Towards an Engendered Macroeconomics for the Development of Africa

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Abstract
The paper reviewed mainstream efforts at engendering macroeconomics frameworks and deduced two main conclusions there from. First, that the engendering of macroeconomics may be building on the wrong foundations if the objective is to produce engendered macroeconomic policy that could deal with the multi-level and multi-dimensional problems of gender inequity, poverty and underdevelopment. Second, that the engendered macroeconomics that is desired could systematically begin from first principles by exploiting the visionary hopes of The General Theory while avoiding its weaknesses. The paper then argues that the generating a desired engendered macroeconomics would require (a) a reconsiderations of the concept of value, (b) identification of new and more appropriate units of quantities/qualities for macro-global analysis consistent with current national and global realities, (c) clear definition and categorization of variables of macro-global inquiry given current realities and the demands of gender equity and poverty reduction, (d) a robust debate on methodology, (e) clear specification of global, macro, meso and micro constraints, their interactions and welfare implications and (f) explicit analysis and estimation of externalities in generating a new system of national income accounting.
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P. Kassey Garba and Abdul-Ganiyu Garba

Introduction

In principle, attempts to engender macroeconomics have both intellectual and social merits. For instance, Cagatay (1998) suggested that engendering macroeconomics could (a) provide a thinking or analytical device for organizing knowledge and arguments about the precise interactions between the reproductive and productive economies, (b) facilitate easier communication with orthodox macroeconomists who use existing macroeconomic theories to organize their thoughts and to develop their arguments and policy advocacies and (c) produce engendered macroeconomic policy. However, it could not be taken for granted that the development of Africa or the gender problems of Africa is a primary concern of the various ongoing engendering projects. It is obvious for instance, that attempts to engender macroeconomics (e.g., Grown, C., Elson, D. and Cagatay, N. eds., 1995; 2000; Guiteerrez, ed., 2003) are not aimed primarily at the development or gender problems of Africa. Further, even if they were designed to deal primarily with Africa’s problems, the diversity of macroeconomic research programs (new classical, neo-Keynesian, new business cycle, etc) and the potential biases of researchers could undermine their capacity to produce frameworks from which could be generated policies that could deal with the gender and development problems of Africa. This paper therefore, reviews competing macroeconomics frameworks and mainstream efforts at engendering macroeconomics and draws two conclusions there from. First, the engendering of macroeconomics is building on the wrong foundations if the objective is to produce engendered macroeconomic policy that could deal with the multi-level and multi-dimensional problems of gender inequity, poverty and underdevelopment. Second, the engendered macroeconomies that is desired could systematically begin from first principles by exploiting the visionary hopes of The General Theory while avoiding its weaknesses. The paper then argues that the generating a desired engendered macroeconomics would require (a) a reconsiderations of the concept of value, (b) identification of new and more appropriate units of quantities/qualities for macro-global analysis consistent with current national and global realities, (c) clear definition and categorization of variables of macro-global inquiry given current realities and the demands of gender equity and poverty reduction, (d) a robust debate on methodology, and (e) clear specification of global, macro, meso and micro constraints, their interactions and welfare implications.
II. Review of Mainstream Engendering of Macroeconomics

By mainstream we mean, the research and dissemination activities of groups such as the International Working Group (IWA) on engendering macroeconomics, international theory and finance. The IWG is a dynamic set of economists and advocates under the leadership of Nulifer Cagatay, Diane Elson and Karen Grown that have drawn inspiration from feminist economics and the intellectual and advocacy challenges posed by the gender effects of the structural adjustment programme. The IWG has received “generous and in kind support” from Macarthur foundation, the UNDP and the University of Utah. Grown, Elson and Cagatay (2000) suggest that the activities of the IWG began in 1994 as a dialogue with macroeconomics in the academia and policy circles. The dialogue or IWG research and workshops has produced two Special Issues of the *World Development* in 1995 and 2000. Our review focuses on concepts, methods and contributions.

