

# Social Reproduction, Gender Inequality and Economic Growth

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# Overview of Talk

1. Some preliminaries on feminism, production & reproduction  
→ What happens when we get economists to treat the care of others as specially productive work?
2. The economic model
3. Empirical Application

# Feminism, Production, and Reproduction

- Prior
  - Identity, particularly gender, substantially influences the production of knowledge and theory choice.
- Gender identity affects:
  - The sorts of questions one asks
    - An example: The invisibility of care and nonmarket work\*

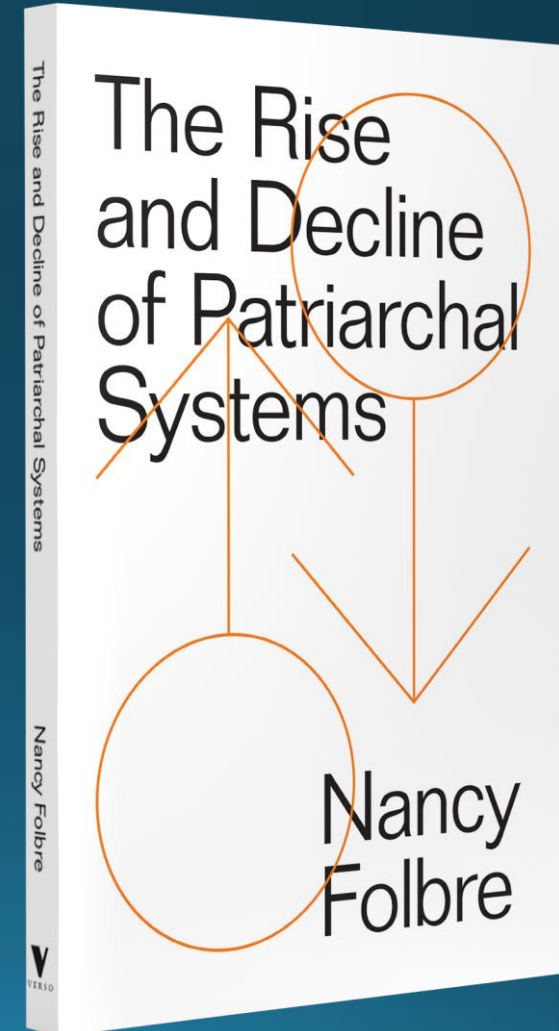
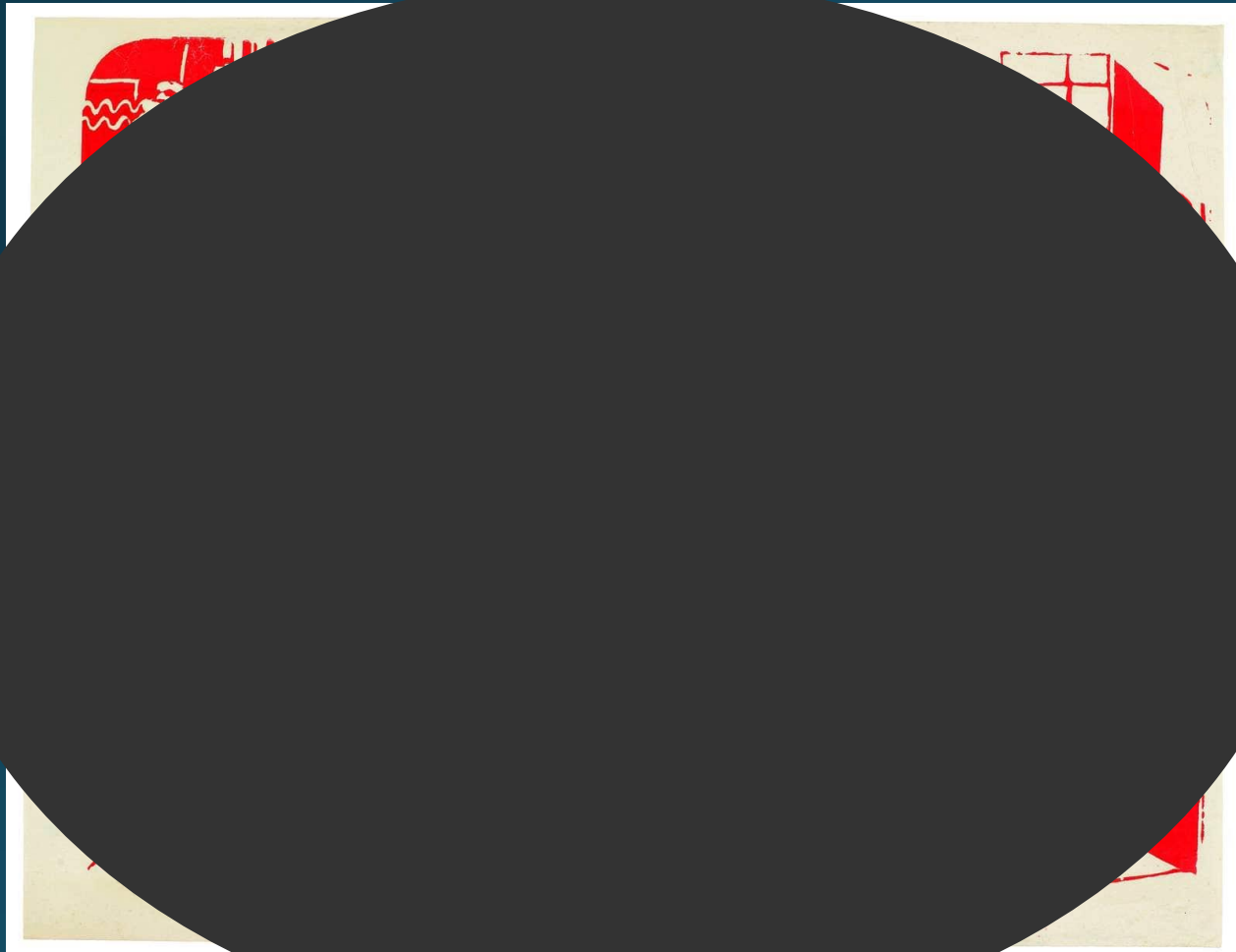


## \*Gender identity and the importance of nonmarket work: Adam Smith's Invisible Hand

"It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from regard to their **self-interest**." (*Wealth of Nations*)

- Butchers, brewers and bakers weren't making Smith his dinner.....
- Smith of the opinion that labor which did not result in a commodity was "unproductive"
- Legacy that nonmarket work excluded in estimates of economic output (GDP)
  - SNA now includes production for own use (growing food, collecting water or fuel)
  - Unpaid care work still only "encouraged" in satellite accounts

# Political economy of household production



# Feminism, Production, and Reproduction

**A short aside:**

**Why are we talking about economic growth?**

1. It's important from a development perspective
  - Increases in per capita incomes essential for sustained improvements in well-being
  - SDGs
2. Economists & policymakers care about growth
  - The costs of ceding the conversation

# Feminism, Production, and **Reproduction**

- **Social reproduction**

- The time and commodities it takes to reproduce the labor force
- Economic growth models do not treat labor as produced or maintained



# Feminism, Production, and **Reproduction**

- **Social reproduction**
  - The time and commodities it takes to reproduce the labor force
  - Economic growth models do not treat labor as produced or maintained
- **The consequences of undervaluing care work**
  - Children as pets vs. public goods
  - Market efficiencies generated by transfers to the nonmarket sector
  - Presumes unlimited supplies of caring labor
- **Key question:** How does allowing for social reproduction change our analysis of various public policies or strategies for growth and development?





