

Chapter 1

Development and Gender Empowerment: Conceptual and Theoretical Issues

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1. Introduction

Institutions — the set of formal and informal rules that affect human behavior — play the most crucial role in the process of the empowerment of people and in the economic and social development of a country. When people are empowered, they can make use of their qualities to improve their economic and social conditions, thereby enhancing the level of economic and social development of the country.

This book focuses on the role of institutions in the context of gender-related empowerment, with special emphasis on women. However, before we examine how institutions affect the empowerment process of women, we first will make comments on the meaning and objectives of development.

2. Development

The term “development” literally means the state of being developed or a new stage in a changing situation. By “development” economists generally refer to economic development which, in turn, is often interpreted as a process generating and sustaining an annual increase in gross national income, increase in the rate of growth of real income per capita, and increase in the ability of a country to expand its output at a rate faster than the growth rate of its population.

However, economic development also requires growth to be accompanied by changes in economic structure such that the share of agriculture

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in total national output and employment continues to decline and that of the manufacturing and service sectors continues to increase. It also became increasingly clear in the late 1900s that economic development is not only about economic growth but also about dealing with problems of poverty, malnutrition, unemployment, and the overall material well-being of the poorer part of the population of a country.

The persistence of pervasive economic poverty in, for example, India even after the completion of the first three comprehensive Five Year Plans (1951 to 1966) dealt a death blow to the belief of World Bank economists and of renowned economists such as Lewis (1955) that it is only growth and not distribution that matters. This belief was based on the implicit assumption that growth would trickle down to the poor masses by creating jobs, by producing enough surplus for the state to provide subsidised food to the poor, and by altering the distribution of income in favor of the poor. The shift in the early 1970s in the views of development economists and World Bank on the connotation of the word “development” can be ascertained from the following comments of Seers (1969).

What has been happening to poverty? What has been happening to unemployment? What has been happening to inequality? If all these three have become less severe, then beyond doubt, this has been a period of development for the country concerned. If one or two of these problems have been growing worse, especially if all three have, it would be strange to call the result ‘development’ even if per capita income has soared.

Nevertheless, throughout the 1970s and 1980s, the World Bank economists, by and large, continued to treat economic growth as the goal of development. In contrast, other economists, while treating “economic development” as being synonymous with “development”, continued to concern themselves primarily with examining the poverty and material well-being of the population of a country. The term “development” connotes more than economic development and alleviation of material poverty. The perceptible change in the World Bank’s (1990) view on development from it referring only to growth to including other aspects such as the reduction in poverty and the improvement in the quality of life (e.g., in education, health care, and the environment) as well as to greater individual freedom and a richer cultural life, began to be noticed in about 1990.

Since the early 1980s, Amartya Sen, the 1998 Nobel Prize-winning development economist and philosopher, has been promoting such a

broad connotation of development. However, since Gandhi long before Sen expressed similar ideas on development, we will comment on the Gandhian concept of development. In turn, Gandhi's thoughts and ideas were, to some extent, influenced by the writings of the young Marx. Thus, we will commence with a brief discussion of the thoughts of young Marx.

3. The Views of Young Marx on Development

The young Marx felt that attention to all economic and social activities should be the thoughts, activities, and aspirations of "social man" (Kamenka, 1973; Sen, 1999). Due to the exclusive attention to the production of goods for satisfying material wants, man's cultural and human needs may be neglected. But since man is an ensemble of social relations, economic and social policies should be directed toward fostering those relations. The young Marx wanted production to be carried on in harmony with nature. Under the capitalist production system, machines dominate human lives. This leads to what the young Marx called "human alienation" which represents an important link between young Marx and Gandhi. To young Marx, the good that a worker produces is the objective representation of his (or her) own labor, but under the conditions of capitalism he (or she) has no right to enjoy his or her own product, and therefore, he (or she) feels alienated from it (Kamenka, 1972).

Because of this alienation, the more the workers produce, the less they have to consume; the more value they create, the less value they have. Hence, the workers are alienated from their products because this alienation is emphasised in every activity of production and is reflected in every movement of their lives.

