

## Excerpts from Equality for Women = Prosperity for All (St. Martin's Press 2018)

### Barometers of Progress

(From Chapter 6, Education for Equality)

Economists and social scientists have identified general attitudes that characterize progressive societies and specific values that help shape constructive systems of education within them. These attitudes stimulate the on-going challenge of gender equality by greatly influencing patterns of development in any given society. The core values on which they are based provide a barometer by which to measure the progress of that development.<sup>1</sup> We will explore some of these attitudes below.

#### *Knowledge*

First and foremost, there is a society's basic attitude towards education. Knowledge, as Landes says, "makes almost all the difference" to development, and education, training and skill acquisition are emerging as key drivers of competitiveness. As the global economy becomes more complex, it is essential to boost the human capital endowments of the labor force. In order to maintain a competitive edge in global markets, therefore, people need access to new knowledge, re-train in new processes, and have the opportunity to learn how to operate the latest technologies. The experience of Finland, Korea, Taiwan, and Israel clearly proves<sup>2</sup> that emphasis on education has been particularly important in the areas of technological innovation.

Conversely, lack of such basic skills, which have become the contemporary form of literacy, severely limits the participation of citizens in development. When education is not considered an asset in society and its importance is undermined by inadequate budgets, risible salaries and lack of funding, incentive or qualifications, then a society is effectively on a slippery slope as far as its own future prosperity is concerned. But wherever coverage of primary education has expanded rapidly, as it has done in the developing world, higher education has gained corresponding importance. Thus, countries which have invested heavily in creating a well-developed infrastructure for tertiary education have reaped enormous benefits in terms of growth.

It may be salutary to remember in this regard, that the teaching profession, like the other service industries referred to in Chapter 2, is invariably dominated by women these days. There was a time, when education was considered a vocation and respected. Today, when there are more female teachers than male ones the world over, teachers are generally undervalued, poorly paid and over-worked. If education is not given the importance it deserves, not only the millions of women but the billions of children they teach and therefore society as a whole will suffer drastically.

If people are to be gainfully employed, well informed of government policies, good judges of politicians, and impervious to demagogic manipulation, they need deeper levels of education too, that go far beyond technological expertise. This degree of conscious awareness may not be to the

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<sup>1</sup> See, for instance, Harrison, 2000.

<sup>2</sup> On the role of education in the emergence of Israel as an ICT power see Lopez-Claros and Mia (2006).

short-term benefit of those who hold the reins of power, but it is vital for the long-term development and security of their societies.

### *Time*

Our attitude towards time also has a significant influence on the developmental patterns in society. Time management and a systematic approach towards work, for example, is crucial for economic progress. Landes characterizes the invention of the mechanical clock, in this regard, as “the greatest achievement of medieval mechanical ingenuity,”<sup>3</sup> both for its revolutionary conception but, equally importantly, for how it permitted the ordering of life in the cities in ways that had a major impact on productivity. “Indeed, the very notion of productivity is a by-product of the clock: once one can relate performance to uniform time units, work is never the same” (Landes 1998, p. 49–50). It was the invention of the mechanical clock which in turn led to one of Adam Smith’s seminal insights: wealth and prosperity depend directly—to use Smith’s language—on the “productive powers of labor.”<sup>4</sup>

But we have suffered from myopia in ordering time in the past. Work can only become an important organizing principle of life and productivity an engine of prosperity in the future if the mechanical clock respects the rhythms of female as well as male biology. One of the negative aspects of the industrial revolution was that it set the clock ticking to suit only half the human race. If women are to join the labor force effectively, if they are to play their part in enhancing productivity the clock has to be adjusted to allow for pregnancy, for parental leave, for childcare, and respect for the return to the work force of women who have chosen to stay out of it during child-bearing years. The fact that this has already been achieved in several countries, such as Finland for example, prove that if policy makers look forwards rather than back at old models of ordering time, huge strides can be made in society.

Temporal orientation and whether a particular culture is forward-looking or unduly focused on the past, makes a big difference to its prosperity. It has been found to be much more helpful to an economy to confront challenges by asking “how can we set this right?” rather than retracting with the statement “who did this to us?” Home minister Okubo Toshimichi in 1870s Japan opted for the future. He believed that instead of taking punitive military expeditions and adventures in neighboring countries, a better way to engage the creative energies of the Japanese people was through the acquisition of technological know-how and the emulation of best-practices from the developed world. This choice led to a century of rapid economic growth and convergence to rich country standards of living.

