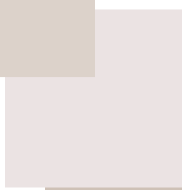
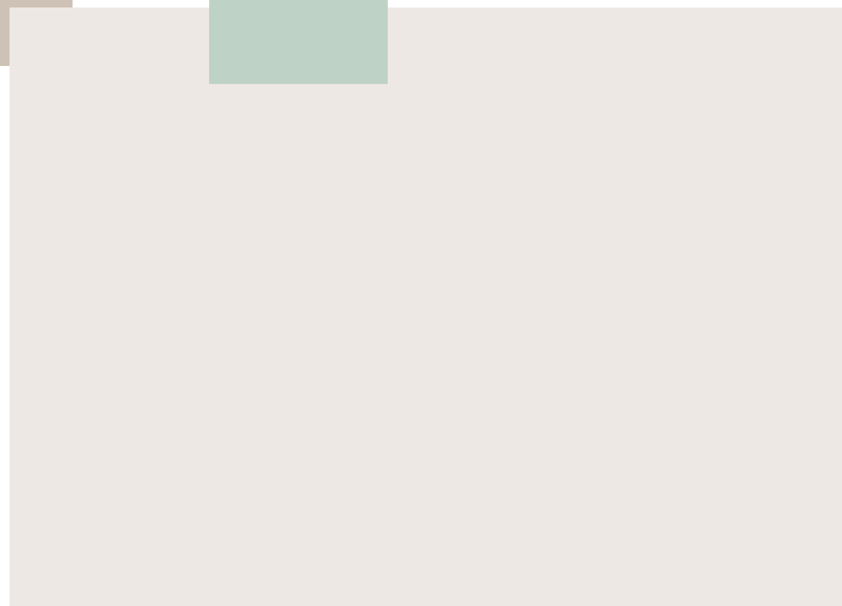
Section 1
Macroeconomics, well-being and gender equality

NEW ECONOMY, NEW JOBS.
A YOUNG WOMAN WEARS
A COSTUME TO PROMOTE
A DEPARTMENT STORE.
LIAONING PROVINCE, CHINA





In the last two decades economic policies have reflected a drive for accelerated global economic integration ("globalization"), which is usually associated with greater economic liberalization, both internationally and within national economies. Policy institutions favouring economic liberalization—the international financial institutions (IFIs) and the World Trade Organization (WTO)—are often inspired by neoliberal and market-oriented thinking, and consider the extension and deepening of global markets, and the "rollback" of the state, to be on the whole desirable from the point of view of economic efficiency, growth, and even human welfare. Heterodox economists favour a much stronger degree of state involvement to govern markets and achieve economic growth, structural transformation and human welfare. For some, the East Asian experience, characterized by rapid economic growth, industrialization, and relatively egalitarian income distribution, underscores the need for strong public policy interventions, and industrial policies in particular. What have the implications of these different development models—liberalization as prescribed by the IFIs, and "governed markets" as they have been substantiated in East Asia—been for women and for gender equality?

The first chapter in this section, "Liberalization and deregulation: The route to gender equality?", starts by examining the general parameters of macroeconomic policy in the current era of global economic integration. It then goes on to examine the various components of the agenda: trade and financial liberalization, deflationary macroeconomic policies, fiscal restraint and privatization. This is followed, in the second chapter, "Liberalization, labour markets and women's gains: A mixed picture", by an assessment of the principal effects of these policies on women and the search for gender equality. The third chapter, "Consolidating women's gains: The need for a broader policy agenda", looks at how women have fared according to a range of indicators broader than measures of income and wages. It ends by considering what kind of changes in the macroeconomic policy agenda would help to improve women's well-being and promote gender equality.

Chapter 2 Liberalization and deregulation: The route to gender equality?

