

Gender Equality and Economic Growth

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INTRODUCTION

Women make up a little over half the world's population, but their contribution to measured economic activity, growth and well being is far below its potential, with serious macro-economic consequences. Despite significant progress in recent decades, labour markets across the world remain divided along gender lines, and progress toward gender equity seems to have stalled. Female labour force participation (FLEP) has remained lower than male participation. Women account for most unpaid work, and when women are employed in paid work, they are over- represented in the informal sector and among the poor. They also face significant wage differentials vis-a- vis their male colleagues. In many countries, distortions and discrimination in the labour market restrict women's options for paid-work, and female representation in senior positions and entrepreneurship remains low.

The challenges of growth, job creation, and inclusion are closely intertwined while growth and stability are necessary to give women the opportunities they need, women's participation in the labour market is also a part of the growth and stability equation. The United Nations Celebrates 2014 International Women's Day under the theme of "Equality for women is progress for all". Ensuring gender equality matters in many ways to the development process of a country. Gender equality matters in its own right and has been recognized as "smart Economics". Experiences from various countries confirm that gender equality enhances economic efficiency, and improves other development outcomes.

METHODOLOGY

This study is based on secondary data collected from world Development Reports, Surveys, Journals, articles and books. The data available of India and China is compared and results are analyzed. Based on the result an attempt is made to suggest measures.

FEMALE LABOUR FORCE PARTICIPATION

The influential role of gender equality on economic growth is most directly illustrated in the participation of women in the labour force. When women are not involved in the workforce, only part of the able work force is being utilized and, thus, economic resources are wasted. Gender equality allows for an increase in women in the working sector, thereby leading to an expansion of the labour force and an increase in economic productivity.

The participation of women in the labour force allows for changing social relationships that bring about economic progress. In their article, "Does gender equality spur growth?" Roger Mortvik and

Ronald Spant argue that “the birth rate trend is positive and the demographic structure more balanced in countries where gender equality in the work place is more developed. For these countries, that points to higher labour activity and a more robust economy.”

Entering the work force, women will be pre-occupied with their jobs and there will be less time to devote to caring for family. Consequently, women will display positive birth trends in that they will restrict themselves from having too many children, creating a constant population growth rate and structuring the population in such a way that a constant working-age population will exist. Through their participation in the workforce, women display demographic trends needed for economic growth to occur.

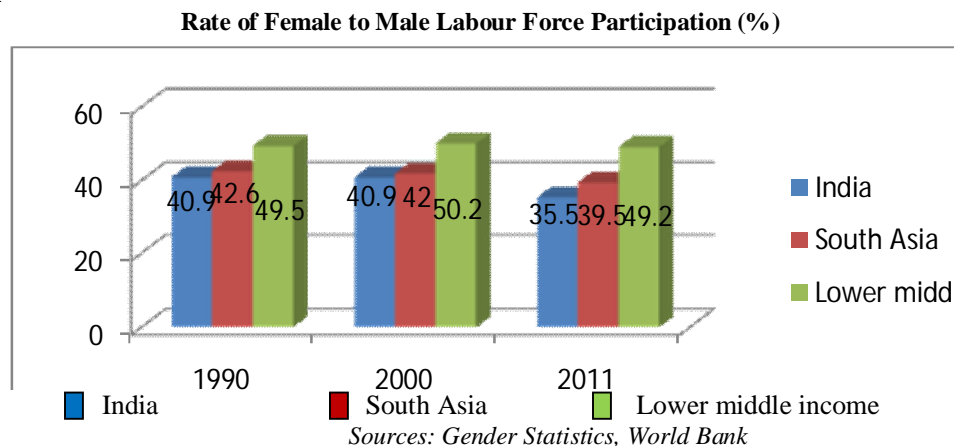
In addition to gender-equality in then workforce, economic growth is also witnessed with the empowerment of women in familial roles that ultimately allows for advancement in the social sector. In “Gender-equality: An End in Itself and a cornerstone of Development” the United Nations Population Fund argons that “empowered women contribute to the health and productivity of families and communities and to improved aspects for the next generation”. Women can use decision-making to provide an environment that is most suitable for economic progress. A woman’s decision to participate in the paid labour force, for example, enables mothers to alleviate their families from such harsh condition as poverty that prove detrimental to economic growth.

