Engendering economics: new perspectives on women, work, and demographic change

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Rent-seeking coalitions based on gender create a gender bias in social institutions that influence market outcomes. How does economic development, which involves substantial relocation of economic functions from the family to the market and the state, affect the behavior of gender coalitions and the evolution of gender bias? Economists will not be able to adequately answer this question until they develop a broader research agenda and begin to collect more systematic data on institutional bias, the organization of nonmarket work, and the distribution of resources within the family.

Gender is now a popular, indeed indispensable, word in the development vocabulary. Most major international organizations, including the United Nations and the World Bank, have special units devoted to research and policy formulation on women’s issues. A growing official literature describes the importance of moving from models of “women in development” toward models of “gender and development,” signaling a new emphasis on analyzing men’s roles as well as women’s. A widespread consensus on the benefits of investing in women’s education has radically altered public policy in many parts of the world. Yet discussions of gender have remained segregated within special reports or specific policy initiatives, having relatively little impact on the mainstream discourse of development economics.

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2 The most recent examples of publications by multilateral institutions include World Bank (1994) and Klasen (1993). In addition, both the World Bank and the office of the United Nations Development Program’s Human Development Report prepared reports on gender issues for the International Women’s Conference in Beijing in September 1995.
There are many good reasons to focus on women. Women generally have lower incomes and less leisure time than men, and seldom have equal opportunities to develop their capabilities. Investments in women’s human capital typically yield a greater rate of return in labor productivity, child health, and family welfare than investments in men’s human capital (Subbarao & Raney, 1993). But apart from these practical benefits lies the possibility that the growing literature on women’s productive and reproductive work will offer important insights into the development process itself. "Engendering" economics – forcing it to explain the role gender plays in economic life – could help us better understand the evolution of social institutions and how they shape market outcomes.

This article uses the concepts of the new institutional economics to illustrate differing approaches to women and development and to explain the theoretical significance of recent empirical research on women, work, and demographic change. The central hypothesis is that rent-seeking coalitions based on gender create a significant gender bias in social institutions, which strongly influence market outcomes. In turn, economic development, which involves a substantial relocation of economic functions from the family to the market and the state, affects the behavior of gender coalitions and the evolution of gender bias. This process could be better understood if economists paid more attention to institutional bias, the organization of nonmarket work, and the distribution of resources within the family. These issues are explored by considering four separate but related topics: property rights over land; explicit and implicit contracts governing intrafamily distribution; other institutional influences on the labor market, including government policies toward benefits and pensions; and estimates of the value of nonmarket work.

**Gender Bias and Distributinal Coalitions**

*In most cases, people do not perceive themselves to be rent seekers...*

Anne Krueger (1974)

Much of the recent research on women, gender, and development focuses on gender bias, a term used to convey the notion that social institutions do not treat men and women in a welfare-neutral way. The problem emphasized is almost always male bias, and explanations for this bias fall into two categories (Kabeer, 1994; Moser, 1993). The women in development approach, the first to emerge in the literature, is an application of modernization theory. It
treats the marginalization of women during development as an oversight that can be remedied by better incorporating them in the market economy (Boserup, 1970; Rogers, 1980)\(^3\). From this perspective gender bias reflects outdated norms and values that are no longer functional for society. The favored prescription is to invest more in women’s human capital. Emphasis is placed on the large gains in overall efficiency that can result from a reduction in sex discrimination. Women’s position in industrial countries such as the United States is held up as a model for women in developing countries.

The gender and development approach is less optimistic. It emphasizes the persistent, structural character of inequality between men and women (Benería & Sen, 1981; Sen & Grown, 1987; Kabeer, 1994). Merely incorporating women into the development process will not improve their welfare – the process itself must be modified. But this modification will meet resistance from men because it will entail a redistribution of income along gender lines that may not be fully compensated by gains in overall efficiency. The position of women in industrial countries is not inspiring because they remain disadvantaged, particularly regarding the distribution of the costs of children (Folbre, 1994).

Although much has been written on the distinction between these two approaches, their theoretical underpinnings remain largely unexplored. Advocates of the women in development approach tend to employ quantitative methods, particularly human capital models. Advocates of the gender and development approach often rely on descriptive data and historical narrative, with liberal applications of the word "empowerment." Both sides of this debate can be reinterpreted using the concepts of the new institutional economics. Indeed, examined this way, the gender and development literature provides strong support for the institutionalist theory of rent-seeking coalitions.

**An Institutionalist Primer**

The new institutional economics focuses on the evolution of social institutions, which form the context in which individual decisions are made (North, 1981, 1990; Olson, 1982; Hodgson, 1987). Broadly defined, social institutions are means of social coordination, ranging

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\(^3\) Boserup’s more recent work does not fit neatly into the women in development category. She writes that “men’s interest in preserving the traditional ranking order between the sexes should not be underestimated in any analysis of women’s position; it should not be overestimated either” (1993, p. 2).
from organizations such as the firm, the family, and the state to the political rules and social norms that help such organizations function. Their stability, efficiency, and incentive structures influence the process of economic development (Williamson, 1995) and the empowerment of social groups designated by gender, nation, race, class, or other dimensions of collective identity (Folbre, 1994).

What forces shape the evolution of social institutions? In answering this question most institutional economists stress the dictates of efficiency enforced by the pressures of competition. In the long run the social institutions that provide the most efficient solution to coordination problems prevail. Coase’s (1960) concise formulation of this approach provided a basis for later applications to the family (Becker, 1981) and the firm (Williamson, 1985). In applying this perspective to economic history, North widened its purview to the analysis of social norms (1981, 1990).

The transaction costs perspective maintains that current social institutions may not be perfectly optimal. Some are at risk of being eliminated by heightened competition. Some may be adjusting to changes in relative prices and incomes with an uncomfortable lag because of inertial tendencies. Cultural norms, in particular, cannot be changed overnight. But despite these imperfections and lags, social institutions are evolving toward an efficient, Pareto-optimal equilibrium. This theoretical perspective implicitly underlies much of the women in development literature.

