female to male secondary enrolment ratios of one or greater, implying gender parity or a reverse gap in favour of females at the secondary level.¹⁶ On its own, this statistic might suggest greater gender equality and improvements in female absolute well-being. Other data, however, belie that interpretation. For example, of these 72 countries, only one-third have high rates of female enrolment (above 90 per cent). Further, in a number of countries, particularly in the Caribbean, ratios of greater than 1 reflect male departure from schooling at an earlier age, for different reasons including the availability of lucrative income-earning activities—for some at least.

In sum, while there is evidence of progress towards closing gender gaps, especially in education, it is noteworthy that in a number of countries, gender gaps in secondary school enrolments have widened over the last decade. Evidence of widening gaps in female to male population ratios likewise signals that progress is uneven and indeed reversible.

Trends in gender differences in access to opportunities and resources

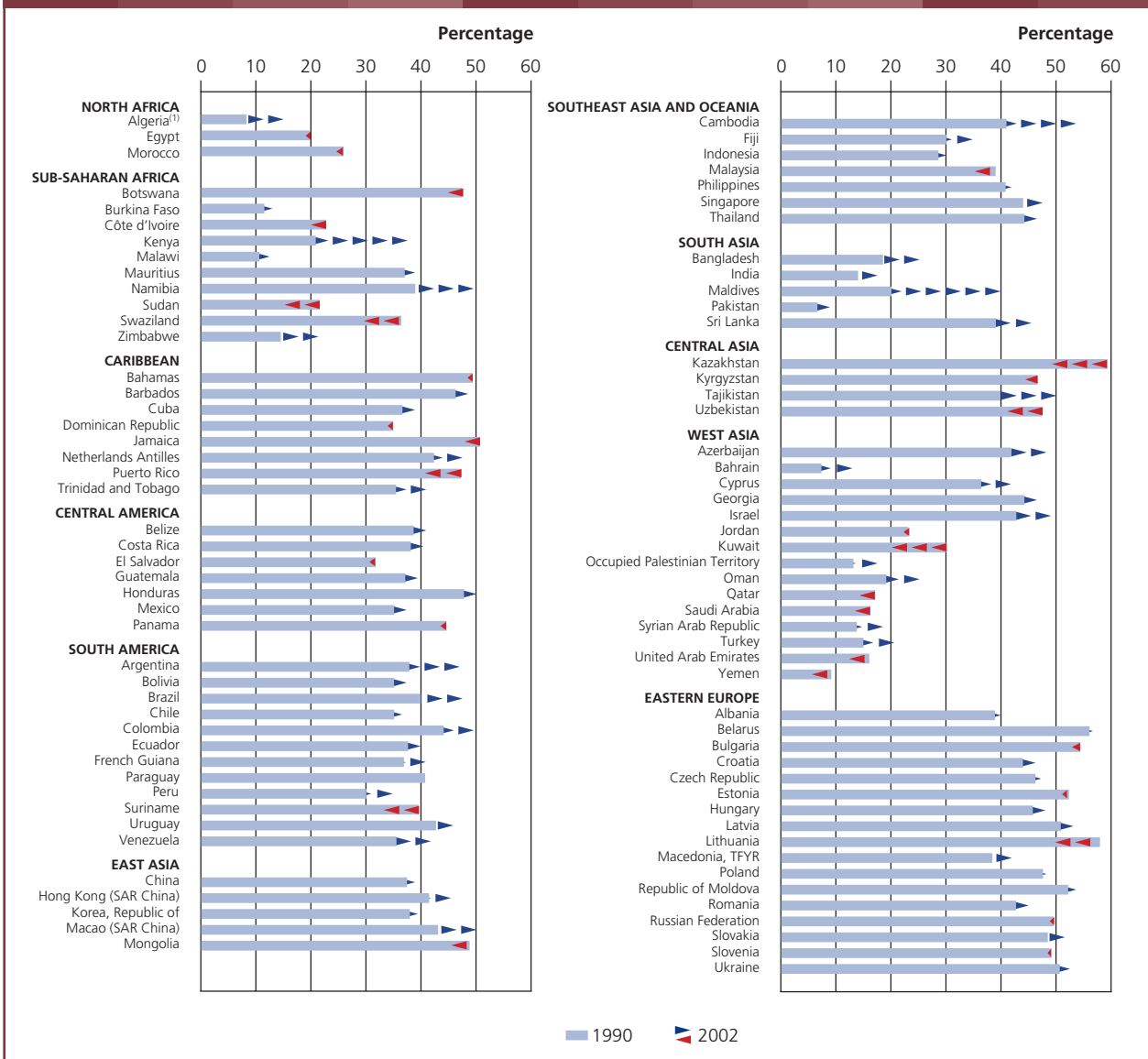
The translation of capabilities into access to opportunities is not automatic, especially in slow-growth economies where social tensions may emerge over a small and sometimes shrinking economic pie. Gender norms in those cases can play an important part in influencing the distribution of resources and jobs. Data from the 1995–7 World Values Surveys, for example, showed a significant percentage of men (40 per cent compared with 32 per cent for women) agreeing that when jobs are scarce, men have more right to existing job slots than women.