Consequently, young Marx's "human alienation" expresses itself in the following two forms:

- (i) In being alienated from the products of their works, the workers are also alienated from nature and;
- (ii) Since life means nothing but activity, workers alienated from their work are also alienated from their personal lives (from other members of their families). These two forms of alienation lead to two other forms:

- (iii) Man's (human being's) alienation from his own universal being and;
- (iv) Man's (human being's) alienation from other men (human beings).

Both refer to human beings' alienation from their genus or species. This total alienation of workers from nature, from other members of their families, and also from other human beings occurs only when the domination of the machine over human lives becomes complete. Having failed to identify themselves with the products of their own labor, the workers themselves become like machines.¹

To young Marx, since the alienation of a worker from the product of his or her own labor originates in the recognition of private property, the end to this alienation can come after the universalization of private property, i.e., after the state takes over the ownership of private property (Kamenka, 1973; Roy, 1986). As a result, the conflict between man and nature is resolved, and once again man becomes a social being.

This Marxian "human alienation" can also be described as the outward manifestation of human poverty. The alienation resulting from the failure of a worker to enjoy the product of his or her own labor is a manifestation of economic poverty; and the consequent alienation of the same worker from other human beings, from nature, and from family members is a manifestation of one's cultural poverty.

4. Gandhi's Ideas on Development

The spirit of Young Marx was carried forward by Gandhi who also wanted production to be carried out in cooperation with nature by using renewable resources and who talked of the need for autonomy (independence) and self-reliance of people (Roy, 1979). According to Gandhi, the objective of development is to facilitate the unfolding of human personality. The objective of a fully developed human life, therefore, is happy living.

But, the goal cannot be realized if efforts of human beings are directed toward satisfying limitless material wants to the exclusion of the pursuit of spiritual and cultural values. The production of consumer goods to satisfy material wants can only be possible by using violent means to obtain non-renewable resources and materials from the nature, i.e., by

¹ If one visits one of the large factories manufacturing consumer goods in China and looks at the face of a worker on the factory floor one can visualize the alienation of that factory worker from his or her product and from nature.

destroying nature. This oppression of nature and violence against it are a manifestation of the poverty of nature. As the violence against nature continues to rise, nature's capacity to satisfy the ever-increasing demand for raw materials continues to weaken. Moreover, as nature loses its freedom, suffers from violence, and continues to become poorer, mankind cannot become richer, happier, and free.

The human mind, according to Gandhi, is a restless bird; the more it gets, the more it wants and still remains unsatisfied. The production of consumer goods on a large scale in giant factories makes people lose freedom and become more dependent. Gandhi accepted the essence of young Marx's ideas that man should be the center of attention in all economic and social activities. Thus, the poverty of a worker manifested in his or her alienation from the product, nature, and from all other human beings ought to be alleviated for the worker to enjoy the freedom to which he or she is entitled to pursue his or her self-determination activity. We can, therefore, also say that in young Marx's theory, poverty alleviation by bringing an end to the four forms of human alienation, empowers people to be free and to be able to pursue their self-determination activities.

Gandhi, however, rejected outright the state control of private property, the communist party dictatorship, the continuation of production in giant factories, and the ruthless suppression of individual freedom as the means to realize the goal of bringing about an end to human alienation.

The objective of happy living for everyone in a country can only be realized by fulfilling basic needs, such as simple food, simple clothes, houses, health care, and education under a system of nonviolent production in cooperation with nature. Such a system entails production of basic necessities in innumerable small-scale factory units by workers who consume the products they produce. Gandhi, however, did not strongly oppose the production of more sophisticated consumer goods for distant (international or export) markets in large factories on a large scale.

Gandhi's concept of basic needs, however, has a broader connotation which includes economic, social, and cultural needs. Hence, individuals with different kinds of capabilities will be engaged in different activities to satisfy different kinds of needs. For the proper development and unfolding of human personality, Gandhi wanted every individual to perform the following tasks during a 24-hour day:

- (i) For the first 8 hours, physical labor to produce material goods to alleviate economic poverty;

- (ii) For the next 8 hours, mental labor devoted to reading, writing, and learning different skills which are essential for the development of the mind. To learn anything properly, it is necessary to practice what a person learns. Hence, Gandhi regarded hand culture as essential to mind culture and placed physical labor at the root of the development of men as a human being;
- (iii) For the last 8 hours, complete rest for the human body and mind, i.e., 8 hours of uninterrupted sleep.