Its basic reasoning runs: a gender wage differential emerges in traditional agrarian economies partly because men have greater physical strength, which is an especially important factor of production (Goldin, 1990). Also, the high fertility rates that characterize agrarian economies make women dependent on male support. Social institutions, including social norms, both reflect and enforce male dominance. In the course of economic development, however, technological change increases the importance of mental skills relative to physical strength and encourages fertility decline (Becker, 1981; Schultz, 1993). This change destabilizes the traditional gender division of labor: male dominance becomes less efficient. But, traditional social norms (as well as mistaken

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4 A more explicit definition is given by Andrew Schotter: "A regularity in social behavior that is agreed to by all members of society, specifies behavior in specific recurrent situations, and is either self-policed or policed by some external authority" (1981, p.11). This definition, however, virtually precludes the possibility that some groups impose social institutions on others.
development policy) may impede the adjustment to modern egalitarian norms.

An alternative view, which might be termed the "distributional conflict paradigm", insists on the importance of processes of collective aggrandizement. As Knight (1992:19) puts it, "the ongoing development of social institutions is not best explained as a Pareto-superior response to collective goals or benefits but, rather, as a by-product of conflicts over distributional gains." Social institutions such as the firm or the family may enhance efficiency, but they may also serve the interests of particular groups. Obstacles to social change are not only manifestations of lagged adjustment, they often reflect active resistance on the part of powerful groups, who may be willing to pay a price, in lower efficiency, for continued control over a disproportionate share of output.

Gender-Based Conflict

The best known proponents of the distributional conflict paradigm have shied away from any direct consideration of gender. Olson (1982) describes how distributional coalitions can clog the process of efficient allocation but focuses on interest groups rather than groups that individuals do not choose to join. He never considers the possibility that men and women might be groups contending over the distribution of resources. Neither Buchanan (1980) nor Krueger (1974) describe men as a group that might engage in rent seeking through the state. But there is no reason why this theoretical framework cannot be applied to groups based on gender.

Men and women are not literally interest groups. Most individuals do not choose their gender in the same way that they join a club. But they often identify with others of their same gender, define common interests, and engage in collective action, ranging from participation in explicit political activity to less formal efforts to defend or develop advantageous social norms. A large body of feminist theory, as well as much of the gender and development literature reviewed in this article, illustrates how male collective action has led to the development of social institutions that give men important economic advantages in control over property, income, and labor. It also shows that women have increasingly begun to engage in collective action to contest and modify such institutions (see Folbre, 1994).

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5 In what I consider the best chapter of The Rise and Decline of Nations, chapter 6, Olson does consider racial and caste groups. But he does not devote much attention to the difference between voluntary and involuntary groups. For a slightly more detailed discussion of this issue, see Folbre (1993a).
There is much to be gained, however, by moving beyond purely descriptive accounts to more analytical efforts to test the hypothesis that gender bias reflects the rent-seeking efforts of gender coalitions. More open debate over this issue could help overcome a certain reticence evident in the literature today. Among policymakers, at least, there is a strong tendency to avoid consideration of social conflict, partly out of fear of intensifying it. The women in development approach, with its "everybody gains" emphasis on increasing efficiency, is especially appealing to policymakers and multilateral institutions (Klasen, 1993; Kardam, 1990).

But policymakers could benefit from a more forthright analysis of the distributional gains and losses that policies impose on distinct social groups. One of the insights of the new institutional economics is that rent-seeking coalitions are often successful at blocking changes that could benefit society as a whole, partly because of the difficulty of devising and enforcing the kinds of side payments that could partially compensate for distributional losses (Libecap, 1989). More open consideration of distributional conflict, in other words, may help resolve rather than intensify it.

At the same time, devoting more attention to the new institutional economics could encourage gender and development theorists to move beyond a documentation of inequality to an analysis of its functional implications. Unpleasant though the political implications may seem, hierarchy and inequality may serve economic functions by lowering transaction costs and solving coordination problems. More egalitarian alternatives are unlikely to be successful unless they are at least as efficient. For instance, challenges to traditional male authority must be accompanied by alternative ways of enforcing familial obligations and encouraging commitments to children. The experience of industrial countries suggests that the weakening of patriarchal relations within the family is often accompanied by a weakening of intrafamily income flows and growth in poverty among mothers and children living on their own (Folbre, 1994).

Finally, more serious efforts to examine gender-based conflicts could address a serious theoretical weakness in the distributional conflict paradigm – the difficulty of specifying the relationship among different types of social groups and resulting overlaps among different types of rent-seeking activity. There is a clear analogy between forms of collective aggrandizement based on gender and those based on other dimensions of collective identity, such as nation
or race or class. Men often gang up on women. Likewise, men and women in strong groups often gang up on men and women in weak groups. Women’s best interests are not always best served by gender solidarity alone. As many scholars and activists from developing countries have emphasized, women identify themselves as members of coalitions based on nation, race, or class that claim their allegiance (Mohanty, 1991; Agarwal, 1994b). The forms of inequality that women resist and the types of collective action that they engage in depend largely on specific political and historical circumstances. Research on the form, timing, and intensity of gender conflict in different countries could help economists decipher the behavior of distributional coalitions in general.

Collective Action, Gender, and Property Rights

Economists emphasize the significant impact that property rights have on incentives to work, invest, and innovate (Libecap 1989). Yet relatively few have systematically examined gender-based differences in rights to land ownership. The gender and development literature offers evidence of such differences, which have strong implications not only for agricultural productivity but also for women’s bargaining position within the family and the labor market.

Land Ownership, Family Law, and Colonial Policies

Property rights to land are bound to family law because most claims to property are earned through either inheritance or marriage. Analysis of these rights is complicated considerably by conflicting sets of laws (formal compared with customary, secular compared with religious) and large discrepancies between legal precepts and actual practices. Most of the detailed research on these issues has focused on Sub-Saharan Africa and South Asia, although there is some evidence from Latin America. In general, women have far less access to land than men and, largely as a result, less access to credit and technical extension services (Holt & Ribe, 1991; Staudt, 1978). Patriarchal rules of land transmission and ownership do not follow a market logic and certainly do not allow women to compete on even ground with men. Although they may have some functional logic, patriarchal rules also enable men to extract monopolistic rents from women – not in the literal sense of charging them money, but in the
broader sense of reducing their income per hour worked. Patriarchal rules establish the male head of household as the residual claimant of the household enterprise and provide economic incentives to maximize his share of output and leisure (Alchian & Demsetz, 1972). The extent to which these incentives are countervailed by familial altruism is empirically uncertain (this point is made in Becker, 1981, and later in this article).