Such gender norms are apparent in Latin America and the Caribbean, where from 1990 to 2002, of 18 countries for which data are available, 13 experienced increases in unemployment. In all but three of those countries, women bore the brunt, with unemployment rates rising by a larger margin for women than for men.¹⁷

Unemployment data do not suffice to evaluate gender gaps in access to opportunities. This is in part because unemployment data are scarce, but it is also because women's constrained access to paid work often results in their withdrawing from the labour force, leading to artificially low female unemployment rates. Further, women may move into informal work as "self-employed" workers. In reality, much of this type of work is disguised unemployment, although data are lacking to estimate the extent of the problem. We may infer, though, that the existing unemployment data are a minimum estimate of lack of access to reasonably remunerated work. Women's real unemployment rates are likely to be higher, given their greater representation in poorly remunerated, makeshift work in the informal economy.

Another measure of women's relative access to opportunities is the female share of paid employment. This measure does not completely overcome the data weaknesses just noted. Nevertheless, it does capture those who work for a wage (in contrast to the self-employed). Here, there are strong indications that women's relative access to paid work has increased in a number of countries, although progress is not even, and there are again some reversals. A report on progress towards meeting Goal 3 of the Millennium Development Goals—to promote

Figure 4.1 Women wage employment in non-agricultural sector as percentage of total non-agricultural employees (1990–2002)



Notes: The figure does not include countries in the Western Europe or Other Developed geographical groupings. None of the countries for which data was available in those areas have experienced gender reversals in wage employment in non-agricultural sector. (1) Data for 2001 rather than 2002.

Source: ILO 2004c.

gender equality and empower women—found, for example, that of 124 countries that have data for 1990 and 2002, 81 had increases in the female share of non-agricultural employment and 30 had declines.¹⁸ Figure 4.1 provides data on women’s share of waged

work for 1990 and 2002. Particularly notable are those regions in which women’s share of non-agricultural wage employment lies below 25 per cent, a challenge that is particularly evident still in some countries of South Asia, West Asia, and Africa.

As noted in chapter 3, declines in the female share of manufacturing jobs are also apparent in mature semi-industrialized economies, starting around the early 1990s.¹⁹ Slow growth or a decline in the female share of job openings in the manufacturing sector has led women to either withdraw from the labour force or move into service-sector work. The degree to which the shift to service-sector employment provides decent work remains unclear, however. In some cases, well-educated women have moved into financial services employment, where work conditions tend to be favourable. Employment has also expanded in export service-sector jobs, such as informatics, data processing and call centres. While work conditions sometimes appear more favourable than in export manufacturing, the downward pressure on wages in these jobs is similar to export manufacturing-sector jobs, insofar as competition amongst developing countries places serious limits on women's bargaining power and wages.²⁰

Another export service-sector industry—tourism—has begun to absorb significant numbers of female workers. While conditions may be favourable in formal-sector jobs, work is often seasonal and insecure. Still other women, particularly those with a secondary education or less who cannot find manufacturing employment, take up informal work in the services sector, which in some cases is precarious and badly paid, or depends on “self-employment” on any terms.

