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Hopes dashed? The economics of gender inequality

By Prue Hyman, Bridget Williams Books, 2017

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THIS SHORT BOOK from the Bridget Williams Books Texts series summarises and updates some of the content of Prue Hyman's earlier book, *Women and Economics*,¹ originally published in 1994. As with the earlier work, the latest book is readable and clear, showing that books on economics do not need to be obscure or dull. The subject of economics is itself part of the everyday. However, its theorisation and analysis are confined to the exclusive purview of a small group of self-perpetuating experts. These experts decide what kind of work is counted as part of 'the economy'. Other aspects of our lives are considered

1 Prue Hyman, *Women and Economics: A New Zealand Feminist Perspective* (Wellington: Bridget Williams Books: Wellington, 1994).

unimportant and much is unrecorded. The brief report that passes for business news on the television each night—that analyses ‘the market’ as if it were a hormonal psychopath, ‘up’ tonight, ‘down’ tomorrow—is a long way from the economic reality of trying to feed a family or pay the next month’s rent.

Hyman is an economist who looks at the broader picture of our productive lives. She argues for the inclusion of other measures to account for inequality and seeks to revalue unpaid work. While Hyman mostly discusses the impact on women, she also notes that the narrow view taken by mainstream economics excludes and downgrades the work of Māori and Pasifika peoples. She does not forget that there is inequality among women, with a few able to rise to the top in the present arrangement. Against the current orthodox economic model that only works within a narrow range of parameters focused on profit, Hyman argues for a more heterodox economics that takes account of community wellbeing, inequality, and sustainability.

The first chapter of Hyman’s book summarises the lack of attention given to unpaid work by most economic measures. She notes that it is mostly women who do the unpaid work of caregiving, housework, and volunteering. Caring work is undervalued economically, even when this unpaid work is given a dollar value it garners a rate well under average wages. This has repercussions when calculating welfare benefits. The impact on solo parents is significant—benefit rates are low, and parents on benefits are required to look for paid work when their youngest child turns three. This has the tendency to push solo parents into a poverty trap of casualised labour that is of no benefit to either themselves or their families. Work and Income New Zealand’s aim is to reduce benefit expenditure, not to improve the lives of parents. It prioritises paid work over the unpaid work of caring for children or other dependents. In addition, the welfare system imposes conditions on relationships that mean solo par-

ents and other beneficiaries are excluded from entering into the normal romantic relationships that everyone else has a right to, for fear of losing their benefits. As Hyman points out, the people most affected by these policies are women, and a high proportion are Māori.

Gender differences are marked in paid work. Hyman notes that women are consistently paid less than men, with an average gender pay gap of 13-15 percent. Women are concentrated in certain sectors of the economy, such as social services, and are more likely to occupy the lower levels of these sectors—they are teachers rather than principals, administration assistants rather than managers. In the case of law, for instance, while there are more female than male law graduates, fewer women become partners. Finally, women are more likely to be in casualised and therefore precarious employment. The same situation is faced by young workers, recent migrants, people with disabilities, Māori, and Pasifika workers.

She examines both direct discrimination, where employers prefer men for certain roles (Hyman gives the example of a recent case at Talley's), and indirect discrimination because of unequal access to jobs, training, and the social structures and gender dynamics around childcare. However, Hyman does not examine the structural role capitalism plays in this (it is a short book, after all), giving the impression that these issues are more of a cultural nature than a structural-economic one.

Hyman goes on to propose some solutions that could change the position of women in the current economy. Equal employment opportunities were supported by the Labour Party and unions in the 1990s to increase women's access to jobs. However, as Hyman notes, this followed the orthodox economic view that the gender pay gap is due to life choices and only minor changes are needed to get women up to speed. The implication of this is typically individualistic, suggesting that women need

simply behave more like men in order to secure better-paying jobs. Hyman argues there is more potential for better outcomes when pursuing pay equity. The book has a useful summary of pay equity arguments, and Hyman is careful to note that lower-paid men are also disadvantaged by labour market differentials. She writes that 'her personal nightmare' is that women get 50 percent of jobs at all levels, but other wealth inequalities and racial discrimination continue to exist.²

