



National Conference

**Engendering Macroeconomics and Macroeconomic Policies**

*Supported under the*

Department of Women and Child Development, Government of India  
United Nations Development Programme Project on  
**'Promoting Gender Equality'**

*Organized by*

Centre for Women's Studies, (Gender Economics),  
Department of Economics, University of Mumbai

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**REPORT**

**NATIONAL CONFERENCE**

**ENGENDERING MACROECONOMICS**

**AND**

**MACROECONOMIC POLICIES**

**29-30 September, 2005**

**NCPA, Mumbai**

29 September 2005

### OPENING PLENARY

Prof. Romar Correa welcomed Hon'ble Vice-chancellor of University of Mumbai Shri Vijay Khole, Prof.K.Seeta Prabhu, Head, HDRC - UNDP and Hon'ble Minister of Finance and Planning, Government of Maharashtra, Shri Jayant Patil and Prof.Ritu Dewan, Convener, NCEMMP.

Shri.Vijay Khole delivered the Inaugural Address and chaired the Opening Plenary. He focused on the theme of the conference and stressed the need to mainstream gender in macroeconomics.

Prof. Seeta Prabhu, Head, HDRC was of the opinion that this conference on engendering macroeconomics and macroeconomic policies comes at an opportune time when there is a greater awareness on the part of the government to mainstream gender concerns into policies and programmes. At the level of GoI the FM has already announced that by 2006-07 all ministries will incorporate in their reports schemes with substantial outlays for women. She said that this augurs well for gender mainstreaming which is more integrative than the usual 'add and stir' approach used for gender issues. The UNDP country programme reflects this concern by attempting to build an understanding of the impacts of macro-economic processes on particularly vulnerable groups such as women, landless agricultural workers and artisanal communities. In addition to the focus on the mutually reinforcing goals of gender equality and decentralization, UNDP programmes also have areas of mutual convergence. Designed to demonstrate area-based integrated approaches to environmental sustainability, poverty eradication and human development the country programme includes gender as a cross-cutting issue. The programme also aims to provide conceptual and methodological support to the process of engendering development through the strengthening of gender-disaggregated databases, the development of tools for tracking the gender impact of poverty programmes and the systematic gender analysis of State budgets. The Human Development Resource Centre, with the Department of Women and Child Development, has made a concerted effort to mainstream gender through a joint project Promoting Gender Equality under which this conference is being supported.

She appreciated the role played by Department of Economics and Gender Economics Unit for organizing this conference that will address not only the theoretical issues but also empirical and policy level concerns with respect to gender and macroeconomics. On behalf of UND and DWCD she congratulated the VC and her colleagues at the Department of Economics and thanked experts and practitioners who participated to provide a rich intellectual fare.

**Shri Jayant Patil**, Hon'ble Finance Minister, Government of Maharashtra, highlighted that the State of Maharashtra has always been a front runner in giving women a position and role in the progress of society by recognising their entitlements. He stated the United Nations Development Programme (UNDP) has been the primary organisation, which was committed to a 'people-centred' vision of economic development. The organisation had noticed that insufficient allocation and ineffective use of public resources have been one of the major policy setbacks that hindered the reduction of economic inequities. Also volatile economic conditions have arisen as a result of globalisation, especially in developing countries. It is realised that macroeconomic policies have a greater impact on the reduction of economic inequities notably from a gendered perspective. He emphasised on the importance of sound macroeconomic policies with a primary emphasis on price stabilisation, fiscal restraint and reduction in the role of State followed by social policies such as insurance schemes in order to reduce existing economic inequities. He also stressed the need to continue the association already established with HDRC-UNDP and to develop a close relationship with the Department of Economics.

The session ended with Prof.Ritu Dewan making a Vote of Thanks whereby appreciation was extended to all the guests at the Opening Plenary.

## THEMATIC SESSION I

### ENGENDERING FISCAL POLICIES

#### *Dr. D.K. Srivastava: Overview*

Dr. Srivastava pointed out that there is no dimension of fiscal policy, which does not have serious gender implications. However, this is a highly under-researched area.

Government size, measured as total expenditure as a proportion of GDP steadily increased from 1950/1951 when it was about 11% to 1987/1988 when it had risen to 21%. After that the size of government has witnessed shrinkage. Dr. Srivastava pointed out that it would be interesting and important to explore how shrinkage in *government size* would affect gender issues. He pointed out that gender implications of the *composition* of government expenditure also needed to be explored. Also, how the fiscal deficit is financed would have crucial implications for gender issues. If fiscal deficits are funded by borrowings then a rise in the debt-deficit ratio is bound to have implications for income distribution and gender considerations need to be carefully examined.