# The model

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

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

# 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)

# 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




# The Demand Side: Economic Growth

Gender equality  
in the labor market

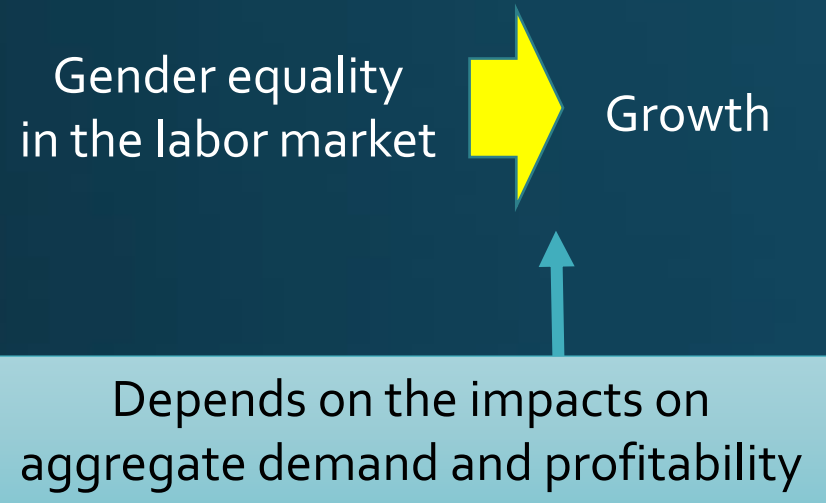


Growth

Depends on the impacts on  
aggregate demand and profitability



# The Demand Side: Economic Growth



Stylized types of economies		
	Care-led	Inequality-led
<i>Relationship between gender equality in the labor market &amp; growth</i>	Positive	Negative

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**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.

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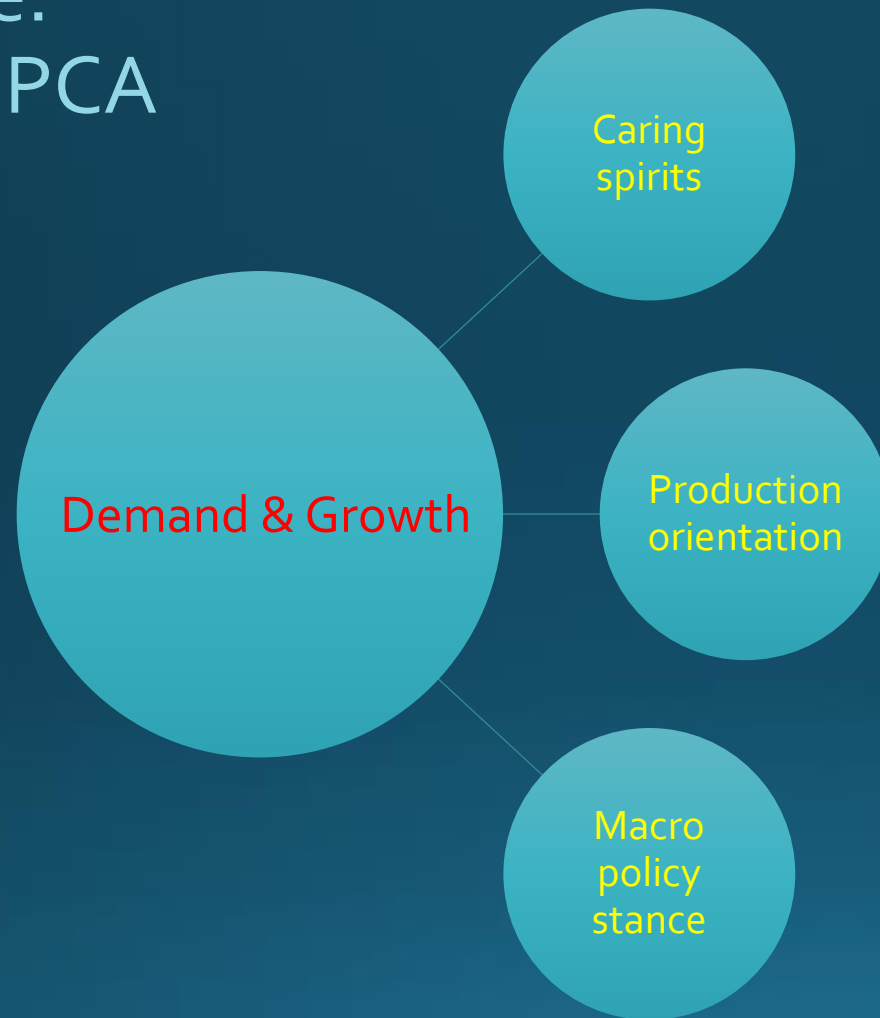
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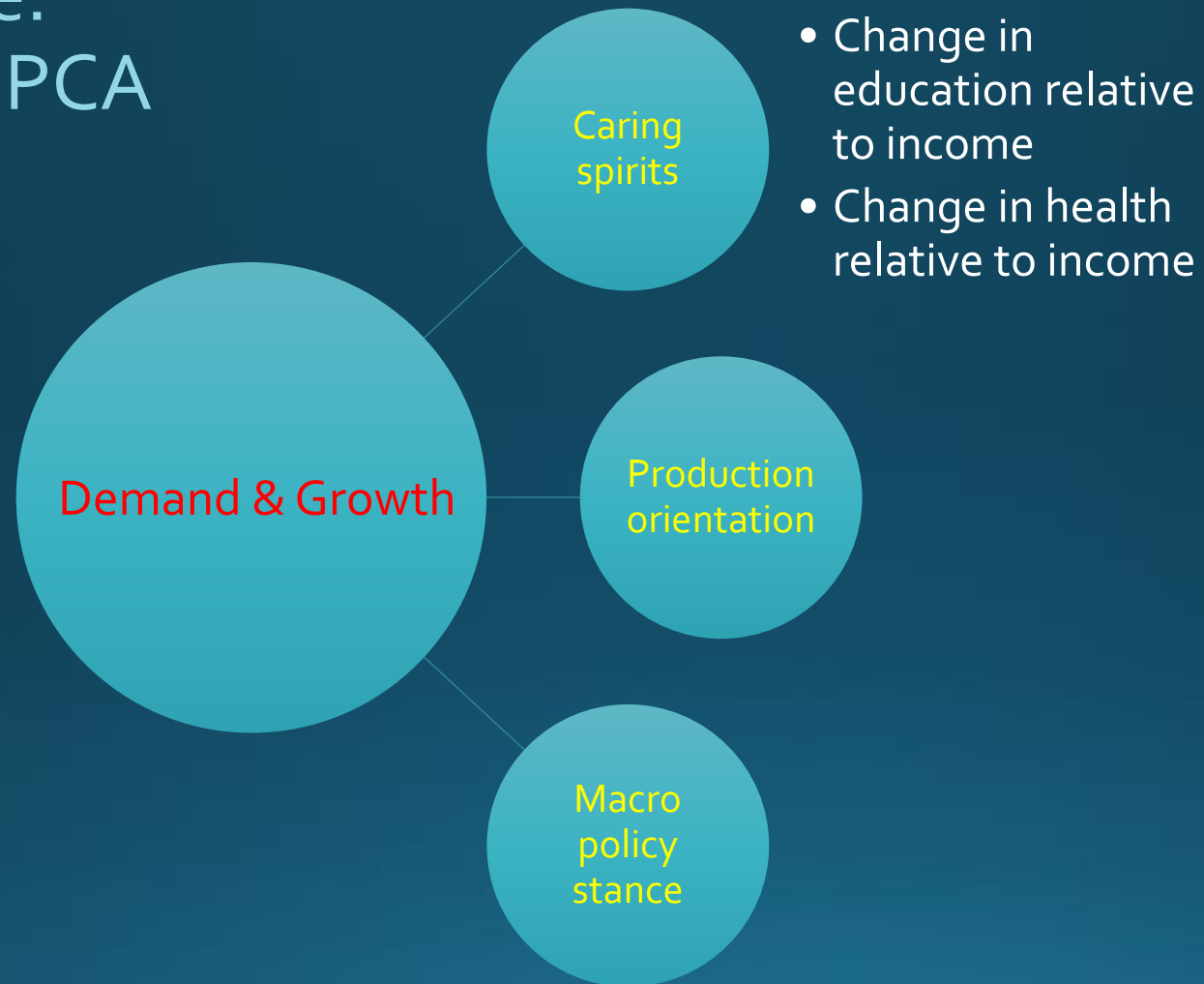
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Characteristics		
<i>Caring spirits</i>	Strong	Weak
<i>Production orientation</i>	Domestic	Global
<i>Macro policy stance</i>	Developmental, employment-oriented	Geared to managing openness

