



Department of Political Science

Chair of Political Science

Enquiry on the direction of causality between Gender
Equality and Economic Growth

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INTRODUCTION

In 1995, twenty-five years ago, 193 countries came together at the Fourth World Conference on Women with a single purpose: gender equality and taking measures that will finally guarantee it. They signed the Beijing Platform for Action, which asserted women's rights as human rights and committed to specific actions to ensure respect for those rights. Since then, girls and women have achieved major strides, but many of the promises are yet to be fulfilled.

To begin with, to date, no country in the world has achieved gender equality and a research of the World Economic Forum estimated that even if gender gaps in health and education narrow, it is expected to take another 202 years to close the economic gender gap at the current pace of change.

It could sound like disconcerting but what really makes these data even more puzzling is that the academic world has by now stated and proven the positive causal link which exists between women empowerment and economic development. As Christine Lagarde affirmed like a car stuck in second gear, the global economy can never reach its potential while the talents of half its population remain underappreciated and underused (Jain-Chandra, Kochhar, & Newiak, 2017). As the current United Nations Secretary-General António Guterres declared, women's inequality "is not only unacceptable, it is stupid" (United Nations, 2020). According to the International Labour Organization (ILO), women's work, both paid and unpaid, may be the single most important poverty-reducing factor in developing economies (Heintz, 2006). It is generally believed that gender parity may embody the prerequisite for several other United Nations Sustainable Development Goals.

Historically, gender equality has always been analysed and proposed to the public as a goal to be achieved as discriminating a group in society only on the basis of their race, religion, political beliefs or gender is considered sharply immoral and the infringement of a basic human right. However true this is, women and men's parity is more than an ethical issue: it is also an economic one. In 2018, female human beings were estimated to be 3.764 billions, 49.585 per cent of the global population (World Bank, 2018). The world economy has a potential that can be reached only if conditions for female to have the same opportunities as male are established. Gender equality is not merely an issue of human rights, but an economic necessity (Dordevic, 2018) and for both reasons it should concern the global population.

The purpose of this study is to investigate and understand if there is a causality link between economic growth and development and gender equality. Once acknowledged the existence of the relation, the

ultimate goal is to understand which variable triggers the other and, as a consequence, which one is more convenient to start with, from the policy-maker point of view.

The paper develops in three chapters. As concerns the first chapter, I believe that in order to investigate the theories that flourished around this issue, it is necessary to be fully aware of what gender inequality is. Indeed, in this chapter, I seek to provide a presentation of its multidimensional nature, providing definitions, descriptions and the evidence of diverse aspects such as education, fertility, maternal mortality, labour force participation rate and so forth. These elements are those that are supposed to cause economic growth or to be its consequence, thus it is paramount to understand them and the data which characterizes them.

Once confident with these elements, in the second chapter, I will analyse the different theories and ideas orbiting around the issue. The chapter is subdivided in three groups. In the former two, theories will be split according to the direction of causality: development alone can play a major role in driving down inequality between men and women; on the other side, empowering women may benefit development. In the third part, the mediator variable of democracy is added. Is it the intervention of democracy that generates the relation between the two variables?

In the third and last chapter I draw some conclusions from the analysis previously carried out. Basing the study on scientific quantitative and qualitative data, I seek to identify different aspects of both directions of causality. In addition, it is important to specify that since the work is built on a multidimensional variable, different outcomes for diverse countries could emerge.

CHAPTER 1: Barriers to women economic empowerment: what is gender inequality?

In order to understand in which ways gender gap hampers growth, it is fundamental to fully master what gender gap is. Discrimination towards women and girls manifests itself through a series of inequalities in different fields of life and for this reason, it is not simple to aggregate the different components in a single variable, under the name of “gender inequality”. Many studies have focused on specific dimensions of gender inequality such as education, health, labour force participation rate, political participation and so on. More generally, scholars have come to the conclusion that it is convenient to analyse gender inequality from two different points of view: inequality of opportunities and inequality in economic and political outcomes (Mitra, Bang, & Biswas, 2015).

In the context of this study, it is important to highlight that the aspects of gender inequality enumerated and under consideration in this chapter do not mirror the wholeness of the inequalities existing globally. The study focuses on the dimensions of disparity that embody a channel through which economic growth, productivity and development can be hindered. The elements treated in the first chapter are those that, according to the academic world, interact with economy. On the other hand, the ways through which this interaction occurs are clarified in the second chapter, throughout an accurate illustration of the different theories.

