LUND UNIVERSITY
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Gender Equality as the Road to Development

The Effectiveness of Smart Economics and Gender Mainstreaming as Growth and Development Policies. A Comparative Analysis.

by

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Abstract: Gender equality has been recognized as an important factor on the road to economic development. Smart Economics and Gender Mainstreaming are two gendered development discourses aiming to achieve economic development through reducing gender inequality. This study aims to assess to what extent these discourses have an impact on economic development. A difference-in-differences analysis is conducted on Ethiopia and Mozambique as they have, respectively, implemented Smart Economics and Gender Mainstreaming policies. Tanzania is used as the control country. Two indicators, GDP and HDI are used to measure economic development. I find that Gender Mainstreaming in Mozambique has had a positive influence on the country's economic development. Smart Economics in Ethiopia, however, has not had an impact on economic development. Different reasons for these results, among which culture as well as the inclusion of unpaid labour in policies, are discussed. This study is of relevance for policy makers and development experts and additionally contributes to the debates regarding gender equality in development and the effectiveness of these gendered development discourses.

Keywords: Smart Economics, Gender Mainstreaming, Gender Inequality, Economic Development, Ethiopia, Mozambique

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1 Introduction

1.1 Research Problem

Gender equality has not only become a buzzword, but also an important factor to be taken into account in development discourses and implemented using policies and projects. It has been found that gender inequality hampers development and economic growth due to factors such as reduced human capital and its inefficient allocation, but also through excluding a large part of the population (Morrisson & Jütting, 2005). For this reason, it even has its own sustainable development goal (SDG), SDG 5, even though there is a general 'reduced inequalities' goal (SDG 10) as well (United Nations, 2020b). The 2030 agenda for sustainable development also, again, includes achieving gender equality as SDG 5 (United Nations, 2020a). The first time gender equality was really put on the agenda was at the 4th World Women's Conference in Beijing in 1995 (Cornwall, 2014). After this, it has stayed on the development agenda, though its weight has been varying (Duflo, 2011). Gender equality is not only connected to SDG 5, but due to its indirect effects on economic growth and development it is also connected to SDGs 1, 3, 4, 8, 9, 10, and 16. The amount of SDGs connected to gender equality show its importance for achieving economic growth and equality.

There are several policies and strategies that can be implemented to achieve gender equality and economic development, of which Smart Economics and Gender Mainstreaming are the most well-known. Smart Economics is a gendered development discourse that aims to create economic growth and development through investing in access to education for girls and women as well as promote active labour force participation for women (World Bank, 2001). It is a discourse that has been very successful in attracting attention to the issue of gender inequality as well as persuading investment from international development banks and other international organisations (Cornwall, 2014). Gender Mainstreaming, on the other hand, is a gendered development discourse that aims to implement a gender perspective in all ministries and sectors, as well as in all levels of policy processes – from design to budgeting to evaluation (Sodani & Sharma, 2008). However, both discourses are not perfect and have received a lot of

support as well as a lot of criticism from both development and feminist scholars (Chant & Sweetman, 2012; Cornwall, 2014; Steccolini, 2019). Although both Gender Mainstreaming and Smart Economics are supported by large international development organizations as good policies to achieve both gender equality and economic growth, there is – as far as the author knows – no study yet that empirically tests the effectiveness of these discourses.

1.2 Aim and Scope

The aim of this thesis is to empirically compare the effect of Smart Economics policies and Gender Mainstreaming policies on economic growth and development, to be able to evaluate which policy is more successful in achieving its goal. As economic growth encompasses the idea of economic development, the aim of this thesis can be summarised into one research question:

"To what extent do Gender Mainstreaming and Smart Economics have an impact on economic development?"

Through answering this question, not only are the two discourses analysed in their effect on economic development, but it is also possible to critically compare them. This creates opportunities for further research and is also of relevance for policy makers and advisors in the development field. Through analysing their effectiveness, and comparing the two discourses, it is possible to give advice on which one is a better tool for achieving economic development. Additionally, answering this research question contributes to the existing debate that is ongoing among academia regarding the advantages and disadvantages of both Smart Economics and Gender Mainstreaming. On top of that, this study also contributes to the literature on gender equality as it empirically tests policies that aim to reduce gender inequality. This is of high relevance since gender equality is a requirement for economic development, and is again a SDG on the 2030 agenda for sustainable development (United Nations, 2020a). This thesis contributes to the knowledge necessary to achieve SDG 5, which aims to achieve gender equality.

To be able to answer the research question, a difference-in-differences analysis is performed on two countries. These countries are Mozambique and Ethiopia and were selected for this study as they are comparable in their stage of development and have clear gender equality discourses. Ethiopia introduced a Smart Economics discourse in 2010, while Mozambique introduced a Gender Mainstreaming discourse in 2003. Both these countries are compared with the control country Tanzania. Tanzania has had a similar development path as the two treatment countries and no budget allocated to a gendered development discourse, allowing for comparison with the treatment countries. The analysis is conducted over a period of 16 years, consisting of 8 years before policy introduction and 8 years with the policy in place. Even though the policies were implemented at different times in Mozambique and Ethiopia, using this set time frame allows for the results to be compared.

1.3 Outline of the Thesis

This thesis is structured as follows: in chapter 2, the existing literature and theories on the topic are reviewed. This chapter is split up into 3 parts. First the theories and frameworks are presented, after which the existing literature is discussed. The third section of chapter 2 explores the gendered development discourses Smart Economics and Gender Mainstreaming in more detail. The third chapter of this thesis presents the context, it discusses the countries that will be analysed in this study and their policies in more detail. Chapter 4, in turn, presents the data and the method used in this thesis, after which chapter 5 presents the results and sensitivity tests. The discussion can be found in chapter 6, after which chapter 7 consists of the conclusion of this thesis.

2 Theory and Related Literature

This chapter first reviews the existing theories and frameworks regarding the impact of gender equality on economic development. Next, it presents the related empirical literature, after which the gendered development discourses Smart Economics and Gender Mainstreaming are discussed.

2.1 Theories and Frameworks

2.1.1 Gender and Development

The importance of gender, or at least women, in relation to development has been recognised and since the early 1970s (Morrisson & Jütting, 2005). The most prominent contribution to the role of women in development was by Boserup (1970). She argues that gender inequalities and differences in productivity are negligible before the urbanisation and market growth of a country. However, she also argues that the formed inequalities can be reversed by policy makers promoting access to education, training, and the labour market for women. Though this is under the condition that patriarchal institutions are not strong, as then the status of women would not improve and they would remain excluded from the modern economy (Boserup, 1970). Boserup (1970) her work was the onset of the Women In Development (WID) approach. This concept mainly focussed on giving women access to education and capital to achieve equality (Morrisson & Jütting, 2005). The WID approach was strengthened even more during the 1980s economic crisis, when it became clear women were picking up the shortfalls created due to male unemployment, decreasing purchasing power and declining public provision of services (Chant, 2012). Finally, in 1995, during the fourth world conference on women in Beijing, women and gender equality were put on the development agenda (World Bank, 1995). From then onwards, investing in women has been a strategy for economic growth and development. Around the same time as the Beijing conference, scholars and feminists were starting to challenge the WID approach as it looks at women as a homogenous, voiceless group. This lead

to the rise of the Gender And Development (GAD) approach, which challenges existing social structures, power relations, and institutions (Morrisson & Jütting, 2005). Within GAD there is a strong focus on the male bias, which is seen as one of the causes of gender inequality.

Within both WID and GAD there are several policy approaches to achieve their aim, which in practice is gender equality and economic development. The two most known approaches are Gender Mainstreaming and Smart Economics. From a theoretical perspective, Smart Economics falls more under the WID approach, while Gender Mainstreaming is a GAD approach. This is because Gender Mainstreaming attempts to restructure the underlying institutions and takes into account the male bias in all areas. Smart Economics, on the other hand, focuses on achieving economic growth and development through improving access to education and the labour market for women. Both these strategies are discussed in more detail below.

2.1.2 Gender Equality

A. The Concept

When analysing development strategies that consider a gender perspective, gender equality is usually a factor that is taken into account. However, it also is a concept that is highly contested as there are different routes to achieve it, and even different definitions of what it entails (Walby, 2005). There are three major approaches to gender equality according to Walby (2005). The first is equality through sameness, which would mean equal opportunities and equal treatment. However, this would also entail that existing male norms stay the standard through encouraging sameness and women entering male domains. The second approach to gender equality is through equal valuation of difference. Here, it is accepted that women and men contribute to society in different ways, but these ways are equally valuated. The third approach would be through the transformation of gendered practices and standards of evaluation. This approach would entail a new standard for both men and women and transformed gender relations. Underlying these different approaches is the sameness/difference debate that has been ongoing within feminist theory (Walby, 2005). The debate questions the traditional equal opportunities policies and if they mean that it is only possible to gain equality if females perform at male standards. Additionally, there is the debate if sameness or difference should be strived

for in all areas. Generally, it is agreed upon that there needs to be sameness in spheres such as education, political, and public life. However, the private sphere, in particular family and care work, are left out of a lot of gender equality definitions. An example of this is the definition of gender equality by the Council of Europe (Council of Europe, 1998). As Walby (2005) argues, it might, theoretically, be possible to have equality through sameness in one domain and through difference in another, but this only if they are not coupled tightly. Possibly, family and care work could be coupled too tightly with equal opportunities and participation in the labour force for the two domains to have different routes to equality.

B. Impact on Economic Development

Even though gender equality is a topic that is always present when considering economic development, the exact impact it has is a debated topic among scholars (Cuberes & Teignier, 2014; Bandiera & Natraj, 2013). It is even debated in the theoretical literature if gender inequality affects economic growth and development, or if economic growth and development affects gender gaps (Cuberes & Teignier, 2014). Greenwood et al. (2005) theorizes that an increase in income per capita decreases the gender gap through the technological progress which comes hand in hand with economic growth. This technological progress could introduce labour-saving machines such as washing machines or vacuum cleaners, making it possible for women to become more active in the formal labour market (Greenwood et al., 2005). Galor and Weil (1996) agree with Greenwood et al. (2005) that economic growth leads to reduced inequality, but they theorize it is through reduced fertility, which leads to a demographic transition and faster output growth. Ngai and Petrongolo (2017) argues that economic growth leads to structural transformation and an expansion of the service sector. They assume women have a comparative advantage in the service sector, and so there would be a gender-biased shift in their favour. This theory, however, is based on the United States, and might thus not apply to developing countries as it has been shown that they do not necessarily follow the same structural transformation path as the early industrialising countries.

On the other side of the debate, there is Lagerlöf (2003) who argues that gender discrimination is a Nash equilibrium, and discriminatory behaviour such as educating boys more than girls will lead to higher income. Esteve-Volart (2004), based on evidence from India, argues the opposite. Her model shows that gender inequality in employment reduces the available stock of talent. This leads to distortions in the economy and inefficient allocations of talent, which in

turn leads to less innovation, reduced rate of technology adoption and a lower aggregate output. If women are completely excluded from the formal economy and specialise in home production, there will be lower aggregate productivity and hence lower GDP per capita (Cuberes & Teignier, 2014). Cuberes and Teignier (2012), in a quantified study, found that a gender gap in managerial positions leads to a decrease in the average talent of managers, reducing aggregate productivity. Additionally, they also show that gender inequality in labour force participation decreases income per capita.