By assuming a role in the decision-making process, women are also able to influence human development. For example, children whose mothers have an equal voice in family decisions have been found to be more likely to receive proper nourishment, education and health care services. Women create a beneficial environment where they improve the well-being of offspring. So that the offspring can go on to survive and contribute to future economic growth. Thus, the ability to voice decisions allows gender equality to be crucial to economic progress and human development.

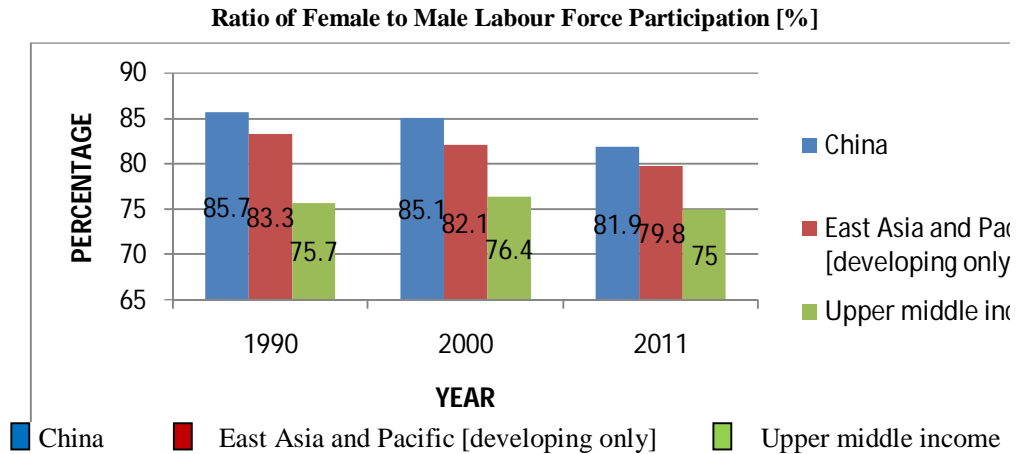
WORLD DEVELOPMENT REPORT

Women’s empowerment and promotion of gender equality are key to achieving sustainable development. Greater gender equality can enhance economic efficiency and improve other development outcomes by removing barriers that prevent women from having the same access as men to human resource endowments, rights and economic opportunities. Giving women access to equal opportunities allows them to emerge as social and economic actors, influencing and shaping more inclusive policies. Improving women’s status also leads to more investment in their children’s education, health, and employment and political participation.

INDIA



CHINA



In the year 1990 the FLFP Rate in India and china was 40.9% & 85.7% respectively, which was reduced to 35.5% and 81.9% in India and china in the year 2011 respectively. The same declining trend is found even in south Asia and Lower Middle Income countries and also East Asia and Pacific and Upper Middle Income countries. But with regard to the percentage of FLFP, it is much higher in China than India.

GALLUP SURVEYS BETWEEN 2009-2012

Chinese women are taking part in their Country’s labour force in vastly greater numbers than Indian women are, according to Gallup Surveys between 2009 and 2012. Overall, 70% of Chinese women are either employed in some capacity or seeking employment, VS 25% of Indian women.

Labour Force Participation Rates in China and India

	China		India	
	Women	Men	Women	Men
Overall	70%	83%	25%	80%
Primly/early secondary education	70%	83%	25%	82%
Secondary education	69%	81%	20%	67%
Tertiary education	81%	82%	34%	78%

Source: Gallup 2009-2012

Gender gaps are also much narrower in China than in India, and all but disappearing among Chinese with the highest level of education College-educated Indian women are significantly more likely than those who are less educated to be in the labour force; however even among this group about one-third [34%] are in the labour force.

Not only do Indian women participate in the labour force at lower levels, those who do participate have a harder time finding jobs than women in China. Gallup’s data indicate that, among Indian women who are labour force participants, 15% are unemployed meaning they are available for work and looking for jobs-compared with 5% among India’s male labour force participants. Among the much larger share of women in the Chinese work force, 5% are unemployed.