Data on agricultural employment is sparse, but there is some evidence that the female share of employment in that sector has increased. In part, this may be due to the expansion of high-value agricultural export crops in different regions, including Asia, sub-Saharan Africa and especially Latin America, with women frequently serving as temporary wage labourers (see chapter 6).²¹ In other countries, including in Central America and some African countries, male migration has increased the number of female household heads and female participation in agriculture (see chapter 6). The impact on women's overall labour burden in such cases is likely to be severe. This underlines the fact that a simple increase in female share of employment is not a sure indicator of improvement in women's situation.

While wage-gap data would be useful in assessing women's relative opportunities, the scarcity of such data makes a complete analysis impossible. From the data that do exist, there is

evidence of a narrowing of gender wage gaps in a large number of countries as noted in the previous chapter, with notable exceptions. However, given the closure of education gaps, the reduction in the gap between female and male wages is not necessarily a result of a decline in discrimination. Indeed, simple female-to-male wage ratios can mask an increase in female exploitation. As the previous chapter indicated, country-level studies that isolate the effects of trade liberalization find that the discriminatory portion of wage gaps is rising in a number of countries. The evidence of greater gender wage exploitation in some rapidly growing economies, including China and Viet Nam as well as wider gaps in Chile, tells a cautionary tale about the benefits of trade liberalization for women's relative well-being.

Table 4.1 provides data on selected indicators of well-being for Latin America, the Caribbean and Asia. This is a useful comparison as the Latin America region has been plagued by slow growth over the last two decades while Asian economies, with few exceptions, have had rapid growth, and many of these countries have chosen to follow the managed-market rather than the neoliberal model. The data indicate that in two areas—fertility and labour-force participation—there have been improvements in gender equity in well-being. For all other indicators, however, there have been reversals in both slow and in rapidly growing economies. For example, in 8 out of 21 countries, female-to-male population ratios fell. Secondary school enrolment ratios also declined in several countries. Particularly noteworthy is the worsening gap between female and male unemployment rates, observed in 14 countries in this group. This contrasts with the rising ratio of female-to-male labour-force participation rates, and suggests that while more women may be seeking employment, a smaller proportion of women than men are able to find employment.

Empowerment trends

Most of the indicators used to measure empowerment are proxies, often imperfect ones, that can lend some insight into the degree of change in women's ability to influence decision making on matters that have an impact on their own lives as well as those of others. The most frequently used is female share of parliamentary seats

Table 4.1 Changes in indicators of gender equality in well-being (1970–1999)

	F/M population ratio ⁽¹⁾	Fertility	Ratio F/M secondary school enrolment	Ratio F/M total yrs. educational attainment	Female share of labour force	Female share of non-agricultural employment ⁽²⁾	Ratio F/M unemployment rate ⁽³⁾
Argentina	0.05	-0.6	-0.06	0.06	7.84	3.69	0.11
Bahamas	0.01	-1.3	-0.10	0.10	7.16	-1.74	0.61
Barbados	-0.06	-1.3	0.03	-0.04	6.02	1.97	0.08
Belize	-0.03	-3.8	-0.08	-0.08	3.16	-7.44	0.43 ⁽⁴⁾
Bolivia	-0.02	-2.6	0.15	0.18	5.90	2.05	0.35
Brazil	0.02	-2.8	0.14	-0.08	11.74	3.04	0.66
Chile	-0.01	-1.8	-0.13	0.03	10.84	0.73	-0.17
Colombia	0.01	-2.9	0.14	0.28	14.24	5.89	-0.06
Costa Rica	0.01	-2.4	0.05	0.00	12.70	–	0.13
Dominican Republic	0.00	-3.3	-0.11	0.08	8.24	-6.28	0.36
Ecuador	0.00	-3.2	0.19	0.09	9.18	2.64	-0.19
El Salvador	0.05	-3.2	0.08	0.32	15.42	2.98	-1.42
Honduras	0.00	-3.3	0.33	-0.20	9.10	2.37	-0.14
Jamaica	-0.03	-2.9	0.05	0.04	3.20	2.24	-0.13
Mexico	0.05	-4.1	0.39	0.27	13.80	1.66	-0.19
Panama	0.02	-2.7	-0.05	0.00	9.82	0.09	0.17
Paraguay	-0.04	-3.4	0.02	0.10	3.40	1.86	-0.06
Peru	0.03	-3.4	0.17	0.16	8.66	–	–
Trinidad and Tobago	-0.02	-1.8	0.01	0.11	4.50	4.25	0.05
Uruguay	0.05	-0.7	0.15	0.04	15.24	4.25	0.17
Venezuela	0.01	-2.5	0.35	0.04	13.96	4.60	0.43
Hong Kong (SAR China)	0.03	-2.4	0.28	0.24	2.30	5.76	-0.32
Indonesia	0.00	-2.9	0.44	0.21	10.38	-0.20	–
Korea, Rep. of	0.00	-2.7	0.35	0.21	9.10	1.08	0.09
Malaysia	-0.01	-2.4	0.42	0.34	6.68	0.68	–
Philippines	0.00	-2.2	0.07	0.03	4.78	0.17	-0.42
Singapore	0.04	-1.6	-0.02	0.22	13.16	-0.96	0.34
Sri Lanka	0.11	-2.1	0.00	0.04	11.40	-2.70	-0.88
Thailand	0.00	-3.5	0.16	0.11	-1.88	1.73	-0.14

