

Theoretical Underpinnings Of Gender, Finance And Development: A Critical Review

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Abstract

Economies around the world have recorded tremendous advancement in their journey towards access to finance dimension of financial inclusion over these years. But women who constitute around fifty percent of the world population still lag much behind their counterparts in achieving the higher goals of financial inclusion particularly the usage of financial products and services. A persistent gender gap of 6% is visible while analyzing the Global Financial Inclusion Database (Global Findex,2021) data. The gender gap in financial access and usage aggravates economic inequity and underlines women's economic subservience. For instance, lack of accessibility to property and assets constraints women's ability to pledge collateral such as land or livestock to obtain credit from formal financial institutions. The participation of women in the economic activities is far below their potential due to many socio-economic and cultural barriers. A deep-rooted historical reading of the gender dynamics evolved in the development discourse is vital for the policy makers to frame strategies to address such issues. The study investigates the interrelated roles of gender, finance, and development from a theoretical standpoint. A comprehensive review regarding the paradigm shifts happened in the domain of gender and development comprising of WID approach, WAD approach and GAD approach is also presented.

Keywords: Economic Development, Gender inequality, Feminism, Access to Finance, Power relationships, Economic Resources

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I. Introduction

Primary understanding about the difference between sex and gender is quintessential to examine the affiliation of gender with development. Though there exist biological differences between men and women, socially constructed roles often dictate gender relations, limit economic opportunities, and perpetuate gender inequalities. Scholars connect sex with inherent biological attributes and gender with societal and institutional norms and protocols. It is of great significance to understand the fact that what is biological is static and unalterable, but what is societal is a matter of evolution and should be the emphasis for development policy makers. Concepts and theories associated with gender and feminism constantly influences the development theorists and policy shapers around the globe. Such linkages can be analyzed in depth only in the context of exploring the historical perspectives and debates.

II. Retrospective Narratives On Gender Dynamics In Development

Development paradigms will lose its sustainable nature and completeness if not given due attention to bridge the gender gaps in achieving the targets set. Understanding the interlinkages between gender, finance and economic development is crucial in designing and implementing novel development models. Theories and models portraying the roots behind the prevailing gender differences in development and linkages between access and usage of economic resources and empowerment can be traced back to historic times. Many of such theories or conceptual analyses have reflections from multi disciplines like Sociology, History, Anthropology, Political Science, Economics etc. Glimpses from some of such theories depicting the inter relation between gender, finance and development are as follows:

Structuralist- Functionalist Theory

As per the macro sociological angle of this theorists, every entity in the society is meant to be interdependent in nature functioning collectively for the system to survive under the constraints of a built-in and pre-determined framework. Social equilibrium is well maintained under common value sharing principles which primarily focus on practices like marriage, family, gender roles etc. Constant practice of this functional labour division for different genders eventually resulted in the predominance of present day patriarchal dominant relations and dependence of women on men regarding access and usage of resources. Presuming the

intrinsic significance of familial relationships in maintaining the social equilibrium, the proponents of Structural- Functionalist theory designed the labour divisions stratifying into objectively acclaimed 'instrumental' roles to men and subjectively acclaimed 'expressive' roles to women like income generating roles and child upbringing roles correspondingly, treating husband as the 'bread winner' and his counterpart as 'homemaker.' Quite often Structuralist- Functionalism has been used as a rationale for male supremacy and gender divisions. The 'superwoman' who 'does it all' in career achievement and family nurturance will be valued. (Diekman and Goodfriend, 2006).

Social Conflict Theory

The existence of Social Conflict theorists is in sharp contrast to the viewpoints of Structural-Functionalists. Deep rooted in the Marxian thoughts on exploitation and class struggle, the Conflict theory explains the complicated social structure by unveiling the power relationships existing between different social classes including different gender. The intensified gender disparities and male dominance can be historically traced back to the prevalence of capitalist economic order assuming men as wealth creators and women as mere consuming entities at times of industrial revolution. Property ownership rights, differentiated wage laws prevailed during those times degraded womenfolk to the lowest strata in the power struggle.

