

SOCIAL ECONOMICS, POLICY AND DEVELOPMENT

Working Paper No. 1

**Poverty and Economically Deprived
Women and Children:
Theories, Emerging Policy
Issues and Development**

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POVERTY AND ECONOMICALLY DEPRIVED WOMEN AND CHILDREN: THEORIES, EMERGING POLICY ISSUES AND DEVELOPMENT

Abstract

Outlines theories of the family and shows how they can be related to the socioeconomic deprivation of females and children giving illustrations from India. The importance of Sen's entitlement approach is recognised in this context, but his approach is of little operational relevance until the institutional/cultural constraints of a society are specified. Although international bodies such as the UNDP have recognised the importance of gender issues in development, UNDP's Gender Development Index seems to be a poor indicator of female and family welfare as is illustrated using female-male ratios for Indian states. The question is then investigated of how women and children are faring under structural adjustment policies and in transition. Unfortunately, structural adjustment policies have resulted in an increased incidence of poverty amongst women and children in some subsistence contexts and in some of the former centrally planned economies. In general, there appears to be a real possibility of disadvantaged wives and children falling through social safety nets as the Welfare State continues to be dismantled in western economies. Particular concern is expressed that changed social welfare regimes may reduce equality of opportunity for disadvantaged children and have other undesirable social effects. Furthermore, it is suggested many neo-liberals approach the provision of welfare services purely from the cost side and fail to see that the supply of social welfare services may have positive productivity benefits as well as promoting social justice. In conclusion, disagreement is expressed with the view that economists would do well to avoid discussions of social justice.

Keywords: Family welfare, welfare state, poverty, economic transition, structural adjustment policies, economic globalisation, social services

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POVERTY AND ECONOMICALLY DEPRIVED WOMEN AND CHILDREN: THEORIES, EMERGING POLICY ISSUES AND DEVELOPMENT

1. Introduction

In virtually all human societies, even though a few women do not live up to this image, women are the main carers in a family often willing to sacrifice their own welfare for the benefit of other family members, especially their children. In many countries, they are also important economic providers for the family giving considerable economic support to their children.

When poverty strikes a family, it is often the wives who suffer most, especially if the husbands are selfish, and the economic deprivation of wives transmits itself to their children. It is likely that when mothers suffer poverty so do their children. But the inverse relationship is likely to be stronger: children in poverty nearly always have mothers in poverty. This suggests that a high incidence of child poverty goes hand in hand with a high incidence of poverty amongst women.

The income of a family can be very unequally distributed within a family. For an outsider, it is difficult to know how income is actually distributed within a family. For example, in some societies males take possession of any cash income earned by females, or most of it, and use it for their own ends.

Women and children may be in poverty because their whole family is in poverty, or they may be in poverty because of an unfavourable distribution of income in the family. Just as Sen (1981) demonstrated that famine can occur amidst an increase in aggregate food availability, poverty amongst women and children can increase with rising aggregate family income.

There is evidence for example that with economic growth in India and with its rising per capita income, discrimination against females has increased. The ratio of females to

males in the Indian population has shown a decline. This decline could be due to increased incidence of infanticide of females or increased economic and related deprivation of females which reduces their likely age of death. In the absence of discrimination against females, we would for biological reasons expect the ratio of females to males in a population without discrimination to be slightly in excess of unity. But only one state in India, Kerala, had a female-male ratio (FMR) in excess of unity. Many had FMRs well below unity, especially in northern India. In most states of India, the phenomenon of 'missing women' exists, there is no evidence of abatement of this phenomenon.

Poverty of females may be short-term or chronic. It is likely to be chronic when females have few resource endowments (assets) in relation to males and /or are restricted in their exchange entitlements. For example, restrictions on the ability of females to inherit or own property will reduce their economic endowments. Furthermore, social restrictions on the possibilities for women (especially wives) to accept paid employment outside their home limits the exchange entitlement of females. This reduces their economic capabilities. In addition, it depresses the potential return on their human capital e.g. stock of education, and reduces motivation to increase their human capital, e.g. education, and contributes thereby to long-term poverty amongst females.

