

**45525**

# **World Bank**

## **Gender and Development Workshop**

**April 2, 1998**

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## Gender and Development Workshop

### Preface

Mainstreaming gender into operations and research is central to the Bank's mission of promoting sustainable development and poverty reduction. To this end, the Gender Sector Board organized the April 2 Gender and Development Workshop to promote discussion of gender themes and issues with internal and external partners.

The Workshop included panels and presentations organized around the themes of gender and the household, society, the state, and the economy; and the role of international organizations in promoting gender equality. The following pages summarize the discussions and conclusions.

*Joanne Salop*

*Director, Operations Policy and Strategy*

*Interim Director, Gender and Development*



# GENDER AND DEVELOPMENT WORKSHOP, APRIL 2, 1998

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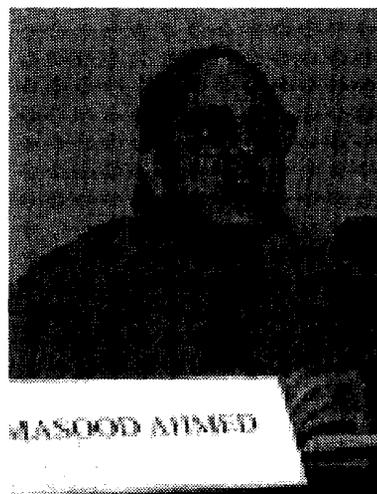
## Session 1: Gender and Development: The Role of the State

**Chair: Masood Ahmed, Vice President and Head of PREM Network**

This audience already understands the importance of mainstreaming gender work in the Bank. It is, of course, critical to Bank concerns both for efficiency and for equity in the development process. Those of us working to integrate gender in Bank work are moving on three tracks to integrate gender concerns:

- *Expand the scope of work on gender* from a few areas, particularly in the social sectors, to include country strategy work and so-called nontraditional sectors, such as transport, industry, finance, among others.
- *Integrate gender work in economic management*, that is, in country economists' work. The Gender Sector Board—a core group of leaders for gender work in the Bank—is part of the Poverty Reduction and Economic Management (PREM) Network. The Gender Sector Board represents all those parts of the Bank involved in gender work, including other networks and the Economic Development Institute (EDI). We want to make the Gender Sector Board the lead group in pushing the gender agenda into different parts of the Bank's work.
- *Strengthen the analytical and intellectual underpinnings of gender work*. If we want to win not just the hearts but the minds of our own operational staff and country economists in nations in which we are active, we must be the premier institution for work on gender, demonstrating quality of analysis, empirical evidence, and intellectual foundations that essentially drive the operational agenda.

This workshop will contribute much to the latter effort—both to identify how far we have come in gender-related work as well as next



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steps. We will address gender concerns as they relate to three areas: the household, society, and the economy. In each case, we seek to answer three questions:

- What do we know about the gender dimensions in that domain?
- What should the Bank do differently at the policy or programmatic level, given what we do know?
- What do we still need to learn to be able to design better policies?

Joe Stiglitz will open the workshop by surveying relevant issues in addressing gender concerns. He will discuss, in particular, the roles of government in addressing gender issues in the household, society, and economy and the Bank in facilitating this role.

It would be useful as background to get an

**Joseph Stiglitz, Senior Vice President and Chief Economist**

### **Gender and Development: The Role of the State**

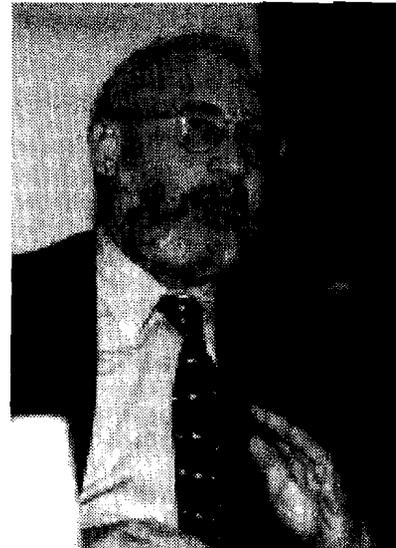
We are working to mainstream gender in the Bank because it is a key development issue, one with important implications for three aspects of Bank work: equity, efficiency, and sustainability.

*Equity.* The Bank's primary mission is poverty reduction. We know that the incidence of poverty is far greater than expected from official poverty rate statistics in developing countries due to intra-household inequalities. We also know that economic differences breed disadvantages for women. We want to understand why that is and what we can do about it.

*Efficiency.* Economists always look for ways to get more growth and more equity at the same time. Several kinds of gender inequalities lead to inefficiencies, negatively impacting the development process. We should focus on how fairer treatment of women can result in both increased equity and economic efficiency and how we can avoid the tradeoffs we dislike so much.

*Sustainability.* The sustainability of development work—long-term economic growth and increases in income per capita—is in many cases directly influenced by fertility rates. Many policy decisions can affect these rates. Among them are those that affect the treatment of women.

This workshop approaches these issues from the bottom up: people make decisions as part of households, which exist within a market economy, which is part of a broader society. We have to look at the linkages among all three levels, particularly at the kinds of *interventions* that might affect gender issues and the *unintended consequences* of the public policies we promote.



**Joseph Stiglitz:** *This workshop approaches these issues from the bottom up: people make decisions as part of households, which exist within a market economy, which is part of a broader society. We have to look at the linkages among all three levels, particularly at the kinds of interventions that might affect gender issues and the unintended consequences of the public policies we promote.*

idea of the magnitude of the problem, some numbers that characterize how large some of the disparities are. I was just in Sri Lanka at a meeting of economists and other policy people from throughout South Asia. South Asia has some of the greatest gender disparities in the world. Young girls have a 30 to 50 percent higher mortality rate and are 30 percent less likely to receive treatment for common illnesses. The ratio of female-to-male enrollment in school is 70 percent, and representation in managerial and professional jobs is 2.3 percent. This is one region where closing some of these gaps would clearly improve equity, efficiency, and sustainable growth and development.

### *Gender and the Household*

Economists sometimes use models that over time lose their usefulness. It is sometimes embarrassing to acknowledge and difficult to change these past approaches. A good exam-

ple is economists' use of the household as the basic unit of economic analysis. Even though a household comprises a number of members who have varying points of view and income and consumption levels, the household has still been viewed as a unitary decisionmaker, on the assumption that all household members seek the most efficient and equitable approaches to household welfare. Twenty years ago, economists began to question this model. What goes on in the household can affect the distribution of income between women and men, adults and children, and even boys and girls.

Dramatic empirical studies have looked at these issues. In the 1970s, in the United Kingdom, the government shifted the distribution of child allowances from the man to the woman in families; the result was that expenditures shifted from personal consumption of the man to items important to the woman and children. In Brazil, a study showed that income controlled by the mother had very different outcomes on the health of her children compared with income controlled by the father, because the mother invested more money in child health care. In Bangladesh, whether the mother or father in a family borrows money from the Grameen Bank impacts their sons and daughters differently in terms of their schooling, nutritional status, and so on.

Clearly, forces are at work inside the household. A model focusing on bargaining power within the household can help us to understand these forces. There are also ways we can directly affect the bargaining power of men and women in the family. We can change bargaining power using certain "control levers"; we can also be aware of the consequences of policies we make for other purposes.

One example of the latter is a study by George Akerlof and Janet Yellin on the impact of *Roe v. Wade* in the United States. Their work explains the increase in out-of-wedlock births and female heads of households in the 1970s and 1980s. This Supreme Court case essentially shifted bargaining power from women

to men. Men felt they were no longer morally obliged to marry a woman if she became pregnant, because women could now have an abortion; women, however, were more reluctant to do so. As a result, the number of out-of-wedlock births and female heads of households increased.

Another example comes from my own work years ago on the impacts of the corporate income tax, which effectively encourages consumption within corporations. Because corporation executives were predominantly male, they received more of the benefits of this consumption, increasing inequality of consumption between those who worked in the corporate sector and those who worked in the household sector<sup>1</sup>.

Yet another example of unintended consequences occurred in a recent project in Gambia, which was designed to increase the productivity of rice cultivation and women's share of household income. The approach backfired. By increasing yields, the project promoted commercialization of rice, which, because it involved money, switched control of rice cultivation from women to men. Productivity went up, but women's share of income went down.

What are the implications of these studies for policy? First, if bargaining is a factor in the outcome of a project or policy, it is important to increase outside opportunities for women—to education, outside employment, access to reproductive control—in order to improve their bargaining power in the household. Second, because how you allocate money—who receives the checks—makes a big difference, institutional arrangements can greatly affect the impact of an intervention. Third, aspects of the legal structure also have a great impact on bargaining power. This represents one of the important linkages between the household and society, to which I will now turn.

### *Gender and Society*

Systematic work is needed to understand the broader society to which households belong.

The most difficult aspect consists of the social and cultural norms that define societies. We must take those norms into account in our work. We can also affect them. They're not necessarily exogenous, not necessarily a given. Norms are pliable and can change very fast. At the same time, we should feel nervous about trying to determine these changes for a society, except for, perhaps, in the area of basic human rights.

As I mentioned before, I believe we can have an impact in redefining the legal environment. Many developing societies are now trying to codify their legal structures. How they go about it—in terms of inheritance, divorce, and other laws—can make a big difference for gender concerns.

Attaining a level legal playing field is complicated by often competing systems of customary and statutory law in a society. If too large a gap exists, a set of complications arise. For example, the Bank has encouraged land titling in many places as a means of collateralization and getting better credit markets, and credit markets are important for getting the kinds of inputs that improve economic efficiency. Land titling has unintended consequences, however. Sometimes customary law dictates women control land; land titling, which places land ownership in the formal market, often results in giving title of that land to men. In the process of titling, you may have increased efficiency, but you have also greatly changed the distribution of income between men and women and, as noted above, on expenditures on children, health, and education.

Another area receiving increasing attention is the issue of violence, particularly against women. Female infanticide, domestic violence, dowry deaths, rape—these are all forms of violence that in part result from as well as exacerbate inequities. Why don't women leave violent kinds of relationships? Because they often do not have any outside economic opportunities. Violence is one area for which we really need to think about the interactions of legal structures and economic behavior.

### *Gender and the Economy*

In several ways, the gender gap has narrowed. Wage differentials are down. Differences in education for men and women are reduced. At the same time, large gaps remain, particularly in some regions, for example, large gaps exist in higher education; female mortality and morbidity rates exceed those of men; women are still employed in lower-paying jobs; female wages in developing countries are typically only 60 to 70 percent of male wages; and women work longer hours and have poorer access to a range of productive resources, such as credit, labor, and extension services.

One of the reasons economists have become so interested in the economic issues of gender is because it is an area in which we can increase both efficiency and equity, that is, reduce disparities and improve efficiencies. In Kenya, for example, they found that it doesn't matter whether a farm is managed by a man or a woman, but it does matter how much education a farm manager has. If you increase education for women, the productivity of farms managed by women increases. In Cameroon, farm studies have shown that women allocate more labor to sorghum than rice, because they control revenue from sorghum but don't for rice. Understanding the origins of such patterns can help us design interventions to change those customary practices.