## Demand side: Data for the PCA

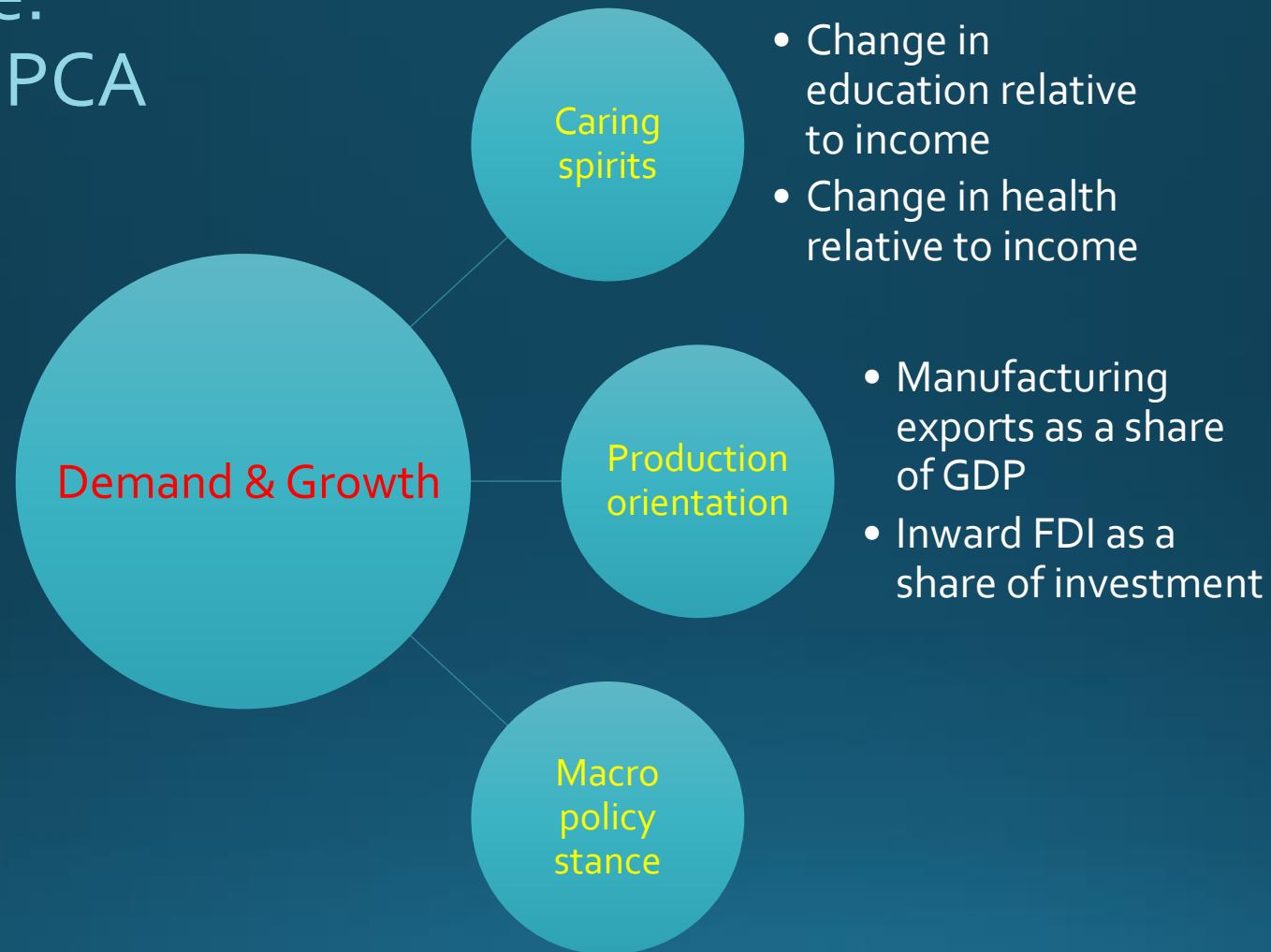




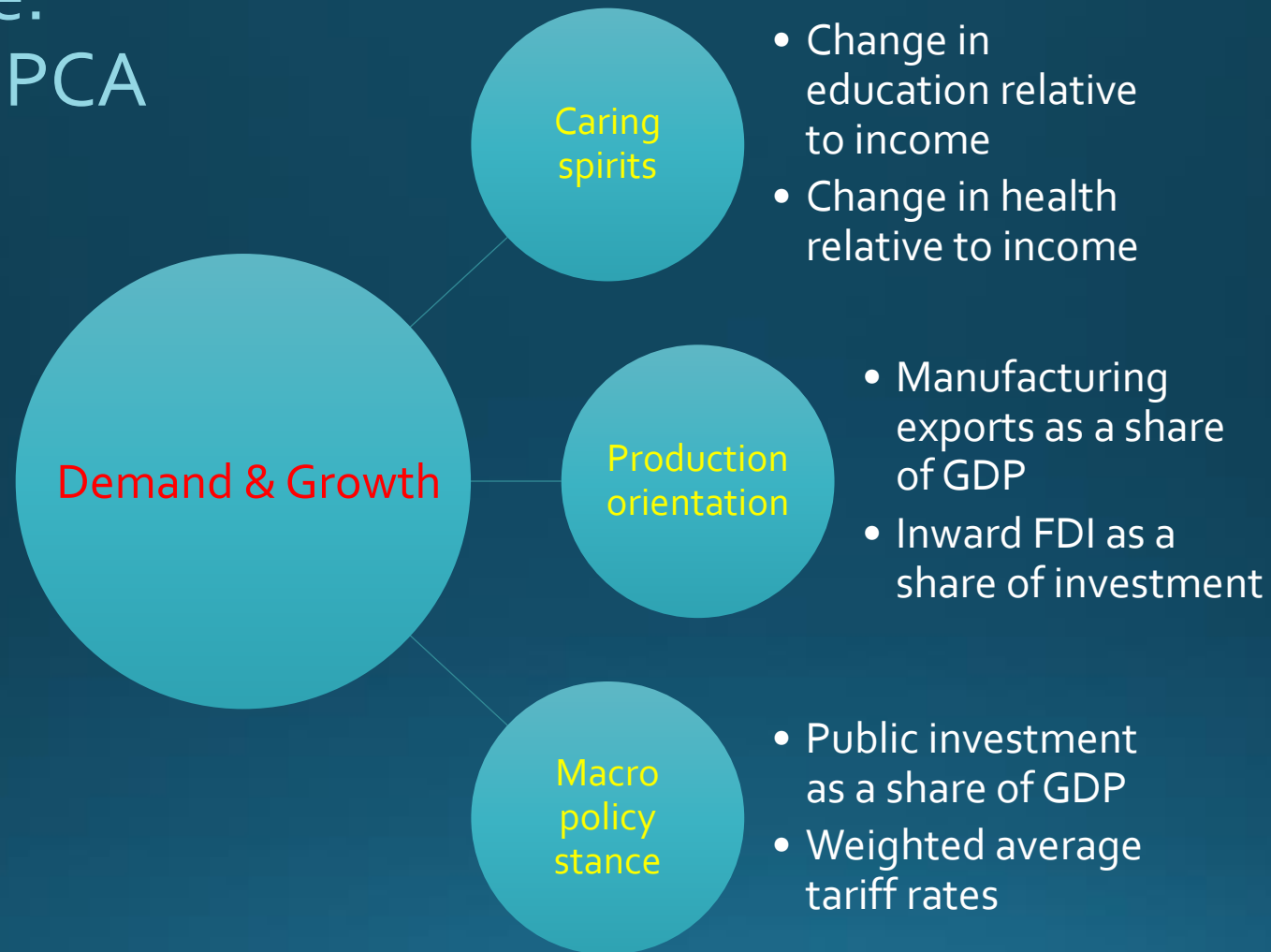
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# The supply side: Distribution of social reproduction