Interestingly enough, temporal orientation also has consequences on the way gender roles are perceived. A conservative society which leans towards old customs and traditions, is invariably going to fall back into entrenched habits of patriarchal power, as we have seen in Chapter 5. The psychology of blame, moreover, which prefers the default reaction of “who did this to us?” rather than the pro-active one of “how can we set this right?” is going to be much more inclined to a misogynist attitude, as seen by the way women have been blamed for centuries for the sins of the world.

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<sup>3</sup> Landes, 1998, p. 49.

<sup>4</sup> Smith, 1994, p. 5.

### *Ethics*

The often unspoken code of ethics and moral values underpinning a society are likewise among the barometers of change characterizing a progressive system of education within it. Sen (2009) reminds us that Adam Smith “talked about the important role of broader values for the choice of behavior, as well as the importance of institutions” in *The Wealth of Nations*. But, he adds, it was in his first book—*The Theory of Moral Sentiments*, published some 250 years ago— that Smith “extensively investigated the powerful role of non-profit values. While stating that “prudence” was ‘of all virtues that which is most helpful to the individual’, (he) went on to argue that ‘humanity, justice, generosity, and public spirit, are the qualities most useful to others.’” Friedman (2005) corroborates this point by arguing that “economic growth not only relies upon moral impetus, it also has positive moral *consequences*” (p.18), as “the predominant tendency is for economic growth to render a society more inclined toward openness, tolerance, mobility, and democracy.” (p. 101).

A related value, closely associated with ethical standards and their absence, concerns the criteria of advancement used by societies. Do such criteria operate through meritocratic systems where rewards are linked to excellence of performance in any given field, of labor, law or government? Or do they depend on factors such as friendship, ethnic kinship, family connections, or party affiliation, where corruption can easily abound. These “tribal” criteria of advancement, if they could be so delineated without offence, have been notoriously unjust, not only towards women but towards anyone who does not have the “right” connections, who does not belong to the “right” caste or club, who is peripheral to the centers of power.

Productivity is invariably enhanced when resources are allocated according to efficiency rather than subjective considerations unrelated to performance. A recent paper by Bertrand and Schoar (2006)<sup>5</sup> shows empirical evidence that countries “where family is generally regarded as more important have lower levels of per capita GDP, smaller firms, a higher fraction of self-employed, fewer publicly traded firms, and a smaller fraction of total market value controlled by families, on average.” (p. 82). In such countries, a tiny minority of women may be the beneficiaries of various forms of such nepotism, but the vast majority are penalized and society as a whole suffers.

### *Trust*

Linking all the above values of ethics, time management, and the validation of education as an asset in society, is the concept of trust. The role of trust in economic and financial development has received increased attention in the recent academic literature. It has a significant impact on prosperity in terms of both depth and breadth: the levels trust can reach and the largeness of its circle.

From the point of view of economic theory, trust can be seen as the probability that an individual assigns to a specific event, such as a business partner’s compliance with the contract terms, for example. Empirical evidence now abounds that an individual’s level of trust in others is affected by cultural influences such as religion, ancestral origins and ethnic roots. Although the impact of inherited culture on trust is attenuated for individuals with higher levels of education<sup>6</sup> these deep-seated influences still exist.

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<sup>5</sup> Bertrand & Schoar, 2006.

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The survey Eurobarometer, for example, questions the bilateral trust between individuals from different countries, asking, for example, how much the Swedes trust other Swedes, or Germans, or Italians. The answers reveal that bilateral trust is affected not only by historical and linguistic features, such as the number of years countries have been at war, between 1000AD and 1970, or the commonality of linguistic roots, but even by the genetic distance between two populations.<sup>7</sup> Economic literature has further proved that people who trust others more are also more likely to become entrepreneurs. It is clear, therefore, that the level of trust between two countries affects the level of trade, of FDI and of portfolio investment between them (Guiso, Sapienza and Zingales 2009).

The radius of identification in a society and, in particular, whether the circle of trust is narrow or wide, is also likely to make a difference to the economy. It is noteworthy that India's and China's fast pace of growth over the past several decades has coincided with an opening up of their economies to international trade, foreign investment, and the rigors of international competition. India spent the first four decades after independence mired in poverty and lack of opportunity, largely isolated from the global economy. During the Ming dynasty in China the country turned inward, trade with the outside world collapsed and the economy came to a standstill; it fell rapidly behind Europe at this time, which, by contrast, had set a course of vigorous development, having "discovered" the New World with its resulting commercial advantages. If the primary identification within the community is with the family or the tribe, there may be problems in fruitfully engaging with the rest of the world.