The occurrence of poverty and economic deprivation amongst women and children is a complex matter. It is only possible to consider some facets of it in this essay. Here I discuss economic theories of the family and their consequences for the economic status of women and children, the impact of structural adjustment policies and economic transition on poverty amongst women and children, and limitations of measures used by UNDP to indicate the changing socio-economic position of females as development occurs. In conclusion, consideration is given to the demise of the welfare state and the expanded role envisaged in this 'new' society for family responsibility and charitable organizations in preventing and alleviating family poverty.

2. Economic Theories of the Family and the Status of Women and Children Illustrated by India's Circumstances

There are several economic theories of how resources are distributed within a family. The neoclassical economic theory of family decision-making as originally proposed by Becker (1981), assumes that decisions about the family are made in accordance with a single utility function and that the family maximizes utility on the basis of this. However, it is unclear how this utility function is obtained. In the case of a nuclear family, is it the utility function of the husband or the wife or a combination of both? If it is a combination of both, how does the combination occur? Is the resulting utility function one of consensus such that a team approach exists, or is it to some extent imposed by the dominant partner?

Later developments of the economic theory of the family (Schultz, 1990; Alderman *et al.*, 1990; Haddad, 1997) suggest that families do not operate according to a unified utility function but experience conflict, the resolution of which depends to a considerable extent on the relative threat power of different family members. Thus game theory is used as a means of analyzing family decisions.

Apart from the unitary theory of the family, the social conflict/game theory model, Sen's endowment and entitlements approach is also relevant to understanding the decisions and behaviour of families and the implications of these for women and children. Sen originally did not apply his approach to the family but as a possible explanation of the occurrence of famines (Sen, 1981). Subsequently it was extended as a possible means to explain the socio-economic status of females (Dréze and Sen, 1989; Agnihotri *et al.*, 1998) but with less success than hoped for (Cf. Tisdell *et al.*, 1999). The reason for its apparent lack of success is that it is more of an approach and an identifier of possibly significant variables than a theory (Gasper, 1993).

Nevertheless, an advantage of Sen's approach compared to the unitary utility theory of the family and the game-theoretic approach is its emphasis on the significance of the

institutional context in which decision-making occurs. Institutional contexts are neglected in the unitary and game-theoretic theories. However, it is possible to combine institutional contexts with these theories. In other words, Sen's approach can be given greater operational content by relating it to such theories.

In a family, children usually have little bargaining power, although this may increase as they grow older. Their welfare and development are highly dependent on the decisions of their parents. It may be that Becker's theory of the family is most relevant to family decisions affecting children. For example, it has been used as means of considering factors which influence the size of families, a decision to be made by parents.

It also appears to have some relevance to decisions about gender discrimination in relation to children. For example, in some Asian societies (but not all) there is discrimination against female children – for example, throughout most of India and in parts of China. This discrimination has been institutionalised and is reinforced by the relative economic disadvantage of a female child compared to a male as far as the parents are concerned.

In India, for example, especially in north India in Indo-Aryan culture, the economic disadvantages of a female compared to a male child to parents are as follows:

1. A woman after marriage joins her groom's household and has little contact with her blood family, so few economic benefits, if any, are received by the parents from a daughter after marriage.
2. A dowry is usually paid by parents to the groom's family on the marriage of their daughter.
3. Even if a daughter were to remain in a family, her productive power and ability to provide economic support for the family (especially in regions where outside work by females is frowned on) is less than that of a son.

4. In times of economic difficulty for the parents and in their old age, a daughter can be expected to provide much less economic support for her parents than a son in view of points 1. and 3, above

In the above circumstances, female children are an economic disadvantage for parents compared to males. This helps to explain the phenomena of 'missing women; in several regions of Asia. In India as a whole according to the 1991 Census, there were only 929 females per 1000 males. Under natural conditions, there ought to be a slight excess of females in comparison to males, as in Kerala. Substantial discrimination against females is present within India.

