



Chapter-6

The Cost and Consequences of Continued Gender Exclusion



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Previous chapters of this report have shown how gender gaps have come about as a result of the interplay between various forces. This chapter examines the costs and consequences of gender gaps and the possible policy levers to address them. The goal is to focus on those actions that would be a priority in that they would have high returns or be highly cost-effective. However, the 'economic' costs of gender exclusion should not be confused with purely pecuniary or monetized costs. Economics, properly understood, examines the ways to maximize self-assessed human well-being, in a world of limited resources-not just that part of human well-being that is measured in conventional national accounting as gross national product.

This distinction between the 'economic' in the broad sense and the 'pecuniary' is particularly important in discussing gender. Gender is, by definition, a generated construct that invokes values (religious, cultural or social) in ascribing behaviors to the sexes that are considered appropriate in a given time, place and social context. Suggesting that, simply because a policy action might raise measured GDP or have high pecuniary returns, it therefore has high *economic* returns, even though this action is in conflict with social or cultural values, represents a misunderstanding of economic analysis. This distinction is obviously important in Afghanistan, where as previous chapters demonstrate, the discussion of appropriate gender roles has been a very divisive and highly politicized issue.

This chapter therefore begins with an analysis of those investments that have high economic returns-in well-being, monetary terms or both-and moves from options that are

less controversial to those that may be considered more challenging to traditional norms and values.

Education. Many would claim that education for girls is a basic human right, while others would argue that education for girls is justified by the returns measured in purely pecuniary terms. But even for those who believe that the role of women should be limited strictly to the household sphere, there are four strong justifications for investments in educating girls that do not depend on monetary returns. First, education improves women's own health, particularly in reducing maternal mortality. Second, evidence from around the world suggests that education improves the health of women's own children (through better information, better decisions, more effective use of medical services). Third, improving women's education tends to improve the education of their children, male and female. Fourth, education of women improves their productivity in household tasks. Priority attention to expanding and extending the schooling of girls does not rely on assumptions that women will work for wages but can be fully justified *economically* even without any appeal to pecuniary returns.

Health. Similarly on the health side, particularly with respect to reproductive health, some assume that reducing fertility is a goal that policy makers should actively pursue, while others may argue that high fertility is a proper goal for households and society. But there are investments in improved health that are consistent with whatever goals about fertility or about women's roles that policy makers and households might have. Gender sensitive interventions in health, and even in reproductive health, can be justified under a wide range of values. First, interventions to reduce maternal mortality, which is astronomically high in Afghanistan, are good for poverty, good for the well-being of children, and even good for fertility. Second, healthier children require health interventions sensitive to the gender realities, and which reach women in ways that affect their health practices. Third, even *within* a given lifetime fertility level of a woman, the access and ability to control the *timing* of births can have major health benefits in that women can time and space their births and have healthier children. So even those who value large families should not value having a high aggregate fertility rate as that is accompanied by large numbers of child deaths and hence many 'replacement' births. For any given level of desired surviving number of children, improving access to reproductive health is important to well-being.

Contribution of Women to Economic Production. Afghanistan is one of the poorest countries in the world with a GDP of US \$ 4.7 billion (not including the opium economy) and GDP per capita of \$212.²⁰¹ After the Bonn Agreement in December 2001, efforts have been made to improve the economic condition of the country. It is increasingly felt that women can play a vital role in this mammoth task. We must, however, examine women's roles and contributions with a view to assessing the likely implications of removing the gender exclusions that currently exist. This sphere, as with any other aspect of gender relations, is highly charged. A first step is recognition of the vital work that women actually do and the role of that work, particularly among poor households. Second, programs targeted to raise the productivity of women in their *existing* household and economic work can have high returns. The issue of raising the participation of women in the paid labor force as an independent *goal* of policy is a subsequent consideration.

Comparison of Gender Indicators with other Muslim Countries

Islam is a religion that gives women certain protections and guarantees, and gender roles and relations in predominantly Muslim countries reflect social choices made in the past as well as in the present. There is no universally accepted 'ideal' in terms of gender roles, since people living in different societies and economies make different choices with respect to both social norms as well as economic arrangements. At the same time, there is overwhelming evidence from across the world that most of the gender inequalities that are evident in outcomes do not reflect conscious choices, and that removing these inequalities benefits the individuals concerned, the households and communities,, as well as the broader society and economy in a number of different ways. This evidence is briefly reviewed below, in particular the fact that even among Muslim countries, indicators on girl's education and reproductive health are much better than in Afghanistan.

Gender gaps in outcomes are not, of course, unique to Afghanistan. Table 20 gives a comparative picture by presenting data from selected countries with predominantly Muslim populations.²⁰² The comparative perspective suggests that certain traditional and cultural

²⁰¹ World Bank, 2004

²⁰² This picture using national averages is a broad generalization, as there exists considerable variation in the conditions of Afghan women (as also in other countries on the basis of their ethnicity, affluence, place of residence - rural or urban, marital status, age and so forth). See Barakat and Wardell, 2001

roles ascribed to women may have strong similarities across Muslim countries. This is demonstrated in the low work participation of women in all of these countries. The percentage of females in the labor force in Afghanistan, at 35.8%, is higher than in most of the other countries, with the exception of Malaysia and Indonesia.²⁰³

But nearly every other indicator of female well-being or of women's roles in Afghanistan is much lower than other Muslim countries. The adult female literacy rate in Afghanistan (though there are fears that the actual figure might be lower) is similar to Pakistan, but below that of other countries. The difference is much more striking if we look at the current gross primary enrollments of children, as both the level of enrollments and the gender gap are much greater in Afghanistan than elsewhere. Girls' gross primary enrollment is 108% in Indonesia, 90.4% in Iran, 67% in Saudi Arabia and 62% in Pakistan, compared to 40% in Afghanistan. Although the figure for Afghanistan represents enormous progress compared with the 5% girls' primary enrollment rate estimated in 1999 (Chapter 3, Table 5), there is still a long way to go for Afghanistan to catch up with the lagging comparator countries, let alone Iran or Indonesia.