Since India has a three-tiered federation with central, state and local governments, the inter-relationship between these three tiers are crucial to the designing of fiscal policy. The design of grants, which have as their objective the attaining of horizontal and vertical equity, must be gender conscious.

Dr. Srivastava drew attention to the fact that one could argue for greater emphasis on gender issues not only on equity grounds but also on efficiency considerations, as it would result in greater employment, greater savings and therefore greater growth. Micro-credit expansion to women in Bangladesh and studies examining countries in the Middle-east show higher growth

rates. He also made the point that it is important to give emphasis to initial conditions. Initially, higher incidence of female poverty, higher illiteracy levels and lower share in employment require special emphasis to gender issues.

Thus, Dr. Srivastava in his overview flagged a number of questions and pointed out areas where gender considerations need to be closely scrutinized.

### ***Anjali Goyal: Women's Empowerment Through Gender Budgeting: A Review in the Indian Context***

The paper at the outset defined Gender budget as the initiatives, which analyse how governments raise and spend public money, with the aim of securing gender equality in decision-making about public resource allocation; and gender equality in the distribution of the impact of government budgets. The impact of government budgets on the most disadvantaged groups of women is a focus of special attention.

The Indian experience thus far comprises of (a) Women's Component Plan-Earmarking resources for women (b) Implementing Women Specific Schemes (c) Monitoring macro indicators like MMR, Literacy rates, work participation (d) Quantum and Trend analysis of resources allocated and spent on women (e) Gender Audit of schemes and programmes-implementation and impact analysis

The paper critiqued the tool of gender budget and an alternative strategy for women's empowerment was proposed in the paper along with a Strategic Map for Women's Empowerment, which comprises of the following:

(I) *Client Perspective*: Basic socio-economic infrastructure- Health, Education, Water & sanitation; Economic Empowerment- Economic identity, Employment, Assets, Credit, Skills, Markets, Risk coverage; Social and political empowerment- Political participation, Gender Equality in inheritance, marital laws, security

(II) *Internal Processes Perspective*: Spatial Maps & Yardsticks for Availability of Resources and Opportunities; Synergy in Resource allocation across levels of governance; redesigning programmes;

; Gender perspective in monetary and fiscal policies; Better implementation of laws(III)

*Financial Perspective*: Translate on gender based spatial requirements in to resource allocations; Re-prioritize resource allocations- regional imbalances, infrastructure gaps; Better

monitoring of programmes- MIS based on spatial progress; Gender perspective on revenue raising policies/subsidies

(IV) *Learning Perspective*: Better Fiscal Management; Capacity Building for Women- budgeting, political processes, leadership, collective power; Training in high end skills and entrepreneurship for more productivity; Bridging gap between Research and Administration- Evaluations, Surveys, Research; Social re-engineering- Education at all levels; Training & Gender sensitization of administrative cadres

***Dr. K. Seeta Prabhu and Meenakshi Kathel: Engendering Public Finance: Issues and Options***

The focus of this paper was to address the role of macroeconomic policies in correcting distortions pertaining to gender equality. It also focused on Gender Budgeting i.e. an analysis of public spending through a gender lens. An important point brought to the fore here was that the importance of this issue has come to the fore during an era when governments control over policy decisions is diminishing.

The paper pointed out that it is a compulsion of economic reforms that it has differing impacts on men and women. Measuring impact was difficult due to inherent gender biases in data collection and non-availability of sex disaggregated statistics. Hence Gender budgeting runs the danger of remaining an accounting exercise. It is important to combine gender sensitive macro policies with gender sensitive public finance.

The paper drew attention to the fact that women's economic role recognised at policy level is not reflected during implementation. Maharashtra State Policy for Women wherein there are several provisions on performance budgets, gender audit, and participatory mechanisms are not adhered to.

The paper emphasized that gender-mainstreaming imperative as in current schemes. Benefits to women are piecemeal and sporadic. At the inception level gender concerns are ignored, at the budgetary level there is inadequate provisioning and at the implementation level there are targeting errors and inappropriate training. Expenditures alone do not make a difference, it would need to combine with elements of revenue generation. Lack of gender mainstreaming can hamper translation of innovative ideas. Hence there is a need to go beyond a departmental approach. Gender mainstreaming should be the new mantra.

***Ritu Dewan: Taxation Systems and Policies: A Gendered Critique***

This paper focused on the gender and poverty implications of the Indian tax policy structure. It examined the gender non-neutrality inherent. Implicit and explicit biases in the major revenue collection methods have been identified separately for direct and indirect taxes. Major direct taxes examined include corporation tax and personal income tax.