Notes: Changes in indicators are calculated as the difference between the value of the indicator in 1999 and its value in 1970 (unless other dates are specified). For instance in Argentina, the ratio of females to males in the population increased by 0.05 points (from 0.99 in 1970 to 1.04 in 1999).

(1) Population ratio is defined in this case as number of females/number of males.

(2) Data for change in female share of non-agricultural employment are from 1990 to 2000 or closest year available.

(3) Data for change in ratio of female to male unemployment rates are from 1990 to 1999.

(4) Data are for change in ratio from 1993 to 1999.

Sources: Seguino 2003a, 2002; ECLAC 2004; World Bank 2004b; ILO 2004b.

(see section 3). We might expect that as women gain capabilities and opportunities in other domains, this will improve their status as well as their ability to move into decision-making bodies within economic and political institutions. There have been some other innovations in measuring empowerment across a broad range of countries, including contraceptive prevalence, and

various databases that assess women’s political rights (measured as the right to vote and participate in the political system equally with men) and social rights (the right to equal inheritance, and equal power to enter into a relationship of choice with a partner).

Using the data that is widely available, a variety of UN reports find that female share of parliamentary seats has increased in

many countries (see section 3). While this progress is gratifying, there have been numerous cases of reversals, emphasizing once again that progress towards gender equality is not necessarily permanent or stable, and that gains can be tenuous. The data further indicate that progress is unrelated to the level of per capita GDP of a country, which is a widely used indicator of growth and development. As a case in point, between 1995 and 2004 the female share of parliamentary seats declined marginally in China, despite its rapid rates of economic growth, while those in many sub-Saharan African countries rose considerably over the same period in the context of economic stagnation.

Given that multilateral financial institutions have considerable influence over national economic policies, the power of parliaments to determine these matters is often circumscribed, particularly now that many countries are committed to the legally binding Uruguay Round Agreements under the World Trade Organization (WTO) concerning trade-related matters.

The World Bank, however, has made efforts to improve participation in policy decision making through Poverty Reduction Strategy Papers (PRSPs). More specifically, in return for financial assistance developing country governments are expected to prepare a poverty reduction strategy, to specify the budgetary resources needed to implement it, and to establish a monitoring framework for assessing the achievement of strategic goals. This strategy is to be developed by the government in consultation with civil society.

Although the PRSPs are to be developed through a process of consultation, criticisms of the participatory nature of this process have been noted. Often national legislatures are not involved in decisions on the policy content of these strategies, and some observers argue that civil society participation does not translate into influence. It has been observed that generally there is a very low level of consultation with women's groups throughout the PRSP process, limiting women's agency in decision making. Rather than facilitating democratic debate on macroeconomic policies, these documents often incorporate the macroeconomic policies that the IMF has set for borrowing countries.²²

A review by the World Bank's Gender Division of 15 Interim PRSPs (I-PRSPs) and three PRSPs completed by early 2001 found that less than half discussed gender issues in any detail in their diagnosis of poverty. Even fewer integrated gender analysis

into their poverty reduction strategy, resource allocation, and monitoring and evaluation sections. Gender issues were, however, better integrated into the health, nutrition and population sectors, and to some extent in education. But gender did not feature as an issue in macroeconomic and development policy. Similar findings are reported in independent evaluations of PRSPs.²³ Given the important effect of macroeconomic policy on gender outcomes and the limited space for negotiating the World Bank and IMF basic policy prescriptions, PRSPs do not at present appear to be a fruitful avenue for women's empowerment.