The extent to which the female-male ratio is unbalanced varies by Indian states and localities. Of concern is the fact that families in relatively well-off states such as the Punjab have seemingly increased rather than reduced their prejudice against females. For example, *The Indian Express*, June 3, 1998, reported 'Census figures for nearly a century showed Punjab's overall sex ratio is always less than 900 females per 1,000 males, due to female infanticide and female mortality. Advancement in technology and progress in medical science have led to a decline in the number of women not an increase. The 1991 census shows 888 women per 1,000 males' (Dutt, 1998). For example ultrasound tests are being increasingly used to detect the sex of unborn children with a view to abortion of female foetuses. Furthermore X-Y separation of genes appears to be increasingly used to ensure conception of male children. Despite the illegality of such practices in India, Taiwan and elsewhere in Asia, they have not stopped.

The above practices involving abortion of female foetuses, manipulation of sperm to select male progeny and female infanticide can be explained in terms of combined economic and institutional factors. Unfortunately, discrimination against female offspring, even if they are not prematurely killed, does not stop there. Female children are likely to suffer greater economic discrimination than males. In the Indian situation parents on the whole can expect little economic return from investing in the welfare and human capital of their daughters, for reasons explained above. At most such investment

might reduce their dowry payment. Thus the education and health of daughters is neglected relative to that of males, as is evidenced by low FMRs for education in India. But India is not unique in this respect. Such neglect has long run consequences: the lack of investment in human capital (including education) may contribute to the long-term relative poverty of females and reduce, in terms of game theory, their bargaining power as women.

The relative lack of investment in the education of females compared to males in India is apparent from the school enrolment data in Table 1. These indicate that females are significantly under represented compared to males. However, the situation appears to be even more adverse to females in Pakistan and in Nigeria. By comparison it is more favourable in Sri Lanka, Kenya, China and the Republic of Korea.

Country	Primary Students	Secondary Students
China	98	89
INDIA	82	64
Kenya	100	85
Nigeria	79	30
Pakistan	45	n.a.
Republic of Korea	101	100
Sri Lanka	98	110

Source: Based on UNDP ((1998) Table 15, pp. 162-163.

The above indicates that economic post-natal discrimination against daughters eg in access to education, medical services, continues within most families in India. Consequently this adds to the mortality of girls compared to boys.

Early marriage of daughters in India may also be partially explained by economic factors. The longer a daughter is kept at home the greater is the expenditure on her upkeep.

Since, from the parent's point of view, the return on this investment is negative, it is advantageous for them to marry daughters as early as possible.

In India unfortunately discrimination against females continues in most cases after marriage, particularly in north India where wives join their husband's household and lose contact with most of their blood relatives. Consequently their blood relatives are not usually parties to the bargaining process in their 'new' family in north India, unlike in south India (Dyson and Moore, 1983) where kinship ties are retained.

Bargaining theory based on game-theoretic concepts can be useful in explaining the economic status of wives in a family. There are of course many possible game-theoretic models but one of the models of Nash (1950) which takes account of the relative threat power of parties to a game is of particular interest. This theory (Tisdell, 1996 , Ch. 12) suggests that parties to a game (in this case husband and wife) will decide on sharing arrangements about their collective payoffs or their joint economic benefits which reflect their relative threat power. In this context, this implies that any institutional or related factor which increases the threat power of the wife relative her husband will increase her share in family income, her say in its distribution and her power to influence family decisions.

The following factors may increase the threat power of a married woman in relation to her husband or partner:

- 1) Her capability of finding independent employment and the level of income earned by her.
- 2) Her ownership of property and ability to transfer, inherit and bequest property.
- 3) Her rights to collective family assets in the event of dissolution of marriage.
- 4) Her ability to institute divorce proceedings, especially if the legal hurdles to divorce is minimal.
- 5) Contacts with influential networks in a community.

- 6) Her ability to marshal her contacts or blood family to mount threats against her husband if required.

