



## Gender and Economic Growth



### Overview

- Relevance of Gender Equality and Economic Growth
- Implication of Gender Inequality in the Middle east region
- Causes for Gender Inequality impeding Economic Growth
- Possible Strategical Entry points from the Foreign Assistance Framework to integrate Gender Concerns

Gender Integration Workshop, Cairo,  
November 9-13, 2008

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### Relevance of Gender Equality and Economic Growth

- Improving women's economic opportunities is key to poverty reduction and economic growth..

Increased women's labor force participation and earnings (but only if jobs are decent) are associated with reduced poverty and faster growth. Women will benefit from their economic empowerment, but so too will men, children and society as a whole.

(World Bank Gender Equality Action plan 2007-10).

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Women's economic empowerment is central to the achievement of gender equality

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### Relevance of Gender Equality and Economic Growth

Poverty incidence tends to be lower in countries with more gender equality. Economic growth also appears to be positively correlated with gender equality.

- Gender equality affects growth, but growth presumably also affects gender equality, because the economic pressure in rapidly growing markets makes gender discrimination much more costly.

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### Relevance of Gender Equality and Economic Growth

- Increased economic power for women means greater environmental sustainability
- the reduction of HIV/AIDS infection rates.
- Women who control their own income tend to have fewer children: fertility rates are inversely related to national income growth.

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Moreover, men and women tend to spend income under their control differently with important *micro* and *macro* effects.

- Women tend to hold less income for themselves and devote more to their children's human capital (nutrition, health and education) and thereby indirectly to their nation's income growth.
- Women are also generally more willing than men to send daughters as well as sons to school (enormously positive and affects the whole of society).

Africa Partnership Forum 2007

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Empowered women take active part in decision making in the household , participate in the labor force and become active on societal level through civic and political participation.

All this leads to aggregate economic performance further leading to poverty reduction and growth.

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## Access to credits and entrepreneurship

- Since the 1990s microfinance has been heralded as a “magic bullet for women’s empowerment” (Bridge 2007)
- **Strengths:** enhances bargaining power, improves self worth & leads to decrease in domestic violence.
- **Weaknesses:** women’s loans are invested by male relatives; women bear liability for repayment., undermines HH survival strategies--- even borrow money

Accordingly social indicators & not only financial indicators are needed to measure impact.

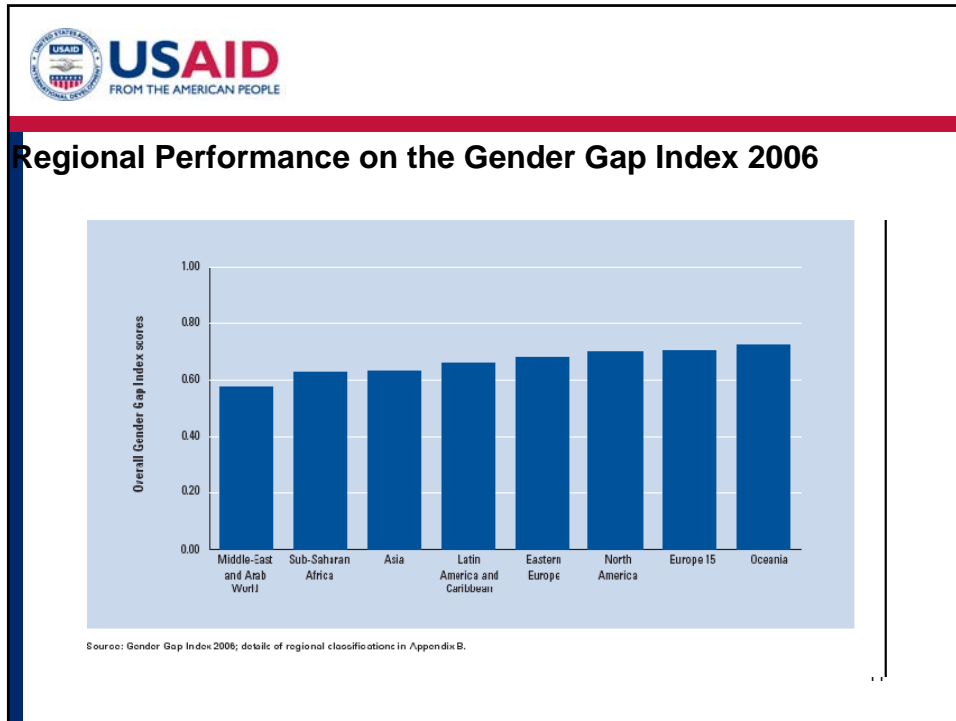
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## The gap between men and women is examined in four fundamental categories:

- Economic participation and opportunity,
- Educational attainment,
- Health and survival,
- Political empowerment

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Sub-Saharan Africa has closed a little over 60% of its gender gap, which means that women have approximately 60% of the resources and opportunities available to men.