Life expectancy at birth for both men and women is lowest in Afghanistan, and even more strikingly the difference between female and male life expectancy, which typically favors females, is worst in Afghanistan. While females have life expectancy $\frac{1}{2}$ year longer in Afghanistan, the gap is 2.6 years in Saudi Arabia, 2.5 years in Pakistan, and 4 years in Indonesia.

One reason for low life expectancy among women is that the Maternal Mortality Rate in Afghanistan is alarmingly high. The rate of 1600 (see Chapter 2) exceeds that of any other country by a factor of three. The Total Fertility Rate varies widely across countries with Islamic populations. The TFR in Iran is 2.4, in Indonesia 2.4, in Saudi Arabia 4.6 and in Pakistan it is 5.1 - compared to 6.8 in Afghanistan.

These simple international comparisons demonstrate that first, there is wide variation among Muslim countries in their indicators of female education, health status, and reproductive health. Second, on nearly every indicator Afghanistan lags considerably behind the other

²⁰³ This comparison is only indicative, as different methodologies may have been followed in data collection

countries-even when compared with countries that some consider as quite 'conservative' in their interpretations of Islam and with quite an active role of Islam in political decisions-such as Iran, Saudi Arabia, and Pakistan.

Education

Prior to the Taliban rule, many attempts had been made to raise education levels of women.²⁰⁴ Women belonging to the elite classes in Kabul in the late 1970s had access to education and careers. Today, according to the World Bank, female literacy rate is just 21%, though there are fears that the actual figure might be even lower. However, girls constitute 30 % of the student population in Afghanistan. Even though this is a massive increase compared to the years prior to the Taliban restrictions on girls' education, it is still low, and the aggregate figure hides considerable variation within the country. In southern and eastern parts of Afghanistan girls' enrollment rates are very low.²⁰⁵ Gross enrollment rates at the primary level in 2000 were estimated to be a mere 4% for girls compared to 29 % for boys.²⁰⁶

Policy actions to raise participation of girls in school can be justified on a number of grounds, but a focus on just four of the non-monetized benefits of girls' schooling that generate support across a range of values and cultural norms will suffice.

Women's Education and Women's Health. Even if women's primary role is in the home, women who are healthy and who can survive childbirth constitute an important benefit for the society. Evidence across countries suggests that educated women are better able to access formal pre-natal and post-natal care and thereby improve their own health outcomes.

Only 34% of Egyptian women with no education received antenatal care, compared to 75% of women with a high school or college degree.²⁰⁷ According to *NFHS*²⁰⁸ (1999) of India, the

²⁰⁴ Among the reforms introduced by King Amanullah and Queen Soraya was compulsory education for both boys and girls and plans for coeducational schools. Similarly, among the rights granted to women in the constitution of 1964 was the right to education. (Source: Barakat and Wardell, 2001)

²⁰⁵ <http://www.unicef.org/infobycountry/afghanistan.html>

²⁰⁶ World Bank, 2004

²⁰⁷ *Demographic and Health Surveys, 2000*

²⁰⁸ *National Family Health Survey, 1999*

percentage of deliveries attended by trained midwives is very low for women with no education.

Education imparts basic skills that can allow the poor to better manage their resources, and thus improvements in health and attitudes can take place even without other major changes in the surrounding infrastructure.

Maternal Education and Child Health. Evidence from cross-national studies, studies across regions within countries, and comparisons across households consistently points to an important role of maternal education in child health. Recent studies of the determinants of child mortality across countries of the world find an important role for maternal education—even controlling for income, income distribution, and public spending on health. States in India (such as Kerala) with high female literacy rates are also the ones with high marriageable age and better health indicators. Evidence from households in Egypt suggests that of married women married between 25 and 29 years of age, those with no education had married at an average age of 18 years and had their first child by the age of 20 years, as opposed to 23 and 25 years as reported by women with secondary or higher education.²⁰⁹ Mother's education of one to three years is associated with a 20% decline in risk of childhood death. Each additional year of schooling of mothers translates into a 5-10% decline in child mortality. A comparison of child mortality between mothers with no formal education and those with secondary education in Egypt showed it to be twice as high among children born to the former.²¹⁰

There are a variety of channels of causation from better-educated mothers to healthier children. An educated mother is likely to better manage basic childcare and nutritional aspects of diet, and in general to ensure better elementary health care. Also, since the timing of births is another important proximate determinant of child mortality, the fact that more educated women are likely to marry later and space child-births, therefore, improves mortality. The link between more education and delayed age at marriage is well known.²¹¹ Early marriage spells a cessation of education for girls and premature assumption of domestic and child care responsibilities.