In India (and in some other countries as well) these rights are severely attenuated by customary practices. In fact, it is only in recent times that many of these 'rights' have been extended to married women in Western countries. In the above cases, a wife's threat power consists of her ability to deprive her husband of a benefit. Reduction in the threat power of wives has the following consequences:

- 1) It is likely to increase their deprivation in the family.
- 2) It may result in less investment in female development by families than otherwise e.g. in education of girls, even in cases where contact with a woman's blood family continues. This is thus like a vicious cycle.
- 3) It may add to child poverty given that a mother may be more likely to provide for her children than their father.

The life-cycle prospects of females are therefore grim in societies which are strongly prejudiced against females. As if the above is not enough, in some societies widows do not inherit the property of their husband. Thus at a vulnerable time, their bargaining power in relation to their children, and their asset availability is severely curtailed. This is almost a sure recipe for poverty of widows. No wonder many Indian widows committed (some still do) suicide.

Concerning the deteriorating FMR for India as a whole and in particular parts of India, more research is needed to determine whether this deterioration is due to increased infanticide and abortion of female children or increasing relative to economic deprivation of females resulting in a reduced expected life span for them relative to males.

3. Social Evaluation of Gender Inequality in the Development Process - UNDP's Indicators

UNDP has developed two main indicators to take account of gender-related distributions in the development process. These are the Gender Development Index (GDI) and the Gender Empowerment Index (GEM). The calculation of GDI involves an adjustment of the Human Development Index (HDI) to allow for the gender distribution of the three main components of HDI – income, education/literacy and length of life. The details of its calculation are set out in UNDP (1995). Its value is influenced by the size of the Gender Development Sensitivity Index, ϵ . The size of ϵ is indicative of the assumed aversion to gender equality. It is most frequently assumed to be 2 (the value of the harmonic mean) but the choice of ϵ involves a value judgement. It has been suggested that it could be allowed to vary from society to society depending on the degree of aversion felt towards gender inequality in different societies (UNDP, 1995).

One of the problems about GDI is that it fails to take any account of the extent of poverty amongst females compared to that for males. Because GDI is based on averages, it is possible for GDI to rise and for the proportion of females in poverty to do likewise. This is because it is based upon aggregations or the average situation.

A worrying feature of GDI is that it appears to be poorly related to FMR.

Taking the GDIs for the 16 core states of India (Andra Pradesh, Assam, Bihar, Gujarat, Haryana, Himachal Pradesh, Karataka, Kerala, Madhya Pradesh, Maharashta, Orissa, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh, W. Bengal) as estimated by Kumar (1996) and comparing these with their FMRs based on the 1991 Indian census, we found that GDI is poorly correlated with FMR ($R^2 = 0.26$ and R^2 adjusted = 0.21), even though GDI is a significant positively sloped linear function of FMR. It is clear that GDI is a poor reflection of the degree of prejudice against females in society, even though FMR is not completely adequate either. However, it is *possible* for the main influence on FMR to be female infanticide (or abortion of female foetuses) with surviving females being well-

treated. Nevertheless, sociological evidence for India indicates that economic deprivation of surviving females is occurs frequently.

GEM indicates the relative political empowerment of females and their degree of representation in administrative positions. It provides another indicator of the social status of women. By world standards, India's GEM level is relatively low, even though it has managed to have females in major political posts nationally and in some of its states. Women are extremely poorly represented at the panchayat, or local government level in India. GEM is not intended as an indicator of the economic deprivation of women, but lack of political and administrative empowerment could well be positively associated with economic and social deprivation of females. Furthermore, greater female representation in the political process may increase the likelihood of the enactment of laws and the adoption of administrative decisions which reduce prejudice against females.

In any case both GDI and GEM fail to take account of the relative prevalence of poverty amongst females and inadequately take account of the deprivation of females compared to males. In particular, an increase in GDI is not a sure indicator that prejudice against females has been reduced nor than their social welfare has increased.