The existing theories and studies, as displayed above, suggest a range of mechanisms through which inequality and economic growth or development can affect each other. However, there is a lack of studies attempting to quantify the aggregate cost of gender inequality and cross-country evidence does not show a causal link from inequality to growth (Bandiera & Natraj, 2013; Cuberes & Teignier, 2014). Though Bandiera and Natraj (2013) also argues that the lack of an identified causal link does not mean that the causal link does not exist. One of the reasons for the lack of quantified research and identification of causal links between inequality and growth is that most theoretical work is complex and arguably too ambitious, with variables that are hard to measure or quantify (Cuberes & Teignier, 2014). Another criticism for both the quantified and theoretical studies is that they do not identify the underlying reasons of why there is inequality in education in the first place (Bandiera & Natraj, 2013).

2.2 Empirical Literature

2.2.1 Education

When considering gender equality or development, or the combination of both, education is one of the first aspects that is mentioned. Within the literature that looks at the impact of gender inequality on economic growth, gender inequality in education is usually used as the inequality measurement. This is not only because of the wide availability of data, but also because of the clear mainstream economics theoretical framework supporting this (Baliamoune-Lutz & McGillivray, 2009). In mainstream economics, education is usually used as a proxy of human capital, where lower levels of education for males and/or females, is equal to lower human capital. Since human capital enters the production function with a positive coefficient, it theoretically has a positive effect on economic growth. This shows that, in theory, there is a

direct effect of female education on economic growth. However, empirical studies have shown that there are also indirect effects of female education on economic growth. In the next two sections, first the direct effect and afterwards the indirect effects of education on economic development are discussed.

A. Direct Effects on Economic Development

As mentioned above, there is a clear theoretical framework that indicates the direct effect of education on economic growth as education stands for human capital. This is supported by numerous empirical studies (Baliamoune-Lutz & McGillivray, 2009; Cabeza-García et al., 2018; Hadden & London, 1996; Karoui & Feki, 2018; Klasen, 2002; Licumba et al., 2015). Gender inequality in both literacy and education in general lowers the average level of human capital, directly and negatively affecting economic growth. Although most empirical studies find this relationship to be robust, there are also studies that put these results into a critical light.

Firstly, the evidence is from various parts of the world and these studies often use a cross-country or panel data set-up. This can result in biased results as the level of development of a country is not taken into account, and countries might have different levels and effects of inequality because of their different levels of development (Bandiera & Natraj, 2013). For example, Dollar and Gatti (1999) found that the impact of an increased female enrolment rate on economic growth is stronger in middle-income countries compared to low-income countries. Cuberes and Teignier (2014), in a review of literature on the relationship between gender inequality and economic growth also find that measurement error is an issue due to the comparability of data for different countries. Secondly is the issue of composition and selection effects (Cuberes & Teignier, 2014). The impact of education on economic growth might be biased and possibly overstated as educated girls often come from richer families (Duflo, 2011). Thirdly, the reason that the inequality in education exists may affect the impact of reducing the inequality (Bandiera & Natraj, 2013). For example, if the inequality is due to institutional barriers for girls, the impact of reducing these barriers and thus inequality might be larger than if the inequality is due to society's preferences of gender roles (Bandiera & Natraj, 2013). If the inequality would be due to the latter, reducing the education gender gap would have a limited impact on economic growth as the increase in girls and women joining the labour force would be limited. Lastly, Bandiera and Natraj (2013) argues that in a large part of the studies on the relationship between gender inequality in education and economic growth, no causal

relationship is proven. They claim it is essential to understand why there is a variation in inequality between different countries and if these reasons are endogenous to economic growth. As they are likely to be endogenous, reverse causality is a possibility, which is an issue for policy makers (Bandiera & Natraj, 2013).

B. Indirect Effects on Economic Development

Education also has indirect effects on economic development through a variety of variables. The first, and most acknowledged one, is fertility. When the proportion of educated females increases, fertility decreases (Baliamoune-Lutz & McGillivray, 2009). This, in turn, decreases the dependency ratio, which has a positive impact on income, and thus also on economic growth. This decrease in fertility and crude birth rate due to the decreased gender gap in education also positively influences children's education and even their health (Baliamoune-Lutz & McGillivray, 2009). Additionally, increased female education also increases the age of first birth for women, creates improved mother's health and decreases maternal deaths (Duflo, 2011; Hadden & London, 1996). Improving the gender equality gap in education through more female education also increased a country's life expectancy and improves basic needs provision (Hadden & London, 1996). All these mentioned factors, in turn, have a positive effect on economic growth.

However, the literature also shows that these effects can be of limited capacity due to aspects such as culture, society's preferences and social institutions. Bandiera and Natraj (2013) argue that if social institutions do not change, education will have a limited impact on economic growth as these may hinder women in joining the labour market. This would limit the return to schooling of girls and increasing this schooling through government level programmes will have a limited impact on economic growth as long as other social barriers are in place. In most theoretical models it is assumed that males and females receive equal opportunities when joining the labour force, but evidence suggests this is not always the case. Not only institutional barriers may affect this, cultural barriers can influence this as well. Factors such as unequal treatment in the household and the expectation that women do not work outside the home are conducive to less formal education for girls and fewer labour market opportunities.

As already briefly mentioned above, in a lot of studies there might be a problem of omitted variables or biases (Duflo, 2011). The association, for example, between a mother's education and children's education may be biased due to educated girls coming from richer families or marrying richer, more progressive husbands (Duflo, 2011). These husbands, potentially, in turn also have an influence on the child's health and the reduced fertility due to their acceptance of the usage of birth control. Other unobserved dimensions of female education might be correlated with ability, family and community background (Duflo, 2011).

Although the influence of education on economic growth is not proven to be causal, it is still generally accepted that reducing the gender gap in education will not only have a positive influence on growth, it will also help achieve other development goals (Licumba et al., 2015). A former president of the World Bank, during the fourth UN Conference on Women even argued that education for girls has a positive impact on every dimension of development (Duflo, 2011).

2.2.2 Labour force participation

The relationship between economic growth and labour force participation is quite clear in their mutually reinforcing impacts. Economic growth can create jobs and increase labour force participation, while increased labour force participation can generate economic growth. Although feminist scholarship has pointed out that labour markets are a type of gendered institution which is influenced by both the productive and the reproductive economies as well as wider social norms, the mainstream view in economics has considered labour markets as gender-neutral (Rai et al., 2019; Elson, 1999).

A gender gap in employment still persists and has been recognised, which has led to investment in increased female labour force participation. This is because closing the gender gap in employment is not only the equitable thing to do, it also would increase efficiency and positively influence other society-wide outcomes (Duflo, 2011). Marone (2016), in a study on the gender gap in labour force participation in Cabo Verde, calculated that closing the gap would increase the GDP by 12.2 percentage points. Although some scholars find that a gender gap, especially a gender wage gap, would increase economic growth (Seguino, 2000; Karoui & Feki, 2018), the majority of scholars finds that an increase in the labour force has a statistically

significant positive effect on economic growth and does not find this effect for gender inequalities (Cuberes & Teignier, 2012; Esteve-Volart, 2004; Ward, 2010).

However, it has been found that a variety of factors influence female labour force participation (FLFP), among which demographic factors such as fertility and childcare, economic factors including unemployment, income and infrastructure, but also other variables such as childcare policies (Kumari, 2018). Education, general market conditions and culture are the main determinants found of FLFP by several studies (Kumari, 2018; Jaumotte, 2003). Below, the impacts of social institutions and labour market conditions of FLFP is discussed in more detail.

A. Social Institutions

Social institutions are a combination of social norms, laws, traditions and codes of conduct and play an important role in determining the economic activities outside of the household a woman participates in (Morrisson & Jütting, 2005). Boserup (1970) argues that if the patriarchal social institutions are strong, women will continue to be excluded from employment as their status will not improve. Below, the concept of social institutions in relation to FLFP is split into the issue of unpaid work, and the influence of culture and are both discussed in more detail.

Unpaid Work

Even though the majority of women contributes to the economy in some way, a large part of their work remains undocumented and not accounted for in official statistics (Kumari, 2018). Compared to men, women at all income levels, spend more time on unpaid household and care work (Berniell & Sánchez-Páramo, 2012; Duflo, 2011; World Bank, 2011). In Cabo Verde, about 90 percent of the female respondents of a time-use survey reported that they spend an average of more than 60 hours per week performing unpaid household and care work (Marone, 2016). The time spent on unpaid housework is at the expense of spending time in the formal labour market (Berniell & Sánchez-Páramo, 2012; World Bank, 2011).

Although these ‘unproductive’ caring activities are critical for the formal, productive, economy, labour markets have failed to acknowledge this and even disadvantage those carrying out the majority of the reproductive work (Elson, 1999). The gender-segregated labour market depends on the unpaid reproductive activities, and thus women as they ensure the future’s labour force

(Rai et al., 2019). Based on this, it is clear that both paid and unpaid work is gendered and so are the formal and informal markets. Although it is not possible to prove a causal effect of unpaid work on low FLFP, the limited data that is available strongly suggests this (Marone, 2016). For example, in South Africa, electrification led to a 9.5 percent increase in female employment as it made household work more efficient, thus freeing up time for work in the formal labour market (Dinkelman, 2011). However, Walby (2005), rightly so, questions if it is equal participation in the labour market or unequal participation that is more consistent with gender equality. Unequal participation could entail equal valuation of paid and unpaid work, and thus mean equality (Walby, 2005).

Culture

Another way social institutions influence FLFP, is through culture (Fernández & Fogli, 2006). Although social norms influence both men and women's working environments, it has been found that labour force participation is more heavily influenced by the social environment for women than for men (Kumari, 2018). Factors such as traditional family norms and social customs are also found to influence FLFP, the wage gap, and limit or prevent access to opportunities for women (Bandiera & Natraj, 2013; Fortin, 2005). This is partly because of cultural attitudes on what is expected from women and other biases towards women (Duflo, 2011). Additionally, due to the traditional labour division, women are not able to accumulate as much labour market experience as men, which leads to further discrimination on the labour market (Kumari, 2018).

B. Labour Market Conditions

Labour market conditions are a combination of formal legislation, gender-based discrimination such as the gender pay gap, as well as the human capital stock available. These three factors are discussed individually below, in relation with their impact on economic development.

