

# Gender Equality, Social Reproduction and Economic Growth

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## Key question

How do care and social reproduction interact with gender inequality in the labor market to determine economic growth and development?

The paper

1. Theoretical macroeconomic model → “Social reproduction regimes”
  - Demand and growth
  - Supply and the distribution of social reproduction
2. Empirically estimate the model (principal component analysis)
3. Growth regression analysis

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## Some foundational concepts: How social reproduction works

- Site: Household
- Inputs: Commodities & time (Care)
- Outputs: Human capacities
  - Whatever makes individuals more economically effective
    - E.g. emotional maturity, patience, state of being well-rested and well-fed, in addition to usual measures of education or training
  - Wider than human capital, narrower than human capabilities
  - Still to incorporate: Depreciation (i.e. old age)
- Dynamics: Two time horizons to production
  1. Daily aspects of social reproduction
  2. Long-term investments that raise future productive capacity (& contribute to current demand)

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## Some foundational concepts: How is this approach gendered?

- Gender division of labor
  1. Distribution of time and money costs of social reproduction
  2. Gender segregation in labor markets



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# The Demand Side: Economic Growth

Gender equality in the labor market → Growth

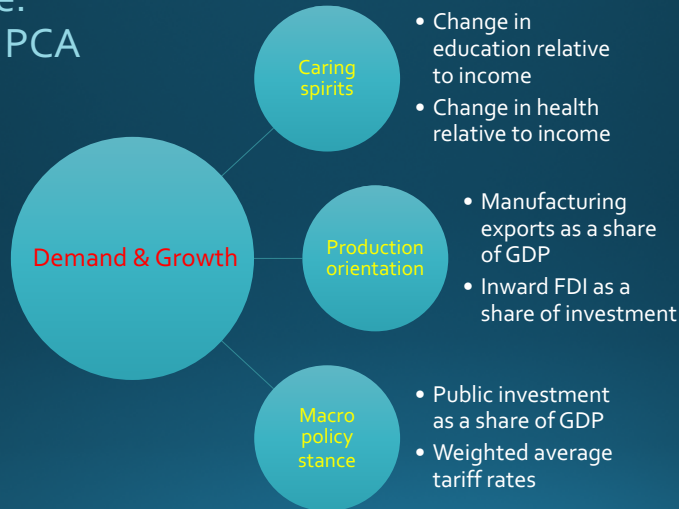
Depends on the impacts on aggregate demand and profitability

**Caring spirits:** the tendency, whether determined by social norms, individual motivation, or public preferences as reflected in the structure of the social welfare state, to provide care (or support for care) for one's self and others in ways that add to current aggregate demand and future productivity.

Stylized types of economies		
	Care-led	Inequality-led
<i>Relationship between gender equality in the labor market &amp; growth</i>	Positive	Negative
Characteristics		
<i>Caring spirits</i>	Strong	Weak
<i>Production orientation</i>	Domestic	Global
<i>Macro policy stance</i>	Developmental, employment-oriented	Geared to managing openness

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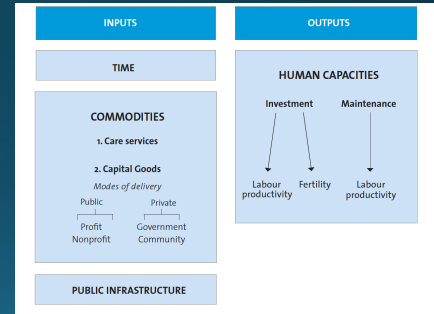
## Demand side: Data for the PCA



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# The supply side: Distribution of social reproduction

1. **Labor market**
  - Gender segmentation in the labor market
    - Women work in market care services
    - Men work in durable goods
  - Employment → labor's bargaining power
2. **Household sector**
  - Commodities and time combined to produce human capacities
  - demand for care
  - labor productivity
3. **Product market**
  - Wages and labor productivity
  - Flexible mark-up pricing
  - Prices & profit share



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# The supply side: Distribution of social reproduction

	Stylized types of economies	
	High-road/gender egalitarian	Low-road/feminization of responsibility and obligation
<i>Time and financial costs of social reproduction</i>	Equitably distributed among women, men and the state	Women shoulder disproportionate share of the costs
<i>Effects of increased female labor force participation on human capacities production</i>	Increase	Decrease
Characteristics		
<i>Unpaid care work</i>	Sharing between women & men	Low participation by men
<i>Public provision for care</i>	Strong	Weak
<i>Market care sector</i>	Extensive & high quality	Limited &/or low quality
<i>Labor market gender inequality</i>	Low	High
<i>Reproductive infrastructure</i>	Extensive	Limited