4. Structural Adjustment Policies, Economic Transition and Poverty of Women and Children

In the literature, we find both optimistic and pessimistic views about how the socio-economic status of women varies with economic development and with the extension of markets (Tisdell, 1996). Engels (1972), Ward (1988), Boserup (1990), [see also Clark and Clark (1994, p.832)], suggest that in fact in developing countries processes of economic globalisation (such as territorial colonialism originally) and the extension of market systems have resulted in a deteriorating socioeconomic situation for women, particularly in rural areas.

On the other hand, many neo-liberals have argued that globalisation and the extension of markets increases economic opportunities for women and helps to reduce economic discrimination against women because of increased market competition for labour combined with the profit maximisation goal of business enterprises. However, some neo-liberals believe that processes of economic development and market extension may initially depress the socio-economic status of women but expect, along similar lines to the Kuznets inverted-U relationship (Kuznets, 1963) that in the longer term that their status will improve. Cross-sectional analysis indicates that relative gender gaps tend to be lower in higher income countries than in less developed countries. While this provides some empirical support for the neo-liberal hypothesis, the position is actually quite complicated.

There can be little doubt that many families (especially women and children) are adversely affected by transitional economic processes and related structural adjustment policies designed to extend the free operation of markets. While there may be a pot of gold at the end of the rainbow in the long-term, adverse economic impacts on some families can have socio-economic consequences for several generations. The social aspects of transition matter because as Keynes once pointed out in the long-term we are all dead. In addition, adverse socioeconomic aspects experienced by existing generations can result in social and economic stunting of several succeeding generations.

How women and children fare in structural adjustment processes and economic transition depends upon the cultural nature of their society (customs, traditions, values, assigned roles etc). Usually this evolves slowly. The forced introduction of and extension of market systems often results in a significant imbalance between the economic and socio-cultural system of a country. In such situations, women and children can suffer.

Boserup (1978) observed that in Africa extension of the market system tended to marginalise rural women economically because males took control of cash and often assumed responsibility for activities earning cash. More recent studies support Boserup's view. Cash cropping both in Africa (Kennedy and Oniang'o, 1990) and in South

America (Gross and Underwood, 1971) has reduced the opportunities for rural women to produce subsistence crops and provide food for their family especially their children. The nutrition of their children has suffered. It has been observed in Bangladesh that extension of markets primarily due to the Green Revolution (Alauddin and Tisdell, 1991) and the increased privatisation of previously common resources has adversely affected the poor, especially poor women (and children) who are the chief foragers in this case in common access areas (Alauddin and Tisdell, 1998). In India, it has been pointed out (Sahu, 1996) that reduced opportunities for Santal tribal women to collect non-timber products from forests, such as food for their small animals, is reducing their economic opportunities and their bargaining power within the family thereby lowering their status within their family. While there surely are cases where women have made almost immediate economic gains as a result of structural adjustment and processes of economic development, these are far from universal.

The above suggests the need to tailor structural adjustment policies to the cultural background of different countries and communities. A blanket approach (as appears to have been that of the IMF and World Bank) can have inhumane results. The blanket approach has for example been severely criticised by Intriligator (1998) who in particular believes that so called Washington consensus policies have failed in Russia due to lack of attention to Russia's cultural and institutional background by its economic advisors.

It would be too narrow to suggest the socio-economic position of females is likely to be undermined only in rural communities by economic globalization. Standing (1992) for example has outlined several ways in economic globalisation of manufacturing industry (with associated government policies supporting 'supply-side' economics as well as the operations of transnational companies) has negatively impacted on the income levels, conditions of work and security of employment of women. He suggests that a process of global feminization is taking place which is expanding 'flexible' employment but that this is just another name for insecure employment. He suggests that this pervasive job insecurity among females is likely in the global context to spill over to males. He concludes 'Traditionally, women have been relegated to more precarious and low-income

forms of economic activity. The fear now is that their increased economic role reflects a spread of those forms to many more spheres. That is scarcely what should be meant by progress' (Standing, 1992, p. 372). In fact, there is considerable evidence that Standing's grim prediction is being realized (Cf. Tisdell, 1999). This is reflected not only in the emergence of a bimodal distribution of economic welfare in Western economies but in the increasing incidence of poverty in many of the former European centrally planned economies.