Experience from other countries is drawn upon to reveal the existing gender bias in the personal income tax provisions till very recently. In France, the woman got independent existence as a tax payer only as recently as 1983. In Netherlands it was only in 1984 that equal basic tax allowance replaced the earlier higher tax allowance given to a married man than a married woman. In U.K. it was only in 1990 that the joint tax, which could be filed only in husband's name, was scrapped. In Malaysia till 1991 woman's income was attributed to the husband. In Ireland there was compulsory joint filing in husband's name. It was only in 1993 that this was replaced by option for wife to be "primary taxpayer". What clearly comes through from the international experiences cited above is that since the mid eighties countries over the world are awakening to gender biases prevalent in the prevailing revenue raising mechanisms.

The paper also drew attention to some of the gender biases that are likely to crop up with the recently introduced VAT in the Indian federation. The major recommendations made by this paper are:

Increase PIT exemption limits for FHH

Child-Care Exemptions under PIT

Abolition of HUF

Tax exemptions for SHG's / Cooperatives

Horizontal and Vertical Equality and it's linkage to Normative issues.

Deconstruction and Reconstruction of the theoretical basis of taxation structures and policies.

***Benita Sharma: Engendering Fiscal Policies - The case of West Bengal***

This paper focused on state level fiscal operations in West Bengal from a gendered perspective. It sought to examine whether benefits of existing measures reached women at the grassroots, and how they and their households coped with changes brought about by major shifts in public policies. The finances of 14 major states were compared.

The major findings of the study revealed:

(a) Though the state budget was burdened with debt charges, no cuts were made in the social sector and substantial resources were spent on measures, ostensibly to promote gender although they focused on women's traditional roles.

(b) Substantial allocation for health & education, yet gender gaps in school education and health persisted. From mid 1990s, almost the entire amount on education and health was being absorbed by salaries, and benefits of existing staff, leaving little for further improvement.

(c) Maternal mortality rates -a special concern for state policies as state has schemes for giving pre- & post-natal care to expectant mothers & some trained help at the time of delivery. During the 1990s, West Bengal's position was better than that of India as a whole, but worse than in most developed states.

(d) Aged women are more vulnerable and are less likely to have earned a pension or accumulated property during their working lives -larger proportion of women work in the informal sector or as unpaid labour for the family.

(d) West Bengal made relatively fewer efforts to raise its own resources. Hence among the fourteen major states only the poorer states of Uttar Pradesh, Orissa and Bihar ranked below WB in the extent of its reliance on receipts from the Union Government.

(e) Little was being done to actively fight gender bias.

Based on its findings the author voices the need of the hour that various agencies, associations and groupings need to enhance the level of awareness amongst the various strata of governments, policy makers & various stakeholders. This can be achieved by bringing to light the available and existing data, information and statistics that will present a compelling case for equity in budgeting.

## THEMATIC SESSION II

### LOCATING GENDER IN MACROECONOMICS

#### *Dr. Romar Correa: Overview*

Prof. Romar Correa observed that the papers to be presented in the session would lead to an exploration of non-neoclassical macroeconomics. Labour markets, as he put it, are the Achilles Heel of most brands of macroeconomics. In developed monetary and financial models, the labour market simply drops out. Therefore Prof. Padmini Swaminathan's thesis that gender analysis had enriched the study of the labour market wherein three policy issues emerged: pay equity, the valuation of non-market work and support for parental work. Dr. Wandana Sonalkar's paper was a description of microfoundations based on Amartya Sen's formulations. In place of the omniscient agent of neo-classical macroeconomics, "rational tools" lay the foundations here. All the same, Sen left the role of the state in economic activity "ambiguous", since his taxonomies were axiomatic, only an institutional context could deliver the details on state intervention.

Prof. Ishita Mukhopadhyay delved into a wide-ranging survey of the political economy of the macroeconomics of gender. She developed the notion of meso-economics, which she neatly defined as a conduit for the transmission of signals from macro to micro and back.

#### *Professor Padmini Swaminathan: Macroeconomic Methodologies, Approaches and Policies: Why Gender Matters.*

Professor Padmini Swaminathan aimed to show how gender analysis has challenged and enriched many of the standard assumptions and concepts utilized in economic analysis, be it peasant studies, paid/unpaid work, care labour, etc, even if or even though precious little of this understanding has been translated into women-friendly economic policies.

The concept of gender division of labour, which among other things has highlighted the assignment to women in particular the tasks of daily and generational reproduction, has, to put it mildly, revolutionized the concept of 'work', forced researchers, policy makers and data collecting agencies to rethink the categories of 'productive' and 'unproductive' work, and

taken cognizance of the multiple and simultaneous nature of much of women's work particularly in rural areas.