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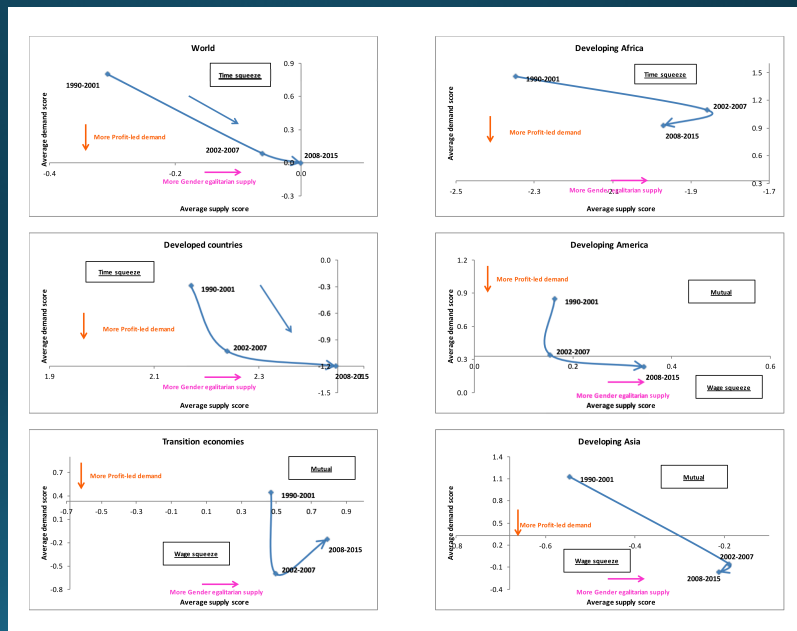
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## Growth & Social Reproduction

Demand: Growth	Supply: Distribution of social reproduction	
	Low-road: Feminization of responsibility and obligation	High-road: Gender egalitarian
Care-led: Strong caring spirits	<b>Time squeeze</b> Higher wages for women are good for growth, but more market participation squeezes time and lowers human capacities production. <i>Growth is elusive or unstable.</i>	<b>Mutual</b> Higher wages for women are good for growth, and more market participation increases human capacities production. <i>Growth and social reproduction reinforce one another.</i>
Inequality-led: Weak caring spirits	<b>Exploitation</b> Higher wages for women lower growth, and more market participation squeezes time and lowers human capacities production. <i>Growth is partly based on exploiting women's labor and human resources.</i>	<b>Wage squeeze</b> Higher wages for women lower growth, but more market participation enhances human capacities production. <i>Growth is elusive or unstable.</i>

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# Time paths of social reproduction regimes, 1990-2015



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A one standard deviation shift away from inequality - to care-led growth is associated with a 0.13 percentage point decline in annual growth (which averaged 2.23 percent). A shift from the strongest care-led score (5.64) to the strongest inequality-led score (-5.96) is associated with a 1.0 percentage point *increase* in growth.

## Growth regressions

	Growth	Growth	Volatility
Demand score	-		
Supply score	+**		

Pooled OLS for 122 countries and 3 time periods, 1990-2001, 2002-2007, 2008-2015. All regressions include real per capita GDP and the stock of human capital at the beginning of the period, average investment as a share of GDP, and an index measuring the rule of law. Regional and time fixed effects also included.

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A one standard deviation (1.84) increase in the supply score is associated with a 0.7 percentage point increase in per capita growth. Shifting from the highest gender egalitarian score (4.71) to the strongest score for feminization of responsibility and obligation (-4.28) is associated with a loss in growth of 3.35 percentage points.

### Growth regressions

	Growth	Growth	Volatility
Demand score	-		
Supply score	***		

Pooled OLS for 122 countries and 3 time periods, 1990-2001, 2002-2007, 2008-2015. All regressions include real per capita GDP and the stock of human capital at the beginning of the period, average investment as a share of GDP, and an index measuring the rule of law. Regional and time fixed effects also included.

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### Growth regressions

	Growth	Growth	Volatility
Demand score	-		
Supply score	***		
Weighted social reproduction regimes: $W_{it} =  Supply_{it} \times Demand_{it} $			
Inequality-led + low-road	Exploitation	***	--
Care-led + high-road	Mutual	+	+
Care-led + low-road	Time squeeze	***	+
Inequality-led + high-road	Wage squeeze	-	****

Pooled OLS for 122 countries and 3 time periods, 1990-2001, 2002-2007, 2008-2015. All regressions include real per capita GDP and the stock of human capital at the beginning of the period, average investment as a share of GDP, an index measuring the rule of law, and country and time fixed effects.

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## Some takeaways & open questions

1. Including **social reproduction** as a source of **current consumption** and **future productivity growth** is essential to understanding how macro policy affects growth and development
  - *Gender division of labor is then central to that potential*
2. **Short- and long-term drivers of 'extended' investment**
  - Consumption and time as investment in human capital
  - Can human services generate the productivity growth necessary to raise living standards in developing countries?
3. **Feminist perspectives can improve macro policy effectiveness**