MACROECONOMIC STRATEGIES FOR GENDER-EQUITABLE DEVELOPMENT

Movement toward gender equity in well-being requires strategies that enhance women's capabilities and opportunities to provide for themselves and their families. In achieving both capability and livelihood goals, the aim is to raise both women's absolute well-being, and also their well-being relative to men, partly so as to improve their bargaining power in the household and in other social institutions.

It would be reasonable to expect that improvements in women's well-being and a reduction in various gender inequalities are most likely to be achieved when there are relatively rapid economic growth, macroeconomic stability, a favourable external economic environment, expanding formal employment opportunities, redistributive taxation and public spending, and social policies that favour women.

Improving women's well-being and reducing gender equality: Would faster economic growth be enough?

The significant progress that has been made in some domains of well-being, and the failure to achieve sufficient progress in others, make it imperative to understand the factors that have

contributed to closure of gender gaps in well-being. In particular, have gender gaps closed as a result of globalization and employment trends, or have other factors, such as pro-equality political and social movements, been major factors? A number of studies have attempted to sort out the causal mechanisms that have led to changes in indicators of well-being.

With regard to the impact of globalization, advocates have argued that women’s well-being is a beneficiary of the policy shift to liberalization and global economic integration. The primary effect, it is often argued, will be felt through increased female access to employment, as well as the more rapid growth experienced through letting markets “get prices right”. The World Bank, a major proponent of this view, claims that countries with higher levels of per capita GDP have greater gender equality. The policy implication, according to the World Bank, is that the promotion of economic growth via liberalization is an important tool for closing gender gaps in well-being.

However, the World Bank’s analysis does not take into account the fact that the recent period of global economic integration has not had a positive effect on economic growth (see chapter 2). Moreover, its argument is founded on a rather limited empirical base, namely that there is a positive relationship between improved gender ratios of secondary school enrolments and life expectancy on the one hand, and per capita GDP on the other. It does not evaluate the effects of economic development and growth on the more “economic” aspects of women’s well-being, such as the female share of employment, gender wage gaps, or other variables that measure women’s relative access to income.

In particular, the World Bank’s analysis misses the point that most of the gains in per capita GDP (except for some Asian economies) occurred in the pre-globalization era.²⁴ As a result, the data merely show a relationship between growth in the pre-globalization era and gender equity in capabilities today, and tell us nothing about how current macro level policies are likely to affect well-being.

The information that can be derived from using a single indicator of well-being is clearly limited. Furthermore, taking one category of indicators for tracking progress in women’s well-being over time is also limited. This is because, while there may be improvements in some domains of well-being,

this can coincide with reversals in others. Composite measures of well-being that sum across the three domains of capabilities, opportunities and empowerment have therefore been developed for this purpose, and to allow international comparisons. Several measures are currently in use.

The Gender Development Index (GDI) has been widely used, and is based on an adjustment to the Human Development Index (HDI), reflecting the degree of gender inequality. In particular, the HDI rankings—based on measures of life expectancy, education and per capita GDP—are “penalized”, or adjusted downwards, for the degree of gender inequality in basic capabilities. In this sense, the GDI is not a measure of gender inequality as such, but rather a human development measure that takes into account gender gaps in well-being. The strong influence of GDP on the HDI and GDI dilutes the ability of the GDI to capture gender inequality; thus, this measure fails to escape the tyranny of GDP in evaluating well-being. A second composite measure, used by the United Nations Development Programme (UNDP), is the Gender Empowerment Measure (GEM), which captures the extent of gender equality in economic and political power. Although it is distinctive from the GDI (which is focused primarily on basic capabilities and living standards), the GEM is also weighted by per capita GDP, and thus open to the same criticisms as the GDI.