2.1 Engendering Macroeconomics: The IWG Concept and its Methods

The key conceptual question is; what does it mean to engender macroeconomics? According to Grown, Elson and Cagatay (2000), engendering macroeconomics simply mean making visible the way the structure of gender relations permeates macroeconomics. From our reading of Grown, Elson and Cagatay (2000), three key questions are critical in engendering macroeconomics. First, how do structures of gender relations affect macroeconomics? Second, what roles does reproduction plays in the labor, product and financial markets? Third, what are the effects of gender power relations in determining access to and control of income, assets, labor use, and other productive resources?

The first volume sought to provide answers to the three questions using three fundamental approaches or methods: gender-disaggregation method, the gendered macroeconomic variable method and the two sector/system method. The gender-disaggregation method “involves disaggregating existing macroeconomic variables by gender” while in the gendered macroeconomic variable method, economic variables that capture the structure of gender relations are introduced. For instance, labor supply, income, consumption, investment and savings could be disaggregated by gender. Similarly, variables indicating “degree of gender inequality in labor and credit markets, or decision-making in households and in the public and private sectors” could be introduced. The third approach, the two sector/system method, “conceptualizes the world in terms of two sectors or systems, one of which comprises the traditional macroeconomic variables and one which comprises the unpaid reproductive economy” (Grown, Elson and Cagatay, 2000). A combination of the fundamental approaches is a fourth alternative method.
Cagatay (1998) restated the three conceptual entry points for “new gender-aware approaches” as enunciated by (Cagatay, Elson and Grown, 1995). The first point is social institutions; because they “bear and transmit gender biases.” The second entry point is, unpaid reproductive labour: exclusion is costly in terms of lost knowledge about “cost of reproducing and maintaining the labour force in a given society”. The third entry point is choice or decision making process: “gender relations play an important role in the division of labour, the distribution of work, income, wealth and productive inputs”.

The concept of engendering and the IWG methods of integrating gender into theoretical and applied models suggest that the type of models may not be a fundamental issue. Given that (a) there are several competing research programmes in macroeconomics and (b) there is much theoretical and policy controversy in macroeconomics it may not be reasonable to expect that all research programmes have equal chances of producing appropriate engendered macroeconomic policy. While it may be strategic for the IWG not to close the door to any macroeconomic framework, it may not serve the cause of gender equality and poverty reduction if the issue of which models to engender is not subjected to critical debate.

The IWG methods also appear to take for granted the obvious fact that structures of gender relations and gender structures of access and control over resources are heterogeneous. If the assertion is true, then the IWG methods may like neo-liberal and Keynesian models produce general claims, “a one size fits all” and “top down” policies that may prove to be “dis-empowering”. It is axiomatic that other structures of dis-advantages such as class, group and spatial dis-advantages overlaps with gender structured dis-advantages (see PK Garba, 2005). In isolating gender structures of dis-advantages, the methods of the IWG stands the risks of producing claims and policy inferences that scapegoats women and diverts attention from wider structures and global context of gender and socio-economic inequality (Moore, 1996: 74 quoted from Chant, 2003). BRIDGE (2003), Chant (2003) and PK Garba (2005) have drawn attention to how notion of a female headed household (FHH) and feminization of poverty to which the IWG seemed to subscribe to, have (a) drawn veils against the secondary poverty experienced by women in male-headed households and (b) promoted stereotype driven tokenism such as “FHH targeting”.

The overlaps between structures of dis-advantages (gender, class and spatial) suggests that making structures of gender relations visible in a macroeconomic model may not be sufficient to generate knowledge and understanding of the structures of dis-advantages that produce vertical, horizontal and gender inequalities or how to reform them.
2.2 Contributions of the IWG

Two questions may help to organize an evaluation of the contribution of the IWG. The first is: what are they building on? Second, what value have they added? The first question is easier to answer than the second since it is less subjective. From Grown, Elson and Cagatay (2000) we know that they are building on two foundations: feminist research and mainstream macroeconomic theory and policy.