Friederich Engels (1820-1895), companion of Marx also tried to extend the 'exploiter-exploited' principle in explaining the familial, precisely the gender roles in the society. Engels further argued that with the emergence of private property, men's work possess a dollar value while women's domestic labour is not accounted for and she is treated as an "unimportant extra" in the family. It is noteworthy to rethink the issue of unpaid female household labour issue and the missing productivity links in national income accounting in the context of social conflict theory principles.

Feminist Theory of Gender Role Development

Stands as an integral element of critical sociology, the feminist theorists focus on uncovering the influence of gender in the social ordering and examining gender inequalities and inequities. Feminism fundamentally assumes world as an unequal platform for both men and women and advocates equality between the sexes. Acknowledging the pluralistic nature, a theory is feminist, if it can be used to challenge a status-quo that is disadvantageous to women (Chafetz,1988; Smith,1990). Holding similar assertions with Conflict theory, the advocates of Feminist theory examine the lower socio-economic and political power possessions of women folk. The ideologies of this sociological theory highlight the prominent economic issue of 'feminization of poverty', primarily among extremely marginalized sections of women like rural population, tribal communities, ethnic races, aged women, single parents etc. In order to articulate the ideological and philosophical pluralities, feminist theories spread its wings to different domains over time.

Liberal Feminism

Based on the principles of equality and liberty, Liberal Feminist school propagates the idea that all are equal and opportunities cannot be rejected to anyone on grounds of gender differences. The reasons for inequalities lie in the refusal of equal rights and opportunities. Wollstonecraft (1792) argued that the reason women appeared to be intellectually inferior was due to their inferior education and therefore was a result of inequality rather than a justification for it. Gender equality can be accomplished only through extending educational programmes erasing the gender specific societal roles from human minds. Liberal feminists also strive for measures like equal pay, voting rights, property ownerships etc. for ensuring equal economic opportunities for women to defy discrimination in all spheres.

Radical Feminism

Originated as a second wave of feminism voiced by the women civil rights workers of USA in anti-Vietnam war movements in 1960s, Radical feminism bases its focus area on sexism, placing it as a centrifugal point of a patriarchal society reflecting its shades in every single social institution. Whereas Liberal feminists focus on the workplace and legal changes, radical feminists focus on the patriarchal family as the key site of domination and oppression (Shelton and Agger, 1993). Individual psychology and social norms accounted for less possession of power and economic privileges among women. Radical feminism advocates alienation from male dominated institutions and work for women centered establishments for serving the needs of other women. The formation of UN Women, Women's World Banking, Self- Employed Women's Association (SEWA), Kudumbashree etc. in the modern world can be noted in this regard.

Socialist Feminism

Emerged as a hybrid feminist ideology in the mid 1970's, Socialist Feminism tried to incorporate the elements of radical feminism into the Marxian school by placing equal importance to both women's

subordination through patriarchy and class differences through capitalism in the fight against gender inequality. They were of the viewpoint that along with fighting out the perils of imperialism, the factors leading to the construction of gender roles and gender conditionings like race, culture, ethnicity, sexual preference, religion etc. need to be addressed more specifically.

Eco-Feminism

Intertwining nature with women, Eco-feminism originated as a distinct branch of feminist ideology. It combines the issues of female subjugation with ecological degradation with the view that both arise out of the patriarchal elements of the society. It focuses on the healing of Mother Earth and formation of a sustainable development model by restoring equality of all races and species around the globe. Providing women with equal access to knowledge, finance, technology and real resources like land, many a lot agrarian issues can be resolved. Similarly, investment in enhancing women’s education may have its constructive repercussions on future generations too. Eco-feminism emphasize that all development policies should be inherently gender inclusive to remain sustainable.