Legislation

Labour market institutions and their regulation play an important role in the institutional transformation necessary to achieve gender equality (Elson, 1999). This is because labour market regulations can be such that they not only allow for gender-based discrimination, they can even reinforce gender inequality (Elson, 1999). This is often shown through labour market differences between males and females (World Bank, 2011). It has been proven that gender-based discrimination not only hampers development, it also reduce the human capital formation (Morrisson & Jütting, 2005). Yet, discrimination against women is very persistent as it can be profitable, but this profitability would not last in the long run (Elson, 1999; Cuberes & Teignier, 2014). This shows that labour market legislation plays an important role in achieving gender equality while simultaneously generating economic growth and development. Legislation stimulating and supporting women to join the productive labour force would mean they are not restricted to using their talent just for home production, and would increase the average talent available on the labour market, which in turn would increase aggregate productivity and GDP per capita (Cuberes & Teignier, 2012).

Gender Pay Gap

As mentioned above, gender-based discrimination in the labour market can be profitable in the short run. This is usually through the gender pay gap. Seguino (2000) argues that having a gender pay gap generates cheap workers, who are even skilled if they are educated. These cheap workers could enhance economic growth. Cuberes and Teignier (2014), however, argue that this economic growth enhancement would stay in the long run as the wages of women would increase. Another way the gender pay gap could positively influence the economic growth of a country, is if the country is export-oriented, and can reduce production costs, and thus increase competitiveness, through low wages for the female labour force (Karoui & Feki, 2018). Though, again, over time and with economic growth, these wages would increase. However, these gender inequalities could give a boost to economic growth. For the gender pay gap to disappear though, as argued by Kumari (2018), the traditional value system of labour would need to be replaced.

Human Capital Stock

The gender gap in labour force participation leads not only to a reduced human capital stock available in a country, it also leads to inefficient allocation of this human capital stock (Esteve-Volart, 2004). The gender gap in labour force participation also reduces income per capita, as human capital investment and equilibrium wages are lower (Cuberes & Teignier, 2014). As Cuberes and Teignier (2012) argue, with a gender gap in access to managerial positions, the average talent among managers decreases due to inefficient allocation of the capital stock. In turn, aggregate productivity falls. The lower availability of talent also results in less innovation and a slower rate of adoption of technology. Both these factors also reduce the aggregate output (Cuberes & Teignier, 2014).

2.3 Gendered Development Discourses

2.3.1 Smart Economics

Smart Economics is a term first mentioned by the World Bank in 2001, and introduced as a development strategy in 2007 (World Bank, 2007; World Bank, 2001). The strategy rationalises investing Millennium Development Goal (MDG) 3, which is promoting gender equality and empowering women, as a good business case/smart economics. This is because gender equality could lead to more efficiency, better institutions and could have major benefits for economic growth (World Bank, 2007). Through Smart Economics, investing in gender equality became a business model, which helped convincing policy makers to invest in women (Cornwall, 2014). The instrumental approach that Smart Economics is has been successful in receiving funding and attention from major international development banks, corporate donors, bilaterals, and other development and international organizations.

As a result of most research regarding gender inequality being focussed on education and access to the formal labour market, the focus of Smart Economics as a development policy is on investing in girl's education and encouraging women to join the formal economy. Although this discourse has put women on the agenda, there is both support and criticism within a variety of fields related to development. Below, both the advantages of and the critiques on Smart Economics as a development strategy are discussed.

A. Advantages

One of the main advantages of Smart Economics is that it is a clear and straightforward discourse that does not require governmental reorganization, cultural changes, or specialised expertise. Additionally, through framing investing in women as a business case – which in effect is instrumentalising females - Smart Economics has been able to focus the attention of the important actors in the development field, as well as national governments, towards the existing gender gap in education and the discrimination faced by girls (Cornwall, 2014). Although feminists critique the instrumentalisation of females (Chant & Sweetman, 2012), the discourse of Smart Economics has significantly increased investments in gender equality. It has been successful in showing that paying attention to women pays in dividends and that the cost of excluding girls and women is high (Cornwall, 2014).

An example of how important of a role Smart Economics can play in an economy is shown by the case of Nigeria. Although Nigeria has been experiencing high economic growth, the standards of living have not increased, there have not been improvements in employment and the gender inequality in the labour force continues to increase (Ola-David & Oyelaran-Oyeyinka, 2014). Nigeria, although it has macroeconomic policies with the aim of full productive employment, has been experiencing jobless growth. An interesting aspect of Nigeria's labour market is that the informal labour market is the largest creator of new jobs (Ola-David & Oyelaran-Oyeyinka, 2014). However, the participation of women in the informal labour market is low due to barriers they face (Fapohunda, 2012). This shows that Nigeria's labour market policies are not reaching women, who consist of half of the population. As Ola-David and Oyelaran-Oyeyinka (2014) point out, Nigeria has failed to include a gender dimension in their labour-market policies, and thus has been unable to reach a large part of the population, leading to jobless growth. They, in turn, advocate for a Smart Economics approach in Nigeria, as it is a straightforward approach and would help reach the part of the population that is not reached now. This example shows how Smart Economics can play an important role in achieving gender equality and stimulate economic growth. For this reason, Smart Economics is called a win-win scenario.

B. Critiques

Although Smart Economics is a development strategy supported by large development organizations such as the World Bank and the United Nations, it has also received criticism from scholars of a variety of fields. The lack of structural change and the added responsibility for women are two of the main critiques. These are discussed in more detail below.

Structural Change

Although it emerged during a time where GAD was already present, Smart Economics is a direct descendant of WID. The development strategy, just like WID, sees empowering and investing in females as a way of enhancing economic growth. This, however, is what the main point of critique is based on. One of the reasons for the shift from WID to GAD was that the structural, underlying, social and economic problems were not addressed within WID. Smart Economics does not address these either (Chant & Sweetman, 2012). When considering the three approaches to gender equality by Walby (2005), it can be said that Smart Economics falls under the first approach, which is equality through sameness. Smart Economics, especially in relation with the part that encourages women to join the formal labour force, aims for women to receive equal opportunities as men. It does not take into account that women are often active in the informal activity and home production. Expecting mothers to join the formal labour force on top of the home production and caring responsibilities they already have leads to increased labour burdens (Chant, 2012). As Moser (1989) argues, women often have triple roles, as a caregiver, an income earner, and a community member. Increasing the pressure on the employment part of their roles should go hand in hand with alleviating some of the other work. However, Smart Economics does not implement structural changes which could alleviate some of the home production and caring work women do (Chant & Sweetman, 2012). Other structural changes, such as inheritance laws unjustly discriminating women, gender pay gaps, and unequal representation in parliament, though they are not directly linked to education or labour force participation, would also need to change to enhance economic growth and ensure gender equality.

Additionally, Smart Economics as a development discourse does not tackle the structural social and economic problems which lead to gender inequality in the first place. Without taking away gender bias in institutions, and structural barriers to the capabilities of women, gender equality

will not be reached (Moser, 1989; Boserup, 1970). Smart Economics, just as WID, fails to address the deeply-rooted nature of processes that create as well as enable hierarchies, inequality and injustice based on sexual difference (Cornwall, 2014). Field et al. (2010), for example, found that traditional institutions constrain female entrepreneurship, showing the importance for development policies to address these institutions to achieve gender equality.

Moreover, Smart Economics does not take into account the implications of changing gendered power relations due to shifts in intra-household allocation (Duflo & Udry, 2004) nor does it take into account the impact of culture and values. Kumari (2018), in a study on the determinants of female labour force participation, finds a significant impact of culture. This is also the case in Ethiopia, as further discussed below.

Women's Responsibility

Through the discourse of investing in women to reduce gender inequality and create economic growth, a shift in responsibility happens (Chant & Sweetman, 2012). A prime example of this is the Girl Effect campaign of the Nike Foundation, which gives the message that when you invest in girls, they will do the rest, as in they will change the course of history by alleviating countries out of poverty (Girl Effect, 2009). This, just as Smart Economics, oversimplifies complexity and shifts responsibility (Chant & Sweetman, 2012). Not only does it shift the responsibility of alleviating poverty and creating economic growth to women, Smart Economics also leaves men and boys out of the picture (Chant & Sweetman, 2012). Through representing females as the promising investment, or even the 'solution', males are portrayed as the obstacles in girls and women's way (Cornwall, 2014). However, as Cornwall (2014) points out, if economic growth is created by unleashing girls and women's potential, engaging boys and men in the process is equally as important as empowering women. Reducing the obstacles through reforming violent men, eliminating harmful traditions, and encouraging men to have safe sex and be better fathers and partners is an important step in the process. Engaging men and boys and reframing masculinity into a healthy and non-violent form is critical in ensuring gender equality and in promoting rights of girls and young women (Cornwall, 2014).

2.3.2 Gender Mainstreaming

Gender mainstreaming is a strategy with the aim of reducing gender equality and overcoming women's marginalisation (Kelkar, 2005). It is a process that takes place at all levels of the government and implements a gender perspective in all these levels. Gender mainstreaming is a type of GAD discourse and would fall under the third approach to gender equality by Walby (2005) as it aims to transform gendered practices and the standards of evaluation. Gender mainstreaming was first introduced at the 1995 Beijing conference (Adusei-Asante et al., 2015). Since then, it has become the overarching gender policy in a number of large development agencies and organizations. It has also been encouraged to be implemented as a tool to achieve gender equality, reduce poverty and create sustainable economic development. However, the aspirations of feminists and development theorists and practitioners of the possible social transformation have not been fulfilled (Mukhopadhyay, 2014). Although gender has been institutionalised, there is concern by both feminists and gender and development experts on the implementation of gender mainstreaming and how it could lead to further marginalisation of women through decentralising the ministry of gender and women's affairs (Moser & Moser, 2005). One form of gender mainstreaming, Gender Responsive Budgeting (also called gender budgeting or gender sensitive budgeting), aims to put a process in place that holds governments accountable. This form of gender mainstreaming as well as its advantages and criticisms are discussed in further detail below.

A. Gender Responsive Budgeting

Gender responsive budgeting (GRB) is a form of gender mainstreaming where there is a focus on implementing a gender perspective in the budgeting process. This discourse does not only involve ministries such as finance and women's affairs as coordinating actors though, it involves all ministries at the central government level as well as local governments and other spending agencies (Sarraf, 2003). GRB forces governments and policy makers to include a gender perspective at all levels of the process, from design to budgeting, implementation and evaluation. Already in 1997, through a review of the World Bank projects, Murphy (1997) found that projects taking into account gender relations in their design and implementation were more successful in achieving their objectives compared to projects without a gender

perspective. Yet, even though its impacts are clear and there is agreement on the potential benefits, GRB is not as widely used as expected (Steccolini, 2019).

