THE GENDER ECONOMICS: 
THE DEBATE OVER GENDER INEQUALITY 
AND “HUMAN” POVERTY DURING THE 1990s

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ÖZET


ABSTRACT

This paper aims to analyze the debate in the 1990s between two main approaches on gender economics, the Capabilities-entitlements and the New Poverty Agenda approaches. The objective of this paper is to discuss the main topics of the debate: the gender inequality and poverty. This paper intends to determine the main differences on those topics between those approaches. In addition to that, this paper discusses the refined definitions of those approaches on various topics of gender economics. The contribution of this paper to the existing literature is to present to the readers what the new developments in gender economics in the 1990s are and is to determine on which topics those main approaches have differences on gender economics.

It is easy for researchers to find some data like GDP per capita for many countries; however, it is almost impossible to find all data, like mortality statistics, life expectancy, literacy statistics, technology achievement index and cultural liberty, for each of the underdeveloped countries. Although the Human Development Report Office of the United Nations strives to establish data pool and to

1 It is the measure for observing long-term progress in the average level of human development in three basic dimensions: a long and healthy life, knowledge and a decent standard of living. As it is recently constructed, the index is not suitable for tracking short-term changes, i.e. life expectancy and adult literacy rate.
2 It is the comparison of the achievements of technology creation, diffusion and human skills of recent and old technology.
3 It is the data collection of language, religion, history, clothing, customs, ceremonies, cuisine and values. Information can be collected on these issues, but rarely is. Beyond the simple data availability, problems are the analytical challenges of converting information into statistically useful numbers. Human Development Reports acknowledge that data on issues of cultural liberty are extremely limited.
include as many member countries as possible from the relevant international data agencies, for a significant number of countries data have been still missing for one or more of those components.

Since such data are not yet regularly available for a sufficient number of countries, although improving the coverage and quality of such data has been a priority for many international statistical communities for more than one decade, we are not able to make either econometric models or graphical explanations for any underdeveloped countries. In other words, such data have been revisited and attempted to improve many times since the early 1990s and still does. Since both the revision and improvement of the data has still continued, we believe that such a few available data has not been reliable, yet. Therefore, we have not prepared an analytical and quantitative study. Instead we prefer to collect, discuss and present the debate with its detailed theoretical framework during the 1990s to the readers of this study. All the definitions we use in our theoretical framework, if it is not indicated otherwise, are borrowed from the Human Development Reports of the United Nations Development Programme. We only present two theories of the Gender economics because the other economic theories, like heterodox economics or conventional economics, ultimately combine their theories with one of the theories above in order to explain the poverty of women in all over the world.

INTRODUCTION

The imprints of the modern Gender economics can be observed during the interwar period that conventional labor economists in the Great Britain focused on the reasons behind the considerable wage differentials between genders. However, their arguments on the payment differences to both genders based on the dynamics of the market forces rather than the role that gender played in it. During the early post-war period, conventional labor economists focused on household economics that they could explain the increasing family income with women participation in labor force. In other words, the answer was related to the substitution effect generated by the increasing opportunity costs of staying at home. Afterwards, they focused on the explanation of the sexual division of labor and the market behavior of household members. The answer to the inequalities in the distribution of domestic work based on the classical assumptions of the conventional theory of the utility maximization and harmonious household behavior in markets. The crisis period of the 1970s witnessed new approaches to Gender economics that unconventional labor economists studied labor market discrimination, segregation and segmentation based on gender. In those years, while some labor economists focused on sources of maintenance and reproduction of labor force, some Marxian economists studied on exploitation, inequality and social hierarchies. In that context, Feminist economists integrated their arguments with Marxian analyses and attempted to establish connections between capitalism and patriarchy, and between household and labor market. Like Marxian economists, Feminist economists in the 1980s focused on class analysis and mainly on Gender economics. The understanding of the Feminist economists on Gender economics was to change economic and social life in a society and to promote both male and female’s capabilities for better lives.

According to the Feminist economists, within most societies, gender is the basis for certain division of labour: productive activities such as income generating activities and reproductive activities such as care and development of people. Historically, women have been primarily responsible for the latter. That asymmetric relation between men and women has been considered as one of the important sources of gender inequality. The asymmetric gender relation can be observed not only in society but also within family. Some Feminist economists suggest certain solutions to smoothen gender inequalities within family that equality in decision making processes and equal responsibility among family members should be created; equal access for women to economic resources, equal education opportunities and job training facilities should be provided; new legal, institutional and cultural ideas should be formulated to support women’s participation in economic and social activities (Cagatay, 1998: 5-13).