Feminist research has used gender as a category of analysis especially at the micro and meso levels, in labor market analysis as well as in the “New Economics of the Household”. The first stage of the IWG research focused mainly on the gender effects of the Structural Adjustment Programme. The special issue of *World Development* published in November 1995 - was appropriately titled “Gender, Adjustment, and Macroeconomics”. The main arguments of the volume was (a) “macroeconomic policies have different effects on men and women”, (b) structural adjustment programme and most macroeconomic policies are gender biased in conception, (c) consequently, the effects of structural adjustment programme was biased against women and (d) inequality shapes economic performance.

The theoretical papers in the special issue used the approaches that the IWG had justified as the appropriate methods for engendering macroeconomic theory and policy. Because the structural adjustment programme was the main subject of development discourse, it was not surprising that several papers exploited the rich empirical data on its effects in developing countries to test the claim that structural adjustment was biased against women. Much of the empirical evidence thus, supplemented the rich evidence in the feminist literature and provided advocates with rich data and some analytical capacity in their campaigns.

Between 1997 and 1999, the strategic push for capital account liberalization and convertibility by the United States through the International Monetary Fund (IMF) had helped to produce global financial shocks beginning from Asia. The second phase of the IWG research thus, expanded to cover in addition to macroeconomic theory and policy, trade and finance. The 2000 volume thus reported research in four main areas: (a) gender, inequality, growth and trade liberalization, (b) gender inequality and financial liberalization, (c) gender relations and production in agricultural economies and (d) gender relations and macroeconomic policies.

The 2000 volume thus, extends the 1995 volume in two main areas. First, the 2000 volume broadens the scope of the earlier volume “to incorporate international investment, and financial and trade liberalization”. The broader scope thus, allows the Group to explore further, the relationship between gender inequality and the expanding scope of liberalization and its consequent gender, macroeconomic and social effects in Asia.
Second, the 2000 Volume contain papers that employ many of the models foundational to the neo-liberal macroeconomics and policies. Two papers for instance, employ computable general equilibrium models - Channing Arndt and Finn Tarp and Adrian Wood and Marzia Fontana. James Warner and Al Campbell apply game theory – the Stackleberg leader model to analyze gender power relations in a two sector model with a male dominated cash crop sub-sector and women dominated food sub-sector. If the IWG intended to be accommodating of research programmes across the ideological spectrum, then it may be succeeding. It not clear however, if the desire to accommodate research programmes with conflicting ethical commitments to feminists would generate the type of insights and strategic alliances required to bring about the concrete ends of the engendering exercise: greater gender equality within and across nations.

Table 1 shows the four main problematic of the 2000 Volume, the authors and some of the main contributions. In most cases, the contributions re-enforces theoretical and empirical feminists contributions about the effects of dis-advantages and neo-liberal policies. It is notable that the multiplicity of perspectives would tend to generate in some cases, diverse results. While this is may not pose much problems in intellectual dialogues, it may create much confusion in the policy process. Thus, as much as the IWG may seek analytical inclusiveness, it could not avoid the problem of evaluations of competing macroeconomic research programme that is most appropriate in guiding decision making targeted at gender inequality. It is also, notable that some contributions that suggest that Southern women would take jobs from Northern women as the South is integrated into the global economy may not help the cause of strategic thinking and decision making required to reduce gender equality in both the North and South.

<table>
<thead>
<tr>
<th>Problematic</th>
<th>Papers</th>
<th>Main Contributions</th>
</tr>
</thead>
</table>
| 1. Causality between Gender inequality, growth and trade liberalization    | Sergusino; Braunstein; Ozler; David Kucera and Will Milberg; Erturk and Darity; Fontana and Wood | • Four scenarios are possible: win-win; win-lose; lose-lose; lose-win
• The scenarios are sensitive to dimension of gender inequality in analysis, the way the economy is viewed and to how interactions between gender inequality and the economy is modelled
• increased integration of Southern economies into the world economy would bring about a feminization of the manufacturing labor force at the expense of Northern women in the manufacturing industry
• benefits of trade liberalization may be offset by changing patterns of gender composition of employment |
2. Gender inequality and financial liberalization  
   Singh and Zammit; Dymski and Floro; and Lim  
   • The economic and social impacts of financial crisis falls more forcefully on women than on men

