Gender, Institutions and Economic Development

Economic Development & Institutions (EDI) is a research programme that aims to "produce a body of evidence and insights into what practicable actions produce institutional changes that improve economic outcomes and increase growth".

In the first year (2015-16), the main Research Activity (RA) was the production of approximately 20 thematic 'path-finding' papers that lay the foundations for further research. In the subsequent four years to 2020, three RAs are taking place simultaneously.

Stephan Klasen's paper on 'Gender, Institutions and Economic Development: Findings, Open Research and Policy Issues' contains rich evidence on the various dimensions of gender gaps, how they vary across countries and how they have been evolving over time, often with uneven progress. It also examines the convincing evidence that gender based constraints and the resultant gender gaps are detrimental to economic growth or economic development. The beauty of this survey is in the detail – interested readers should refer to the actual note which is full of data and graphs.

This policy focuses on the way Klasen treats gender gaps as the outcome of institutional features, formal and informal. It also focuses on how formal institutions, informal institutions and outcomes are interrelated, in different ways. To maximise progress on gender equality and economic development, we therefore need a good understanding of these interrelationships. Moreover, we need to understand the dynamics that result from the interrelationships. This is the approach used widely in the EDI project.

Economic Development and Institutions

Institutions matter for growth and inclusive development, but there is little evidence on how positive institutional change can be achieved. The Economic Development and Institutions (EDI) research programme will fill this knowledge gap, and take an innovative approach to ensuring world-class research is translated into positive policy change.

One unique aspect of this programme is its focus on policy engagement. The research team will seek to reflect policy 'demand' when defining research questions and engage key decision-makers throughout the course of the programme. This will involve listening to the challenges encountered by in-country policymakers and looking out for opportunities to engage with and support ongoing reform processes.

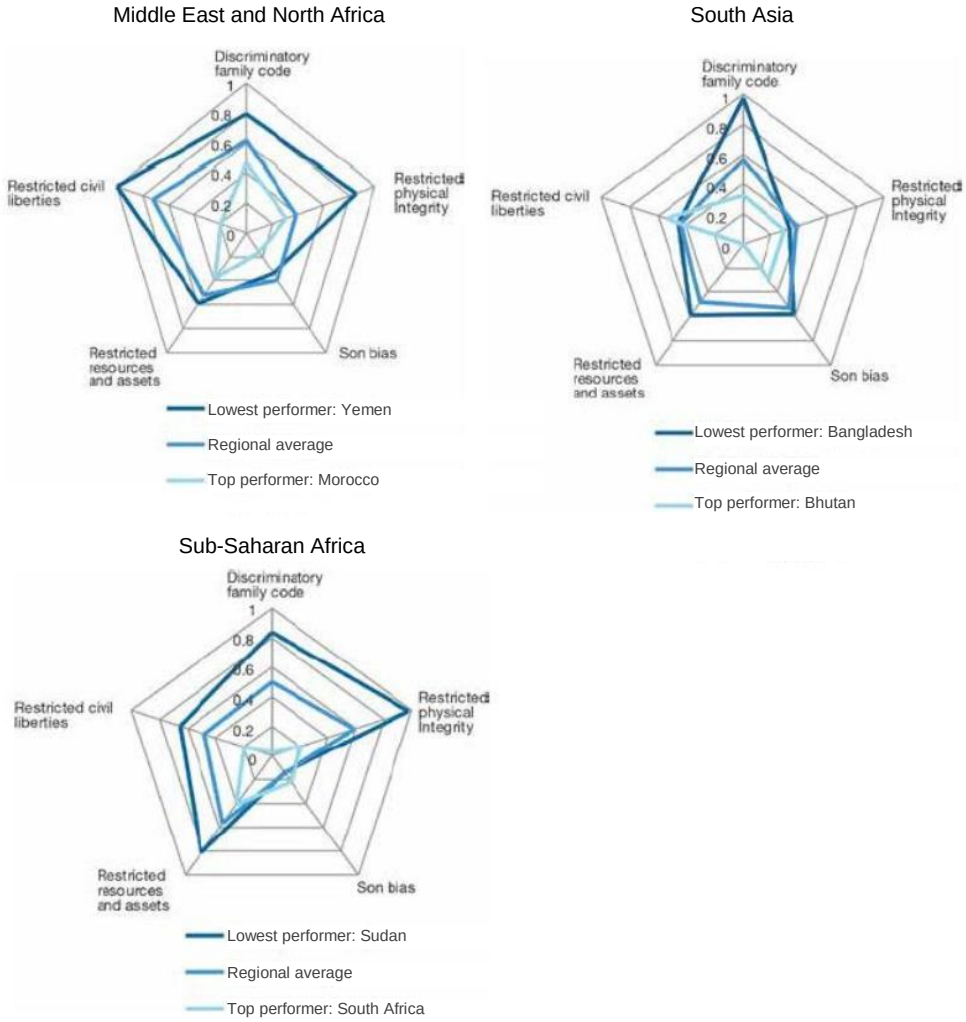
Some gender based constraints stem directly from formal institutions

Unequal political or property rights have often been enshrined in law. Segregated access to opportunities in public programmes via public sector recruitment policies, or access to training and services can also represent formally discriminatory institutions.

