

**Summer School in Law and Gender**  
**July 1<sup>st</sup> – 5<sup>th</sup>, 2024**

## **Introduction to Gender Economics**

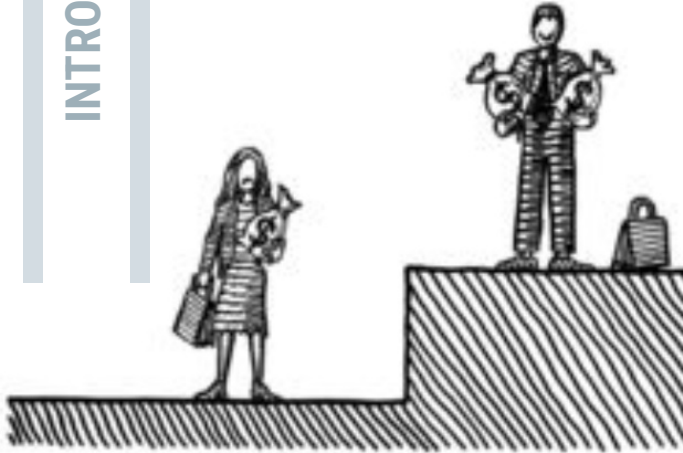
**(Cross-societal and Historical Comparisons - Gender, Intersectionality, and Diversity)**

Asst. Prof. Nikola Ilić  
University of Belgrade Faculty of Law  
Department of Economics

**Belgrade, July 5<sup>th</sup>, 2024**



# INTRODUCTION



1

ECONOMICS OF  
GENDER (IN)EQUALITY

2

BEHAVIOUR OF  
HOMO ECONOMICUS

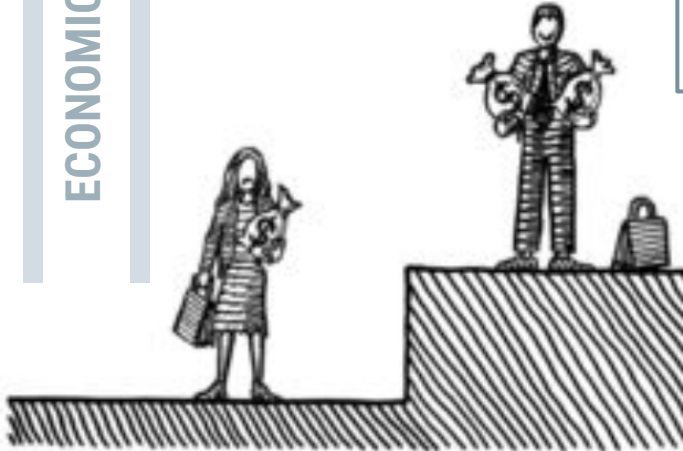
3

CRITICAL STUDY OF  
ECONOMICS

4

CROSS-SOCIETAL  
COMPARISONS

# ECONOMICS OF GENDER



## Why gender equality matters (in economics)?

Should we be concerned about gender inequality?

### Macroeconomics

a branch of economics that deals with the structure, performance, behavior, and decision-making of the whole, or aggregate, economy

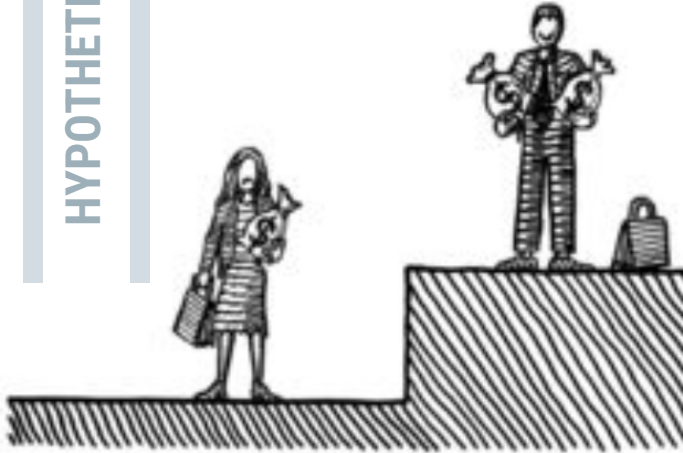
### Economics

Uses methods and models to simplify and explain reality

### Microeconomics

a branch of economics that studies the behavior of individuals, i.e., their decisions regarding the allocation of scarce resources.

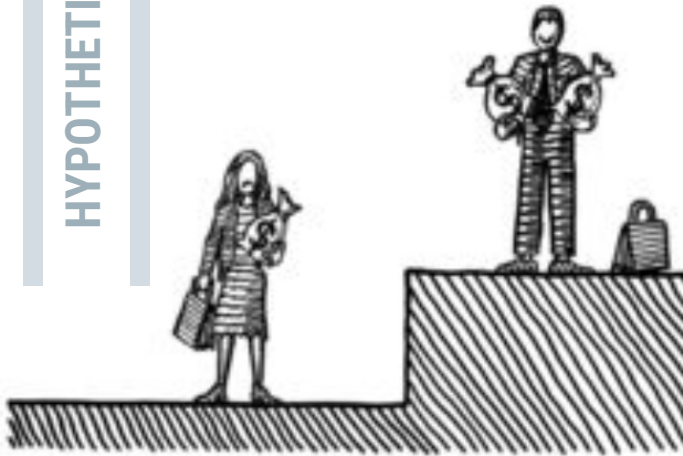
## HYPOTHETICAL EXAMPLE



**\*Hypothesis:** gender inequality leads to a decrease in social welfare and lower living standard

- 1) Two (students) volunteers
- 2) Hypothetical scenario (model)
- 3) Assumptions of the model
- 4) Application of the model
- 5) Testing the hypothesis