There can be no doubt that child poverty has increased greatly in European transitional economies in recent times as indicated in Table 2. Child poverty in the Russian Federation in the 1990s increased by more than 50 percent and by several-fold in Bulgaria, Romania, Poland and Hungary. As suggested earlier, this also implies, in all probability, a high increase in the numbers of women in poverty.

Table 2 Child Poverty in Selected European Transitional Economies, 1989-1993 (Percentage of Children below the UNDP poverty line)

Country	1989	1993
Russian Federation	40 ^a	62 ^b
Bulgaria	2 ^c	43 ^d
Romania	9	36
Estonia	27 ^a	34 ^d
Poland	8	20
Slovakia	0	9
Hungary	2	7
Czech Republic	0	1

Source: UNDP, Human Development Report, 1997, p.35.

Notes: ^a 1992, ^b 1995, ^c 1990, ^d 1994.

In this respect it is interesting to note that when I visited the German Science Centre, Berlin in 1997, I was told that the Centre had conducted a social survey in the former East Germany to assess attitudes to changes in the socio-economic system. Women were the least satisfied with the changes mainly because they no longer had assured employment and social service support for their children. To a large extent, increased

poverty, including that of children, in the European transitional economies is associated with increasing unemployment and increasing gaps in social service provision.

5. The Erosion of the Welfare State: The New Role for Charitable Organisations and for Self-Help

Structural adjustment policies and economic globalisation is (has) undermined the welfare state and the principle that the state has a responsibility to make sure that the basic needs of its citizens are met. Economic globalisation accompanied by greater international economic competition has increasingly forced governments to reduce taxation to maintain national economic competitiveness. This has been bolstered by the neo-liberal view that small government is desirable and that free markets should be given maximum possible rein in determining the direction of economic development and resource allocation.

While the state may provide 'safety-nets' for the most unfortunate members of society, such charity should be used sparingly in the neo-liberal view. In this view, individuals should be encouraged to engage in self-help and take greater economic responsibility for their own lives. However, individuals with few resources and exchange entitlements may be unable to engage in such self-help.

Nevertheless, many neo-liberals display some compassion by dividing the poor into two groups: those deserving of charity and those who are undeserving. For those neo-liberals a major problem is to ensure that charity is efficiently provided to the deserving while denying it to the undeserving (poor or otherwise). However, unfortunately their desire to meet this principle in the distribution of charity may disadvantage or exclude many of the 'deserving' poor. For example, schemes which make charity and social services a responsibility mainly of local communities and voluntary charitable organisations may do this. On the other hand, compared to the state provision of welfare services, such mechanisms may increase the social stigma often associated with the acceptance of charity. For many, the social stigma which often goes with poverty is worse almost than

the condition itself as pointed out by van der Gaag (1999) For such social reasons some individuals may endure considerable hardship before accepting charity.

The above of course leaves open the question of who are the deserving poor and who are not – a difficult normative matter, especially for a Christian when account is taken of the ‘Parable of the Prodigal Son’, an individual whose deteriorating situation was of his own making.

Neo-liberal structural adjustment policies have seriously eroded the welfare state in most Western and other countries. Western nations have experienced a real decline in national budgets allocated to sustain social services. At the same time, some of the burden of financing and providing these services has been devolved to local communities and to voluntary charitable organisations in some countries e.g. in Australia.

Devolution to local communities is seen by its proponents as beneficial in taking greater account of preferences of citizens and in enhancing social responsibility, and possibly improving the targeting of social services (an efficiency aspects). The social disadvantage of this devolution is that depressed communities have fewer resources to provide social services. Thus this approach magnifies socioeconomic inequality according to location. In particular, it permanently disadvantages those living in depressed communities and adds to inequality of opportunity particularly for children.