A new approach in the 1990s has improved some arguments of the Feminist economics. This approach focuses on “human” poverty and its new measurements, makes clear distinction among

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4 There are serious works on the data collection, i.e. some representatives of multilateral development banks, the OECD Development Assistance Committee, and the United Nations programs and agencies have recently proposed an action plan for improving development statistics called “The Marrakech Action Plan for Statistics”.

5 In that context, the conventional economic theory can be considered as male bias in labour markets because the theory believes in harmonious market solution and intends to keep status quo in all markets.

6 In Agarwal’s study, according to Marxists, in capitalist societies, gender relations have been related to economic relationship based on property ownership that women do not work and are economically dependent on men. However, gender relations were egalitarian in some pre-capitalist propertyless families. Therefore, in order to acquire their rightful status, women should struggle for the total abolition of private property, the socialization of housework and childcare, and the full participation of women in labor force.
women in different classes and countries, and introduces the concepts of “capabilities” to the literature. The approach has reached to a new phase that Gender economists have focused on the interrelated topics of “human” poverty and inequality in household, labor market and society levels. On the other hand, the opposing side, the new conventional approach, introduces a liberal economic theory, namely market-led growth strategy, which is supposed to reduce poverty and inequality among the classes and genders as well. Not surprisingly, the new conventional approach puts more emphasis on the topics of poor people, especially poor women, in comparison to the previous conventional economic theories. In other words, the argument of the new conventional approach in the 1990s has converged to some arguments of the gender-aware approach even though the ultimate results of the argument of the new conventional approach for gender economics are highly debatable. In the next chapters, we will present and discuss the arguments of those approaches on Gender economics which are conflicted to each other and supported by different international institutions during the time period.

GENDER INEQUALITY

According to the World Bank Report in 2001, in most of underdeveloped countries, women have still not been equal to men in terms of legal, social, and economic rights since more than one decade. The gender gaps in terms of inequality and poverty have widened in those countries because women cannot access to and control over resources, benefit from economic opportunities, and influence their power in political arena. Furthermore, not only women bear the costs of inequalities but also those costs broadly spread across society, and harm everyone. Therefore, gender inequality is one of the most important developing topics for many underdeveloped countries. The Report emphasizes three part strategies in order to provide gender equality in underdeveloped countries: First, the reformation of institutions is needed to establish equal rights and opportunities for women and men. For example, legal reforms on family law, protection against violence, land rights, employment and political rights. The second strategy is to provide ways for women to access more equal resources and participation. For example, rising income and opening new job opportunities can reduce gender disparities. The third strategy is to put serious measures in favor of women to command over resources and political voice. As a result, the Report emphasizes that gender equality requires equality under the law, equality of opportunity, and equality of voice.

Nevertheless, there are some serious counterarguments to the Report that gender equality in legal rights to own property cannot guarantee gender equality in actual ownership which does not necessarily mean control over property. The distinction between law and practice and between ownership and control are very critical. In some underdeveloped countries, women cannot exercise control over any land they are inherited even they have their legal claims in landed property. Therefore, it is important to make a distinction between legal recognition and social recognition. A woman may legally inherit property, but this may remain only a claim if the law is not enforced or the claim is not socially recognized (Agarwal, 1994: 1457-67). In other words, legal reforms to gender equality may seem to potentially strengthen women’s position in front of the laws. However, for some underdeveloped countries, first of all, community should recognize this potential as her undeniable right (Razavi, 1999a: 429). For instance, in most traditionally patriarchal communities such as Hindu communities, there is a strong male resistance to such inheritance rights that because men are recognized as the breadwinners in the society, males are considered to own the lands to provide foods to his family. Thus, land distribution to women is considered as further reduction farm size.

In that context, the education of a society has been the main topic before any reformation. S. Klasen indicates another aspect of education to reduce gender inequality. Klasen states that capabilities of education are important elements of well-being. First of all, gender equality in education and access to resources may prevent a reduction of child mortality, and of fertility. Secondly, gender equality reduces economic growth and further improvement in well-being measured through indicators such as longevity, literacy, and reduced poverty (Klasen, 1999: 1-2).

It is a stylized fact that, in today’s world, although the gender gap in employment and wages has been narrowed in many developed countries, gender inequalities continue to weaken development policies of many underdeveloped countries. Gender inequalities reduce productivity in farms and factories and thus lower the possibilities of economic progress in the latter countries. Moreover, societies with persistent gender inequalities pay the price of more poverty, malnutrition, illness, and other deprivations.