## HYPOTHETICAL EXAMPLE

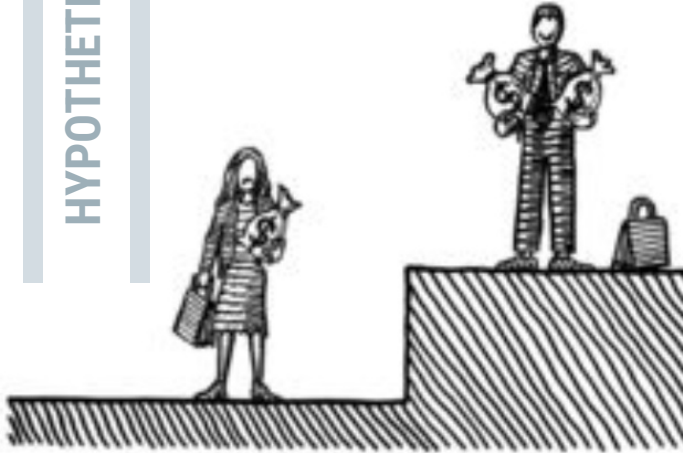


1) Two volunteers

2) Hypothetical scenario (model)



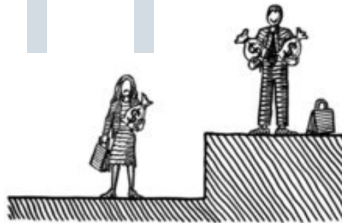
## HYPOTHETICAL EXAMPLE



### 3) Assumptions of the model

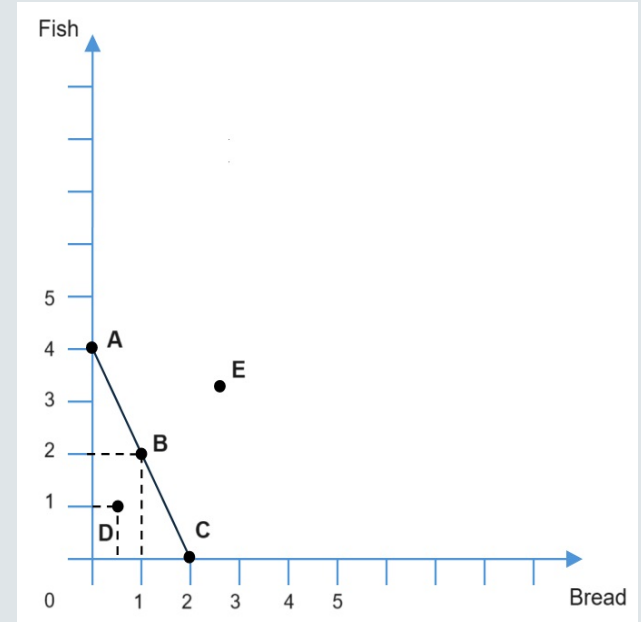
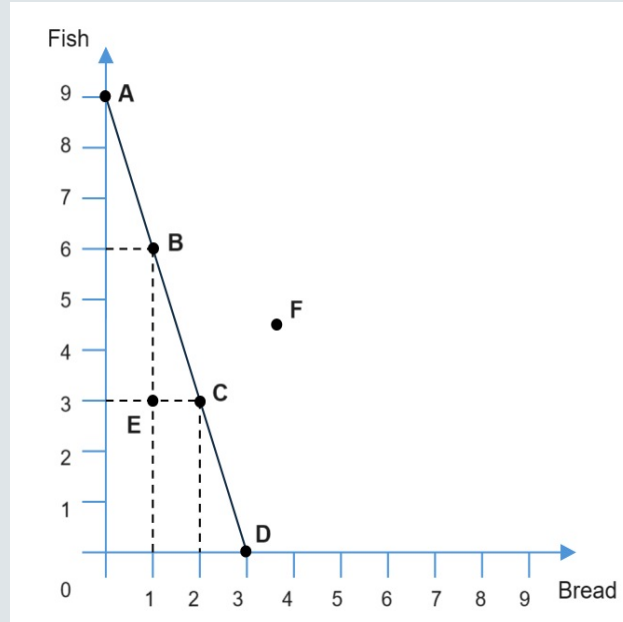
- 3.1. If focused on production of fish, X may catch **9 fish per day**; If focused on production of bread X may produce **3 loaves of bread**
- 3.2. If focused on production of fish, Y may catch **4 fish per day**; If focused on production of bread X may produce **2 loaves of bread**