Gandhi's development plan was targeted at the self-sufficient village republics of ancient India. Gandhi wanted to revive these republics because in the early 1900, when Gandhi was conceptualizing his thoughts on development, about 90 percent of India's population lived in villages, so the employment opportunities for these people for full utilization of their abilities had to be found in village industries and agriculture. His idea was that in such republics, while virtually no one would have enormous wealth, each would have enough to lead a happy and contented life (Gandhi, 1946).

However, under the British rule, imports of Lancashire mill-made clothes and other consumer goods from Britain virtually destroyed India's small-scale and village industries. For the revival of village republics, therefore, Gandhi called for *Swaraja* (meaning freedom and referring to the independence of India from the British rule) and "truth".

However, Gandhi's *Swaraja* also means freedom of individuals' minds, bodies, and spirits, freedom from all kinds of violence against them, and freedom from domination over them by their own government. This freedom can only be obtained by following truth; and truth can be followed in a nonviolent way.

Thus, (i) simplicity, referring to simple living and simple production by manual labor, (ii) nonviolence, (iii) *Swaraja*, and (iv) truth are the four fundamental ingredients in Gandhi's concept of development under which the aim of human life is happy living and to be free. While Gandhi wrote primarily from the point of view of India, his writings also have implications for other developing countries with large populations and pervasive poverty. Schumacher (1962) further elaborated the Gandhian concept of nonviolent development and discussed the ways in which Gandhi's ideas could be implemented.

While critics may legitimately argue that in this age of globalization, Gandhi's village-oriented, manual-labor driven development programs cannot be implemented in today's India with more than a billion people, the essence of Gandhi's concept of development still remains valid for India as well as for other countries. His "charkha" (spinning machine) and hand culture symbolize small-scale labor intensive industries. Gandhi wanted thousands of small-scale village industries to be re-established in the vast rural hinterlands of India alongside agricultural lands so that rural people, after working in agriculture for 6 months, could work in those small manufacturing units for the rest of the year. It would thereby solve Gandhi's problem of how to utilize their idle hours which are equal to the working days of 6 months in a year (Gandhi, 1934).

5. Background to Understanding Sen's Development Philosophy

First, we provide readers with a brief insight of Amartya Sen's childhood environment which left an indelible mark on his mental make-up and thought process. Sen's philosophic upbringing in his childhood took place in *Shanti Niketan* (meaning the "Abode of Peace") — an *Ashram* (meaning Hermitage), at a distance of about 160 miles north of Kolkata, built by the great Bengali and Indian poet and philosopher, Rabindra Nath Tagore, who received a Nobel Prize for Literature in 1913. Tagore established an international university called Visva Bharati in *Shanti Niketan* where teaching, learning, and other educational and cultural activities were carried out in harmony with nature, under the trees. Sen's mother, the late Amita Sen lived in *Shanti Niketan* as the most senior *Ashram Kanya* (meaning Daughter of the Hermitage). Sen's grandfather K. M. Sen was an ardent and devout follower of Tagore. Thus, three generations of Sens lived in Tagore's *Ashram*. Hence, Tagore's philosophy would certainly have produced a profound impact on Sen's life in later years. Tagore was international in outlook and culture, as his writings produced a strong influence on the West; and he himself was also influenced by Western models. His deep love for nature led him to see in all aspects of "nature" the presence of god. He regarded "individual freedom" as the quintessence of all prerequisites to enriching human lives. In his writings, he expressed his strong disapproval of all acts of suppression of individual freedom and inspired women to rise up against all acts of violence against

them. Here, one can see the similarity between the ideas of Gandhi and Tagore who had great admiration for each other. Having been brought up in his childhood in such a cultural environment, Sen could not have been anything different from what he is today.