A number of studies show important externalities associated with female education. It increases not only the productivity of the woman, but also that of her children. This fact needs to be considered in allocating expenditures on education. The relationship of fertility rates and education rates is an aspect of the sustainability of development work that has not been studied much by the Bank, but increasing rates of education appear to reduce fertility rates, which helps increase per capita income. We need to think more about this kind of relationship in allocating education resources.

### *Gender and the State*

I'd like to summarize now the issues involved in defining the role of government, the role of public policy, and the role of the Bank in gender and development. First, how we allocate resources—how we transfer income—has enormous impacts on distributing income in the household, not only between men and women, but between adults and children. We have to think explicitly about these factors in terms of specific policies and interventions as well as unintended side effects of policies set for other purposes. Second, we need to identify interventions that will change the bargaining structure, improve equity, and increase efficiency. Third, we need to think about the unintended consequences of our policies and projects on the bargaining relationship, on the distribution of income between men and women, on gender equality—in other words, on the entire set of gender issues.

We will need to do a lot of persuading in this area, so ideas are an essential part of the proc-

ess. That's why research is so important—to understand what is going on and the magnitude of the disparities. Analytic work is an essential but not the only part of this process. For this reason, I have decided to have a Policy Research Report on Gender and Development in Spring 2000. It will explore these issues—systematize them—to help crystallize an alternative model of development that reflects the centrality of gender. In addition, with the possibility of a World Conference on Women in the year 2005—the 10th anniversary of the Beijing meeting—we need to consider a World Development Report on gender in 2004 to help set the intellectual framework for a coherent discussion. We could play an important role in setting the conference agenda.

1. Patricia Apps and Joseph Stiglitz. 1979. "Individualism, Inequality and Taxation." Unpublished mimeo.

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***Discussant: Joanne Salop, Director, Operations Policy and Strategy; Interim Director, Gender and Development***

A few quick observations: *First*, let me say that Joe Stiglitz went well over his allotted time—and I am delighted that he did. To have him speaking with such interest about the economics of gender is a very clear example of our new approach to mainstreaming. We *want* him to want talk so much about gender and development. I am, of course, delighted to have Joe's personal support for a Policy Research Report on gender next year, which we can use as a basis for a World Development Report a few years later.

*Second*, on substance, I welcome Joe's focus on equity, efficiency, and sustainability. Taken together, they provide a good framework for organizing economic thinking about gender. Originally, I had thought that equity and efficiency adequately covered the sustainability

issue, but Joe has convinced me that it is right to add it as a separate issue. Let's face it: Fertility is what is unique about gender. That's why gender evolved. That's why it's different from, say, ethnicity, class, or other sources of social divisions.

*Third*, this has indications for the importance of leveling the playing field. We clearly have to help countries reduce the gaps in education, human capital, and so on, not just for their own sake in terms of equity and efficiency, but also for this critical area of fertility. Indeed, as Joe stressed, fertility decisions are very much at the core of intrahousehold bargaining—where education empowers women. I confess that I was always puzzled by the research finding that in Africa and South Asia, secondary education is the important variable for fertility. Why *secondary* education? I now presume it's an empowerment issue: Girls with secondary education have a better seat at

the family management table, including for the most intimate of family decisions.

*Fourth*, Joe's presentation also brings out very nicely the link between legal issues and social bargaining between men and women. This has fundamental consequences for gender work on the law and economics: How does a woman know a man will honor his commitment to support his (future) children? How can she assure herself of future support in a society without appropriate laws and good law enforcement? For gender, clearly the legal framework and enforcement mechanisms are central development issues. In looking ahead, this has to be an important area of Bank focus.

*Finally*, I would like to comment on Joe's reference to South Asia. Gender gaps vary dramatically with geography across the region. As you go from North to South, for example, the gaps decline—meaning the situation becomes less unfavorable—with this very interesting geographic typology closely tracking the cultural influence of the Mogul Empire in South Asia. The resulting gender differences present a number of interesting and important operational challenges as well as research op-



**Joanne Salop:** *Getting people like Joe Stiglitz to talk about gender and development—and for Joe to even run over his allotted time in doing so—is a very good example of what we mean by mainstreaming.*

portunities focused on the interplay between culture and economics.

In closing, let me thank Joe and Masood—and all participants—for their strong support and commitment to gender equality as central to the development agenda. We have a long way to go on the gender issue, and we will all need to work together to get there.

## Session 2: Gender and the Household

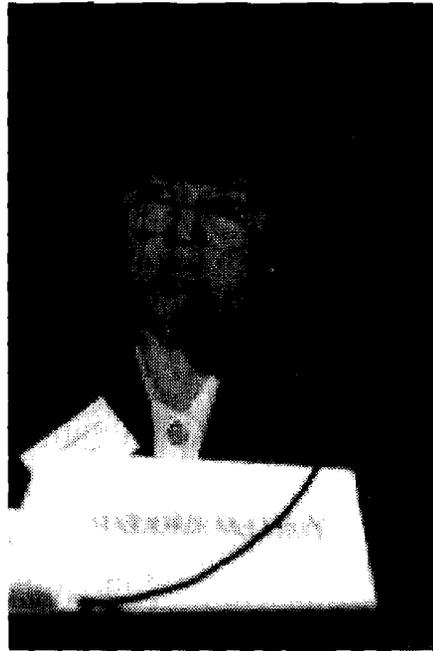
*Chair: Ravi Kanbur (Cornell University)*

*Marjorie McElroy (Duke University)*

You can't imagine what it's like to hear Joe Stiglitz say that the days of the unitary model are over. That was a hard sell twenty years ago. Actually, for many situations, the unitary model may still be useful. So, when do intra-household distributions matter? We have already heard some of the growing evidence. I would also like to refer you to reviews by Strauss and Beall, Strauss and Thomas (1995, 1996), and Haddad, Hoddinott, and Alderman (1997). I would simply add that it is getting harder to assess or design policies to change household productivity or distribution of income without looking at intrahousehold distributions, in particular, those related to intergenerational transfers, fertility decisions, education decisions, and child health.

We should always keep an eye out for who controls what resources in households. In developing countries, this kind of research has been particularly important on nutrition, health, child care, education, and, of course, fertility. All these aspects of welfare carry over to the next generation because they determine who is born, what shape they're in, and how many resources they command.

Many issues in intrahousehold distributions, however, are only partially understood. How do you disentangle the bargaining power of spouses from their past work behavior, accumulation of assets during marriage, and distribution of assets at the time of marriage? Marriage markets determine who marries whom. The surplus of a marriage is split in some way between the husband and wife. Marriage markets, therefore, set the upper and lower bounds of intrahousehold distribution of welfare between husbands and wives; forces that tend to increase the welfare of husbands tend



**Marjorie McElroy:** *It is getting harder to assess or design policies to change household productivity or distribution of income without looking at intrahousehold distributions, in particular, those related to intergenerational transfers, fertility decisions, education decisions, and child health.*

to decrease that of wives. One might, in fact, view marriage as the institution responsible for the intergenerational transfer of gender inequality.

This discussion leads to deep questions that quickly become interdisciplinary. Laws, cultural norms, and traditions influence marriage markets. Household inefficiency seems to go along with gender inequality, because someone sacrifices output to protect his or her own turf. So, how did these laws, norms, and traditions evolve? You can regard them as society's rules of thumb either on how to operate efficiently, reproduce, and sustain itself or, alternatively, on how to preserve gender distributions, that is, sacrificing some efficiency to preserve certain gender inequities.

In many societies, women face more limitations on access to resources and, therefore, more incomplete markets than men. For example, women are often limited in transportation options and on participating in certain markets, entering and enforcing contracts, and obtaining credit, finance, and insurance. Some of the Bank's programs are trying to complete some of these markets for women, for example, in credit. Limitations on access to resources, however, influence a woman's bargaining power in the household.

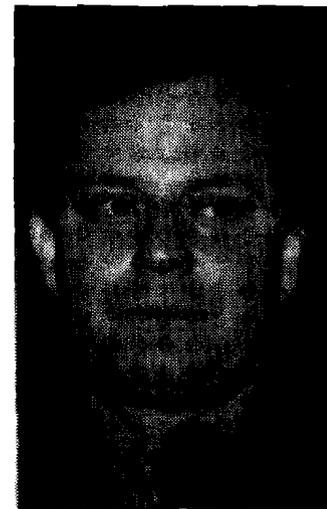
Society's rules of thumb can conflict with sustainability and the reproducibility of the social system itself. The point is that the social system is intimately tied to all household equality and efficiency decisions. Family distribution of resources, marriage markets, the entire legal and social system are intertwined. It's certainly a big order to look at all these things, but, when we analyze new problems or consider new policies, systematic study of these factors can help us so we don't miss important implications.

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***John Hoddinott (International Food Policy Research Institute)***

To reinforce what has already been stated, all the evidence tells us that, yes, it does matter who in the household makes decisions. But understanding intrahousehold allocations is not the whole story. Other factors may be at play in how a poor household allocates food among different members. What may appear to be discrimination, for example, in allocations of calories, may be quite rational. For example, some members might engage in labor, which, although remunerative, is also physically demanding. Because cultural conventions circumscribe the ability of women to engage in these activities, men take them on. Providing more calories to men for this purpose may reflect the best way for households to benefit from work opportunities. In fact, these men may not be fully compensated calorically for the extra hard work they do.

It is important, therefore, to determine not only who is making decisions in a household but what criteria they are using to make those decisions. We need to evaluate those criteria to develop interventions that actually lead to the results we desire. If, for example, we want to improve girls' schooling by shifting more



**John Hoddinott:** *It is important to determine not only who is making decisions in a household but also what criteria they are using to make their decisions. We need to understand these criteria in order to develop interventions that will produce the results we desire.*

resources to women, we need to be sure that women consider girls' schooling a priority.

Research on intrahousehold allocations certainly has implications for policy and project design. For example, if households perceive the cost of educating a girl to be higher than the cost of educating a boy because of the girl's role in household production, one might promote schooling for girls by offering them scholarships to attend school that are not

given to boys. The money actually compensates the household for the cost of the girl participating.

One source of angst on current research, however, is how to tease out how a particular social, economic, and legal environment affects household decisionmaking. In their particular environment, households make decisions according to a set of rules that might involve bargaining, efficiency and equity criteria, and so on. What is going on within society is going to have a great bearing on the way household interactions take place.

In Gambia, for example, a project at first directed measures to irrigate rice at men. Because women cultivated rice, the project flopped. Ten years later, a similar project targeted the women instead. But, unfortunately, the men responded by actively frustrating the objective of the project. In the end, the men—who in this society made and changed the rules—decided that if rice was going to be-

come more profitable, they would take control of its cultivation.