7 According to the World Bank Report in 2001, in most of the developed countries, female education levels have improved considerably for the last 50 years. Also women’s life expectancy has increased by 20 years in those countries by the help of better access to health care and education. Since 1979, women’s labor force participation has risen by 15 percentages.
Besides this, mother’s illiteracy and lack of schooling are direct disadvantages for young children and for the promising future of those countries. Those disparities have also constrained a woman’s ability to participate in any activities or benefit from any improvements. It should be emphasized that those gender disparities have been considerably high among the poor. In other words, poor women in most of underdeveloped countries have been the victims of the gender inequalities because women are more likely to be poor, less educated, and overworked compared to men. Some writers take further detailed perspective that female-headed households among poor women have generally associated with higher incidence of poverty in many underdeveloped countries. For example, N. Fuwa (2000: 1515-42) discusses that a female-headed household is at more disadvantages due to the various disadvantages in labor markets, and the responsibilities for both maintaining the household such as child care and becoming the only earner in the household.

HUMAN POVERTY

The capabilities-entitlements approach, which is approved by the United Nations Development Program, broadens the definition and measurement of poverty. According to the capabilities-entitlements approach, some basic developments of capabilities at certain problematic fields, such as a short life, lack of basic education and lack of access to public and private resources, should be taken into consideration in the measurement of “human” poverty. The new approach obviously discusses the topic on gender differences in education and life expectancy as socially established constraints that inevitably create gender inequalities and “human” poverty. However, the new approach emphasizes that gender inequality in the distribution of income, access to credits, rights to control over property, and unfairness in labour markets stimulate the vulnerability and poverty of women. In other words, unlike the new conventional approach, which takes the measurement of income poverty as one of the main sufficient measurements, the capabilities-entitlements approach focuses on, first, capabilities, and then, takes income poverty as a factor that affects gender inequalities and “human” poverty. In addition to that, the capabilities-entitlements approach suggests that both poor men and women should access productive assets and participate in political decisions. According to the proponents of this approach, at a global level, all growth strategies of countries should be pro-poor growth with full employment policy priority. Furthermore, the global equity among countries, and special international support should be provided for the indebted countries.

The capabilities-entitlements approach studies on alternative “human” poverty measurement that is based on non-income against the new conventional poverty measurement that is based on money income. The former approach introduces four non-income factors, called the Human Development Index (HDI), to the existing literature: Human Poverty Index for developing countries (HPI-1) and for selected OECD countries (HPI-2), Gender-related Development Index (GDI), and Gender Empowerment Measure (GEM).

HPI-1 focuses on three dimensions to measure poverty and the extent of deprivation: a long and healthy life, knowledge, and decent standard of living. In order to reflect the extent of human deprivation we add long-term unemployment rate to the three dimensions, and then we observe HPI-2. Nevertheless, since those concepts do not consist of political freedom, personal security, economic isolation of women, and since we cannot find relevant accurate data to measure some of those concepts, Human Poverty Indices are reformulated and are called a gender-disaggregated measurement of “human” poverty to better describe the feminization of poverty. Furthermore, in order to demonstrate the disparities between men and women in the context of opportunities, the gender-disaggregated measurement of “human” poverty is divided into two topics: Gender-related Development Index (GDI) and Gender Empowerment Measure (GEM).
Empowerment Measure (GEM). GDI focuses on the three dimensions of Human Poverty Indices in the context of the inequalities between women and men. On the other hand, GEM measures gender inequality in three basic dimensions of empowerment: economic participation, political participation, and decision-making over economic resources. In other words, these gender-related indices not only measure the “human” poverty in a more accurate way but also include important fields which cause “human” poverty and discrimination in education, health, life span, and standard of living between men and women.

R. Saith and B. White (1999: 465-97) aim to improve some factors of HDI, and to relate their results with the HPI-I and GDI. They stress that well-being is directly concerned with a person’s quality of life, which is measured through a range of social indicators: being healthy and being educated. For instance, the indicators of being healthy mainly refer to differential mortality. The age specific mortality rates, maternal mortality rate, and life expectancy are the main indicators of differential mortality. By using those indicators, they explain genetic differences between sexes in mortality, disease patterns and health differentials in particular age groups. Then, they define the indicators of being educated and categorize the education into two main indicator groups: The indicator of access and the indicator of content and purposes. The indicators of access are subdivided into stock variables such as adult literacy, mean years of schooling, and flow variables such as enrolment and drop-out ratios. Then, they aim to relate formal education to the daily lives of people, to explain the causes of low literacy and the causes of gender differentials, and to stress the results of the effects of the formal education on gender equalities.