The macroeconomic terrain, and the degree to which economic liberalization—both international and domestic—should be pursued, rather than some degree of state intervention and market management, have been hotly contested issues over the last 20 years. The effects of liberalization on economic growth have been disappointing, and it has exposed millions of people to poverty and unemployment in the absence of effective social provisions and safety nets. There have therefore been increasing calls for interventionist and redistributive action, both to repair social distress and to reinstall equality in the policy equation.

In the debates on international trade and financial capital flows, restrictive monetary and fiscal policies, and in other critical areas such as privatization of welfare services, little attention has been paid to gender concerns. Feminist economists have, however, produced a thorough gender analysis of current macroeconomic trends and policies, identifying specific impacts on women and on gender equality. Before their findings are examined in the following two chapters, a broad-ranging description of the key areas of macroeconomic policy concern is presented as a starting point.

LIBERALIZATION AND GLOBALIZATION

The neoliberal agenda which became dominant in the early 1980s centres on the view that the best way to pursue human welfare is to reduce the role of the state, liberate entrepreneurial energy, in order to achieve economic efficiency and promote faster economic growth. Some governments, notably the US government led by President Ronald Reagan and the UK government led by Prime Minister Margaret Thatcher, embraced this agenda of their own volition. But many governments in the South had it thrust upon them as the condition for more loans from the International Monetary Fund (IMF) and World Bank in the context of the debt crisis of the early 1980s.

The debt crisis itself was a result of the neoliberal agenda. The roots of the debt crisis lie in the decisions taken in the 1970s about how to adjust to the dramatic increase in oil prices in 1973 and 1979. One possibility was to recycle the massive additional dollar earnings of oil-exporting countries to oil-importing countries via a low-conditionality facility at the IMF. However, much of the recycling of petrodollars took place via the emerging private international financial market. This was of enormous benefit to US, European and Japanese banks. But this international market turned out to be very different from the competitive market depicted in neoclassical economics textbooks. The over-selling of loans by private banks to sovereign governments was widespread. The debt burden of these dollar-denominated loans exploded in the early 1980s, when Paul Volker, the Chair of the Federal Reserve Bank, sharply increased interest rates as a means to control inflation in the United States. High interest rates coupled with the heavy loan burdens combined to produce the debt crisis.[1] There were always critics pointing out that the oil price rises and the debt crisis were collective problems and needed internationally equitable solutions, but their warnings went unheeded. The debt crisis of the early 1980s thus provided a critical opening

for Washington to try to impose a succession of new international economic policy regimes through the Bretton Woods institutions, reinforced since 1994 by the Uruguay Round Agreements under the World Trade Organization (WTO).

Neoliberal macroeconomic policies

A key feature of neoliberal policy regimes is the deregulation of financial and labour markets. As far as labour markets are concerned, in the neoliberal perspective they need to be highly flexible to allow transnational and national companies maximum manoeuvrability in a trading and manufacturing environment in which product demand is subject to rapid change. However, it would be a mistake to think of this process as one in which regulation is entirely removed: the complete absence of regulations would give rise to anarchy.[2] On the contrary, and in contrast to neoliberal claims, the deregulation or liberalization of markets has actually involved new regulations or re-regulation conducive to a particular international financial institution (IFI)-led strategy for global economic integration. These new forms of regulation tend to enhance the power of private corporations, and downgrade the relative importance attached to the interests of society at large.

Recent globalization has involved liberalization of international trade in goods and services on the one hand, and the flows of international capital (direct foreign investment, portfolio equity investment, bank lending) on the other; and it has involved new, often standardized, regulation, ostensibly to bring about level playing fields. One area of re-regulation designed in such a way as to confer advantage on corporate interests is the new regime of intellectual property rights. WTO agreements reinforce corporate rights in such areas as pharmaceuticals, thereby guaranteeing monopoly power to multinational manufacturers, leading to high prices for life-saving drugs. This has been particularly pertinent, for example, in the context of treatments for HIV/AIDS, and has a special bearing on women in sub-Saharan Africa who suffer high rates of infection and whose lives, and offspring's lives, are especially at risk.

