

Lourdes Benéria - On Development, Gender, and Economics:

What is economic development? How do we measure it?

- GDP per capita growth
- Human development index
- Number of children per family

If we only look at GDP per capita, what might we be missing?

- Missing out on measures of inequality, what is the distribution of income?

- Does not include unpaid household work.

◦ In Australia, there have been some studies on time-use. They impute the value of the time spent on household production. $GHP \approx GNP$. Thus, we are

gross household product

missing out on a lot when we use GNP

- Does not take into account U (GDP).

- GDP looks at only one year

◦ a country w/ life expectancy = 80, ceteris paribus, is in better shape than a country w/ life expectancy = 70.

(*) Who came up with the concept of GDP?

Human resource development (HRD)

- Think of humans as a resource (ie human capital)

$$\dot{Y} = f(\dot{A}, \dot{K}, \dot{L}^s, \dot{L}^u)$$

GNP growth technological progress investment skilled labor growth unskilled labor growth

(How comfortable are people with equations?)

\Rightarrow GNP growth can be achieved by investing in people (ie. $\frac{\partial f}{\partial L^s} > 0$)

Amartya Sen suggested debt relaxation.

Washington consensus - free trade, no gov't spending so that

countries can repay their debt.

- IMF and World Bank policies - conservative economic policies.

Around 1990, UNDP started publishing the Human Development Report. Amartya Sen was associated with this.

IMF - countries who are in debt go to the IMF. The IMF suggests a structural adjustment program to pay back money borrowed from the rest of the world.

- Government collects taxes, spends on various programs.
- IMF asks them to cut their spending.
- These countries do not take social aspects into account.

The report suggests that we should increase the choice sets of people. HDI is a proxy for this

- HDI approach - people centered

$$HDI = f(\text{Health, Education, Income})$$

$$GDI = f(\text{Health, Education, Income, Gender})$$

	Real GDP/capita (Billions 1994 dollars)	High Income (10%) Low Income (10%)
Brazil	6317	53
Turkey	6126	14

Next week - No articles

- Start looking at articles