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## Implications of Gender Inequality

- There is extensive microeconomic analysis of the ways in which gender inequality limits productivity, output and growth.
- Gender differences in access to assets limits the options of women;
- gender differences in labor remuneration leads to conflicts and affects labor allocation at the household level;
- gender differences in labor productivity limits economic efficiency and output.

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## Implication of Gender Inequality in the Middle East region

Studies have shown that discrimination based on gender increases poverty, slows economic growth and weakens governance.

Low participation of educated females in the labor force decreases return on investments for governments.

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- Reduced education and employment opportunities for women in Africa serve to reduce annual per capita growth by 0.8%. (a boost of 0.8 % points per year would have in effect doubled economic growth over the last 30 years)
- Africa's low growth may be its high gender inequality and hence the need to situate the achievement of the MDGs at the centre of the growth argument.

African Partnership Forum 2007

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Increase in female labor force predication could have lead to:

- Raise in average family income by 25%
- Increased GDP by 0,7%.

The GDP could have increased by 2,6% instead of 1,9% as registered in Tunisia, Egypt, Iran, Yemen and Morocco during the 90s.

Gender & Women in the Middle East & North Africa World Bank

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### Implications of Gender inequalities throughout the world

- ILO Report 2008 shows that improvements in the status of women in labor markets throughout the world have not substantially narrowed gender gaps in the workplace. The share of women in vulnerable employment - either unpaid contributing family workers or own-account workers, rather than wage and salaried work - decreased from 56.1 to 51.7 per cent since 1997.
- However, the burden of vulnerability is still greater for women than men, especially in the world's poorest regions.

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### In North Africa (Egypt, Sudan, Tunisia, Algeria etc.)

As a result of static social tradition,

- North Africa has the **highest gender gap in the world** in its labor market. **For 100 economically active men there are only 35 economically active women.**

**Lowest employment to population ratio** in the world **2 out of 10 working age women** are employed compared to 7 out of 10 working men.

1.5 out of 10 among younger women. Signaling a high waste the region faces in lost economic contribution of young women---not affordable in the long run.

**World's highest Female unemployment** 16.2 % compared to 9% for men.

- ILO report 2008

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### Cont. North Africa

- Only in this region , women's employment in Agriculture increased to 32.6 %.
- Women's share in industry decreased from 19.1 to 15.2%
- Service sector provides more than half of all women's jobs.
- 8 out of 10 women in the region remain economically in-active.
- An increase in the women's share (from higher income background) in salaried & wage work due to investment in girls education.

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### Middle East Region (Jordan, Lebanon, Palestine , Golf States

Region has **2nd lowest labor force participation rate** for women 33,3%.

**Second highest gender gap** in labor force participation; for every 100 men only 39 women economically active.

**Highest increase in female labor force** participation. (by 7.7%). Despite increase in **female employment to population ratios** is still **below world average** 49.1%.

Among young women only 2 out of 10 have a job.vs. men 4 out of 10 are working.

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## Continuation Middle East

- **Increase in unemployed women** (more than 50 %), **2<sup>nd</sup> highest** in the world behind North Africa.
- Of the working women **50% work in service sector**, **31%** engaged in **Agriculture**
- **Male employment in Agriculture decreased** by 7% **& Increased in the service sector.**

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## Causes for Gender Inequality impeding Economic Growth

### At Home:

- Uneven distribution of reproductive role
- Control on girls mobility
- Concerns about preserving honor & social status
- Rapid industrialization and breakdown of extended family units
- Growing aging population challenges for provision of care.

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### In the Labor Market

- Employers preference to male job seekers. (men are more skilled than women)
- Women refuse because jobs offered are low-paid and low-skilled.
- Gender pay gap underpinned by gendered norm assume men are primary breadwinners.
- Glass ceiling.
- Uncontracted, unregulated or subcontracted labor.
- Discrimination, violation of childcare and maternity rights.

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### Possible Entry strategical points from the Foreign Assistance Framework to integrate gender concerns

- Create **Special Fund Programs** that advocate for legal & regulatory framework affecting business.
- Enhance **Credit Guarantees** suitable for female workers and entrepreneurs.
- Create **physical Infrastructure** to improve economic environment and productivity in rural and urban areas.

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### **Continuation of Possible strategical Entry points from FAF**

- **Increase equitable access to Rural and Agricultural Finance** for agricultural enterprise to purchase inputs, technologies, transport, & support small and medium agro-enterprises.
- **Private Sector competitiveness** by strengthening the enforcement & administration of legal framework of male & female property rights.
- **Creation of Economic opportunities** through the support of inclusive financial markets, credits, enhancement of policy environment for Micro Finance & Small Enterprises, Entrepreneurship development, Micro enterprise business development and equal economic rights through elimination of legal discrimination against women.

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