Traditional tribal law in most areas of Sub-Saharan Africa accorded access to land based on relationship to a kinship group. While women enjoyed the right to use land, protected by custom, their formal rights were almost always subordinate to those of men (Martin & Hashi, 1992a). Despite enormous diversity among tribes, most women did not have inheritance rights to a father’s or a husband’s property. This gender bias was intensified and, in a sense, homogenized, by colonial policies that imposed privatization. Land titles were almost always handed out to male heads of household (Martin & Hashi, 1992a).

Today, women in Sub-Saharan Africa often do not have formal ownership rights to land, even if they provide the bulk of agricultural labor (Martin & Hashi, 1992c; Blackden & Morris-Hughes, 1993). The disjuncture between ownership and labor has been heightened by extensive male outmigration. But this problem cannot be explained as a simple legacy of the past; relatively recent policies set by independent African governments have reinforced male property rights. For instance, the Zimbabwe constitution of 1980 did not grant women legal guarantees of joint ownership, inheritance from husbands, or even control over earnings, despite the efforts of women’s organizations (Cheater, 1981). Zimbabwean women have benefited little from the modest resettlement program, which is based on government purchases of land from white farmers. Only male settlers who are married or widowed and female widows with dependents have been eligible to receive land – women on their own, whether deserted, divorced, or widowed, have been excluded. As a result the economic position of widows and orphans is worse than what it was in traditional rural settings, in which the husband’s kin assumed some responsibility for them (Munachonga, 1988).

In South Asia women have seldom worked as independent farmers with separate plots or crops. But they often provide agricultural labor, and land ownership is a crucial determinant of their economic welfare. More is known about the history and evolution of gendered land rights in this region than in any other area of the world because
of the pioneering work of Agarwal (1994a, 1995). The precolonial period was characterized by considerable regional variation, with some communities in northeastern and southern India and in Sri Lanka practicing matrilineal or bilateral inheritance. Agarwal argues that women had greater bargaining power in the family and greater freedom of movement in these areas, though they seldom enjoyed any of the prerogatives of controlling or managing land (1994a).

As in Africa, colonialism and national integration imposed more uniform standards of inheritance, which weakened women’s access to land in many respects. Privatization itself led to a reduction in access to resources such as fodder and fuel, with a concomitant rise in the amount of time and effort women were forced to devote to meeting their households’ subsistence needs.

Legal reforms adopted after the demise of formal colonialism furthered women’s legal rights to land. In India the Hindu Succession Act of 1956 gave daughters, widows, and mothers of intestate men rights equal to those of sons. In Pakistan the West Pakistan Muslim Personal Law Application Act of 1962 legally entitled Muslim women to inherit agricultural property. But even within these reformed systems, gender bias has been exacerbated by enforcement problems, particularly in regions governed by customary law (Agarwal, 1994a). In addition, government-sponsored land reform programs typically distributed land to male heads of households. As a result few women own land and only a very few exercise effective, independent control over it.

The picture for Latin America is remarkably similar: although in many communities women have enjoyed bilateral inheritance longer than in South Asia, they remain far less likely than men to own land. Most reforms implemented after World War II redistributed property that was under oligarchical control to individual men, with little provision for wife’s co-ownership and active disregard for single women and those heading their own households (Deere & León, 1987). More recent land reforms in Honduras were not so egregiously biased. But although single women were legally eligible to receive redistributed land, stricter conditions were imposed on them than on men (Safilios-Rothschild, 1988).

**Male Control of Property: An Institutional Explanation**

Why is women’s lack of access to property a characteristic shared across regions? It reflects men’s control over political and legal institutions, which have enforced patriarchal marriage and kinship
systems (Martin & Hashi, 1992b). In most countries women have only begun to participate in the formal specification of property rights. Social systems based on a male monopoly over property emerged in many different contexts and prevailed, unchallenged, for long periods of time. Why?

Part of the answer may lie in an institutional logic linking relationships between men and women to those between parents and children. In traditional patriarchal regimes land ownership gave fathers considerable leverage over children and allowed them to expect at least some benefits in the form of labor contributions and support in old age (Caldwell, 1982). Although this system raised the economic incentives for coercive forms of control over women, it also established an implicit rate of return for women’s reproductive labor within the family economy. Men who abused or neglected their children or the mothers of their children lowered their own economic welfare. In the aggregate, male control over property provided an enforcement mechanism that created incentives for paternal care of dependents, with pronatalist, but also profamily effects.

One conspicuous side effect of such an incentive structure is relative neglect of female children, often motivated by institutional arrangements (such as patrilineal property transmission and dowry) that make it easier for families to gain economically from sons than from daughters. But, ironically, the existence of such gender differentials testifies to the larger influence of pecuniary incentives – probably operating through social norms rather than through actual parental calculations – and suggests that the reduction of these incentives through loss of male control over land may contribute to neglect of both sons and daughters. Neglect is especially likely if there is little cultural or technical support for family planning and if the economic costs of children are rising more rapidly than fathers anticipated.

With the increase in individually based employment and declining farm sizes, obligations to care for kin become increasingly dependent

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6 This argument is distinct from that developed by Becker (1981) in his Rotten Kid Theorem because it emphasizes that the seemingly altruistic behavior of the male head of household is partially motivated by individual self-interest (in Becker’s model, pure altruism rules). Note the similarity with Fogel and Engerman’s (1974) classic argument regarding the economic effects of slavery in the United States. Despite their political and personal oppression, slaves may have been relatively well-fed and housed because they were such important factors of production. Their standard of living may have fallen immediately after emancipation because of their lack of access to land.
on altruism. Men have less to gain from children’s labor and from fulfilling responsibilities to mothers and children. Maximizing fertility becomes a less attractive economic strategy, and family commitments become more costly. Also, development typically reduces access to common property rights. Under these circumstances the negative distributional consequences of exclusive male property rights become more salient for women and children, who become dependent on transfers that are increasingly contingent and unreliable. Furthermore, as women shift more of their time away from childcare and household services and into work outside the home, male monopolies over property become increasingly costly to them.

