An analysis of alternative ways of measuring women's economic development other t...

This paper will examine how economic development is measured among women around the world, particularly in developing countries, and how it relates, or does not relate, to the overall Gross Domestic Product (GDP) of developing countries. Specifically, there is research that traditional economic measures of GDP and GNP do not include the vast among of contribution that women make in developing countries.

The topic became of interest after viewing a film about the importance of measuring the progress of women and the health of women and how countries measure overall Gross Domestic Product (GDP) in terms of how well women are doing in developing countries. In addition, the topic became more relevant after coming across the following research from the International Center for Research on Women (2013): Mounting evidence demonstrates that increases in women's income lead to improvements in children's health, nutrition and education. . . women's economic empowerment is critical for reducing poverty and achieving broader health and development objectives. In wealthy countries like the United States, it is easy to make the assumption that women are given equal weight in society.

However, women experience vast inequalities in developing countries, which was the subject of the film. The inequalities inhibit the overall GDP of developing countries, not to mention that they have negative impacts on both women and children, who the women raise, in developing countries.

Therefore, it is important to understand how women's contributions to GDP are measured. As a result of viewing this film about women in poor countries, reading this research conducted at the ICRW (2013), and studying how women are viewed by economists who study developing countries, an examination was conducted about how women’s income development is measured in terms of women’s contribution to the economics of a country. The results of the research are that there are various ways that economic development is measured in women, as an alternative to measures of GDP and GNP which may be biased for Western economics.

These ways of measuring women’s contributions include Women in Development (WID), Women and Development (WAD, and Gender and Development (GAD). These concepts are important to economists because women play a significant role in contributing to the GDP of developing countries, whether the GDP measure is considered valid by economists or not. Consequently, the way women’s development is measured in economic terms has many implications for the quality of life for women in developing countries, in economic and political policy in developing countries, as well as in the way developing countries interact with less developed countries.

Measuring Economic Health in Developing Countries: Is GDP the Best Way?

Before examining the importance of how women contribute to a country’s Gross Domestic Product (GDP), and how women’s contribution is measured, it is essential to understand what GDP is and why it is important to the health and welfare of developing countries. Peet & Hardwick (2009) present a criticism of Gross Domestic Product and Gross National Product (GNP) which is an interesting way of looking at how women’s contribution is often not included in these measures.

Still, it is important to understand what these concepts mean before offering alternative ways to measure women's contributions. First, Peet & Hardwick (2009) state that Gross Domestic Product (GDP) is " that part of production sold for a price in a formal market" (p. 10). Colander (2010) states that, compared to many countries, the United States has a low debt-to-GDP ratio (p. 418). However, this is not the case in developing countries. Gross Domestic Product is the total value of goods produced and services provided in a country during one year (Colander, 2010 p. 419).

Gross Domestic Product needs to be differentiated from GNP (Gross National Product). Gross National Product is the total value of goods produced and services provided by a country during one year, equal to the gross domestic product plus the net income from foreign investments (Colander, 2010, p. 418). Gross Domestic Product is important in terms of quality of life for a country and the quality of life for women in a developing country because it measures the health of a country on its own, without foreign investment. In other words, GDP measures how sustainable a ountry is without foreign investments.

In addition, Colander (2010) discusses how you have to look at the deficits, surpluses and debt of a country in relationship to the Gross Domestic Product of a country because otherwise it is unfair to compare countries this way, particularly when comparing developing country and wealthy countries. The reason for this is that Gross Domestic Product varies significantly from country to country (Colander, 2010, p. 419). To better understand what Colander is saying about GDP, it is helpful to understand better what Gross Domestic Product (GDP) means.

Gross Domestic Product basically measures what a country can produce in terms of products and services within a stated period of time. In developing countries, women do a lot of work, more than citizens realize. This is why the measure is important to developing countries and the role of women in measuring their contribution to GDP. The market value of these goods and services, including those that are produced by women, is what makes up GDP and what is most important about GDP is that you can compare wealthy countries GDP and poor countries GDP to get an idea of the different amounts that equal a country's standard of living.

