

Gender equality and Development

Esther Duflo

Munich Lectures, 2012

Gender Inequality

- ▶ The starkest manifestation of gender inequality is the “missing women” phenomenon (Amartya Sen): Perhaps 60 to 100 million missing women, some not born, some dying of cumulative neglect.
- ▶ Women lack behind men in many domains:
 - ▶ Education
 - ▶ Labor market opportunities
 - ▶ Political representation

A two-way relationship between gender empowerment and development

- ▶ Economic development, if it favors women more than men, can bring about equality between men and women. May be economic development is all we need, and there is no justification for any measure specifically targeted towards women.
- ▶ Gender empowerment can favor development if women make decisions that are better for long term growth.
- ▶ Given the interrelationships, there might be the possibility of a virtuous circle, which is often emphasized by development practitioners.
- ▶ Today, we review the evidence on both side, and try to assess whether this possibility exists.

Discrimination in Everyday life?

- ▶ Discrimination in everyday life is difficult to observe: you don't see what each different child is consuming.
- ▶ Deaton (1989, 1997) inferential method: calculate the “price” of a child by looking at whether adult consumption drops.
- ▶ The conclusion is that, neither in Cote d'Ivoire nor in Pakistan, a girl is “cheaper” than a boy
- ▶ Vaccination differential in India is small or non existent (4.55 versus 4.79 in NSS), even in a place like Rajasthan (1.18 versus 1.19 in data from Banerjee et al.)

Discrimination is stronger in a time of crisis

- ▶ For the child
 - ▶ Khanna et al, 2003: Girls are significantly more likely to die of diarrhea than boys.
- ▶ For the family
 - ▶ Rose: Differential between boy-girl mortality increases in periods of drought.
 - ▶ Miguel: "witch" killing in Tanzania more likely in period of drought.
- ▶ Reducing vulnerability (cash transfers, insurance, credit access) would reduce gender-discrimination, even without targeting women.

Expanding women's opportunities

- ▶ Low perceived returns to education for girls: no need to educate them (or keep them healthy).
- ▶ Economic development and diversification of the economy increases the set of available opportunities for women, which increases returns to investing in them.
- ▶ Examples:
 - ▶ Qian (2005): household responsibility system in China led to increase in female-male ratio in tea-producing regions.
 - ▶ Munshi and Rosenzweig (2004): entry of India in the world economy, increased returns to english-language education, benefitted girls disproportionately because they are not needed to maintain the caste-based network tradition.
 - ▶ Jensen (work in progress): Call centers recruitment drive led to increase in girls enrollment and weight for height.

Economic Development and Women's rights

- ▶ Women have more economic and political rights in richer countries
- ▶ Of course, causality could go both ways.
- ▶ Theoretical arguments suggesting that economic growth could lead men to surrender rights:
 - ▶ Doepke and Tertilt (2009) : when it becomes more valuable to produce healthy children, fathers will want to commit to give more rights to women (if they liked children better).
 - ▶ Fernandez (2010): with economic growth and reduction in fertility, parents will want to invest more in children, and men will be willing to sacrifice some rights as husbands to protect their daughters against their future sons in law.
 - ▶ Suggestive evidence from the US that States which had faster reduction in fertility were more likely to introduce women's right.

Persistent Gender Inequality

- ▶ Sex ratios keep worsening in China (53% in 1990 to 57% in 2000).
- ▶ There are skewed sex ratios even in the uS (Abrevaya, 2009, Almond et al, 2009) and in Canada (Almond et al. 2010)
- ▶ Labor market discrimination: glass ceiling persists in rich countries
- ▶ Political leadership: 9% in 1987, 13.5% in 2000, 15.9% in 2005, 19% in 2010. Most countries with at least 30% women have a quota system.

Some fundamental reasons for persistence

- ▶ Some times, technological progress reduces the cost of discrimination. Example: Sex selective abortion. “Better pay rs 500 now than rs 50,000 later”. Overall sex ratio are not correlated with district level development in India (Murthi, Guio and Dreze, 1995)
- ▶ Discrimination in the labor market (Glass ceiling, boardrooms)
 - ▶ If preferences are fixed, as income increase there will be a decrease, then a increase, in female labor force participation, (Mammen- Paxson)
 - ▶ Implicit bias (Banaji)
 - ▶ Stereotype threat (Steele): Persistence of gender bias at the top.
 - ▶ Negotiation and competition (Babcok; Nierdele and Vesterlund)

When taste and statistical discrimination Reinforce Each Other

- ▶ Low political participation: may reflect perception that women are not good leaders
- ▶ “Goldberg Paradigm” experiments: women considered worst leaders.
- ▶ Same findings in India (Beaman et al, 2009)
 - ▶ Respondent hear same political speech, given either by male or female
 - ▶ Rate women systematically lower than male when no experience with female leader
 - ▶ This changes with (forced) experience with female leaders
 - ▶ Possible explanation: taste discrimination means that women are not elected, and hence voters have no experience with them.

Policies favoring women will continue to be needed

- ▶ Some biases will probably not disappear on their own
- ▶ Some policies targeting women will continue to be needed
- ▶ They will some times come at the expenses of men or boys:
- ▶ Example
 - ▶ Political quotas
 - ▶ Scholarship for girls: Expensive per extra girl. Some gender-blind strategies to improve participation may have much better cost-benefit ratios. Helping girls comes at the expense of boys, potentially seriously so.