A less depressing example comes from Canada. For years, English common law supported the primacy of the husband in the household. When a couple divorced, men would retain control over all assets and their disposition even if the wife had contributed a great or even major share of the work involved in gaining those assets. Eventually, in 1975, the provincial government of Ontario struck down this aspect of divorce law so that the wife would get half of all assets in the event of divorce. Interestingly, statistics show that the rate of suicide for older women—those who had the most to lose due to divorce—decreased significantly after 1975.

These examples illustrate clearly that there are some very real welfare gains associated with policy and policy changes in intrahousehold allocations.

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**Elizabeth Katz (Columbia University)**

What do we know about the gender dimensions of intrahousehold resource allocation? A fairly consistent finding, which supports the bargaining approach to household modeling, is that greater access to “extramarital” resources enhances women’s bargaining power within the household, with important consequences for the way that labor time and consumption are allocated and for fertility and other household decisions. The precise way in which access to resources matters for household welfare depends on three factors:

- *Exit options.* How well can each person do outside the household?
- *Voice.* How do household members differ in their abilities to exert or express their preferences?

- *Preference heterogeneity.* What differ-



**Elizabeth Katz:** *When you’re in the field, you need to look at every single component from a gender perspective to figure out how to address these issues adequately.*

ences in preferences exist among the people bargaining?

In rural settings, resources of particular importance are land, credit, and off-farm labor market opportunities. More research is needed on how access to these resources affects intra-household resource allocation. Operationally, it's important that projects such as land titling and registration and rural financial and labor market reform integrate gender concerns from the outset and then carefully monitor the gender-specific impacts during implementation.

The "New Institutional Economics," which has yielded significant insights into some of the unique structures of peasant economies, might provide a useful framework for gender analytical work in this area. For example, the observation that small farms have lower costs than large farms in supervising family and hired labor might be enriched by considering the role of age and gender hierarchies in structuring this supervision. In a commercialization scheme I studied in Guatemala, wives were recruited to work on labor-intensive export crops but refused to sacrifice their independent income-earning activities. Instead, they transferred domestic duties to older daughters.

A second example is rural-urban migration, which is now widely looked at as a household labor and capital market diversification strategy. From a gender analytic perspective, one might ask, when young people migrate to the city, what are the differential impacts on men and women in the rural families that stay behind? What does it mean for the gender division of labor and intrahousehold resource allocation when a daughter migrates compared with a son?

What should the Bank do differently to address gender issues? How can one avoid the unintended gender-biased consequences of development policies and projects that Joe Stiglitz mentioned earlier? One approach is to involve gender advisors from the beginning of

a project. We did this in a rural development project I led in Guatemala that involved land tenure regularization, agricultural research and extension, and a small grants program for local-level productive projects. For each component, the advisor made recommendations to ensure that women received equal access to project resources and benefits. None of this was revolutionary, but when you're in the field, you need to look at every single component from a gender perspective to figure out how to address these issues adequately.

Another area the Bank can act on is to collect gender-disaggregated baseline data and to include gender-specific indicators that can be tracked during project supervision and monitoring. When I worked at the Bank, the Women in Development Unit would rate projects only after they were already designed. Things may have improved since then, but that approach was certainly not sufficient to address gender goals.

What do we still need to learn to design better projects and policies? Our knowledge is still pretty rudimentary on the sources of bargaining power in different socioeconomic contexts. We need to identify the factors that affect exit options and voice for women and men in households. If, as policymakers, we can affect outside options, we need to know where we can get the greatest return. Does it make sense to focus on property rights, the legal system, education, or labor market discrimination? To prioritize, we need both time series and cross-sectional studies on the intra-household impacts of legislative changes, reallocation of property rights, human capital programs, credit schemes, and so on. To do these studies correctly, we need to have systematic data collection that disaggregates income, assets, and labor allocation by household member and that develops innovative methodologies to measure voice, exit, preference heterogeneity, and other intrahousehold dynamics.

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***Discussant: Lynn Bennett, Social Development Sector Unit, South Asia***

I must say that I have learned, both from recent background reading and the discussion today, several new words for culture: “superstructure,” “institutional arrangements,” “rules of the game,” and, from Marjorie McElroy’s paper, “extrahousehold environmental parameters” or EEPs. To me, all these boil down to code words for culture.

I want to talk about this forbidden word, in particular an inspiration I had on how differences between men and women become disparities. We start with the biological differences. Women bear children and in general are a little smaller than men. Society turns these differences into cultural constructions that have social and economic consequences. First, there is a strong inside-outside dichotomy. The fact that women bear children is interpreted to mean that women belong inside the four walls of the home. *Purdah* is one manifestation of this. In general, women are associated with the household and the family, whereas men are associated with markets, politics, and everything else outside the household. Women’s access to information, economic resources, capacities, opportunities, therefore, are all mediated and limited by men. Second, smaller physical stature can be linked with gender violence. The economic and political invisibility of women caused by the inside-outside dichotomy creates a vulnerability for women. Violence then can be seen as the ultimate enforcer of gender-based social exclusion.

All this leads to much weaker bargaining power for women. How societies construct the meaning of differences between men and women obviously has huge consequences for the welfare of women, children, and—al-

though this has yet to be proved—the welfare of society, including men. We want to move from the equilibrium of inefficient economic situations in which these physical differences



**Lynn Bennett:** *The economic and political invisibility of women caused by the inside-outside dichotomy creates a vulnerability for women. Violence then can be seen as the ultimate enforcer of gender-based social exclusion.*

are reinforced by society as disadvantages and move to cultural constructions that interpret female and male roles in ways that don’t lead to disparities. Responsibility for kids doesn’t mean blocked access mediated by a benevolent dictator. Smaller physical stature doesn’t mean vulnerability to violence.

The difficulty the Bank has in moving in this direction is that barriers to change are embedded in cultural and social institutions and behaviors that occur within the private sphere of households. The Bank is not seen as having a legitimate right to intervene in the sphere in which gender differences are embedded.

We have begun unpacking the “black box” of household and seen how bargaining between men and women and young and old can affect the allocation of resources. We’ve begun to not accept the household as a black box any more. I’d like to challenge the Bank to move

on to the second black box, which is culture. What we've learned about the household may encourage us to look inside culture, which is important, because household and cultural dimensions are closely linked.

As an anthropologist, I view culture not as something static any more than the household is unitary. Cultures have internal tensions, subordinated and dominant groups. Social exclusion keeps some groups on the outside by gender, caste, economics, home location, language, and citizenship. Part of what anthropologists do is look at how these disparities are negotiated among subordinate and dominant groups. Once we deal with the minister of finance and minister of culture—the guys

who are obviously dominant—we need to understand the subordinate group in that culture as well. The whole business of consultation is to get beyond the official view of who our clients are down to our ultimate clients, the excluded.

Work on intrahousehold allocation is important for the Bank because it shows how the things that affect economics—where we do have a legitimate right to intervene as an institution—also have linkages to the private sphere, the household, and the cultural sphere in which we don't have a legitimate right to intervene. If we in the Bank don't make that connection, we will lose much information on the real consequences of our work.

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### ***Discussion***

Ravi Kanbur opened discussion of the presentations from the first and second sessions by asking the audience to consider two questions: how can the Bank advance interdisciplinary research in the area of gender and development and what specific operational problems have members of the audience faced, whose solution would allow them to do a better job?

Several members of the audience raised points. Marty Chen, a discussant in the afternoon session on gender and the economy, urged more research be done on the impact of widowhood on interhousehold distribution of resources. Another member of the audience pointed out that the Bank tends to hire staff from included groups and suggested finding a way for more Bank staff to come from excluded groups, thereby providing a model to the world. Others again stressed the importance of gender-disaggregated data and the need to understand the variability of women's income in understanding their situation. Someone else stated that expecting women to participate in development projects on their

own time impacted negatively on their ability to participate in economic activities. Men are often remunerated for project work they engage in. So, expectations for participation by gender is an area of policy and research con-



**Ravi Kanbur:** *How can the Bank advance interdisciplinary research in the area of gender and development and what specific operational problems have members of the audience faced, whose solution would allow them to do a better job.*

cern.

One member of the audience cited the need for the Bank to take interhousehold transfers into account in analyses of household negotiations. A number of studies have shown that many female-headed households receive up to 50 percent of their income from outside sources, for example, a son, parent, or former spouse. People also often move between households, for example, children sent to live with relatives. Such information improves perception of bargaining power of women and their control over resources.

Lynn Bennett responded to the question of whether the Bank could support women's organizations at the local and national levels by saying that the Bank certainly needed to understand gender better but not necessarily conduct cultural engineering. What the Bank needs to do is listen to a wider range of voices and give those voices space to negotiate their own solutions.

Marjorie McElroy responded to the point raised on the variability of women's income by saying that a key issue is specialization and household production. Divorce or death of a spouse can automatically reduce the value of part of a woman's human capital, however, there is little social protection for this.

John Hoddinott responded to several questions on how to operationalize what is being learned on gender concerns. He stated that using a top-down approach, working with ministers, for example, to effect change, would make little progress. Instead, he suggested a bottom-up approach, for example, by strengthening women's groups, NGOs, and so on at the grassroots level.

Elizabeth Katz addressed the issue of survey methodology and making empirical tests relevant for policy. Until recently, everyone tried to do the best they could with existing data sets, which might have had minimal disaggregation by gender but didn't really answer in-

depth questions on decisionmaking, preference heterogeneity, and so on and which is now considered quite important. But now, there's a lot of room for innovation in the standard formats of socioeconomic surveys to get better data, and it may not be as costly as some people might think.

A member of the audience who had served as a gender analyst on Bank projects pointed out that, although resources exist to include gender specialists on the preparation and design of a project, little is spent on supervision. Doing so during supervision can ensure that problems don't come up later.

Another audience member underscored the important role of donors in providing the data and analysis in casting light on gender issues. She also stressed the need to identify where one can get the biggest return for limited project resources. When does disaggregation really matter? When will a project really have a big impact? What are our priorities?

Joanne Salop asked whether gender makes a difference in terms of ministerial decisions or public spending decisions? Does it make a difference in the Bank? In addition to understanding allocation within the unitary household, what about the unitary ministry, the unitary government, and the unitary World Bank?

A member of the audience suggested that it is possible to take existing, ongoing surveys and add a module or part that solicits more refined data on gender than before. She also noted that, although she had heard much discussion during the workshop supporting the need for more research, she had heard nothing establishing the case for training. In other words, what research is needed to establish what strategy or methodology that task managers across the board should adopt to address gender issues properly?

Guy Standing, a panelist in an afternoon session, pointed out that many data reproduce

norms—what you think you should be doing, rather than what people are actually doing. The issue is not getting more disaggregated data, it's the appropriateness of the data and how it was collected.

John Hoddinott noted that there's been a big swing of the pendulum in the last five or six years from a lack of belief that, for example, gender control of income actually mattered to a point of view that has perhaps gone too far the other way. It's not correct to say that women always spend money responsibly and men spend money irresponsibly. The real problem is that there aren't at the moment a

series of comparable studies done with comparable data and comparable methodologies. This might be useful for the Bank to consider doing. The Bank already conducts a series of living standards measurement surveys in different parts of the world that follow a common survey methodology and track a series of common types of welfare outcomes. It would be interesting to take a series of these studies, use the same econometric methodology, break income in to male and female control, and look for a consistent pattern across a range of countries.