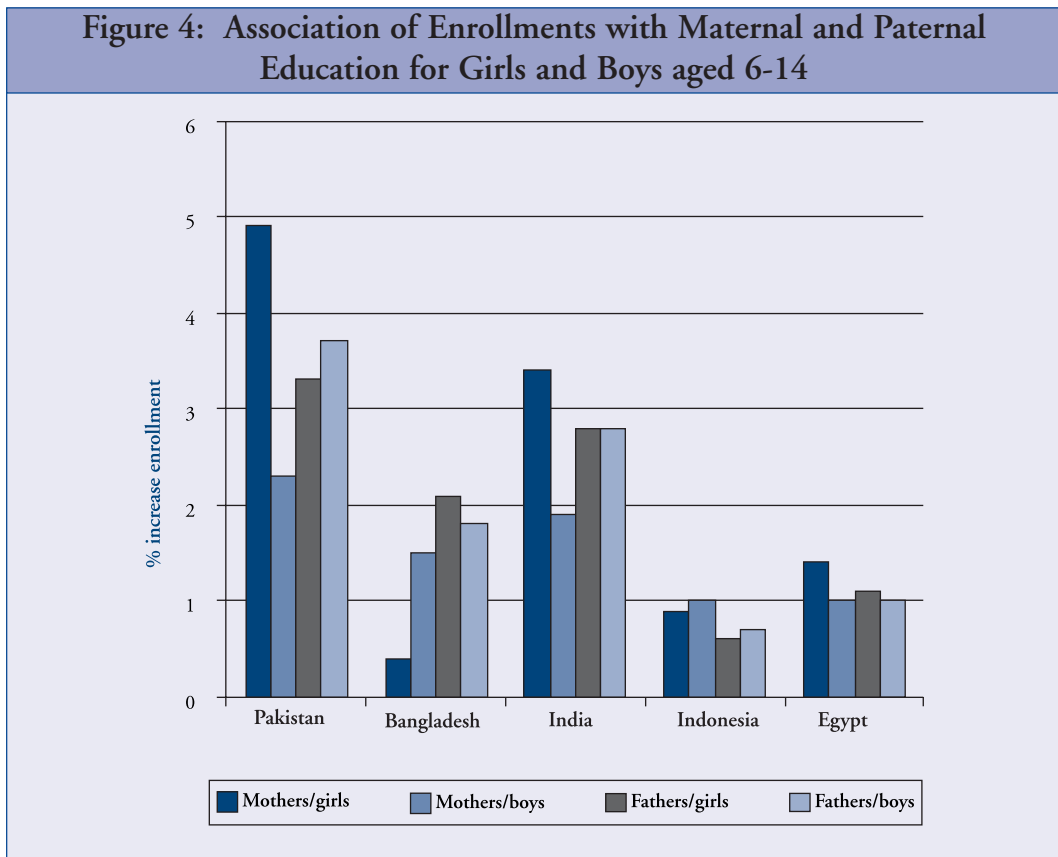
²⁰⁹ Roudi-Fahimi and Moghadam, 2003

²¹⁰ The Mahbub-ul- Haq Development Centre, 1998

²¹¹ Jeffery and Basu, 1996

The linkage between female education and health has been emphasized in the SAF. It is noted that among the factors impeding improvements in public health is the low status accorded to women. Furthermore, it notes that preventive health practices are weak, which 'underscores the fundamental importance of education as a factor in improving public health, particularly the health of women as primary care givers in the home'.

Maternal Education and Child Education. An educated woman is likely to better support the education of her children, both boys and girls. In Egypt, mothers who had never attended school were more likely to cite the cost of education as a reason for not sending their daughters to school



Source: Filmer, 1999, *The Structure of Social Disparities in Education: Gender and Wealth*. Gender and Development Working Paper No. 5

than for not sending their sons to school.²¹² States in India with huge gender differentials in school attendance rates are also usually the ones where gaps between male and female literacy rates are high. In this context, Klasen (1999) also notes the externalities of gender equality in education at the household level. He says that equally educated siblings can support and strengthen each other's educational success, while similarly educated couples can support each other's education interests.

Figure 4 shows regression-based estimates of the percentage increase in school enrollment of children aged 6-14 that are typically associated with an increase in maternal or paternal education by one year—even after controlling for many other observable correlates of enrollments—in several countries with predominantly Muslim populations and in India. The impact of maternal education is large for both boys and girls, typically greater than the association with paternal education. In Pakistan (based on a *DHS* data set from the early 1990s) and in India (based on the *NFHS* in the early 1990s), the impact of maternal education was much stronger for girls than for boys, while Bangladesh shows the opposite pattern and others (Indonesia, Egypt) essentially have equal impacts.

Increasing women's productivity in existing activities. While there is substantial evidence that increases in a woman's education raises her wages in market activities, there is also evidence that her productivity in household and non-market production increases as well.

With all of the evidence presented above for the strong association between girl's/women's schooling and improved outcomes, there is nevertheless a problem in identifying precisely what is the causal impact of schooling and what is merely attributable to girls who receive more schooling are different in some respect. If, for instance, more educated girls come from households of higher socio-economic status, there might be a strong association between schooling completed and child health even if there is no true causal impact of schooling. This problem is difficult to address empirically.

Policy Measures to Raise Girl's Schooling

Providing primary education facilities to all children is thus an investment which can be expected to have a range of beneficial outcomes. As more schools are opened and girls' enrollment is encouraged, there is likely to be a skewed response from different parts of the

²¹² *Demographic and Health Surveys*, 2000

country. It is also likely that there will be a larger proportion of girls in the lower grades. Given the slower growth of demand in rural areas, over the next five years we could hope that, in accordance with the targets for the education sector that, on average enrollment may go up to 55% for girls²¹³ or 9,900,000 (see Table 18 below). Assuming that this population is equally divided over each of the five grades in primary school, if additional schooling can be supplied at the same average cost as existing schooling then the expenditure for providing schooling to 55% of girls works out to be 2.6% of the GDP or \$122 million per year.