Each of the gender gaps of the chapter are analysed from an economic benefit point of view. Nonetheless, the importance of the fulfilment of these gaps as the achievement of a basic human right should not be underrated.

1.1 Inequality in women’s access to opportunities

1.1.a Education

Gender gap in the access to education (measured by the difference in years of schooling between men and women) is the first constraint to women’s opportunities. Over the past century, education Gini¹

¹ The Gini index or Gini coefficient is a statistical measure of distribution developed by the Italian statistician Corrado Gini in 1912. It is often used as a gauge of economic inequality, measuring income distribution or, less commonly, wealth distribution among a population. The coefficient ranges from 0 (or 0%) to 1 (or 100%), with 0 representing perfect equality and 1 representing perfect inequality. Values over 1 are theoretically possible due to negative income or wealth (Chappelow,

has been declining steadily across all regions, namely the gender inequalities in education have been narrowing. However, challenges remain, particularly in low-income and developing economies. Enrolment rate is the ratio of children within the official primary school age who are enrolled in primary school to the total population of that age (World Bank, 2018). The 2018 ratio of female to male primary school enrolment was 1.004 whereas in secondary education, female to male enrolment averages 0.988 (World Bank, 2018). Gender disparity in enrolment is found in more countries at the secondary level than at the primary level and the largest gender gaps at the expense of girls are observed in sub-Saharan Africa. In Central African Republic and Chad, for example, only 61 girls and 62 girls, respectively, are enrolled in lower secondary school for every 100 boys (UNICEF, 2020). Indeed, in advanced and emerging market economies, the gender gap in education is virtually closed, and women are now more likely than men to be enrolled in postsecondary education (World Bank, 2018). Nevertheless, if we take into consideration only the low-income group of countries or countries affected by conflicts, the averages drop. For instance, there are currently 5.5 million more out-of-school girls of primary age than boys, worldwide (UNICEF, 2020).

These kinds of disparities start manifesting at an early stage of life of girls and often conduct to the situation of the so-called sticky floor. This metaphor implies that there might be invisible obstacles impeding economic and professional advancement to women in the future. Educational gaps often emerge at an early stage of a girl's life and subsequently trigger vicious circles in which other gaps arise and exacerbate throughout women's life leading to poor opportunities and outcomes.

Even though some early studies argued that education enrolment and attainment of males have a significantly positive effect on growth rates, but those of females have a puzzling negative effect (Barro & Lee, 1994), nowadays it is supported by the majority of scholars that a positive relation exists between education and the economic development of a country. Specifically, Dollar and Gatti (1999) were among the founders of this tide of thinking. They asked themselves three main questions. Is lower investment in girls' education simply an efficient economic choice for developing countries? Does gender inequality reflect different social or cultural preferences about gender roles? Is there evidence of market failures that may lead to under-investment in girls, failures that may decline as countries develop?

If under-investment is efficient, then promoting girls' education is swimming upstream. If, on the other hand, it is not efficient for growth but reflects cultural preferences, then promoting girls' education may raise a country's income but reduce the welfare of those who have a preference for

2020). Gini index is also utilised for other kinds of inequalities such as gender inequality and its dimensions. In this case, it is referred to access to education gap.

gender inequality. Finally, to the extent that under-investment in girls may be the result of market failures, then a campaign to increase girls schooling could be truly “win- win,” that is, making everyone better off (Dollar & Gatti, 1999).

This literature, which will be fully developed in chapter 2, shows that, largely due to the impact of female education on fertility and the creation of human capital of the next generation, a lower gender gap will spur economic development (Klasen & Lamanna, 2009). In order to understand how the process works, it is necessary to further analyse the consequences and the damages of a lower rate of female to male enrolment in education. As previously mentioned, first of all, gender inequality in education excludes women from the pool of talents from which employers can draw. In this way, the potential productivity is not reached because the average human capital in a society is limited and the allocation of resources results less efficient. Moreover, the externalities of female education have to be considered: maternal death and adolescent fertility are the most prominent.

1.1.b Health indicators

Access to health care represents another variable composed by various dimensions which are not always easy to aggregate together. However, there are some specific aspects of health that directly concern only women, namely the elements of maternal mortality ratio and fertility rate. The higher the two ratios are, the greater the female to male inequality in accessing opportunities and reaching outcomes.