She emphasised on labour markets, equity, payment of care labour and support for parental work. These debates have challenged the patriarchal family, and helped establish new rights for women and children. At the same time, feminists are aware that policies to recognize, compensate and provide paid leave for 'care work' superimposed atop gendered labour market structures and notions of care-giving is likely to simply reproduce gender gaps in employment and the division of care work. She took the example of the depletion of ground water in the state of Tamil Nadu with its consequent effects on labour and gender in developed countries.

A considerable body of research has brought out the ways in which women's gendered identity has been central to the national and international drive towards cheaper labour but higher productivity and profits over the last few decades. Also highlighted are the strategies through which governments, transnational corporations and even trade unions have managed to continually erode potential and existing entitlements for women workers. The case studies of the units in Export processing zones (EPZs) are a good example of this combined onslaught. Apart from wide-ranging exemptions, these formal units have managed to protect themselves legally by not designating their women workers as 'workers' through a simple device of using contractors or the informalisation of women workers.

The case of women not being counted as workers, of home-based work increasing women's wage employment but not contributing to their participation in the public sphere nor enhancing their freedom and/or agency in the private sphere – clearly illustrate why simply improving the definition of work and the collection of data on labour is not enough.

She states that despite exhortations to the effect that macroeconomics and social policies need to be integrated, operationally the tendency has been on emphasizing price stabilization and on reducing the role of the state while at the same time *adding* social policies to address issues such as poverty and women's empowerment..

***Dr. Wandana Sonalkar: Gender Perspectives on Microeconomic Foundations of Macroeconomics.***

Dr.Wandana Sonalkar began by examining two instances of controversies centered on the measurement of the impact of recent policy changes and economic developments on a global

scale, on the conditions of life of the people in developing countries such as India. First, the claim of the Indian government and of international funding agencies that poverty in India has declined over the 1990's, and the challenge to this claim by left-wing critics.

The other issue concerned the use of the Human Development Index defined and calculated by the UNDP since 1990 with the purpose of providing a more valid basis than per capita income for assessing the impact of policies on the populations of different countries, and for making international comparisons of the level of development achieved. . Recently, several states in India have used the conceptual framework of the HDI to compare the performance of different states in India, and of different districts within the states, with researchers also focussing on poverty indices based on actual attainment of certain basic needs of life.

Her paper aims at reexamining the construction underlying concepts used in these indices, in terms of the microeconomic foundations of macroeconomics. She analysed the Amartya Sen's concept of *capabilities*, which is the central concept behind the Human Development Index (HDI). Capabilities on the one hand are a supplement to *incomes* in measuring well-being, and as an alternative to *utilities* as a basis for measuring welfare. She urges the examination at how the individual (man or woman) is embedded in the macroeconomic framework implied by Sen.

Composition of especially poor people's expenditure has to be examined in relation to the level of penetration of the market into areas of the economy in which feudal production relations and traditional forms of activity had earlier prevailed.. There is also the issue of whether the extension of the scope of the market widens or restricts the set of alternatives available.

***Prof. Ishita Mukhopadhyay: Political Economy of Gendered Macroeconomics.***

The motivation of the paper is to have a critical look at the existing gendered macroeconomic analysis with an eye to understanding the inherent political economy of gender as depicted in the analysis. The politics of gender is crucial to the understanding of not only gender differentials but also understanding the economy itself..

Analysis on the basis of gender as a category does not have a very different perception of individuals, and micro basis of the economy with or without gender remains the same. This

does not alter the question of choice, and hence a gendered perception of the self is missing in this analysis. Some macroeconomic structures look at gender purely as a category and thus fail to lead to proper analysis of political economy. The gendered implication of the trade impact of globalisation on women is also difficult to understand with this structure.

Other kinds of macroeconomic analysis put on a gender lens to old methods without gender, and examine the macroeconomics of any kind of change located in the gender divide of the economy. This also implies that this method of investigative understanding is embedded in the stratification of the economy on the basis of gender, caste and class.

In contradiction to the above two approaches, there is also a third method emerging in gender analysis. This is the meso-economic examination of the economy which is gradually becoming effective in gendered aspect of policy impact analysis. This can be either with general macroeconomic policy or with respect to women targeted policy initiatives.

### THEMATIC SESSION III

#### EMERGING ISSUES IN ENGENDERING STATISTICS

##### PANEL DISCUSSION

The panel discussion was chaired by **Prof. Pam Rajput** where she stressed the importance of collecting of sex- disaggregated data and the engendering of methods by which data is collected.