# HYPOTHETICAL EXAMPLE

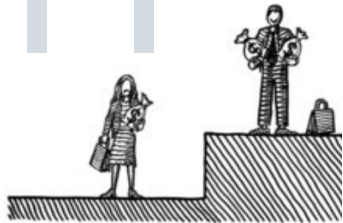


## 4) Application of the model

### Graphs 1 and 2 - Production possibility curve (or production possibility frontier)

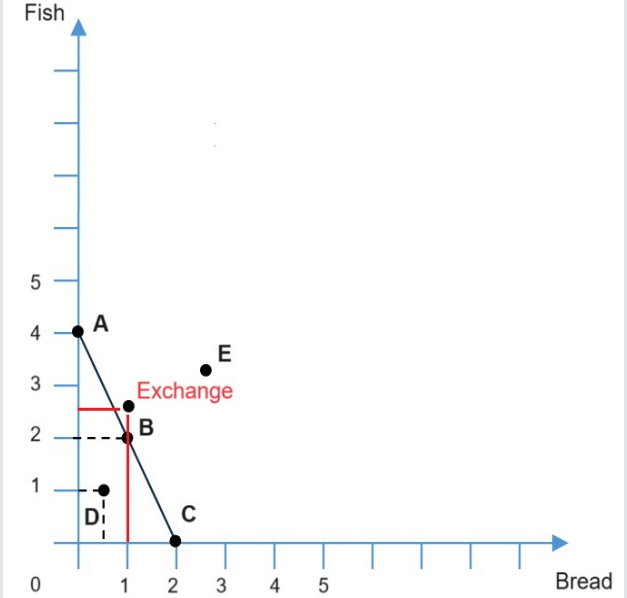
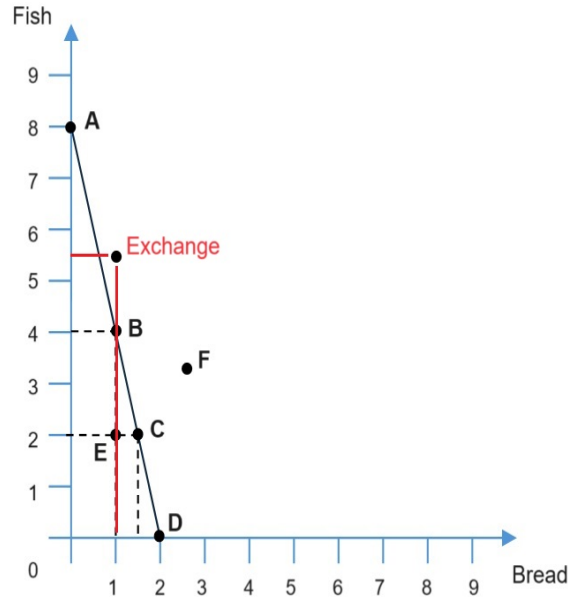


# HYPOTHETICAL EXAMPLE



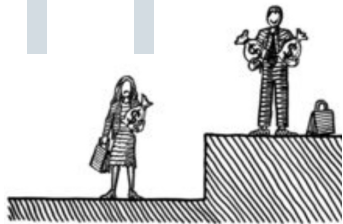
## 4) Application of the model

Graph 3 and 4 – Comparative advantages and exchange (2,5Fish:1Bread)



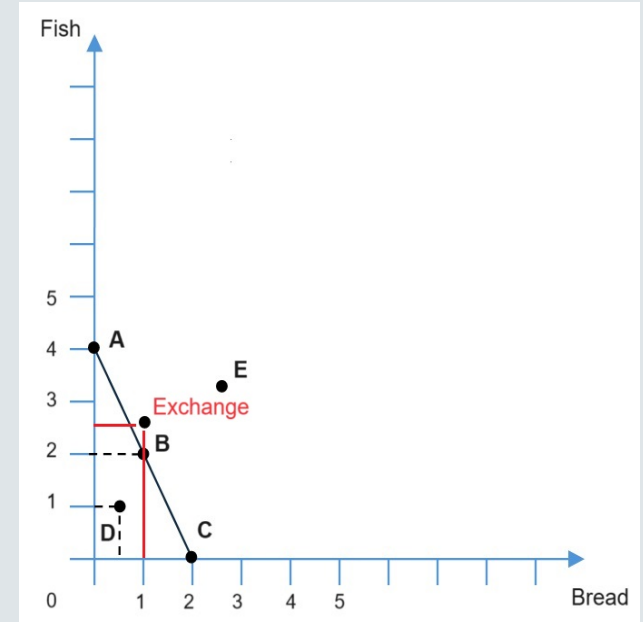
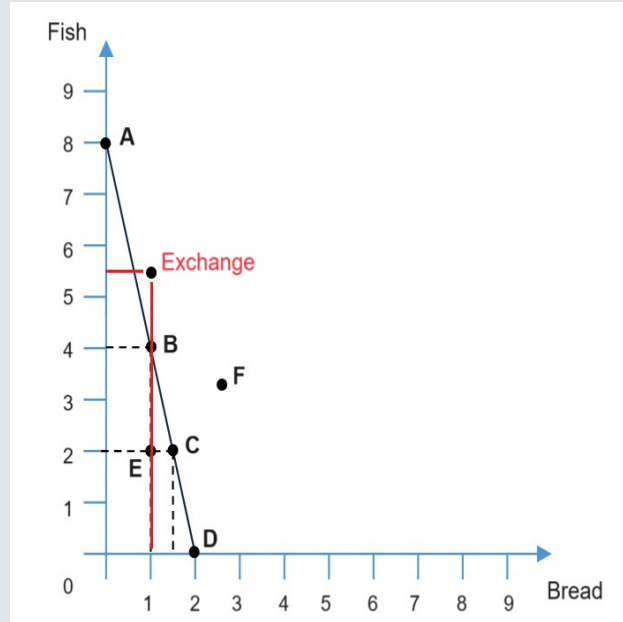


# HYPOTHETICAL EXAMPLE



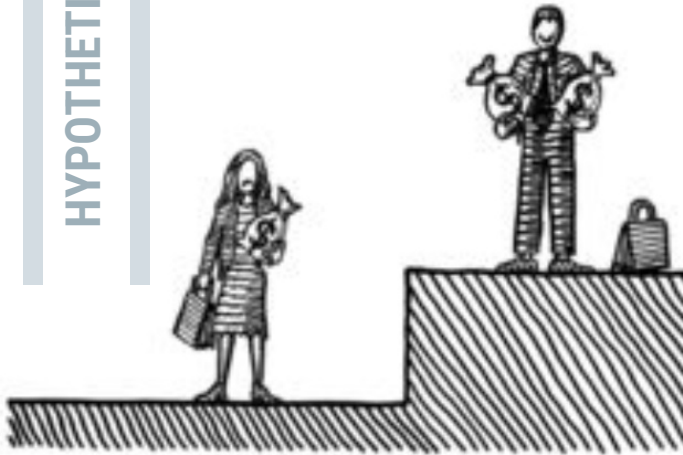
## 4) Application of the model

\*This can not happen without Property Law, Contract Law, Criminal Law....