Monetary and fiscal restraint are also considered centrepieces of neoliberal policies; they are deemed necessary to control inflation, and thus help to attract mobile financial capital. This is because inflation erodes the yield on financial investments, and high rates of inflation are likely to repel, rather than attract, financial investors. Budget deficits are seen as inflationary, and thus reduced public spending is seen as crucial to attracting such flows.

While there has been a move to liberalize external economic relations as indicated above, there has been no corresponding push to liberalize international labour flows. Proponents argue that poverty can be reduced via a liberalized trade regime that generates employment, coupled with specialization in labour-intensive goods.

Neoliberal proponents acknowledge that greater domestic competition and the opening up of economies to international trade and capital flows might subject developing countries to internal and external shocks, and result in a degree of financial and economic volatility. However, they argue that this is compensated for by the resulting higher growth that generates new jobs in place of those destroyed, and that minimal social safety nets are sufficient to cope with the casualties.

As far as the situation of women is concerned, the neoliberal view, as espoused by the World Bank in particular, is that the promotion of the neoliberal macroeconomic agenda is conducive to bringing about gender equality.[3] This case rests on the idea that market liberalization promotes higher levels of gross domestic product (GDP), that there is a correlation between higher incomes and improved female access to education and employment, and that this access leads to greater gender equality; therefore market liberalization itself promotes gender equality. This thesis is open to question, and much of this and the next chapter indicates the inadequacy of evidence to support it.

"Managed-market" approaches

While neoliberals emphasize the role of liberalization in promoting growth and thus improved well-being, a number of countries have achieved economic growth and development

without following neoliberal prescriptions. These "managed market" exceptions include several Asian economies, notably Republic of Korea, Taiwan Province of China, China, and to a lesser extent India and Malaysia. Their macroeconomic approaches can be described as "heterodox": that is, governments exhibit a willingness to intervene strategically and regulate markets in order to promote development and growth. Although there is no "one size fits all" policy, these countries have to varying degrees selectively intervened to regulate exchange rates, financial flows, trade and foreign direct investment in order to promote technology acquisition and learning on the part of domestic industries.[4]

Although these countries industrialized and attained high economic performance before the era of globalization, their achievements are being claimed to be supportive of the neoliberal agenda.[5] These reinterpretations after the event of successful development models ignore the central role played by state intervention and market management. The countries in question used state intervention to help domestic industries "catch up" with those in industrialized countries, generating a strong internal growth dynamic. To this end, strategic controls on foreign direct investment (FDI) have been used as a means to increase productivity and competitiveness, and to maximize spillovers to other domestic industries, thereby helping move the country up the industrial ladder, but without ceding the government's ability to shape the industrialization process. A case in point is provided by the Republic of Korea during the late 1970s, where multinational enterprises were permitted to invest in the electronics industry, but barred from other sectors.[6] When domestic technological capability had been sufficiently expanded in that industry, FDI was again restricted. Similarly in China currently, FDI is limited to targeted industries where the government desires to attain capability.

In many of these countries, moreover, trade was only liberalized strategically. In some cases limits were imposed on imports of consumer goods, particularly luxury items. This both saved on foreign exchange, and boosted demand for domestically produced goods. While neoliberals have labelled such policies protectionist and inefficient, in fact there was often a quid pro quo: domestic firms were required to meet export and investment targets in return for subsidies and import protection.[7] As a result, protective industrial policy did not end up blocking structural change as it did in other countries. Such policies were also used to cushion the effects of structural change, with protectionism allowing firms an acceptable level of income while they retooled. They also indirectly protected workers' wages, and thus stand in sharp contrast to the experience in economies that have adopted full-fledged neoliberal policies, where structural change can be accompanied by significant economic disruption and income losses for workers.

