

# **Gender and Inequalities in Economics**

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Professor Diane Elson Emeritus Professor University of Essex

# **Economic Analysis of Inequalities Emphasises Distribution of Household Income/Expenditure**

- World Bank Data Base provides data by country, for income or expenditure,
- on Gini coefficient, ranging from 0 ( perfect equality) to 100 ( perfect inequality)
- and on income/expenditure shares by different percentiles, from lowest 10% to highest 10%
- Notes to Data Base acknowledge that the distribution of income is typically more unequal than the distribution of expenditure
- And that households differ in the extent of income/expenditure sharing between household members

# Estimates of Global Household Income Distribution

- Estimates provided by *World Inequality Report 2022*

[https://wir2022.wid.world/wwwsite/uploads/2023/03/D\\_FINAL\\_WIL\\_RIM\\_RAPPORT\\_2303.pdf](https://wir2022.wid.world/wwwsite/uploads/2023/03/D_FINAL_WIL_RIM_RAPPORT_2303.pdf)

- Richest 10% of the global population currently takes 52% of global income, whereas the poorest half of the population gets 8.5%
- Inequality varies across regions:
  - lowest in Europe ( where income share of top 10% is around 36%),
  - highest in MENA (where income share of top 10% is around 58%)
  - sub-Saharan Africa almost as unequal as MENA
- Data is also provided by country
- These estimates assume that income is split equally between couples in households (p.26)

# Inequality in Income/Expenditure within Households

- Majority of large-scale household surveys do not report individual income and expenditure, though some now report individual wealth
- Evidence from smaller-scale surveys and case studies shows that gender inequality in distribution of household income /expenditure occurs in all regions of the world
- See Sara Cantillon, Odile Mackett, Sara Stevano ( 2023) *Feminist Political Economy : A Global Perspective*, chps 5 and 6, Agenda Publishing
- As Amartya Sen said: households are sites of cooperation, but also conflict
- If women have no or little money of their own, their bargaining power is weak, leaving them vulnerable to domestic violence and capability deprivation
- See UN Women, *Progress of World's Women 2019-20 Families in a Changing World*
- <https://www.unwomen.org/en/digital-library/publications/2019/06/progress-of-the-worlds-women-20192020#:~:text=UN%20Women's%20flagship%20report%2C%20%E2%80%9CProgress,%2C%20regional%2C%20and%20national%20data>

# Gender Gaps in Income/Expenditure Poverty

- We are currently unable to measure gender gaps in poverty using data on individual income/expenditure of women and men
- But we can measure the numbers of women and men living in households whose income/expenditure is below a poverty line and see if there is a gap
- Globally, gender gaps in income poverty are highest among those aged 25 to 34. Women of this age group are 1.2 times more likely to live in extreme poverty ( defined in terms of \$1.90 a day) than their male counterparts <https://www.unwomen.org/sites/default/files/2023-09/progress-on-the-sustainable-development-goals-the-gender-snapshot-2023-en.pdf>
- This is the age range in which women, more than men, are likely to have heavy care responsibilities
- World Bank research shows ‘the overlap between care responsibilities and the economically productive years is crucial in understanding the differences in poverty rates among young adults’  
<https://documents1.worldbank.org/curated/en/776061614181162133/pdf/A-Global-View-of-Poverty-Gender-and-Household-Composition.pdf>

# Gender Gaps in Labour Markets

- Labour market surveys provide individual data though they tend to underestimate informal employment, in which women tend to be disproportionately engaged
- Economists tend to focus their gender inequality analysis on labour markets
- Example: UNDP, 2013, *Humanity Divided: Confronting Inequality in Developing Countries*,  
[http://www.undp.org/content/dam/undp/library/Poverty%20Reduction/Inclusive%20development/Humanity%20Divided/HumanityDivided\\_Full-Report.pdf](http://www.undp.org/content/dam/undp/library/Poverty%20Reduction/Inclusive%20development/Humanity%20Divided/HumanityDivided_Full-Report.pdf)
- Chapter 5 includes analysis of levels and trends, around 1990 to around 2010
  - 1) employment-to-population ratios, 15 and older
  - 2) unemployment rates
  - 3) wages- but only limited data available