Newer approaches to composite indices have been developed, based exclusively on measures of gender gaps in capabilities, opportunities and empowerment. One such composite index, the Standardized Indicator of Gender Equality (SIGE), draws on five measures of relative well-being: (1) education, measured as literacy ratios and primary and secondary enrolment ratios; (2) ratio of female to male life expectancy; (3) relative labour force participation rates; (4) female share of technical and professional, and administrative and managerial, positions; and (5) female share of parliamentary seats.²⁵

Using this more comprehensive composite measure of well-being, one study explores the relationship between the composite index of gender equality SIGE and GDP growth rates from 1975 to 1995 for 95 countries clustered into four groups (or quartiles), ranging from the poorest to the richest in terms of per capita income.²⁶ Generally speaking, the economic struc-

ture within each group is roughly similar and, as a rule of thumb, the higher the per capita GDP, the more industrialized the countries in the group. This method of clustering countries by per capita GDP is a useful way to gauge the relationship between gender and growth by level of development, because the role of women in the economy differs by economic structure, and so we can expect that the influence of growth on gender equity will also vary. Correlating GDP growth rates for the period 1975–95 and the composite well-being index in the respective groups of countries to ascertain the extent to which higher growth rates produce better performance in achieving greater gender equality, the study finds mixed results. There is a positive correlation only for the third-highest and the highest income countries, while there is a negative relationship between growth and gender equality in well-being in the lowest and the second-highest income groups. This suggests that in the latter two groups (that is, the poorest countries in terms of GDP per capita, largely comprising agricultural economies with a primary commodity export dependency, and the Asian and Latin American semi industrialized economies) the countries that grew the most rapidly from 1975 to 1995 during this period of increasing global economic integration had the worst performance in terms of gender equality.

Similar findings emerge from the few regional studies that have been recently undertaken on this subject. In Latin America and the Caribbean, while some gaps in well-being have narrowed, progress is uneven across a set of nine indicators, and in some cases conditions have worsened. Where it has occurred, economic growth has not exhibited a beneficial effect on gender equality, and instead appears to exert a negative effect on some indicators. Conversely, growth in government expenditures and female share of the labour force exert a positive effect. In Asia, there is evidence that those countries that have performed the best at closing gender gaps in well-being, measured with a composite index, had the slowest rates of economic growth during the period 1970 to 1990.²⁷

All of these results need to be considered with caution, particularly bearing in mind the frail databases on which the indicators are based. Moreover, association between different phenomena (captured through correlations) does not necessarily infer causality, and may in fact be linked to some other unidentified third relationship. Nevertheless these results provide further

evidence for the various arguments that suggest that economic growth and structural change are not sufficient in themselves to promote gender equality. Only better datasets and continuing research and analysis can provide a more definitive answer.

More policy instruments to improve gender equality

As in all successful macroeconomic policy formulation, the development of gender-equitable macroeconomic policy is in some sense an art, in that no simple recipe exists. The actual policy choices made, the intensity with which different parts of the same policy package are pursued, and their sequencing, will depend on a wide range of factors. These include the history of individual countries and the absorption of historical experience into political, social and economic structures; the position of individual countries in the global order; and the constellation of social and political forces. Any proposal for alternatives must therefore avoid the error of prescribing “one size fits all” remedies as orthodox approaches have sought to do.

Nevertheless, a report such as this can usefully focus attention on widely shared objectives, and reinforce the view that there is a wide range of policy instruments for different political actors to choose from, depending on their circumstances. Moreover, as a general principle, policies adopted must be sensitive to issues of production, distribution and social protection, and their gendered demands and implications. In thinking about policies in each of these spheres, it is important to bear in mind that an important determinant of success is the exploitation of affinities, so that policies work in the same direction, or at least do not work at cross-purposes.

This said, there are some clear guiding principles. At a minimum, effective policy requires that the number of policy instruments must be at least as many as the objectives being pursued. It demands a creative blend of strategies that ensure the benefits of regulation without undermining the potential gains of market liberalization. This is based on the recognition that, under the right conditions, liberalization can produce benefits in the form of increased efficiency and opportunities, but it also involves economic and social costs.