However, in the more remote rural areas the demand for girls schooling may be low as a result of the strength of traditional gender roles, which keep daughters at home to help with sibling care and other domestic duties, or care of livestock, etc. - creating a situation where, as some would put it the 'right of a girl to education is unfairly pitted against the obligations of a daughter.'²¹⁴

Table 18: Cost of Incremental Enrollment of Girls in School

Grade	Number of girls	Percapita expenditure of sending girls to school (AFN)	Per capita expenditure (\$) (49AFN = \$1)	Total expenditure
1	1 980 000	350	7.14	14 142 857.14
2	1 980 000	350	7.14	14 142 857.14
3	1 980 000	350	7.14	14 142 857.14
4	1 980 000	1 000	20.41	40 408 163.27
5	1 980 000	1 000	20.41	40 408 163.27
Total (Grades 1-5)	9 900 000			12 324 4897.96

Source: *The Human Rights Research and Advocacy Consortium, 2004*

Note: In the absence of grade specific data, it is assumed here that the relevant group is equally distributed over grades 1-5

²¹³ World Bank

²¹⁴ Karlekar, 2000, p. 91

While the availability of schools is the first necessity for bringing both boys and girls into school, special effort will be needed to bring girls into school and to keep them there so that they are able to complete an acceptable level of schooling. In other countries it has been seen that there is need to ensure women teachers, separate toilets, and to see that schools are as close to habitations as possible. In addition, incentives are often found useful in keeping girls in school. Since many young girls are expected to look after their younger siblings, the availability of crèche facilities is often imperative to bring girls to school.

It will also be important to provide bridge courses to allow both girls and boys who have dropped out of school to be able to re-enter the system.

Health

On the health front there are two key gender-related issues irrespective of the cultural values one adheres to. First, considering women's role as mothers and caregivers within the family means that maternal mortality and the measures to reduce it are central issues. Since motherhood is important then certainly it should also be made as safe as possible. Second, addressing the ways in which gender exclusion and the disempowerment of women raises child mortality is also a key issue.

Maternal mortality. While a great deal needs to be done on many fronts to ensure that all Afghans have access to basic health care, it is especially alarming to note the very high rates of maternal mortality. The death of the mother has important implications for the health of children and other members. A study in Bangladesh found that a mother's death sharply increased the chances of death for all of her children up to the age of 10 years, particularly girl children, while the death of the father did not have any significant impact.²¹⁵

A woman's death also negatively impacts on the schooling of her children, particularly in poor families, where younger children enroll later while older children drop out. A study in India found that when women die, the survival of the household is increasingly challenged because men are unaccustomed to managing the household budget and affairs. The family suffers emotional as well as economic loss. At the societal level, there is a loss of future generations and their potential contributions do not materialize.²¹⁶

²¹⁵ The Mahbub-ul- Haq Development Centre, 2000

²¹⁶ UNFPA, 2000

Policy Measures to Reduce Maternal Mortality

Facilities. To ensure that children that are born survive into healthy adulthood, and to extend the outreach of the health services and ensure that women are able to access these facilities, determined efforts have to be made to increase the number of female doctors and other female health care providers. According to *Securing Afghanistan's Future*, at present only 40% of Afghans have access to Basic Package of Health Services (BPHS), an initiative of the Afghan government that seeks to provide basic primary health care. But the access of women is even more limited since most health services do not have any trained female personnel, and cultural barriers often do not allow female patients to be examined by male doctors.

Empowerment over Access Decisions. Eighty-seven percent of respondents in the Physicians for Human Rights 2002 survey reported having to obtain permission from a husband or male relative to see a trained health professional all of the times, and another 8% some of the time. Information and awareness raising among men and women about maternal health would address this problem.

Raising the Marriageable Age. The age at marriage for females as reported by the Physicians for Human Rights is 15 years though the reported desired age at marriage is reasonably high at 18 years. In recent years there has been a trend toward marrying of daughters at an early age, referred to as 'disposal of daughters' in the hope of securing a good bride price as a coping mechanism against poverty and insecurity.²¹⁷ In order that the marriage age may be brought closer to the desired age of 18 years,²¹⁸ the Government may initiate an information/awareness campaign about the unlawful nature and negative social effects of child marriage and forced marriage combined with incentives to delay marriage until reaching maturity.

Gender and Child Mortality. In addition to high maternal mortality, Afghanistan also has high mortality of children. While disentangling the separate dimensions of high mortality is difficult, there is little question that the limited decision-making power of women within the household and the limited ability of women to interact outside of the home contribute to high child mortality.

²¹⁷ Schutte, 2004

²¹⁸ Physicians for Human Rights, 2002

This implies that policy actions to improve child mortality must take into account the existing gender disparities and cultural sensitivities in Afghanistan. Public health messages need to be provided in a way that reaches women. Health services must be provided in a way that is consistent with accepted norms for action. It should be of great interest that Iran, with strong Islamic participation in public and political life, has experienced a spectacular improvement in child mortality through a concerted effort on locally based workers in primary health.

