

# Does gender equality matter for shared growth?

Andrew Morrison  
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Yale University  
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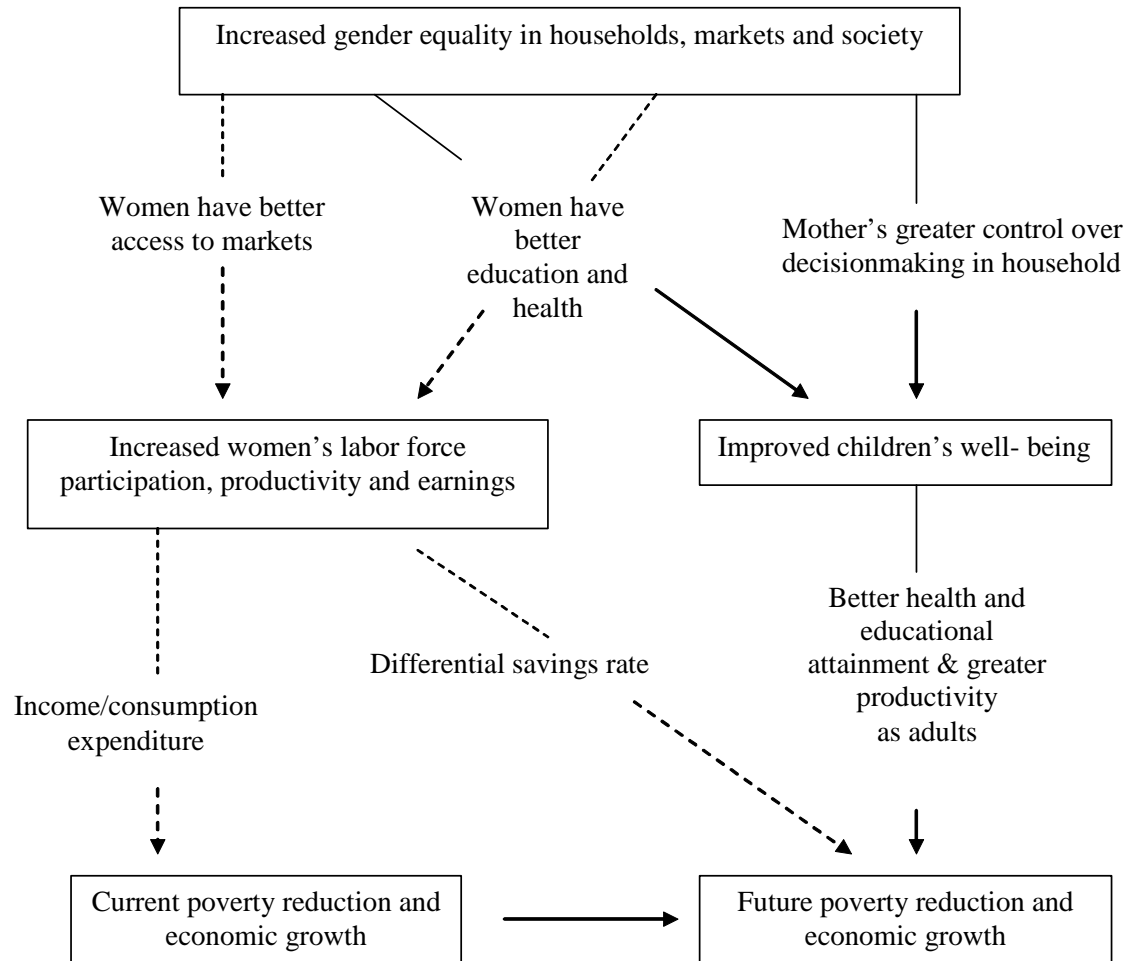
# The roadmap...

- **Theoretical framework:** why might we expect gender equality to promote shared growth?
- **Macro evidence:** links between gender equality and growth/poverty reduction
- **Microfoundations:** impacts of gender equality on resource allocation and productivity in key markets
- **Intergenerational impacts:** gender equality and children's welfare