\*\* Law & Economics (Economic Analysis of Law) perspective

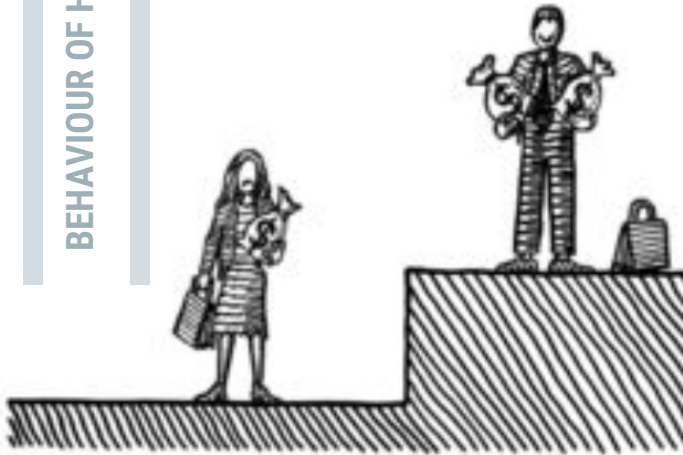
## HYPOTHETICAL EXAMPLE



### 5) Testing the hypothesis (conclusions)

- 5.1. discrimination against women (and any other gender) decentivises them to be efficient, engage in production, and participate in any given market (conclude contracts)
- 5.2. **gender inequality (caused by gender discrimination) leads to a decrease in social welfare and lower living standard**
- 5.3. gender discrimination adversely affects allocation of resources, reduces economic activities, and reduces GDP per capita

## BEHAVIOUR OF HOMO ECONOMICUS



What are the reasons behind  
gender discrimination?

Law

Public Policies

Politics

Culture . . .

## BEHAVIOUR OF HOMO ECONOMICUS



### Gender stereotypes

It's the task of men to earn money, while women look after the home and the family

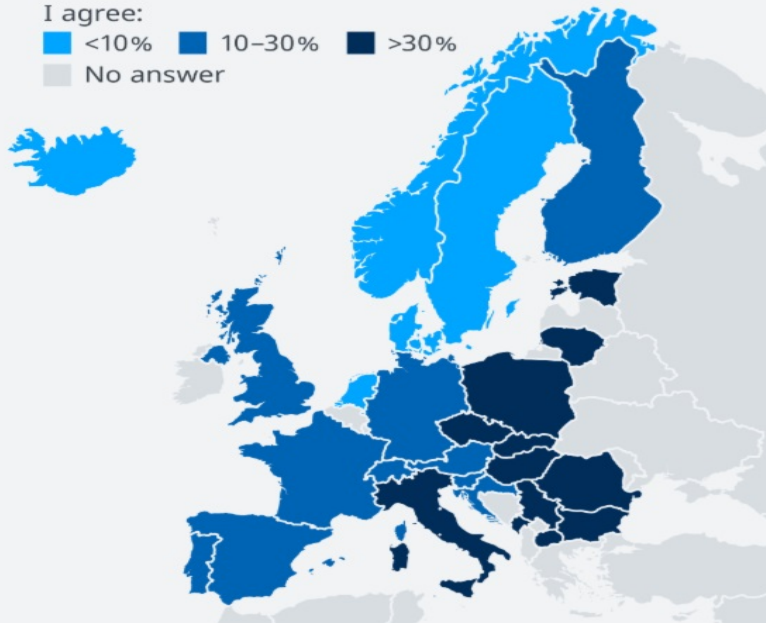
I agree:

<10%

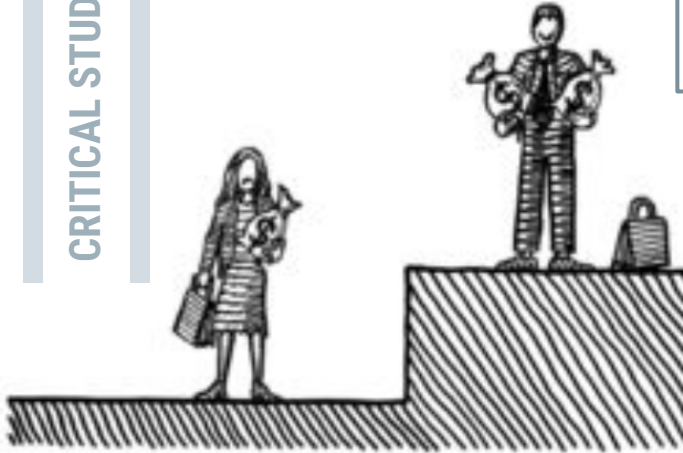
10–30%

>30%

No answer



## CRITICAL STUDY OF ECONOMICS



### Economics (Mainstream Economics)

the study of scarcity and its implications for the use of resources, production, economic growth, and social welfare

### Macroeconomics

a branch of economics that deals with the structure, performance, behavior, and decision-making of the whole, or aggregate, economy

(The two main areas are long-term economic growth and shorter-term business cycles)

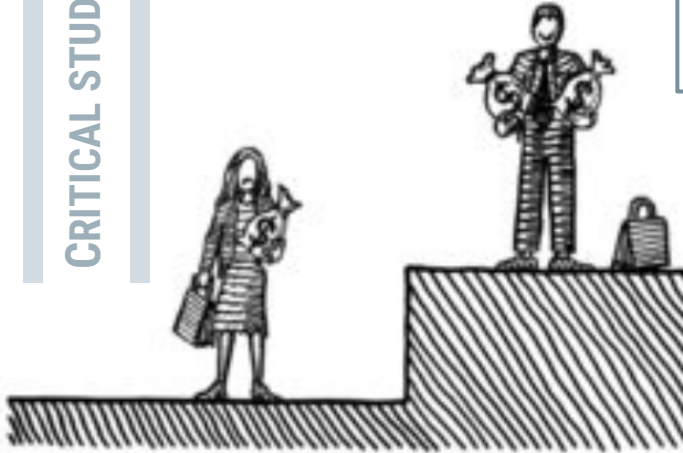
### Microeconomics

a branch of economics that studies the behavior of individuals, i.e., their decisions regarding the allocation of scarce resources.