The role of regulation is to reduce those costs sufficiently that the net effect is a macroeconomic environment in which capital has the flexibility to produce higher standards of living, but without imposing costs on vulnerable groups. Moreover, where certain groups do not share in the benefits or find their situation considerably worsened, the state needs the necessary room to manoeuvre so as to provide effective mechanisms for social protection. As has been noted, the macroeconomic policies of the last two decades have not only reduced dramatically the number of policy instruments available to the state, they have also reduced the capacities of states and the instruments available to deal with the adverse social consequences.

Clearly, if a broad agenda that places gender equality at the core of policies of economic development and structural change is to be adopted, then there is a need for a wide range of instruments, including some that are specifically designed to address gender-based inequalities and constraints.

It is clear from the discussion in these first three chapters regarding macroeconomics and gender that the orthodox or neoliberal policy approach of tight monetary and fiscal policies, and free trade and capital flows, has not provided a conducive environment for either widespread development or extensive improvements in gender well-being and greater gender equality. There is growing body of support among economists for alternative macroeconomic policies that, while aiming for macroeconomic stability, take more heed of development and social goals. Changes in policy direction would include monetary and fiscal policies that are more expansionary, taxation policies that provide governments with adequate revenues to fund social expenditures and repair the erosion of the protective capacity of the state, policies that pursue selective strategic liberalization of capital flows and trade, and regulation of capital flows so to avoid excessive volatility in employment and exchange rates. More precisely, trade and foreign direct investment (FDI) policy must serve as a tool of development, rather than to pursue the liberalization of trade and capital flows as ends in themselves.

Moreover, a variety of policy measures often referred to as “industrial policy” are essential to promote transition from an economy tied to the vagaries and limitations of over-emphasis on the production and export of commodities and labour-intensive

low-value manufactures. Policy measures that help to overcome these constraints include market protection, selective promotion of goods which are likely to be in increasing as world’s demand income rises, subsidizing research and development, selective credit allocation, measures to foster intersectoral linkages, labour market and other policies to enhance human capital formation.

If developing countries are to be able to choose from a wider box of policy tools, changes will be required in the trade and trade-related rules embodied in the Uruguay Round Agreements. The latter restrict the range of policy choice and prevent developing countries from employing a number of policy instruments that would promote their industrial development, when in fact what they most need is greater policy “space”.

In addition, bearing in mind that the policies of advanced industrial countries exert a considerable influence over the development prospects of developing countries, the former also need to effect substantial changes in policy, including raising their rate of growth so to raise the level of world aggregate demand, and dismantling the protection of their markets and the heavy subsidization of agricultural products, which results in the “dumping” of these products in other markets, particularly to the detriment of developing countries.

Nevertheless, such changes in macro and meso policy, while more likely to foster growth, development and structural change, are not guaranteed in and of themselves to improve women’s well-being or, more particularly, to promote rapid progress in gender equality. This can only come about if a thorough gender analysis penetrates all levels and branches of government policy making, in order both to detect the gender implications of strategies and policies, and to ascertain at what level or point gender-equitable policy interventions are feasible and effective.

That changes in the macroeconomic framework will not necessarily effect substantial improvement in key aspects of women’s well-being becomes evident when one considers labour markets. Labour markets differ significantly from other markets, if only because the labour traded is that of sentient human beings with all their socially constructed identities. It is in this market that gender segmentation, reflecting social values and norms, is most vivid. In many societies the labour market is also

the point of entry to many social rights, social integration, and sense of self-worth and dignity.

The extent to which economic growth, structural change and technological upgrading expand women's work opportunities and income-generating capacity depends on two crucial factors. First, it depends on the erosion of norms and removal of discriminations that account for the persistence of gender segmentation in labour markets. But it also depends on the removal of structural constraints on women's ability to take up widening labour market opportunities. Among the most important of these constraints are women's relative lack of education and appropriate skills, and their relatively greater responsibility for the provision of unpaid care. In sum, from a gender perspective, effective labour-market policies must involve more than simply creating more jobs.