Maternal mortality is described by World Health Organization (WHO) as the risk associated with a pregnancy. Complications during pregnancy and childbirth are a leading cause of death and disability among women of reproductive age in developing countries (World Health Organization, 2004). The rate deeply depends on the analysed region of the world. Whereas in high-income countries, out of 100,000 live births, 11 women died, the same ratio in sub-Saharan Africa is 534. On top of that, maternal mortality ratio entails a spectrum of indirect discriminations. Other than directly affecting the welfare of women (and not men) in a significant way, maternal mortality is potentially a source of lower parental investment in childhood: if parents expect girls to be much more likely to die as young women than boys, they may be more inclined to invest in boys (Duflo, 2011). In fact, Jayachandran and Lleras-Muney (2009) were able to demonstrate that longer life expectancy encourages educational investment because a longer time horizon increases the value of investments that pay out over time (Jayachandran & Lleras-Muney, 2009). According the authors, the sudden drop in Sri Lanka’s maternal mortality brought about by effective public policy, sharply helped reducing

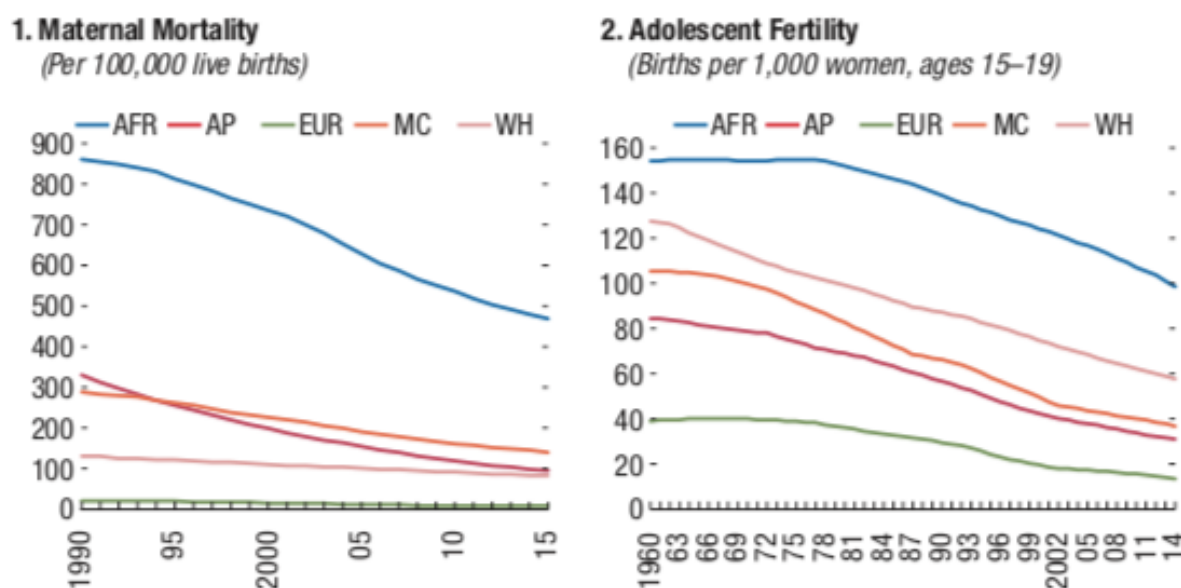
education gender gap of the country. In general, even though demonstrating if a household is likely to spend less for the care of a daughter compared to that of a boy, especially under observation, Duflo (2011) reported different studies in which girls are treated differently than boys for what concerns investment in education and health. For example, differential treatment of girls and boys also becomes acute when the household is facing a crisis. In India, the excessive mortality rate of girls, relative to boys, spikes during droughts. When they cannot afford to feed everyone, families disproportionately sacrifice the welfare of girls (Duflo, 2011).

On the other hand, girls' school enrolment goes hand in hand with the level of fertility of a country. Fertility rate is defined by the WHO as the average number of children a hypothetical cohort of women would have at the end of their reproductive period if they were subject during their whole lives to the fertility rates of a given period and if they were not subject to mortality. It is expressed as children per woman (World Health Organization).