6. Sen's Concept of Development

Sen's ideas about "development" are based on the relationship between freedom, poverty, and empowerment. Sen considers "development" to mean a great deal more than just economic growth or increases in some components of national income. It must contribute to the expansion of substantive human freedoms, as it is the effect of increases in physical output on the expansion of actual opportunities and freedom of people that measures the success or otherwise of development. But realization of this goal of attainment of substantive freedom also requires freedom of individuals to develop their capabilities and to utilize those capabilities.

Thus, in Sen's theory, "freedom" is at once the means and the goal of development (Sen, 1999). Thus, if a person after obtaining education is not able to utilize his or her capabilities to obtain employment, then that person suffers from economic "unfreedom". This can result from four situations:

- (i) Availability of new jobs appropriate to a person's qualification may be very limited due to lack of freedom of business enterprises to pursue their wealth-generating activities;
- (ii) Although jobs may be available, the person may not be able to obtain employment due to adverse cultural and political institutions;
- (iii) Although the person may have a job, the income may have been squandered away on frivolous consumption activities, and;
- (iv) Although the person may have acquired the capability to work in a particular area of employment, no attempt may have been made by that person to secure employment to make effective use of his or her capability.

According to Sen (1992), persons under the last two situations cannot be considered as poor. Poverty, therefore, according to Sen, is not low

well-being but the inability to pursue well-being because of a lack of economic means. Poverty cannot be properly measured by income (GNP per capita). Instead, it must include measures of capabilities in a number of basic functionings central to well-being (such as being adequately fed and sheltered and being in good health) which indicate attainments that do not correlate closely with these functionings. These functionings can vary from those stated above to very complex activities such as being able to take part in the life of the community and having self-respect (Sen, 1999).

To clarify this point further, Sen uses the example of men in the Harlem district of New York with capability sets and choices available to the US society having less chance of living to 40 years than men in Bangladesh due to the high urban crime rate, inadequate medical attention, racism, and other factors reducing Harlem's basic attainments and not because Harlem's per capita GNP is less than that of Bangladesh. The reason for this situation is that although people in Harlem have greater command over resources than those in Bangladesh, the cost of obtaining various social goods is higher in Harlem than in Bangladesh. In other words, the cost of social functioning for Harlem men is higher than their command over resources (Sugden, 1993). Hence, although people in Harlem have higher incomes than those in Bangladesh, their capabilities to enhance their well-being and the lives they lead and to enhance the freedom they enjoy are less than those of Bangladeshis. In elaborating the concept of development further, Drèze and Sen (2002) argue that the attainment of freedom by an individual in one area leads to the attainment of freedom in other areas.

Thus, if a person has acquired certain education and skills and has been able to secure employment, then that person has the ability to pursue his or her well-being in terms of eating adequate food, taking good care of his or her health, and wearing reasonable clothes. Freedom in all these areas strengthens the capacity of that individual to seek freedom in the social area by challenging old social customs and prejudices which suppress the individual's freedom to pursue happiness and to seek freedom in the political arena (Drèze and Sen, 2002). Total freedom then can be said to constitute the quintessence of development and happiness in life. But to reach that stage, a person's first requirements are education and skills which will ensure that person's capability to seek freedom in all other areas. This has to be provided to the citizens by the state or other organizations.

However, here differences seem to emerge between the views of Gandhi and Sen. To Gandhi, happiness is a feeling in a person's mind. To increase the level of happiness, one has to eliminate the causes of unhappiness by making available to the people only simple consumer goods for satisfying basic needs, as the supply of goods of conspicuous consumption will continue to increase the unhappiness of those who do not have the economic means to buy them. But others who will buy these goods will not be happy and contented either as the demonstration effect of a new line of more sophisticated products on their mind will keep them in a perpetual state of unhappiness.