## 1. Labor market

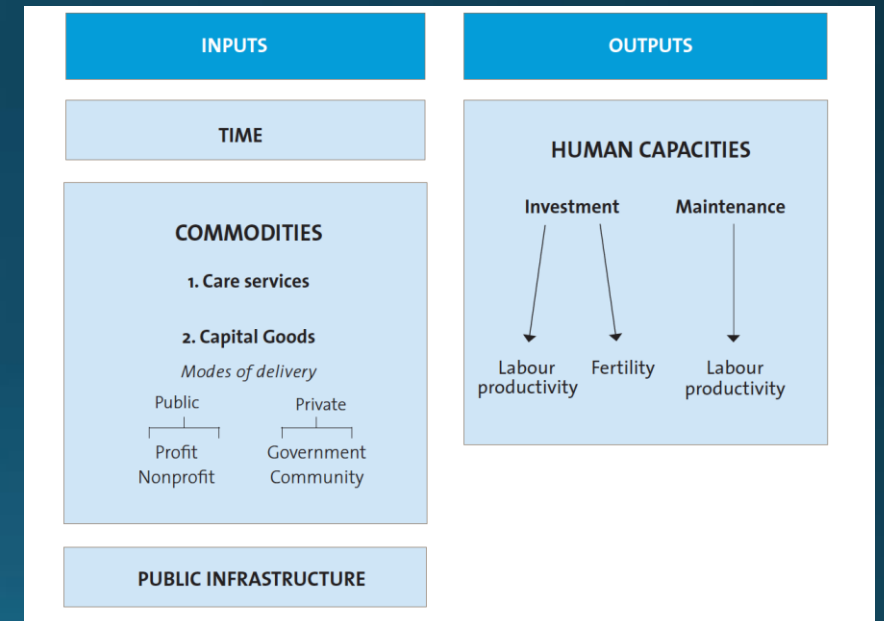
- Gender segmentation in the labor market
  - Women work in market care services
  - Men work in durable goods
- Employment → labor's bargaining power

## 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



# 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		

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<i>Market care sector</i>	Extensive & high quality	Limited &/or low quality



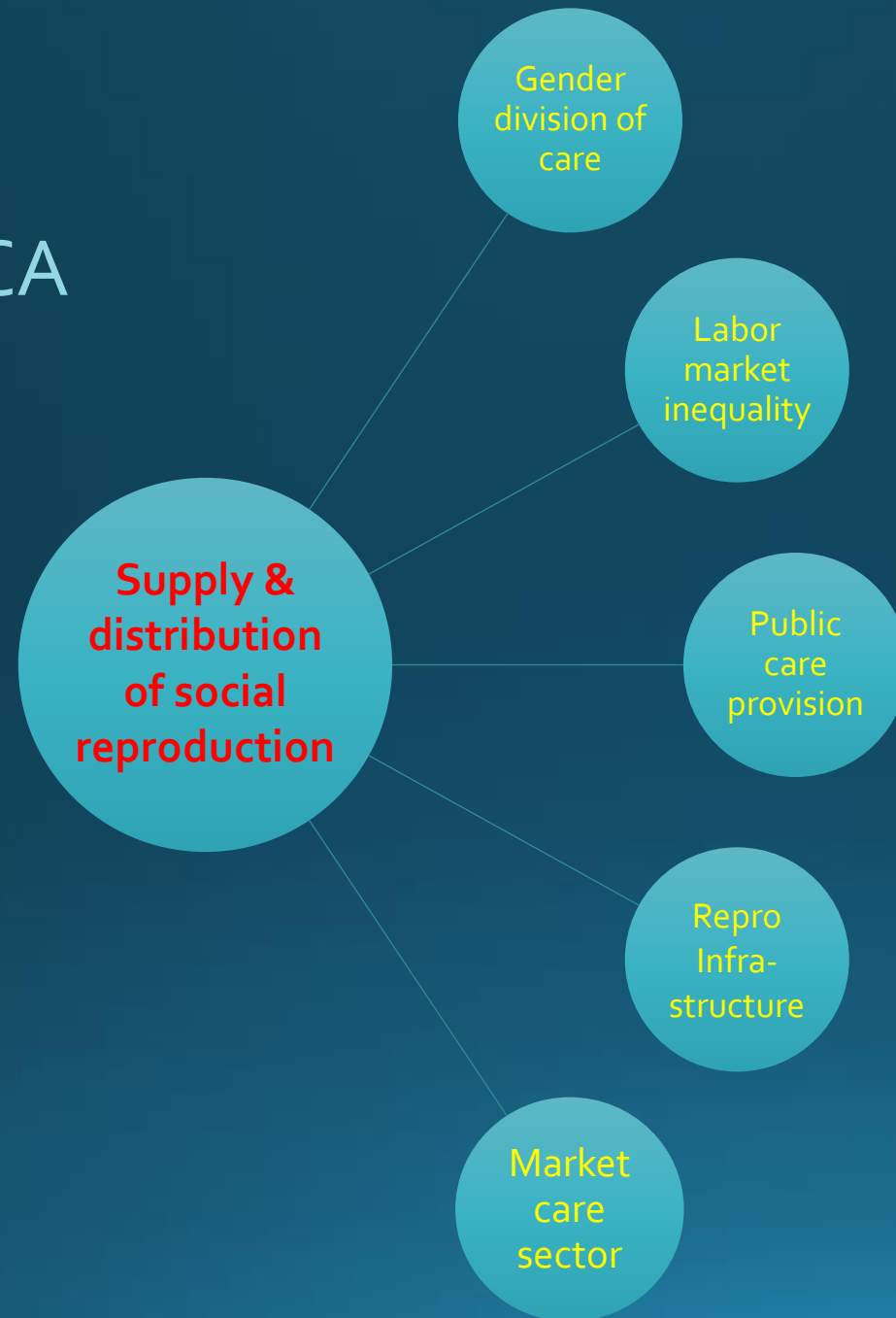
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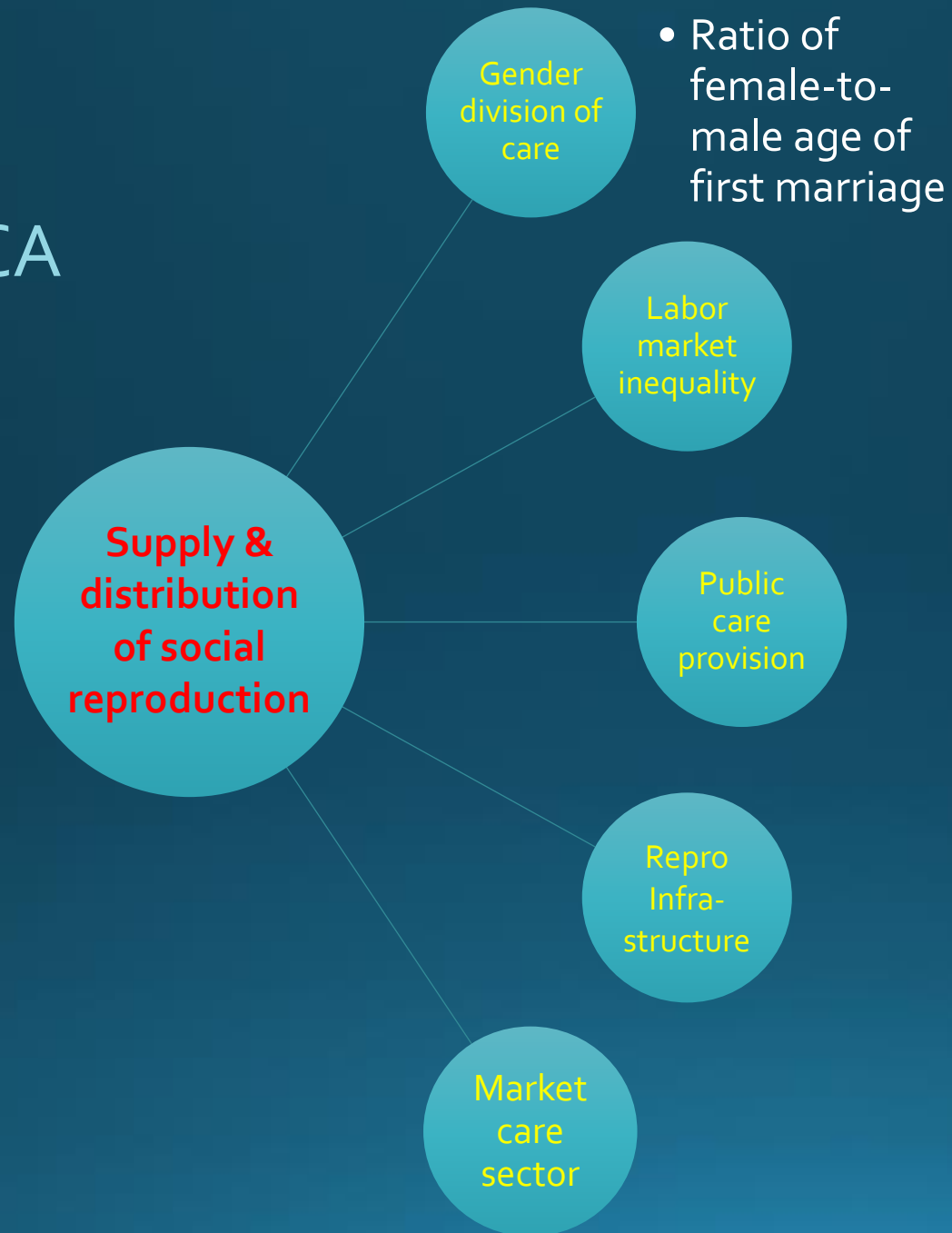
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<i>Reproductive infrastructure</i>	Extensive	Limited