Fertility rate is closely related to another paramount indicator, especially in low-income and developing countries: adolescent fertility rate. The term "adolescent" indicates girls aged between 15 and 19 years old. Adolescent fertility is a broad indicator of health, and when the rate declines, opportunities for girls open up because early motherhood is often associated with higher school dropout rates, and limited employment opportunities later on (Jain-Chandra, Kochhar, & Newiak, 2017). Moreover, this variable is associated with maternal mortality as girls in a young age are more likely to die or have complications giving birth.

There is a strong bi-directional relationship between education and fertility rate as promoting female education is known to reduce fertility levels, reduce child mortality levels, and promote the education of the next generation (Klasen & Lamanna, 2009). Indeed, high fertility rates, especially adolescent ones, prevent girls from school enrolment, which consecutively relegates women to the above mentioned vicious circle of low-skilled jobs, unemployment, poor economic performance, further inequality in education, economic participation and wage.

As depicted in Figure 1, indicators of female health such as maternal mortality and adolescent fertility have largely improved since the beginning of the 2000s. However, in regions such as sub-Saharan Africa still suffers from about 200,000 maternal deaths a year, which is over two thirds (68 per cent) of all maternal deaths per year worldwide (UNICEF, 2019).



Sources: Solt 2016; World Bank, World Development Indicators database.

Note: AFR = Africa; AP = Asia and Pacific; EUR = Europe; MC = Middle East and central Asia; WH = western hemisphere.

Figure 1: Indicators of Women Health 1990-2015

Source: Jain-Chandra, Kochhar, & Newiak, 2017

1.1.c Financial access

Access to formal financial services, broadly defined as the share of households and firms that are able to use financial services if they choose to do so, is considered to be a crucial booster of economic well-being and development. In particular, financial access allows individuals and firms to move away from short-term decision making toward an inter-temporal allocation of resources. This encourages savings and removes the straitjacket of self-finance, thus improving incentives for productive investments and for the enlargement and deepening of markets for goods and services (Rojas-Suarez, 2010).

Yet, World Bank Global Findex database revealed that in 2017 the gap was stationary at 7% since 2011 (World Bank, 2017). The main reason for which both women and men around the world do not hold an account is simply because they do not possess enough money to afford one. However, women are still relatively excluded from formal financial sector. This specific gender gap is, in turn, generated by diverse features such as social norms, lower access to technology, smaller margins requiring higher upfront investment and so forth. Another impressive reason is that women,

worldwide and especially in low-income and developing countries, often enjoy less access than men to identity documents (Koker, 2015), which are necessary in order to entry the banking system. As the researchers of the International Monetary Fund Jain-Chandra, Kochhar, Newiak (2017) have clearly explained, women's inclusion in the financial services is pivotal as more access would enhance women's income-generating ability and increase their power within the household. And with a safe place to store money, they would be less vulnerable to theft and more able to save and invest in education and businesses (Jain-Chandra, Kochhar, & Newiak, 2017). This belief has been the cornerstone of Microfinance² in the last decades which often targeted women, in some occasions exclusively. In this case, the preference towards female borrowers is based on two main factors. Firstly, women register higher repayments rate and as a consequence they are considered to be more profitable customers. Moreover, it has been shown in several contexts that women invest the money in goods and services that improve the well-being of families, in goods that are conducive to development (Duflo, 2011) such as the education of children, which comes first in women's priorities. However, Microfinance and Microcredit schemes cannot be deemed as the solution to women's inequality considering that it has been shown by recent studies that different outcomes depend on the initial situation and condition of the woman and her business. Findings show that some women are empowered along several dimensions as a result of their access to loans; several other women have little control over the use of loan funds and are therefore no better off due to receiving credit; while some women are subjected to harassment and abuse due to their indebtedness and inability to repay loans, and are therefore worse off (Ganle, Afriyie, & Segbefia, 2015).

1.1.d Legal Rights

In several occasions, the failure of Microcredit and other funding or loans projects targeted to women is due to a discrimination which is quite common in many developing countries of the world: legal restrictions. Indeed, women are legally restricted in disparate dimensions of their life. In many countries, they still lack independence in areas as diverse as property rights and owning lands, access to loans and conducting businesses. This specific dimension of gender inequality is the subject of the analysis of Women, Business and the Law (WBL), a World Bank Group project collecting unique data on the laws and regulations that restrict women's economic opportunities (World Bank, 2020).

