Violence against Women and Economic Wellbeing of A Society
Conference on Women’s Role in Human Society

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Growing up to be a "woman" in a culture of socially acceptable VAW.

"Since women form (approximately) half of any national population, an efficient development project must tap their capacities in order to make optimal use of resources." - Amartya Sen, 1998.

"We don’t need poverty indices we know who are the poor; the poor are in the rural areas and are landless; and the poorest of the poor are the women" - Mark Rosenweig, 2011.

A small sticker posted on a number of walls in Delhi states: "... better pay 500 rupees now than 50,000 rupees later."

An Economic Trade-Off? Never mind that it is indeed ILLEGAL.
The Hypothesis

**Economic Vocabulary:**
Gender Gaps: in Earning \( m = \frac{Z_m}{Z_w} \) & in Human Capability \( R = \frac{H_m}{H_w} \);
Probability \( p \) or Likelihood of Violence Against Women;
Strength \( \sigma \) of Patriarchal Control of Men over Women.

**The Hypothesis:**

- *Growing-up in a Culture of Socially Acceptable VAW Undermines Economic Wellbeing of the Whole Society*

**Explanation:**
A Culture of VAW Generates:
- Gender Rent in Consumption;
- Gender Gaps in Labour Force Participation Rate, Productivity, and Human Capital;
- Gender Discrimination in Parental Investments;
- Gender Drag in the Rate of Growth of National Income.
Traditional versus Modern

(a) Patriarchy: Glorification of "Motherhood" and the Decision Making within the Family Follows Religious and Social Guidelines.

(b) A Modern Family: Glorification of "Womenhood" and the Decision Making in the Family Involves Bargaining between Two Partners.

The Family as an Economic Unit makes Decisions with the Following Constraints:

(i) Earning depends on education, employment and productivity of both parents;
(ii) Budgeting requires that income must equal the sum of consumption, saving and investment in children;
(iii) Growth relies on the intergenerational transfer of human capital involving parental contacts, education and inborn talents.
VAW shows up at least in 3 parametric ways:
- (1) nuisance cost of educating a girl child;
- (2) likelihood of gender based attacks against working women;
- (3) reduction in women’s autonomy in family decision making.

(a) Effects of VAW on Consumption in a Traditional Society:
- the ratio $\sigma$ of men to women consumption expenditure exceeds unity;

(b) Effects of VAW on Consumption in a Modern Society:
The Economy

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- the ratio $\sigma$ of men to women consumption expenditure exceeds unity;
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- the likelihood of VAW outside the family and gender gaps do not change consumption ratio between men to women.

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(b) Effects of VAW on Consumption in a Modern Society:
- with no VAW, men and women enjoy an equal amount of consumption;
• VAW shows up at least in 3 parametric ways:
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  men’s control over women;
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  consumption ratio between men to women.

(b) Effects of VAW on Consumption in a Modern Society:
• with no VAW, men and women enjoy an equal amount of consumption;
• the VAW and the two types of gender gaps generates a gender specific
  rent and a separate gender wedge to lower consumption of women
  relative to men.
Equilibrium Outcome

Consumption of includes a violence premium induced by a gender specific rent:

$$C_M = Y_M + V(p), \quad (1)$$
$$C_W = \frac{Y_W}{1 + p} - V(p), \quad (2)$$

where $V(p)$ denotes the Violence Premium which arises from a gender specific rent $G(m, R, p)$ such that

$$V(p) = a(p) + b \times G(m, R, p), \quad b > 0 \quad (3)$$

where, $G(m, R, p) > 0$ if and only if the society accommodates gender gaps ($m > 1$ or $R > 1$) and there is positive likelihood $p > 0$ of VAW.
Parental investment in children irrespective of gender increases with mother’s human capital and productivity and decreases with the probability of VAW \((p)\) and with the strength \((\sigma)\) men’s control over women;
Parental investment in children irrespective of gender increases with mother’s human capital and productivity and decreases with the probability of VAW ($p$) and with the strength ($\sigma$) men’s control over women;

Education for the Daughter decreases with the nuisance cost $q$ of educating a girl child and the parental preference $\omega$ for son relative to daughter.

Consequently, a Gender Gap ($R$) in Human Capability Arises in the Economy:

$$R = \omega (1 + q)$$

Women’s Participation Rate: decreases with the society’s oppression expressed through gender gaps in earning and capability ($m$, $R$), in men’s control over their autonomy ($\sigma$) and the likelihood ($p$) of VAW outside home.
Parental investment in children irrespective of gender increases with mother’s human capital and productivity and decreases with the probability of VAW ($p$) and with the strength ($\sigma$) men’s control over women;

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Consequently, a Gender Gap ($R = \frac{H_M}{H_W}$) in Human Capability Arises in the Economy:

$$R = \omega(1 + q)$$  \hspace{1cm} (4)
Parental investment in children irrespective of gender increases with mother’s human capital and productivity and decreases with the probability of VAW \((p)\) and with the strength \((\sigma)\) men’s control over women;

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Consequently, a Gender Gap (\(R = \frac{H_M}{H_W}\)) in Human Capability Arises in the Economy:

\[
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Women’s Participation Rate: decreases with the society’s oppression expressed through gender gaps in earning and capability \((m, R)\), in men’s control over their autonomy \((\sigma)\) and the likelihood \((p)\) of VAW outside home.
The Growth Rate ($\gamma$) of National Income in the Traditional Society:

$$\gamma = \frac{\gamma^w z^w}{\sigma(1 + p)(1 + q)} - 1$$

Note that the growth rate increases with:

(i) more women’s autonomy (i.e., with lower $\sigma$),
(ii) greater parental preference ($\gamma^w$) for a girl child,
(iii) greater productivity ($z^w$) of women,
(iv) less VAW ($p$) and
(v) less nuisance cost ($q$) of educating a girl child.

The Growth Rate in the Modern Society:

$$\gamma = A + \ln(G(m, R, p) + 1) - \ln(2(1 + p)(1 + q))$$

Note that the modern growth rate decreases with two indicators $p$ and $q$ of VAW; but surprisingly, it increases with the gender rent due to gender gaps.

Lemma

If men in a society are sufficiently enlightened to care about women’s welfare beyond their role as mothers (i.e., $\sigma > \sigma_{\text{min}}$) then there exists $p^* < 1$ such that if the probability of VAW ($p$) in the society exceeds that threshold of tolerance $p^*$ then men will prefer empowerment of women to continuing patriarchy that limits role of women to motherhood; i.e., for all $p > p^*$, $\text{Welfare}_{\text{Modern}} > \text{Welfare}_{\text{Traditional}}$.

Lemma

If the society is extremely primitive, i.e., $\sigma < \sigma_{\text{min}}$, then $p^* = \infty$ and hence $\text{Welfare}_{\text{Modern}} < \text{Welfare}_{\text{Traditional}}$ for all $p < 1$; i.e., the society will tolerate any arbitrarily high degrees of VAW while glorifying the motherhood role of women at the same time.
Concluding Remarks

Low Welfare Trap - A Human Evolution Problem

Problem: It is hard to motivate men living in a primitive society of extreme patriarchy and to change their attitude, which is, however, the only path for bringing a change in those societies.

Policy Recommendation:

1. Education of men before education of women until men’s care for women exceeds a critical minimum threshold.
2. Withheld investment in women’s education in a primitive society where the culture of VAW thrives with a high degree of tolerance.
3. Public investment in men’s education regarding the potential gain in social welfare from a wider role of women in society than their traditionally limited role of "motherhood".
4. Improvement of the law and order to ensure women’s right to education and work as well as autonomy in decision making.