Gender and Markets

Policy actions to raise the enrollment of girls in schooling and to improve maternal mortality and the ability of women to act to improve child mortality can be justified as priorities even if one accepts a limited view of the role of women. In contrast, the active participation in the market economy of women as paid labor, employees, or as self-employed businesspersons is far more controversial. As with any form of discrimination, gender-based restrictions on economic participation lower overall production and output per head. This section makes two key points. First, women *do*, in fact, contribute to the economy. Moreover, since these economic contributions often come from very poor households raising the productivity of women in their existing activities is a priority action. Second, there are large economic costs to maintaining the exclusion of women from education and their contribution to the market economy. While some might argue that these costs are worth bearing in the interests of preserving other values in the cultural context of Afghanistan, it is still worth documenting the costs.

Structure of the Economy and Women's Contribution

The structure of the economy in 2003 was heavily skewed in favor of agriculture (52% of GDP) with smaller contributions from industry and services at 24% each. *Securing Afghanistan's Future (SAF)*, a comprehensive document presented at the international conference of donors held in Berlin puts forward an argument for an average annual growth rate of 9% over a 12-year period. Such a growth rate most likely cannot be achieved without making special efforts to involve women in the development process. Clear data on the role of women in each sector is difficult to obtain, partly because of the limitations of data generally but also partly because in Afghanistan, as elsewhere, women's roles and contributions are often invisible and undervalued. However, using the information available it is possible to demonstrate the key role that women play in their *current* economic roles, and even more so in their *potential* contributions.

Agriculture: The centrality of agriculture in achieving high overall economic growth has been emphasized by the *SAF*. Agriculture at present contributes 52% of the legal GDP, and in the next 12 years even with rapid growth of industries and services, agriculture is going to constitute more than 40% of GDP (*SAF*, 2004). The role of women in the agriculture of Afghanistan has been highlighted in the earlier sections of this report. Usually poor and very poor women work in the fields while women from well-to-do households are mainly involved in agricultural tasks performed within the house. However, sufficient data is not available to quantify the extent of women's participation in agriculture. As per the *Nationwide Risk and Vulnerability Assessment (NRVA)* carried out in July- September 2003, 6.2% of female groups reported being involved in harvesting and another 11.9% were in 'other farm work.' The *NRVA* surveyed selected categories of work only, and weeding for example was excluded. This means that the findings are likely to be underestimates of women's actual involvement in agriculture. Another factor leading to underestimation would be under-reporting resulting from the social stigma associated with women working in the field. In addition to agriculture, women are also involved in care of livestock and other related activities. The successful shift from poppy cultivation to cultivation of other crops also requires that the nature and extent of women's participation be recognized. Men of the household decide whether or not to cultivate poppy, but women's labor contribution to poppy production should be kept in mind when assessing the feasibility of alternatives to poppy cultivation.

The Informal Economy: An estimated 80-90% of the economy is informal, including both agricultural and non-agricultural activities. Generally speaking, in developing countries the informal economy contributes as much as 40% of the GNP.²¹⁹ A feature of the informal economy in Afghanistan is the large proportion of women involved. In India as many as 96% of women are in informal employment, including a variety of types of work ranging from casual labor, sub-contracted work and home based work. The informal economy in Afghanistan includes a wide range of legal but informal activities, as well as the illegal opium economy.

The work participation rate of women is estimated at 35.8 %, ²²⁰ but the *NRVA* survey found 55.5% of women to be engaged in some form of economic activity, in agriculture, home

²¹⁹ Schneider, 2002

²²⁰ <http://devdata.worldbank.org/external/dgsector.asp?W=0&RMDK=110&SMDK=473885>

based work or services. In some regions such as the Northeast it is as high as 90.2%. Even if we question the exact numbers, there is little doubt that much of women's work is currently unrecorded and underestimated, and that their actual contribution to GDP is higher. A conservative estimate (using the current low wage rates for women) suggests that it may be 1.5 times or more what it seems to be (and this is excluding reproductive work from our calculations).

Women's work needs to be situated in the overall macro-economy. There are two ways of looking at the current activities of women. One is to assume that home-based work, for example, is part of an informal economy that will automatically decline with growth and hence does not merit further attention. This has not been the experience, in any significant degree, in other countries, however. The reason is not just that home-based work is attractive to women since it enables them to combine work with homemaking and child care and is acceptable in a society where women's mobility is traditionally constrained. It is equally attractive to entrepreneurs - it is an efficient system of production in certain socio-cultural contexts and in industries where technical change is relatively

Table 19: Estimates of Women's Contribution to GDP

Female wage rate	\$ 0.75 per day (Source: NRVA 2003)
Assuming 180 days of work per annum, average female wages pa	\$ 135
Assuming 240 days of work per annum, average female wages pa	\$180
Female population in age group 15-49 years	6, 672, 775 (USAID Country Health Statistical Report, 2003)
At 55% Work Participation rate (NRVA, 2003)	3, 670, 026 or 3.67 million
Total earnings	\$ 135 * 3.67 million, or \$ 495 million (@ of 180 days of work pa), or \$ 180 * 3.67 million or \$ 660 million (@ 240 days of work pa)
As a % of GDP (\$4.7 billion)	10.5% (@ of 180 days of work pa), or 14% (@ of 240 days of work pa)

slow. Strong social networks make sub-contracting feasible from the viewpoint of the employer; in addition there are savings in costs of space, capital equipment, and even direct labor costs.²²¹

If home-based work is not an anachronism in a globalizing world, what is its growth potential? The best example of its potential probably comes from the experience of Third Italy.²²² Craft production in this regard has been an energizing factor in growth. 'Young workers in the so-called Third Italy can make the ascent from the sweatshop to the high technology machine, or design center, earning correspondingly higher wages or even setting up their own high technology firms'.²²³ The interplay between social and economic factors proved to be beneficial. Small firms using craft methods and based on family labor were innovative and quick to respond to changing market conditions. Active inter-firm cooperation and legal privileges helped to make this a leading force in growth.

