



Introduction to Gender and Wellbeing in Microeconomics

by Nicky Pouw. London: Routledge, 2018. 144 pp. ISBN: 978-04-154-6183-2 (hbk.). US\$70.00.

Geske Dijkstra

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BOOK REVIEW

Introduction to Gender and Wellbeing in Microeconomics, by Nicky Pouw. London: Routledge, 2018. 144 pp. ISBN: 978-04-154-6183-2(hbk.). US\$70.00.

This book is a very good introduction to gender-aware microeconomics. Contrary to most textbooks in microeconomics, it is a book about real people with real economic problems. It presents a gender-aware microeconomics while at the same time taking into account pluralist and global perspectives. The book highlights the complexity and interdependence of decisions on resource allocation and does so in a clear and concise way. That is a huge achievement. In addition, the book is didactically strong due to its very clear structure and the inclusion of main learning points, assignments, and discussion points at the end of each chapter.

The book has seven chapters. Chapter 1 provides a short introduction and overview. Chapter 2 explains why a gender-aware economic approach is needed. Most textbooks still assume a “homo economicus” with perfectly rational behavior in gender-neutral markets. The chapter also presents and defines the main concepts used in the book, including gender, gender equality, resource agents, and economic problems. Gender is the “socially constructed norms and behaviors of women and men, girls and boys that transcends the identities, roles and relationships performed” (p. 4). The book aims to put people, and people’s well-being, at the center. For this reason, the book speaks of “resource agents,” and not economic agents. Resource agents solve economic problems, and economic problems are defined as decisions on the allocation of resources. These decisions involve multi-dimensional trade-offs. They can be made on the basis of, for example, “previous experiences, emotions, benevolence, reciprocity, opportunity costs in household domain, customs and beliefs, cultural values, and a sense of social justice” (p. 7).

Chapter 3 presents the basic conceptual framework for the book. This is the well-being economics framework that the author has developed together with Allister McGregor (McGregor and Pouw 2017). Human well-being is defined as material, social-relational, and subjective well-being. In line with this, *economic* well-being is about the “command over resources, relations and the satisfaction with the quality of life” (p. 22). If the command over resources and relations is adequate in comparison with what people need and want, there is well-being; if not, there is ill-being. In this framework, the economy is embedded in the political system, in a social environment, and in a natural environment, and

so are decisions over resource allocation. The actual framework that structures the book is the Wellbeing Economics Matrix (WEM). This matrix presents the different resource agents: individuals, households, firms, communities/social groups, governments, and the rest of the world, as well as the resource flows between them. All agents are both providers (in the columns of the matrix) and recipients (in rows). The WEM is similar to a Social Accounting Matrix (SAM), but with some important differences. The WEM includes both households and individuals, thus stressing the importance of (power) relations within the household and of unpaid work; it includes communities/social groups and consequently the importance of voluntary work, and it includes non-monetary flows. The cells in the diagonal are filled in order to make intra-resource agent trade-offs visible and analyzable.

Chapters 4–6 then discuss resource allocation decisions of households/individuals, communities/social groups, and firms, businesses, and entrepreneurs, respectively. These three core chapters have some recurrent sections. They all start with a definition of economic well-being for this resource agent and a presentation (also in a figure) of the position and roles of the particular resource agent in the economy. This is followed by defining the resource agent and presenting typologies of it. Furthermore, the economy of the resource agents is explained: their activities, resources, and outcomes. Finally, the economic well-being of the agent is modeled based on the WEM. In chapter 4 this is done for both households and individuals.

In addition to these recurring topics, the chapters explain other relevant microeconomic concepts and/or other specific features or issues related to these particular resource agents. Chapter 4 explains economies of scale and discusses inequality and power relations within households. It also discusses the importance of unpaid work and how it can be measured, and it has a section on policy implications.