(and the interactions among these individuals)

### Sub-branches (methods) of economics

Behavioral, Labor Economics, Environmental Economics, Econometrics, Law and Economics, etc.



## Critiques

Mainstream economics is irreplaceable when analyzing markets and the economy, but still cannot fully explain many phenomena relevant to their functioning

## Critique of Homo Economicus

The key mainstream economics findings are based, *inter alia*, on the presumption of rationality

## Cognitive Biases

Tversky & Kahneman, 1981;

93% of PhD students registered early when a penalty fee for late registration was emphasized, but only 67% did so when this was presented as a discount for earlier registration (Gächter et al. 2009)

## Anchoring

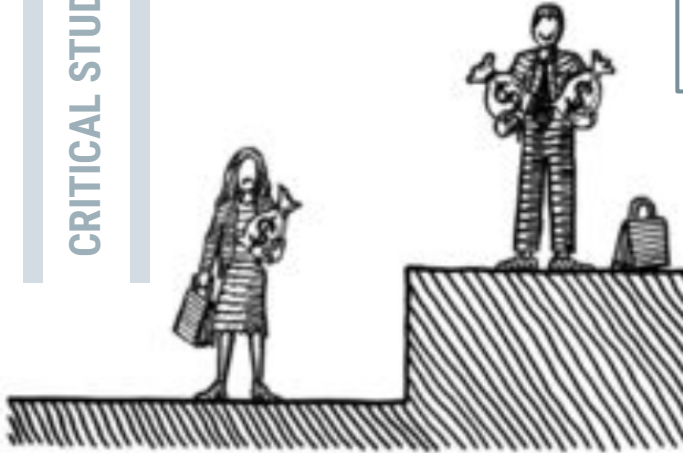
The participants were asked to calculate, within 5 seconds, the product of the numbers

$$1 \times 2 \times 3 \times 4 \times 5 \times 6 \times 7 \times 8$$

or reversed as

$$8 \times 7 \times 6 \times 5 \times 4 \times 3 \times 2 \times 1.$$

## CRITICAL STUDY OF ECONOMICS



### Gender Economics (Feminist Economics)

the critical study of economics, with a focus on gender-aware and inclusive issues, and policy analysis

### Gender Economics and Mainstream Economics I

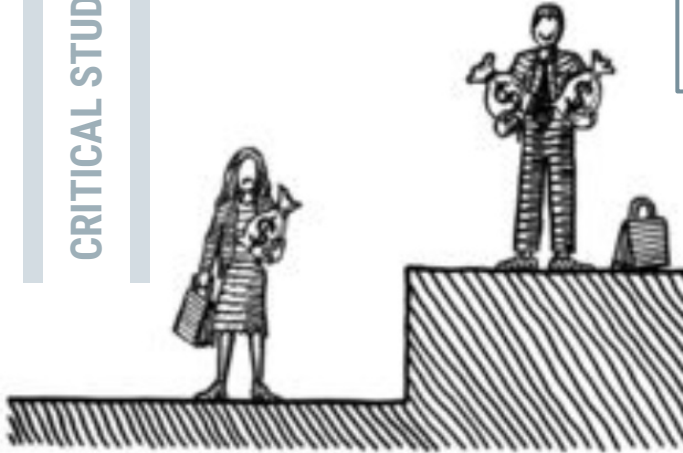
Gender economics may improve mainstream economics in a similar way as behavioral economics and other (sub)branches of economics did.

### Gender Economics and Mainstream Economics II

Gender economics does not exclude mainstream economics and *vice versa*!

### Room for Improvement

Gender-aware economic analysis, analyzing inequality and inclusiveness to improve the overall economic performances



## Historical Development of Gender Economics

Even though, economists have debated in isolated instances “women’s issues” as early as the 1930s, the concept of gender economics began to emerge only after the early 1970s

## Literature Review (II)

The development of household economics led to the gender or feminist economics:

**Boserup (1970)**

*Woman's Role in Economic Development*

**Waring (1988)**

*If Women Counted: A New Feminist Economics*

## Literature Review (I)

**Becchio (2020)**

*A History of Feminist and Gender Economics*

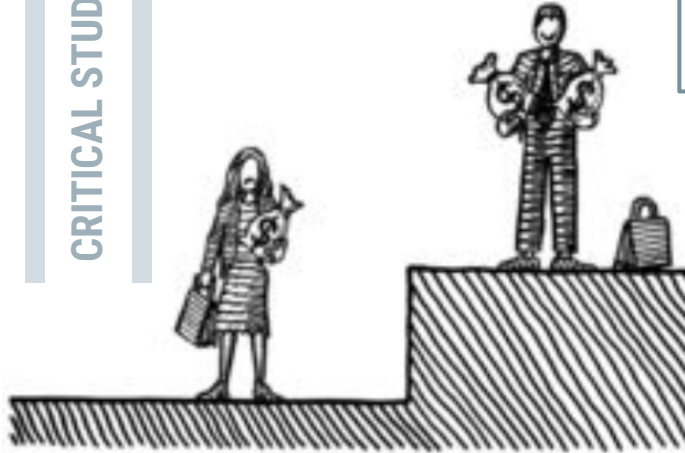
*“Home (household) economics was focused on the scientific management of the house, traditionally led by women.”*

During the interwar period, household economics emerged as a new research field at the University of Chicago

## Main Findings

By reducing gender inequality and allocating female labor to its more productive use, many industries may benefit – **gender inequality affects economic outcomes.**





## Law and Gender Economics (Gender Law & Economics)

How to structure legal norms to enhance economic performance?

