PHYS.ORG

Opinion: Economics has a serious gender problem – it needs more women

October 28 2016, by Victoria Bateman

On the eve of the 2008 financial crisis, economists were feeling optimistic. The two-headed beast that had blighted the economy throughout the 1970s and 1980s – inflation combined with unemployment – had been tamed, and the business cycle seemed to be a thing of the past. Economists believed they had developed such a good understanding of the economy that they could keep it on an even keel. The Nobel Prize-winning economist and president of the American Economic Association, Robert Lucas, went as far as to announce that the Great Depression would never happen again.

When the unthinkable happened in 2008, no one was therefore more shocked than economists themselves – and economics has been trying to rebuild itself ever since. Along the way, it has been having to wrestle with two other not entirely unrelated problems: rising inequality and a slowdown in economic growth. If economics is to change for the better and not for the worse, economists need to draw on new ideas and new voices. That must include women.

Economics has a serious sex problem – this is, in my view, one of the prime reasons why it went "off piste" in the first place. Hence my call for a sexual revolution in economics. The presence of leading ladies such as Janet Yellen at the Fed or Christine Lagarde at the IMF masks a deep underlying problem in economics, one which is apparent from the fact that there has only ever been one female Nobel Prize-winning economist.

Whether we are looking at policymakers, academics or economics students, there are many more men than there are women at the helm of the economy. In the UK and US, there are almost three times as many male home students majoring in economics at university as there are female home students. In the UK, the proportion of girls studying for an economics degree has been on a downward as opposed to upward trend.

> Encouraging #women to study #economics is crucial not only for #WomenEmpowerment but for society's progress as a whole.
>
> — Women in Economics (@WomenInEcon) June 4, 2015

Whether an economist is male or female should not, in principle, matter. But given that our society has been one in which the male experience is very different to that of the female, how can a subject dominated by men not implicitly and unknowingly provide us with only half of the story?

While economists like to think of their discipline as being gender neutral, the reality is that economists have looked at the world around them through male eyes – and rather privileged male eyes at that. This male experience has traditionally been one of business and paid work, an experience that leaves family and community to the opposite sex. The interactions between society and the economy are ignored, and the vital role of reproduction, care and nurture – something which is just as important as investment in capital stock – is downplayed. It is, effectively, taken for granted.

Men, after all, have far more experience of investment in plant and machinery than they do of investment in the next generation – or of caring for the previous generation of "producers". And since traditionally "rationality" has been seen as a male trait and "emotion" as female, economists have long taken the attitude that to incorporate real human characteristics into their way of thinking about the economy would be to make it less rigorous.

False dichotomy

While the economy affects everyone – male or female – the questions economists seek to answer, the tools they use to find an answer, the assumptions they make along the way and the economic phenomena they choose to measure are all dictated by the fact that economics is a discipline dominated by men. In turn, so are the economic policies that affect our daily lives.

Unsurprisingly, economists have placed markets on a pedestal, leaving life outside in the cold – including vital activities without which the economy and society could not function. The "upsides" of state interventions, many of which have a powerful effect on women's lives, have received little attention relative to the much-trumpeted "downsides". The welfare state has been demonised and women have suffered the consequences.

With this neglect of our wider lives, economists have typically divided the economy into twin spheres: the state and the market. Any expansion of the former is therefore seen as coming at the cost of the latter. Only by recognising a third sphere, involving life outside of the market and beyond the whims of the state, will we stop seeing the state and the market as if they are in a permanent zero-sum game. By supporting women's labour force participation through social and welfare policy, the state can, for example, work in support of market activity rather than crowding it out.

His story must include her

In addition to the bias contained within economists' models of the world, their interpretation of the past – of what has made the Western economy successful – also leaves something to be desired. The story we are typically told is supposedly gender neutral but, when you think about it, it's very much a male tale – one involving the largely male engineers, inventors, industrialists and scientists of the Industrial Revolution. But history suggests that women's choices about work, fertility and home were just as important for the rise of the West.

In Britain, women had already begun to enter the workforce hundreds of years before the Industrial Revolution and did not marry until their mid-20s – very different to the situation in many emerging economies today. The result was smaller families – meaning less downward pressure on wages, a greater ability for parents to educate the children they did have and spare resources for families to save for the future. By affecting wages, skills and savings, women's choices about work and family sowed the longer-term seeds of economic growth.

By ignoring the relevance of gender to economic growth, economists have been blinkered to the potential which female empowerment provides to help resolve today's pressing economic problems – including in the West. Whether it is a slowdown in growth, deflation, negative interest rates, poor productivity performance, stagnant wages, inequality or political battles about immigration, the problems we currently face are rooted in what I have recently termed for Bloomberg "a global sex problem".

> What does the #wagegap look like worldwide? #Transform tells the story: https://t.co/jpgZAIqASB #economicempowerment pic.twitter.com/yVECmpIcYy
>
> — UN Women IEO (@unwomenEval) June 15, 2016

A lack of female empowerment in poorer countries has resulted in high fertility rates and rapid population growth over the past century. With the onset of globalisation, as rich and poor economies have come into greater contact, this has created significant downward pressure on wage growth in the West. Rising inequality and slow growth have been the inevitable result – as has animosity towards foreigners and to the forces of globalisation.

To my mind, it is not globalisation that is the underlying cause of our problems: it is the lack of freedom for women in poorer countries across the world – including their lack of freedom to take charge of their bodies. Our economic suffering reflects their own sufferings: excessive population growth abroad resulting from women's lack of freedom hurts wage growth in the West, particularly of less skilled workers. This affects inequality and lowers incentives for businesses to invest.

Unfortunately, the gender problem in economics has meant that the connection between women's empowerment and current-day economic problems has remained unexplored. Take what is perhaps the most respected book on the challenges facing the Western economy – Secular Stagnation: facts, causes and cures, edited by the economists Coen Teulings and Richard Baldwin. None of the 20 or so contributors was female – gender did not receive a mention. And, take Thomas Piketty's Capital in the Twenty-First century. Gender hardly features at all. I only counted one mention of it in the text.

In the process of the economy remaking itself, economists need to admit that their discipline has a serious sex problem – one that desperately needs to be addressed if we are to get to grips with the major challenges we face: slow growth, inequality and recurrent crises. By ignoring the problem, or by presuming that it is women who need to change, not the discipline itself, we will be destined to repeat past mistakes. And that will hurt everyone – male or female.

Victoria Bateman, Lecturer and Fellow in Economics, *University of Cambridge*

This article was originally published on [The Conversation](). Read the [original article]().

Provided by The Conversation

Citation: Opinion: Economics has a serious gender problem – it needs more women (2016, October 28) retrieved 7 May 2024 from https://phys.org/news/2016-10-opinion-economics-gender-problem-women.html