Asian economies have also placed limits on financial liberalization, to varying degrees. For example, China continues to maintain the inconvertibility of its currency, protecting the yuan from rapid fluctuations that might negatively affect the stability of the domestic economy, while maintaining a favourable exchange rate to promote exports. Malaysia, too has intervened, most notably directly after the Asian financial crisis, at which time capital controls were temporarily reinstituted as a way to protect the value of the domestic currency and reduce the necessity of raising interest rates. Those controls are widely believed to have helped Malaysia weather, and then recover from, the financial crisis more rapidly than countries that did not introduce such controls.[8]

Thus these countries have been willing to avail themselves of a broader set of policy tools as a way to promote domestic growth, to achieve competitiveness in a global economy, and to smooth economic fluctuations. They can be characterized as pursuing strategic economic openness—that is, managed economic openness, tailored to achieving the domestic goals of promoting industrialization and stable economic growth, while at the same time pursuing the means to acquire advanced technologies. As a result, many of these countries have managed to nurture more capital and skill-intensive goods production, and thus achieve higher per capita incomes. As for the earlier industrializers in this group—Republic of Korea, Taiwan Province of China and Singapore—such policies have allowed them to escape the negative effects of increased competition among low-wage export producers for a limited market share. Instead these countries have moved up the industrial ladder to compete in markets for more sophisticated goods.

Each of these countries represents a different and flexible approach to achieving growth and development, but they share a common feature with those countries that have adopted neoliberal policies: they are increasingly integrated economically with the rest of the world. This integration is indeed a key mechanism by which to raise domestic productivity. The outward orientation in many of these countries, especially Taiwan Province of China and the Republic of Korea, has however been strategically determined rather than the result of across-the-board liberalization. It is nevertheless notable that many of these countries have been increasingly adopting the neoliberal model, either voluntarily or due to pressures induced by the Asian financial crisis and other political tensions. For example, the IMF pushed the Republic of Korea to adopt the model of an independent central bank after the crisis, thus limiting the extent to which targeting of loans and subsidized credit could be used as a tool to promote industrialization and growth. China is currently under a great deal of pressure from the United States to revalue its currency, while Taiwan Province of China has moved to liberalize FDI flows.

Although these governments have exhibited a willingness to intervene to promote productivity growth, resulting in robust GDP growth, they have not adopted the same enthusiasm for the pursuit of equity. However, there are cases in which equity was pursued because redistribution was viewed as necessary to promote growth. For example, in the Republic of Korea wage guidelines were a tool to raise the wages of workers who otherwise possessed little leverage to bargain for increases commensurate with their productivity growth. In some cases, this provided the necessary incentive for workers to "exercise their intelligence on the shop floor", thus accelerating the adoption of new imported technologies and raising productivity growth.[9] This suggests that growth with equity is possible, and that the conditions under which this is pursued differ by country, economic structure and historical circumstances. In both the Republic of Korea and Taiwan Province of China male workers at least experienced wage-led growth, with higher wages spurring productivity and economic growth, generating funds to finance social expenditures that promoted equity.