CHINESE WOMEN NEARLY TWICE AS LIKELY TO BE EMPLOYED FULL TIME FOR AN EMPLOYER

The “working women” gap between China and India is also clearly reflected in Gallup’s Payroll to population metric, which shows the proportion of the total population that is employed full time for an employer and is not affected by changes in the workforce participation rate. The measure is more closely related to per-capita GDP than traditional employment figures. Overall, Chinese women are about twice as likely as Indian women to work full time for an employer-21% Vs 11% respectively. However, the differences are greater among women at higher education levels-for example 53% of Chinese women with tertiary education have a “good job”, Vs, 17% of highly educated Indian women. Particularly in China women who attain higher levels of education are less likely to be self-employed and more likely to be employed full time for an employer.

Payroll to population Employment Rates in China and India

	China		India	
	Women	Men	Women	Men
Overall	21%	31%	11%	37%
Primly/early secondary education	13%	25%	11%	38%
Secondary education	38%	40%	8%	32%
Tertiary education	53%	59%	17%	41%

2009-2012 Gallup

The most recent UNESCO statistics put the literacy rate among Chinese females at 91% approaching the 97% rate among Chinese men. This rate of literacy far exceeds that in India, where half of women are literate along with three-quarters of Indian men. Indian women are less likely than Chinese women to receive even a basic education and those Indian women who do achieve higher levels of education are less likely to apply it in a full-time job.

IMPLICATIONS

The Chinese economy is currently out performing India’s. The world Bank put China’s growth rate 9% in 2011 and India’s at 6.8%. But over the coming decades, demographic trends will pose a serious challenge for China’s high-octane growth. Its aging population and low fertility rate means its work force will shrink as a share of the total population by as much as 11% over the next 40 years, according to one estimate. In India, by contrast, the proportion of working age people in the population is not projected to peak until around 2030.

However, women’s participation in the formal economy will help determine how well India will be able to convert its “demographic bonus” into economic gain. Here Gallup’s global data demonstrate, China has a distinct advantage. The Country’s FLFP is among the highest in Asia, while India’s, like those of most South Asian countries, is among one of the lowest. The difference is most pronounced among more highly educated women, further supporting the notion that Chinese women contribute more to their country’s “human capital” stock than Indian women.

SUGGESTIONS

Providing women with equal economic opportunities and unleashing the full potential of the female labour force, with significant prospective growth and welfare implications, will require an integrated set of policies to promote and support female employment (Sen,2011). Research suggests that well designed, comprehensive, policies can be effective in boosting women’s economic opportunities and their actual economic participation (Revenga and shetty 2013; Aguirre and others, 2012; Duflo, 2012).

GOVERNMENT MEASURE

The government through its policies can increase FLFP. The govt measures that are gender neutral can have a large positive effect on women. Replacing family income taxation with individual income taxation would boost FLFP. Properly designed family benefits can help support FLFP. Reform of child support and other social benefits could increase the incentives to work. Reforms of child care support programs, for example, by providing child care subsidies for working mothers would boost FLFP.

Expenditure on the education of women and improvements in rural infrastructure can boost FLFP in emerging and developing countries. Empirical evidence suggests that educational attainment correlates positively with FLFP.

In some countries, women's participation in the labour market is affected by legal constraints that limit women's participation to specific sectors of the economy and restrict their access to credit and property rights. In many other economics, tradition and unwritten rules curtail women's economic opportunities. Hence changes in legislation and social norms, increasing the awareness of legal rights to equal treatment, providing the right incentives can help to increase FLFP.

Other Measures: Availability of flexible work arrangements, part time employment, enhanced access to finance and training, social acceptance of women in the labour market-contribute to higher female participation in the formal labour force.

CONCLUSION

Women contribute substantially to economic welfare through large amounts of unpaid work, such as child bearing and house-hold tasks, which often remains unseen and unaccounted for in GDP. Women's ability to participate in the labour market is constrained by their higher allocation of time to unpaid work. On an average, women spend twice as much time on household work as men and four times as much time on childcare, thereby freeing up time for male household members to participate in the formal labour force. There is ample evidence that when women are able to develop their full labour market potential, there can be significant macroeconomic gains. Better opportunities for women to earn and control income could contribute to broader economic development in developing economics.

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