**Mr.Sathye** informed the audience about the variety of indicators on which the data is being collected by the Government of Maharashtra. **Mr.Panda** explained the issues pertaining to data collection in tribal areas. **Prof. Hatekar** highlighted the limitation of indicators with regard to malnutrition. One of the challenges for establishing a starvation death is one has to rely on physical appearance in relation to the close family members, as anthropometric methods are not viable. Another important issue that he highlighted was that malnutrition, hunger and starvation are closely interconnected and is not possible to clearly differentiate between each of these. As an alternative, he suggested the following indicators: ICDS records, increased death rates in the community, reduced food intake from PDS among others. **Dr.Rustagi**, pointed that gender disaggregated data gaps can be of three types. The first pertains to information collected but not in the format amenable for gender disaggregation.

The second set consists of data that is collected, but not collated into gender distinct categories. Here, the raw information is available by sex, but due to lack of recognition of its importance, this is clubbed together to form gender blind statistics. The third type refers to areas where there is a complete absence of data collection or record maintenance due to sheer non-recognition of their need. A related example could be of poverty estimates that are based on income or consumption (expenditure or nutrition) measures. Income data is the most elusive and often consumption expenditure statistics are used as proxies. Since consumption statistics are collected and compiled at the household level, these are not gender specific. Hence, statistics on men and women living in poverty are neither available nor easily calculable (as of now). This is clearly one major area of concern on which future work will have to concentrate, as the literature on these subjects reveal the differential impact of poverty on men and women and the inadequacies of using women headed households as a proxy to estimate or capture the gender dimensions of poverty. **Dr.Kumar**, stressed that without a strong database on sex disaggregated it is difficult to develop a baseline for engendering macroeconomics. He also located the experience of HDRs and indices as also some of the MDG reports.

#### THEMATIC SESSION IV

#### GENDER PERSPECTIVES ON MARKET STRUCTURES

##### *Dr.D.M Nachane: Overview*

Prof. D.M Nachane pointed out costs that vary with hours supplied and which are peculiar to women, would lead to a possible shift in the supply curve of women to the left of that of men. Fixed costs will shift the supply curve of women to the right, the actual location of the supply curve is determined by which of the two effects predominates.. Similarly gender discrimination will lead to a downward shift in the demand curve for women's labour, giving rise to segmented labour markets.

Dr.Nachane also expressed a degree of pessimism as far as the ability of Internet and communication technologies to reduce gender inequality. He pointed out the large degree of exploitation of women occurring in the services sector, even in the case of MNC's that advocate differential policies at home and abroad.

***Professor Romar Correa: Macroeconomic Complexity and Gender Economics***

Prof. Romar Correa examines the system of capital and its association with gender sensitive economics. He began by describing capital as a system facilitating production and exchange. The system appears in the forging of implicit contracts and operates according to certain principles that all goods and services are fungible and produced for monetary sale. All enterprise is founded on forward-looking Marginal Efficiency of Capital calculations. The object of investigation, then, is to discover how the strategies employed by different agents intersect and evolves, leading the system in one direction rather than another.

Gender-sensitive economics is equally concerned with the sequencing and interlinkages between capital goods and consumer goods production wherein gender underpins social institutions, which, in turn, reproduce gender. Long-term contracts also describe the non-market activities that take place within households including contingent commitments, liquidity problems, acquisition and maintenance of capital goods, and borrowing and lending. Households enter into economic transactions with each other. The macroeconomic coordination problem reappears in this sphere. If one forward contract is violated, a unit will not receive expected income and will be rationed in other markets.

The time structure of production of the household maps into the cycle of economic activity outside it. The join is both the formal sector as in working hours and overtime as well as state institutions like school schedules and transport. Contingent commitments include 'overdraft' facilities that might not be called upon. 'Care' might be the glue that holds the daily business of material life. It includes variables like attentiveness, expectations and flexibility that notably means responsiveness to stochastic shocks as they affect the lives of others.

***Dr. Anushree Sinha: Engendering Macroeconomic Modelling for Policy Analysis***

Over the past decade, there has been a growing recognition of the importance of macroeconomic policy in influencing women's welfare and their prospects for economic empowerment. There has also been increasing concern on how gender inequality can constrain the outcomes of macroeconomic policy. Although gender-related development issues have prompted serious debate, the absence of appropriate gender-aware macroeconomic analytical tools has penalised quantitative analyses.

Trade related modelling methodologies such as the Computable General Equilibrium (CGE) model has the advantage to interconnect general equilibrium effects with different engendered policy options.

Based on the above, Dr.Sinha further examined literature on macro analysis of gender, the concept of engendering macro economic models on the future work on policy analysis of gender and also addressed the issue of measuring and incorporating the issue of non-market-work into a macro framework

***Prof.Ritu Dewan /Ms.Azania Thomas: Gendering Market Structure Analysis***

The presentation began by stating that Markets form part of an intrinsic blueprint that dictates the functioning and outreach of macroeconomic theory as well as policy. The incorporation of gender discrimination into the mix exposes different constraints on how both will now function. That is, if one examines the usage and definition of normative measures within the aims of engendered macroeconomics, the outcomes of gender discrimination within markets are found to be situational specific with respect to market failure.

