

TOPIC: Gender and macroeconomics – an introduction

Conceptual rating: [BASIC to INTERMEDIATE level](#)

Suggested module objectives:

- 1) establish an analytical foundation to set the context for deeper exploration of specific types of macroeconomic policies at another time.
- 2) illustrate how flaws in standard economic theory translate into flaws in macroeconomic policies which can lead to the perpetuation or exacerbation of poverty and inequalities between males and females.

Key concepts:

- 1) Neo-classical circular flow depiction of the macroeconomy.
- 2) Feminist critiques and alternative depictions of the macroeconomy.
- 3) The care economy or social reproduction.
- 4) The formal and informal sectors, and “underground” portions of the market or productive economy.
- 5) Unpaid labor.
- 6) Ecological services or unpaid natural economy.
- 7) Deflationary bias, male breadwinner bias, and commodification.

Cross references:

- **Link with Module 1:** Foundations of macroeconomic policy.
- **Link with Module 2:** Analytical categories for a gender analysis; introduction to assumptions and critique of those assumptions in neo-classical theory (particularly if intermediate-to-advanced group).
- **Link with Module 13:** IFI rationale and consequences for not using feminist gendered macroeconomic policies. This module offers a more extensive analysis of the assumptions. Read over this module too before determining what level of analysis and techniques for handling the material would work best for your audience.

Time required: about 90 minutes

Suggested methodology:

Mini LECTURE. Large group DISCUSSION. SCULPTURE. VISUAL MAP (circular diagram).

Relevant Readings:

- Cagatay, Nilufer and Elson, Diane, 2000. "The Social Content of Macroeconomic Policies", *World Development*, Volume 28, No. 7, pp 1347-1364, Elsevier Science Ltd.
- Cagatay, Nilufer and Korkurt, Ertuk, "Gender and Globalization: A Macroeconomic Perspective" Working Paper 19, ILO, Policy Integration and Statistics Department, 2004. www.ilo.org/integration/resources/papers.
- Economic Commission for Africa, "A Conceptual and Analytical Framework for Gender Mainstreaming in National Accounts and National Budget: Words Need Numbers to Influence Them", African Centre for Gender and Development, Ethiopia, 2002.
- Francisco, Gigi, "Matrix of Assumptions & Issues: Women, Economy and Trade-Intensification".
- Goodwin, Neva, Nelson, Julie and Harris, Jonathan, et. al, "Macroeconomics in Context". See especially Chapters 1, 5 and 6 for this module. Chapters 9-12 on macroeconomic theory and policy may also be useful. Publication free for downloading from the Global Development and Environment Institute at Tufts University.
www.ase.tufts.edu/publications/textbooks/macroeconomics.
- Iniciativa Cartagena Feminista. In search of an alternative development paradigm: feminist proposals from Latin America.
- Misra, Joya, and Merz, Sabine N., "Neoliberalism, Globalization, and the International Division of Care," University of Massachusetts, Amherst.
- Social Watch, "Roars and Whispers: Gender and Poverty – Promises v. Action", 2005 report. And 2008 Gender Equity Index. www.socialwatch.org.
- Stotsky, Janet Gale, "Gender and Its Relevance to Macroeconomic Policy: A Survey", IMF Working Paper 06/233, 2006.
- UNDP, International Poverty Centre, "Poverty in Focus", No. 13, January 2008, A special issue on Gender Equality.
- UNIFEM, "Financing Gender Equality Is Financing Development", UNIFEM Working Paper, October 2007. Available free at www.unifem.org.
- UNIFEM, "Progress of the World's Women: 2000", Chapter 1, p. 26 (circular flow chart), Oxford University Press.
- Razavi, Shahra, "The Political and Social Economy of Care in a Development Context: Conceptual Issues, Research Questions and Policy Options", 1 June 2007, available free on the UNRISD site, www.unrisd.org.

