

Gender, Innovation and Sustainable Growth: a research framework

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Gender: a new research area in economics

- From micro to macroeconomics (1960s – late 2000s)
- *New Home Economics*: family as an economic unit optimizing choices within given resources (*Becker 1965, 1981*); missed power relations within a household
- *Human capital* (*Shultz 1961, 1974*); *institutionalism* – role of non-economic factors in market decisions (*Veblen*)
- *Gender and Macroeconomics* (GDP; monetary, fiscal, trade); effects structural (WB/IMF) (*Boserup, Beneria; UN Beijing 1995*), massive entry of women to labour market
- 2000s Gender in mainstream economics -- “*womenomics*” „*female factor* „ (*World Bank 2001; 2006; IMF/Stocky 2006; OECD/Jaumotte 2003*)
- Gender centers at LSE, Rutgers Univ., American Univ.

Problems with the framework

- Economics is not a gender neutral science (as it claims)
- *Homo economicus* as a central figure: a white middle class male (Robinson Crusoe type)
- Focus on production and finance; reproduction/caring/unpaid work left outside
- Reproduction of labour as a „natural” process
- Mainstream economics (laws, mechanisms and models) does not provide the „right” answer how societies should allocate (scarce) resources to optimize results

Distorted assumptions, GDP calculations, and institutions

- Assumptions: 1) unlimited supply of labour (factor and not a resource which requires investment) 2) automatic adjustments market - non-market sphere (reproduction/unpaid care); „buffer” hypothesis: in recession women leave labour market, increase unpaid work (to compensate for cuts in social expenditure) and have more babies (*Folbre 1994*)
- GDP calculations: do not show women's contribution of caring unpaid work (does not go through market/has no price) nor women's priorities how GDP is spent (investments in infrastructure/social expenditure)
- Labour market, fiscal or monetary policies and institutions reflect this view (employment cuts, tax system ect) – but also informal institutions (*North 1990*) --stereotypes on women's role.

Male bias in macroeconomics

(Elson and Cagatay 2000)

- *Deflationary bias* the priority given to low inflation and fiscal restraint v. public spending and employment; *priority to financial sector/production over reproduction* /(core of IMF policies in 1980s).
- *Male bread winner bias* social reproduction covered through a wage (and benefits) paid to male breadwinner; women as secondary earners, depend on men (also policies for ex. joint taxation penalize women's work)
- *Commodification bias* minimizing public provision; budget deficit covered by cuts/not increase of tax revenues (more unpaid work)
- Other biases such as *creditor bias* : women penalized as risky borrowers (lower income/no collateral results) means more difficult to obtain/more expensive credit (Young et al. 2011)

Demographic arguments

- Demographic trends challenge the assumptions of neoclassical model: reproduction process is no longer „free of charge” (as unpaid caring work of women)
- Changes in a family model („dual earner”); new relationship women’s employment – fertility; from negative (up to 1980s) to positive correlation (in mid 1980s) . More work –more babies (as in Sweden) and less work – less babies (Poland) (*D’Aggio, d’Ercole 2005; Matysiak, Kotowska 2008*)

Care work at the center of sustainable development

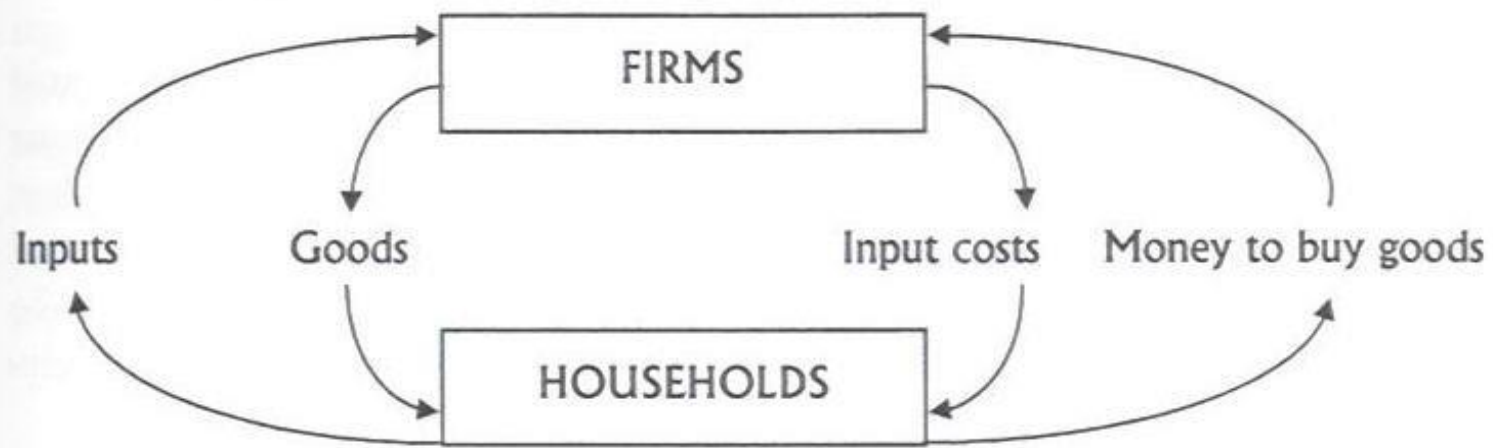
- Caring labour is key for well-being but also reproduction of human society (human and social capital)
- Determines limits to sustainable development through birth rates and health
- At macro level unpaid work reduces the cost of labour, the wage fund as well as increases profits and accumulation /without unpaid care work employers would have to pay higher wages
- Care subsidizes not only market but also state provisioning – if there is no unpaid care the state should provide more services