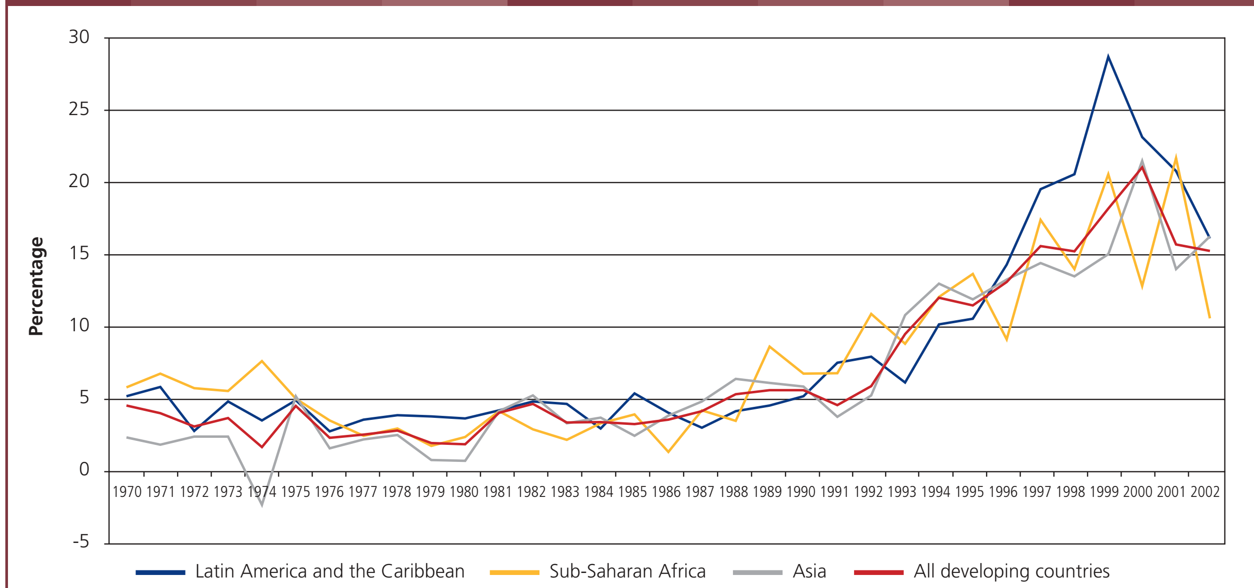
For a variety of reasons, however, growth alone has been insufficient to close gender gaps in income and well-being.[10] In part, this is because women are typically excluded from technologically advanced industries, and instead are confined to types of work in which they are less able to improve their terms of employment and access to social provision. This has ramifications for women's ability to bargain for a better distribution of resources and labour effort within the household. Indeed, the experience of East Asia underscores the fact that, while growth can raise living standards in an absolute sense, it does not automatically lead to a reduction of inequality, and in particular gender inequality (see chapters 3 and 4).

MACROECONOMIC EFFECTS OF GLOBALIZATION

Policies that have contributed to globalization have led to several important shifts in macroeconomic variables over the last 20 years. Cross-border transactions, measured as FDI, portfolio flows, and traded goods and services as a share of GDP, have increased, in some cases dramatically.[11] Although difficult to estimate precisely, financial flows have also seen a spectacular rate of increase. Even by 1994, gross financial flows to developing countries had increased by 1200 per cent over a decade earlier.[12] FDI has also increased. Although the bulk of such flows still go to developed economies, the developing economy share has been rising. The flows are relatively concentrated, however, with just four countries—China, Brazil, Hong Kong (SAR China) and Mexico—accounting for roughly 60 per cent of all FDI flows to developing and transition countries in 2001.[13]

Perhaps more importantly, FDI as a share of developing countries' investment has been rising, as is shown in figure 2.1, which gives the sum of inward and outward FDI as a percentage of gross fixed capital formation (in other words, investment). This ratio provides an approximation of the degree of firm mobility (as opposed to financial mobility). That is, the sum of FDI flows between one country and another gives an indication of the ability of firms to relocate, should local conditions challenge the firm's profit goals. As the figure shows,

Figure 2.1 Sum of inward and outward FDI as a percentage of gross fixed capital formation (1970–2002)



Source: Calculated from UNCTAD 2004.

the ease with which firms can relocate has increased dramatically. In part this is due to declining communication and transportation costs, which make it more feasible to shift segments or the entire production process to another country. It is also due to the liberalization of financial capital flows. Deregulation of national rules on foreign investment has facilitated this trend. In terms of effects on workers, one way to interpret these data is as a measure of trends in corporate bargaining power relative to local governments, workers and citizens. The fluctuations in this measure are significant, since they reflect the real potential for capital to relocate, and underscore the credibility of that threat to workers and governments.

A notable effect of the pursuit of neoliberal policies, in particular monetary and fiscal restraint, has been a decline in inflation rates. In the case of a number of developing countries, the decline has been dramatic (see table 2.1). Lower inflation is expected to produce a macroeconomic stimulus because it induces more investment. It is argued that this, coupled with the reorientation of production to tradeables as well as a reduced role for the state, should raise productivity, output and growth. These policies have been a central plank of neoliberalism. Reducing inflation (through fiscal and monetary restraint) can however have a negative impact on aggregate demand, output and growth, and this could offset the benefits of low rates of inflation.