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## Lunch:

*Host: Sven Sandström, Managing Director*

Let me thank you for coming here today and to this luncheon. We need your help. We need your inputs and your ideas. Gender and gender equality is clearly one of the key priorities or levers for more effective development.

We at the Bank have put together a very effective machine for delivering more effective development. We have restructured and layered our organization, and moved a large number of staff and managers out into the field. We have put together new management teams and are bringing in new and external expertise with ideas and perhaps more energy than many of us old-timers within the Bank. But now we need to focus this machine. To do that, we need your ideas and advice.

After the discussion this morning, it's clear that we are beginning to assemble and organize ideas and proposals on what we need to do analytically, operationally, and in terms of a skills mix and training. We will continue that process through the afternoon. I was particularly glad to hear Joe Stiglitz promise you we would start to deliver on the analytical side

with a Policy Research Report to be completed sometime next year—in effect a mini-World Development Report on gender and gender equality. In addition, the World Development Report 2000 will have a major focus on gender, and we—by that I mean the



**Sven Sandström:** *We have put together new management teams and are bringing in new and external expertise with ideas and perhaps more energy than many of us old-timers within the Bank. But now we need to focus this machine. To do that, we need your ideas and advice.*

Bank and all its clients and partners—we de-

terminated to build an ever strong focus on gender -- bringing together what we have learned and what we have been doing.

Our luncheon speaker is Rounaq Jahan... and I am delighted to welcome her to the Bank. She is well known as an intellectual and activist in the women's movement as well as the human rights movement. She founded Women for Women, a pioneering research and study group in Bangladesh, served as professor of political science at Dacca University in Bangladesh, and is currently a professor at

Columbia University School of International Public Affairs. Among her many other activities, she headed the women's programs at the U.N. Asia Pacific Development Center in Malaysia and at the International Labour Organisation in Geneva. She is also, as you know, a well-known author, including *Elusive Agenda: Mainstreaming Women in Development*, which focuses on, among other things, how international institutions can improve their work on women's issues.

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### ***Rounaq Jahan (Columbia University)***

#### **Gender and International Institutions**

It is indeed a great honor and privilege to have this opportunity to share some of my thoughts with you. Many of us, who consider ourselves to be advocates of gender equality, feel particularly encouraged by the consistent stand of the World Bank's president, Mr. Wolfensohn, on the issue of gender and development. The messages he has been articulating about the development challenges of our time—the challenge of inclusion, creating opportunities for the groups who have been excluded so far, poverty reduction, maintaining investment in social and human development even as we face financial crisis, open and transparent governance, fighting corruption, partnership building, particularly with civil society groups—have also been the messages of the international women's movement. We are particularly pleased that Mr. Wolfensohn does not simply talk about women's development. He articulates a vision of development that is very similar to the visions and values of the international women's movement. Many of us in the international women's movement have insisted that our demands for a voice be heard. We do not simply want to get our share of the

resources; we are also interested in shaping the development agenda.

I was asked to speak on "gender and international institutions," the theme of my book, *The Elusive Agenda: Mainstreaming Women in Development* (London: Zed Books, 1995) and update my thinking on the topic. What I



**Rounaq Jahan:** *We need to know what results the Bank is promising on gender equality and what measures the Bank would use to assess its progress. Defining results and identifying monitoring indicators to assess achievement of results, therefore, is a priority task for the Bank.*

have tried to do in my book is clarify the bilateral development agencies (CIDA and NORAD) and two multilateral institutions (UNDP and the World Bank) in the field of what used to be known as “Women in Development” (WID) and is now called “Gender and Development” (GAD). I look at these agencies’ work roughly from 1975 to 1992–93. You may find some of the findings of the book to be interesting:

- First, on the whole, the two bilateral institutions have taken more initiatives and measures than the two multilateral institutions. One reason for this difference is that public accountability for these two bilateral institutions is much stronger. They are accountable to their parliaments, and members of parliament are responsive to constituency pressure, for example, women’s movements in these two countries. In the case of the two multilateral institutions, accountability is to their governing boards, but board discussions are not held in the public domain. Women’s movements have very little access to these boards. Recently, however, the situation is changing at the United Nations. International nongovernmental organizations (NGOs) and the NGO community as a whole are gaining more access and influence.
- Second, of the four agencies, the World Bank made the least conscious effort between 1975–92. During the Women’s Decade (1975–85), the Bank recruited an adviser but did not give her adequate resources. The Bank began more systematic and systemwide work after the end of the Women’s Decade Conference in Nairobi in 1985. What is encouraging about the Bank is that, after Nairobi, it kept a steady pace of work and, since Beijing, at least the Bank’s president has been consistently placing the agenda on the table. I was very heartened by Mr. Stiglitz’s statement this

morning about the Bank’s planned new initiatives.

- Third, although the two bilateral agencies adopted a lot of measures, many of these were to institutionalize gender issues within the agencies, what I call input-side interventions. But, in this struggle for institutionalization—that is, the fight over scarce agency resources, for example, staff and budget—the output-oriented concerns, for example, changing operations and having impact on the ground, often got lost. Agencies were generally monitoring the input interventions—whether staff have been recruited, guidelines made, training organized, and so on, but there was very little monitoring of whether these measures were influencing the agencies’ own operations. And I found very little impact data.
- Fourth, a large part of the multilateral institutions’ efforts on the issue of gender and development depended on extra budgetary resources, and these were coming from only a few bilateral agencies. These countries, Canada, Netherlands, and the Nordic countries, were also raising the gender issues in the discussion of the governing boards.

When I was working on my book, quite fortunately, I was also asked to prepare two key documents for the Women in Development (WID) Expert Group of the Organization of Economic Cooperation and Development Assistance Committee (OECD/DAC). In 1992, I prepared a concept paper on mainstreaming, and, in 1994, I prepared the synthesis report on DAC’s evaluation of their efforts. I found this contact with the WID Expert Group to be very useful because, even before publication of my book, I could feed many of my recommendations into the DAC members’ ongoing work. I shall not get into the details of my recommendations here because many of these recommendations, for example, the need for

time-bound targets, results, and indicators; national and institutional capacity building; local ownership; and so on, are already on the agenda of international institutions. So, let me now turn more specifically to the World Bank and tell you what I and many others in the women's movement would like the World Bank to do.

Last week, the Bank sent me a number of documents that elaborate the Bank's policy and operational guidelines on gender. I also received in the same packet some statements by Mr. Wolfensohn and Mr. Sandstrom. This morning I listened to Mr. Stiglitz. I found these statements and guidelines to be excellent. The Bank's 1995 publication, *Towards Gender Equality*, very succinctly gathers evidence as to how gender inequalities hamper economic growth and the role public policies can play to close gender gaps. The Bank's two evaluation reports on mainstreaming gender in the Bank's lending notes steady progress. What is more interesting, the 1997 update finds that projects that have gender-related actions achieve their overall objectives more often than those that do not have such actions. And, this morning, Mr. Stiglitz made persuasive arguments for greater investments in women.

I must admit after reading all the documents—the statement from higher management that gives the right directions, policy papers from the Bank that provide an excellent economic rationale, and evaluation reports that note positive performance outcomes—I was wondering whether there is now a stampede among Bank staff to get on board on gender issues! Are bank officials practicing what the management and policy and evaluation reports are advocating? Because I do not have any recent empirical data on the Bank's performance, I do not want to draw any conclusion myself. I certainly would urge the Bank, particularly the management, to monitor the Bank's practice closely. We are all eagerly waiting to see how the Bank will

translate its policy intentions into concrete actions.

We are very heartened that the Bank's president is talking about being judged by results on the ground. This is a move in the right direction. But, if from now on we are to judge the Bank by results, we need to know what results the Bank is promising on gender equality and what measures the Bank would use to assess progress toward achieving the results. I consider defining results and identifying indicators to assess achievements of results to be a priority task for the Bank.

Many of us who are concerned about getting results also know that monitoring quantitative results is easier than qualitative results. I hope very much that in elaborating the results of gender equality, the Bank will identify both quantitative as well as qualitative measures. Quantitative targets for closing gender gaps in certain areas of human development, for example, education, health, and nutrition, are relatively easy; we should have targets and timetables for these. But, equally important, is to establish some measures of qualitative processes and results on consultation, participation, voice, and empowerment. It is true that the Bank is now moving toward more participation and consultation, but I find that, whereas this kind of stakeholder consultation often takes place during the design phase of a program, after the program is designed, not much attention is given to instituting mechanisms to involve stakeholders in implementing projects. Much more needs to be done to resolve this problem.

This morning, Mr. Stiglitz very effectively elaborated on the equity, efficiency, and sustainability arguments for addressing gender issues. What I would like to highlight now is how in practice the Bank can do a better job.

*Policy dialogue.* The Bank should use policy dialogue more effectively to raise gender issues with counterparts. The Bank is already using dialogue, but many of us who have been

present in these dialogues feel that policy advocacy can be done more effectively. In many situations, gender issues are not raised as central concerns but only as marginal issues. Often the argument of “cultural sensitivity” is used for not strongly advocating gender equality and equity issues. But states and development cooperation agencies have often arbitrarily used the term “culturally sensitive” for telling people how many children they should have. But the international agencies (and our government) did not feel constrained by “culture” when they advocated for the need to adopt the norm of two children per couple. I have often wondered what would have happened if we had put on a similar campaign for the past twenty years with other kinds of messages—messages for girls’ education and women’s empowerment, for example. Actually, in many developing countries, civil society groups, including women’s organizations, are quite willing to advocate on these issues. We should bring them into partnership to raise gender equality and equity issues.

*Country Assistance Strategy.* The Country Assistance Strategy (CAS) is another important instrument that the Bank can use more effectively to advocate gender equality and equity issues. Often gender issues are noted under a separate heading on “cross-cutting issues.” But the implications of this cross-cutting issue are not systematically drawn in other sections of CAS reports.

*Project design.* Increasingly, Bank projects are addressing gender issues in project design.

### **Session 3: Gender and Society**

***Chair: Gloria Davis, Head, Social Development Family***

But here again, the project often asserts it will benefit women when the project design in many cases does not identify specific actions to address gender inequality.

*Monitoring and accountability.* Again, a lot of work is still needed to develop performance indicators for monitoring and accountability. If the management is serious about closing the gaps between design and implementation, policy and practice, this is an urgent task.

Let me conclude on a note of optimism on the progress I have seen personally in institutions. In the late 1970s, I was very interested in teaching a course on Women and Development. But the leading U.S. universities did not see a market for such a course at the time. But, when I returned to the United States in the early 1990s, I found a complete change in attitude of university faculty and administration. At Columbia University, where I now teach a course on Gender and Development, there is tremendous student demand for such a course. Of course, the faculty and administration are now keen to have such a course in the curriculum. So, the university administration had to change when the market changed.