Some economists seriously object to the alternative measurements of poverty. For example, E. Durbin (1999: 105-06) indicates some of the practical, methodological, and conceptual problems of the alternative poverty measurements. Durbin’s first critic to the alternative poverty measurement is that there is no universal agreement on the causes of poverty. Second, there are some practical problems such as data availability. Also, regarding to the three dimensions of poverty, it is not simple to differentiate between men’s and women’s access to health services and safe water. Therefore, according to Durbin, it seems almost impossible to calculate a gendered poverty index.

**INCOME POVERTY**

The New Poverty Agenda approach, approved by the World Bank, is introduced as the new conventional approach to the literature. First, the New Poverty Agenda approach relatively gives relatively less emphasis on money income or commodity consumption, and pays more attention to the perceptions of poor people themselves in comparison to the previous conventional economic theory. For instance, the poverty reduction strategy of the New Poverty Agenda is based on poverty lines, which identify the proportion of the population with incomes below a certain level that is considered as the necessary level to meet minimum nutrition and survival needs, and poverty indicators, which includes, first, GDP per capita, and then, mortality statistics, life expectancy and literacy statistics. Second, this approach identifies labour-intensive growth as one of the most effective means of poverty reduction for labour-abundant countries. In other words, the further opening of national economies to international markets is stressed in order to expand employment opportunities that make intensive uses of labour and to reduce poverty.

One of the proponents of this approach, M. Lipton, states that there is a positive linkage among liberalization, growth, labor-intensity and poverty reduction. He indicates that poverty reduction may cause growth, for instance, as poor people improve their health, and training and working capacity, they can consequently access to markets and jobs. Therefore, Lipton concludes that historically, labor-intensive growth and radical redistribution have resulted in poverty reduction and overall growth in economics (Lipton, 1997: 1005).

**GROWTH AND POVERTY**

The New Poverty Agenda approach stresses that market forces and trade liberalization expand female employment, reduce wage discrimination by gender, and thereby alleviate female poverty. S. Razavi (1999b: 653-83) states that trade liberalization can facilitate labour-intensive and pro-poor growth. In that context, governments are

12 According to Kabeer (1999: 448-49), the major indicators of empowerment are the reports of domestic violence, the freedom of movement, dowry paid at marriage, belief in daughter’s education, egalitarian gender roles and decision-making process, equality in marriage in terms of divorce by husband and wife, women’s controls on earnings.

13 The New Poverty Agenda approach uses Purchasing Power Parity method to estimate differences in income, poverty, inequality and expenditure patterns among countries. However, the current methodology and data collection system have serious problems that the International Comparison Program, which is a global statistical initiative and an integral part of national statistical work in OECD countries, organizes to develop a new data system covering more than 160 countries. For more information, see the Human Development Report 2004 (257).
Jackson’s approach to gender is also different from most of the Feminist economists that she indicates that gender justice is not a poverty issue and cannot be approached with poverty reductions. According to Jackson, gender should be rescued from the poverty trap and should involve into poverty-independent gender analysis and policies. However, Razavi (1997: 1111-25) criticizes Jackson’s argument on poverty trap and refuses to differentiate poverty from gender issues. Razavi, like New Poverty Agenda approach, analyzes the gender under the topics of poverty, equity, and efficiency. The United Nations Development Fund for Women (UNIFEM) report in 2000 introduces a very detailed study to the literature on growth and poverty. According to the study, the world-wide trade liberalization should be reconsidered, and should concentrate on the economic dimension of pro-women, pro-poor, gender equality, women’s empowerment and well-being. Women’s empowerment should include acquiring knowledge and understanding gender relations, gain abilities to generate choices and exercise bargaining power, and develop abilities to influence social changes.

Some economists criticize the effects of trade openness on increases women’s share of paid employment. Their critics are based on the arguments that the increase on employment may not necessarily mean the reduction of both the discrimination against employment of women and women’s share of the unpaid work of caring for families. It is a fact that the feminization of the labour force has increased for more than one decade; however, on the one hand, there has been substantial increase in the share of women in paid employment, on the other hand, the conditions of paid work have been irregular (Grown, et all., 2000: 1145-56).

The other counterargument against New Poverty Agenda approach comes from G. Standing that trade liberalization with outward-oriented development strategies tend to increase female employment, and the female proportion of productive wage workers has risen in most of the underdeveloped countries. Two of the main reasons for the feminization of labour force are the needs for low-skilled and low paid workers in production lines. Moreover, the structural adjustment strategies have affected women’s employment in most of the underdeveloped countries because of the pursuit of lower wages, labor market deregulation, and the cutback of the public sector in terms of public expenditure contractions and privatization. Besides, because of the technological and organizational changes, skill polarization favors the feminization of employment. In addition to that, improvements in schooling or access to training, and the beneficent effects of antidiscrimination legislation stimulate the feminization of labour force. Furthermore, it is fact that women are the most vulnerable part of the labor forces. First, women are vulnerable to income and employment insecurity because of the deregulation in labor market, sex-related income differentials, and the low ratios in labor unions. Second, most women have been employed by multinational corporations in export processing zones. Such industries are vulnerable to international trade and economic fluctuations (Standing, 1999: 584-586; 1989: 1080-92).