Policy Implications of Women's Contributions to the Economy

Women's work in the informal economy is a fact of life, but it is also a basis for sustainable production and economic growth. To achieve its potential, there needs to be investment in the education and skills of women, and in institutions that would support their production activity through credit, market linkages, etc. Central to this approach is changing the perception of the woman (and of the males in the family as they ultimately would need to support her in being an active economic agent) to see herself as a productive agent, contributing to the welfare of the household through her home making activities but also to the growth of the economy through her engagement in agriculture, home based work, or services. Changing this perception can also alter the economic behavior and responsiveness of women in their economic roles.

For example, home-based work is usually characterized by the absence of an employer, no written contract, no fixed hours of work, no assurance of any minimum return. If this work

²²¹ National Council of Applied Economic Research (NCAER), 2001

²²² "Third Italy" - an idiomatic term applied to the proliferation of small scale skilled production units associated particularly with recent developments in part of Italy (chiefly in regions of the N-E and Central Italy). The economic development in the 'Third Italy', based mainly on industrial districts, has been contrasted both with that of the North and with the backwardness of the South

²²³ Bagchi, 1999:27

were recognized as productive work and captured more accurately in official statistics, the woman worker would become (a) visible as a worker; (b) perhaps part of a group of workers, in an association or union of sorts, through which she would have access to some benefits; (c) perhaps be able to claim a minimum wage; and (d) her access to savings institutions may go up, as well as access to training and skill upgradation.

One of the consequences of underestimating women's economic contribution is overstating of productivity and also a potential for inefficient allocation of resources. For example, if the time spent by women on agricultural tasks within the household premises, such as cleaning and preparation of seeds, separation of wheat from the husk to make flour and so on, is ignored, productivity as measured in terms of total man-days is overestimated and the total input costs in terms of labor underestimated. Such a scenario is not an efficient outcome for the economy and

Box 14: The SEWA Experience

The experience of the Self Employed Women's Association in Ahmedabad, India (SEWA) shows that through its activities of organizing workers new employment has been generated, new access to benefits, and additional contributions to such agencies as insurance companies. For example, SEWA estimates that the additional benefits (in the form of wage rate increases and other benefits such as scholarships, social security benefits, etc) were 12% of the total earnings from new urban employment.²²⁴ The combination of development intervention and trade union action represented by SEWA has allowed women to change somewhat their behavior as economic agents. For example, they could now take out insurance to help in dealing with medical expenses and so forth; make savings of small amounts to later use it to build a house. The Rural Women's Development Project, which has organized poor women in nine states in India, also shows promising achievements. Assets have been built up, sources of income diversified with the growth of non-farm work. It is reported that over 30% of sampled members have acquired functional literacy after joining the self help groups, 70% of members are now accessing appropriate health services and 92 % are sending their daughters to school- compared to less than 65% in 2000.²²⁵ There are significant costs of informality that have been documented: bribes and the growth of the black economy, poor levels of human development as evidenced by high illiteracy and low health status, children out of school and in work. An improvement in the terms of work, through a measure of formalization, could have repercussions on social development outcomes as well as growth outcomes.

²²⁴ SEWA, 2000, p. 19

²²⁵ World Bank, 2004c

may lead to misallocation of resources. In certain cases, such as the carpet industry, non-recognition of women's role is especially serious as it means that the most important stage in the production process - that of production of the good or service - is itself not recognized. Furthermore, in order for carpets emerge as one of the major exports of Afghanistan, it is necessary that the industry be internationally competitive. This implies among other things an ability to meet the demands of international consumers. Consumers' tastes and preferences have to be passed down the production chain from the carpet exporters to the weavers of carpets. So there has to be a strong network linkage between the women weavers, the domestic traders and the carpet exporters. Apart from carpet weaving, other activities carried out within the household that have export potential include dried fruits, handicrafts and embroidery. If women's role is not adequately recognized, it will not be possible to harness the export potential of these activities. Building a world class, competitive export industry requires that all of the links in the value chain, right down to the home based woman worker, are included in the planning, technical information, training and marketing inputs that accompany industrial growth.

Formalization of women's participation in the labor force through recognition and certification is also likely to contribute increased revenue/ tax collections for the government. Even in the case of poor women who do not fall in the tax net, there are benefits from formalizing their participation in the labor force. Formality increases the claim of poor women to government-sponsored services, which in turn result in positive externalities for the economy both in the short run and the long run. For example, if a woman puts her children in childcare facilities, not only will the children gain in the long run but the woman will also be able to work more steadily and earn better. The latter may help to strengthen the accountability of the public service providers to their clients via the 'short route' of accountability as articulated by the *Country Economic Report*.²²⁶

Thus overall, Afghanistan's growth in the future rests critically on continuing and expanding contribution from its women workers, especially in agriculture and home-based work.