My final plea to the management and staff of the World Bank is: please look around! The world has changed. The market has changed. People want different kinds of products. If the Bank does not change, there will be no market for the Bank’s products, and the Bank will be out of business.

**Robert Picciotto, Director General, Operations Evaluation**

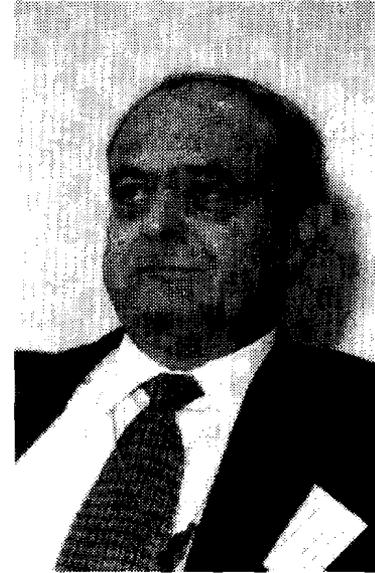
### **Gender and Social Capital**

In my presentation today, I am calling for more research at the intersection of gender and social capital. Both topics are missing links to development. Both have not been very visible in the social sciences or development practice.

Let me first define the two terms. Gender places cultural significance onto sexual identity. Social capital is the capacity to work together in associations and organizations. The term social capital is coming into its own as part of the broad movement on institutional economics. This is fortunate, because three misconceptions have been shattered. The first is that the family is an irreducible unit of analysis. Second, the patriarch has been assumed to act rationally on behalf of all members of the family. This avoids the issue of violence in the family, and the theory of gain within the family is not analyzed. Third, the value of women's labor in the home has not been accounted for because it's not part of a market, a mistake worth roughly \$8 trillion.

The thesis I put forward is that the status of women is positively correlated with economic productivity and harmony, not only because women constitute an untapped reservoir of energy and skills, but, more important, fair and inclusive gender relations can create social capital. A gender gap in education deprives the network of knowledge. The network of work, which is also important for social capital, is also deprived by a gender gap in the paid labor force, which is large and understated because women only get low-paid work. In the political network, only 11 percent of parliamentary positions globally are held by women. In general, then, no country has eliminated gender discrimination. This problem, outlawed in 1948 by the Commission on Human Rights, has yet to be tackled seriously.

This gender discrimination depletes social capital, the valuable capacity of societies to work toward common goals. Why is this so? Social capital—as much an asset as physical, human, and natural capital are—can make the other forms of capital work more efficiently by facilitating coordination and reducing



**Robert Picciotto:** *Unless you bring in women, the shaping of the twenty-first century, which is largely based on issues of public goods, is not going to be realized. Because gender matters to social capital relations, development potential is closely connected with the status of women. The better a society treats its women, the greater the social harmony and the higher the economic productivity.*

transaction costs. The more social capital is based on partnership, which requires trust, the more transaction costs decline. Because working in partnership tends to be a more female attitude, experience, and asset in terms of skills, trust is inexorably linked to gender. Therefore, gender discrimination depletes trust, hinders family relations, restricts social networks, and depletes social capital. If you have a system in which women are confined to the home, you really cannot expect to build much community social capital.

Development interventions require a mix of skills, ranging from the competitive to the

collaborative. Depending on the nature of the goods produced and if we decide that global or national public goods are in short supply, you also need to include more participation and fewer formal contractual relations. You need to organize things on a smaller scale. It seems to me that, unless you bring in women, the shaping of the twenty-first century, which

is largely based on issues of public goods, is not going to be realized. Because gender matters to social capital relations, development potential is closely connected with the status of women. The better a society treats its women, the greater the social harmony and the higher the economic productivity.

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*Jo Beall (London School of Economics)*

### **Gender and Social Exclusion**

I would like to explore the implications of using a social exclusion framework to analyze and address gender issues in development. The term social exclusion, which has its origins in Europe, has had different meanings. Colloquially, social exclusion can refer either to kicking out the excluded or depriving people of certain rights. The first definition is relevant to the European context, referring to people excluded from labor markets and welfare benefits with the decline of welfare states. The second definition is more relevant to developing countries, where the poorest have never participated in labor markets nor had access to welfare benefits in the first place.

When applied to the analysis and practice of social policy, the definition of social exclusion has evolved. Lenoir referred to it as the rupture of the social bond between the state and those living at the margin.<sup>1</sup> This entails a social contract between the state and citizens and is relevant to current global structural change, in which processes of production and exchange are altering dramatically, leading to long-term unemployment.

What has come out of Europe and diffused to the South combines the Anglo-Saxon concern for poverty and access to resources through an individualistic vision of society with the re-

publican model from France based on a notion of social solidarity. The concept of social exclusion implies a process of multiple deprivation that involves individuals, groups, or entire communities, facing low income, job insecurity, poor housing, family stress, and social alienation. They may be wholly or partially excluded from participating in social, political, and economic life. This view of so-



**Jo Beall:** *Governments bestow rights and citizens can demand them. Are development agencies in a position to bestow rights? Should they **only** work with governments who have a good human rights and women's rights record? Should they work with organizations in civil society who are fighting for these rights?*

cial exclusion regards deprivation as not solely based on poverty or income or access to resources but also on identity and social rela-

tions, a potentially useful framework for analyzing gender.

What is the advantage of a social exclusion perspective in the context of the South? Is yet another Eurocentric term useful? According to DeHahn and Maxwell, it offers an opportunity for dialogue and cross-fertilization between North and South: disadvantage is growing in the North and persistent in the South, and inequality is growing in both places.<sup>2</sup>

A criticism is that analysis of social exclusion implies that the solution is social inclusion. But, do we want to impose uniformity in the face of social diversity, including diversity between women and men? Despite this potential pitfall, the term has analytical advantages. A positive way to look at it is to link it to a rights-based rather than an exclusively needs-based approach. This is in tune with new trends in development cooperation in general and approaches to gender issues in development in particular.

How does the above discussion relate to gender? Early work on women in development (WID) was indeed characterized by a rights-based approach: the right of women to work, participate in public life, make reproductive choices, and so on. This gave way to a poverty focus due to a general shift to a basic needs approach. In addition, the development establishment viewed the rights-based approach as more threatening, and many women in developing countries were more concerned with daily survival issues than individual rights.

A social exclusion approach accommodates the shift in thinking from a needs-based approach to also include a rights-based approach to gender issues in development. The Beijing Platform for Action tried to bring these two together, but a WID-type, liberal focus on individual rights prevailed, other than a notion of rights associated with "social solidarity" that was more closely related to citizen rights. This is still something that needs to be incorporated and understood within the context of

development. A social exclusion approach can add value here.

The social exclusion agenda also accommodates notions of equity and difference along with concern about rights. This in turn accommodates gender-aware policy in the context of development cooperation. Some, such as Cecil Jackson, argue that there are dangers in the way development cooperation has linked gender and poverty so closely.<sup>3</sup> Undoubtedly, poverty, like social exclusion, is a gendered experience, but in the context of development cooperation, we have to ask whether development institutions should intervene outside of a concern with poverty. Governments bestow rights, and citizens can demand them. Are development agencies in a position to bestow rights? Should they *only* work with governments that have a good human rights and women's rights record? Should they work with organizations in civil society that are fighting for these rights? These are some of the questions I would pose to the Bank in relation to its work on gender.

We know that development cooperation is not that simple. Poor women have not been reached because of social and institutional relations, not just lack of resources. We also know that empowerment approaches to poverty have not just reduced need but enabled poor women to engage in civil action and claim social, economic, and political rights. If a social exclusion analysis can reinforce these approaches, all the better.

Gender is perhaps the most common fault line for social exclusion. But we cannot look at gender without looking at the role of men as well as women and at the relations between them. The value of the social exclusion approach is that it has shown that men are also excluded. For example, women are replacing men at work in many European steel sectors. There is always a danger that women's issues will be marginalized by an increasing focus on men, but if we fail to focus on men, we

will not be able to move beyond the gender debates of the 1980s.<sup>4</sup>

1. Cited in G. B. Rodgers, C. Gore, and J. B. Figueiredo. 1995. *Social Exclusion: Rhetoric, Reality, Responses* (Geneva: International Institute for Labor Studies).

2. A. DeHahn and S. Maxwell. 1998. "Poverty and Social Exclusion in North and South." Editorial. *IDS Bulletin*. 29(1), January.

3. Cecil Jackson. 1996. "Rescuing Gender from the Poverty Trap." *World Development* 24(3): 489–504.

4. Other sources for this paper include:

J. Beall. 1998. "The Gender and Poverty Nexus in the DFID White Paper: Opportunity or Constraint?" *Journal of International Development* (*[Forthcoming?]*).

A. DeHahn. 1998. "'Social Exclusion': An Alternative Concept for the Study of Deprivation?" *IDS Bulletin* 29(1), January.

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### ***Caroline Moser, Environmentally Sustainable Development, Latin America***

#### **Gender and Violence**

Violence is a highly complex and context-specific topic. Communities and policymakers may not share the same definitions of violence and, therefore, their priorities may differ.

Work on this problem has come up with three categories—social violence, economic violence, and political violence—and a number of subcategories.

People usually think that violence and gender refer to domestic violence, between two partners in a household, usually by men against women. Furthermore, economic and political violence are usually regarded as violence outside the household by men against men. I'd like to highlight some issues that show, I think, that *all* violence is gendered.

This has become a critical issue because violence is extensive and becoming pervasive, although data on the problem need improvement. For example, in one Ecuadorian city, one of five women had been attacked on a bus. In Metro Manila, six of ten women who had been widowed were so because their husbands were killed in violent fights in bars. The problem of violence has enormous implications for policy because of its links with poverty, inequality, and exclusion. It also affects sustainability. Violence is now recog-

nized as a development problem, so let's turn to its costs.

A lot of work has been done on the direct and indirect macroeconomic development costs of violence. I won't get into figures, but they are very high. Work is also being done on the costs of domestic violence. For example, one recent study in a Latin American country



**Caroline Moser:** *The problem of violence has enormous implications for policy because of its links with poverty, inequality, and exclusion. It also affects sustainability. Violence is now recognized as a development problem.*

showed that women who have experienced violence earn 38 percent less than women who don't.

At the micro level, we are looking at how violence erodes the assets of the poor: labor, human capital, and productive assets. Violence can also affect household relations and work as well as social capital. Why does that matter? The argument goes that the fewer assets poor women and men have, the more vulnerable they are. We need to understand how violence increases or erodes the assets of the poor and identify how assets are gendered and affected by different types of violence.

What are some of the socioeconomic costs of different types of gendered violence? I want to start with political violence. In Chiapas in Mexico, Liberia, and Bosnia, pregnant women have been targets as the bearers of future fighters. Another example is the forcible displacement of families by war. Men seem to cope much better than women with the trauma involved, whereas women cope better after they relocate. They recreate social networks and capital faster than men. When the men lose their land, however, they feel they have lost their identity. NGOs working with displaced people often focus on women and children; little is done to address the trauma for men.