# Findings of UNDP Humanity Divided Report

- Only labour market indicator that shows a narrowing of global mean gender gap is employment to population ratio
- Asia only region that reduced gender gap in unemployment rates
- Gender wage gap circa 2010 varies by region: Africa 36.1%, Arab States 27.5%, Asia and Pacific 15.3%, Latin America and Caribbean 14.3%, Developed Countries 16.4%, but limited availability of data
- Very slow progress in reducing gender wage gap in fast-growing Asian economies
- S Korea gap is 38.9 % despite highly educated female population
- Overall, reduction of gender gaps in education not matched by reduction in gender gaps in labour market

# Female Share of Labour Income

- A new measure presented in *World Inequality Report 2022*,
- Defined as national aggregate labour income earned by women relative to the total aggregate of labour income within a country
- Labour income comprises wage and salaries as well as the labour share of self-employment income, assumed in the *Report* to be 70%
- Female labour income share is systematically below 50%, with significant variations across countries, ranging from below 10% to 45%, global average is around one-third
- Share for Sub-Saharan Africa is on average 28%, ranging from 8% to 40%
- Female labour income share reflects both women's earnings and their labour force participation, compared to that of men
- Sub-Saharan Africa has a very high employment ratio of 86% on average but the average female earnings ratio is much lower, at 46%.
- Women in this region have broad access to paid work but are paid much less than men
- The opposite pattern is seen in MENA, a low employment ratio but relatively high earnings ratio



# Gender Inequalities in Unpaid Work

- Underpinning inequalities in labour markets are inequalities in unpaid work
- Globally women spend on average 2.8 more hours a day than men on unpaid care and domestic work ( <https://www.unwomen.org/sites/default/files/2023-09/progress-on-the-sustainable-development-goals-the-gender-snapshot-2023-en.pdf> )
- A survey for the Human Development Report 2015 based on 102 time use surveys in 65 countries gives the detail that underpins global averages.  
<https://hdr.undp.org/system/files/documents/charmeshdr2015finalpdf.pdf>
- It found that 18 time use surveys were available for sub-Saharan Africa covering 8 countries
- They showed that in all cases women spent more than double the hours of men in unpaid work, ranging from 2.3 times in Ethiopia to 11.4 times in Mali ( chart 20)

# Are there economic pay-offs to reducing gender inequality in the economy?

- Several studies emphasise the extra output created by increasing women's labour force participation but rarely consider the quality of women's employment
- A sustainable economic pay-off requires measures to increase the productivity of the jobs that women do and the returns they get
- Not just more training or access to productive inputs for women but also breaking down occupational segregation, and investing in high quality care services and accessible water, energy and transport services
- Unequal unpaid work responsibilities constrain women, sometimes from entering the labour market at all, often confining them to jobs that can be done with children on their backs or at their feet, or on an intermittent or part-time basis with low returns and no opportunities for progression or growing their businesses

# How Can Economic Policy Become More Gender Aware?

- Gender responsive budgeting is one important approach- not a separate budget for women, nor a focus only on programmes targeted to women
- It should examine if a budget increases gender equality, leaves it untouched, or decreases gender equality, and if the latter put forward alternative policies
- For an introduction to GRB, see Stotsky Janet 2016. 'Gender Budgeting: Fiscal Context and Current Outcomes.' IMF Working Paper WP/16/149. Washington DC: IMF  
<https://www.imf.org/external/pubs/ft/wp/2016/wp16149.pdf>
- For case studies of gender budgeting , see B. Akanji and F. Soeten (Eds.) 2022. *Gender-responsive budgeting in practice. Lessons from Nigeria and selected developing countries*. Lexington Books.
- Some tools for gender budget analysis include
- UN Women and ILO (2021) A Guide to Public Investments in the Care Economy: Policy Support Tool for Estimating Care Deficits, Investment Costs and Economic Returns.  
([https://www.ilo.org/employment/Whatwedo/Publications/WCMS\\_767029/lang--en/index.htm](https://www.ilo.org/employment/Whatwedo/Publications/WCMS_767029/lang--en/index.htm) )
- C. Grown et al, 2024 , 'Gender and Fiscal Policy –A Methodological Proposal and Its Application to Jordan and Armenia', forthcoming World Bank Working Paper.

# Suggestions for Follow Up

- Impossible to provide much more than an introduction to gender equality in economics in only an hour and a half
- UNDP is providing a series of 8 on-line 2 hour modules for staff on gender equality and economic policy, each led by a prominent expert on gender and economics, with accompanying readings and case studies
- May I encourage ADB to support follow up activities for country economists that would engage with specific tools, such as for gender budget analysis
- And to identify relevant country specific data on the benefits of measures to promote a more gender-equal economy and the costs of not doing so