It is found that the normative criterion of Pareto efficiency can prove certain forms of gender discrimination existing within the realms of imperfect markets as socially efficient outcomes. This notion tends to clash with the normative criterion of Distributive Justice, where find gender discrimination is found to be highly unequal on the grounds of strict egalitarianism. Aims to resolve gender discrimination within markets is to first begin by examining how both are related and to use the appropriate normative measure accordingly. This has strong implications for the engenderment process of macroeconomic theory and policy.

**THEMATIC SESSION V**

**WOMEN'S WORK AND RIGHTS**

***Dr.Devaki Jain: Overview***

Dr.Devaki Jain pointed out three reasons for which she was glad that this conference was being held in Maharashtra.

1. The Employment Guarantee Scheme (EGS) In Maharashtra contributed to the right for women to work. 2. The MHDR 2002 highlighted high economic growth with low social attainment in Maharashtra. 3. The WDR.2005 has warned that inequality is unfair and stifles economic growth.

Dr.Jain outlined 3 themes, which needed to be taken into account, as they are influential on macroeconomic policies.

The challenge of gendering public policy

Entry of Foreign Direct Investment into retail trade.

Regionalism in Trade.

She emphasised areas where there were opportunities to protect and advance women's rights. Those being EGS and the strengthening of local self-government with untied funds.

***Dr. Alka Parikh: For a Few Potfuls of Water: Water Rights for Women and Implications for Subsidies.***

Dr.Alka Parikh focused on the inequitable allocation of water as a resource through a gender perspective. There is a strong imbalance in the allocation of water, which is reflective of gender imbalances as a causal factor.

She stressed on the sphere of non-market work the purveyors of which are mostly women and the importance that water plays within the structuring of gender imbalances.

As most rural water supply comes from ground water, the ground water situation including the property right regimes and to some extent subsidies were discussed in some detail. The problems of ownership of both land and underground water resources were also reviewed. The discussion on whom should water be given to and how much, would have to include the cost at which water is being provided; thus explored optimal conditions for charging water subsidies. Together with the debate on subsidies, the issue of water privatization was also taken up briefly.

*Dr. Maithreyi Krishnaraj: Reflections on Women's Employment*

Women's employment has been the subject of special investigation in economic theory because their identity in society is not that of the wage worker, the way men are. Hence a special explanation appears necessary on why and when they enter the labourforce. New Home Economics popularized by Becker held that women will enter the workforce when the combined returns from 'domestic work' and market production are maximized. The problem with this is that women's 'domestic work' has an obligatory nature. Secondly, the returns from the market has a time dimension- if they have been out of the job market for a time their skills are not updated and the returns are likely to be less than for men; they also face wage discrimination as every one knows and sexual division of labour in the market persists which assigns certain type of work to women which are low skill, low waged.

There are other formulations seeking to explain the behaviour of female labour supply. There is the notion of the backward sloping supply curve where in beyond a point female labour does not respond to wage incentive beyond the point of a desired level of family income. This presumes that women seek work only to add to family income.

The supply of female labour is expected to be influenced by the presence of young child/children. Married women with children have, according to this reasoning a different supply response. In western societies, it was noticed that women drop out of the labour force when they have infants to look after and rejoin when the children are older and school going. This was necessitated by the fact that they live in nuclear families where the mother is the sole carer. Even in these societies this is no longer the universal phenomenon- more married women with children are today at work even there. It depends on facilities available for childcare; for the relatively well to do, immigrant women are available as nannies. The kind of work available is another factor. With internet today many women work from home and there is also part time work available. In southern Europe the entry and withdrawal of female labour has a different pattern. With extended families being more common, mothers in law look after young grand children while daughters in law go to work. However when the grand parents become old, mothers withdraw from labour force to run the household and look after old parents.

In India as well as in South East Asia mothers-in law look after the sons' children while daughters in law go to work. There are frequent complaints that though the older women have gone through the travail of looking after young children when they were mothers now once again they are burdened with care of the young and hence unable to enjoy a peaceful old age. Even in the USA grand mothers are often called upon to help according to some recent surveys. The critical factor seems to be the availability of childcare.

There is also the class factor. Lower income women have few options and seek public child care in some North Atlantic societies. In India too it is a class phenomenon. The supply curve of female labour tends to have a bipolar structure- at the lowest level of illiterate, poor women the participation in labourforce is maximum; it falls at middle levels then rises again with highly educated women not wanting to waste education and seeking fulfillment outside the domestic role. A study by B Nagaraj of MIDS threw an interesting fact- in rural India and in urban India it is the presence or absence of other adult female members in the household that influences female labour supply. In our study in rural Maharashtra among cane bamboo workers we found that young married women were not allowed to go the market. The sharing of wage work among different members depended upon age and marital status. Thus family composition and culture play a significant role. We must also remember that in rural India women do a lot of non market productive work which are market goods in wage economies.