III. Theoretical Shifts In Gender And Development Approaches

A shrewd analysis of the development discourse experienced by most of the nations across the globe clearly indicates the bitter truth that women are least benefited, less inclusive, and affected differently than men with respect to diverse development strategies and issues. The lags in development policies to bridge the wide gender gaps in financial inclusion may have serious retarding effects on the economic progress of a nation. Inaccessibility to financial services reduces women’s aptitude to break the vicious circle of poverty; intensifies their risk of falling into poverty; aggravates their marginalized living and shrinks their ability to productively contribute to the nation building process. Realizations of such facts forced the development strategists to rethink and redefine approaches related with gender and development over time. Some major approach shifts were undertaken in the field, commencing with Women in Development (WID), evolving to Women and Development (WAD), and eventually landing with the modern-day Gender and Development (GAD) approach. Apart from these theoretical transfers, global institutions such as IMF and the World Bank led the initiative to design a more contemporary neoliberal smart economics approach to enhance gender inclusiveness in development policies. The distinct characteristics of each of these approaches can be summarized in a nutshell as follows:

Table 1: Evolutionary View on Gender and Development Approaches

Development Approaches	Features
Women in Development (WID) Approach	<ul style="list-style-type: none"> ▪ Originated in early 1970s as a shift from the prevailed welfare-oriented approach to a more participatory approach ▪ Coined by a Washington-based network of female development professionals <ul style="list-style-type: none"> ▪ Assumed constructive role for women in the development process ▪ Stressed on economic participation of women
Women and Development (WAD) Approach	<ul style="list-style-type: none"> ▪ Emerged during the UN First World Conference on Women in Mexico City in 1975 ▪ Extended the focus of attention from women's association to development to the linkage between patriarchy and capitalist economic order <ul style="list-style-type: none"> ▪ Deeply influenced by the thoughts of neo-Marxists and Dependency theorists ▪ Find remedy in women-only development missions that were conjectured to alienate women from the patriarchal hegemony <ul style="list-style-type: none"> ▪ Advocate that more equitable the global structure, better will be the status of women
Gender and Development (GAD) Approach	<ul style="list-style-type: none"> ▪ Materialized in 1980s incorporating the better sides of WID and WAD approaches ▪ Prime attention was on analyzing the impact of gender roles, social relations and the class divisions on development. ▪ Amartya Sen (1981) contributed much to the development discourse by assessing the colonial impact on development and gender inequality. ▪ Examined the concepts of women, work and power using the structure of ‘Gender roles’ and ‘Social relations analysis’ ▪ Highlighted the deep connections between socio-political, economic and cultural elements with the multifarious progressions of development.
Neo-Liberal Smart Economics Approach	<ul style="list-style-type: none"> ▪ Structural Adjustment Programmes (SAP) by the World Bank and the International Monetary Fund as a global developmental plan on the grounds of Neo-Liberal principles in the 1980s and 1990s ▪ Series of initiatives ranging from The World Bank's Gender Action Plan of 2007-10 to the World Development Report examining Gender Equality and Development in 2012 ▪ Focus on gender mainstreaming through economic independence and participation for reducing inequalities <ul style="list-style-type: none"> ▪ Traces of reflections from efficiency approach of WID and also liberal feminist ideology ▪ Aims for bridging gender gaps and enhancing efficient investment for the betterment of womenfolk

Source: Compiled by the author

Understanding the nuances of gender mainstreaming and development, both the theoretical frameworks and pragmatic approaches have been evolving incorporating all the critical thoughts and vicissitudes worldwide. Over the years, it was a gradual progression from welfare-oriented approach to an empowerment-based approach. Equity, anti-poverty and efficiency approaches played their role in between the journey. Understanding gender theories offer critical insights needed to craft policies that improve financial access and opportunities for women. Inclusive financial system which upholds the access and the use of high-quality financial services, particularly among poor people and marginalized sections like women, is necessary to achieve the goals of sustainable economic development. It can add positive contributions to the objectives of poverty reduction, economic and social advancement, and financial stability.

IV. Concluding Remarks

Internalizing gender theories is decisive in framing effective policies that foster financial inclusion for women. Gender theories offer critical insights into the structural inequalities and societal factors that determine women's access to economic resources. By effectively incorporating such perspectives while crafting developmental strategies, policy framers can deliver tailor made interventions addressing the specific constraints faced by women in attaining better financial inclusion, such as poor financial literacy, lack of financial freedom, immobility, discriminatory legal practices, limited economic opportunities etc. A comprehensive gender-sensitive policy approach upholding the constructive elements of gender theories can help dismantle systemic roadblocks, guaranteeing that financial systems become more inclusive and equitable.

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