Chapter 5, on communities/social groups, discusses the concepts of social capital and common pool resources, the (gendered) participation in political activism and voluntary work, and the value of voluntary work and how it can be measured. Chapter 6, on firms, businesses, and entrepreneurs, discusses social entrepreneurship and Corporate Social Responsibility and includes a section on gender equality in firms and how it can be measured. It also presents a typology of entrepreneurs that takes gender as well as the situation in low-income countries into account.

Chapter 7 is of a slightly different nature, as it focuses on how economic performance can be defined and measured. As the author explains, this chapter links the microeconomic approach of this book with a book on gender-aware macroeconomics, which is in the making. The chapter begins by presenting different definitions of efficiency in order to come up with the author's own definition, which is a broad one: "the ability to utilize

resources without wasting resources, including money, time and energy” (p. 120). It also presents definitions of cost-efficiency, economic externalities, and equity/equality. The chapter goes on to explain and define Gross Domestic Product (GDP) and GDP growth, while also discussing the limitations of these concepts. Subsequent sections deal with attempts to address these limitations and to try and make output measurement more inclusive. This includes a discussion of the value of unpaid and voluntary work, of intangibles, and of natural resources. In the final section, several alternative indices for measuring well-being are presented.

Overall, the topics chosen in this book are relevant for an introduction to microeconomics, and they are presented in a clear way. The explanation of issues and topics is always nicely combined with the presentation of empirical data and real-life examples. The empirical illustrations are drawn from a wide range of geographical locations and cultures. The systematic presentation and the concise nature of the book make it an excellent candidate for a textbook in undergraduate studies. The individual and group assignments at the end of all chapters, as well as the points for (small group or class) discussions are well-chosen and very useful.

There are a few themes for which I would have chosen a slightly different approach. For example, while definitions of efficiency are listed a bit randomly, I think it would have been clearer to make a distinction between micro (or X-) efficiency and macro- (or allocative) efficiency (Leibenstein 1966). Moreover, the author does not make a distinction between equity and equality, presenting both as dealing with opportunities and outcomes. But perhaps this decision was made with a view to keep the book brief and simple. I also wonder why one of the core chapters on resource agents, namely the one on households, contains an interesting section on “policy implications,” while the chapters on communities and social groups and on firms, businesses, and entrepreneurs do not. Some empirical data presented are a bit old. For example, the data on hours spent on unpaid household work by men and women (in the US) are for the period 2003–2007, and the book refers to the Millennium Development Goals (p. 121) and not to the Sustainable Development Goals agreed upon in 2015.

The book would also have benefitted from (more extensive) editing. For example, words are occasionally missing from sentences, there are some small mistakes in equations (for example, 4.16), in boxes (for example, 5.9), and in references to numbers of equations (assignment in chapter 7). “One Acre Fund” is presented as social entrepreneur in box 6.6, while I would call it an NGO – according to its website, it is a nonprofit organization. The list of references after each chapter is conveniently brief but perhaps too brief. For instance, the source for the Quality of Life Index of the Economist’s Intelligence Unit presented in chapter 7 is missing.

These small comments aside, the book is certainly an enrichment of the literature, and I highly recommend it for reading and for use in

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undergraduate classes in economics. I also look forward to the publication of its companion volume on a gender-aware approach to macroeconomics.

Geske Dijkstra 

*Public Administration and Sociology, Erasmus University Rotterdam
Burgemeester Oudlaan 50, 3062PA, Rotterdam, Zuid-Holland, Netherlands*

email: dijkstra@essb.eur.nl

<http://orcid.org/0000-0003-3452-6206>

NOTES ON CONTRIBUTOR

Geske Dijkstra is Professor of Governance and Global Development in the Department of Public Administration and Sociology (DPAS) of Erasmus University Rotterdam. Her research interests evolve around issues of economic development of the Global South. She combines research and teaching with carrying out studies and evaluations for development cooperation agencies. In recent years, these included the Dutch Ministry of Foreign Affairs, the European Commission, and the (Swedish) Expert Group on Aid Studies.

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