→ *See also the reading references for Modules 1 and 2.*

Preparation and supplies needed:

- Newsprint pad/flip chart paper and markers to record certain parts of the discussion.
- Review suggested articles. If the facilitator needs to keep reading and preparation to a bare minimum, the module outline assumes familiarity with the following sources listed above: Cagatay and Elson, ECA paper, Stotsky, UNIFEM “Progress of the World’s Women 2000” and Nelson, et. al.
- It may be helpful to refer to a basic Macroeconomics textbook for ideas on how to depict the standard circular flow diagram.
- On a large piece of newsprint or a PowerPoint slide, create a circular flow diagram of the economy as taught in a standard intro to neoclassical economics/macroeconomics class.
- Create additional visuals that you will superimpose on this diagram to add “what’s missing”, e.g.
 - unpaid activities that take care of family, household and/or community, often called “social reproduction” or “the care economy” → unpaid labor in the formal and informal economy. These activities are part of the “productive” or “market” economy but are often invisible in traditional economic analysis. Note: this would include such things as unpaid “productive” labor in the domestic sphere – like when a wife does unpaid farm labor for her husband or a relative or works on the accounts for her husband’s store at home.)
 - “illegal” activities or the “underground economy”. Examples of economic activities that may appear here would be: gambling, prostitution, and selling illegal drugs.
 - unpaid “inputs” to the natural world or “outputs” through the use of “ecological services”. Pollution, depletion of non-renewable natural resources, absorbing CO₂, or soil regeneration are examples of activities that would appear here.

This would either be additional paper graphics you would tape onto the diagram (or be prepared to draw them on during the discussion) or electronic graphics that would subsequently appear on the PowerPoint slide. Note: there are different ways to illustrate a feminist macroeconomic schema... The UNIFEM chart is suggestive and NOT comprehensive.

- If time permits, collect statistics to illustrate the size of some or all of the components of your country’s national economy, including sex-disaggregated data where relevant and possible.

Suggested content to be covered:

- Introduce the traditional circular flow diagram of the economy as typically presented in a standard neo-classical treatment of macroeconomics.
- Use a gender analysis to identify some of the shortcomings of this conceptualization. Begin with someone operating within the neoclassical paradigm – use Janet Stotsky’s paper to discuss how gendered differences in behavior can affect macroeconomic outcomes/aggregates (e.g. demand; savings, investment).
- Add another layer of gendered critique of the model by exploring what a feminist heterodox approach would add to it. In this module, cover three major arenas that are missing in the traditional diagram because they are assumed. They are: social reproduction or what is termed “the care economy”; unpaid work in the productive sector (formal, informal and “illegal” sectors); and the unpaid use and enjoyment of natural resources. The Cagatay and Erturk paper can be helpful here.
- Elaborate a third layer to the gendered critique by discussing the 3 policy biases described by Elson and Cagatay – “deflationary bias”, “male breadwinner bias” and “commodification”.

Description of how to conduct the session:

1. Welcome by host group(s) and introduction of facilitator(s); provide any needed logistical information; outline goals for session.
2. Depending on size of group, invite participants to introduce themselves, share an expectation or question they bring. (Record expectations or questions on newsprint, if you are doing this step, and refer to them throughout the session.)
3. **Large group.** If it is culturally appropriate for participants to touch each other, launch the session with about 10 minutes of **SCULPTING**. Invite someone to volunteer to be a sculptor. This person can use as many of the participants as she/he wants, and any “props” available. Invite the sculptor to create a sculpture (still or moving) that depicts the major components of your country’s economy. What does the economy look like? How do these components fit together? Give the sculptor about 3 minutes to do that, selecting people and bending them or showing them how to position themselves. Be sure everyone in the audience can see what is happening at all times. The sculptor should NOT explain what she/he is doing. After the sculptor is done, invite the people remaining in the audience to talk about what they see. Ask the people in the sculpture how they feel. After about 5-6 minutes, ask the sculptor to explain anything that wasn’t clear and her/his rationale for the design. Note: this is not meant to be a debate between the sculptor and audience or facilitator. It is meant to stimulate thinking and prepare the audience for your lecture. Close this element by thanking the sculptor and the “sculptees” for their efforts.