But following Sen's argument, it can be said that a poor person's happiness, say, by just being able to eat one meal a day may not be real happiness; it may, in fact, be the result of perpetual deprivation of enjoyment of a better quality of life. Such people either have a disposition that keeps them very happy and satisfied or have learned to appreciate greatly any small comforts they can find in life and to avoid disappointment by striving only for what seems attainable (Sen, 1985). After suffering from perpetual deprivation, people tend to become fatalistic and accept the current situation as pre-ordained. This kind of fatalism has been recognized as a cause of limited wants in Boeke's (1953) theory of Eastern limited wants. Although a somewhat successful attempt was made by Higgins (1968) to undermine Boeke's theory, it still has validity in the vast hinterland of rural Asia and Africa. Poor people's fatalism still enables them to accept fully their miserable economic and social condition. Gandhi used this concept of "limited wants" as a centerpiece in his theory of "nonviolent development" for a number of reasons:

- (i) During Gandhi's time, close to 90 percent of India's population lived in villages and rural towns where the cultivation of land by primitive tools and some rudimentary manufacturing activities in cottage industries were the only occupations of rural people who suffered from pervasive economic poverty. Hence, his most urgent task was to make arrangement for satisfying the basic needs of people. If resources were diverted toward the production of non-essential consumer goods, the production and supply of most essential necessities would suffer.
- (ii) Also, the duty-free importation of Lancashire mill clothes and other consumer goods into India was contributing to the alarming demise

of India's small village industries. Hence to stop the total annihilation of India's village industry sector, Gandhi used his concept of "limited wants" to also convince the non-poor to keep their wants limited, thereby indirectly telling them to boycott British-made products.

- (iii) Gandhi's non-violent political movement against the British rule code named "quit India movement" had to be tied with his non-violent economic development plan — because political freedom could only be enjoyed if people had freedom in economic matters.

7. The Link Between Young Marx, Gandhi, and Sen

We are now in a position to establish the link between young Marx, Gandhi, and Sen. All of them accepted that development does not simply refer to increases in national income: It connotes more than that. The deep undercurrent running through the writings of the three of them is that the ultimate goal of development is to enable young Marx's "social man" to be free and happy in life. As already noted, to young Marx the center of all activities had to be the "social man" and his aspirations and happiness. But since under the current production system a man is alienated from nature and from other human beings and receives less than his contribution to the output, his happiness can only be ensured by preventing alienation from nature and society by universalizing private property.

To Gandhi, to be happy is the ultimate goal of living. Development connotes the complete unfoldment of human personality which can occur when all kinds of human poverty have been alleviated. This requires political, economic, and social freedom of the people. Hence, achieving happiness requires freedom from all kinds of suffering and bondage. Gandhi placed limits on individual's freedom for consumption of material goods, as true happiness requires a person to be spiritually happy and contented.

To Sen, development is a lot more than the rise in national income and per capita income. The ultimate objective of development is freedom for a person to be what he or she wants to be and is to be happy which can only be derived when the individual has been able to develop all his or her capabilities to engage in economic, social, and political functionings. Lack of capabilities is "unfreedom" which results from poverty of all kinds. But unlike Gandhi, Sen places no limit on the kinds of freedom or capabilities that a person can have in terms of the choice of functionality

based on that person's personal features (which are reflected in his or her preferences) and command over commodities dependent on income.

8. Institutional Implications of Sen's Theory of Development

Implementation of Sen's ideas in any developing country is not likely to be as easy as it may seem. As we have already noted, the capability or freedom of a person to be functioning in different areas depends on that person's choice of functionings and on his/her command over commodities, i.e., income level. Hence, the first prerequisite here is for a person to have an appropriate level of income. A person with an income level too low to acquire the required capabilities cannot exercise his or her freedom of choice with regard to the functionings.

Moreover, the second prerequisite is that the state, therefore, has to help individuals build up their capabilities in their early life by providing them with basic education and health care free of cost. But even after acquiring basic skills, a person may still not be able to be functioning in an area of his or her choice say, as a doctor, unless the person has enough command over financial resources to pay for the expenses for building his or her capabilities as a doctor. Hence, the capabilities and income are interdependent.