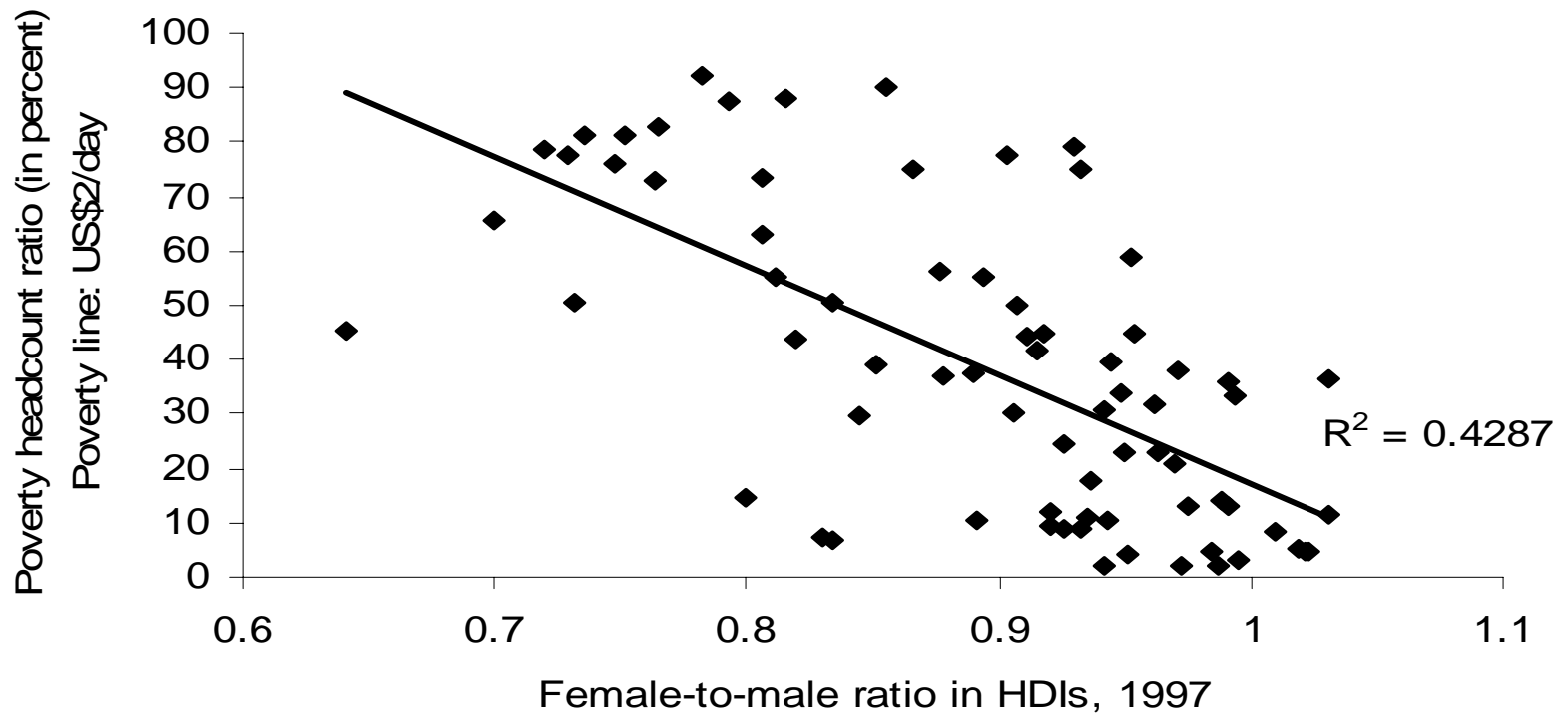
## By way of introduction...

- Gender equality is **NOT** equality in outcomes
- A useful framework disaggregates gender equality into equality of **rights, resources** and **voice**
- **Intrinsic versus instrumental** value of gender equality