The evidence suggests that the costs have been substantial, and have resulted in slower rates of economic growth in most regions (see table 2.2). With the exception of East and South Asia, growth rates for 1981–2000 are below those of the 1961–1980 period. The growth effects of liberalization are thus disappointing at best, particularly for the poorest countries. The slowdown in growth has serious implications for countries' ability to improve incomes and well-being.

Table 2.1 Inflation (Consumer prices, 10-year averages)

	1986–1995	1996–2005
Advanced economies	**3.6**	**1.8**
Developing countries	**58.0**	**8.8**
Africa	27.4	12.2
Developing Asia	11.2	4.0
Middle East	17.7	9.5
Latin America and the Caribbean	194.7	9.0

Note: This table uses the geographical grouping of countries that the IMF uses in *World Economic Outlook* (Latin America and the Caribbean = IMF's Western Hemisphere).
Source: IMF 2004.

Table 2.2 Trends in per capita GDP growth, average annual percentage growth (1961–2000)

	1961–1980 (%)	1981–2000 (%)	Percentage point change
Africa	**1.7**	**0.3**	**-1.4**
North Africa	3.3	1.7	-1.6
Sub-Saharan Africa	1.1	-0.4	-1.5
Latin America and the Caribbean	**3.0**	**0.6**	**-2.4**
Caribbean	3.2	2.2	-1.0
Central America	3.1	0.6	-2.5
South America	3.0	0.5	-2.5
Asia	**2.7**	**4.4**	**1.7**
East Asia	3.1	6.1	3.0
Southeast Asia	3.7	2.9	-0.8
South Asia	1.7	3.5	1.8
Central and West Asia	2.8	1.1	-1.7
Oceania	**2.0**	**0.0**	**-2.0**
Developed regions	**3.2**	**1.4**	**-1.8**
Eastern Europe	10.7	1.7	-9.0
Western Europe	3.4	1.9	-1.5
Other developed regions	3.4	2.3	-1.1
World	**2.8**	**1.9**	**-0.9**

Source: Calculated from Heston et al. 2002.
Note: GDP growth rates by region are population weighted.

Not surprisingly, slow growth has resulted in limited employment options. Formal-sector job opportunities are insufficient, as evidenced by the growth of casual work and self-employment where workers lack protection and security.[14] Moreover efforts to make labour markets more flexible have increased the tenuousness even of formal-sector jobs. Recorded unemployment rates remain high, even staggering, in a number of developing countries. They have also risen in Europe and Japan. In the United States too, average unemployment rates in the 1990s exceeded those of the 1950s and 1960s, and there has been an increase in the rate of involuntary part-time employment. In general, paid work continues to be scarce and is increasingly precarious.

Other serious macroeconomic problems have emerged as a result of the process of liberalization and economic integration. Policies to liberalize financial flows have contributed to growing financial volatility. As a result, financial crises are occurring with increasing regularity and severity, particularly in middle-income countries, which have been major recipients of cross-border capital flows. Such crises have extensive costs in terms of lost growth, and contribute to a more unequal income distribution at the country level.[15]

Revenues, taxes and public expenditures

There is evidence of a fiscal squeeze in recent years, due to a reduction of revenues resulting from trade liberalization and tariff reductions. Over the period 1970 to 1998, for example, trade taxes as a share of total taxes declined from an average of 40 per cent to 35 per cent in low-income countries.[16] As a result, the ratio of tax revenues to GDP declined by an average of 3 per cent in low and upper middle-income groups of countries in the wake of trade reform over the period 1985–9 to 1995–8. Domestic financial deregulation, the liberalization of capital markets, the phasing out of multiple exchange rates, and currency devaluations have also deprived developing country governments of other sources of revenue.[17] Moreover, the emphasis on private investment and attracting FDI has resulted in declining tax rates on capital, with countries forced to offset the revenue loss by raising taxes on labour.[18] There has thus been a

redistribution of the tax burden from owners of capital to workers. However, given the small size of formal-sector employment and the scale of the informal economy in many developing countries, most have had to resort to sales and value-added taxes, which are generally regressive.