² The provision of financial services to poor people who are excluded by the traditional financial sector (The World Bank). Microfinance started with microcredit, the provision of small loans with rapid turnover and no collateral, and used in the field of development since the mid-1970s, with the foundation of the Grameen Bank by economist Muhammad Yunus in Bangladesh.

WBL covers the spectrum of 190 countries and it focuses on eight indicators structured around women's interactions with the law as they begin, progress through, and end their careers. The indicators are Mobility, Workplace, Pay, Marriage, Parenthood, Entrepreneurship, Assets and Pension (World Bank, 2020). Legal gender parity is such a great concern, first of all because it represents a basic human right, but also because it directly affects labour force participation rate, which in turn has a strong impact on income inequality. Both of these elements are strictly linked to the boost of a country's economy and will be discussed in the following chapters.

Removing gender-based legal obstacles and restrictions is an important policy step to broaden the ability of women to work and receive the same economic rights and opportunities as men (Jain-Chandra, Kochhar, & Newiak, 2017). Whereas this study focuses on legal constraints that affect women's economic activity, there are several other restrictions with serious social implications that should be governments and civil society's priority and that should be universally addressed such as laws on violence against women.

1.2 Inequality in women's economic and political outcomes

As mentioned above, disparities in opportunities often serve as drivers of a vicious circle that consequently leads to inequalities in economic outcomes, which in turn have the power of creating and exacerbating further gaps.

1.2.a Political representation

The proportion of seats held by women in national parliaments is another fundamental indicator of gender gap because it captures the ability of a country to empower women from a long-term point of view. Only 24.3 per cent of all national parliamentarians were women as of February 2019, a slow increase from 11.3 per cent in 1995. As of June 2019, 11 women are serving as Head of State and 12 are serving as Head of Government (UN Women, 2019). Rwanda represents an interesting case because it has the highest number of women parliamentarians worldwide, where, women won 61.3 per cent of seats in the lower house (UN Women, 2019). And even if the 2003 Constitution with its new quota system helped reaching this parity, Rwanda certainly owns its results to the 1994 genocide as well. Indeed, after the Tutsi massacre, which killed an estimated one-tenth of the population, most of them men, the demographic configuration of the country altered so significantly that including women in positions of high public office became necessary. In any case, the Rwandan case still

represents what The Guardian have once called the realisation of a once utopian fantasy of female majority leadership (Salami, 2013).

However, globally, there are 27 States in which women account for less than 10 per cent of parliamentarians in single or lower houses, as of February 2019, including 3 chambers with no women at all (UN Women, 2019). The percentage of seats held by women in national parliaments in Nigeria, the most populated state of Africa, is 3 percent.

The main elements that hamper women's political participation are the electoral system in use in the country and the perception of the lack of previous political experience by women. As concerns the former, many scholars such as Larserud and Taphorn sought to design an electoral system which is compatible with quotas for women, a form of affirmative action to help overcome the obstacles that prevent them from entering politics in the same way as their male colleagues (Larserud & Taphorn, 2007). As regards the latter, Duflo has developed an interesting theory for which the widespread perception that women are not competent leaders is probably the strongest barrier to greater participation of women in policy making (Duflo, 2011). Experiments have been led both in India and in developed countries bearing evidence of gender stereotypes and biased perceptions towards women.

1.2.b Labour market participation

Women are less likely than men to participate in the labour market, and those who do participate are less likely to find a job. The gender parity in labour market participation is usually deduced through the Labour force participation rate, defined by the United Nations Development Programme as the ratio of female to male of proportion of a country's working-age population (ages 15 and older) that engages in the labour market, either by working or actively looking for work, expressed as a percentage of the working-age population (United Nations Development Programme, 2013). Currently, the percentage of women taking part in labour market is 47.663 per cent whereas the percentage of men is 74.702, meaning that, in the world, about 48 women participate in labour market for every 75 men. Considering that almost half of female global population is out of the labour force, these data suggests that there are several and serious challenges impeding their capabilities and freedom to participate. In addition, it has to be taken in consideration the considerably wider gap that exists between women and men in the field of entrepreneurship, namely the fraction of women excluded from becoming employers or self-employed.