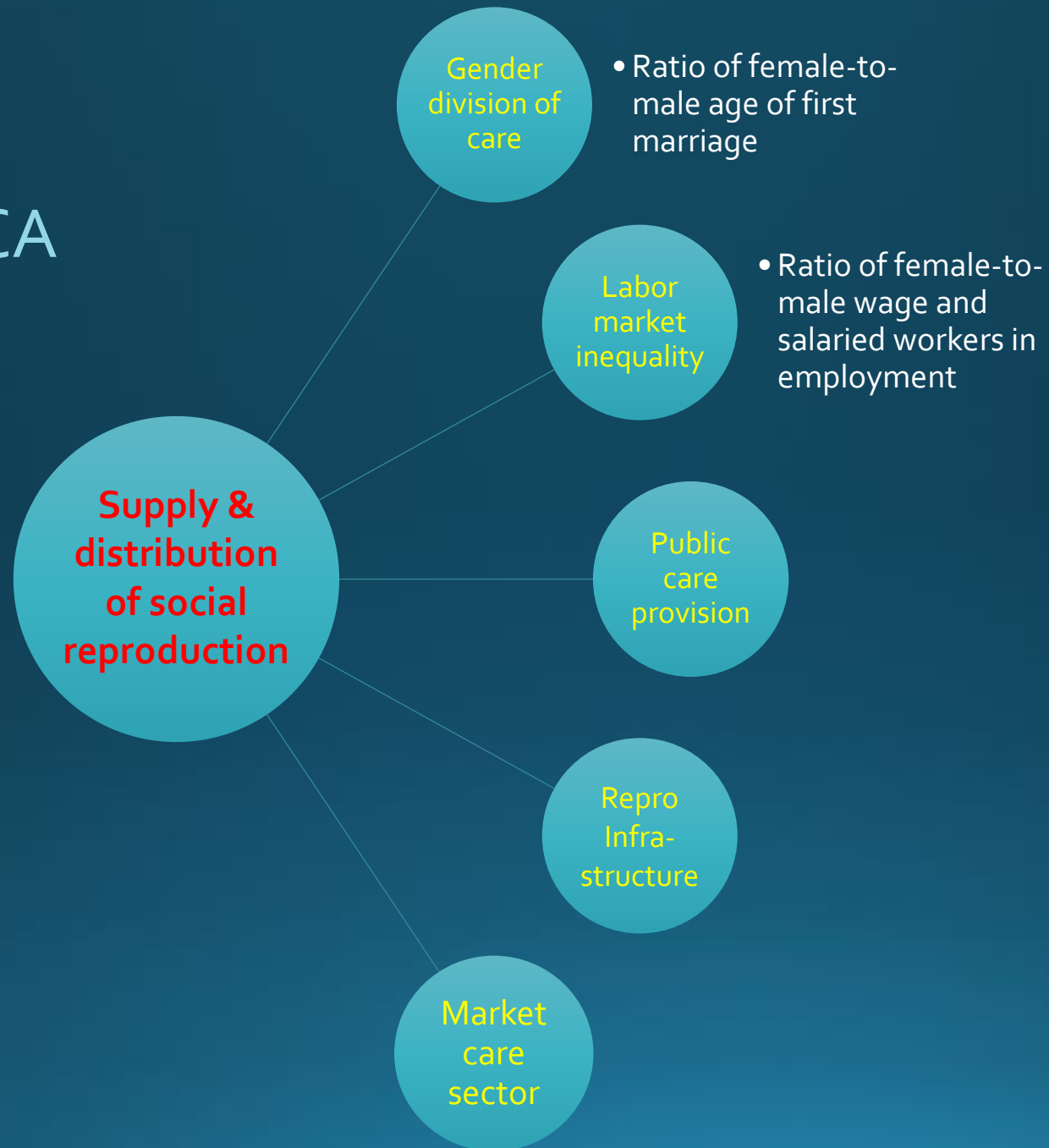
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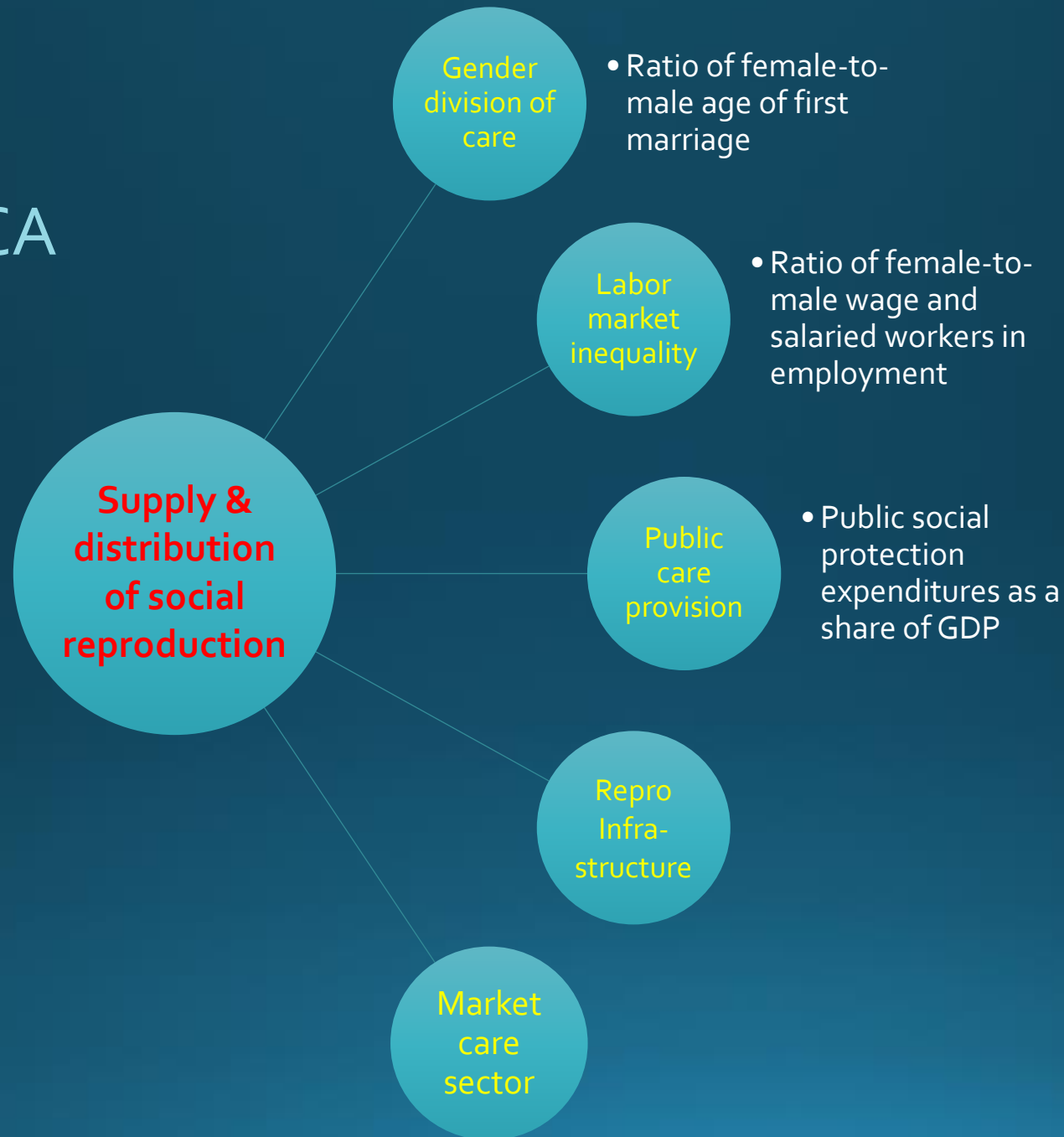
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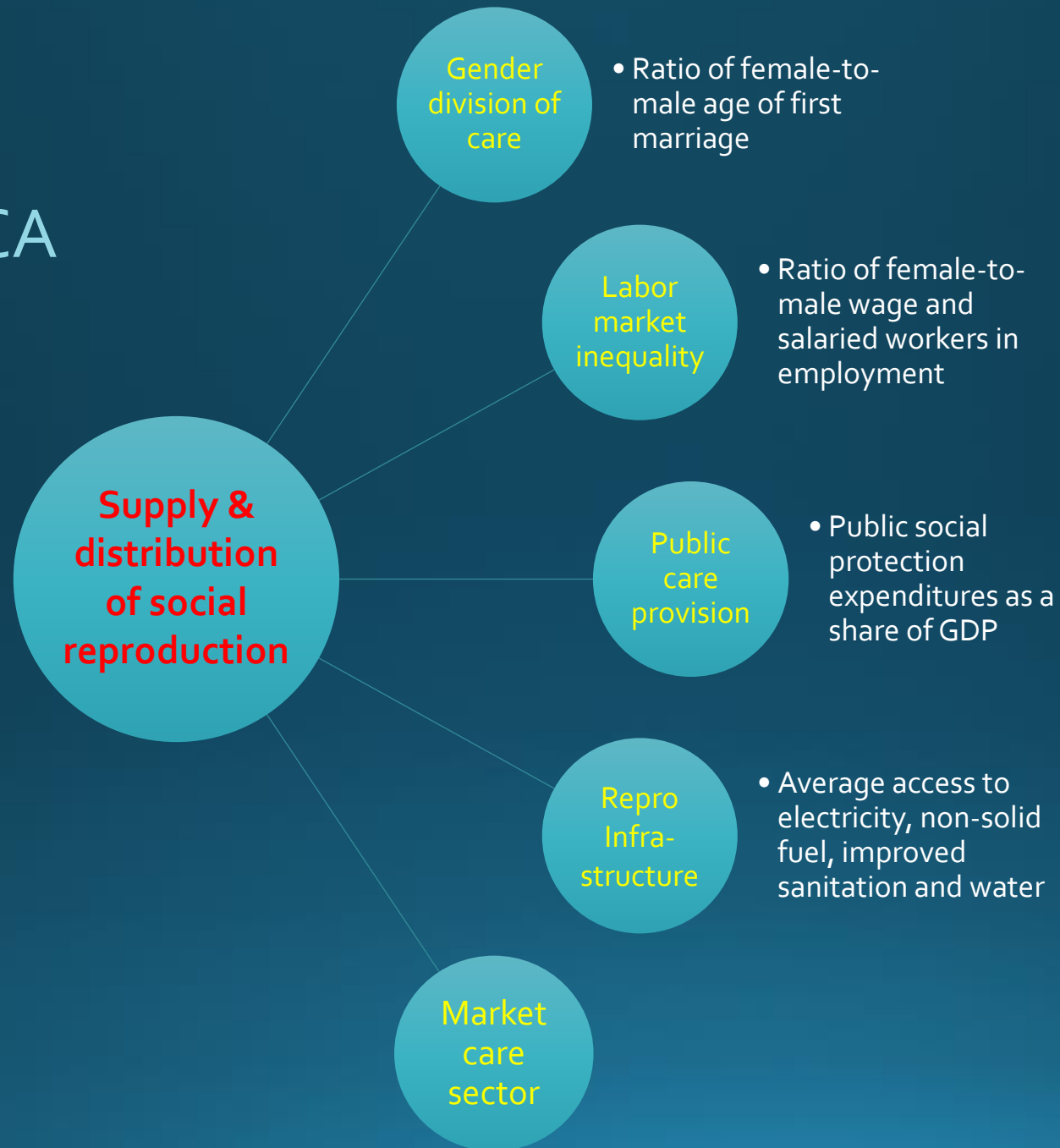