These adverse effects are exacerbated by the economic and demographic trends characteristic of most developing countries: the growth of employment outside agriculture has been relatively slow, and the agricultural labor force is becoming increasingly feminized in South Asia and Latin America (Agarwal, 1994a; Deere, 1995). Both male outmigration and cultural modernization lead to increased rates of desertion, separation, and divorce. And women become increasingly dependent on land ownership (even if only a small parcel) for economic security. Furthermore, several studies suggest that adult children’s remittances to their parents are a positive function of parental asset ownership (Hoddinot, 1992; Lucas & Stark, 1985). Thus elderly women without land rights may be particularly vulnerable.

By lowering the returns to their labor, the absence of property rights also lowers women’s reservation wage in the labor market. As women are becoming increasingly dependent on their individually earned wage, it is hardly surprising that they are beginning to realize that they need rights to family property. Women in many countries are increasingly engaging in forms of collective action designed to enhance such rights. And if they are not successful, their economic position is likely to worsen.

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7 For a discussion of how changes in access to common property resources might affect household distribution, see Haddad and Kanbur (1992).
Family Law, Bargaining, and Intrafamily Distribution

Another set of nonmarket institutions has a substantial impact on the welfare of women: the claims of mothers and children on the income of fathers. Such claims, which can be considered both property rights and human rights, are shaped by explicit contracts (defined by law) and implicit contracts (defined by social norms). Historically, these contracts have been defined largely by men and have given men important benefits, which can be thought of as monopoly rents.

The traditional neoclassical theory of marriage holds that both partners benefit from efficiency gains if men specialize in market production and women in childrearing (Becker, 1981). Yet no major tradition of family law actually guarantees married women’s claims on their husbands’ income stream (Glendon, 1989). The transfers they receive depend almost entirely on the altruism of family members with access to market earnings. Fathers are expected and exhorted to provide a basic level of subsistence for mothers and children. But if they fail to do so, they seldom receive formal punishment.

Ten years ago the claim that there might be less-than-perfect altruism in the family, leading to significant welfare inequalities there, was considered far-fetched. Since then, however, publication of several (though a still relatively small number of) empirical studies has shifted the burden of proof to those who assume that the family can be treated as an undifferentiated unit (Alderman and others 1995; Dwyer & Bruce, 1988; Schultz, 1990; Thomas, 1990). The traditional neoclassical model of joint utility and perfect altruism in the family has been supplemented, if not supplanted, by a new generation of bargaining power models.

Most important from an institutionalist perspective are models that show how property rights, contractual obligations, and social norms external to the household set the stage for unequal distributional outcomes. McElroy (1990) clearly demonstrates how "extra-environmental parameters" set by social policy influence a woman’s fallback position (her income should she leave the household). Lundberg and Pollak (1993) incorporate cultural norms by arguing that the traditional division of labor and income is the fallback position for men and women bargaining over an alternative allocation. Sen (1990) observes that social norms may prevent women from noticing, much less resisting, inequality in the family.
Because men enjoy gains or rents as a result of extra-environmental parameters, they are motivated to act collectively to maintain those most advantageous to them. At the same time extra-environmental parameters motivate women to act collectively to improve their bargaining position within the household. In particular, women’s groups in northwest Europe, the United States, and Latin America have consistently fought for improved specification of maintenance and child support responsibilities (Folbre, 1994).

Another legal issue that has received considerable attention is the enforcement of legal rights to physical safety. A recent World Bank study finds that rape, domestic violence, and sexual abuse impose major health costs, even in countries with seemingly strict legal protections (Heise, Pitanguy, & Germain, 1994). Women are the primary victims; and when they respond with gender-based collective action, they often meet intense resistance. In 1968, for instance, women’s groups in Kenya supported the Marriage Bill, which would have made wife-beating a criminal offense. It was defeated by male parliamentarians on the grounds that wife-beating was a customary practice and the bill threatened to impose foreign values on traditional culture (Gage & Njogu, 1994). More recently, women in Latin America have developed women-only police stations, which facilitate reporting of domestic abuse (Heise, Pitanguy & Germain, 1994). Other community factors, such as the availability of public assistance for women, influence the probability that domestic violence will occur (Tauchen, Witte & Long, 1991).

The explicit and implicit contracts that define the rights and responsibilities of family life vary considerably among cultures and regions. In Sub-Saharan Africa many traditions have militated against income pooling, and mothers have traditionally been expected to provide for themselves and their children. This expectation remains in force today. Particularly in polygynous unions, mothers pay a disproportionate share of child maintenance costs (Gage & Njogu, 1994). In most southern African countries maintenance laws are full of loopholes (Armstrong, 1992). About Ghana, Abu (1983: 161–62) writes, "the social forces constraining a man to look after his wife and children are relatively weak, and there is a considerable voluntary element in the arrangement." The economic consequences may not be negative as long as children are able to contribute to family income or the larger kinship unit is willing to help assume their costs. But as the demand for schooling increases along with school fees, the economic burden on mothers will rise.
Laws and norms governing income pooling within the household are stronger in other regions of the world. But a considerable body of research documents substantial gender inequality. Many empirical studies confirm what might be termed "the good mother" hypothesis: women generally devote a far larger share of their income and earnings to family needs than do men (Benería & Roldán, 1987; Blumberg, 1989; Chant, 1991). Income that is controlled by women is more likely to be spent on children’s health and nutrition and less likely to be spent on alcohol and adult goods (Dwyer & Bruce, 1988; Hoddinott, Alderman & Haddad, forthcoming).

Unequal distribution of resources to male and female children within the household is also significant. Inequalities vary by region. In South Asia there is considerable evidence of preference for sons (Rosenzweig & Schultz, 1982; Sen, 1988). In Brazil mothers may spend more on daughters, fathers more on sons (Thomas, 1990). In Sub-Saharan Africa boys and girls are treated fairly equally (Haddad & Reardon, 1993), possibly because brideprice rather than dowry customs are in effect.