The pressures on government revenues, due to lost sources of revenue, has contributed to a reduction in government expenditures as a share of GDP in a number of countries. While in some cases cuts in spending have been concentrated in capital expenditures—that is, infrastructure—social expenditures (on health, education, welfare and social safety nets) have also suffered in some regions, such as in Latin America and Africa.[19]

Human development, poverty and income distribution

Although trends in the basic macroeconomic magnitudes are not much disputed, the question of whether liberalization policies have led to an improvement in well-being is more contentious. The debate is fuelled in part by differing conceptualizations of well-being. Neoliberals have tended to define well-being and poverty in income terms, relying on monetary measures of poverty as a yardstick to evaluate liberalization policies. Recent years have seen more willingness to consider trends in inequality, and a major debate is under way among economists as to the extent to which the goal of equity should be pursued. Some have argued that equality (particularly in education) is a prerequisite to growth. Others argue that it leads to greater political stability and less dysfunctional macroeconomic policy. The emphasis on equality then tends to be instrumental, related to its potential effects on market outcomes.[20]

Those who stress human development, informed by a human rights focus, offer a different yardstick by which to measure progress.[21] This latter approach emphasizes that the goals of development do not only comprise per capita incomes, but should also take into account "capabilities" and "functionings" (such as life expectancy and education) as well as power relations, inequality, dignity, and opportunities and rights of self-expression.[22] All of these influence human freedoms and the ability to make meaningful life choices.[23]

Even using a money metric, the effect of globalization policies on poverty rates is much debated. The World Bank's estimates of global poverty rely on an absolute poverty threshold of one US dollar a day, adjusted for country differences in purchasing power.[24] Using this poverty threshold, the global poverty rate has fallen from 32 to 25 per cent between 1990 and 1999, decreasing the number of poor from 1.3 billion to 1.1 billion. However this threshold has been contested, and is regarded by a number of scholars as an underestimation of global poverty.

The challenges to the World Bank data are based on its method of converting local currency to international dollars, the choice of a poverty threshold, and the distortion provided in particular by China, which offsets trends of constant or increasing poverty in a number of regions: sub-Saharan Africa, Latin America and the Caribbean, and the Middle East and North Africa.[25] Further, the Bank's poverty threshold of one US dollar a day fails to capture poverty trends in developed economies, where income insufficiency induces social exclusion and thus deprivation.

A human development perspective expands the information on which to base an evaluation of trends in well-being. Evidence that emphasizes capabilities and functionings suggests a more problematic effect of macroeconomics trends over the last 20 years. For the period 1980–2000 compared with 1960–1980, for example, the rate of progress on a number of social indicators—infant mortality, literacy, life expectancy and education—has slowed.[26] Globalization appears therefore to be correlated with, if not causally linked to, a slowdown in progress in human development.

In addition to basic capabilities measures, human development approaches emphasize the importance of inequality as a measure of well-being, since this influences power relations, which can determine the distribution of output in markets, by the state, and within the household. This emphasis has led to intensive scrutiny of the relationship between growth, inequality and poverty in recent years. There is substantial evidence of persistent and even widening income and resource gaps within countries, including a number of rapidly growing economies

(table 2.3). The growth of inequality has been noted in a heterogeneous set of countries, including China, the United States, a number of Latin American countries, including those in the Southern Cone, and several Eastern European countries.[27] This evidence may provide a partial explanation for the slowdown in progress in closing other human development variables. Much recent empirical evidence on trends in inequality suggests that income gaps between countries are also widening, although some controversy remains on data definitions and measurement.[28]

Table 2.3 Trends in income inequality in 73 countries, from the 1950s to the 1990s