Justifying gender-based policies

- ▶ An equity consideration– Kofi Anan: “The full participation for women to all levels of decision-making is a human right”
- ▶ An efficiency argument: empowering women will help make everyone better off
- ▶ The position that empowerment is desirable for efficiency shapes the policy debates and policies the world over, from micro-credit to conditional cash transfer.

James Wolfensohn

Education for girls has a catalytic effect on every dimension of development: lower child and maternal mortality rates; increased educational attainment by daughters and sons; higher productivity; and improved environmental management. Together, these can mean faster economic growth and, equally important, wider distribution of the fruits of growth. More education for girls will also enable more and more women to attain leadership positions at all levels of society: from health clinics in the villages to parliaments in the capitals. This, in turn, will change the way societies will deal with problems and raise the quality of global decision making.

Intra-household bargaining

- ▶ In an “ideal” family, who holds the balance of power within the household would not matter.
- ▶ Empirically, strong correlation between share of income earned by women and ways the budgets are spent (Thomas, 1990, 1993).
- ▶ However, this may not indicate a causal effect: nicer husbands may let their wives work.
- ▶ Duflo (2003) exploits rapid expansion of old age pension program in South Africa
 - ▶ Benefits for Blacks grew rapidly between 1990 and 1993
 - ▶ One third of black children live with a pension recipient
 - ▶ Younger girls who live with a grandmother grew faster, compared to those who live with no one... or those who live with a grandfather
 - ▶ For girls, living with a pension recipient grandmother is enough to bridge half the gap between the size of the children in the

Other pathways to women empowerment

- ▶ Resources that women control (Thomas et al, 2002):
Indonesia
- ▶ Divorce laws (Chiappori, Fortin, Iacox, 2002)
- ▶ Marriage markets (Angrist, Lafortune)
- ▶ Even *temporary* transfers may matter. Duflo and Udry (2003) show that the household members do not insure each other very well. When one of the has a good income shock, their consumption moves in that direction. This implies that the family is not an efficient unit: we cannot count on it to allocate resources efficiently.

Women weak property rights lead to inefficiencies

- ▶ If family were efficient, women property rights would not matter: the family would re-allocate optimally
- ▶ However, family is not necessarily efficient.
- ▶ Udry (1996) in Burkina-Faso: women and men grow on different plots. They seem to not invest optimally: more investment in the plots of men (manure, labor). Household production could grow by 6% if labor was spent optimally.
- ▶ Stronger property rights for women would probably mean that they would be willing to rent their plots to men for a fix rent: restore efficiency.
- ▶ Goldstein and Udry (2005) is another instance. Because of weaker property rights, women do not fallow their land enough: this leads to lower productivity.

Women as policy makers

- ▶ Women and men have different policy preferences, related to their place in society (e.g. in India, women care about drinking water)
- ▶ Giving women the right to vote can change policy decisions. Miller (2009) shows that when suffrage was introduced in US states, infant mortality dropped.
- ▶ Enabling women to become leaders also has an effect. Chattopadhyay and Duflo: Giving power to women at the local level (through quota policy) leads to changes in the distribution of public goods: women leaders invest more in drinking water, less on schools (in west bengal) and roads (in Rajasthan).
- ▶ These results underscore that a trade-off exist: within a budget constraint, there are choices. Is there a strong *efficiency* reason to prefer water to schools or roads?

Will empowerment start a virtuous circle?

Does women empowerment always go in the “right” direction?

- ▶ Conclusion from previous example is ambiguous: men care more about education.
- ▶ Back to South African Pensions: Edmonds (2005) finds that pension have a large impact on education if *grandfathers* get it.

Will empowerment start a virtuous circle?

Does investing in women always have the highest returns?

▶ Education

- ▶ Evidence that both women and men's education matter for children's outcome
- ▶ Keeping girls in school reduces teenage pregnancy. Female education has higher effect than male education on fertility
- ▶ But evidence based on natural experiments (Breierova and Duflo, 2004, Grossman et al, 2009) found large effects of *both* father's and mother's education on child mortality.

▶ Finance

- ▶ in Sri Lanka: McKenzie, De Mel, Woodruff (2009) found large effects of investing in men's enterprises, and no effect of investing in women's .

Will empowerment start a virtuous circle?

Conclusion: An complex relation, but no free lunch

- ▶ There is a two-way relationship, from empowerment to development and vice-versa
- ▶ But there is an easy confusion between a two-way relationship and the possibility of poverty traps (or their positive twins, virtuous circles).
- ▶ If both relationships are relatively mild, the composite function will *not* be the source of a poverty trap.
- ▶ Burkina-Faso example: improving property rights, if it leads to full efficiency in household production, will increase yield by 6%. Assume that yield is income: would an increase in 6% in income be sufficient to bring about substantial increase in other dimension of the position of women in society? I am not sure (we don't really have the right data to say). But most likely, not.

Will empowerment start a virtuous circle?

Conclusion: An complex relation, but no free lunch

- ▶ Economic development alone is insufficient to ensure significant progress in important dimensions of women's empowerment (particularly, decision making ability in the face of persistent stereotype)
- ▶ Empowerment alone helps in some dimensions at the expense of others.
- ▶ Neither economic development nor empowerment is the magic bullet we'd love to find.
- ▶ To bring about equality between men and women it will be necessary to take policy action that favor women at the expense of men.
- ▶ Collateral benefits may not be sufficient to compensate men : we may need to have the political courage to stand for equity for its own sake.

Will empowerment start a virtuous circle?