Supporting Households Headed by Women

An emphasis on intrahousehold allocation is misleading because it deflects attention from the high percentage of households with children but no adult male. In Kenya 24 percent of all households were headed by women in 1980. A rural income distribution survey conducted in Botswana in 1974–75 found that 28 percent of households were headed by women, with no adult male present (Koussoudji & Mueller, 1983). In rural India 30–35 percent of all households are headed by women (World Bank, 1991). In Ghana female-headed households rose from 22 percent to 29 percent between 1960 and 1987–88 (Lloyd & Gage-Brandon, 1993).

Men may leave their households to search for higher-paying jobs and may remit large shares of their wage income. But the experiences of the United States and northwestern Europe suggest that female headship is often associated with the attenuation of income flows from men to women and children. Accurate data on the number of households economically maintained by women alone, which can be generated only through detailed household surveys, are a priority for future research (Folbre, 1990).

Female headship does not necessarily increase economic vulnerability, as shown by studies of Brazil (Barros, Fox & Mendonca, 1993) and Jamaica (Louat, Grosh & van der Gaag, 1992).
But women who are raising small children without the help of male income are at great risk economically, as are their children. The extensive data available for industrial countries show that these families are highly susceptible to poverty, even in countries that provide them with some public assistance (Folbre, 1994). Relatively little attention has been devoted to studies of their welfare in the developing world, although Desai (1991) found that children of single mothers in three Latin American countries (such as those born to women in consensual unions) were more likely to be undernourished than those living with both parents.

Family dissolution and out-of-wedlock births are extremely costly to mothers because prevailing family laws offer little protection. Only a few countries in northwestern Europe, most notably France and Sweden, have successfully developed mechanisms for enforcing child support. In the United States less than half of all mothers raising children on their own are awarded child support, and only about half of these (25 percent of the total) receive the full amount they are due. Moreover, the level of payments is low and has declined in recent years (Beller & Graham, 1993). In Japan a 1988 study revealed that only about 14 percent of divorced fathers made some kind of payment for their children (Goode, 1993).

Little is known about enforcing child support in developing countries because data are not systematically collected. Indeed, data were not collected in the United States until 1980, when women’s groups successfully lobbied Congress to require the Census to conduct regular surveys. Women in developing countries have been less successful in raising the issue. In Kenya an affiliation act that would have required men to provide financial support for their children born out of wedlock was repealed in 1969 by an all-male assembly (Morgan, 1984). Ghana passed a decree in 1977 establishing family tribunals, but it had no discernible effect (Gage & Njogu, 1994). Even in Columbia and Peru, where many conspicuous forms of gender bias in family law were eliminated in the 1970s, mothers and children enjoy only a weak legal claim on fathers’ income (Ramirez, 1987). Evidence from Argentina suggests that paternal child support responsibilities are poorly enforced (Goode, 1993). Brachet-Marquez (1992) explains how and why the Mexican legal system makes it easy for men to avoid financial responsibility. A recent study of children born to adolescent Chilean women finds that 42 percent of the children have received no support from their fathers by the time they are six years old (Buvinic and others 1992). Jamaican law stipulates that children have a right to support from
any coresident male, but actual contributions are small and intermittent (Bolles, 1986)\textsuperscript{8}.

The willingness and ability of some fathers to "divorce" their children without penalty makes mothers aware of the risks of abandonment and puts them in a weak bargaining position in the family. After many decades of focusing on mother-child relationships, social scientists are just beginning to explore fathers’ roles. Engle and Breaux (1994) ask whether or not there is a "father instinct." Katzman (1992) of the United Nations Economic Commission for Latin America speculates that men are suffering from a loss of self-esteem due to their loss of power within the family.

An alternative explanation follows from the observation that most family law was forged during an era in which children provided at least some economic benefits to fathers, reinforcing cultural norms of paternal responsibility. Although such traditional circumstances did not guarantee fully adequate protection for dependents, they may have served better than more modern arrangements. Economic development raises the costs of having children by increasing their educational requirements and their economic independence. Adjustments in the form of lower fertility rates are lagged and uneven. As a result development often increases the economic stress imposed on families with children.

\textit{Sorting the Responsibilities of Mothers and Fathers}

Whether due to biology or culture or some combination, mothers seem to have stronger commitments to children than do fathers. Mothers are thus less affected than fathers by the increasing economic incentives to default on the traditional explicit and implicit contracts of parenthood. These incentives are compounded by economic problems, such as unemployment and famine, and may also be exacerbated by mobility. Migration is a male survival strategy that is often synonymous with desertion (Elson, 1992).

This analysis does not imply that economic development always leads to family breakdown or to reductions in paternal commitments. Rather, it suggests that development increases the risk of certain kinds of "family failure," which we might think of as analogous to market failure or state failure, and requires institutional adaptation.\textsuperscript{8}

\textsuperscript{8} While the World Bank Living Standards Measurement Survey of Jamaica collected data on remittances, it did not specifically ascertain which parents were remitting sums for which children (Wyss 1995).
Indeed, adaptation is already under way in the form of collective efforts to revise and reform family laws and norms. But it is important to note that men as a group have less to gain economically than women and children from reforms that enforce paternal responsibilities. A theory of distributional coalitions leads us to expect that women’s groups seeking such reforms will meet considerable resistance from men – behavior that we have observed (Kerr, 1993).

Appreciation of the complexities of gender-based conflict also offers an explanation of why women may not always favor cultural modernization – and may endorse fundamentalist forms of resistance to cultural change. Women confront a paradox: the same aspects of the development process that increase their economic independence as individuals (expansion of education and wage employment) increase their economic vulnerability as mothers. The relative size of these two effects is determined by the political context and pattern of economic development. And under certain circumstances women’s groups may correctly calculate that they have more to lose from male-dominated modernization than from male-dominated tradition.

Whether this admittedly speculative analysis of the logic of women’s collective action is correct or not, the institutional framework determining family rights certainly affects both economic and demographic decisionmaking. Poor stipulation and enforcement of maintenance laws puts the marital partner who specializes in housework or childrearing at a disadvantage. Lack of protection against domestic violence puts physically weaker family members at risk. These failings encourage men to claim a disproportionate share of family income and leisure and lower the economic costs of children to fathers. More equal sharing of these costs would give men a greater financial stake in limiting their own fertility (Armstrong, 1992). Finally, failure to enforce child support responsibilities on the part of fathers increases the economic incentives for paternal desertion.