### *Gender*

But the most important of all the values necessary for progress in society and the one which most dramatically helps to shape constructive systems of education in that society concerns the barometer of gender, in other words the way in which the role of women is viewed. As we have argued all through this book, there is a close connection between national economic performance and the degree to which societies have succeeded in integrating women into the economy. There is a vital link between financial prosperity in any particular society and whether or not women have been allowed to participate in decision making, particularly in the case of representation in parliaments, cabinets and other executive bodies. But such progress and prosperity depend entirely on whether the attitude that characterizes any particular society makes it possible for a woman to avail herself of opportunities for education and the building up of her human capital.

International competitiveness and productivity have much to do with the efficient allocation of resources, including, of course, human resources. The efficient operation of our increasingly knowledge-based economy is not only a function of adequate levels of available finance, a reasonably open trade regime for goods and services, but, more and more, is also dependent on our ability to tap into a society's reservoir of talents and skills. And that depends on whether women as well as men, girls as well as boys have equal access to quality education at all levels.

When, because of tradition or a misunderstanding of the purpose of religion, because of social taboos or blind prejudices, half of the world's population is prevented from making its contribution

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<sup>7</sup> Guiso et al. (2009) use a linguistic measure proposed by Fearon and Laitin (2003), and a measure of genetic distance developed by Cavalli-Sforza et al., (1996).

to the life of a nation by being deprived of education, the economy will suffer. The skills which the private sector can tap will be necessarily narrower and shallower and productivity, the engine of sustainable growth, will be impaired. It is, indeed, no surprise that the most competitive countries in the world, those that have better been able to operate on the boundaries of the technology frontier, are also those where women have been given the greatest opportunities to be equal partners with men.<sup>8</sup> When corporate boards or other groups of people appointed to formulate policies, design programs or undertake some other specific task are all male-dominated, the decisions arrived at will tend to be suboptimal because they will inevitably reflect the priorities and biases of men, who have a particular way of looking at the world and analyzing its problems. Thus, gender equality does not have a purely ethical or moral dimension, but is, in fact, an issue of economic efficiency and educational opportunity, and, thus, fundamental to the creation of a more prosperous, more informed and educated world.

Education and the acquisition of knowledge and skills are desirable development objectives everywhere, in all countries, and under all conditions, but traditions and social norms will certainly affect a socio-demographic group's "capacity to aspire,"<sup>9</sup> Cultural norms naturally affect women's ability to improve themselves and ultimately to contribute to the economy. Within the limits allowed by availability of data of this nature, economic literature shows that women's participation in economic activities is profoundly affected by culture. For example, cultural heritage affects living arrangements,<sup>10</sup> and women's labor force participation; fertility rates are affected by those prevailing in the country of origin of their ancestors.<sup>11, 12</sup> The World Bank's *Women, Business and the Law* data and report also show the close connection between the law and restrictions embedded in the law which can impose various limitations on women's agency in 173 countries including labor force participation, ownership of firms and access to the financial system (World Bank 2013). All these factors impinge upon the quality and accessibility of education.

This is a reality not only true for women, but also for minority groups. Several studies however have shown that the performance of these groups in standardized tests becomes worse when researchers reveal to participants that the test is targeted to minority groups, or when participants are asked to disclose their belonging to a minority group (Steele and Aronson 1995; Hoff and Pandey 2006). So whatever efforts are made to enhance educational opportunities and level the playing field for girls to participate more fully in society, they should in no way be targeting a particular cultural bias, or be directed at a particular religious tradition or be linked to one set of values, Western or otherwise. In saying that education and the acquisition of knowledge and skills are desirable development objectives we are making a statement that holds true across many different regions of the world, that applies to all contemporary civilizations, that is as valid in northern China, as it is in Siberia, in central London, or in the Bolivian Andes. It is also a statement the validity of which the progress of science and technology is only likely to make truer in years to come.

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<sup>8</sup> The relationship between an economy's level of development and women's labor market participation is however not a linear one: Mammen and Paxson (2000) use cross-country data from 1970 to 1985 to show that the percentage of women in the labor force first decreases and then increases as the GDP per capita increases.

<sup>9</sup> Appadurai, 2004.

<sup>10</sup> Giuliano, 2007.

<sup>11</sup> Fernández et al. 2004.

<sup>12</sup> Fernandez & Fogli, 2009.

This fact is one of the most direct consequences of globalization. It is a fundamental proof of the gradual emergence of a commonly shared language, a universal barometer for progress, and internationally acceptable criteria to understand some key foundations for economic development. Of course, societies will differ in the ways and the extent to which they have internalized some of these values in their policies, their traditions and their institutions. Acceptance of the desirability of gender equality, for instance, as a critical element of a progressive development strategy does not mean that inequalities and injustices based on gender—deeply entrenched in all our cultures, to a greater or lesser extent—will suddenly disappear. But few would disagree with the thesis that gender disparities are out of step with modernity and that their presence retards human progress. Development is not only about reducing poverty and expanding opportunities against the background of rising incomes. It is also about adopting a set of values that are compatible with humanity’s moral development and that can only be encouraged through education.

