Conceptualizing Gender CGEs with Intra-Household Bargaining

Topic: 809D Special session: Modeling Impacts of Structural Change in Emerging Economies (1)
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With greater economic opportunities appearing in emerging economies for work participation, it becomes important to examine how women would react to such opportunities in the economy. The lack of reliable data for carrying out economy wide exercises has restricted such analysis. Hence, generally more research in relation to gender analysis has focussed on their microeconomic aspects using case study data. A lack of an overall macro perspective of the interrelationship of women worker, and the situation which determine women's performance and welfare with other economic agents could lead to macro programs that could have high risks in achieving developmental goals of a nation. In the most recent discourse on macro perspective on gender and work, the inclusion of work marketed, termed as non-market work, is accepted to be essential to be factored in macro-economic analysis for human capital development. The Beijing Platform for Action (PFA 1995), incorporated gender concerns and mandated that governments to "review and modify, with the full participation of women macro-economic objectives and social policies with a view to achieving the objectives of the Platform for Action." It is important to note that the PFA advocated the need to develop statistical data and methods to capture all kind of participation made by women in the economy. Hence, we need to recognize that methods of both surveys and other quantitative tools are necessary to fully take into account all types of work, including non-market work undertaken by women.

In this paper we would conceptually discuss the ways in which a CGE model needs to be engendered by taking into account the above deliberations including data reconciliations for constructing an engendered Social Accounting Matrix (SAM). We will draw to some extent from literature on intra-household bargaining and mostly from the rare gender CGE model analyses. We would start from a Computable General Equilibrium model developed by Sinha, et al (2003), where the SAM is developed with sectors that have important shares of women workers in different sectors of the economy. In this SAM, the workers are distinguished as casual, regular, own account workers, employers and home-based workers. The SAM developed with such distinctions is used as the base for building a CGE Model. Further Sinha (2009) describes a Gender aware CGE model on the basis of a gender aware SAM that also distinguishes non-market work in addition to market work.

Also, recognizing the importance of the role of household resource allocation has to be distinguished by gender, Siddiqui (2005) notes that it is important to determine from survey data how resources are actually allocated within a household. Using her method for the Indian CGE we could use household data and identify some aspects of the rules whereby resources are allocated to different groups of people within a household. Using household consumption data a number of hypotheses needs to be tested to predict intra household allocation of resources. The analysis could be parametric to start with the specification of a standard model linking expenditure to income and demographic characteristics of individuals. We would build share of consumption of a man and a woman in total consumption of goods of a household with one adult man and one adult woman. Using these ratios and taking into account the number of adult equivalent males and adult equivalent females in a household, household's resources could be divided between men and women in a household. To determine the bargaining power, female education (mother's education) or share of female unearned income in total households' income could be deliberated upon and then used. Though household consumption is determined by prices and income, the distribution of the consumption across male and female members in a household is determined by the indicators of empowerment and discrimination at the household level. Taking this route one could develop a gendered social accounting matrix to be the dataset for a CGE (using the

NSSO, CSO and NCAER data). Such a CGE could be made gender aware by developing interaction between paid (monetized) and unpaid (non-monetized) sectors of the economy, introducing, paid and unpaid work and intra household allocation of resources. Also it is necessary to assume that female consumption is different from male consumption within a household. Further stylization is that all females have one type of preference and all males have similar preferences. Such a model could determine whether during a slump, women's consumption is more adversely affected than men's, etc. Does higher women's bargaining power help to improve their condition? We would examine whether inclusion of intra-household allocation of resources could provide a nuanced gender CGE analysis. We would then develop such a CGE model for India.