**Gender and the Labor Market**

Inferior property rights and poorly enforced claims on family members lower women’s share of family wealth and income relative to men’s. One result is a reduction in women’s reservation wages, increasing their willingness to accept low-paying jobs. Yet these institutional factors have been largely ignored by the conventional economic literature on gender wage differentials, which focuses primarily on the individual characteristics of male and female wage
earners. This literature also sidesteps the issue of cultural norms, which may generate differences in preference for wage employment between men and women.

Empirical research based on human capital models has made important contributions, clarifying the limits of employer-based discrimination and demonstrating the implications of differences in men’s and women’s access to education. But human capital models fall far short of providing a complete picture of gender inequality in the labor market. In addition to ignoring the asymmetry of rights and responsibilities that affects the supply of women’s labor, these models provide little insight into the demand side of the labor market.

**Employer Discrimination**

Significant gender-based wage differentials characterize labor markets in every country in the world: women earn, on average, 60–70 percent as much as men (World Bank, 1995). These differences would be more extreme if wage data included women engaged in unpaid family work and work in the informal sector. Part of the gender wage differential can be explained by differences in levels of education, often a result of public policies that have emphasized educating men more than women. Investments in women’s education increase their earnings and their productivity, generating a big payoff for the economy as a whole (Subbarao & Raney, 1993; King & Hill, 1993).

Evidence of discrimination, narrowly defined as lower wages for individuals with the same education and experience, is mixed. Of the six studies of wage discrimination in Latin America and Africa included in Birdsall and Sabot (1991), only two provide strong evidence of gender wage discrimination. But most of the twenty-one studies of Latin America included in Psacharopoulos and Tzannatos (1992) find a substantial gender gap in wages that cannot be explained by human capital differences. The U.S. experience clearly shows that women’s increased access to education does not eliminate the gender wage differential (Goldin, 1990). The discriminatory behavior of both private employers and the state plays an important role.

Differences in the demand for men’s and women’s labor may reflect a taste for discrimination, or a cost-minimizing statistical discrimination, based on the presumption that women are less committed to the labor force than men and should therefore be
limited to low-skilled jobs for which performance does not suffer from high turnover. Anker and Hein (1985) report that employers often explicitly express a preference for male workers and think that turnover among women is higher than it actually is. In any case women are more likely to show high turnover rates if they are restricted to relatively unskilled, poorly paid jobs.

**Policy-Based Discrimination**

The demand for women’s labor is also limited by policy-based or public discrimination. Many public regulations increase the relative price of women’s labor by imposing the cost of maternity benefits or childcare on individual employers, despite the fact that the International Labor Office’s Maternity Protection Convention stipulates that individual employers should not be individually liable for the cost of maternity benefits (Anker & Hein, 1985; Winter, 1994). As a result many employers hire fewer women than they otherwise might; some even require women to provide medical certification that they are not pregnant.

In Eastern Europe and the former Soviet Union both state and private enterprises once provided large subsidies for maternity leave and childcare. These subsidies have now been reduced substantially. Privatization has created an economic environment in which firms that continue to provide such benefits may not be able to compete successfully with those that do not. Research on the effects of privatization on female workers has produced mixed results. Women in eastern Germany have had a greater risk of losing their jobs and a lower probability of finding new ones (Bellmann and others, 1992; Maier, 1993). Women make up a disproportionate number of the registered unemployed in Russia, Poland, and the Czech Republic (Klasen, 1993; Levin, 1993; Commander, Liberman & Yemtsov, 1993). In Slovakia the gender wage differential declined between 1988 and 1991 (Ham, Svejnar & Terrell, 1995). And in Slovenia men have suffered greater job and wage losses than women, possibly because women are, on average, slightly better educated (Abraham & Vodopivec, 1993; Orazem & Vodopivec, 1994).

Unfortunately, similar attention has not been devoted to an empirical analysis of differences between mothers and nonmothers in the workplace – women responsible for the care of young children or other dependents are far more likely than other workers to be affected by the loss of public support for family labor. If these women drop out of the labor force in disproportionate numbers because of policy changes, they exacerbate the selectivity bias in
measures of women’s wages. It is difficult to find any systematic account of actual reductions in childcare, family allowance, and parental leave provisions in recently privatized economics, although many scholars have commented on such reductions (Fong & Paul, 1992; Levin, 1993). Nor is much known about the de jure or de facto structure of worker’s rights, including protections against overt discrimination.

Another topic of serious concern in both industrial and developing economies is the gender bias built into the structure of benefits based on wage employment, such as social security programs. Disproportionately concentrated in part-time, intermittent, and informal employment, women are less likely than men to work in jobs that are covered by benefits. Their claims on family benefits are typically attenuated by desertion or divorce. Married female employees pay the same taxes but receive lower benefits than their male counterparts: in both Latin America and Sub-Saharan Africa survivors’ benefits are given to widows of covered male workers, but strict conditions are imposed on survivors’ benefits given to widowers of covered female workers (widowers must be dependent invalids in order to qualify). In other words the programs transfer more income to an eligible man with a spouse than to an eligible woman with a spouse. And although the retirement age is often lower for women than for men, benefits are lower as well. Family allowances give male workers an additional stipend if they have a dependent wife, but female workers do not receive extra amounts to help them pay for the cost of childcare (Folbre, 1993b).

These types of gender bias in employment benefits violate International Labor Office guidelines, as well as the United Nations’ Convention on the Elimination of All Forms of Discrimination Against Women. Many individual countries also have laws against sex discrimination. But although these regulations may affect policies in the public sector (where women enjoy more and better-paid opportunities), they are seldom enforced in the private sector; imported standards are often incompatible with the local legal and political climate. For instance, Latin American legal systems generally disallow class action suits and do not permit judicial verdicts to influence future rulings (Winter, 1994). These regulations affect the collection of data and the level of enforcement. In the United States court cases and lawsuits have provided evidence of explicit sexual discrimination that would not otherwise have been revealed (Bergmann, 1986).
There has been remarkably little analysis of the impact of public policies on women’s wages or employment in developing countries. Future research should attempt to quantify the impact of maternity-related legislation, which varies sufficiently among countries to provide a basis for comparison. The effect of antidiscrimination efforts could also be estimated, following the example set by Beller’s (1982) analysis of the impact of equal rights legislation on women’s pay in the United States.