While it was once argued that the state could be an efficient provider and distributor of support for the poor (Cf. Hochman and Rogers, 1969) one now increasingly hears the argument that the state is relatively inefficient in these tasks compared to private voluntary charitable organisations. So in Australia, funds are being increasingly provided by the state to charitable organisations to perform social service functions previously performed by the state. Provision in this manner may cause increased social humiliation of the poor and stretch the capacities of the voluntary organisations creating pressures for them to become commercial providers of social services.

One obstacle is that such organisations may have considerable difficulty in assisting many wives and children in economic difficulty. Such persons are not always readily identifiable, they are likely to consider charity to be a last recourse and if the husband is to a large extent the cause of their predicament, he is likely to resist outside intrusion. Thus the dismantling of 'blanket' social services which assist families in my view results in considerable holes in safety nets, and is a recipe for greater misery, for increasing inequality of opportunity and for stunting human development. We need to recognise that social services can have positive impacts on economic production (via positive impacts on human capital and equality of opportunity) and in some cases, reduced incidence of crime. Neo-liberals emphasise mostly the possible negative productivity impacts of social services caused by higher taxes required to support social security.

6. Concluding Comments

Married women and children are often amongst the least able to help themselves when they are in economic difficulty. It is appropriate that particular attention be given to their economic circumstances in a caring society. It has been suggested that both the unitary theory of the family, and bargaining theory can be useful in understanding the socio-economic situation of the women and children, particularly if supplemented by Sen's entitlement approach. Often trends or patterns in the socio-economic status of women and children can be detected using these theories.

The importance of taking gender issues into account in considering development has been recognised by international bodies such as UNDP. Nevertheless, most of its gender indicators appear to be inadequate. For example, UNDP's Gender Development Index (GDI) gives an inadequate picture of the relative position of females, as is highlighted by its poor correlation with the female-male ratio in India.

While some optimistic neo-liberals believe that the benefits of economic growth and extensions of markets (as expected from structural adjustment and economic transition) will trickle through to all segments of the community, there is a need to modify this view.

Social assessment depends on how long the filtering through takes and the extent to which adverse social consequences persist which are initially experienced. Social blighting, it needs to be remembered, can impact on several generations. Given the social/cultural structure of some societies, women and children can suffer as a result, of the extension of markets for a long period of time. In most of the former centrally planned economies of Europe, the incidence of child poverty has risen substantially in their transition and this was also inferred to be so for women.

A significant factor affecting poverty and socioeconomic disadvantage amongst women and children in Western countries is the erosion of the welfare state under the pressure of structural adjustment policies and economic globalisation. This has been combined with more responsibility being placed on local communities and voluntary charitable organisations for the provision and/or delivery of social services. This it was argued, adds to economic inequality (including inequality of opportunity) and may especially disadvantage needy married women and children.

The neo-liberal attack on the Welfare State appears to be based on a one-sided view. State provision of social services is seen only as an economic cost, ignoring the fact that the provision of social services can have economic productivity benefits. These factors need to be taken into account as well as the provision of social justice.

Unfortunately, some economists have isolated themselves from the debate about such matters on the basis that views of economists would be no more valuable than those of anyone else. The following statement from Martin Bronfenbrenner is illustrative of the way in which many economists in modern times have tried to wash their hands of matters connected with social justice:

‘Economists try to answer positive questions about distribution: What position does the lower fifth achieve? But when morality and justice and fairness enter the argument, economists can give only normative judgements worth no more (and no less) than those of bishops, politicians, or the general public in opinion polls’ (Bronfenbrenner, 1986, p.38)

This however may suggest that considered views about social justice such as those of Rawls (1971) are worth no more consideration than those of anyone else and that economists can make no especially useful suggestions, or contributions to, this subject. Not only can this result in failure of economists to consider questions of social justice in their policy prescriptions, but may deter them from studying positive dimensions of distribution related to social justice. Economists who continue with this stance may risk becoming outcasts in society – there are signs that some economic rationalists are being increasingly viewed in this light by some sections of Australian society. Possibly, after all, one might be forgiven for placing more weight on the views of the bishops about social justice than on the views of Martin Bronfenbrenner and those economists following a similar line.

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