Economists and social scientists have identified general attitudes that characterize progressive societies and specific values that help shape constructive systems of education within them. These attitudes stimulate the on-going challenge of gender equality by greatly influencing patterns of development in any given society. The core values on which they are based provide a barometer by which to measure the progress of that development.<sup>13</sup> We will explore some of these attitudes below.

### *Knowledge*

First and foremost, there is a society’s basic attitude towards education. Knowledge, as Landes says, “makes almost all the difference” to development, and education, training and skill acquisition are emerging as key drivers of competitiveness. As the global economy becomes more complex, it is essential to boost the human capital endowments of the labor force. In order to maintain a competitive edge in global markets, therefore, people need access to new knowledge, re-train in new processes, and have the opportunity to learn how to operate the latest technologies. The experience of Finland, Korea, Taiwan, and Israel clearly proves<sup>14</sup> that emphasis on education has been particularly important in the areas of technological innovation.

Conversely, lack of such basic skills, which have become the contemporary form of literacy, severely limits the participation of citizens in development. When education is not considered an asset in society and its importance is undermined by inadequate budgets, risible salaries and lack of funding, incentive or qualifications, then a society is effectively on a slippery slope as far as its own future prosperity is concerned. But wherever coverage of primary education has expanded rapidly, as it has done in the developing world, higher education has gained corresponding importance. Thus, countries which have invested heavily in creating a well-developed infrastructure for tertiary education have reaped enormous benefits in terms of growth.

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### *Time*

Our attitude towards time also has a significant influence on the developmental patterns in society. Time management and a systematic approach towards work, for example, is crucial for economic progress. Landes characterizes the invention of the mechanical clock, in this regard, as “the greatest achievement of medieval mechanical ingenuity,”<sup>15</sup> both for its revolutionary conception but, equally importantly, for how it permitted the ordering of life in the cities in ways that had a major impact on productivity. “Indeed, the very notion of productivity is a by-product of the clock: once one can relate performance to uniform time units, work is never the same” (Landes 1998, p. 49–50). It was the invention of the mechanical clock which in turn led to one of Adam Smith’s seminal insights: wealth and prosperity depend directly—to use Smith’s language—on the “productive powers of labor.”<sup>16</sup>

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knowledge-based economy is not only a function of adequate levels of available finance, a reasonably open trade regime for goods and services, but, more and more, is also dependent on our ability to tap into a society's reservoir of talents and skills. And that depends on whether women as well as men, girls as well as boys have equal access to quality education at all levels.

When, because of tradition or a misunderstanding of the purpose of religion, because of social taboos or blind prejudices, half of the world's population is prevented from making its contribution to the life of a nation by being deprived of education, the economy will suffer. The skills which the private sector can tap will be necessarily narrower and shallower and productivity, the engine of sustainable growth, will be impaired. It is, indeed, no surprise that the most competitive countries in the world, those that have better been able to operate on the boundaries of the technology frontier, are also those where women have been given the greatest opportunities to be equal partners with men.<sup>20</sup> When corporate boards or other groups of people appointed to formulate policies, design programs or undertake some other specific task are all male-dominated, the decisions arrived at will tend to be suboptimal because they will inevitably reflect the priorities and biases of men, who have a particular way of looking at the world and analyzing its problems. Thus, gender equality does not have a purely ethical or moral dimension, but is, in fact, an issue of economic efficiency and educational opportunity, and, thus, fundamental to the creation of a more prosperous, more informed and educated world.

Education and the acquisition of knowledge and skills are desirable development objectives everywhere, in all countries, and under all conditions, but traditions and social norms will certainly affect a socio-demographic group's "capacity to aspire,"<sup>21</sup> Cultural norms naturally affect women's ability to improve themselves and ultimately to contribute to the economy. Within the limits allowed by availability of data of this nature, economic literature shows that women's participation in economic activities is profoundly affected by culture. For example, cultural heritage affects living arrangements,<sup>22</sup> and women's labor force participation; fertility rates are affected by those prevailing in the country of origin of their ancestors.<sup>23, 24</sup> The World Bank's *Women, Business and the Law* data and report also show the close connection between the law and restrictions embedded in the law which can impose various limitations on women's agency in 173 countries including labor force participation, ownership of firms and access to the financial system (World Bank 2013). All these factors impinge upon the quality and accessibility of education.

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