For instance, how to structure the labor law to decrease gender inequality and enable efficient allocation of female labor?

## A Base for Sociological Research

Social differences and related issues are often caused by gender inequality and overall economic performance

## A Base for Legal Analysis

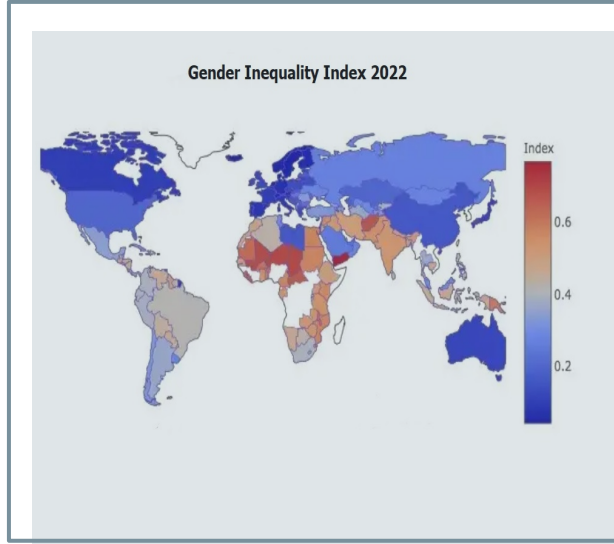
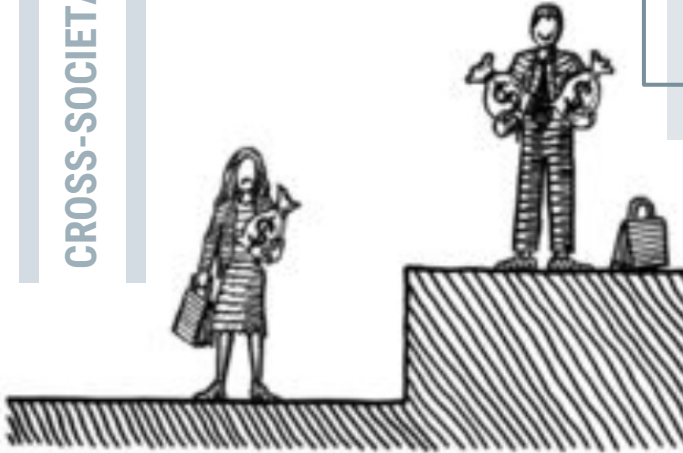
To handle these and other law & gender issues, one should consider and rely upon gender economics.

In other words, one should understand the relationship between gender inequality and economic performance

## Relevance for other Social Sciences

Besides gender inequality and economic performances, gender economics also analyses the reasons behind gender inequality and answers many relevant questions.

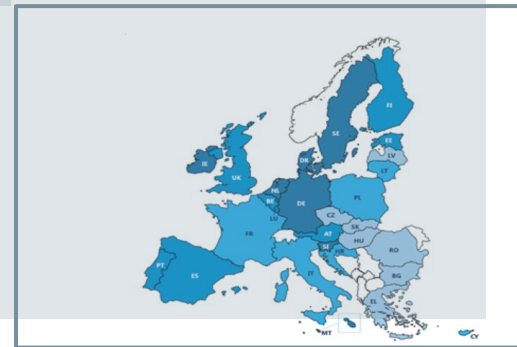
## CROSS-SOCIETAL COMPARISONS



Source: UN

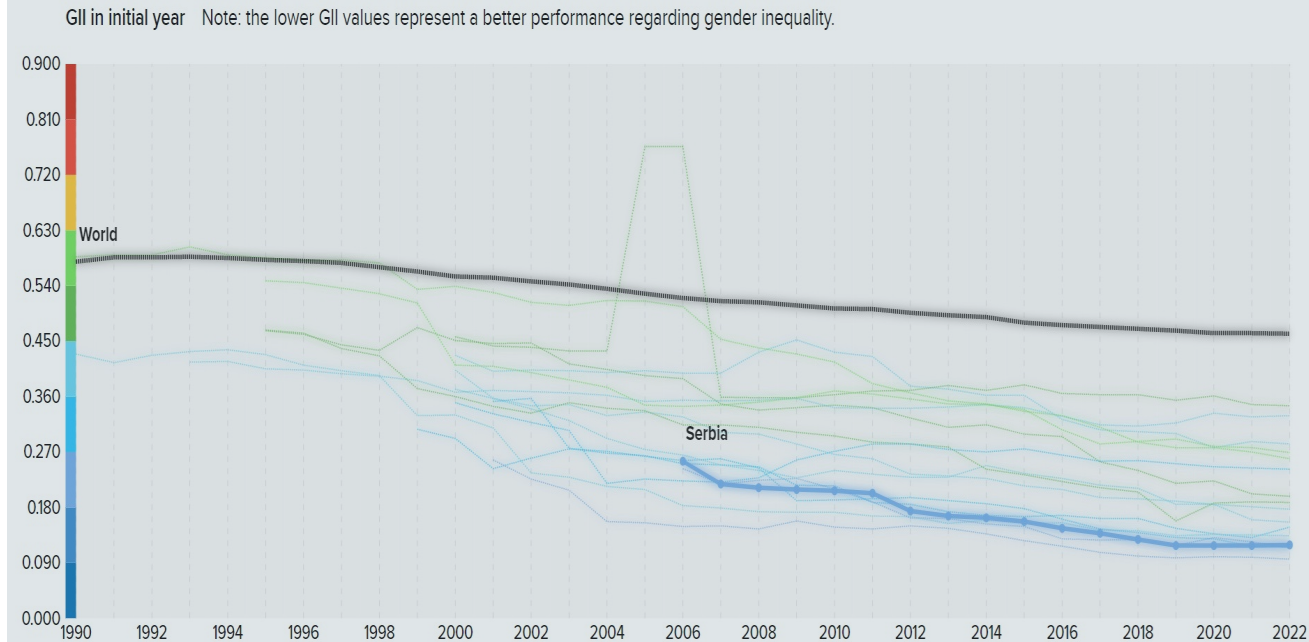
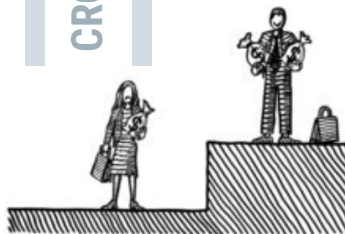
Why do women earn less than men (Why do we have a gender pay gap)?

