

GENDER INEQUALITY AND DEVELOPMENT

MISSING WOMEN

- Amartya Sen used this term to describe the observation that in many developing countries, the proportion of women is lower than what would be expected if women were not discriminated against (for example, not same access to food and medical care)
- Estimated 60 to 100 million missing women in developing countries!
- Most are not actively killed of course: they die of cumulative neglect.
- And there are not only missing women: poverty strikes hard for many living women in developing countries.

LAG BEHIND MEN IN MANY DOMAINS

- Education: in low and moderate income countries, for every 100 men in secondary schools and universities, there are only 79 girls.
- Women have less labor market opportunities and those working earn less than men for similar work.
- Low political representation: women constitute only 15.9% of the members of lower and upper houses of parliaments (UN, 2005)
- Legal rights: in many countries, women lack independent rights to own land, conduct business, or even travel without their husband's consent.

RELATIONSHIP WITH ECONOMIC DEVELOPMENT?

- A reciprocal relationship between women's empowerment and economic development.
- Economic development can play a major role in reducing gender inequality
- In the other direction, discrimination against women can hinder economic development; which means that women's empowerment can accelerate development.
- Also, reducing gender inequality is also a very desirable goal in itself.

MAIN LESSONS FROM DUFLO'S REVIEW

- Economic development itself can bring about women's empowerment
- Empowering women will bring about changes in the decision making, which will have direct impact on economic development
- However, it is not clear that a one time impulsion of women's rights will initiate a virtuous circle
- Moreover, economic development alone is insufficient to ensure significant progress in women's empowerment
- Women's empowerment leads to improvement in some aspects of children welfare (health and nutrition), but not in others (education)

HUMAN CAPITAL AND THE GENDER GAP

- See intro and section 2 of Garg and Morduch's paper (link on webpage)

FERTILITY AND THE GENDER BIAS

- For parents in developing countries, having children can constitute an important investment in the future.
- In particular, to provide old-age security.
- In many developing countries, fertility is high and women bear most the costs of raising children: high fertility does not help bring about women empowerment...
- First, we'll see how the existence of gender bias in favor of boys affects the number of children people choose to have.
- Then, we look at the cost of children: time spent at home raising kids is not spent earning income: the opportunity cost of children is roughly proportional to wage rate * nb of hours parenting

MORTALITY AND FERTILITY

- Let p be the probability that a given child grow up to look after his/her parents; with proba $(1-p)$, he/she doesn't, which could be for several reasons: die young, not adequate income earner, or may choose not to look after the parents...
- Even if $(1-p)$ is small, this limited possibility that a child might not look after his/her parents may increase fertility, as parents try to compensate!
- Now, think like one of those parents. In the absence of institutions for old-age support (as often in poor countries), you most likely don't want the probability that at least one of your kids take care of you when you're old to fall below a certain threshold! Call this threshold probability q .

- Realistically, you can think of people having high values for q , like, $> 9/10$. (q may reflect risk aversion, among other things)
- Suppose you have n children. Then, the proba that none will lok after you is $(1-p)^n$.
- So the proba that at least one takes care of you is the complementary probability: $1 - (1-p)^n$
- Then, you can compute the number of children that parents have in order for this proba not to fall below their threshold q .

- Ex: with $p = \frac{1}{2}$ and $q = \frac{9}{10}$
- Then, you should have at least $n = 4$ kids, so that the proba that at least of them take care of you remains above q .
- Now, let's look at the effect of gender bias on this:
- Suppose that the couple wishes to have support from a SON (there are many reasons for this)
- Then, n is seen as the number of desirable BOYS. And since everytime you're conceiving a child, there a proba $\frac{1}{2}$ that it be a boy, in our little example above, parents now need at least 4 boys, that is, 8 kids!

THE COST OF CHILDREN

- Time spent at home raising kids is not spent earning income: the opportunity cost of children is roughly proportional to wage rate * nb of hours parenting
- In societies where this opportunity cost is low (ie poor countries), fertility tends to be high.
- Gender bias has a big role here again: in societies where it is expected that women allocate most of their time raising kids, wages for women tend to be low
- Which means the opportunity cost of children is low, which keeps fertility high!

- Moreover, in the presence of gender bias, an improvement in a household's income does not necessarily reduce fertility.
- Assume that only women spend time raising kids: they bear all the opportunity cost of children (and husbands go to work anyway)
- Then, an increase in the husband's income does not raise the opportunity cost of children, and the couple can even afford to raise more children!
- A rise in women's wages, on the other hand, does raise the opportunity cost of children, which reduces fertility and reduces the time consuming task of child rearing for women.
- This suggests the need for development programs specifically targeting women. But then, in a way, you do it at the expense of men...