Alleviation of poverty or "unfreedom" provides a person with resources to choose the type of commodities (or functionings) to be involved in, but for a person to have the command over money and other resources, one needs to acquire adequate capabilities which again requires sufficient financial and other resources. Take the example of a boy who comes from an extremely poor family in India but dreams of alleviating his family's economic poverty and of enjoying all good things in life by becoming an engineer, obtaining an engineering job, and earning money. But that person needs money first to pay for his engineering education before he can earn money by exchanging his skill. Thus, to alleviate "unfreedom" and gain freedom one needs freedom first.

Taking this example a bit further, one can see the other difficulties that this person may also experience in securing an appropriate employment after obtaining his engineering degree; hence, he may not be able to enjoy the freedom to do what he wants to do. "Capabilities", therefore, do not automatically translate themselves into "freedom" as some economists may think, first, because capabilities to engage in various functions will have to be acquired initially by improving one's skill and knowledge and,

second, because opportunities will have to be created for utilizing those skills, all of which signify the importance of institutions.

In microeconomic theory, using the Edgeworth box diagram (Mansfield and Yohe, 2004), one can see the need for institutions to ensure that the alteration of the existing allocation of resources between two producers does not take place in such a way that the output of one producer increases above the previous level while the output of the other producer declines below the previous level. In the same way, the box diagram also raises the possibility that the distribution of the same output between two consumers may not be efficient in the absence of some institutions.

9. Sen's Theory of Exchange Entitlement, Endowment, and Poverty

Sen's (1981) theory of exchange entitlement was developed to explain the real reasons behind the occurrence of famine. This theory seeks to explain that it is caused by the absence of the financial capacity of individuals to obtain food, and thereby, the theory seeks to destroy the historically accepted myth that famine is caused by lack of food. More broadly, our decomposition of Sen's theory of exchange entitlement shows that this theory can be very effectively used to explain the process of alleviation of poverty (unfreedom) and empowerment of people and the institutional requirements for this process to work.

10. The Essence of the Theory

The entitlement relationship as proposed by Sen is one kind of ownership relationship which could be obtained by the following four methods: trade-based entitlement, production-based entitlement, own-labor entitlement, and inheritance or transfer entitlement. One person can exchange any of these four entitlements for a bundle of commodities which can be one among the entitlements of that person's endowment. The exchange entitlement mapping or E-Mapping as set out by Sen can help determine whether the exchange entitlement for a person's ownership of certain endowments can provide that person with enough food to enable him or her to prevent starvation. Thus, the key determinants of a person's welfare which, in this theory, connotes alleviation of basic economic poverty, such

as hunger and starvation, are (i) ownership of a natural endowment and (ii) exchange entitlement which can be trade-based, production-based, and inheritance or transfer-based.

So the welfare of a laborer whose natural endowment is only physical strength would depend on whether the person can exchange his or her physical labor, i.e., can obtain employment, and whether the wage that a laborer will earn by exchanging his or her entitlement will be enough to purchase enough food to alleviate hunger and starvation. Therefore, Sen used this theory to explain that the failure of the people to exchange their endowment for food, and not the lack of supply of food, contributed to the starvation and death of more than a million people during the 1942 Famine in Bengal in British India.

Now we can easily use this pioneering theory to highlight the importance of institutions in poverty alleviation and gender empowerment.

11. Decomposition of the Theory of Exchange Entitlement

Let us first assume that there are two men:

Person A.

Person B.

Both had similar natural endowments at birth — a certain level of physical strength and intelligence. But Person A was born in a financially poor family in a village. Person B was born in a financially well-off family in a town in India.

As we can see from Fig. 1.1, two persons with similar natural endowments born in two different family environments in two different places (or even in the same village or town) may acquire different endowment sets and end up with different levels of economic well-being and empowerment. But the validity of this theory seems to be based on the following two implicit assumptions:

- (i) The transition of a person from Stage 1 to Stage 5 (Fig. 1.1) is smooth so that Person A even with physical labor as his or her endowment will be able to exchange it for income to obtain the basic food, clothing, and housing for poverty alleviation and survival.
- (ii) The transition is smooth for everybody — men and women.

