Introduction and Overview

This book is a collection of five empirical essays and is divided into two independent parts. Part one comprises three essays that deal with social institutions related to gender inequality at the cross-country level. Part two investigates whether there was convergence across Colombian departments during the last quarter of the 20th century.

Part I: Social institutions and gender inequality

The importance of striving for gender equality has been recognized and incorporated in the international development agenda, e.g. in Millennium Development Goal 3 “Promote gender equality and empower women” or in the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW). Nevertheless, when it comes to measurement of gender inequality at the cross-country level, most of the attention centers on measures that proxy gender inequality in well-being or in agency, and which are typically outcome-focused (Klasen, 2006, 2007). Focusing only on outcomes neglects the relevant question of the origins of these inequalities and their great heterogeneity. Gender inequality is the result of human behavior, and how people behave and interact is influenced by institutions. Hence, to understand gender inequality in outcomes, one needs to study the institutional basis of gender inequality.

In **Essay 1** we propose new composite measures that proxy social institutions related to gender inequality in non-OECD countries based on variables of the OECD Gender, Institutions and Development database (Morrison and Jütting, 2005; Jütting et al., 2008). We aggregate the variables into five subindices that each measure one dimension of social institutions related to gender inequality (Family code, Civil liberties, Physical integrity, Son preference and Ownership rights). We combine the subindices into the Social Institutions and Gender Index (SIGI) as a multidimensional measure of the deprivation of women caused by social institutions. Methodologically, the SIGI is inspired by the Foster-Greer-Thorbecke poverty measures. It offers a new way of aggregating gender inequality in several dimensions, penalizing high inequality in each dimension and allowing only for partial compensation between dimensions.

The SIGI and the subindices are useful tools to compare the societal situation of women in over 100 non-OECD countries from a new perspective, allowing the identification of problematic countries and dimensions of social institutions that deserve attention by policy makers and need to be scrutinized in detail. Empirical results show that the SIGI provides additional information to that of other well-known gender-related indices. Moreover, regression analysis shows that the SIGI is related to indices that measure outcome gender inequality, even if one takes into account region, religion and level of economic development.

Institutions are a major factor explaining development outcomes in general. **Essay 2** focuses on social institutions related to gender inequality understood as long-lasting norms, values and codes of conduct that shape gender roles, and presents evidence on why they matter for development. We derive hypotheses from existing theories and empirically test them at the cross-country level with linear regressions using the SIGI and its subindices as measures for social institutions. We find that apart from geography, political system, religion, and the level of economic development, one has to consider social institutions related to gender inequality to better account for differences in development. Our results show that social institutions that deprive women of their autonomy and bargaining power in the household, or that increase the private costs and reduce the private returns to investments into girls, are associated with lower female education, higher fertility rates and higher child mortality. Moreover, social institutions related to gender inequality are negatively associated with governance measured as 'rule of law' and 'voice and accountability'.

Essay 3 reexamines the link between gender inequality and corruption. We review the literature on the relationship between representation of women in economic and political life, democracy and corruption, and bring in a new previously omitted variable that captures the level of discrimination against women in a society: social institutions related to gender inequality. Using a sample of developing countries we regress corruption on the representation of women, democracy and other control variables. Then we add the subindex Civil liberties proposed in **Essay 1**, as it covers social institutions that directly shape the opportunities of women to participate in social life. The results show that corruption is higher in countries where social institutions deprive women of their freedom to participate in social life, even accounting for democracy and representation of women in political and economic life as well as for other variables. Our findings suggest that, in a context where social values disadvantage women, it might not be enough to push democratic reforms and to increase the participation of women to reduce corruption.

Part II: Regional growth convergence in Colombia

Colombia is the third most populated country in Latin America. According to its macroeconomic performance, it is considered in general a successful story in the region. It is one of the few countries that did not default on its external debt during the 'lost decade' of last century and which did not experience hyperinflation. The annual growth rate of per capita GDP between 1975 and 2005 was 1.4 percent, which is twice as much as the Latin American average in the same period. If one takes a broader perspective of development and focuses on other indicators as education or health, Colombia is close to or slightly above the Latin American average.

However, Colombia is also well-known for large regional disparities in income and in social indicators. In **Essays 4 and 5**, we focus on departments, which are important political entities in the country, with elected local governments and separate department assemblies. We investigate whether there was convergence among them, i.e. if departments that were lagging behind have been able to catch up during the last quarter of the 20th century.

Essay 4 focuses on growth convergence across Colombian departments during the period of 1975 to 2000, following both the regression and the distributional approaches suggested in the literature, and using two income measures computed by Centro de Estudios Ganaderos (CEGA). We also discuss issues related to data provided by Departamento Administrativo Nacional de Estadísticas (DANE) used by previous convergence studies. Our results show no evidence supporting convergence using per capita gross departmental product, but rather persistence in the distribution. Using per capita gross household disposable income, we find some evidence of convergence, but only at a low speed, close to one percent per year. Furthermore, we find no evidence of the existence of different steady states for the two variables considered.

Essay 5 investigates convergence in social indicators among Colombian departments from 1973 to 2005. We use census data and apply both the regression approach and the distributional approach (univariate and bivariate kernel density estimators). Using literacy rate as a proxy for education, we find convergence between 1973 and 2005, but persistence in the distribution between 1975 and 2000, when we use the infant survival rate and life expectancy at birth as proxies for health. Additionally, using data from Demographic and Health Surveys, we find some evidence of convergence in the rate of children that are well-nourished between 1995 and 2005.