Moreover, global averages veil significant cross-regional and cross-country differences. For instance, the latest data supplied by World Bank in 2019 show how the female labour force participation rate

can vary from a 20 per cent in Middle East and North Africa region to a 50 per cent in Europe and East Asia, up to 61 per cent of sub-Saharan Africa (The World Bank, 2019). What is interesting to observe in these data is that the correlation of the country's income and its female labour force participation rate is U-shaped. Indeed, World Bank displays that whereas the rate in high income countries is about 53 per cent, it is 45 in middle income ones and 64 in the areas exhibiting the lowest income. The reason why in poor regions of the world, such as sub-Saharan Africa, more women are involved in the labour market has been clarified by the *World Employment and Social Outlook: Trends for women 2017*, a report by ILO. Indeed, this reflects both a prevalence of poverty and a lack of access to social protection, leaving both men and women little choice but to work out of necessity. This effect – in addition to limited access to education and vocational opportunities – is also responsible for more women working in vulnerable forms of employment (International Labour Organization, 2017). The phenomenon is called “feminization U” due to its shape on the graph that can be examined in Figure 2.

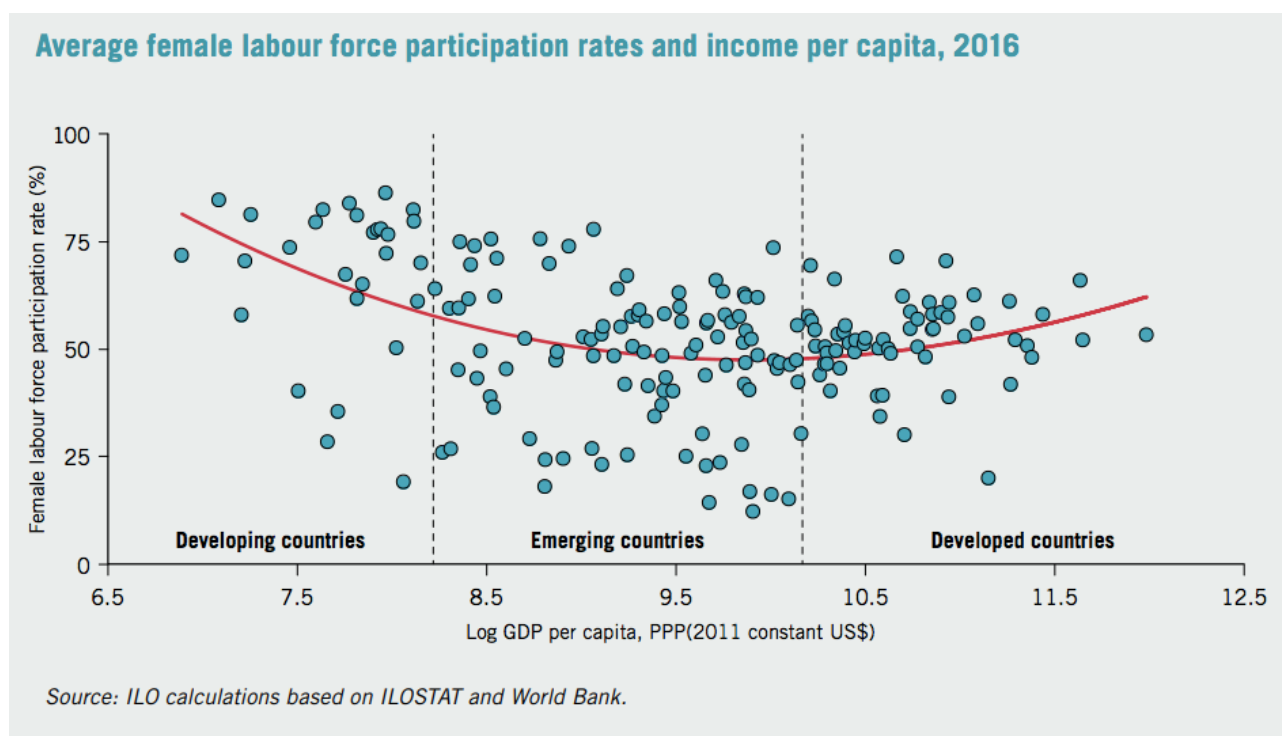


Figure 2: Average female labour force participation rates and income per capita, 2016
Source: (International Labour Organization, 2017)

Another element that exacerbates the disparities between men and women in the participation in labour market is that women dominate the informal sector, which often leaves them without any protection of labour laws and social benefits, with lower wages in unsafe conditions. Furthermore, women contribute substantially to the general economic welfare by performing large amounts of

unpaid work, such as child-rearing and household tasks, which is often unaccounted for in GDP (Jain-Chandra, Kochhar, & Newiak, 2017). On average, women spend twice as much time as men on household work and four times as much time on childcare (Duflo, 2011), thus if both paid and unpaid work are acknowledged, women are considered to work longer hours than men. In such manner, they regularly contribute to society with work that is largely invisible from an economic point of view.