B. Advantages

A common critique of gender mainstreaming is that it decentralises 'gender' within a government, which could lead to the marginalisation of the issue as most ministries have no gender expertise and do not see gender as a priority. However, GRB tackles this issue by implementing procedures that promote gender equality in a systematic way throughout the entire budgeting cycle (Steccolini, 2019). This does not mean only in the preparation and the approval stages of the budgeting process, but from design to execution and reporting and evaluation. Through this systematic way, and by also ensuring gender perspectives in the reporting and evaluation step of the process, governments can be held accountable for their work towards gender equality (Holvoet & Inberg, 2014). Additionally, this process ensures gender awareness by all ministries and policy agencies, also in areas such as electricity and transport that are often deemed 'gender neutral' (Sodani & Sharma, 2008). Through this, investment in gender equality is not only focussed on 'female' sectors such as health and education. Another benefit of GRB, in line with the previous, is that it enables more effective targeting of public expenditure, and could avoid and even offset undesirable consequences related to gender bias in budgetary measures (Sodani & Sharma, 2008). This is because GRB does not intend to just share the expenditure 50-50 between males and females, but aims to create equal benefit and reach of the allocated resources (Okwuanaso & Erhijakpor, 2012). According to Okwuanaso and Erhijakpor (2012), the only way to achieve gender equality in reach and benefit of policies and government expenditure is through implementing gender concerns in the national budgeting process.

Another, underreported, benefit of GRB is that it can increase the visibility of women's unpaid work. The unpaid care work performed by women is a major contribution to the economy, and increased economic efficiency is difficult to be achieved when this part of the economy is ignored (Sodani & Sharma, 2008). GRB has the potential of increasing visibility on this issue, and prioritising expenditure in these areas. In this way, it can even become a driver of cultural changes, including changes that can enhance the country's economy (Steccolini, 2019).

Although GRB has not reached its full potential yet, partly because of some of the disadvantages explained below, it has already shown to be successful to a certain extent, and it is generally agreed upon that it has potential for more (Steccolini, 2019). One part of this potential for more is that the systems and procedures put in place can also be used to tackle other forms of discrimination and inequality, such as ethnicity, poverty status, location, age and class (Sodani & Sharma, 2008).

C. Critiques

Even though the potential benefits of GRB are widely recognised, there also is quite some criticism on the discourse. A first point, that extends to gender mainstreaming and GAD in general, is that when it is not implemented or followed-up well, it can lead to a reduced focus on gender issues due to the decentralising nature of GRB. Feminists have warned for governments using gender mainstreaming officially, but not allocating the funds, and with no gender focussed ministry in place, as this could lead to the neglect of gender-related issues and inequalities (Moser & Moser, 2005).

Another often criticised issue of GRB is the lack of gender disaggregated data and gender analysis expertise (Sodani & Sharma, 2008; Steccolini, 2019). Although there is increasingly access to gender-disaggregated data in fields such as education, labour force participation and health, there still is a major lack of data in the more ‘gender-neutral’ fields such as, among others, electricity and transportation. The scarcity of this data, in turn, makes it hard to accurately perform gender analyses and allocate expenditure in a gender sensitive way. Additionally, there also is a lack of gender analysis expertise, as in persons within the different ministries who are trained to be able to perform a gender analysis and introduce a gender perspective within the department. This scarcity of data as well as resources and skills could also indicate an underlying lack of commitment from policymakers, leaders and other government officials (Steccolini, 2019).

Linked with this issue of commitment, is the necessity of a cultural change and underlying gender-responsive logics for GRB to be able to be fully implemented (Steccolini, 2019). Not only is there a necessity for leaders to be open and committed to GRB, all ministries and even local governments have to be supportive of GRB for the discourse to work. The cultural change

and switch in mindset this requires from such a broad array of people is often difficult the achieve and may impede the successfulness of GRB.

Additionally, GRB is sometimes called women-budgeting or is seen as creating a separate budget for women. This is a common misconception due to the association of gender with women. However, this is not the intention of GRB. Regardless, this has caused projects to be jeopardized. For example, in Ghana, a development project that implemented the GRB discourse was jeopardized by the villagers where this project was being set up because they felt it was just focussed on women and would only allocate funds to females. In this case, there was not only an issue of the misunderstanding of GRB, it also became clear the culture was not ready for GRB to be successfully implemented (Adusei-Asante et al., 2015).

When taking into account the different points of difficulties and criticism regarding GRB, and considering it is said its full potential is far from being reaped, even though gender mainstreaming came about in 1995, it can be questioned if its full potential will ever be reached. In order for GRB to be fully effective, the above obstacles, among which a gender-biased culture, the scarcity of gender-disaggregated data and gender analysis expertise, as well as the lack of appropriate budget allocation need to be tackled (Sarraf, 2003). These are quite large obstacles, which could take a long time before they are tackled and GRB can be used to its full potential.

3 Context

This chapter provides context regarding the countries analysed in this study. These countries are Ethiopia, Mozambique, and Tanzania as a control country. Ethiopia and Tanzania are located in Eastern Africa, while Mozambique can be found in Southeastern Africa. The three countries have similar levels of GDP per capita (see figure 1) and HDI (see figure 2), which signifies similar levels of economic development.

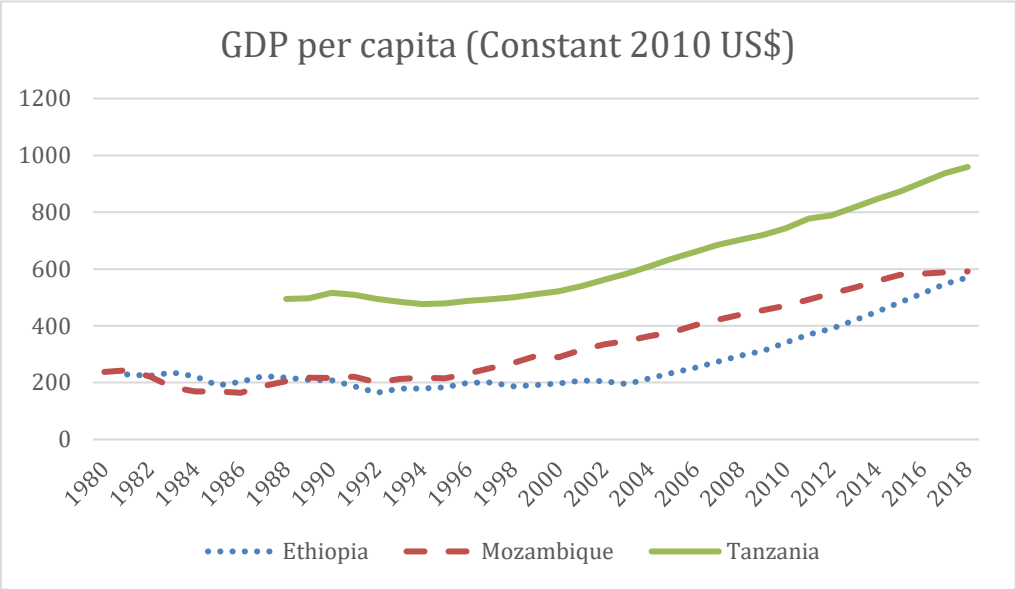

Figure 2: GDP per capita

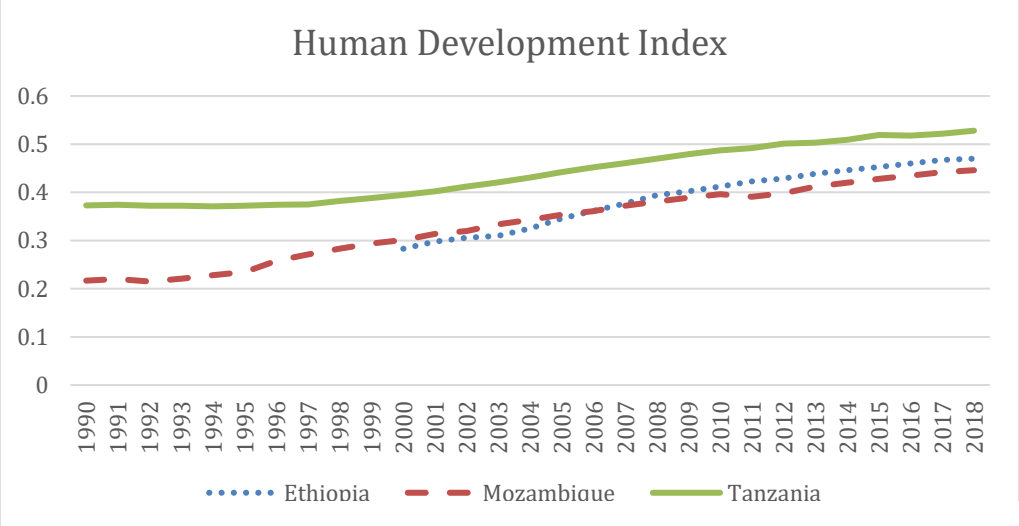

Figure 1: Human Development Index

3.1 Ethiopia

Ethiopia is a landlocked country located in Eastern Africa, bordering Somalia on the west (CIA, 2020). It is a large country, with a population of 108 113 150 people, divided among more than 8 ethnic groups (CIA, 2020). Ethiopia has been experiencing high economic growth and is determined to become a middle-income country by the mid-2020s (Federal Democratic Republic of Ethiopia, 2016).

3.1.1 Gender Equality and Smart Economics in Ethiopia

Although Ethiopia has been experiencing rapid economic growth in the past decades, gender inequality has been hampering its development process (Environmental Protection Authority, 2012). Low empowerment of women and high gender inequality question the likelihood of the sustainability of the development in the long run (Bayeh, 2016). However, the Ethiopian government has been working towards gender equality as it has recognised this to be a necessity for sustained economic growth and development (Federal Democratic Republic of Ethiopia, 2010). In 2004, a 30 percent party gender quota was introduced, which increased the representation of women in parliament (Abebe & Woldeyesus, 2013). Additionally, in 2006, a women's caucus was set up in the parliament, with gender mainstreaming, reviewing legislation and budgets from a gender point of view and organizing gender trainings as its main objectives.

However, even though all female MPs were members of the caucus, a large part of them did not believe the caucus would make a difference in promoting gender equality issues (Abebe & Woldeyesus, 2013). Some even believed nothing would come of it. This is linked to one of the key challenges female MPs faced in addressing women issues. Abebe and Woldeyesus (2013), in a study on the influence of female parliamentarians on gender equality issues found that there was a negative attitude to women's leadership and that it was hard to introduce gender issues due to the attitude of other (male) parliamentarians. It was in such that even male members of the Women's Affairs Standing Committee were addressed as 'Wro', which stands for 'Mrs', by people aiming to undermine them. Additionally, women also indicated the risk for their career as an issue to bringing up gender equality. They felt they had to prove themselves through contributing on topics that were the main focus of their parties instead of focusing on gender equality (Abebe & Woldeyesus, 2013).

The main policy introduced to contribute to gender equality is the prestigious Growth and Transformation plan, which was launched in 2010 with the aim to achieve sustained economic growth and the country becoming a middle-income country by the mid-2020s (Federal Democratic Republic of Ethiopia, 2010). The main pillar strategy of this plan is to empower women and girls, and particularly to emphasize women's participation in the economy. This, in effect, is a Smart Economics policy, which is especially shown through the quote "*unleashing the power of girls and women will have profound effect on the speed, equity and sustainability of Ethiopia's growth and development*" (Federal Democratic Republic of Ethiopia, 2010, p12). However, Bayeh (2016) and Solomon and Memar (2014) argue that women are still largely excluded from the formal labour market and have inadequate access to education, further impeding their opportunities on the labour market. Part of the lack of access to education for women is due to traditional customary attitudes and cultural and social practices. Dayanandan (2011), for example, found that women's mobility is often restricted by their spouses, restricting them from participating in the formal economy and contributing towards Ethiopia's economic growth and development.