It is clear that the New Poverty Agenda approach takes market-led growth strategy as an economic method to reduce poverty. The role of the state in reducing poverty is in the secondary priority of this approach. In other words, the role of state is reduced to focus on certain policies such as health, education, and safety-net provisions but not directly on markets or economies. G. Sen (1999: 686) accurately redefines the new role of the state for this approach as market-supporting state but not proactive one.

The New Poverty Agenda approach does not favor state interventions in adopting antipoverty policies for women. According to this approach, gender policies should rest on two strategies: economic growth and poverty reduction. The approach intends to increase output and efficiency by enabling women to stimulate their comparative advantage as international trade promotes efficient specialization and economic expansion among nations. The other issue for poverty reduction is to invest in women such as on the topics of job training, education, child care services and other social services for women. However, Jackson (1996: 489-504) introduces a counterargument to the literature and opens a discussion that women cannot benefit from all these policies because they enter into gendered social relations in households and women largely lose control of those benefits in households.14

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and to generate just social and economic order. Although trade liberalization stimulates some of the existing inequalities and insecurities among women, and between women and men, the liberalization attempt facilitates new opportunities for educated rich women and creates greater personal autonomy for those rich women but, at the same time, generates increasing unequal and risky environment for the poor women. The UNIFEM report states that economic inequality has increased not only between poor men and poor women but also among women in all over the world.

It is a fact that the increasing integration of underdeveloped economies into developed economies has generated the feminization of labour force. In other words, the needs for low-skilled and low paid workers in production lines have resulted in feminization of labour force in underdeveloped counties. Furthermore, structural adjustment strategies have stimulated women’s employment in most of the underdeveloped countries since lower wages, labor market deregulation, and the cutback of public sector are the effective reasons for employers to employ women workers. However, women should acquire knowledge and gain abilities to generate further choices and exercise continuous bargaining power in the future. Afterwards, the feminization of labour force may give benefits to women in poverty; otherwise, every members of a society pay the undeniable costs of persistent gender inequalities.

CONCLUSION

Gender-aware approaches in the 1990s mainly cover the interrelated topics of gender inequality and “human” poverty at all levels of a social structure. Closing gaps in education or improving health conditions or enhancing resource-intensive growth at national economies or recognizing ownership rights over controlling assets and lands or improving women’s access to credits or creating new gender-unbiased-market structures are some of the different variables of those approaches that are considered to influence gender equality and to strengthen women’s economic and social positions in a society.

The new conventional economic approach defines poverty in terms of household income or calorie levels or poverty lines. In addition to that, during the 1990s, this approach has suggested labor-intensive growth and improvement in social services as the key solution to reduce both gender inequality and poverty; however, at the same decade, the capabilities-entitlements approach redefine poverty at the “human” level in terms of the capabilities and functioning that individuals can achieve. The proponents of the capabilities-entitlements approach suggest that economic growth may generate increases in private incomes but should redistribute resources to enhance some capabilities of society on certain topics such as healthcare, basic education, and life expectancy; otherwise, the increases in private income will not be permanent in the long run. The expansion of private income is important to enhance basic capabilities but the effectiveness of that impact depends much on the redistribution of the newly generated incomes. In other words, rising incomes and economic growth may not be enough to eliminate “human” poverty.

Reducing illiteracy of both women and men, closing gender gaps in education, improving health services are the capabilities that will help to eradicate “human” poverty and enhance women’s capabilities. In order to achieve those capabilities, there should be equality in decision making processes and responsibility within the household; equal access for women to economic resources, education, and job training should be provided; legal, institutional and cultural barriers should be eradicated that women’s participation in economic and social activities should be free. In addition to that, the asymmetric relations between men and women should be removed from social, political and economic arenas. Nevertheless, it is important to distinguish legal recognition from social recognition that each policy for the gender equality activities should be socially recognized.

Gender inequality and “human” poverty has been two of the main topics of the contemporary Gender economics that both the New Poverty Agenda approach and the capabilities-entitlements approach have strived to solve those problems according to their own economic and social theories because the proponents of those approaches are aware that, in the near future, each of the human beings will pay the unavoidable costs of gender inequalities and “human” poverty.

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