For A	For B
<u>Stage 1</u> Born with natural endowment, physical labor and some intelligence ↓	<u>Stage 1</u> Born with natural endowment and some intelligence ↓
<u>Stage 2</u> Natural endowment retained ↓	<u>Stage 2</u> Natural endowment transformed into skill-based endowment ↓
<u>Stage 3</u> Physical labor becomes exchange entitlement ↓	<u>Stage 3</u> Skill-based endowment becomes exchange entitlement ↓
<u>Stage 4</u> Endowment exchanged and income or bundle of goods obtained ↓	<u>Stage 4</u> Endowment exchanged and income or bundle of goods obtained ↓
<u>Stage 5</u> Poverty alleviated and empowerment facilitated	<u>Stage 5</u> Poverty alleviated and empowerment facilitated

Figure 1.1: Decomposition of Exchange Entitlement Theory.

Stage 1: Person A and B born with natural endowments.

But in reality, institutional hindrances may prevent the smooth transition of both men and women. For women, the institutional barriers to alleviating poverty and promoting empowerment are far greater than those for men. For Man A, with physical labor as the only endowment, the transition from Stage 3 to 4 may not be automatic due to non-conducive institutions. For example, in the rural sector in India and in other developing countries, in the absence of diversification of agricultural activities and of small-scale labor-intensive manufacturing activities, the scope for employment of manual labor is limited. This scope for employment further diminishes for two reasons. First, due to the rise in wage rate, landholder families increasingly make use of family farm labor in lieu of wage labor. Second, due to the lack of effective implementation of population control measures, the supply of wage labor rises. The lack of diversification of agricultural activities and the absence of small-scale labor-intensive manufacturing activities in villages can be attributed to the failure of economic and political institutions.

Even if it is assumed that jobs are available in agriculture in Man A's village, he may still not be employed by landholder families, if he is born in a *Harijan* (untouchable) or *Chamar* (shoemaker) family because of the social stigma attached to his caste. This kind of social boycott of *harijans* is still prevalent in the southern part of India. Although the Indian Constitution prevents discrimination against any person on the basis of his or her caste, religion, sex, and color, in rural India the customary law (informal institution) supersedes formal law (formal institution).

Furthermore, in India's federal democratic state and under a multi-party system of government, the village-level formal and informal agents of the political party in power at the provincial government may prevent landholder families, by using threats, from employing Man A, if he refuses to pay monthly rent to the political party agents and obey their command. Again, here customary law supersedes the formal law.

In the Bengal Famine of 1942, the overwhelming majority of those who died had the same endowment set as that of Man A in Fig. 1.1 They could not make the transition from Stage 3 to Stage 4 (Fig. 1.1) due to the failure of the political institution (the British Raj) to create adequate jobs by improving economic institutions and political governance. Hence, they died because of the lack of economic means to purchase food.

For man B, transition from Stage 1 to 2 and from Stage 3 to 4 (Fig. 1.1) may also be adversely affected by institutional hindrances. For example, Man B's family may not have enough financial capacity and political connections to get him a place in the skill formation institution of his choice. Alternatively, because of the interference by political leaders, the impartiality of the admission process may be compromised. The transition from Stage 3 to 4 may also be beset with institutional hindrances. For example, Man A may not get the appropriate job in line with his skill and consequently the appropriate income or bundle of goods in commensurate with his qualifications. Therefore, for both Man A and Man B, the extent of their poverty would be lower without institutional hindrances.

We now assume that in Fig. 1.1, both Person A and Person B are women. Institutional barriers to the transition of poor rural women from one stage to another are far greater than those faced by men. For Woman A, the transition from Stage 3 to 4 is more difficult than for men because of gender-based discrimination practised by the society against women although formal laws prohibit such discrimination. For Woman B, the transition from Stage 1 to 2 may not be too difficult, but the young woman even from a financially well-off family may not get the opportunity to

acquire the skill that she wants because her parents may not be willing to undertake adequate investment in her education since the return from such investment will accrue to her future husband and marital home, not to her parents in their old age. Furthermore, the enforcement of the “ideology of seclusion” on Woman B by the society and by her husband (if married) or her parents (if single) may prevent her from leaving her home alone for a distant place to pursue her educational goals. Hence, the education and skills obtained are not the ones that she wanted. As a result, since the value of her acquired endowment set is lowered, her transition process from Stage 3 to 4 becomes more difficult for her. Lower value of endowment fetches for her lower income (an inferior bundle of goods). Therefore, she suffers from deprivation. Also due to gender-based discrimination against women, Woman B’s chances of even exchanging her endowment set (or entitlement set) for income are less than for Man B, assuming that both have the same endowment set.