3.2 Mozambique

Mozambique is located in Southeastern Africa and borders the Mozambiquan channel. Its population counts 30 098 197 people spread among more than 5 ethnic groups (CIA, 2020). Mozambique is a former Portuguese colony, which gained independence in 1975. Although the country struggled with economic development right after independence, this picked up (see figure 2) and is now at a similar level of development as Ethiopia and Tanzania.

3.2.1 Gender Equality and Gender Mainstreaming in Mozambique

Gender equality is at the centre of Mozambique's political, economic, and social policies (Ibraimo, 2003). This is thanks to its Gender Mainstreaming initiatives. Mozambique's first attempt at Gender Mainstreaming was in 1998, where the Ministry of Planning and Finance wanted certain sector ministries to create gender-disaggregated human resources and investment budgets (Budlender, 2008). However, this initiative was suffocated due to insufficient capacities and an ongoing restructuring of the Ministry of Planning and Finance.

The second, successful, initiative was launched in 2003 with the help of UNIFEM (Holvoet & Inberg, 2014). It consists of a first phase from 2003 to 2005 and a second phase from 2005 to 2008. The phases after that just focus on maintaining the past efforts. The first GRB phase focused mainly on raising awareness and capacity building among key actors such as the national women's machinery and planning and budgeting officials as well as certain line ministries (Budlender, 2008). The second phase, in turn aimed to use the built capacity to implement gender dimensions in national policy, planning and budgetary processes (UNIFEM, 2006). Additionally, several key issues were selected for pilot projects, among which violence against women, HIV/AIDS prevalence among women and maternal health.

An important achievement of the GRB initiatives is the implementation of a gender dimension into the national budget-orientation guidelines. These guidelines are used for operationalising medium-term policies and strategies that are specified in the 5-year national development plan as well as in the policy aimed to eradicate poverty (Holvoet & Inberg, 2014). Additionally, it is now also required for sectors to indicate the likely impact of their goals on gender equality (Budlender, 2008). These achievements are part of the long-term objectives concerning women set out, which include:

1. "*Increase the awareness on the women rights in the society*
2. *Introduce the gender perspective in the policy formulation and analysis, and in the national development strategies*
3. *Enhance women participation in all decision-making levels and in all political, economic, social, and cultural areas, while offering her equal opportunities and positive discrimination*
4. *Review all gender biased legislation*
5. *Improve working conditions for mothers*
6. *Increase women enrolment and higher education achievements*
7. *Support the female head of households whose living standards are low*" (Ibraimo, 2003, p6)

As can be seen, these long-term objectives focus on all segments of the society and all sectors of the economy. In line with these objectives, several ministries have been selected for extra focus on gender issues. There are the ministry of education, health, agriculture and rural development, as well as the ministry of labour and the ministry of planning and finance (Ibraimo, 2003). Including gender dimensions in these ministries and their policies combines a

lot of both the direct and indirect effects of gender (in)equality on economic growth and development.

However, it is also criticised that the GRB initiatives in Mozambique have so far mainly remained within the government apparatus and not yet been implemented downwards vertically in non-governmental organizations (Holvoet & Inberg, 2014). Additionally, the power of the country's women machinery is not yet strong enough, impeding it from achieving more (Holvoet & Inberg, 2014).

3.3 Tanzania

Tanzania, officially called the Republic of Tanzania, is located in Eastern Africa and is in size larger than Mozambique but smaller than Ethiopia. Tanzania has a population of 58 552 845 inhabitants, with several ethnic groups and more than 130 tribes (CIA, 2020). Tanzania used to be a British colony, gaining independence in the early 1960s. Back then it was called Tanganyika, and after merging with Zanzibar in 1964 it became the Republic of Tanzania. As can be read from figures 1 and 2, Tanzania is, based on HDI and GDP, slightly more developed than Mozambique and Ethiopia, though still similar enough to be comparable.

Tanzania, as most countries, has some form of gendered development discourse. It, officially, has a gender mainstreaming discourse, but research has uncovered that no budget is being allocated to this (Holvoet & Inberg, 2016). Without a budget, gendered development discourses cannot be implemented, nor can they impact economic development. This, together with the similar level of economic development, allows for Tanzania to be an appropriate control country in this study.

4 Method and data

This chapter discusses the data and method used in this study. First, the method used is explained and the econometric model presented, after which the empirical strategy is laid out. Next, the data sources and their limitations are discussed, after which the descriptive statistics of the model's variables are presented.

4.1 Method

4.1.1 Difference-in-Differences

In order to be able to answer the research question on the impact Gender Mainstreaming and Smart Economics have on economic development, a quantitative, econometric method is used. Based on Creswell (2013), it is clear that the most appropriate approach to apply in design and structure is the difference-in-differences analysis. This approach is applied twice, once for Mozambique to investigate the effect of Gender Mainstreaming, and once for Ethiopia to see the impact of Smart Economics. The treatment is the introduction of the gender mainstreaming policy in 2003 in Mozambique and the introduction of the smart economics policy in Ethiopia in 2010. For both treatment countries, Tanzania is used as a control country. The treatment only affects the country the policy is introduced in, and thus not control country Tanzania. For both analyses, the time frame used is 8 years without policy (before policy introduction) and 8 years with policy (from policy introduction onwards). This means that the difference-in-differences analysis for Mozambique uses data between 1995 and 2010, and for Ethiopia between 2002 and 2017.

4.1.2 Model

The following econometric model, based on the above literature study, is used to apply the difference-in-differences analysis on the formed dataset:

$$Y_{it} = \beta_0 + \beta_1 treat_{it} + \beta_2 policy_z + \beta_3 did_{z,it} + \beta_4 X_{it} + \epsilon_{it}$$

This model measures the effect on the outcome *Y* (economic development, proxied by both the natural log of GDP and HDI), for each country *i* in year *t*. $treat_{it}$ is a dummy variable indicating if the country is the treatment country (dummy = 1) or the control country (dummy = 0). The dummy variable $policy_z$ stands for whether the policy has been introduced. In the Mozambique regression, this dummy variable is 0 for all years before 2003, and 1 from 2003 onwards. In the Ethiopia regression, this dummy variable is 0 for all years before 2010, and 1 from 2010 onwards. $did_{z,it}$ is an interaction of $treat_{it}$ and $policy_z$, and indicates the difference-in-difference output of the regression analysis. X_{it} is a vector of control variables, which include ODA, population, prevalence of female genital mutilation, and corruption.

4.1.3 Empirical Strategy

To assure the validity of the above model, several sensitivity tests or robustness checks can be performed to verify the results. These tests can be found in the section 5.2. The difference-in-differences approach has a central assumption, the common (or parallel) trends assumption, that needs to be met. This assumption stands for that the treatment and the control country need to have been on the same trajectories before the imposition of the treatment (Jakiela & Ozier, 2018). If this assumption is not met, the difference-in-differences analysis cannot identify the treatment effect. This assumption can be checked by graphing the outcome variable, as presented and discussed using figures 1 and 2. Additionally, to further test the robustness of the model, the placebo strategy is used (Vermeersch, 2007). This means that the variable $policy_z$ is changed in such a way to make it seems the policy was introduced at a different time. This is done to prove the effect measured can be attributed to the policy introduced.

These tests are done to assure the assumption of the model holds, and also to address some of the limitations of the difference-in-differences method. This method, as it is here, is frequently used to assess the impact of policies. However, Bertrand et al. (2004) point out that a common

flaw of the method is the endogeneity of the treatment to the observed effect, which would produce invalid results. This, however, should not be an issue in this case for either of the countries. In Mozambique, the Ministry of Planning and Finance already tried to introduce an initiative to break down investment budgets as well as human resources by sex (Ibraimo, 2003). This initiative, however, was suffocated due insufficient resources available. In 2003, UNIFEM came in and assisted the implementation. This shows that the implementation of the policy was not endogenous to economic growth and development. Additionally, financial support received by UNIFEM for the implementation is controlled for. In the case of Ethiopia, the Smart Economics policy was a response to underperforming poverty alleviation policies in the preceding years. As a solution, the Ethiopian government implemented the promising concept of Smart Economics to create economic growth and development and alleviate poverty (Kumar & Quisumbing, 2015). The implementation of this policy is, thus, not endogenous to higher economic growth or development. Another possible bias when using the difference-in-differences method is bias in the standard errors (Bertrand et al., 2004). They, however, propose the solution of limiting the amount of data points used. Hence, to avoid bias in the standard errors, the analysis in this study is limited to 8 data points before and 8 data points after policy introduction.

4.2 Data

4.2.1 Source

The data to assemble the dataset for this study is gathered from a variety of sources and covers the countries Mozambique, Ethiopia, and Tanzania between the years 1995 and 2017. The majority of the data was extracted from the World Bank Databank, in particular the Gender Statistics Database and the World Development Indicators Database (World Bank, 2020a; World Bank, 2020b). Although this data is generally deemed reliable, there is no control over the quality of it. However, in case biases would exist, it is assumed this would be the same for all countries and, thus, not affect the analysis. Additionally, by not using national statistics, differences in definitions creating possible measurement errors is controlled for. One pitfall regarding the data on female genital mutilation prevalence was that there was no data for Mozambique and quite some missing datapoints for Ethiopia and Tanzania. Regarding

Mozambique, upon further research, it was found that FGM is not practiced in the country. This would be the reason for neither UNICEF, nor the World Bank having data available on FGM in Mozambique. However, a report by the United Kingdom: Home Office (2008) as well as the OECD Gender, Institutions and Development Database suggest that the FGM prevalence in Mozambique has been constant at around 0.4 percent (OECD, 2020a). Hence, this number is used for all the data points for Mozambique. To deal with the missing data points for Ethiopia and Tanzania, as no more complete data was available through other sources, the data was manually manipulated. As there were several data points that were not too far apart in time, and the difference was not large, a continuous decrease or increase to the next data point was calculated. This is deemed appropriate as a practice such as FGM is deeply cultured and does not fluctuate much in numbers from year to year.