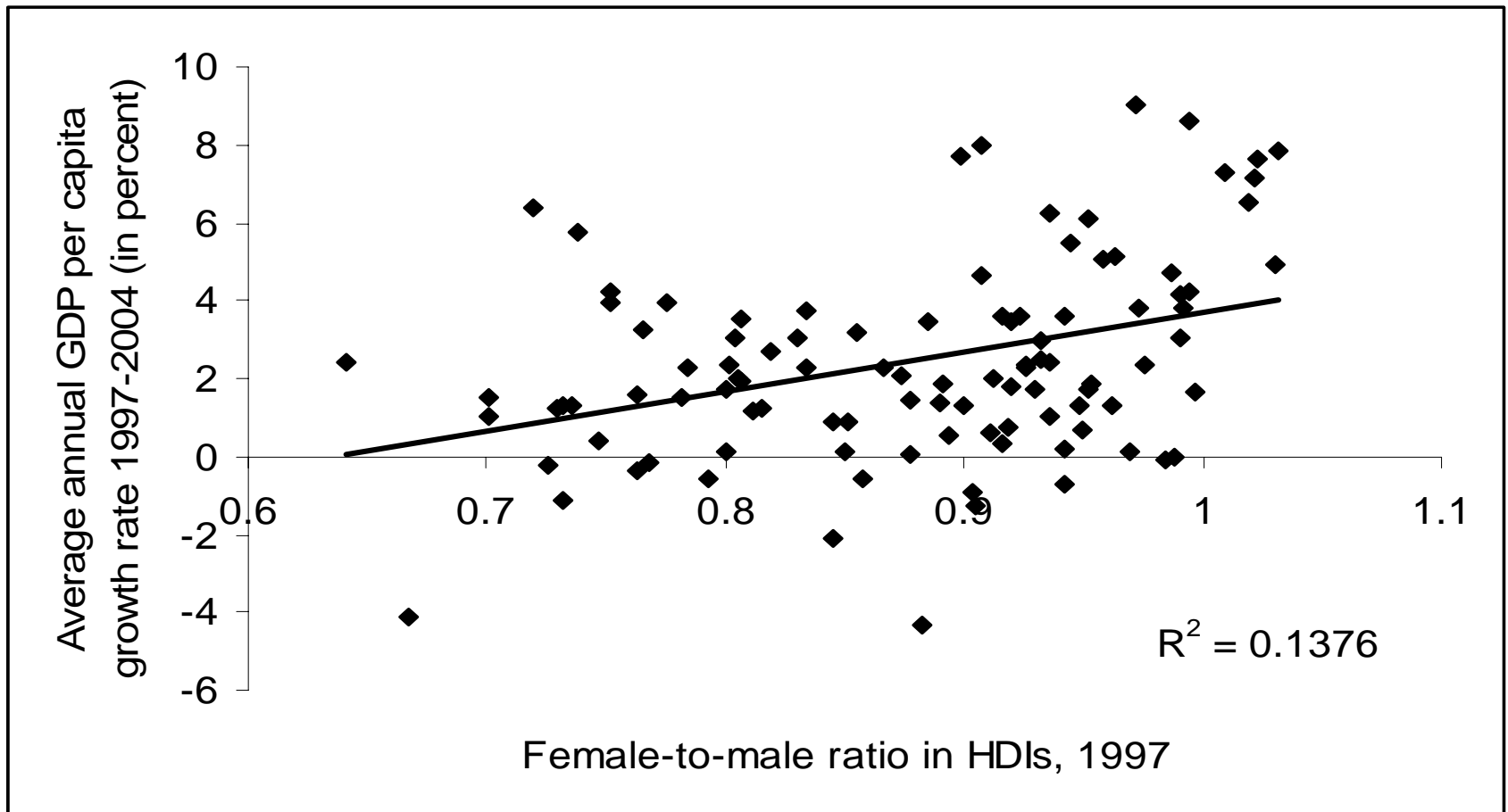
# Gender equity and shared growth: A simple model



# Macro evidence: gender equality and poverty reduction



# Macro evidence: gender equality and economic growth



# Beyond correlations: analytic work on impact on growth of equality in resources, rights, and voice

## *Gender equality in resources*

- Much attention to equality in educational access
- Cross country regressions based on augmented Solow model (Klasen, Dollar and Gatti, others)
- Striking results: gender gaps account for more than 1/3 of the slower growth in output in Africa than in East Asia
- BUT serious issues with cross country growth regressions:
  - Atheoretical additions to Solow model
  - Endogeneity issues: gender equality affects growth, but growth also affects gender equality
- Beyond education: wage gaps and occupational segregation

## Summing up the macro-level evidence...

- Only weak—albeit suggestive--evidence that gender equality matters for growth or poverty alleviation at the macro level
- Urgent need for country-level analytics:
  - Gender-disaggregated CGE and MAMS (Maquette for MDG Simulations) modeling

# Microfoundations: access to land

- Women's land rights are frequently circumscribed in practice even if not in principle: importance of customary law
- Gender differences in:
  - Mode of acquisition
  - Impacts of land reform and titling programs
- Gender differentials in farm productivity: convincing evidence of differentials, but many potential drivers