3. Gender relations and production in agricultural economies  
   Evers and Walters; Warner and Campbell, and Tarp and Arndt  
   • women’s rights to land and income, affects women’s bargaining power, market access and responses to devaluation and trade liberalization  
   • gender inequality may make women in rural households more risk averse than men

4. Gender relations and macroeconomic policy  
   Budlender; Sen; and Elson and Cagatay  
   • deflationary bias, commodification bias, and male-breadwinner bias undermine social goals from being the ends of policy  
   • gender-sensitive budgets hold promise as an instrument for enabling gender equality  
   • the work of finance ministries could be engendered at the level of ongoing macroeconomic management, at the level of structural reforms intended to improve the efficiency of resource use; and in the context of credit liberalization.

Source: Grown, Elso and Cagatay (2000).

III. Engendering Macroeconomics for Development

3.1 Key Lessons from Development Experience

Two inferences could be deduced from the development experience of Africa. The first inference is that the macroeconomic frameworks that have shaped development strategy have been the neo-liberal. This can be observed from Table 2 which shows the various phases of development advice. We have argued in Garba (2003) that viewed from the essential nature of international economic games of the post-World War II era, development advice and the global industry of “development finance” was part of a strategy of deepening global asymmetries to the advantage of the dominant economic classes in the North. The observed consequences in terms of asymmetries of gains in favor of the North and the marginalization of most countries that are recipients of “development advice and finance” are sufficient evidence, of the essence of the game of “development advice and finance”. It follows therefore, that engendering neo-liberal macroeconomic frameworks are unlikely to generate a macroeconomics for gender equality, poverty reduction and for more equitable global financial and trade institutions.

Table 2: The Ruling Advice: 1950s – 1990s

<table>
<thead>
<tr>
<th>Period</th>
<th>Diagnoses</th>
<th>Underlying Paradigm (Theories)</th>
<th>Advice</th>
<th>Promises</th>
<th>Implementers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950s and 1960s</td>
<td>Market Failure Vicious</td>
<td>Neoclassical theory (welfare economics,</td>
<td>○ State should act as the major agent of change</td>
<td>○ Structural transformati</td>
<td>○ Visiting missions, foreign</td>
</tr>
<tr>
<td>Decade</td>
<td>Failure Type</td>
<td>Theory/Models</td>
<td>Suggested Actions</td>
<td>Challenges</td>
<td>Advisers and State Agents</td>
</tr>
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<tr>
<td>1970s</td>
<td>Government Failure ¹</td>
<td>Neoclassical theory (Equity with growth)</td>
<td>Get prices right i.e., remove price distortions</td>
<td>Possibility of development</td>
<td>Visiting missions, foreign advisers and state agents</td>
</tr>
<tr>
<td>1980s</td>
<td>Policy Failure</td>
<td>Neoclassical theory</td>
<td>Get policies right: markets, prices and incentives</td>
<td>Stabilization, efficiency and growth</td>
<td>Visiting missions, foreign advisers and state agents</td>
</tr>
</tbody>
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¹ The causes of government failure according to critics (Killick 1976; Chakravarty 1991) include deficiencies in plan, inadequate information, and resources, shocks, institutional and administrative weaknesses (Meier 2001:17).
The second observation is that abdicating responsibilities for thinking and for a systematic search for analytical light and strategic options for dealing with gender inequality, poverty and the marginalization of Africa is unlikely to produce altruistic and unbiased development ideas and policies.

In the light of section II above, three additional points could be made. First, the development of Africa is secondary to the mainstream process of engendering macroeconomics. If this is true, then Africans cannot afford to not invest sufficient intellectual resources in driving the intellectual process towards a developed Africa and greater gender equality among Africans. The experience of Africa with adapted mainstreams have shown that there is no guarantee that adaptations would be motivated by and or be driven by interests friendly to the development of Africa. If gender biased theories tends to generate gender biased consequences then it follows that any process in which any categories of humans are peripheral participants is unlikely to generate equitable consequences. This of course, does not suggest that the mainstream would indeed produce consequences similar to those of mainstream development thought. The key point we are making is that it would be unwise for Africans to assume that it would not. The valuable lessons of the mainstream development thought for Africans if any; must be that the community of humans is not guided by high morals or Keynesian visionary hopes.