Why do women have different economic opportunities in different countries?



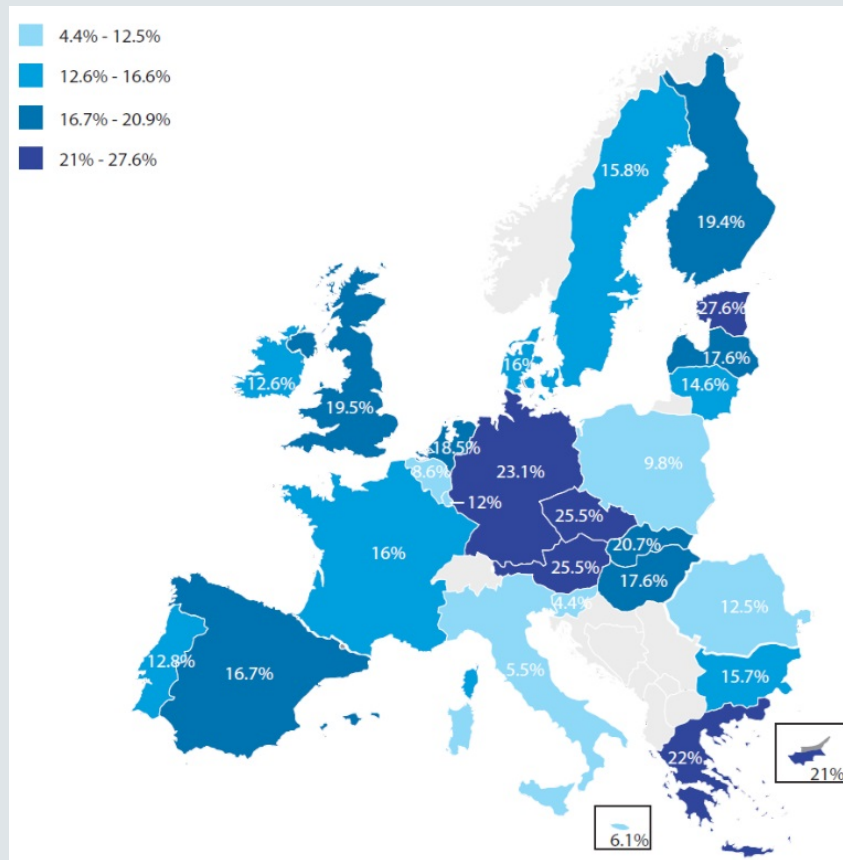
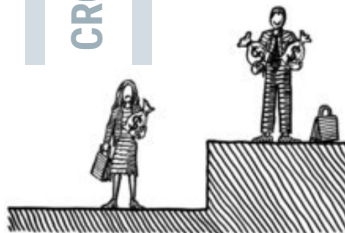
Source: UN

## CROSS-SOCIETAL COMPARISONS



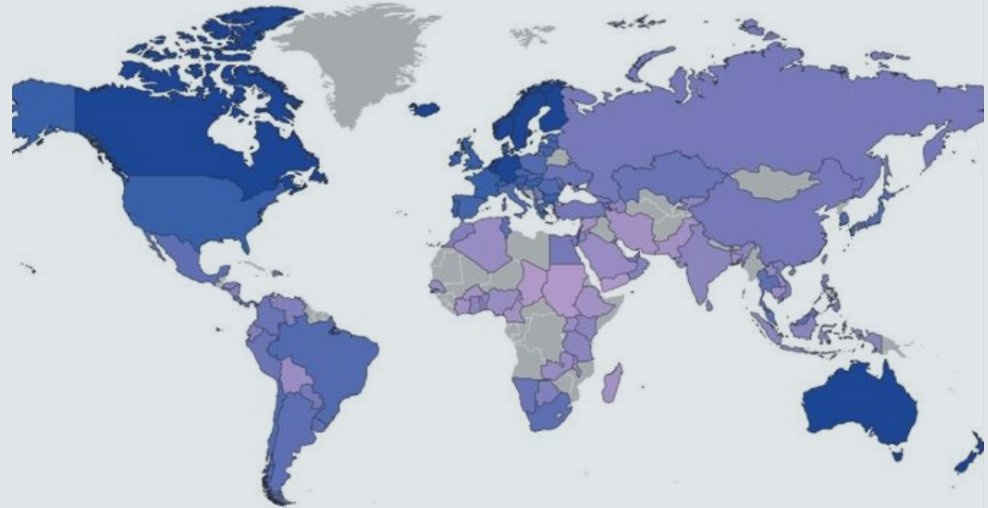
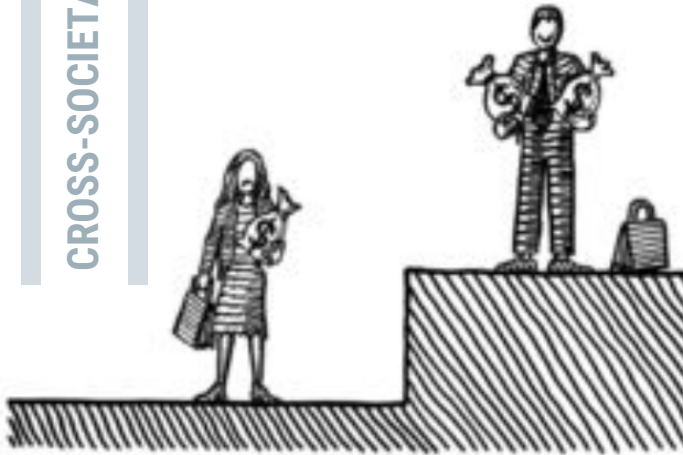
Source: UN Gender Inequality Index (European countries),  
Human Developments Report, 2023