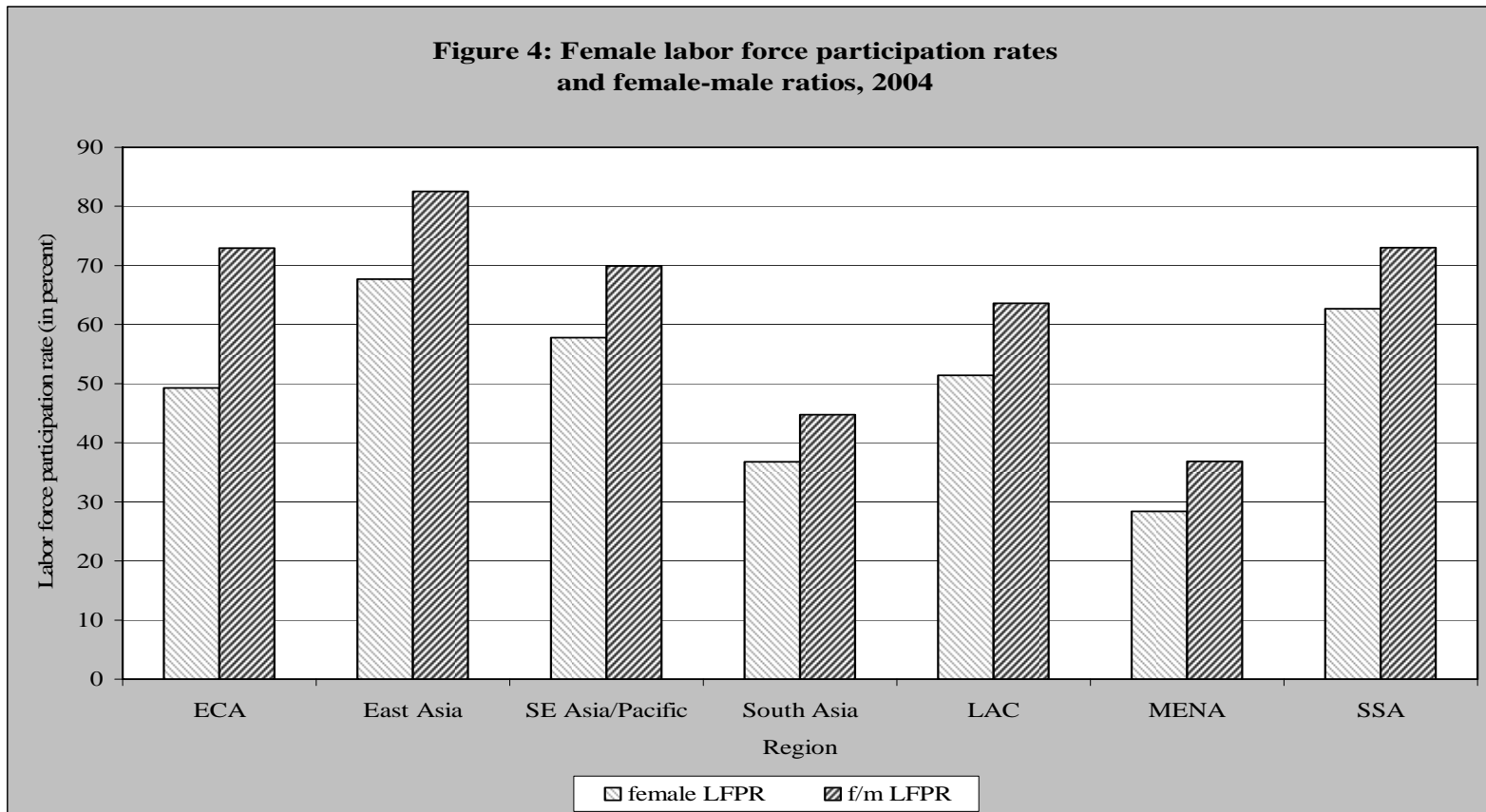
# Microfoundations: access to credit

- Differential treatment in credit market might result from:
  - Gender differences in characteristics relevant for loan qualification
  - Prejudicial tastes by lenders
  - Statistical discrimination
- Evidence on loan denial rate/interest rates
  - OECD evidence shows little effect of gender after accounting for covariates
  - Little evidence from developing countries, but it supports conclusion from OECD studies

- Issue seems to be one of differential application rates
  - Is non-participation due to women not satisfying eligibility criteria?
  - Or to women opting out because of perceived discrimination?
  - Or to women having less demand for credit?

# Microfoundations: labor force participation

Figure 4: Female labor force participation rates and female-male ratios, 2004



Source: Key Indicators of the Labor Market, 4th edition

# Potential barriers to female LFP

- Education levels
- Time burden of domestic responsibilities
- Wage gaps (dynamic disincentive)
- Discrimination in other markets (land, credit)
- Culture

# Female labor force participation and shared growth

- Increased female participation is associated with lower poverty rates and higher levels of per capita income
  - Chile (World Bank, 2007)
  - India (Misra, 2000)
  - U.S. (Blank, 2000; Cancian and Reed, 2001, Daly and Vanetta, 2000 )

# Intergenerational impacts of gender inequality

- First generation studies: increased control over resources by mothers results in more spending on children's health and education
- Second generation studies: impact of pensions, conditional cash transfers and microcredit

## Summing up microfoundations evidence...

- Evidence on gender equality's impact on productivity is persuasive but incomplete
- Strong evidence that gender equality matters for poverty reduction, both contemporaneously and inter-temporally