EXECUTIVE SUMMARY

OF

MAKING THE CASE FOR THE GENDER VARIABLE:

WOMEN AND THE WEALTH AND WELL-BEING OF NATIONS
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Making The Case For The Gender Variable:
Women and the Wealth and Well-Being of Nations

By
Rae Lesser Blumberg

Edited by Mari H. Clark
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1. Introduction: Women and the Wealth of Nations

A case is made for gender as an essential and critical variable in the "development equation." Empirical evidence demonstrates that:

- Women worldwide make major contributions to the wealth of nations; and
- The use and expansion of women's productive capacities is a necessary condition for social and economic progress.

The discussion focuses on two intertwined ways in which women contribute to the economic and human resource "wealth" of nations. These are via:

- Women's productive activities, which, in many developing countries, contribute significantly to the food supply, the large informal sector, service and farm labor forces, and, in some, to the export manufacturing labor force; and
- Women's education, which can lead to lower fertility, better family health, reduced infant and child mortality, higher formal labor force participation, and greater economic growth.

EXAMPLES OF WOMEN'S CONTRIBUTIONS TO NATIONAL ECONOMIC GROWTH

(1) According to recent estimates, the growing formal labor force participation and rising female/male earnings ratio of U.S. women between 1890 and 1980 were associated with a growth in national income per capita that exceeded the growth in male earnings by 28 percent. During this same period, women's teaching for low wages made possible the mass education that added another 12-23 percent to national income.

(2) In the LDC's specializing in export manufacturing, there is a strong relationship between increase in female industrial employment, the growth of manufactured exports, and national economic growth.

OVERVIEW OF WOMEN'S CONTRIBUTIONS TO THE WORLD ECONOMY

Overall, women are estimated to comprise 41 percent of the measured labor force in developed countries and 32 percent in developing ones. These statistics, however, are now known to undercount women's productive activities. Women in developing countries play an even greater role in the sectors of the economy that are poorly measured by national statistics—the urban informal sector, low resource farming and marketing, and unpaid family productive labor. Moreover, women's unpaid household labor, if given economic value, would add an estimated four trillion dollars, or about one-third, to the world's annual economic product.

2. The Impact of Women's Production and Control of Income

A great deal of data support the argument that the development impact of women's productive activities is heightened where they generate income under female control. The predominant development model of the household, however, precludes considering gender-disaggregated control of income, since it treats the household as a shared enterprise described by a single production function. Therefore, a critique of this "black box" model of the household is presented and supported by evidence of the widespread existence of an
"internal economy of the household" with a distribution of labor and resources based on age and gender that is not necessarily equitable. These dynamics vary cross-culturally. But everywhere, it makes a great difference which person in the household receives information, who does the work, and who gets the income. This has far-reaching consequences for the success or failure of development efforts at both micro and macro levels.

WOMEN'S USE OF INCOME UNDER THEIR CONTROL

Many studies support the proposition that income under female control (relative to male-controlled income) is a major determinant of women's overall status. Moreover, numerous studies also support hypotheses that income under women's control:

- Is most often spent for children's nutrition and the family's "basic human needs," especially among women with provider responsibilities; and
- Generally enhances women's decision-making power within the household regarding childbearing, economic issues, and domestic/family welfare.

Additionally, women with provider responsibilities tend to:

- Allocate their labor toward activities that put income and/or food under their direct control and, when feasible, away from activities that do not, even if the latter are more profitable; and
- Respond more readily than their male counterparts to easing of constraints on own-account production or modestly increased incentives. (This may be largely because many of these women urgently need income, but earn less and have fewer resources than men—thereby having lower opportunity costs.)

Empirical evidence from a wide array of countries provides support for these hypotheses. For example, studies of the SEMRY I irrigated rice project in Cameroon and various other development projects in Africa present cases in which women were expected to contribute labor but the direct returns went to their husbands. In all cases women provided less labor than expected and the projects suffered. A study of the effects of a new road on a Cameroonian village showed that women increased their production of own-account perishable food much more than men, even though men's crops brought a sharply higher rate of return.

IMPLICATIONS FOR THE AFRICAN FOOD CRISIS

These findings have serious implications for the food crisis in Africa. African women farmers could be the single most cost-effective available resource to alleviate this crisis, since they raise as much as 80 percent of the locally grown food crops. In most ethnic groups, men and women have at least partially separate income streams and spending obligations. Women typically have heavy responsibilities to provide for their children and thus need income and/or food under their control. Accordingly, the model of the household as a unitary pooling unit fits poorly here. Yet it has guided most development planning, often with negative results. Women are almost always bypassed by extension, training, inputs, and credit programs. Most food
crop development projects have failed to target women producers. Almost all ignore women's incentives and may unwittingly undercut their income—often with negative consequences for the project, the women, and their families. These practices make inefficient use of scarce resources and appear to be an important, albeit unheralded, factor in the African food crisis.

3. Women Producers' Contributions and Constraints

**FARMING AND THE INFORMAL SECTOR:** Women are estimated to produce more than half the food in developing countries. Considering the full farming system (not just the measured labor force), the UN regional commissions calculate that women do 60-80 percent of the agricultural labor in Africa and in Asia, and 40 percent in Latin America. The rapidly growing informal sector in developing countries is absorbing an estimated 40-70 percent of urban workers, with women predominating in many regions.

**WOMEN FARMERS' PERFORMANCE:** One econometric study has found that Kenyan women farmers obtained higher crop yields than males, when women's more limited access to credit, education, fertile soil, commercial fertilizer, extension, etc., was controlled statistically. Several less quantitative studies also have found women producing as much as or more than comparable men. In actual practice, however, few women farm with resources comparable to men, and their production lags behind men's.