Due to some data on corruption and aid not being included in the World Bank datasets, other sources were used for these variables. For corruption, the Corruption Perception Index (CPI) was used, for which the data is freely available on the website of Transparency International (Transparency International, 2020). Unfortunately, this data is only available between 1998 and 2014. So, in the Mozambique dataset, there are 3 missing data points and in the Ethiopia one there are 2 missing data points. Additionally, from 2012 onwards the reporting of the CPI slightly changed. While before, a CPI value would have been 2.7, from 2012 onwards this changed to 27. Though a change in the reporting took place, after multiplying all the pre-2012 data by 10, the data should be comparative as no major changes in definition or such occurred (Transparency International, 2020). For data on aid, the data for Official Development Assistance (ODA) from the OECD database was used (OECD, 2020b). Although this is accurate and reliable data that is available for all the relevant years for every country, this indicator does not reflect all the aid received, resulting in some aid that could stimulate economic development not being controlled for. However, the ODA data is the most reliable, and it is assumed that the aid not included in this that would stimulate economic development would be similar across all countries and thus not introduce any major biases in the results.

4.2.2 Descriptive Statistics

In this section, each variable used in the model is presented, described, and discussed individually. The variables are divided into three categories, being dependent variables, independent variables, and control variables.

A. Dependent Variables

The aim of this study is to evaluate the effect of the policies on economic development. GDP is the most commonly used indicator to measure economic development. However, considering the ongoing debate and the criticism on GDP as a development indicator (Simonova, 2019), a second indicator, HDI is used as a second proxy. Although both these variables are flawed in their representation of economic development, they are currently the best available proxies that can be used for the estimation. Through using two indicators to capture economic development, a more accurate result will be able to be presented compared to using just one. Additionally, it will be interesting to see the difference in impact between the two different proxies. A difference in the impact is expected since HDI is a broader estimator compared to GDP. As the distribution of GDP was skewed to the left, the natural logarithm was taken of it to normalize the distribution. This avoids bias in the results due to outliers.

HDI stands for the Human Development Index, and is a development estimator calculated as a part of the Human Development Reports of the United Nations Development Programme (UNDP, 2020). The HDI was created in response to economic growth indicators being used to measure a country's development. It is also a good indicator to critically analyse national policy choices (UNDP, 2020). The HDI is a summary measure of several dimensions that indicate a country's development. These are a long and healthy life measured through life expectancy at birth, being knowledgeable which is measured using both expected and mean years of schooling, and third, a decent standard of living which is measured through GNI per capita using PPP prices. The geometric means of these indicators are then used to build the index (UNDP, 2020). It should be kept in mind though that the HDI only considers the human part of development, and does not take into account gender issues, inequalities or poverty. Other indexes do exist that consider these factors, but these indexes often have numerous missing data points or lack data going back to 1995. For this reason, HDI was, additionally to GDP, selected as a development proxy in this study. The HDI can be used in two ways; one is to rank the countries relatively, and the other is to use the HDI score each country receives. In this study, the score is used as this gives the best representation of a country's individual achievement. The global rank is not only influenced by a country's performance, but also by the relative performance of other countries. This would, thus, not be suitable for this study. The higher the HDI score, the more developed a country is.

In the table 1 below, the descriptive statistics of the two dependent variables can be found. The mean of the dependent variables is presented for each country before the introduction of the policy and after the introduction of the policy. These means are calculated using the time-period used in the regression analysis, which is 8 years before policy introduction and 8 years from policy introduction onwards.

Table 1: Descriptive Statistics of the Dependent Variables

Country	Variable	Dataset	Mean before policy	Mean after policy
Ethiopia	lngdp	Ethiopia	23.66316	24.45983
Tanzania	lngdp	Ethiopia	23.91582	24.40796
Tanzania	lngdp	Mozambique	23.50011	23.97906
Mozambique	lngdp	Mozambique	22.25845	22.88663
Ethiopia	hdi	Ethiopia	0.35275	0.441125
Tanzania	hdi	Ethiopia	0.446	0.506375
Tanzania	hdi	Mozambique	0.3875	0.455375
Mozambique	hdi	Mozambique	0.2845	0.36625

As can be seen, all three countries are very comparable in levels of economic growth before the policy introduction. This makes them appropriate countries for comparison in this study. The means are also presented for the period where the policy is in place. As can be seen, the means slightly increase, also for Tanzania. This is due to regular development. The regression analysis presented in the results section (section 5.1) will discuss to what extent this is due to the policy introduction.

B. Independent Variables

The independent variables are treat, policy, and DID. These variables are an important part of the difference-in-differences analysis set up.

Treat is a dummy variable, which is equal to 1 for the country that is the treatment country, and equal to zero for the control country. Policy is also a dummy variable, which is for both the treatment and the control country equal to zero in the years before the policy was implemented and 1 from policy implementation onwards. Policy is, thus, equal to zero for the years 1995 to 2002 in the Mozambique dataset and for the years 2002-2009 in the Ethiopia dataset. It is equal to 1 for years 2003-2010 and 2010-2017 in the Mozambique and Ethiopia datasets, respectively.

DID is an interaction variable created by interacting the dummies treat and policy with each other. DID stands for Difference-in-Differences, as this variable shows the effect of the policy. This interaction creates the categories represented in the matrix below. As will become clear below in the presentation of the results, the significance as well as coefficient of this indicator are of prime importance in the evaluation of the effectiveness of the policies.

Table 2: Difference-in-Differences Matrix

Treat / Policy	Policy Not Introduced (0)	Policy Introduced (1)
Treatment Country (1)	0	1
Control Country (0)	0	0

C. Control Variables

Based on the literature review, several indicators were selected to serve as control variables. These variables are ODA, population, FGM prevalence and corruption.

ODA stands for Official Development Assistance, and is an indicator constructed by the OECD. It gathers the flows of financial aid to both countries and to multilateral institutions (OECD, 2020c). Transactions included within ODA must have as their main objective economic development and welfare of developing countries and should contain a grant element within it

of at least 25 percent and be concessional in character (OECD, 2020c). Additionally, the assistance should be provided by official and executive agencies. This includes state and local governments (OECD, 2020c). ODA, thus, does not account for all financial aid or loans received by the countries in this study. However, due to the nature of some aid and loans, these might not always promote or stimulate economic growth and development. Hence, ODA is used as a proxy for financial aid assistance, as it controls for aid that specifically targets the outcome variables of this study.

The second control variable used in the model is population. This stands for the total population rate of a country in a given year. Population is an important control variable because the size of the countries in this study differs considerably, as can be seen in table 3 below. As Ethiopia's population is more than 4 times as large as Mozambique's, it is a given that this needs to be controlled for. Not only because Ethiopia's GDP will automatically be higher due to the large population, but also to account for economies of scale. Additionally, it also needs to be controlled for because there also is large variation in population size between the treatment and control countries.

Table 3: Descriptive Statistics of Control Variable Population

Country	Variable	Dataset	Mean
Ethiopia	Population	Ethiopia	88 200 000
Tanzania	Population	Ethiopia	46 600 000
Tanzania	Population	Mozambique	37 800 000
Mozambique	Population	Mozambique	20 000 000

The third control variable is Female Genital Mutilation (FGM) prevalence. FGM, according to the UNICEF definition, stands for "all procedures involving partial or total removal of the female external genitalia or other injury to the female genital organs for non-medical reasons" (UNICEF, 2020). The data on FGM is usually collected through Demographic and Health Surveys (DHS) and Multiple Indicator Cluster Surveys (MICS). However, in some countries it is collected through household surveys performed at the national basis. There is no information

available on how the FGM data is collected for Tanzania and Ethiopia. As already mentioned above, the data for Mozambique is an estimation by the OECD, but it is not clear what data or information this estimation is based on.

FGM prevalence is included as a control variable based on the framework of Morrisson and Jütting (2005) as this shows that the level of growth and development is also influenced by social institutions, of which traditions such as female genital mutilation are a part. As FGM is almost not practiced in Mozambique, but it is widely practiced in Ethiopia, this might influence the results of the regression analysis. The means of FGM prevalence rate both before and after policy introduction can be found in table 4 below. This FGM variable is the prevalence expressed in percentages. It, thus, indicates the percentage of girls and women that underwent FGM. This indicator does not make a distinction between the types of FGM procedure that is applied. Although there are variations in severity of FGM, this distinction is not made as it is believed and assumed that all forms of FGM show discrimination against women, which will affect economic development.

Table 4: Descriptive Statistics of Control Variable FGM Prevalence

Country	Variable	Dataset	Mean before policy	Mean after policy
Ethiopia	FGM prevalence	Ethiopia	74.10591	67.37159
Tanzania	FGM prevalence	Ethiopia	14.875	12.0125
Tanzania	FGM prevalence	Mozambique	14.75	14.7375
Mozambique	FGM prevalence	Mozambique	0.4	0.4

The last control variable included in the regression analysis is corruption. As a proxy for corruption, the Corruption Perception Index (CPI), collected by Transparency International, is used. Corruption is an indicator that is almost impossible to measure and quantify, and the CPI is not only the most commonly used indicator for corruption, it also is the best one currently available. The CPI index ranks and scores countries based on how corrupt the public sector is perceived by experts and business executives (Transparency International, 2020). The index is formed using a combination of 13 surveys and corruptions assessments which are collected by

several different institutions. Although the CPI does not represent the entire population, as it only gathers its data from experts, analysts, and businesspeople, it is still the most accurate proxy for corruption currently available. The CPI can be used in two ways; by looking at the relative ranking in the world, or by using the score. Due to the ranking being influenced by the other country's performance, for this study the score is used. In table 5 below, the means of the CPI before and after policy introduction are shown for each country. The higher the score of a country, the 'cleaner' that country is (Transparency International, 2020). The lower the score, the more corrupt a country is.

Table 5: Descriptive Statistics of Control Variable Corruption

Country	Variable	Dataset	Mean before policy	Mean after policy
Ethiopia	Corruption	Ethiopia	25.75	31.875
Tanzania	Corruption	Ethiopia	28.25	31.75
Tanzania	Corruption	Mozambique	22.4	28.25
Mozambique	Corruption	Mozambique	28.2	27.125

5 Empirical Analysis

5.1 Results

This section presents the results of the model displayed above and is based on the previously presented data and model. The difference-in-differences analysis is performed using the computer software STATA. First, the outcomes for the regressions using the natural log of GDP as a dependent variable are presented. Next, the results using HDI as the dependent variable are presented.

5.1.1 Gross Domestic Product

The table below presents the results of the regressions for both Ethiopia and Mozambique, using Tanzania as the control country. The dependent variable is the natural logarithm of GDP, used as the first proxy for economic development.

Table 6: Difference-in-Differences output: Economic Growth

Difference-in-Differences output

Dependent variable: ln GDP		
VARIABLES	Ethiopia	Mozambique
Treat	-1.962**	-0.0710
	(0.844)	(1.148)
Policy	0.0136	-0.000803
	(0.0246)	(0.0873)
DID	**0.00860**	**0.271****
	(0.0286)	**(0.102)**
ODA	1.99e-05	4.07e-05
	(1.51e-05)	(3.51e-05)
Population	4.15e-08***	5.82e-08***
	(4.73e-09)	(1.00e-08)
FGM Prevalence	0.00244	0.00929
	(0.0114)	(0.0663)
Corruption	0.00139	-0.00372
	(0.00199)	(0.00475)
Constant	22.13***	21.44***
	(0.325)	(1.355)
Observations	32	26
R-squared	0.996	0.993

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

As can be read from the above table, the difference-in-differences estimator for Ethiopia is not significant, while the one for Mozambique is significant. This indicates that the impact of Gender Mainstreaming on economic development is significant in Mozambique. Additionally, when looking at the coefficient of the difference-in-differences estimator, it can be seen that it

has a positive sign, meaning that GRB has had a positive impact on economic development. The magnitude of coefficient of the estimator indicates that this positive impact is 27 percent. However, it should be kept in mind that this is a relative increase compared to Tanzania, it is not an absolute increase. Yet, it can still be concluded, based on these results, that the impact of the Gender Mainstreaming policy in Mozambique has had a large positive impact on economic development.