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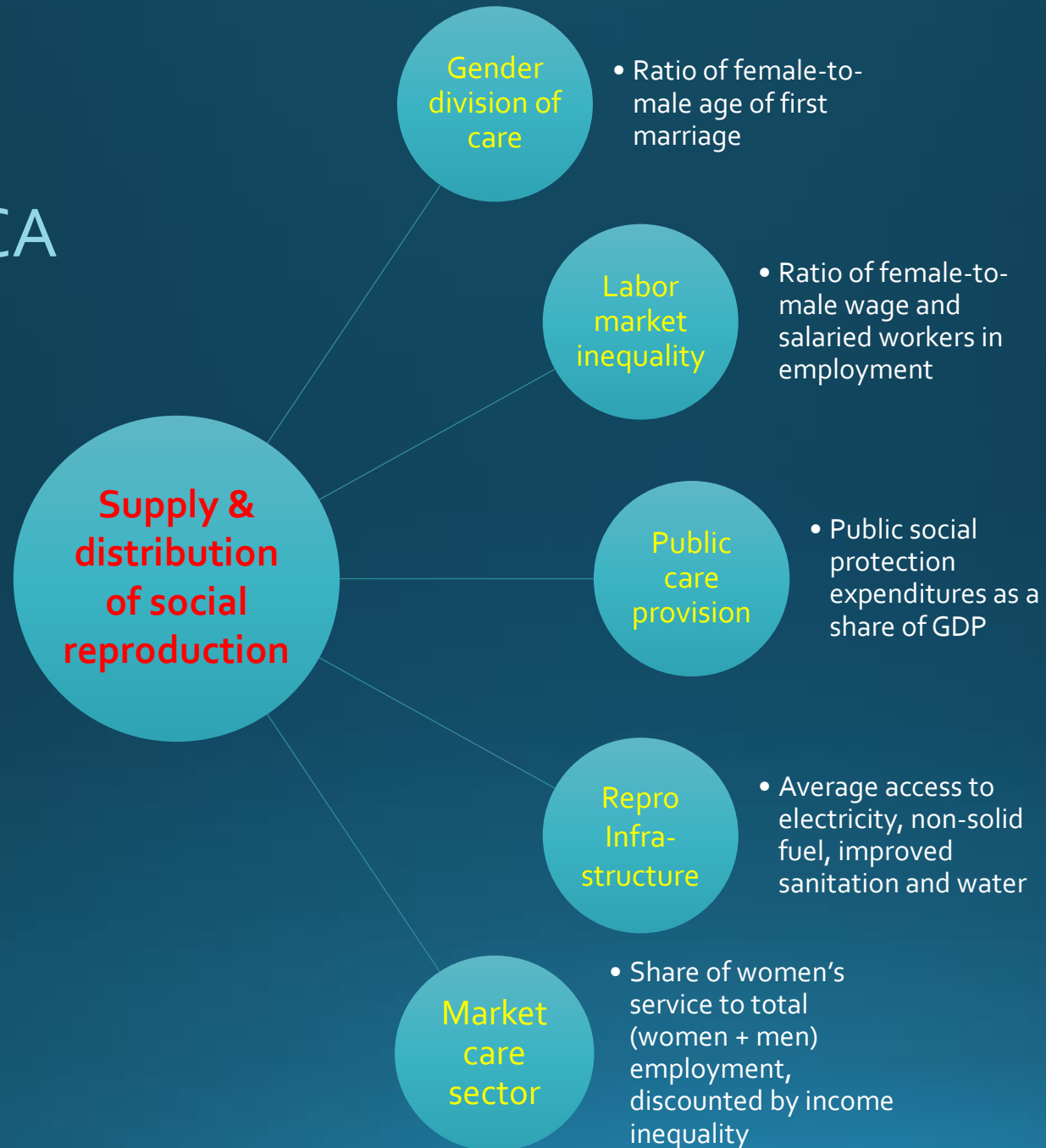
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# Growth & Social Reproduction