In general, export-oriented growth has been associated with increases in women’s employment in manufacturing (Joekes, 1987). In some countries, such as the Republic of Korea, gender discrimination has been used as a tool for increasing export competitiveness (Seguino, 1994). In others, such as Ireland, public policies have explicitly and successfully sought to increase male rather than female employment (Pyle, 1990).

Gender-biased employment policies must be analyzed in the same terms as policies prescribing property and family rights – as an outcome of distributional conflict. In this case collective interests based on class as well as gender come into play: workers as a group benefit from protective legislation that helps them to care for their children. In a sense employers owe workers such assistance, because workers are producing the next generation’s labor force, often at considerable cost to their own standard of living. But if such assistance reinforces gender inequality, it assigns women a disproportionate share of the costs of parenthood.

It is hardly surprising that policymakers and employers, who are predominantly male, seldom promote gender equality in the labor market beyond measures that have obvious, powerful efficiency effects, such as investing in women’s education. What is surprising is that they continue to ignore the limitations of the conventional male model of employment when throughout the world, women are becoming increasingly important labor force participants. Both family leave and family-based benefits could be provided on a gender-neutral basis. A shorter paid workday for both men and women could help individuals combine market work and family responsibilities over the life cycle.

An Institutionalist View of Childcare
It is sometimes suggested that women simply have a greater preference for childcare than do men, and the utility that they gain represents a "compensating differential" for their greater
susceptibility to poverty (Fuchs, 1988). One could argue, similarly, that differences in preference between genders account for a portion of the gender wage differential. And these differences may be at work, with somewhat reassuring consequences regarding the level of discrimination. But this argument hinges on the conventional neoclassical assumption that tastes and preferences are exogenously given.

An institutionalist approach suggests that individual preferences are partially shaped by social norms, and social norms are in turn strongly influenced by the interests and power of distributional coalitions (Folbre, 1994). Thus as women gain collective power, they challenge and modify social norms of femininity that are costly to them. They may also challenge the traditional social construction of masculinity in ways that are threatening to men. "If women no longer want to take care of the kids," men may ask, "who will?" True—if feminine norms of familial altruism are substantially weakened and masculine norms of familial altruism remain unchanged, some countries may run into serious difficulties in taking care of children and other dependents.

These are important issues, not only for relations between men and women, but also for relations between parents and nonparents. Public provision of childcare and assistance to parents would significantly increase overall labor productivity if productivity were defined—as the next section argues it should be—in terms that include the value of nonmarket inputs and outputs.

**Household Production and Economic Growth**

Contemporary microeconomic theory explicitly recognizes the importance of nonmarket work, largely as a result of the pioneering work of Becker (1981). Many household surveys of developing countries, especially those oriented toward health, document the importance of labor and other inputs into household production. Yet macroeconomic theory ignores the nonmarket sector almost entirely. Despite the criticisms of conventional national income accounting articulated by Eisner (1989) and others, only a few countries in northwestern Europe are systematically imputing the value of nonmarket work.

Some feminist theorists argue that national income accounts are, themselves, based on measures that evolved from accumulated gender bias (Waring, 1988; Folbre, 1991). Whether there is more
resistance to change than might be expected from any challenge to a conventional paradigm is an issue for historians of economic thought. More important from the point of view of economic development are the consequences for assessing social welfare. These are profound, as Blackden and Morris-Hughes (1993: i) point out in a recent World Bank analysis of Sub-Saharan Africa:

"The structural presence of women in economic production is largely invisible and overlooked in the prevailing paradigm. This is turn leads to incomplete and partial evaluation of economic outcomes, including adjustment and its effects on the poor, and masks critical interlinkages and complementarities among sectors of economic activity and between the paid and unpaid economies. It also limits assessment of the likely and potential supply response in the economy."

Current estimates suggest that the economic value of household production in most countries amounts to an additional 30–50 percent of gross domestic product (GDP), depending on the method of valuation used (Goldschmidt-Clermont, 1982).

**Inaccurately Measuring Women’s Market Labor**

Accounting problems are threefold. First, conventional census and labor force surveys typically mismeasure the number of women working in the market, vitiating both cross-national comparisons and analyses of longitudinal trends. The conventional definition of labor force participation is based on full-time or close to full-time employment for wages or other market income. But women are likely to engage in part-time or periodic market work and still make important contributions to family income. The dichotomous "in or out" definition of a labor force participant fits men’s experience better than women’s. A better definition would rate both men and women along a spectrum of participation in market activities.

The mismeasurement of women’s market activities in the late nineteenth- and early twentieth-century United States has been well documented (Folbre & Abel, 1989). This problem is even more serious in developing countries, where both the informal and agricultural sectors absorb a large amount of women’s labor (Benería, 1981, 1982, 1992). The 1981 Indian census recorded only 14 percent of adult women participating in the market labor force; contemporaneous surveys yielded a much higher estimate of 39 percent (World Bank, 1991).
Valuing Nonmarket Labor

A second problem concerns the treatment of labor time devoted to housework and childcare, which is recognized as a crucial input on the microeconomic level but considered macroeconomically unproductive. Human capital theorists do not insist on official imputations of the value of nonmarket inputs into human capital. As Elson (1992: 34) puts it, "Macromodels appear to treat human resources as a nonproduced means of production like land." Most economists are reluctant to consider childcare a productive activity. Indeed, a great deal of intellectual attention has been devoted to demarcating a boundary between domestic and nondomestic activities, even though economic theory suggests no distinction between the two (Beneriá, 1992).

Both historical and current studies suggest that if domestic work is included as productive work, the expanded labor force would contain about the same percentage of women as men. Estimates have been provided for the United States between 1800 and 1930 (Folbre & Wagman, 1993; Wagman & Folbre, forthcoming) and for India (World Bank, 1991: 14). Collection of more detailed data, accompanied by more concerted efforts to adjust historical statistics, could yield useful comparisons of cross-national differences in the changing composition of women’s employment.