## CROSS-SOCIETAL COMPARISONS



Source: Gender Pay Gap, Eurostat, 2023

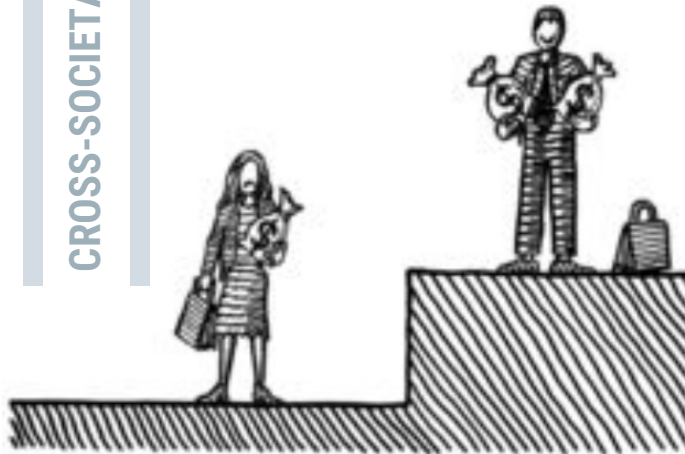
## CROSS-SOCIETAL COMPARISONS



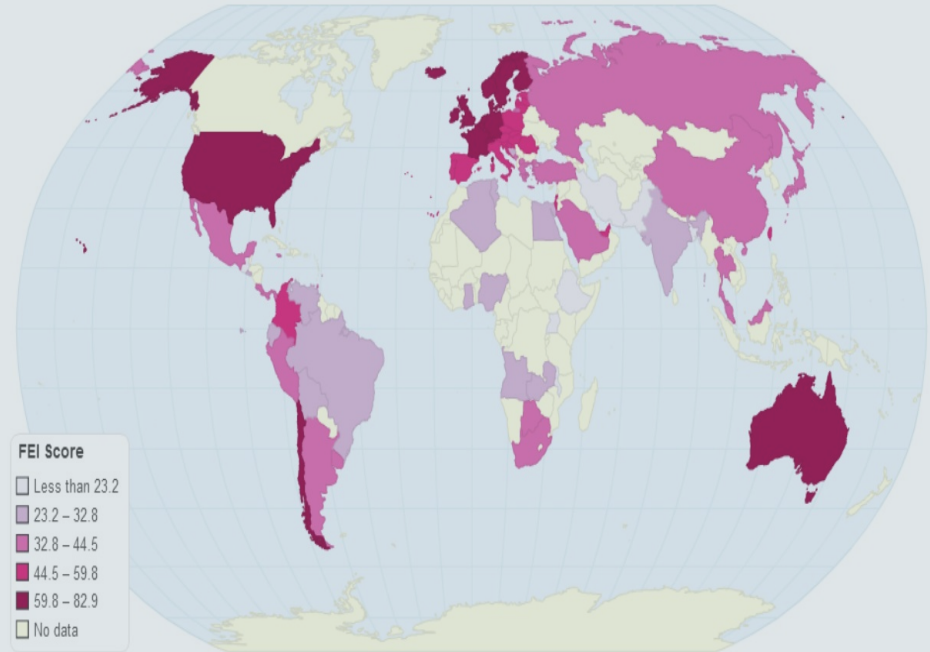
Women's Economic Opportunity Index

Rank: 1 10 20 30 40 50 60 70 80 90 100 110 120

## CROSS-SOCIETAL COMPARISONS



### Female Entrepreneurship Index



Source: Global Entrepreneurship Development Institute, 2016

## Gender Economics and Public Policy

Macroeconomic policy, including fiscal and monetary policy, is often thought of as gender-neutral.

However, economic policy choices affect women and men differently because of their different positions in the economy, both market (paid) and non-market (unpaid).

## Public Policy and Gender Inequality

For instance, budget cuts that reduce social spending may increase the demands on women's unpaid household labor.

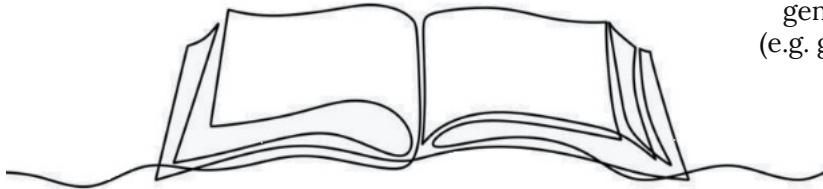
Trade liberalization may negatively affect women's employment in contexts where they are overrepresented in import-competing sectors, such as agriculture

## Microeconomic Policy

Based on the findings in gender economics and related social sciences, policymakers are becoming aware of the gender perspective (e.g. gender budgeting)

## Implications

Introduction of public policy measures that are meant to reduce gender inequality and enhance economic performance









- May explain the causal relationship between gender inequality or gender discrimination and decrease in social welfare (lower living standard)
- May explain how gender inequality adversely affects the allocation of resources, reduces economic activities and reduces GDP
- May suggest how to structure legal norms and institutes to more efficiently reduce gender inequality and increase social welfare





Gender equality is the goal that will help abolish poverty that will create more equal economies, fairer societies and happier men, women and children.



— Graça Machel

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**Thank you!**

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