Economic violence involves anything from gangs to criminal activities, drugs, and so on. In Jamaica, we found that lack of work and employment opportunities cause poverty that directly affects levels of violence. But gender-based differences also existed in the perception of how unemployment relates to violence. Men said that unemployment led to involvement in gangs, stealing, getting imprisoned, and so on, unless they migrated. Young

women in the same community saw unemployment as leading to pregnancy, dependence on men, abuse, and other violence. Programs can reinforce such gender-based differences. Programs for at-risk teenage boys often center around employment, skills, and sports. Programs for girls often prioritize teenage pregnancy.

Social violence involves not only male-female violence but also adult-child violence. In Ecuador and Hungary, domestic violence was identified as the most important reason for household restructuring. But this also reduces the capacity of the household to maximize the use of its assets.

Let's look at future challenges. You may have noticed that I have not discussed the causes of violence, but, of course, understanding them is both important to finding solutions and difficult because many disciplines are working on the question with different target groups. We have, therefore, been thinking about a holistic framework. Lori Heise has looked at what she calls an ecological framework that addresses different causes at the individual, interpersonal, social community, or societal levels. This is important, because the determinants of one type of violence can affect other types of violence. In El Salvador, as political violence decreased, economic and social violence increased. Likewise, recommendations on how to affect one type of violence may or may not reduce other types of violence. So, we're trying to understand the relationship among causes, impacts, and interventions.

## ***Gita Gopal, Africa Technical Human Development***

### **Gender, Law, and Society**

Urgent action is needed to improve the social status of women, and law can be an important tool, which I was glad to hear Mr. Stiglitz reinforce this morning. Law empowers women. It sets the rules of the game. It creates obligations and enforceable rights. At the same time, by and large, legal reform has failed. The challenge before us is to understand how we can effectively use law for positive social change.

Now, within the Bank, I see two approaches that use law for social change: the traditional or rights-based approach, mentioned by Ms. Beall, and an “untrodde” approach. The first approach has failed; we are now testing the second in the Eastern African region. Let me give you some examples:

I’d like to read you something: “The progress achieved by Ethiopia requires the modernization of the legal system so as to keep pace with changing circumstances.” That sounds like an SAR for an Ethiopian project or a CAS, but it is actually in the preface to the Ethiopian civil code, which was introduced by Haile Selassie in 1960. Although maintaining husbands as the heads of households, the new code provided much greater security for women. It gave them many more rights, especially economic rights over property and resources within the household. However, after promulgating a new constitution in 1995, the government of Ethiopia is now asking itself, does the constitution include women? The answer is that it effectively excludes them. The new constitution once again recognized customary practices [*regarding women?*], which had been completely invalidated in 1960. When the civil code was passed, however, everyone just sat back. They felt, by adopting a new civil code, everything had been done. In reality, nothing had happened at



**Gita Gopal:** *Law empowers women. It sets the rules of the game. It creates obligations and enforceable rights. At the same time, by and large, legal reform has failed. The challenge before us is to understand how we can effectively use law for positive social change.*

the grassroots. Today Ethiopia is back using the rights-based approach, back to square one, debating and discussing, and we are discussing it with them.

In Kenya, land was once communally held. The husband had the right of reallocation, but he did not own the land. Then, the British introduced a system based on titles, in contrast to the system based on use. They registered the land, entrenching and legitimizing the greater exclusion of women. Women suddenly did not have the right of access to land. Men could sell it by their own free will. They could gift it. They could lease it. This system continues today in Kenya and India.

In India, the government abolished the dowry system, the only real right that Hindu women had. They said, we’ll give women equal rights, so why do they need a dowry? What they forgot were the cultural underpinnings. The only real property that Hindus recognized

for women was the dowry. Women were excluded.

The moral of these stories is that the rights-based approach can create a sense of exclusion. In all cases, it may have been well intentioned, but the unpredictable and distorted impact was women's exclusion. In East Africa, we are shifting our approach. We are listening to the voices of African women. We are trying to develop or design operations that will help people make an informed choice, an approach particularly suited to the trend to decentralization and regionalization that is sweeping across eastern Africa.

To illustrate this, I'd like to talk about female genital mutilation (FGM). The traditional approach would have been to ban FGM. But an Ethiopian minister asked: who is the victim? If you put all the mothers and grandmothers,

who are the ones who actually do it, in jail, you also penalize their children. The new approach is to listen to the women. As a result, a new process of circumcision is taking place in Kenya. It's a one-week process in which the community gets together and talks about the cultural traditions and practices behind circumcision, but they don't actually do it.

What are the implications for the Bank? Stop talking and start listening. Provide tools and resources to facilitate participation and dialogue. We also need to provide countries with information and knowledge. We need to gather empirical evidence, analyze it, and present it to countries. We also need, as was said this morning, to develop means to measure participation. It's not easy, but we need to do it. In East Africa, we are now operationalizing this new approach in several cases.

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***Discussant: Shanta Devarajan, Development Research Group***

I'd like to refer back to the three criteria Joe Stiglitz mentioned this morning—equity, efficiency, and sustainability. They provide a framework for looking at this extremely interesting quartet of papers.

In terms of what Bob Picciotto was saying, I don't think it's an accident that we start with equity, because that is still the fundamental issue in gender and development. We should not forget that economists have no problems doing things for equity reasons. We are not always looking for both efficiency and equity gain. Many or most policies are based on purely equity reasons. Of course, they have a cost, which might be efficiency, so we need to weigh those costs against other uses of our resources.

Jo Beall nicely elucidated that equity perspective in talking about the different definitions

of social exclusion and how they have evolved over time. I say this because Bob and, to some extent, Caroline Moser were trying to create efficiency reasons for looking at gender and social relations questions, but you don't need those arguments. The equity argument may have a role in itself. And Bob conjectured that gender discrimination led to a de-



**Shanta Devarajan:** *The issue of violence is not just about women who were actually affected by violence but also those potentially affected. If we look at it with this perspective, the returns from efforts to reduce violence become much greater.*

cline in social capital, although he said we haven't proved that yet. Even if we haven't, it doesn't mean we shouldn't be dealing with problems of gender discrimination. I can think of situations in which social capital is actually enhanced by the presence of gender discrimination, for example, Cameroonian *tontines* or credit schemes for women. Many women are forming associations to escape family problems, such as family violence. Similarly, in Caroline's interesting presentation on violence, the macro evidence might be useful, but what if it went the other way? I don't think that says we shouldn't do anything about violence. So, in terms of what we do about the problem, I think equity and rights and justice make up the bottom line.

One efficiency argument has been neglected in all these presentations, that is, the avoidance of risk. A recurring theme in all these presentations is that, in addition to the direct harm that women face, they also face higher risk. The issue of violence is not just about women who were actually affected by violence but also those potentially affected. If we look at it with this perspective, the returns from efforts to reduce violence become much greater.

I'd like to go out on a limb and say that one thing missing in all the presentations was that the market is a potential solution as well. The market can be very powerful. There's a nice paper by Jean-Paul Azam on how the minimum wage actually solves a coordination failure on wages between men and women in rural markets. This is garden-variety economic policy. I'm surprised that people haven't

looked at those as potential ways of addressing the problem. When we talk about social exclusion, we need to ask what is the distortion that's preventing free trade between excluded and non-excluded groups? Frequently, some of those distortions are government-induced. Perhaps, we should intervene and try to get rid of them?

I think that Gita Gopal's remarks on participation are for the most part well taken, but, like all economists, I look at the costs and benefits, the equity and efficiency costs that participation can have. On the efficiency side, if you have an externality between two groups, if you allow one group to decide what to do with a particular project or expenditure, it could spill over and hurt the other group. On the equity side, the more you decentralize, the more participation you allow. You might improve equity within that group but also hurt intergroup inequality much more.

Another discussion I missed in this group of presentations is on the issue of norms. Economists tend to take norms as given when they do their analysis. But then we come up with conclusions that might actually be dangerous. There are also situations in which norms themselves are endogenous; they are actually changing. How can we do any empirical work if the one thing we hold exogenous is now endogenous? We would have no way of making estimations. It goes back to what Joe was saying this morning. If we don't understand how norms are changing—and norms do change—we may be getting the direction of policy wrong.

## *Discussion*

Gloria Davis opened up the session to questions and statements from the audience. One member of the audience noted that many contradictory values exist in the kind of relations one finds within the household and community. Working in poor neighborhoods, you don't necessarily find trust and sometimes just its opposite, because scarcity of resources leads to mistrust that others will want to steal what you have. There is danger in idealizing women's value and household unity.

Another member of the audience noted that often the Bank is pleased that modernization is producing a lot of economic benefits but does not have any way of acknowledging or quantifying all of the traditional benefits and protections that are being lost.

Someone else noted that the panel seems to disagree on whether a rights-based approach is good or bad. Although the rights-based approach could lead to discriminatory practices, she thought the Bank could promote empowerment and bottom-up approaches that guarantee or inform people about their rights and also provide loans for institutional reform that give people access and recourse so that these rights are guaranteed.



**Gloria Davis:** *Social development involves changes in relationships, and no relations are changing more dramatically than gender relations at this time.*

Gita Gopal said that she was not necessarily opposed to a rights-based approach but why not make it a choice? Let the people who are being governed by these rights decide if they want the rights-based approach. She advocated a process that would move from a focus on norms, which are rights-based, to a focus more on process.

## Session 4

*Chair: Lyn Squire, Director, Development Economics*

*Lourdes Beneria, Professor of City and Regional Planning, Cornell University*

### Gender and Economic Restructuring

One of the problems we have had in the past is that we have analyzed gender issues—and organizations have approached gender issues—by “ghettoizing” them in a women’s session or section, as if gender was about women. Gender, however, is a relational category. We need to take that into consideration at all times, even when we talk about gender and the economy. We can only talk about the wage gender gap if we relate women’s wages to men’s wages. If we talk about a high female-male ratio, we also need to talk about the cultural practices and norms behind it that relate to men and women.

This is important to what I’m going to say about gender and economic restructuring, because I start from the notion that the economy is a gendered structure. It is not static but constantly changing. So, how do gender divisions actually affect economic transformation? A typical example is the existence of an untapped labor force in many countries attracting foreign investment due to low female wages. Economic transformation is connected to initial gender divisions existing in a country. Even governments have used this to attract foreign investment.

On the other hand, economic change has an impact on gender division, on the shape that gender takes, on the meanings of gender. For example, restructuring along the United States-Mexican border since the 1980s has defeminized the labor force in the region. Men, who once saw certain jobs as female



**Lourdes Beneria:** *The World Bank has a crucial role to play in thinking through the kinds of social action programs that are needed to deal with rapid economic restructuring and transformation.*

jobs, now see them as male jobs. Economic restructuring has had an impact.

Now, I’d like to summarize a case study on industrial relocation in which I have been involved to make discussion of this topic more concrete. In 1992 Smith-Corona Corporation announced its relocation from Cortland, New Mexico, to Tijuana, Mexico. This eventually affected almost 1,000 workers, two-thirds of which were women. Our study followed the labor market trajectories of the laid-off workers for three to four years. The average Smith-Corona worker was a rural, blue-collar woman with twenty-two years of experience. The company’s main product was typewriters.