We have to go beyond conventional neo classical economic theory to include phenomena, such as the above.

## THEMATIC SESSION VI

### CAPITAL FLOWS, TRADE AND GENDER

*Mr.Kailas Karthikeyan, UNCTAD: Overview*

He explained that social restrictions on women's participation continue to impair their full utilization of available employment opportunities in all sectors. Gender differences affect supply responses, resource allocations within households and societies, as well as labour productivity and determine access to and distribution of productive resources and physical and social infrastructure. These constitute a serious undermining of women social and economic rights and in terms of trade development count as serious supply side constraint , which prevent full exploitation of export sectors where women workers are considered to be more resourceful.

***Prof. C.P Chandrashekhar: Constraints on Macroeconomics in the Context of Liberalised Financial Flows: Gender Dimension***

Prof. C.P Chandrashekhar focuses on the less visible side of finance. The presence of finance in developing countries on female employment, the structure of female workforce participation, and overall female livelihoods and well-being.

In these ways, through mechanisms that are remote and opaque from the perspective of immediate lived experiences, He reviews the manner and mechanisms in which financial liberalization constrains macroeconomic policy and contributes to a worsening of the already subordinate position of women in economic activity and adversely affects their status within the existing discriminatory social framework.

Increasing *financial deepening* and greater *financial intermediation* pressures governments into adopting a deflationary fiscal stance. Where despite adverse affects, countries seeking to attract financial flows or satisfy existing financial investors are forced to adopt such a stance, which limits their policy options. In particular, it leads to a cutback in capital and social expenditures that tells adversely of the livelihoods and status of women.

Financial liberalization also tends to increase the fragility of the system because of the public goods characteristics of information, which agents must acquire, and process. Disruptions may also occur because expected private returns differ from social returns in many activities. This could feed a speculative spiral that can in time lead to a collapse of the bubble and bank failures. Speculative bubbles lead to financial crises as well as squeeze liquidity, result in distress sales of assets and deflation that adversely impact on employment and living standards. Despite the fact that social returns to agricultural and manufacturing investment are higher than that for stocks and real estate, and despite the contribution that such investment can make to growth and poverty alleviation, credit at the required rate may not be available. He reviewed the manner in which Financial liberalization changes the structure of the financial system, which adversely effect credit availability and allocation, thereby impinging on the pace of growth and the pursuit of more broad-based and inclusive development. Such outcomes impinge far more on women than men. One, loss in regular employment, exclusion from economic activity, and increased income volatility affect women first and more severely. Second, coping strategies in the face of generalised deprivation forces women for example to remain in the casualised workforce at extremely low wages to sustain household incomes and consumption at subsistence levels.

***Prof. Sushil Khanna: Capital Flows and Industrial Restructuring in India: The Gender Dimension.***

The analysis of the effects of international capital flows on macro and microstructures of the economy are few and far between.

The Indian government undertook wide ranging financial reforms. It abolished control over interest rates and directed lending, recapitalised banks, tightened income recognition norms and moved to the market to finance its own borrowing needs. It phased out concessional lending. However the most significant deregulation has been to allow international institutions and banks to enter Indian capital and financial markets. The central banks set into place a calibrated plan of full capital account convertibility.

Within weeks of opening up its capital markets to foreign investors there was a rush of capital and institution into the Stock Market, with India emerging as the second largest destination for private flows in Asia. These flows have been accompanied by liberalisation of foreign exchange markets, limited hedging and regime of unregulated interest rates. As these inflows were several times larger than the current account deficit, the Central Bank was forced to

intervene repeatedly in the foreign exchange market to stabilize the value of the rupee. Simultaneously, the Reserve Bank was forced to sterilize the impact of inflows by mopping up banking liquidity and providing attractively priced securities, often raising CRR to tighten the money market. Thus during most of the 1990s India experienced very high interest rates and distressed conditions in industry triggered by tight monetary policies.

External sector liberalisation was accompanied by deregulation of the financial and industrial sectors. Entry of large number of foreign players in several industries required Indian managements to restructure their enterprises. Corporate restructuring was accompanied by efforts to undermine workers' conditions of employment and wages. Thus the total employment in the organised industries sector stagnated or declined, the employment of women workers experienced some expansion. Consequently, like several other developing countries, external sector liberalization and increasing integration of the economy, increasing global trade and capital flows have been accompanied by feminization of the workforce.