Revision of labor force statistics will require further development and institutionalization of time-use surveys. The length and intensity of work – whether in the market or in the home – is an important determinant of economic welfare that is omitted from standard consumption-based models (Floro, 1995). Most time-use surveys show that women tend to work much longer hours than men, particularly if they have small children. Hartmann (1981) summarizes several studies reporting this statistic for the United States. Duggan (1993) reports similar results from eastern and western Germany. The United Nations Development Program’s Human Development Report 1995 shows that in thirteen industrial countries women provided, on average, 51 percent of all labor hours, paid and unpaid (UNDP, 1995).

Research in developing countries has suggested the same. Brown and Haddad (1994) report longer work days for women in seven countries in Asia and Africa. In Ghana teenage girls work longer weekly hours in both market and domestic work than boys, whether or not they are enrolled in school (Gage & Njogu, 1994). A UNDP
(1995) analysis of nine developing countries found that women accounted for 53 percent of total labor hours.

Since 1985 the World Bank has carried out several surveys designed to "get inside" the household: the Living Standards Measurement Study and the Social Dimensions of Adjustment series. To date, however, gender analysis of these data has seldom extended beyond education and health (World Bank, 1995). The same may be said of many other household survey efforts.

Measuring the Importance of Nonlabor Inputs
A third empirical problem concerns the paucity of efforts to measure the effect of nonlabor inputs, such as public and private investment, on the overall productivity of nonmarket production. For instance, what is the effect of greater provision of public utilities, such as water and gas, on the allocation of women’s time devoted to labor? How do improved consumer durables, such as more fuel-efficient cook stoves, affect family welfare? Does the provision of public daycare services increase women’s ability to provide other nonmarket services to enhance their families’ consumption, as well as their own participation in wage employment? Without empirical analysis of such questions it is impossible to apply the kinds of social cost-benefit criteria that are typically used to evaluate other types of public investment.

Most macroeconomics texts allude to the fact that conventional definitions of GDP overstate the real rate of economic growth because they include additions to net product resulting from women’s entrance into wage employment but do not subtract the reduction in household production that normally occurs as a result. But conventional definitions may actually understate the rate of growth in industrial countries because improvements in the productivity of nonmarket work resulting from greater educational attainment and increased public or private capital investment may more than compensate.

Trends in productivity and output in the nonmarket sector, which produces human capital and goods and services that are crucial

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9 Countries surveyed by Living Standards Measurement Studies include Bolivia, Cote d’Ivoire, Ecuador, Ghana, Guyana, Jamaica, the Kyrgyz Republic, Mauritania, Morocco, Nicaragua, Pakistan, Peru, Romania, Russia, South Africa, Tanzania, Venezuela, and Viet Nam. Social Dimensions of Adjustment surveys are available for Burkina Faso, Burundi, Central African Republic, Chad, Cote d’Ivoire, The Gambia, Guinea, Guinea-Bissau, Kenya, Mali, Mauritania, Senegal, and Zambia.
components of the overall consumption bundle, do not necessarily follow trends in the market sector. Indeed, the two may be inversely related. Many gender and development scholars argue that structural adjustment policies that encourage shifts from production of nontradable to tradable goods have a negative impact on household production and family welfare. Like cutbacks in the provision of social services (health, education, and childcare) they increase demands on women’s labor time (Elson, 1991; Palmer, 1991; Cornia, Jolly & Stewart 1987).

This result might not be deleterious if women’s time were underutilized (the assumption often made by policymakers unaware of actual patterns of time allocation). But many studies reveal unanticipated, adverse effects. Mothers may be forced to withdraw from paid employment or increase their demands on daughters to help with household tasks. Moser (1992) documents such behavior in low-income households in Guayaquil, Ecuador faced with a reduction in community services. Families maintained by women alone are particularly susceptible to such pressures. Tanski (1994, table 2) finds a significant increase in poverty among female-headed households in metropolitan Lima, Peru between 1985 and 1990.

Short-term gains in measurable indicators, such as GDP or budget deficits, may be countervailed by long-run losses in less visible areas of economic output. The resulting macroeconomic distortions have negative consequences for women’s income, and welfare effects are exacerbated by the reduction of their bargaining power within the family (Kabeer, 1994; Klasen, 1993). It is difficult, if not impossible, to quantify these effects, given the lack of systematic survey data. And that is exactly the point: important policy issues cannot be addressed until macroeconomists concede the importance of monitoring and measuring nonmarket production.

**Conclusion**

One of the most fascinating aspects of the development process is the way it has destabilized traditional patriarchal relations that once provided men with unquestioned power over women and children. A combination of technological change, social differentiation, and political struggle has increased individual autonomy, often with positive economic effects. But the shift away from family-based production toward labor markets based on individual wages has had some unanticipated negative effects on the organization of family life. As the costs of children have increased, mothers have borne the
brunt of this growing economic burden, which is camouflaged by conventional measures of economic welfare.

There is a lesson here for policy debates over privatization and reductions in social safety nets. Free markets may provide a good substitute for some previously state-run activities, but they do not provide much support for family life. Childrearing is no longer a remunerative activity, and both individuals and businesses that devote time and money to it will have a hard time competing with those who do not. Yet nonmarket work devoted to raising the next generation makes an enormous contribution to economic welfare, as does education. Children are public goods, and failure to collectively ensure their welfare and invest in their human capital will inevitably hamper economic growth.

Many advocates for women in development emphasize the need for greater equality between men and women. But the process of economic development has taught us that it is easier to gain equal rights for women than to impose equal responsibilities for the care of children and other dependents on men. Some conservatives argue that women have become too powerful; their independence and self-assertion threatens the viability of the family. But it may be that women have simply not become powerful enough to persuade men, and society as a whole, to fairly share the costs of rearing the next generation.

Future trends will depend, in large part, on forms of collective action that will redefine the role of the state, the family, and the firm. And these will depend, in turn, on how well economists, policymakers, and ordinary people understand the gradual but relentless realignment of the relationship between production and reproduction that is central to economic development. This is a process shaped by both conflict and cooperation, in which women will probably exert an increasingly collective influence.*

* La bibliographie se trouve en fin d’ouvrage.