	Countries				Share of	
	Developed	**Developing**	**Transitional**	**Total**	**World population**	**World GDP-PPP**
Rising inequality	12: Australia, Denmark, Finland, Italy, Japan, Netherlands, New Zealand, Portugal, Spain, Sweden, United Kingdom, United States.	16: Argentina, Chile, China, Colombia, Costa Rica, Guatemala, Hong Kong (SAR China), Mexico, Pakistan, Panama, Puerto Rico, South Africa, Sri Lanka, Taiwan Prov. of China, Thailand, Venezuela.	20: Armenia, Azerbaijan, Bulgaria, Croatia, Czech Rep., Estonia, Georgia, Hungary, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Macedonia TFYR, Rep. of Moldova, Poland, Romania, Russian Fed., Serbia and Montenegro, Slovakia, Ukraine.	48	47	71
Constant inequality	4: Austria, Belgium, Canada, France.	10: Bangladesh, Brazil, Côte d'Ivoire, Dominican Rep., El Salvador, India, Indonesia, Senegal, Singapore, U. Rep. of Tanzania.	2: Belarus, Slovenia.	16	29	12
Declining inequality	2: Germany, Norway.	7: Bahamas, Honduras, Jamaica, Rep. of Korea, Malaysia, Philippines, Tunisia.	0	9	4	8

Note: The 73 countries included in the sample account for 80% of world's population and 91% of world's GDP–PPP.
Source: Adapted from Cornia et al. 2004, tables 2.7 and 2.8.

In sum, the evidence presented highlights the slowdown in rates of growth and increased firm mobility, accompanied by an exacerbation of financial and economic volatility. Further, consideration of human development, poverty and inequality indicators raises serious questions regarding whether neoliberal and globalization policies more generally are able to generate social development, in terms of either steady increases in GDP, or improved standards of health, education and human security.

Negative human development outcomes of the neoliberal agenda have been linked to the reduced ability of the state to provide a social safety net and promote human development goals, the destabilizing and disempowering effect of mobile capital, and the negative employment effects of slow growth. These trends imply that neoliberalism may not be necessary, or even good, for economic growth, and that a more heterodox set of policies, individually tailored to country-specific conditions, are a viable alternative, at least for promoting growth. Some countries that have had more rapid growth rates based on heterodox policies have not, however, done significantly better in promoting an important aspect of human development: that is, gender equality. Growth, adequate government revenues, and limits on capital mobility may provide a better foundation for the pursuit of well-being and equity but they are not sufficient, any more than neoliberal policies suffice.

Notes

1 Loxley 1997; Elson 2002.
2 Jomo 2003.
3 World Bank 2001a; Dollar and Gatti 1999.
4 Amsden 1989; Wade 1990.
5 World Bank 1993a.
6 Amsden 1989.
7 Jomo 2003.
8 Stiglitz 2002.
9 Amsden 1989.
10 Hsiung 1996; Seguino 1997.
11 Data on these trends can be found in UNCTAD's Trade and Development Report for various years and World Investment Report for various years (see UNCTAD 2004). For detailed data on FDI trends, see Braunstein 2004.
12 Eichengreen and Mussa 1998.
13 Braunstein 2004; South Centre 1997; UNCTAD 2004.
14 Heinz and Pollin 2003; ILO 2002b.
15 Kirkpatrick 2002; Blecker 1998; Bhagwati 2002/3; Singh 2002.
16 Khattry and Rao 2002.
17 Grunberg 1998.
18 ILO 2004a.
19 Khattry 2003.
20 Solimano 1998; Persson and Tabellini 1994.
21 See UNDP 2003; Elson 2002; Cagatay and Ertürk 2003.
22 The terms "capabilities" and "functionings" were first coined by Amartya Sen (1985) and are now widely used.
23 Sen 1999.
24 World Bank 2002; Chen and Ravallion 2001.
25 See for example Reddy and Pogge 2003; Vandemoortele 2002.
26 Weisbrot et al. 2001.
27 Cornia et al. 2003; Khan and Riskin 1998.
28 See Milanovic 2003; Wade 2001.