4. Comment on the differences between how an “average person” visualizes the economy and a neoclassical economist – using examples from the sculpture. Use this as a segue into introducing the circular diagram. There may be points of overlap – if so, as you talk about the element in the diagram, mention this. **VISUAL MAP.** Provide a visual graphic of the diagram – on paper or a PowerPoint slide. This will help people follow-along the discussion.
5. Invite comments from the audience. How does this compare with the sculpture? Are there any major missing pieces? If the audience needs encouragement, ask them specifically how a feminist political economist might critique the model.
6. As people talk, visually add the missing pieces to the circular diagram and elaborate as needed. Include evidence from Stotsky, ECA, and Cagatay Erturk papers about how gendered differences in behavior affect macroeconomic outcomes; and provide national statistics, if possible, on some of the missing pieces to help participants get a sense of the scale and impact of the missing elements as they pertain to your nation’s economy.
7. Introduce the notion that the missing elements to the theory results in major consequences in people’s lives – that this kind of critique is not just done for intellectual enjoyment. The shortcomings in the theory affect policy formulation which in turn affects people’s daily lives. Depending on the sophistication of the audience, invite them to give examples at this point.
8. Introduce Elson and Cagatay’s 3 biases. Invite the audience to give examples of these biases in their country’s policies where they see them at work, if you did not invite earlier contributions from participants.
9. Invite any last questions about the lecture. Summarize your main points.
10. Close by thanking the audience for their participation and make any announcements of subsequent sessions, as appropriate.

Ideas for alternative methodologies/modification of the level of discussion:

- **For a more basic level audience:** This may be too much information in one setting. The facilitator may have to cover less material in a greater amount of time. Consider three alternative formats. One strategy is to do this in one session and conclude after step 6. A second strategy would be to break the material into two sessions. Part 1 would go through step 6. Part 2 would focus on Steps 7 and 8. A third strategy would be to break the material into 3 short sessions. Part 1 would be steps 1-5. If it possible to assign reading, give people a section of Stotsky and Macroeconomics in Context. Part 2 would be step 6 and maybe step 7. Part 3 would be step 7 if not done before, and steps 8-10.
- **For a more advanced audience:** Skip the sculpting exercise. Immediately begin to develop a feminist model of the macroeconomy through a lecture and/or having the group build their own model through visual mapping.

Spend more time discussing the nature of unpaid work – both in the sphere of social reproduction and in the “productive” sector – and how it affects growth, poverty strategies, macroeconomic policy outcomes. The ECA paper, Cagatay and Erturk, and Razavi UNRISD papers are helpful in this regard.

Depending on the background and interest of the group, the facilitator may want to spend more time elaborating some of the assumptions underlying neo-classical economic theory and offering a feminist critique of them. This would be making more explicit some of the thinking behind the feminist alternative in the circular diagram and the behavioral assumptions in both models.

- **For a more activist audience:** The UNDP journal articles and the material from the Social Watch site could help focus a discussion on gender, macroeconomics, globalization and poverty. Add a discussion of the individuals and groups working to challenge and transform economic theory and policies in your country or region.

Some useful organizations or websites related to this topic:

- www.essex.ac.uk/sociology/people/staff/elson.shtm This website lists recent publications by Professor Diane Elson, one of the leading feminists contributing to the literature on gender and macroeconomic policy.
- www.genderandmacro.org Another key figure in developing the gender and macroeconomic literature is Dr. Nilufer Cagatay, who teaches at the University of Utah. Dr. Cagatay sponsors an ongoing summer training program in this area for interested persons from around the world, in addition to her work with University of Utah students.
- www.bridge.uds.ac.uk The Institute of Development Studies in England is a leading source of excellent gender and development research. This is a user-friendly place to delve into the material.
- www.siyanda.org Comprehensive on-line database of gender and development materials for activists, policy-makers, development professionals. Recommend to search “gender analysis” and “men and masculinity”. This is a sister site to BRIDGE.
- www.unifem.org The primary body within the UN system advancing gender analysis and development practice.
- www.unrisd.org UN Research Institute for Social Development. A great resource of academic research, applying gender analysis to various topics.
- www.ase.tufts.edu/publications/textbooks/macroeconomics. This is a source for alternative texts on micro and macroeconomics that explore traditional theory and then offer critiques related to environmental and social concerns, including gender. Free to download.

- www.socialwatch.org. This is a source for country specific data and global analyses of economic, political and social issues. Gender analysis often included. See especially their 2008 Gender Equity Index and 2005 Social Watch Report.