

Effect of gender equality in the economy



Hypothesis:

There is a positive correlation between gender equality with respect to economic development.

My Initial Hypothesis

In the labor market, one may assume that a résumé and credentials are the only significant factor contributing to securing a job in an organization, but that proves to be wrong especially for women. Increasing job opportunities and decent work for women is essential for growth that vital for advancing social and economic development (ADB, 2003).

After careful observation of countries where social, behavioral, and cultural attributes are the criteria by which individual's performance is evaluated. I wondered whether or not gender equality had an effect on how well a country's economy is developing. Based on the mental representation of what we know and expect about girls and women, we tend to be bias in our perception of females being less intelligent, under-skilled and not being clever enough to partake in economic activities. If employers have this type of mindset, I am curious to know under what circumstances gender equality affects the development of a country's economy.

The Empirical Evidence

There are numerous factors that determine the social and economic development of a nation, one of which is gender equality. It is a critical component of economic development, it is a basic right that does not need economic vindication. Gender inequality proves to be the causes of poverty

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in the society as a whole. Yet gender equality has broad and positive implications for social and economic development.

A number of studies have attempted to establish a positive correlation between them. Kuznets (1995) thesis regarding a curvilinear relationship between economic development and inequality, propose that economic development and gender equality also exhibit a non-monotonic relationship, marked by three phases. Economic development should improve gender equality in the first phase; in the second phase equality increases or decline slightly; and in the third phase, it should rise again (Eastin & Prakash, 2012).

Every sector of a nation affect the economy directly or indirectly, take for instance; equality in the educational sector. Hill and King (1993) estimated that the correlation between female education and the gender gap in primary and secondary enrollment on gross domestic product (GDP) per capita between 1975 and 1985 is statistically and economically significant. Countries with a lower level of inequality have higher GNP compare with similar countries that have a higher level of gender inequality. Which means the more equality we have in a country the greater the impact on the economy development.

Breaking the barriers of inequality in education matters instrumentally, because greater equality contribute to economic efficiency, achievement and other key developmental outcomes. Human capital is define as the skill, knowledge and physical capacity that allows the labor force to be economically productive. Increasing educational opportunities for women offers them the freedom to accumulate greater skills and expertise in the

labor force and thus raise the potential for economic development. More so, women who are learned can undertake valuable economic activities. Abu-Ghaida and Klasen (2002) further provides empirical research indicating that a country failing to close the gender gap in education could experience a decrease in per capita income by 0.1 to 0.3 percentage points. Countries are rarely wealthy if they have poor gender equality in education.

It has become widely understood that promoting gender equality is crucial for of an effective economic and human development strategy. According to world bank(2013)“ Development community have come to understand that development policies and actions that fail to take gender inequality into account and fail to address gap between males and females will have limited effectiveness and serious cost implications.”

The process of development may also lead to the adoption of institutions that favor gender equality. For example, if women are given the chance to participate in various sectors of the economy such as; agriculture, can help put an end to gender discrimination barrier to improve agricultural productivity. Breaking the obstacles of unequal distributions of resources, including credit extension, labor, and fertilizer that leads to inefficiencies which lower yields and profits; and markedly reduces incomes in some countries. This is mostly true for low-income countries, notably sub-Saharan Africa, where agriculture makes up a large proportion of the total economy and where a large number of women participate in this sector.

Gender equality will provide educational and employment opportunities for women which will help in alleviating poverty and hunger. More so, children

who receive more education are likely to profit more, but girls typically benefit more from extra education than boys according to Psacharopoulos & Patrinos, (2002). In many developing countries, this benefit seems greater from secondary and tertiary education than from primary education. Women will also receive higher wages from entering the formal sector than from the agricultural sector, implying that expanding these opportunities for women will further alleviate poverty (Kingdon & Soderbom, 2007). The accessible of health care and antenatal health care services will be easier for educated women and those in employment, thus reducing child mortality rates also has an impact on economic development.

My Current Opinion

My hypothesis was supported.

After reading the empirical evidence regarding the effect gender equality has on economic development, I believe it is critical to societal progress both socially and economically. We live in a male-dominated world, but to foster economic growth, alleviate poverty and provide a better standard of living, both male and female have their roles to play, and we need to have a shift in our thinking. Feminist have argued that women and men are born with equal human capacity to learn, develop, and contribute to shaping the world. In 1995 more than 47, 000 women and men participated in the creation of the Beijing Declaration and the Platform for Action. The Platform clearly stated that the empowerment of women and gender equality were critical to international development, peace, and human right.

Investing in women education as Lawrence Summers (1992) says, ' may well be the highest return investment available in the developing world'. Creating opportunities for girls and women to acquire knowledge has reduced the gender gap in almost all countries. In secondary education, these gaps are closing rapidly and have reversed in many countries, especially in Latin America, the Caribbean, and East Asia. Among developing countries, girls now outnumber boys in secondary schools in 45 countries and there are more young women than men in universities in 60 countries (ADR 2012). Empowering women as economic, political, and social stand-in characters can change policy choices and make institutions more representative of a range of voices. In India for instance, giving power to women at the local level led to increases in the provision of public goods, and basic social amenities which mattered more to women (ADR 2012).

The mismanagement of women's skills and talent comes at a high economic cost, gender equality can have large impacts on productivity. Women now represent a majority of the global labor force, 43 percent of the agricultural workforce, and more than half of the world's university students. Women's skills and talents should be engaged in activities that make the best use of those abilities, for an economy to be functioning at its optimum capacity.

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