***Prof. Avadhoot Nadkarni: Trade – Poverty Links***

Prof. Avadhoot Nadkarni investigates how considerations of gender will affect: 1) The trade-growth relationship and 2) The growth-poverty reduction relationship.

Gender considerations can be brought in relationship (i) using the literature on endogenous growth theory, and in relationship (ii) through the literature on the human development paradigm, including, but not only, the attempts to redefine poverty broadly as 'human poverty' rather than 'income poverty', the latter concept being from the mainstream literature.

A higher growth rate is generally accepted to be a necessary, if not a sufficient condition for reduction in poverty. A straightforward way of examining the trade-poverty linkages is examined in two stages: the trade-growth or openness-growth links, and the growth-poverty reduction links. He stated that the openness-growth link is more tenuous than the growth-poverty reduction link, and the former needs to be examined more carefully. In engendering this analysis of trade-poverty links, it is necessary that the neoclassical growth analysis be supplemented by the insights provided by the new growth theory that has emerged since the mid-eighties, especially the ones that emphasize human capital formation. Given the extent of

feminisation of the labour force, differences in human capital formation by gender can provide an important control variable in examining the trade-growth links.

Gender studies literature critiques the measures of poverty that are used in the mainstream studies of trade-poverty links. The measures used in the mainstream studies are measures of income poverty and, in particular, the head-count ratio. Following the lead provided by the feminist literature and the human development paradigm, a gendered view of trade-poverty links perhaps requires that this concept of poverty itself be broadened to that of human poverty.

### VALEDICTORY SESSION

Professor Pam Rajput spoke about the Principles and basics of Gender Mainstreaming in Policies. She expressed concern regarding the way schemes are designed. She was of the view that besides implementation, adequate attention should be paid to the construct of the schemes as well. Many a times, schemes fail not because of service delivery but owing to the design limitations. Hence, it is important that women's concerns are addressed since the inception of the design as an integral element rather than an add-on component.

Prof.K Seeta Prabhu thanked the University of Mumbai and the participants for a successful workshop. She reiterated the need for gender mainstreaming. She was of the view that engendering macroeconomic policies is a step towards larger goal of gender mainstreaming. She assured UNDP's support to initiatives that will demonstrate good practices in gender mainstreaming.

Prof.Ritu Dewan presented the following key recommendations emerging from the workshop. The conference was designed to further the debates on the integration of gender concerns into macroeconomics and macroeconomic policies. The conference comes at an opportune moment when there is new momentum within government and among other stakeholders to address gender concerns in policies, especially

economic policies. The most important recommendations that emerges from this conference is to recognize that women areas much economic agents as men are:

Some of the recommendations that emerged from the conference:

1. Reductionist nature of policies should be avoided – many policies perpetuate gender biases. For e.g : Small Scale industries (SSIs) or even policies that are designed to empower women economically lead to sub – optimal structures due to entrenched patriarchal biases. SHG's are promoted but are involved in traditional activities.
2. More so, when the govt. has announced the gender budget since 2006-07 it becomes important that the focus on expenditures is complemented with focus on revenue generation as well. The papers presented during the conference pointed out to the fact that instruments of revenue generation also have differential impact .For e.g. VAT
3. Complementary policies – It is important to have complementary policies, focusing on political and social empowerment but promoting economic policies that have an adverse impact on women can be self- defeating.
4. FDI has led to three major changes in the economic structure of the economy which has led to decreasing employment opportunities, increasing feminization of the workforce and deteriorating working terms and conditions of employment .Labour laws have to be redesigned to counter adverse effects.
5. Globalisation has widened gender inequalities. Primarily due to the inherent biases in the market structures that define the responsiveness of labour market decisions taken by women and men. It is important that the linkages between micro, meso and macro issues are identified and taken into account. For example property, health and water rights.

6. It is important to quantify and map human, natural, economic characteristics at the village to identify gaps and structure an area plan for sustainable livelihoods and for the provision of basic services.
7. Equally important is the need to strengthen our statistical databases. Along with the collection of sex-disaggregated data, steps should be taken to a) participatory identification of variable for which the data needs to be collected – data for whom and by whom b) choice of indicators should also reflect gender concerns. For eg: data for female headed households is important but does not serve any purpose...it would be important to know if it's a de facto female headed household or a de facto male headed household.

Dr.Syeda Hameed thanked the participants and shared her concerns with regards to gender equality with the participants. She requested the experts present to give her suggestions and practical advise, information of successful initiatives that can be upscaled by the Planning Commission. She also informed the audience about the proposed window in the Planning Commission for the civil society members where interested organizations can showcase their successes. She appreciated the initiative undertaken by UNDP in advocating for gender issues. She also commended the University of Mumbai for successfully organizing the workshop.

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