Given that equal employment opportunities and pay equity cannot make significant change there is a need for more radical labour market policies, which Hyman outlines in chapter four. She argues that the minimum wage needs to be increased, a living wage implemented, a universal basic income introduced, and the power of collective wage bargaining (unions) strengthened. Again, she notes that what she is proposing for lower-income women must also apply to others disadvantaged by an economic system that privileges white, middle class, middle-aged men. However, Hyman's inclusion of a more radical transformation with a universal basic income is unfortunately very brief; she only goes as far as saying it is 'an option that begs for further exploration'.³

After reading the book, I was left with two main issues. First, while the summaries of unpaid and paid work, the gender pay gap, and the recent pay equity issues are all informative, the book lacks a clear analysis of underlying causes. This leads to a vagueness around what kind of radical shifts are necessary to make meaningful change. Hyman's solutions are alternative measurements, but not necessarily alternative structures. The overall solution to the problems she has outlined is a more 'compassionate economy', one which measures the economy differ-

2 Prue Hyman, *Hopes Dashed? The Economics of Gender Inequality* (Wellington: Bridget Williams Books Texts, 2017), 95.

3 *Ibid.*, 113.

ently, and allows people to 'lead rewarding lives'.⁴ This alternative is a compassionate and 'genuinely green economy', based on feminist values. While it may be that the book is simply too short to go into what Hyman means by this, neglecting to name capitalism as the underlying structural logic behind pay inequity is a significant weak point.

Second, I find myself frustrated with reading books about economics in general. Economic literacy is knowledge we all need to have. For instance, we need to understand why I am paid at one rate and you at another, if at all. We need to understand why one still needs to work five days a week when technological advancements have improved productivity to the degree that far fewer hours need to be worked. We need to understand why so many people are excluded from the paid workforce, and then made to feel as if they are to blame for a capitalist system that needs them to be unemployed so that inflation is kept under control. Everyone has the right to know why we do not have economic power and who takes it away from us, and to be part of generating solutions for change.

Comprehensive economic planning is now within the realm of possibility. We already know how to decarbonise the economy, and all the technology we need for this is already available. We know how to quantify the value of work, paid and unpaid, and how a liveable universal basic income could be implemented and paid for. Yet we believe that these things are impossible because people do not, as a rule, get to learn how the economy functions and have swallowed the myth that what is good for profit will be good for the rest of us. In New Zealand, for instance, despite plenty of figures to the contrary, many people still believe

4 Ibid., 122.

the myth that agriculture is the ‘backbone of the economy’.⁵ This allows dairy farmers to continue to pollute waterways, mistreat animals, and import palm kernel to feed stock, while at the same time claiming that their animals are 100 percent grass-fed. In reality, the service sector is the largest generator of economic wealth in New Zealand’s GDP,⁶ and it is dominated by a largely underpaid female workforce, as detailed by Hyman.

While it is useful and important to have economic writers such as Hyman who make this knowledge available, we also need to make visible the economic knowledge we all already have by being part of the economy. Rather than reading and writing more books about economics, then, some of us need to work out how to liberate economic knowledge so that the people most impacted by capitalism can be part of generating solutions. We need to develop economic information in a variety of forms—through workshops, YouTube channels, blogs, discussions, debates, theatre, songs, and so on. Instead of writing book reviews, then, I should be planning my next workshop on understanding the impact of neoliberal capitalism.⁷

5 David Ferrier, ‘Dairy’s \$3.6b Contribution to NZ Economy’. *Stuff*, January 3, 2001. <http://www.stuff.co.nz/business/farming/4508171/Dairys-3-6b-contribution-to-NZ-economy>.

6 Liz MacPherson, ‘Gross Domestic Product, December 2016 Quarter’. Stats NZ, March 16, 2017. http://www.stats.govt.nz/browse_for_stats/economic_indicators/GDP/GrossDomesticProduct_HOTPDdec16qtr.aspx.

7 Jim Stanford’s *Economics for Everyone* website is a good source of ideas for running workshops on economic literacy that gets to the heart of how capitalism operates. See <http://economicsforeveryone.ca/>.

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