**WOMEN MICROENTREPRENEURS' PERFORMANCE:** Various quantitative studies of informal sector, microenterprise credit projects in Latin America and Asia indicate that women are as good as or better credit risks than men. Further, a study in the Dominican Republic found that women's clothing/textile businesses were growing faster than men's on several parameters (e.g., sales, employment). In general, the more successful microenterprise credit projects have eliminated constraints that prevent women in particular, and poor people in general, from getting aid.

**RURAL WOMEN'S PRODUCTION CONSTRAINTS:** In low resource agriculture, there is no comparable reduction of constraints. Women labor under limitations to their productivity such as the time required for routine domestic tasks (fetching water and firewood, processing crops and cooking), as well as inadequate access to extension and other farming aids (credit, inputs, etc.).

**EASING THE CONSTRAINTS:** Reducing these constraints is a means to tap women's productivity for development.

**Time saving:** for example, a computer simulation projected that several looming economic crises in the Yemen Arab Republic could be averted by reducing the time rural women in the average household spend fetching water and fuel/wood and cooking from 11.5 to 1.7 hours/day—just through improved water supplies and provision of cooking gas. This would increase women's agricultural productivity in an economy with declining agriculture and rising food imports. It would also provide girls time to attend school. Some girls could then become teachers to replace the foreigners who now teach.

**Extension, Credit, and Inputs:** Aside from three S.E. Asian nations, only since the mid-1980s have a few other countries (mainly in Africa) begun to target women farmers. The number of female extension clients now is growing there. Women farmers have been able to work well with male extension agents (as well as the few female agents) except in areas of female seclusion. But many women clients—who have almost no access to formal credit or subsidized inputs—cannot afford to buy all of an extension "package." Accordingly, production increases may be inhibited when the new practices are only partially adopted.

Extension planning must take into account women farmer's special skills (e.g., knowledge of food crops, ability to share knowledge and inputs with other women) and also their special constraints (e.g., limited time
and resources, less and poorer land, gender role ideals that restrict movement and assertiveness). Cultural practices also must be considered (e.g., in Africa there is a widespread preference for extension contact in women’s groups rather than individually).

**WOMEN IN MARKETING:** Females often play important roles at all levels of agricultural commodities distribution, particularly in West Africa. Ghana and Nigeria have long traditions of women filling important roles in trade. In Ghana, however, recent government policies severely restricted women’s trading activities. This has damaged the country’s food distribution system and its economy. In many countries, women street sellers, especially food vendors, also suffer from government regulatory pressure which may have reduced food availability in those nations as well.

In sum, female production and income affect wealth and well-being at levels ranging from the woman and her family to her nation and even region.

4. **The Consequences of Women’s Education**

There is worldwide evidence that the education of women is associated with (1) a later age of marriage; (2) increased contraceptive usage; (3) lower fertility (although in some countries, those with partial primary education have slightly higher fertility than those with no education); (4) dramatically reduced infant and child mortality; (5) improved child nutrition and general family health; (6) greater participation in the waged, modern sector labor force; (7) higher earnings; and (8) increased national development as measured by GNP.

The first seven indicators almost always occur later in the life course than education, so it is plausible to conclude that female education plays a causal role. Indeed, the evidence indicates that mothers’ education almost invariably has a stronger effect than fathers’ (or "education" not disaggregated by gender) on lowering fertility and infant mortality and improving family health. New evidence that reductions in fertility enhance national income growth further underline the importance of giving females the educational and economic resources that facilitate their lower fertility. The last indicator, national growth and development, is associated with higher levels of female education and a lower disparity in the proportion of females relative to males in school. There is not enough evidence at the moment, however, to untangle the direction of causation in what is clearly an interactive, synergistic process. Nonetheless, education, per se, is a recognized predictor of national growth.

The enrollment of females in school has increased from 95 million in 1950 to 390 million in 1985 and the disparity between the proportion of boys vs. girls in school has shrunk a little. However, the gap in the numbers of girls in school, compared with boys, is growing—as are the numbers of female illiterates and school age girls not in school. Thus, even though education is the area where females have made the most progress since World War II, the picture is not an entirely positive one.

5. **Conclusions and Selected Policy Implications**

The most general conclusion is best expressed by Sivard: “What is good for women is also good for the society at large.” The material presented makes a strong case for the macro and micro level contributions of women to the wealth and well-being of nations. Even greater future gains in women’s productivity are
possible if present constraints to their production, marketing, and education can be reduced.

Given time and space limitations, only four policy implications are discussed, although more could be drawn from the data.

- Gender must be tracked in projects, programs, and policies, and these should be adapted to overcome special constraints on women's productivity, participation, and access to benefits. For projects, gender-disaggregated data should be collected at the baseline, monitoring, and evaluation phases, so timely adaptations can be made.

- Attention to women farmers' skills, incentives, and constraints could be the single most cost-effective approach to alleviating the African food crisis.

- Strong efforts should be made to identify and serve women in microenterprise credit projects. The "lessons learned" from the most successful of these projects, particularly the fact that women are as good as or better credit risks than men, must be applied to policies, programs, and projects.

- Female education should be given higher priority, but not in a "zero sum game" manner which detracts from male education. A dollar spent on boys' education and not matched by a dollar for girls' education may be lost to a developing nation because of the cost of the higher fertility of those girls as well as the poorer health and lower infant/child survival rates of their families and their own reduced productivity.

In summary, despite some gaps in our knowledge, we already know enough to call for and implement the inclusion of gender as essential and critical to the "development equation."