The calculations that economists do to measure GDP and compare GDP of countries have these built-in checks and balances so the comparisons are fair. In addition, the reason it is so important to compare countries based on their GDP is that some countries cannot afford to produce many goods and services and it would be unfair to look at them in comparison with wealthy countries, like Canada, The United States and Germany and Japan, for example, are far wealthier than Uganda, Haiti and Cambodia.

Colander (2010) also states the importance of looking at deficits or debt a country has in relationship to GDP (p. 416) and that wealthy countries can afford to have a high debt to GDP ratio, and other poor countries cannot. This means the country is producing a lot of goods and services to make up for the deficits, like in the United States and other wealthy countries. For poor countries, people cannot possibly produce enough goods and services to make up for the deficits.

This reduces the quality of life for citizens, and the women who work have a particularly difficult life in many of these poor countries. Women's Contribution in Developing Countries The idea that GDP is not the best measure for women's contribution to a society's economic health is proposed by Peet & Hardwick (2009). Peet & Hardwick (2009) present an interesting book that focuses on theories of economic development. The book focuses on how countries move from being poor to becoming rich.

In addition, there is research on women's contribution to the growth of a country's overall GDP. For example, the examples of China and India, and how women's contribution to " high sustained growth rates during the 1990s and early 2000s" were remarkable (Peet & Hartwick, 2009, p. 93). There are several theories of development that the authors discuss, including socialist theories and modernization theories, but the section in the book that is most relevant to this paper is the one called " Feminist Theories of Development" (p. 240).

This section discusses how important economists have come to view women's contributions to development, and the various ways that women's contributions are measured in terms of overall GDP of countries. This is not to say that women's contribution is not measured in wealthy countries. However, if economists are studying how societies like China and India have grown so quickly, and recognizing the importance of women working in these countries, then it is beneficial to understand how women's development is measured in countries that are still developing.

An interesting aspect to the research by Peet & Hartwick (2010) is that they state that Gross Domestic Product (GDP) can miss certain aspects to a country's wealth because it ignores " products consumed within the family and services exchanged informally" (p. 10). In this way, the authors are criticizing the traditional measurements of GDP because " much of the unreported GDP in developing countries results from women's work" (p. 10). The authors call these criticisms " feminist criticisms of development theory" (Peet & Hartwick, 2009, p. 251).

For example, the authors state that in Third World (developing) countries, 60-80% of the food is produced in the " informal sector" (p. 10) and 70% of entrepreneurs are women, but these women's production is not included in GDP, which is unfair. In light of this, the authors make the following controversial assertion: Critics conclude that GNP and GDP measure economic modernization in the prejudiced sense of how closely a country replicates the characteristics of the West rather than development in a whole range of indigenous senses of the term (Peet & Hartwick, 2009, p. 1). For this reason, the authors present a literature review of scholars in economics who have discovered alternative ways to measure women's contributions, because much of women's production in developing countries are in the " informal sector" (Peet & Hartwick, 2009, p. 11) where women's contributions are not included. In addition, the authors state that many societies in developing countries are set up differently socially and economically, so it is unfair to force Western economic measurements on these societies.

Essentially, research has shown that there are three alternative ways to measure women's contribution to development. WID: Women In

Development Peet & Hartwick (2009) states that WID has become the most common way to measure women's contribution since the 1970's (p. 255). WID is the way women integrate into global processes of economic, political, and social growth and change (Peet & Hartwick, 2009, p. 256)). However, WID is not a perfect measurement. WID states that modernization theory has not been an effective or accurate indicator of women's economic, political and social empowerment and contribution.

The reason is that the existing social structures during the time WID was adopted were still subordinate to women. It also dealt too specifically with productive work. This, along with its reliance on industrial modernization as the sole barometer of development is the key problem with WID and why alternative definitions were put in place. WAD: Women and Development WAD asserts the historical importance of women in regards to development, unlike WID (Peet & Hartwick, 2009, p. 260).