The insignificance of Ethiopia's difference-in-differences estimator indicates that the Smart Economics policy introduced in Ethiopia in 2010 has not had an impact on economic development. When considering economic significance instead of statistical significance and taking into account the sign and value of the estimator's coefficient, Smart Economics has had a small positive impact on economic development.

5.1.2 Human Development Index

In the table below, the results of the difference-in-differences analysis with as dependent variable HDI are presented. The results for both Ethiopia and Mozambique can be found, and again Tanzania is used as a control country for both regression analyses.

Table 7: Difference-in-Differences output: Development

Difference-in-Differences output

Dependent variable: HDI		
VARIABLES	Ethiopia	Mozambique
Treat	-0.156	0.0465
	(0.266)	(0.119)
Policy	0.0110	-2.80e-05
	(0.00775)	(0.00907)
DID	**-0.00861**	**0.0311*** **
	(0.00903)	**(0.0106)**
ODA	1.09e-05**	2.62e-06
	(4.75e-06)	(3.64e-06)
Population	3.76e-09**	8.50e-09***
	(1.49e-09)	(1.04e-09)
FGM Prevalence	-0.00142	-1.48e-05
	(0.00359)	(0.00689)
Corruption	-0.000721	-0.000621
	(0.000627)	(0.000493)
Constant	0.312***	0.115
	(0.102)	(0.141)
Observations	32	26
R-squared	0.982	0.991

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Similar as with the results for the regression analysis using ln GDP as a dependent variable, the difference-in-differences estimator for Mozambique is statistically significant, while the one for Ethiopia is not statistically significant. The difference-in-differences estimator for Mozambique being significant indicates that the GRB policy they introduced has had an

influence on economic development. When looking at the sign of the coefficient of the estimator, it can be deducted that this influence is positive. This means that GRB has had a positive influence on development in Mozambique. The magnitude of the estimator's coefficient indicates that the relative impact of the policy on economic development was an increase of 0.031 HDI points. Considering Mozambique's HDI was 0.32 in 2002, the year before the policy introduction, an increase of 0.031 HDI points is equal to a 9.72 percent increase. It can, thus, be said that the policy had a fairly large, positive impact on economic development.

For Ethiopia, however, the situation is different. Not only is the estimator statistically insignificant, meaning that there is no influence of the Smart Economics policy on development, the sign of the coefficient is negative. So, when considering economic significance, it can be said that the Smart Economics policy in Ethiopia has had a negative influence on development, though looking at the coefficient, this negative influence would have been very small.

5.2 Sensitivity Testing

5.2.1 Parallel Trends Assumption

The key assumption behind the difference-in-differences approach is the parallel-trends assumption (Jakiela & Ozier, 2018). This assumption entails that the outcome variables of both the treatment and the control country have to have a similar trend before the introduction of the treatment. If this assumption would not hold, the analysis would fail to measure the effect of the treatment. This assumption can be checked by simply graphing the outcome variables (Vermeersch, 2007). The graph for HDI can be found in chapter 3, labelled as figure 2. The natural log of GDP is graphed below (figure 3).

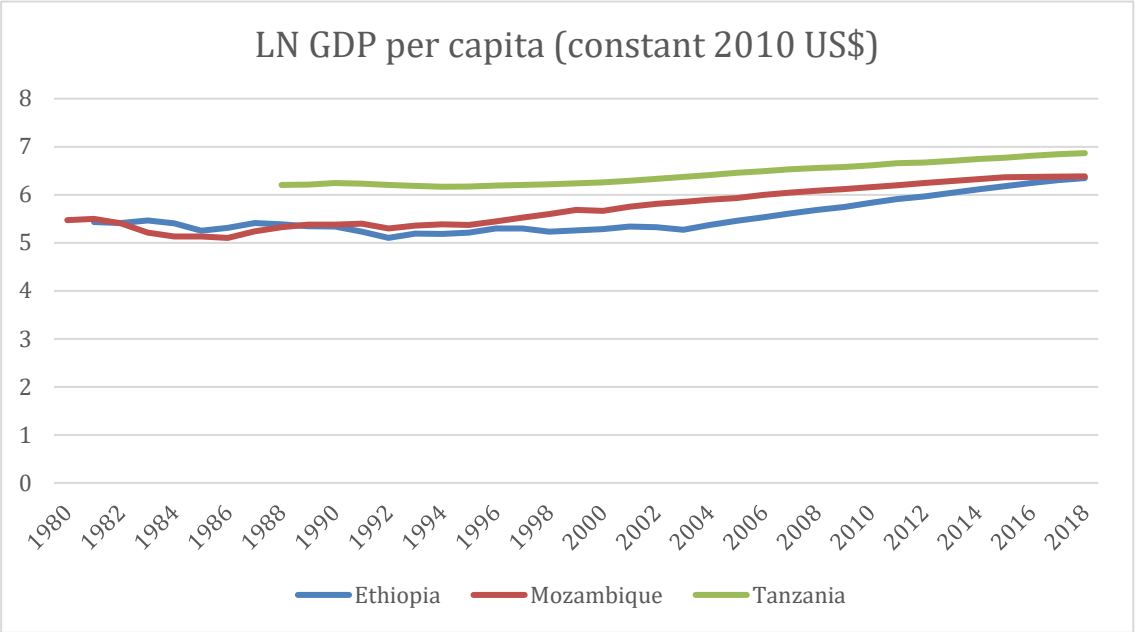

Figure 3: Logarithm of GDP per capita

As can be seen, both graphs show fairly similar trends between the control country and the treatment countries. For Mozambique, the period before 2003 needs to be parallel with Tanzania for the assumption to hold. Although Tanzania only has data for GDP per capita going back to 1988, it is clear that the trend runs parallel up to 2003. For the HDI, the trend is parallel from 1990 to 1995, after which there is a small diversion and then from 1998 it is parallel again up to 2003. Even though there is a small diversion, it can be said that the overall trend is the same, and thus the Parallel Trend Assumption holds for Mozambique as treatment country and Tanzania as control country. Regarding Ethiopia, the developmental path of the outcome variables needs to be the same as Tanzania for the years before 2010. As can be seen from figure 1, the GDP per capita trend of Ethiopia is parallel with the one of Tanzania up to 2002 after which it diverges slightly as it has a dip, but becomes parallel again in 2005, staying that way up to 2010. Again, though, the overall trend is parallel, and thus it can be concluded that the assumption holds for GDP per capita. Regarding HDI, there only is data available for Ethiopia from the year 2000 onwards. However, this is plenty to see that the trend is parallel with the one from Tanzania. It can thus be concluded that for both Mozambique and Ethiopia the Parallel Trend Assumption holds in relation with Tanzania, and that this is the case for both HDI and GDP as outcome variables.

5.2.2 Robustness Checks

In order to test for the robustness of the results of the above analysis, a placebo treatment is introduced on the data. This means that the analysis is run with as treatment year a different year than in reality, creating a placebo effect (Vermeersch, 2007). When doing so, it is expected that no significant effect of the treatment is found, as there is no actual treatment introduced in that year. This test is performed twice for each treatment country, and the results can be found in the tables below.

Table 8: Robustness Test: GDP

Robustness test through placebo treatment

	Dependent variable: LN GDP			
	Ethiopia		Mozambique	
VARIABLES	2008	2006	2001	1999
Treat	-0.120	-0.617	3.126***	3.302***
	(0.951)	(0.671)	(1.065)	(1.074)
Placebo policy	0.0749***	0.0816***	0.147	0.0957
	(0.0227)	(0.0181)	(0.0857)	(0.114)
Placebo DID	**-0.0297**	**-0.0181**	**0.0887**	**0.132**
	(0.0394)	**(0.0301)**	**(0.109)**	**(0.167)**
ODA	1.03e-05	2.89e-06	-4.66e-05	-1.41e-05
	(1.62e-05)	(1.09e-05)	(3.32e-05)	(4.27e-05)
Population	3.13e-08***	3.41e-08***	8.53e-08***	9.19e-08***
	(4.93e-09)	(3.27e-09)	(7.92e-09)	(9.16e-09)
FGM prevalence	-0.0219	-0.0152	0.185***	0.192***
	(0.0129)	(0.00917)	(0.0604)	(0.0613)
Corruption	0.00337*	0.00311**	0.00536	0.00580
	(0.00196)	(0.00148)	(0.00535)	(0.00762)
Constant	22.85***	22.64***	17.51***	17.10***
	(0.336)	(0.247)	(1.266)	(1.354)
Observations	34	34	28	28
R-squared	0.997	0.998	0.991	0.985

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Table 9: Robustness test: HDI

Robustness test through placebo treatment

	Dependent variable: HDI			
	Ethiopia		Mozambique	
VARIABLES	2008	2006	2001	1999
Treat	0.367	0.0223	0.354***	0.384***
	(0.272)	(0.189)	(0.121)	(0.125)
Placebo policy	0.0306***	0.0286***	0.0157	0.00975
	(0.00649)	(0.00509)	(0.00971)	(0.0133)
Placebo DID	**-0.0162**	**-0.00406**	**0.0123**	**0.0158**
	(0.0113)	**(0.00849)**	**(0.0123)**	**(0.0194)**
ODA	5.80e-06	1.58e-06	-6.10e-06	-2.43e-06
	(4.65e-06)	(3.08e-06)	(3.76e-06)	(4.96e-06)
Population	8.59e-10	2.69e-09***	1.08e-08***	1.16e-08***
	(1.41e-09)	(9.21e-10)	(8.98e-10)	(1.06e-09)
FGM prevalence	0.00830**	-0.00369	0.0174**	0.0186**
	(0.00368)	(0.00258)	(0.00684)	(0.00712)
Corruption	-0.000104	-0.000332	0.000394	0.000404
	(0.000560)	(0.000417)	(0.000606)	(0.000885)
Constant	0.518***	0.387***	-0.262*	-0.318*
	(0.0962)	(0.0695)	(0.143)	(0.157)
Observations	34	34	28	28
R-squared	0.987	0.991	0.987	0.977

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

As can be seen from both the tables above, the placebo difference-in-differences estimator is insignificant for all regressions for both countries and both outcome variables. For Ethiopia, this was already the case with the actual treatment. However, it is important to see that the results do not become significant for different years. This is not the case, and it can thus be concluded that the insignificant results for Ethiopia are robust. For Mozambique, the results for the actual treatment are significant, and they turn insignificant for both ln GDP and HDI when placebo treatment is performed. This signifies that there is no effect of the placebo treatment on economic development. It can thus be concluded that the results of the above difference-in-

differences analysis regarding the impact of Smart Economics and Gender Mainstreaming on economic development are robust.