If gender inequalities in labour markets are to be rectified, society as a whole has to seek specific means of both progressing towards a better balance between the provision of unpaid care and paid labour, and facilitating greater gender equality in both domains. As section 2 of this report shows, this remains a challenge even in many advanced industrialized countries.

Furthermore, if economic growth is to be broadly shared, it is necessary to introduce a set of labour market policies and related interventions that can affect working conditions in both the formal and informal employment situations. These should not only enhance the capabilities of workers to capture some of the gains, but also rectify gender imbalances and discriminatory practices. Such policies would involve the improvement of core labour standards (which include the prohibition of all forms of discrimination and the principle of equal pay for work of equal value), and the creation of decent conditions of work which include the right to social protection for all workers, formal and informal, and the evolution of "family-friendly" workplace practices. These issues are discussed in the next section of the report.

Government, at both the national and local level, represents a critical locus of resources with which to promote gender equity through expenditures that, for example, expand women's capabilities. Nevertheless, faster growth together with taxation policies that generate higher levels of government income (and

are gender-sensitive to the extent possible) do not necessarily lead to a more gender-equitable use of these resources. To ensure that there is greater gender parity in expenditures on education and health, for example, and that women benefit from mechanisms promoting social security, gender-policy objectives have to be set, and mechanisms put in place, to guarantee that public expenditures are targeted to these areas, and to the provision of infrastructure and services that contribute to a reduction in women's unpaid labour time.

An increased female presence in governmental bodies can contribute to greater government accountability to gender interests. Gender-responsive budget audits are also a means to promote equity. Budget audits can be used to review and analyse national budgets and expenditures to determine which groups benefit from fiscal policies, and whether there are inbuilt biases against women, especially those from low-income families. In these efforts, the ultimate objective is to make macro-economic policy, and in particular public expenditures, responsive to the needs of women.

Gender budget audits can also examine the likely feedback effects of public expenditures on unpaid work. For example, health care expenditures may be found to redound on women's unpaid labour time. The implementation of user fees for essential goods such as water and electricity may have similar effects. Gender budget audits thus make more transparent the gender effects of such policies, permitting a broader social debate and awareness of the effects of such policy choices. As such, they can serve as an important tool to ensure that public expenditures promote gender equity.

Finally, these changes depend on women's mobilization in different circles and with different objectives. Pressing the ethical or human rights case is not enough, nor is presentation of empirical evidence of gender disparities in capabilities, opportunities and outcomes. In order to improve the prospects for improving women's well-being and achieving gender equality, women's case must be built on rigorous analysis, a clear vision of where appropriate policy interventions need to be made, and effective mobilization demanding states deliver on policy promises to do with gender equality.

Notes

- 1 Sen 1985, 1999; Nussbaum 2000; Agarwal et al. 2003; Razavi 2000b.
- 2 Kabeer 1999; Grown and Rao Gupta forthcoming.
- 3 Grown and Rao Gupta forthcoming; Saith and Harriss-White 1999.
- 4 Chatterjee 1990 cited in Saith and Harriss-White 1999.
- 5 Murray 1991.
- 6 UNICEF 1993:8.
- 7 Malhotra et al. 2002.
- 8 UNIFEM 2002.
- 9 Grown and Rao Gupta forthcoming.
- 10 UNIFEM 2000, 2002; United Nations 1986, 1989, 1990, 1994, 1995b, 1999, 2000b; UNDP 1995; World Bank 2001a.
- 11 UNIFEM 2002.
- 12 Klasen and Wink 2003; Seguino 2002.
- 13 Klasen and Wink 2003.
- 14 The Corner House 2004.
- 15 UNAIDS 2003.
- 16 Grown and Rao Gupta forthcoming.
- 17 ECLAC 2004.
- 18 Grown and Rao Gutpa forthcoming.
- 19 Cagatay and Ozler 1995; Razavi 2000a; Ghosh 2004b; Jomo 2001.
- 20 Freeman 2000.
- 21 Deere 2004.
- 22 McKinley 2004.
- 23 Whitehead 2003.
- 24 World Bank 2001a.
- 25 Dijkstra 2002.
- 26 Seguino, Stephanie 2004.
- 27 Seguino 2002, 2003a.