The second important point we have made in Garba and Garba (1998) and bears repeating here is that while it is reasonable to ascribe a significant role to analytical weaknesses as a cause of the adverse effects of economic reform on gender equity reported in World Development, 1995 and Garba, et. al (1997) . . . we should be careful in assuming that the effects of the inclusion and exclusion of gender is symmetrical. Put another way, we must not take for granted that gender equity is inevitable in all countries if theory, trade liberalization, multilateral financial institutions and the global trade, money and capital market are engendered. To assume symmetry of effects is to underestimate or downplay the inherent capacity of the international economic system to disproportionately allocate the gains of trade between leading economic and military powers (the North) and less developed countries (the South).

The third point we wish to make is that the mainstream engendering process is in our opinion, building on the wrong foundations.

The first two points have strategic implications and address themselves primarily to the peculiar problems of economic instability, inequality and poverty in Africa in the context of Africa’s historical experiences. The third point has primarily analytical implications and tends to apply more generally than the first two. And it is from the third deduction that we infer options for
engendering macroeconomic theory and policy in a way that is more likely to deal more effectively with Africa’s inequalities and poverty.

3.2 Engendering From First Principles

The main limitations of the mainstream approach are two-fold. The first is a failure to appreciate the influence of *The General Theory* on how macroeconomics came to be gendered-biased while the second, following from the first is in a non-systematic approach to engendering that admits of frameworks that are inherently unfriendly to the admission of ethical issues into economic practice. We have argued in Garba and Garba (2003) that (a) Keynes’s units of quantities, categorization of variables and analytical method are causal to his exclusion of gender and other social forces; (b) the foundations of macroeconomics is not incompatible with engendering macroeconomics as a means of solving gender inequity and other forms of social injustice, (c) the three competing macroeconomics schools are closer to Ricardian and neoclassical economics in methodology and ethical commitments than they are to *The General Theory* and (d) *The General Theory* is more friendly to the employment of economics science in the service of a broader spectrum of humanity.

A more appropriate research process would be systematic and coordinated and would include provide answers to the following fundamental questions:

(a). What are the appropriate units of quantities/qualities for engendered macroeconomics given the current national and global realities?
(b). How do we conceptualize and categorize variables of macroeconomic inquiry given current realities and the demands of gender analysis and policy?
(c). What are the appropriate world views, underlying values and associated methodologies?
(d). How do we model the multi-dimensional (economic, political, cultural, intellectual) and multi-level (global, macro, meso and micro) constraints and dis-advantages; their interactions and their multi-dimensional, multi-level and dynamic consequences?

We propose that at the core of an effective engendering process lies a re-conceptualization of value. In our opinion, a re-conceptualization of value is the foundation stone of a new and socially aware economic building. We found in Garba (1999) for instance, that once we freed ourselves “from conceptual constraints imposed by the mainstream especially with respect to two
concepts (value and income), reproduction and subsistence became analytically essential elements of the economy space where “human beings allocate scarce resources” to create value. Once freed of the conceptual bondage, it became possible to generate a macro-institutional reasoning device that turned out to be “very revealing about the underlying causes of spatial, gender and class disparity in Nigeria.” But even more significantly, “it lightened the path for a useful search for solutions to Nigeria’s problems of spatial, gender and class by the range of subsisting ignorance it revealed.”