Many gender based constraints relate to informal social institutions or social norms
Gender related social norms can determine how households are structured and organised; this in turn affects the division of labour and family planning activities. Norms regarding the reproductive role of women often limit their opportunity to be involved in the labour market. In most traditional settings there is a strong expectation for women to get married at a young age and to be in charge of bearing and caring for children. Moreover, they often have limited control over reproductive decisions.

Social institutions are hard to measure, but there are useful efforts to do so, revealing significant variations across regions and countries
The figures below show how the five dimensions of the OECD's Gender and Social Institutions Database are very different, and move differently, for three different countries.

Figure 1: Gender inequality in social institutions by region



Gender gaps are easier to measure. Klasen is the world's leading expert on these movements and observes that some gaps, notably school/education related ones, have been closing much faster than others.
Just like the more limited available measures of social norms and formal institutions, differences in outcomes – gender gaps – are not only at different levels in different countries and regions but also

move (improve) at different speeds within and across countries. The good news is – overwhelmingly these gaps are closing over time.

This is important – if there were a simple, linear causal route between formal and informal institutions and gender gaps, we might expect to see most gaps closing at similar speed. We don't see this, suggesting that the interactions are more varied - Klasen thinks about the likely relationships.

It would be convenient to think that changing the law impacts social norms and leads to changes in gender gaps. Sometimes it does but sometimes it definitely doesn't and changes can originate in other ways.

(i) Exogenous economic changes, such as rapid economic development itself, can create pressures which alter gender gaps and in turn, alter social norms and even formal institutions as reality changes. For example, demand for labour may push up wages so it becomes irresistible for women to enter previously male domain economic roles and acquire the education they need to do that.

(ii) Policy interventions can address some gender gaps more easily than others. Countries can increase the share of women in parliament, reduce gender gaps in schooling, or address power relations in the household through supply-side (e.g. building of schools, equipping girls) and demand-side (e.g. subsidies, conditional cash-transfers) interventions. Sometimes the law is discriminatory and can be changed.

(iii) Legal and policy changes may have much more chance of altering social norms if they are accompanied by active and mainstream advocacy as has been the case for political rights and education. By contrast, weaker advocacy and debate around women's labour market participation and gender segregated workforces may have meant that, despite formal policy changes, social norms are intransigent and effective segregation remains.

(iv) It's hard to generalise but sometimes social norms will be resilient – unresponsive to changes in formal rules or attempts to tackle the associated gender gaps directly. Klasen suggests that gender norms within the household may be amongst the most resilient.

(v) Similar to (i), disasters, wars and other crises can sometimes provoke rapid changes in social norms and gender gaps, for example, regarding the sexual division of labour.

(vi) Some social norms – we can think of domestic violence and Female Genital Cutting – may be more resilient because exogenous economic changes don't impact on them.

So the great challenge for research – and a microcosm of the entire EDI approach – is to understand which factors may be driving particular gender gaps (outcomes) and therefore which sort of public intervention(s) may be most likely to work.

As an expert of developments in gender gaps across the world in recent decades, Klasen is able to make a few general observations. For example, education and political rights seem to be gender gaps susceptible to change. By contrast, women's responsibility for childcare is a highly resilient social norm. Gender division of labour is also resilient even if labour participation changes. But the main point is, more research is needed to understand the slow movement of particular gender gaps in particular settings – sometimes the research will reveal effective actions to close the gaps, sometimes it will reveal the absence of those actions.

EDI has already started exploring gender gaps in this way.

(i) *Chris Woodruff et al. will be researching social identity constrains to women's career advancements and firm productivity in Bangladesh's garment sector. The garment*

industry was crucial in expanding women's employment opportunities. But social norms have survived to constrain career paths within the industry. The research examines whether efforts to tackle the workplace gender gap head on might also feedback into changing norms in other spheres.

(ii) *EDI is funding research in Uganda on determinants and impact of female political representation, which will be conducted by Siwan Anderson et al. It uses a useful natural experiment caused by the first elections at local level for 17 years. Klasen says it's common that formal and informal constraints to political rights and representation change relatively early. Anderson's research will examine whether this feeds back onto other institutions and gender gaps.*

(iii) EDI is funding research on the historical roots of FGC by Eliana La Ferrera et al., a notoriously disempowering yet resilient social norm. The research will explore the historical roots of the norms and look for factors which may disrupt their resilience.

Although Klasen debunks ideas about gender discrimination being good for growth, he adds that there could be losers from removing gender discrimination – and therefore resistance, and even a "backlash".

In other words, the political economy of gender gaps probably isn't that historical mistakes have been made about what's good for development. Rather, some men and some women do benefit from the gender based constraints that harm most women and possibly also most men. Such benefitting groups will work to resist change. Klasen describes a backlash – where certain forces combine to reverse progress with gender gaps rather than just resist change. Anti-Western sentiments, extreme conservatism, possibly in the form of sectarianism or religious fundamentalism have all been harnessed to increase gender inequality.

To view the full papers please visit the EDI website at https://edi.opml.co.uk/