In the process of relocation, workers found new jobs quickly, but the earnings distribution changed dramatically. Although the large majority of workers experienced downward job mobility, one-fifth of them did better. The average loss of earnings was \$8,000 per worker; for men it was an average of \$9,000. However, the loss for men represented only 26 percent of previous earnings and, for women, 35 percent, so women lost more than men. In this way, economic restructuring led to an increase in the gender wage gap in that community. This may provide an idea of why the gender wage gap in the United States has widened since 1993.

Now, on the Tijuana side, the story is just the opposite. Smith-Corona decided to employ fewer people, so relocation also meant downsizing. Women were also the majority of workers hired. Smith-Corona found, however, that workers lacked skills, so education and training programs were needed. Interestingly, after five years, Smith-Corona sold the Tijuana plant and is now reorganizing into a virtual corporation that will not undertake any production. Instead, it will subcontract everything out and sell the product under the name Smith-Corona. So here is more restructuring, rapid restructuring.

This case study, with its decrease in earnings and polarization of income, is typical of those in the literature on industrial relocation. What lessons can we learn from them? First, we

must constantly monitor rapid changes to come up with stylized facts, that is, do empirical research that allows us to see the similarities and differences from case to case. Second, the costs of relocation are borne almost exclusively by the dislocated workers. Economic restructuring speeds up labor market flexibilization but without the appropriate social programs to deal with unemployment and problems felt at the household level, job instability, relocation problems. Third, in this era of rapid global change, elaboration of social protection programs is important. I know that some argue that social protection slows down the speed of labor market adjustment, but we don't really have evidence for that and, even if it does, efficiency conflicts with equity. Which are we going to give priority, and how can the winners compensate the losers? Fourth, education and training programs are extremely important for workers to adjust to relocation. Fifth, trade and economic restructuring can lead to feminization, linked to what has been called the downward trend adjustment. I want to point out, however, that there are also processes of defeminization, for example, linked to technological change.

I will conclude simply by saying that I think the World Bank has a crucial role to play in thinking through the kind of social action programs that are needed to deal with rapid economic restructuring and transformation.

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***Guy Standing (International Labour Organisation)***

### **Transformation of Jobs and Employment**

In a paper I wrote ten years ago, entitled "Global Feminisation Through Flexible Labor," I argued that the spread of flexible forms of labor were encouraging the growth of fe-

male employment and that the absorption of women into mainstream labor markets was encouraging the process of flexibilization. This was not necessarily "good news" for women, even though women have been taking a growing share of jobs in much of the world. The fact is that men's position had deteriorated. It is interesting to consider what has happened in the past ten years.

The twentieth century has been the *century of the laboring man*. It began with the clamor by workers and unions for the rights of labor, for dignity and freedom from the drudgery of labor, for men. By mid-century, unions and political parties were demanding the right to labor, through elevating full employment to a pedestal, meaning the full employment of men. Gradually, that has given way, and as the end of the century approaches, policymakers everywhere are talking about the duty to labor and welfare reformers are eager to push young mothers into jobs. Surely, the twenty-first century will see a rethink.

For most of this century, two developmental models have dominated analysis and policy. Under *state socialism*, women were expected to be like men in their laboring role and were also expected to work a “double working day.” The other model has been *welfare state capitalism*, which was based on the full employment of men, a presumption of a nuclear family as the basis of social policy, social insurance oriented to male “breadwinners,” and state transfers to cover “temporary interruptions of earning power.” In both models, the essence of labor policy could be summarized as the promotion of seven forms of labor security—labor market security, employment security, job security (which refers to a niche in production, a definable set of tasks), work security, skill reproduction security, income security, and representation security. Both models gave the first form primacy, through the pursuit of full employment. Most other forms were privileges, benefiting “insiders,” who happened to be mostly men.

In the past two decades, both models have been fading. State socialism has had its many failures. Welfare state capitalism has also been crumbling, both in terms of capacity and legitimacy in industrialized countries and in terms of its appeal in developing countries as a long-term goal. The problems began when countries could not handle diversity, when they were no longer able to presume house-



**Guy Standing:** *labor markets around the world have become more flexible, casual, and insecure. Women are taking the growing share of the jobs, and men are losing out in many traditional forms.*

hold and family norms—and incidentally, I am sure the “household” is not appropriate as the unit for analysis of gender issues—while the labor market was becoming far more heterogeneous. Pressure to cut social spending and turn social protection into “social safety nets” has led to more selectivity and more, rather than less, statutory regulation of economic and social behavior. There is no such thing as a “deregulated labor market.” The dominant forms of regulation have changed from being procollective, protective, statutory regulations to proindividualistic, market-oriented and fiscal regulations. Tax and benefit systems have been transformed into mechanisms to control behavior or give incentives to some types of activity and disincentives to others.

These changes have accentuated labor market insecurities, which have not been the same for women as for men. Although women have had to face such insecurities for generations, many more men have been exposed to them.

We must look at this as a gender issue, not an issue just concerning women.

As for “feminization,” the conventional statistics—and I do not like them—do indicate that the trends identified in the 1970s and 1980s have continued. Updating tables given in the original article, one finds that in more than 70 percent of the countries for which we have data, the female labor force participation rates rose, whereas in more than 70 percent of the countries, the male participation rate fell. The ratio of female-to-male unemployment has gone down in a large majority of countries (82 percent of industrialized countries, 73 percent of developing countries), and, in a substantial minority, male unemployment is now higher than female. This does not mean that women’s situation has necessarily improved. Indeed, in many countries, female unemployment has risen, but male unemployment has gone up more.

In approaching assessments of labor markets and gender dimensions, we must focus on forms of flexibility and forms of insecurity. In doing so, let me plead for us to escape from four dualisms:

- The dichotomy of economically active and inactive has never been satisfactory and has become increasingly inadequate. The labor force approach to labor statistics was an outcome of the 1930s and the Keynesian revolution. It is ripe for revision.
- The dualism of formal and informal sectors is misleading and a source of confusion. Labor market flexibility means, among other things, that formal enterprises are informalizing, through casualization, out-sourcing, subcontracting, and so on.
- Regulation versus deregulation is also misleading. There are types of regulation (statutory, voice, and market) and forms (protective, promotion, restrictive, fiscal, and so on).

In connection with the first three dualisms, I believe there is much progress to be made in gender and labor market analysis by reconsidering diverse labor statuses and forms of *control*. The diagram put up here tries to capture this, which could be elaborated in much more detail than is possible in the time available. It is not just a question of women having control over income, which has been emphasized today and quite correctly. One should also consider control over their own labor power, work time, means of production, raw materials, output, and proceeds of output and skill. In any labor market in the world, mechanisms exist that control the ability of men and women to develop and apply their capacities. Women, we know, suffer from more forms of control. The trouble is that we have no systematic information on the mechanisms, let alone the welfare and productive consequences.

- The fourth dualism is the *deserving* versus *undeserving poor*. This old, discredited distinction has crept back into the welfare-to-work debate in industrialized countries, and has also spread into ministries of labor in developing countries and with a vengeance in countries of Eastern Europe. It has been encouraged by the drift to selectivity in social and public policy. The euphemisms are loaded. The ideas of targeting, social safety nets, selectivity, multi-tierism, conditionality, and so on, all mean making more judgments and imposing more conditions on people who may want or need social protection. We must be very cautious about going down this road. The more you target, the more you use means tests and behavior tests, and one fears that the outcome will be exclusion of many more of the vulnerable and destitute. It is perhaps a shame that we have not incorporated these issues into the debate today. For gender and labor market relations, they are vital.

Finally, I have two requests or proposals. First, we need to do far more statistical and analytical work on the *demand* side to assess how labor markets actually pattern gender outcomes. In the past decade, we have been designing and implementing Enterprise Labor Flexibility Surveys, which have been applied in more than twenty countries. Among other things, they enable us to assess the different forms of discrimination and disadvantage that take place in connection with the employment function. Often the critical point is not at the entry level but at some later point, as with training or mobility or forms of remuneration or access to benefits. If you want to know where to focus on policy interventions, the crude data that we typically have at our disposal are usually woefully inadequate and quite possibly misleading. We can make a lot of progress in this area, and I hope that in the next decade such surveys will become the norm around the world.

The second request can be illustrated by a story about one of the largest countries in the world, on which I have recently completed a book, which has a cover photo of a woman factory worker bleakly staring at the camera.

In the 1990s, this country experienced a 40 percent drop in GDP. The World Bank and others said there was only 1.5 percent unemployment. In our surveys, we found firms slashing jobs everywhere and mass unemployment. But, more serious, male life expectancy at birth plummeted by seven years, so that by the middle of the decade the average was only 58 years. Women's life expectancy also dropped but by about one year to 72 years. The mortality rate for men aged 25–44 rose by 68 percent, male suicides tripled, and the number of men in prison rose by several hundred percent. Women friends in this country tell me that women are stronger. I would not wish to go into that. What we can be sure about is that men have been traumatized by the stress of economic adjustment. The point here is to plead that we should focus on gender relations and gender patterns, not solely on women. In most places, concern for gender equality means giving much more attention to improving the position of women. Yet the world is changing. We should focus on *gender* equality, because that is what is required.

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***Marguerite Berger, Chief, Microenterprise Unit, Inter-American Development Bank***

### **Gender in the Informal Economy**

It is widely claimed that microcredit has a more positive impact on women, but the evidence is not clear.

First, lenders lack information about potential borrowers, who tend not to have previous credit histories. This is particularly true for women who have not had access to formal lenders and deposit services in the past. Women are also much less aware of different

services available to them, especially from formal lenders.

Furthermore, even in countries in which both the husband and the wife must get their spouse's signature to use property as collateral, often this is applied more to the woman than the man.

Smaller businesses, which most women's businesses tend to be, have fewer assets to use as collateral. In many countries, banks have high minimum capitalization requirements. To reach micro entrepreneurs profitably, banks need to have a large number of clients. This leads financial institutions away from the

informal sector and, therefore, women's businesses

In addition, many of the actual borrowers in microcredit programs are often not the poorest; many are not even among the poor. Among borrowers, a larger proportion of women than men live in nonpoor households, because poverty is defined by household. However, if you look at the earnings of women in the microenterprise sector, women have lower earnings in most cases, either as sole proprietors, employers, or wage earners. Female microentrepreneurs who headed households also had lower incomes.

For many institutions in Bolivia that specialize in microcredit and microfinance, the proportion of poor clients is not necessarily related to the numbers of poor clients being reached. In discussing the issue of the tradeoff between access of poor women to credit versus the sustainability of institutions, it is often forgotten that the more sustainable institutions, those that are even making a profit, have greater numbers of clients. Even though they have a smaller proportion of poor clients, they are actually reaching a greater absolute number.