Demand: Growth	Supply: Distribution of social reproduction	
	Low-road: Feminization of responsibility and obligation	High-road: Gender egalitarian
Care-led: Strong caring spirits		
Inequality-led: Weak caring spirits		

# 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>	
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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>

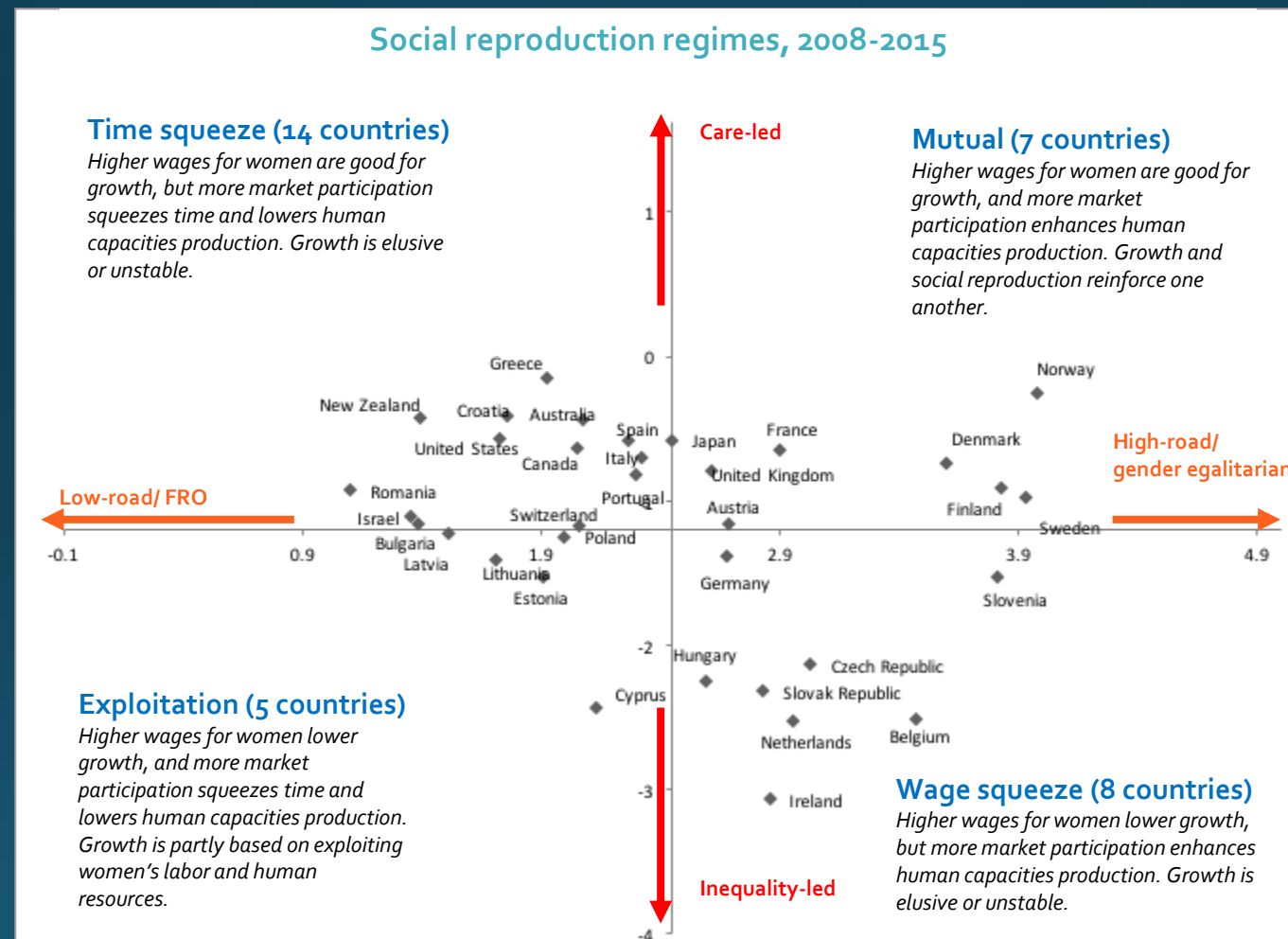
Empirical application

Principal component analysis →

time paths of social reproduction regimes

Growth regressions

# PCA for developed economies



# Distribution of social reproduction regimes

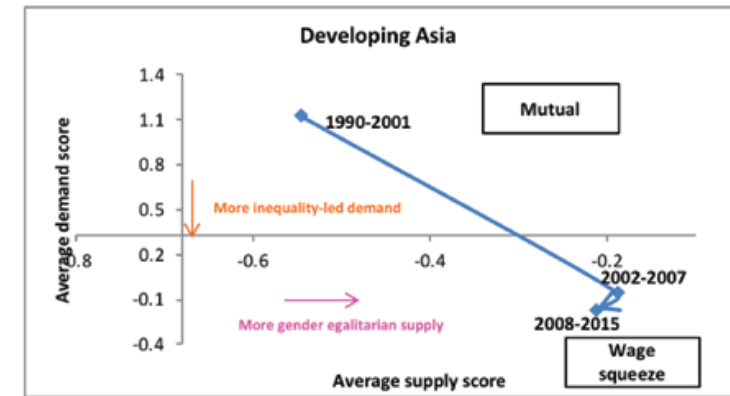
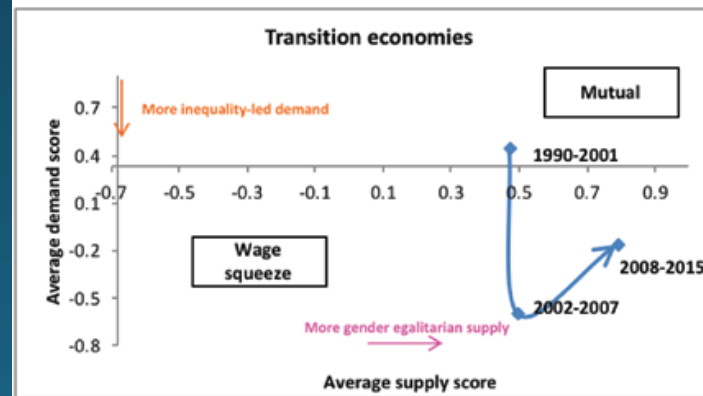
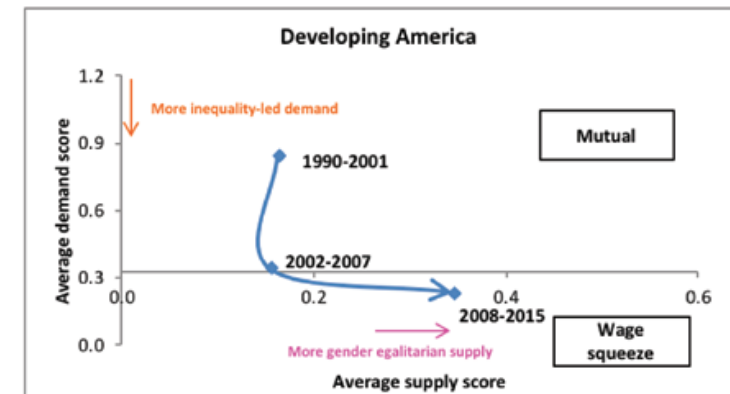
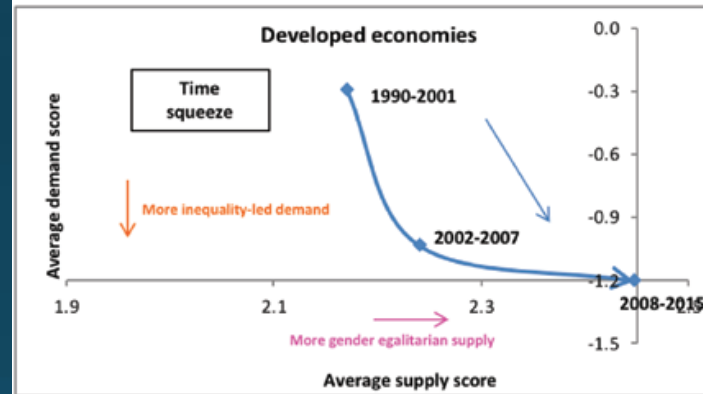
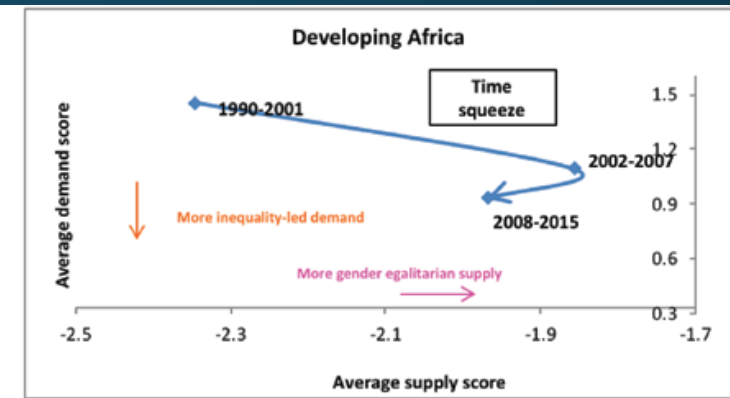
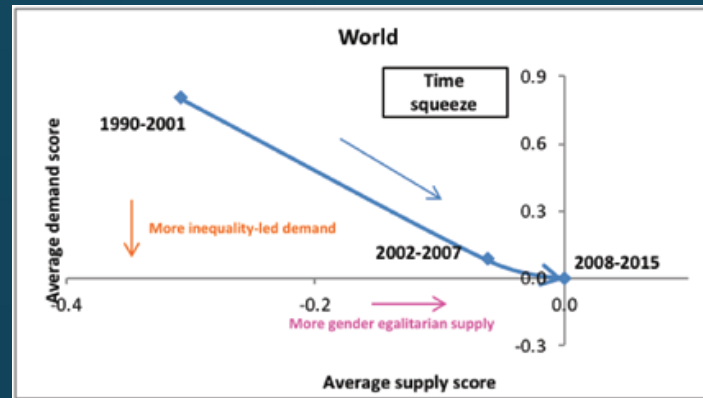
Table 7. Distribution of social reproduction regimes by region, 2008-2015

<i><b>Region</b></i>	<i><b>Exploitation</b></i>	<i><b>Mutual</b></i>	<i><b>Time squeeze</b></i>	<i><b>Wage squeeze</b></i>	<i><b>Number of countries</b></i>
Developed economies	15%	24%	38%	24%	34
Developing Africa	15%	13%	69%	4%	48
Developing America	5%	32%	5%	59%	22
Developing Asia	15%	12%	18%	56%	34
Developing Oceania	100%	0%	0%	0%	1
Transition economies	0%	18%	0%	82%	17
<i><b>World</b></i>	<i><b>12%</b></i>	<i><b>18%</b></i>	<i><b>34%</b></i>	<i><b>36%</b></i>	<i><b>156</b></i>

Note: The classification of country groups conforms to that used by the United Nations.



# Time paths of social reproduction regimes, 1990-2015



## Growth regressions

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	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. Country and time fixed effects also included.

# Growth regressions

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	Growth	Volatility
Demand score	-		
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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		-	++***

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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**