Now with lower than expected income, Woman B’s capacity to alleviate her own, or to contribute greatly to the alleviation of her parents’ or her marital family’s poverty is reduced and thereby her chances of gaining control over her own life (i.e., the attaining of empowerment) are reduced. It is also likely that even after contributing to her family’s income, Woman B may not attain empowerment due to the rule of “classic patriarchy”. What this means is that the alleviation of economic poverty does not necessarily lead to economic empowerment.

As already stated, Sen’s theory of exchange entitlement, endowment, and poverty was developed to explain the causes of poverty and famine. Hence the term “poverty alleviation” in Stage 5 in Fig. 1.1 refers to the alleviation of economic poverty. But in his later works such as *Commodities and Capabilities* (Sen, 1985) and *Inequality Re-examined* (Sen, 1992), he used the term “capabilities” to include economic and other aspects of poverty. In *Development as Freedom* (Sen, 1999) and in *Indian Development and Participation* (with Drèze, 2002) he used the term “freedom” to connote substantive (effective) economic, social, and political freedom of men and women. In India, to help boys and girls to acquire some basic education and skills to improve their endowment set, he has consistently been advocating the need for the state to provide universal primary education to children at the state’s expense. While he supports India’s democracy, he argues that China’s success in achieving high growth rate for more than 2 decades is due to its success in providing basic education, skill, and health care to each child. However, this success

was achieved by a communist state. Also, communes of the communist state were able to weaken the forces of gender-based discrimination on women. Gender-based discrimination is a social informal institution, but in China, the political institution was able to curb the power of this informal institution.

12. Poverty and Gender Empowerment

As already mentioned, according to Sen (1992), poverty is not low well-being, but the inability to pursue well-being because of a lack of economic means. Here, the emphasis is on economic means, which refers to income or assets. But poverty may not always result from a deficiency of economic capabilities such as lack of income or assets. Poverty for a person may also result from the failure of basic capabilities to reach minimally acceptable levels (Sen, 1992), although the person may be financially well-off.

While the emphasis here is on the economic dimension of poverty, there are non-economic dimensions of poverty which include cultural (social) poverty embodied in gender-based discrimination against women, and all other kinds of deprivation of men and women and political poverty. All these types of poverty have been grouped together under the term “unfreedom” by Sen (1992, 2002) implying the lack of freedom of choice or control of one’s own life (Toderò and Smith, 2006).

The inability of people to freely voice their grievances against their state and their political leaders and to freely express their opinion against any issue for fear of severe punishment is also an important type of deprivation that people in several communist and non-communist autocratic countries suffer from. But people usually do not suffer from such deprivation in a democratic country.

Hence, what is poverty in one situation may not be so in another situation (Sen, 1999). We should note the following important points in connection with the arguments presented above:

- (i) The alleviation of economic poverty does not automatically lead to the alleviation of cultural poverty of people, particularly of women.
- (ii) Cultural poverty is created by social institutions such as social customs, taboos, rules of “patriarchy” and political poverty by political institutions such as the state and its governance structure.

- (iii) To women in many developing countries, the alleviation of cultural poverty may appear more important than the alleviation of economic poverty for attaining substantive freedom.
- (iv) But the alleviation of economic poverty provides women with some economic independence which is crucial for their fight against cultural unfreedom, including deprivation, voicelessness and helplessness. What is needed first is making women economically independent.

With this discussion of the conceptual and theoretical issues relating to development and gender empowerment, in Chapter 2 we turn to the discussion of dimensions of poverty and factors hampering women's empowerment.

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