Costs of Gender Exclusion

Empirical evidence from other countries shows that there is a diverse range of benefits from increasing the allocation of resources to develop the capabilities of women. A considerable share

²²⁶ World Bank, 2004

of the export success of the South East Asian economies was based on female-intensive light manufacturing, whereas on the other hand gender inequality in South Asia and Sub-Saharan Africa may have reduced growth by 0.3% vis-à-vis the East Asian economies.²²⁷ Becker (1975) argued that if male and female labor are considered perfect substitutes, the economy wide discriminatory wages against women will not only generate a gain for men at the expense of women but will also reduce firms' profits and therefore investments and growth.²²⁸

Of the greatest relevance are the linkages between enhanced access to productive assets and increased productivity. While Afghan women participate in income generating activities and contribute significantly to the family's resources, they seldom own any productive asset. Even landed widows, who own their land, have limited rights - they cannot sell the land, as it has to be passed to sons or other male relatives.²²⁹ Limited access to productive assets such as land implies that women are not able to use it as collateral for credit. Evidence from African countries suggests that female farmers are as efficient as their male counterparts but are less productive because they have access to less productive inputs and human capital.²³⁰ In addition to increased productivity, access of women to family resources including land has been linked to child nutrition and child welfare.²³¹

New research carried out by Berta Esteve-Volart²³² for India also has relevance for Afghanistan. In her research she uses the data on the gender composition of the workforce by class from sixteen states of India for the period 1961-91 to examine the implications of gender discrimination in the labor market for economic development.²³³ She estimates that

²²⁷ Klasen, 1999

²²⁸ in Paternostro, 1999

²²⁹ Grace, 2004. She suggests that in some instances women were considered to own chicken. But income generated through selling eggs is limited and chickens are also more prone to disease than other livestock, which probably explains 'why mostly women and not men own chickens'

²³⁰ World Bank, 2003

²³¹ International Food Policy Research Institute has produced a series of studies that explores this link

²³² Esteve-Volart, 2004

²³³ She first analyses the implications of exclusion of women from managerial positions and second, the implications of complete exclusion of women from the labor market. Excluding women from managerial positions implies that skill of women as managers fail to be utilized, as a result the overall average skills of managers in the country is lower than it would be otherwise, which in turn translates into lower profits for firms and thereby lower growth

the economic costs of discrimination against women in the labor market are large: a 10% increase in the female-to-male ratio of managers increases GDP per capita by 2%, while a 10% increase in the female-to-male ratio of total workers increases GDP per capita by 8%. In particular, she estimates that if all Indian states had the labor market figures of Karnataka (a state that has relatively high ratios of female-to-male managers and female-to-male total workers), Indian GDP per capita would have been more than 30% higher over the period, 1961-91. She argues that the efficiency costs are larger in the non-agricultural sector, because there may be comparative physical advantages of men over women in agriculture. Another study in Latin America estimated that ending gender inequality in the labor market could increase women's wages by 50% while increasing national output by 5%.²³⁴

Education and Economic Growth

Securing Afghanistan's Future has cited the experience of East Asian economies in arguing the feasibility of a 9% growth rate in Afghanistan. One of the factors contributing to the high growth rate of the East Asian economies has been the rapid reduction in the gender gap in basic education, which has helped to reduce the relative disadvantage of women in social opportunities, including economic participation.²³⁵ Educating girls and women would open up new opportunities, allowing them to access new kinds of work, but also allowing the use of better technology and access to market information in existing work. Without substantial investment in education for both boys and girls, the expansion of the skill-based industrial production sector is clearly impossible. Lack of education not only constrains the immediate potential for human resource led development, but also stunts the future prospects for rapid human development.²³⁶ In an increasingly open global economy, countries with poor literacy rates and gender gaps in literacy tend to be less competitive in terms of attracting foreign direct investment, which seeks both skilled and cheap labor. Globalization has been accompanied by the increasing importance of small and medium-sized enterprises that create employment opportunities for women. A good example is the increased opportunities in business outsourcing in Asia. But education is a minimum need to be able to access these opportunities.²³⁷

²³⁴ UNFPA, 2000

²³⁵ Dreze and Sen, 2003

²³⁶ The Mahbub-ul- Haq Development Centre, 1998

²³⁷ Roudi-Fahimi and Moghadam, 2003

While reduction in the gender gap will contribute to higher rates of growth and a greater contribution to the economy by women, continuation of high gender gaps would constrain growth. Economic growth is affected (indirectly) because of the impact on rate of return to physical investment - poor quality of human resources as a result of gender bias implies low productivity and thereby low returns to investment. It is estimated that the latter alone can reduce per capita income growth in a country with a gender gap in education similar to that of African countries at present by 0.3%.²³⁸

Policy Implications

The experience of South Asian and other countries makes it abundantly clear that gender equality will not be achieved without careful analysis and appropriate policy intervention. Unless the government in Afghanistan takes such steps to improve the enrolment of girls and provide healthcare to its female population, gender gaps in the country are unlikely to improve. In Table 21 below, we highlight the nature of investment in terms of resources, financial or otherwise, to achieve the objective of gender parity in Afghanistan, as well as the expected benefits from this.

Not surprisingly, given the current state of data in and about Afghanistan and the limited experience with a variety of actions, it is not possible to quantify precisely the impact of these actions. However, on the basis of other country experience, not only would the well-being of women, men and children improve as a result, but this will also have positive growth outcomes from a country perspective. While it is difficult to quantify the benefits precisely, given the current magnitudes of the gender disparities it is almost certainly the case that at the margin the direct and indirect benefits of policy actions to address these priority areas are much greater than the costs.

The analysis presented above suggests that from the perspective of gender, the three goals with the maximum potential return in the current economic, political, and social contest are: (i) ensuring that at least 55% of girls obtain a primary education over the next five years; (ii) a reduction in the maternal mortality rate to no more than one-quarter of its current level; and (iii) recognizing and supporting *existing* women's work in the informal economy.