6 Discussion

This chapter considers the above results in light of the literature discussed in chapters two and three, while considering the contextuality of the countries. First the impact on economic development, measured through 2 different estimators is discussed. Next, the results for Ethiopia are discussed in more detail, followed by a discussion of Mozambique's results. Lastly, based on the discussion and the outcomes of the analysis, the two gendered development discourses are compared. Through discussing the results presented above, this chapter aims to answer the research question in addition to creating context for the quantitative results.

6.1 Economic Development

The inclusion of two different estimators for economic development shows some interesting differences in the magnitude of the effect of the policy depending on which estimator is used. Due to the insignificance of the results for Ethiopia, the difference in magnitude of the impact can only be compared for Mozambique. It is clear that although the policy has quite a large effect on both estimators of economic development, the impact is the largest on the GDP. This could be because the HDI is a broader estimator, taking into account more elements of economic development. HDI does not only take into account GNI, but also adult literacy and life expectancy. Although GNI is a factor that can change quite rapidly in the short term, adult literacy and life expectancy are factors that do not change as rapidly, and effects on these are usually only seen in the long run. Due to the analysis only taking into account the 8 years after policy introduction, the effect of the policy on adult literacy and life expectancy might not be fully captured. This possibly explains the lower measured impact of the policy on HDI versus on GDP as proxies for economic development.

6.2 Ethiopia

As already mentioned above, the difference-in-differences estimator for Ethiopia is statistically insignificant for economic development. This means that, according to the above empirical analysis, Ethiopia's Smart Economics discourse, implemented through the GTP, did not have an influence on the country's economic development. There are several factors that can possibly contribute to this, which are discussed here.

A first possible factor contributing to Ethiopia's Smart Economics discourse being ineffective in creating economic development is unpaid household labour not being considered. Due to the National Accounting, and thus the GDP boundary excluding most social reproductive work, also called unpaid household labour, this labour is often undervalued and not taken into account in economic policies (Rai et al., 2019). Feminist economists, such as Waring (1999) have been arguing that this 'flawed GDP calculation' due to its exclusion of unpaid household work leads to bad policy making, as it results in the exclusion of a large part of the population. In Ethiopia, the GTP does not take into account unpaid labour, while it does urge women to 'go work like a man' (Østebø & Haukanes, 2016). Women, however, have rejected this discourse as them joining the productive labour force would mean leaving their children unattended due to a lack of childcare provision. The Smart Economics discourse not accounting for the care work women perform, thus, could add to the ineffectiveness of the policy as it does not allow women to take time off from household labour.

Additionally, a second factor possibly contributing to the insignificance of the impact of Smart Economics on economic development is culture and traditional practices. Bayeh (2016) argues that, in Ethiopia, culture and social practices have such an influence that lesser jobs, and a lower status are given to women. In a report, the UNDP (2015) also remarked that participation of women was negligible in local politics, as well as in leadership and decision-making. Abebe and Woldeyesus (2013) also found that women in parliament were not heard and that there was a negative attitude not only towards them, but also towards men who advocated for gender issues. These examples show some of the barriers women still face in receiving opportunities and equal valuation on the labour market. Moreover, women also face cultural barriers in accessing the labour market. Dayanandan (2011) found that wives are often restricted from mobility by their spouses, disabling them from working outside the household. Additionally, their access to education has also been hindered by traditional customary attitudes, not only

hampering their individual development, but also the country's development through further excluding them from jobs that require skills and qualifications (Bayeh, 2016).

A third aspect that could partly explain the statistical insignificance of Ethiopia's Smart Economics policy, is that it only has a gender focus regarding education and the general labour market. Buchy and Basaznew (2005), for example, found that not including a gender perspective systematically in agriculture policies further isolates women. Solomon and Memar (2014), in turn, argue that a lot of the policies and projects in Ethiopia are still largely male-oriented, further excluding women from the productive labour market and confining them to unpaid household work. A similar conclusion to Endalcachew (2015) can, thus, be drawn in that although Ethiopia's government has been investing more in gender equality, through the Smart Economics policy, cultural and traditional attitudes still impede its impact. This, together with the lack of accounting for unpaid household labour, can explain the insignificance of the impact of Ethiopia's Smart Economics discourse on economic development.

6.3 Mozambique

In contrast to the results for Ethiopia, Mozambique's results are significant, meaning the country's Gender Mainstreaming discourse has had a positive influence on economic development. When looking at the points for Ethiopia discussed above, it becomes clear that some of these do not count for Mozambique.

In Mozambique's Gender Mainstreaming discourse, a gender perspective is included at all levels of the government and in all sectors. This, for example, has led to the revision of the agricultural sector. Not only was this sector revised, small-scale female farmers were included in the revision and invited during the design process. This led to them being able to voice gender-specific constraints that were disabling them from successfully taking part in the formal agricultural sector (UNIFEM, 2006). Including a gender perspective in otherwise seen as gender-neutral areas has been one of Mozambique's strengths throughout their Gender Mainstreaming discourse (Holvoet & Inberg, 2014).

Culture, however, is also a limiting factor to gender equality, and in turn economic development in Mozambique, similar as in Ethiopia. Though difference in the extent of the influence of culture on hampering Mozambiquan development versus the Ethiopian case is unclear. In

Mozambique, even with the Gender Mainstreaming discourse, girls are still disproportionally kept out of school due to having to help in caregiving or in subsistence farming (Roby et al., 2009). Another cultural factor hampering girl's access to education is early marriage, which is widespread in Mozambique, especially in rural areas (Roby et al., 2009). This shows that, similar as with the Smart Economics discourse, cultural and traditional factors still play a role in gender inequality and limiting economic development.

Unlike in Ethiopia's Smart Economics policy, unpaid work is taken into account in Mozambique's Gender Mainstreaming discourse. This has translated into a similar labour allocation of men and women in economic activities (Arora, 2015). However, even though men and women work about the same amount in the productive economy, the majority of the unpaid household and care work is still performed by women in Mozambique (Arora, 2015). This not only results in women having double or even triple roles, it also results in time-poverty for women (Arora, 2015). Although unpaid work is taken into account, Mozambique's Gender Mainstreaming discourse has, so far, failed to fully recognise the value of unpaid care work and account for this in an appropriate manner.

6.4 Smart Economics vs Gender Mainstreaming

Based on the above empirical results, it is clear that the Gender Mainstreaming discourse has been more successful in achieving economic development than Ethiopia's Smart Economics discourse. However, this is not the entire picture. As already mentioned above, women in Mozambique are now increasingly suffering of time poverty due to their double role as members of the productive labour force and members of the unpaid reproductive labour force. It is for this reason that feminist economists, among whom Waring (1989), have been calling for the valuation and inclusion of unpaid household labour in the National Accounting System and, thus, in the GDP. This because the GDP is still the most-used tool to measure not only economic growth, but also development and welfare. Due to not taking into account unpaid household labour, a large part of the population is not accounted for (Waring, 1999).

In recent years, the debate surrounding GDP and the inclusion of unpaid work has risen again due to the digital economy, which has created a new form of unpaid household work (Aitken, 2019). Several alternative measures have been developed, among which a framework for time-

use (Coyle & Nakamura, 2019). Not only would this help in valuing unpaid household work, it would also be able to better measure social as well as economic welfare (Aitken, 2019). This, in turn, would enable governments to make better-informed decisions and policies.

7 Conclusion

Gender equality has long been recognised as a key factor in achieving economic growth and development. It is for that reason also one of the SDGs, and is again included in the 2030 Sustainable Development Agenda as SDG 5 (United Nations, 2020a). Smart Economics and Gender Mainstreaming are two policy discourses aiming to achieve development through reducing gender inequality. Comparing the effectiveness of these discourses empirically has been the focus of this thesis.

7.1 Research Aims and Objectives

The aim of this thesis was to empirically compare the effectiveness of Smart Economics and Gender Mainstreaming as gendered development discourses in achieving their goal of economic development through reducing gender inequality. To do so, the case studies of Mozambique, for Gender Mainstreaming, and Ethiopia, for Smart Economics, were used. The aim of this thesis can be summarised through the research question "*To what extent do Gender Mainstreaming and Smart Economics have an impact on economic development?"*.

To answer this research question, a difference-in-differences empirical approach was used, using both HDI and GDP as estimators for economic development. The control country was Tanzania as it does not have an allocated budget for a gendered development discourse and fulfils the parallel-trend assumption for both treatment countries. Control variables for development aid, population, female genital mutilation prevalence, and corruption were included. The sensitivity checks, through using the placebo effect of a policy, show that the results are robust. The discussion of the results offered possible explanations for the findings through adding country-specific context.

Based on the above analysis and discussion, it can be said that Gender Mainstreaming has been more effective in achieving economic development than Smart Economics. The results indicate

that Ethiopia's Smart Economics policy did not influence economic development, while Mozambique's Gender Mainstreaming policy had a positive impact on economic development. The variables GDP and HDI were used to capture economic development, and the impact was stronger on GDP compared to HDI.

7.2 Implications and Future Research

The implication of the results of this thesis and the answers to the research question is that, based on this limited analysis, Gender Mainstreaming is a better gender equality discourse than Smart Economics. It appears that readiness of a culture, as well as taking into account unpaid work are possibly important factors in the success of a gendered discourse. Due to the necessity of organizational changes at all levels for Gender Mainstreaming to be implemented, and its ability to include unpaid household labour, it appears that Gender Mainstreaming is better able to consider these two important factors.

However, one should be cautious with the generalisation of the results of this thesis for two reasons. The first is that gendered development discourses are very context-specific, as shown above, through the influence of specific cultures and traditions, but also through the variation in country's interpretation and implementation of the discourse. Every country has different needs, requiring and adjusted approach. Secondly, both GDP and HDI do not capture the full extent of economic development. Aspects such as gender equality, unpaid work, as well as time poverty are not included in either estimator. This means that certain impacts, negative or positive, the gendered discourses could have, are not captured.

As shown in the review of the empirical literature, education and labour force participation impact economic development both directly and indirectly. This study did not investigate through which, direct or indirect, way the gendered development policies impacted economic development. Investigating this would be an interesting expansion of this research, as it would help identify the important factors within the gendered development discourses, further enabling policy makers to make educated decisions regarding gendered development.

Other ways to expand and build on this research is through using different estimators of economic development. Ideally, an estimator based on time-use data that also takes into account gender equality would have to be used in future research. This would help account for time

poverty (the burden on women) and other forms of gender equality. Additionally, further research, analysing these discourses in more countries, would be needed to be able to draw more coherent conclusions on which discourse is more effective, as well as suggest further, in depth, policy implications.

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