Specifically, WID says that women have always been a part of development processes, but WAD sees women as a holistic part of development which is different than the WID approach of seeing women as an " add on" to the patriarchal development processes that have been in place since the beginning of the economics discipline and how GDP is measured by economists. With this more feminist-centric approach, some economists state that WAD is a better definition of women's developmental contributions than WID, and certainly better than GDP. However, WAD neglects class structures, ethnicity and other ssues regarding specific demographic characteristics of women, which is a problem. Therefore, like WID is not a perfect measure of women's contribution. GAD: Gender and Development

There is a third category that economists who are also feminist researchers have proposed, and it is called “ Gender and Development” (Peet & Hartwick, 2009, p. 267). Many economists believe that GAD is the most effective category for measuring women’s contribution because it eliminates the “ Western [scholarly] bias” of GDP (Peet & Hawthorne, 2009, p. 11), as well as Western biases that both WID and WAD hold in measuring women’s contribution.

In other words, GAD accounts for women’s reproductive contributions and more passive activities that women hold as females which do not have weight on traditional GDP measures, or are not strong enough in WID or WAD. Gender and Development as an alternative to GDP in measuring women’s contribution originated in the 1980s and was meant as an alternative to address the social science of the 1970s and 1980s in bringing a more effective measurement tool to reflect the challenges in measuring women’s contribution in multi-cultural environments and Third World countries that are not set up like Western societies.

Specifically, GAD takes into account the feminist movement of the 1970s, the neo-Marxist and liberal movement, women’s reproductive rights and contributions in the household, as well as contributions in the workplace, caring for elderly, caring for children, as well as other factors that contribute to society’s economic health and welfare, that are not based on the developmental framework of GDP, GNP, WAD or the modernization and industrial frameworks of the early WID theorists (Peet & Hawthorn, 2009, p. 68). This makes WAD a favorable alternative to measuring women’s contribution to economic health of Third World countries. Gender and

Development (GAD) is seen as the best alternative measure because it has the most comprehensive consideration of each variable that is involved in economic development and how both women and men contribute to development in ways that are not reflected in traditional GDP and GNP measures.

GAD also applies to both economic theory and practice, as demonstrated in studies that focus on gender inequality (ICRW, 2013), and the interaction of economic theory, economic application of theory, and field research that combines economic theory with anthropology and sociology. GAD also works in a multi-cultural context, as seen in studies that Peet & Hawthorn (2009) cite, where women's contribution is measured in a fairer way. For example, the example of women working in Chinese factories has changed the family structure in China, further increasing the GDP of China in the 1990s and 2000s.

This sociological contribution that women have had to China's economic growth would not be accounted for in traditional GDP measures, where many women in China have become " emancipated" (Peet & Hartwick, 2009, p. 268) after moving from farms to industrial cities. In addition, GAD does not view only women's contributions, but also males who do " traditional" women's childrearing or other activities. For this reason, some feminists who are also economists may have a problem with GAD due to its viewing of men and women as equal in development, each with importance.

However, like GDP, WID and WAD, GAD is also not a perfect measure of women's contribution to a country's wealth. For some economists, it is not viewed as realistic because it gives too much power to women as agents of change and women becoming empowered through development, and ignores women's subservient status in some countries. For example, in some developing countries both the women and men in them still view women as passive recipients of change, rather than dynamic agents of change.

This is many women still hold traditional roles in developing societies and, when the GDP of the country is low and the country is impoverished, women typically fare even worse than men. Therefore, GAD is difficult to use as a research tool for economists (Peet & Hartwick, 2009, p. 268). For this reason, the concepts of WID and WAD are easier for researchers to work with because it is hard to connect third-world women to the idea of women as active and dynamic agents of change. However, most feminist economists still view GAD as a better measure of women's contribution than GDP or GNP. Conclusion

Gross Domestic Product (GDP) and Gross National Product (GNP) may not be perfect measures of a country's economic situation, due to missing production from informal channels where women may make a more significant contribution than the GDP or GNP numbers may suggest. This is particularly true in developing countries. Economists have presented alternative ways of measuring women's contributions to economic vitality. WID and WAD are two such measuring tools. However, Gender and Development (GAD) is seen as the most effective alternative to measuring women's economic contribution, other than GDP or GNP.

While GAD is not perfect, economists state that it is likely that GAD will become a more popular category for measuring women’s contribution, particularly because not all factors that are part of GDP and GNP measurements in developing countries that have grown rapidly, like India and China, can be explained by GDP and GNP equations alone. There other ways that women contribute to economic vitality of developing countries that go beyond traditional GDP and GNP measures. In the future, these tools may improve the quality of life for women in developing countries, as well as men and children.