Access doesn't imply impact. Loans given in a woman's name are not necessarily controlled by the woman herself. There are a proliferation of programs targeting women, but you sometimes find that, although the loan goes to the woman, the person who has the ability to repay is another person in the household and the woman may not have the ability to repay the loan.

Can an institution be financially sustainable or sound and still reach down to low-income people and include large numbers of low-income people among its borrowers? This is a particularly important question because



**Marguerite Berger:** *Even in countries in which both the husband and the wife must get their spouse's signature to use property as collateral, often this is applied more to the woman than the man.*

women entrepreneurs tend to have lower earnings.

When I was thinking about my talk today, I also went back to an article I wrote ten years ago on the subject of credit as a tool for women's economic advancement and, particularly, in reducing poverty among women. Comparing then to now, I noticed that the picture is much, much more complicated due to complexities particularly in the region where I work, Latin America, in the financial markets. Because of the huge advance in the amount of research that we're doing on the question, we're starting to find out all the difficult linkages there. In addition, the political prescriptions were much more simple because, back then, there was a big debate on whether it was worthwhile to invest development resources in microcredit programs, and today we see that it's the most powerful tool.

**Discussant: Michael Walton, Director, Poverty Reduction**

This has been a terrific survey of issues in a very complicated area. I particularly want to underline at the start Guy Standing's point about the need for different kinds of data in discussing gender and the economy.

I first have a contextual comment: We seem to be struggling with the intersection between broad structural changes, both on the supply and demand sides—and the underlying institutional power relations that define gender relations in society. Three kinds of structural change have clearly been important:

- For developing countries, a *fundamental demographic transition*, which has a major impact on the amounts of time women are able to shift from work at or close to home—child-based work—to the outside world (assuming that women sustain their primary child care role).
- The long-term *economic transformation* from field to factory and service jobs with a huge amount of urbanization and industrialization.
- A highly topical but less clear issue surrounding *globalization*, which means, among other things, rising integration, possibly increased liberalization at local and international levels, and possibly rising fluctuations at the aggregate and local level.

Place these structural changes against significant gender differentials that are highly variable across societies. In most societies, a gut concern exists that gender differentials are wrong, but the pace of change tends to be slow.

In that context, I'd like to discuss three questions for which action and an agenda for policy and research are needed:

First, why does *social differentiation* that appears both inequitable and often inefficient persist in the labor market? How does this differentiation interact with processes of structural change, and what is the role for



**Michael Walton:** *We seem to be struggling with the intersection between broad structural changes, both on the supply and demand sides—and the underlying institutional and power relations that define gender relations in society.*

public action? The question of the feminization of industrial work—which has been highly topical in East Asia in the past twenty years—is relevant here. Its consequences for underlying gender relations is probably positive but not clear. All of the evidence indicates that women usually control significantly more income when they move into classic factory jobs. Another question is wife beating. A study by Bloch and Rao interpreted this violence in terms of the fundamental workings of, first, the marriage market, second, options for outside work, and, third, education. The study also found there was no easy solution. Institutions, such as the marriage market, only change slowly.

A second question is how do we approach the problem of abuse or exploitation of vulnerable

people who move from the home into the factory or service sector? Two examples that correlate with urbanization and industrialization are rising child prostitution, predominantly of girls, and abuse of workers, again commonly but not exclusively women, particularly neglect of health or safety. For vulnerable groups, there is little role for unions to play as they are currently structured (because it is harder to organize in informal activities), but much potential for civic action by outside groups.

A third question is how we deal with the management of security. The assertion that we are moving toward more flexibilization is only partly true because, in much of the world, a major shift is occurring from personal informal contracts to more formal contracts. That's a central feature of the industrialization and urbanization process. At the same time, it is clear that in parts of the world, due to shifts in the patterns of technology or demand or due to partial retreats from old-style patterns of protection, flexibility has increased. I don't believe, however, there is necessarily a conflict between efficient, flexible, competitive labor markets and patterns of social protection in general. Whether social protection tends to reduce flexibility is a matter of design. Protection consisting of restrictions on layoffs reduces flexibility. Unemployment benefits are more likely to increase



**Marty Chen:** *We talked earlier about unpacking the boxes of household and culture. I think anthropologists, feminist scholars of all kinds, and economists should unpack markets.*

flexibility. This question has an important gender dimension. When you design a pension scheme, how do you aggregate? Do you aggregate across men and women? In financial terms, doing so implies a major financial transfer from men to women, because women work less and live longer. Another example is maternity benefits. How does one design them to manage the potential conflict of benefits that increase the price of female labor relative to men?

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***Discussant: Marty Chen (Harvard University)***

In terms of the rapidly changing context of women's work, I would endorse all the comments of the panelists. To underline and paraphrase Guy Standing, we need to be sure that, at the end of the century, we don't have capitalism without full employment, without a welfare state, and without a social contract.

I would like to raise a couple of points on globalization, which received less attention than informalization and feminization. In terms of globalization, I refer not just to labor migration, but also to a new form of production, hollow corporations with global assembly lines and no real relationship between those who produce and those who distribute. This form of production is a matter of grave concern to workers.

Another concern is that, with globalization, economic decisionmaking about trade and investment is moving from the nation state to global levels. If nation states are having trouble negotiating that process, you can well imagine what troubles the women's work force is facing.

I would also like to comment on informalization. I think that informal work relations are increasing more than we realize, because they are invisible. Here, I disagree with Guy Standing. I think the official data sets also need improvement. On the one hand, if you work at home for a formal firm, you are classified as an out worker and unlikely to be listed in an establishment survey. On the other hand, the official 1993 definition of the informal sector does not allow out workers for formal firms to be classified as informal workers. It is likely that out work will be classified as house work as opposed to market work. So, official statistics still have problems dealing with home-based work.

Micro studies suggest that home-based work is an important source of employment. In seven African countries, 55 to 77 percent of enterprises are home based.<sup>1</sup> This work is, of course, especially important as a source of employment for women. Home-based work is also significant in certain key industries, for example, garments, footwear, electronics, and so on. Yet, this is not captured by official statistics.

What are some of the implications of this informality? Analytically, growing informality dispels the orthodox notion that, with growth, formal forms of employment and work increase. It also dispels the notion that informal types of work make up a survival sector. In fact, they contribute a significant share of key export industries. It also dispels the myth of the dual economy, that no links exist between the informal and formal economy. Complex linkages exist between informal and formal firms, both in production and distribution. In-

formal types of activities actually form the base of the economy. The bulk of resources, knowledge, access, and market links, however, go to the more formal sector.

We talked earlier about unpacking the boxes of household and culture. I think anthropologists, feminist scholars of all kinds, and economists also need to unpack markets. We still have a lot of work to do to understand bargaining power within markets—who is above and who is below the so-called “level playing field” in markets that are becoming increasingly global.

Empirically, as I said, official data sets are not adequate. Special studies are needed on all kinds of contractual arrangements to get better formal statistics on the share of the work force working under different kinds of insecure work relationships.

Programmatically, how much can financial and nonfinancial services in the enterprise field really do in this amazingly changing and complex context and how can we think about the impact of microenterprise services if the entire economy is being so rapidly transformed? A related problem is that the microenterprise field is only reaching informal entrepreneurs, not informal workers. Furthermore, if, as I would argue, the informal sector is the base of the economy and women are the core of the informal sector, all policies have implications, negative or positive, inadvertent or deliberate, for women in the informal economy. We have to look at the legal, institutional, policy, and regulatory environments. We have to be concerned about social protection systems with the decline of the welfare state and the increase in informal work contracts.

Finally, one point on the question of voice. I think, that in addition to visibility, what we really need to find are ways for informal workers—the bulk of the women's work force—to find voice and, yes, participate in consultations at the World Bank. Voice is re-

lated to bargaining power. Trade unions are finding ways now to reach out and organize. The formal trade unions are increasingly organizing more informal workers, and there are alternative trade unions of informal workers.

I. Martha Chen, Jennefer Sebstad, and Lesley O'Connell. Forthcoming. "Counting the Invisible Workforce: The Case of Home-Based Workers" in a special issue of *World Development*.

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### *Discussion*

Lyn Squire opened the session to questions and statements from the audience.

One member of the audience asked how the Bank can give voice to informal and domestic workers.

Lourdes Beneria added that nobody has mentioned the issue of legal and illegal duality. The most difficult workers to deal with are those who might be in the informal sector and are also illegal. They do not get minimum wages. The workers themselves do not want the authorities to know, because it's illegal.

Guy Standing addressed a question from the audience on pension. The Bank was heavily involved in the Polish pension reform, which introduced a three-pillar system with a means-tested state benefit at the base. This so-called guaranteed minimum pension is worth 28 percent of the average wage—subsistence level. That's where Hungary and other systems are moving. That will be disproportionately focused on people who don't have long periods of paid employment in their adult life, which means that women are going to be relatively disadvantaged compared with men. In industrialized countries, the number of years required to secure a full pension has risen enormously—a form of tightening conditionality and selectivity. Internationally, there has been a trend to tighten all the conditions, which hits women more than men, because they have greater difficulty satisfying each of those tightened conditions. Becoming more selective and conditional means reach-

ing fewer and fewer people in the risk category.

Marty Chen responded to a question on the control of income in a household and what can be done about it by saying that the question involves how much direct access women are allowed, which has to do with cultural norms. If you're in a cultural context in which male mediation to markets is important, the woman is going to hand over her loan to the man in the household to buy the goat or whatever. Control of income gets complicated by



**Lyn Squire:** *The question is, when looking at gender, what is it that should be done differently in terms of policy? The issues of vulnerability and risk are topics that exemplify what a policy research report should strongly address.*

the whole portfolio of activities, who's doing the shopping, and so on.

Michael Walton responded to a question from the audience on how to obtain rapid feedback in a rapidly changing world. He said that [*the Bank?*] is engaged in thinking about what kind of information is needed on the East Asia crisis— about combining use of existing instruments, some sort of local participatory instruments, and either beefing up or introducing possibly quarterly labor force surveys.

Marguerite Berger added that you cannot ignore data needs, but, quite a lot of research has been done in the last twenty years and a picture is emerging on a number of issues. This might provide sufficient information in a number of country contexts to focus on expanding opportunities and giving people a voice in public decisionmaking in particular.

Guy Standing said that there are lots of different methodological answers to the question, but clearly key informant types of surveys, small-scale surveys can be used, rather than doing jumbo exercises. The focus should be

on the really crucial issues. Care should be taken in using conventional statistics, but he didn't see any reason for not speeding up data collection and analysis.

Lyn Squire closed the session with some comments on the 1999 Policy Research Report. Two criteria are used to select a topic: it must be high on the development agenda and there has to be something to say on the topic. Whatever is said has to have firm empirical substantiation. Thought is needed on causal factors that lead to gender differences. These reports also try to give a policy message, so policy relevance is key. The question is, when looking at gender, what is it that should be done differently in terms of policy? The issues of vulnerability and risk are topics that exemplify what a policy research report should strongly address. He urged that those involved in follow-up to the workshop make empirical substantiation and policy relevance the center of their work.