A second significant consequence of conceptual freedom is the significance of externalities in macroeconomic analysis. In equilibrium analysis, the foundations of the neo-liberal paradigm, externalities is causal to market failure which is then used to justify a residual role for the state in influencing allocation of resources and in the rationing of goods and services. However, the neo-liberal macroeconomics completely ignores externalities. However, in engendering macroeconomics, in re-conceptualization values and incomes, externalities could not be discounted. Taking externalities into account would change significantly, the system of national income accounting based on added value. This is because added value would need to be adjusted for the externalities generated in the process of creating the added value. How would this affect the engendering process? Simple. When we take account of externalities for all categories of economic activities, it would be found that some activities generate positive net externalities while others generate negative net externalities. For activities that generate positive net externalities, the current national income accounting system understates their social contributions while overstating the social contributions of activities that generate negative net externalities.

Feminist literature we believe has provided convincing analysis to show that reproduction generates positive net externalities whereas, the most important global commodity (oil and gas) generates considerable and long lasting negative net external social costs – pollution, death, wars, regime changes and economic, social and political under-development. It follows therefore, that while existing national accounting system grossly understates the contributions of reproduction to economic growth, social harmony and development, it grossly overstates that of oil and gas as well as that of the global military industrial complex.

The mainstream approach of accepting value as exchange value even though value is much more than exchange to humans restricts them to a wild goose chase in search of shadow

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prices when had they been free of conceptual bondage, they would have opened up the debate on value which would then unleashed intellectual energies towards a better understanding of the value-structures of reproduction of society, its differences from exchange value, its consequences on gender structures, why gender relations tend to change more slowly that the productive economy and so on. Keynes used much controversy and rightly so, in our opinion because habits of thinking like gender relations and many other relations of asymmetry tend to be ossified.

IV. Conclusion

The paper reviewed the mainstream efforts at engendering macroeconomics frameworks and two main conclusions there from. First, the engendering of macroeconomics is building on the wrong foundations if the objective is to produce engendered macroeconomic policy that could deal with the multi-level and multi-dimensional problems of gender inequity, poverty and underdevelopment. Second, the engendered macroeconomics that is desired could systematically begin from first principles by exploiting the visionary hopes of The General Theory while avoiding its weaknesses. The paper then argues that the generating a desired engendered macroeconomics would require (a) a reconsiderations of the concept of value, (b) identification of new and more appropriate units of quantities/qualities for macro-global analysis consistent with current national and global realities, (c) clear definition and categorization of variables of macro-global inquiry given current realities and the demands of gender equity and poverty reduction, (d) a robust debate on methodology, (e) clear specification of global, macro, meso and micro constraints, their interactions and welfare implications and (f) according due significance to externalities in analyzing and estimating the contributions of different categories of socio-economic activities.

Grown, Elson and Cagatay (2000) rightly observed that “at the beginning of the 21st century, the challenges of economic instability, inequality, and poverty require urgent attention.” It could be argued that the inequalities and poverty in Africa and similar marginalized regions do require even more urgent attention. This may raise questions about the research program that we are proposing. Hopefully, a lot of research on many aspects have either been done or under-way. What seems be a main constraint is subsisting conceptual bondage and its consequences in terms of organizing inquiry and debates. It is critical therefore, that the fundamental discourse about value and other fundamental philosophical issues that are not amenable to simple resolutions by appeal to facts but which shapes the habit of thought, human values, visions, hopes and the essence of human live begin.
The tasks of engendering macroeconomics for development would invariably involve finding solutions to what amounts to a set of puzzles that should reveal the requirements for a more equitable, just and fair human social, economic, political and intellectual system. It is our position that solving the puzzle demands our urgent attention and resources. For the avoidance of doubt, the core problematic is: **why do human social, economic, political and intellectual network of relations at micro, meso, macro and global levels tend to be asymmetrical producing gender inequity, poverty, conflicts and instabilities?** It is very important to note that this implies a **quad-level of analysis: micro, meso, macro and global.** Moreover, several follow-up question include (a) is it feasible to transit to non-asymmetrical network of relations and pay-offs? and (b) if non-asymmetrical network of relations and pay-offs are feasible; how can they be brought about? The challenges are not insurmountable. However, solving the puzzle would not be easy and it is likely to be harder to convince economists to change their way of doing economists than to get them to begin a genuine debate towards solving the human puzzle.
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