Feminist Economics: an alternative to mainstream economics

- Roots: A. Smith (social justice); J.M. Keynes (role of the state); K. Marx (class inequalities); A. Sen (capabilities, human development) also heterodox economics (green economics, sustainable growth)
- Critical analysis of the neoliberal agenda; developing an alternative conceptual framework, methodologies and tools
- International Association of Feminist Economists (IAFFE) established in 1992; a journal Feminist Economics www.iaffe.org; 1994 GEM-IWG www.genderandmacro.org) (*Elson 1991; Cagatay et al. 1995; Beneria 1995*);
- Gender and Macroeconomics – GEM –global; GEM-Europe www.gem-europe.eu

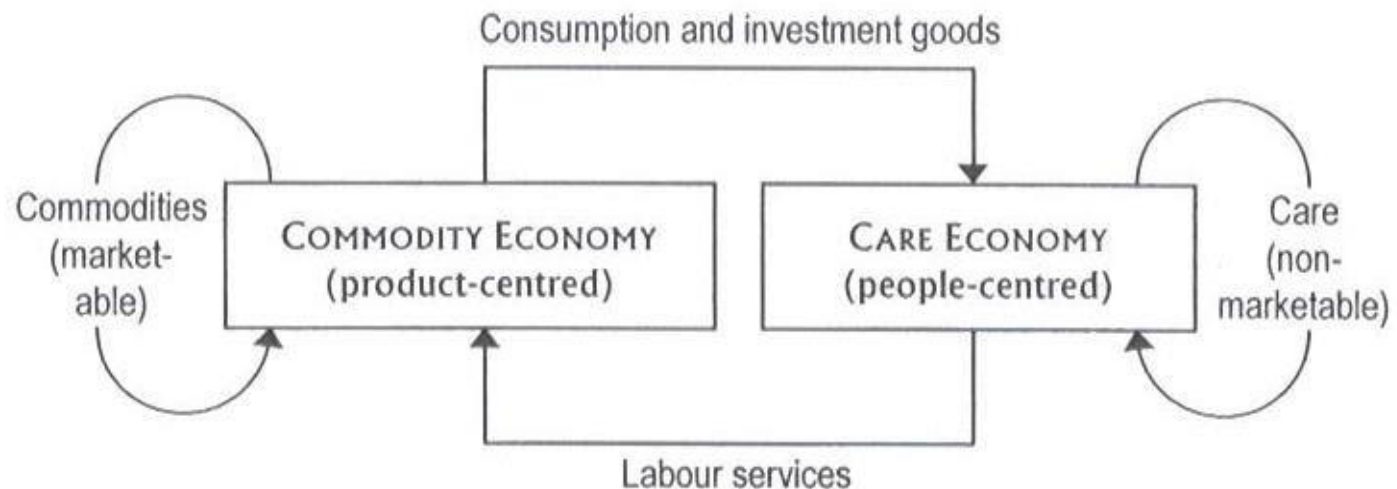
Economy/market : mainstream/neoclassical economics

Figure 1 Market according to neo-classical economics, Gowdy & O'Hara 1995



Economy/market: Feminist Economics

Figure 3 National economy through women's eyes, Elson, in Ruyter van Steveninck & de Groot 1998



Key features of FE

- Gender perspective is central to economic analysis (together with race, ethnicity, class)
- It is holistic, interdisciplinary and has a specific context (micro-meso-macro levels)
- Incorporates markets (production, finance) and non- market (reproduction, unpaid care)
- Investigates distributional aspects of economics (growth-who benefits; wealth, resources-- how they are distributed)
- Takes into consideration power relations at micro- meso- and macro levels
- Its tools: time-use budgets; gender budgets

The Purple economy: A call for a new order

(I. Ilkaracan 2012)

- A response to care crisis (similar to environmental damage); human needs beyond consumption (ecosystem)
- Accounts for unpaid care work (value of nature); calls to internalize into the economy its costs (costs of environmental damage)
- Aims to eliminate (through redistribution) inequalities by gender, class, ethnic minorities (intergenerational inequalities)
- Calls for reordering of priorities from consumption (market) to nurture (non- market) (from GDP growth to sustainable development)

Purple Economy: 4 pillars

(Ipek Illkaracan 2012)

- **Social infrastructure** for universal care provisioning (for children, elderly, dependent family/society members)
- **Labour market regulations** to enable work –life balance with equal incentives for men and women
- **Public policies** for special care needs for rural communities (where caring labour entails productive/reproductive work dependent on natural resources)
- **Regulation of the macroeconomic environment** for nature, nurture and human well-being as core objective of macroeconomic policy

Challenges for WINNET Center of Excellence

- Advancing policy oriented research to include a gender perspective in economic strategies and policies
- Defining a gender sensitive concept of innovative economy based on BSR experience
- Raising awareness, building 4 helix partnerships and policy dialogue at regional, national, local levels
- Identifying gender disaggregated indicators of success
- Preparing country specific policy recommendations

Thank you

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