Each of these goals will require a package of interventions: (i) To raise and extend schooling for girls, i.e. schooling infrastructure should be appropriate to girl's attendance; incentives

²³⁸ Klasen, 1999

designed to reduce the drop-out rate for girls. In addition, a range of special efforts and incentives need to be put in place to release girls from duties such as sibling care and housework and to alter the perception of their potential and future roles within the household, community and economy. (ii) To improve maternal mortality will require healthcare facilities appropriate to the remote rural context (particular for deliveries) with female health staff. In addition a range of efforts in the direction of raising awareness among men and women alike and making the health delivery system both pro-active and gender sensitive is needed to promote women's access. The pronounced geographical disparities would need to be addressed by provision of basic health care facilities throughout the country. (iii) To recognize and support women's work in the informal economy will require training and skills development within agriculture and livestock production, provision of credit, marketing facilities, securing of women's property rights, credit and skills training to business-women, technological and quality upgrading of traditional crafts to increase their potential for domestic and export markets. Furthermore, national statistics should be improved to capture and value women's work and economic contribution.

Table 20: An overview of Gender Gaps in Afghanistan and Neighboring Countries (2002)

Indicator	Afghanistan	Pakistan	India	Indonesia	Egypt	Iran	Malaysia	Saudi Arabia
GDP per capita (US \$ 2002)	212	408	487	817	1354	1652	3905	8612
Percent of total labor force ♦ Female	35.8	29.5	32.5	41.2	31.0	28.4	38.3	17.7
Adult literacy rate (2000) ♦ Male ♦ Female	<i>51</i> <i>21</i>	<i>57</i> <i>28</i>	<i>68</i> <i>45</i>	<i>92.5</i> <i>83.4</i>	<i>67.2</i> <i>43.6</i>	<i>83</i> <i>69</i>	<i>92.0</i> <i>85.4</i>	<i>84.1</i> <i>69.5</i>
Gross primary school enrolment (%) (2000) ♦ Male ♦ Female	29.0 4.1	83.7 62.0	107.4 59.6	111.0 108.0	100.0 93.0	93.8 90.4	97.0 97.0	69.0 67.0
Net primary school enrolment (%) ♦ Male ♦ Female	<i>42.1 (1993)</i> <i>14.5 (1993)</i>	<i>76.5</i> <i>56.7</i>	<i>90.6</i> <i>75.6</i>	<i>92.6</i> <i>91.7</i>	<i>92.2</i> <i>87.4</i>	<i>80.0</i> <i>78.3</i>	<i>95.1</i> <i>95.3</i>	<i>61.1</i> <i>56.5</i>
Life Expectancy at Birth (years) ♦ Male ♦ Female	43.0 43.5	62.6 65.1	62.6 64.2	<i>64.6</i> <i>68.6</i>	<i>66.6</i> <i>70.8</i>	68.3 70.3	<i>70.7</i> <i>75.6</i>	<i>71.0</i> <i>73.6</i>
Total Fertility Rate	<i>6.8</i>	<i>5.1</i>	<i>3.1</i>	<i>2.4</i>	<i>3.3</i>	<i>2.4</i>	<i>2.9</i>	<i>4.6</i>
Maternal Mortality Rate per 100, 000 live births	<i>1600</i>	<i>500</i>	<i>540</i>	<i>230</i>	<i>84</i>	<i>76</i>	<i>41</i>	<i>91</i>
Percent of deliveries attended by skilled health personnel	<i>12</i>	<i>20</i>	<i>43</i>	<i>64</i>	<i>61</i>	<i>90</i>	<i>97</i>	<i>23</i>

Note: 1. Figures in **bold** are World Bank figures
2. Figures in *italics* are Unicef figures
3. Figures that are neither bold nor italics are UNDP figures

Source: <http://devdata.worldbank.org/external/dgsector.asp?W=0&RMDK=110&SMDK=473885>
<http://unicef.org/infobycountry/index.html>
http://hdr.undp.org/statistics/data/indic/indic_123_1_1.html
Human Development Report, UNDP 2004

Table 21: Costs and Benefits of Eliminating Gender Gaps

Gender gap	Investments/Actions needed	Expected Direct Benefits	Expected Indirect Benefits
Education/ Literacy	Adult literacy courses available for women Open new girls' schools Recruitment of female teachers Ensure transport facilities where school is at a distance Gender sensitive curriculum Incentives to bring all girls to school Crèche facilities to release girls from burden of sibling care Bridge courses, accelerated learning opportunities Second chance education	Increased schooling for girls Schooling-education-employment linkage strengthened; more women in paid work Positive image of women that goes beyond emphasizing women in traditional roles	Family well being Increased child survival Lower fertility Higher age at marriage Lower rate of population growth Reduced family expenditure on health care
Health	Priority for Basic Health Services Remove regional disparities in provision of health services Ensure female trained medical staff in these health facilities Encourage training of traditional midwives/ healers Document/develop strategies to increase men's understanding of reproductive health/Family Planning Media campaigns including discussion on social/economic costs to families of MM/IM Invest on research on women's health problems	Better nutrition and health status More repro health problems identified and referred Reducing MM/IM	Lower child mortality Better child health Higher producti-vity, higher income
Livelihood/Work Participation Rates	Training and skill development - agriculture and livestock Education and vocational training - social sector, urban employment Credit facilities combined with skills training and marketing Securing women's property rights Child care facilities Improving statistics: training investigators and raising awareness on 'what is work'	Increased employ-ment opportunities for women Increased earnings, higher contribution to the GDP Better valuation of currently 'invisible' work, more appropri-ate resource allocation	Improved status of women within the household; better outcomes for children More competitive labor force National statistics begin to recognize and count women's economic contribution