As the *World Employment and Social Outlook: Trends for women 2017* suggests, a woman's decision whether to participate or not in the labour market is based on a complex set of drivers which can be broadly classified under the categories of gender-role conformity, personal preferences and socio-economic constraints. While the first element is often shaped by ethnicities, religions and society's norms, thus it does not strictly fall under the field of research of this study, the latter two are driven by economic fundamentals and governmental economic policies. This is the reason why female labour force participation is one of the fundamental components of gender inequality and it is paramount in order to determine whether gender parity causes economic growth or vice versa.

Be that as it may, analogous to the argument made for inequality in access to education, since women represent about 50 percent of the world working-age population, the gender gap in employment reduces the pool of talents from which employers can draw, thus it does not enable an economy to reach its potential productivity as it substitutes productive women with relatively less productive men. Moreover, narrowing the gap in the labour force participation rate leads to a drop in fertility and a consequent higher fraction of household income directed to investment in girls and boys, reducing the gender asymmetries in education. As it will be observed in Chapter 2, each of these elements is a contributor to a boost in a country's economic growth as well as a consequence of it.

Country/region	1997–2017	2017			2018			2018–21
	Gap	♂	♀	Gap	♂	♀	Gap	Gap
World		76.1	49.4	26.7	76.0	49.3	26.7	➡
Developing countries		82.6	70.3	12.3	82.6	70.3	12.3	➡
Emerging countries		77.5	46.9	30.6	77.4	46.7	30.7	⬆
Developed countries		68.0	51.9	16.1	67.9	51.8	16.1	⬇
Northern Africa		74.1	22.9	51.2	74.1	22.9	51.2	⬇
Sub-Saharan Africa		76.3	64.6	11.7	76.4	64.7	11.7	➡
Latin America and the Caribbean		78.3	52.7	25.6	78.3	52.7	25.6	⬇
Northern America		68.3	56.2	12.1	68.1	56.1	12.0	➡
Arab States		76.4	21.2	55.2	76.3	21.3	55.0	⬇
Eastern Asia		76.8	61.3	15.5	76.6	60.9	15.7	⬆
South-Eastern Asia and the Pacific		81.2	58.8	22.4	81.1	58.8	22.3	➡
Southern Asia		79.4	28.6	50.8	79.5	28.7	50.8	⬇
Northern, Southern and Western Europe		63.8	51.3	12.5	63.6	51.2	12.4	⬇
Eastern Europe		68.1	53.0	15.1	67.9	52.9	15.0	⬇
Central and Western Asia		73.5	44.1	29.4	73.5	44.1	29.4	➡

Figure 3: Labour force participation rate by sex (per cent) and gender gap (percentage points), 1997–2021

Notes: Throughout this report, figures for 2017 and beyond are projections.

Developments for the period 2018–21 are marked with a red upward arrow if the gap is projected to widen by more than 0.1 percentage points, by a green downward arrow if it is projected to narrow by more than 0.1 percentage points, and a black horizontal arrow for developments in between. Numbers in the “Gap” columns refer to the percentage point difference between the male and female labour force participation rates or the change over time but may not correspond precisely due to rounding.

Source: ILO’s Trends Econometric Models, November 2016.

1.2.c Wage

Wage gap is a significant disparity, not only among diverse regions but even within the same countries and occupations. Indeed, it can as well arise when the subjects in question perform the same tasks, or when they present similar preparation and previous education. The gender wage gap is defined as the difference between median earnings of men and women relative to median earnings of men (OECD, 2019). No country in the world has already achieved parity in wages between women and men and the problem is global since in even the OECD countries average gap in 2017 was estimated at 13.2 per cent. The gender wage gap is narrow for young women in OECD countries, but it increases steeply during childbearing and child-rearing years, pointing to a “motherhood penalty,” estimated at 14 percent (Jain-Chandra, Kochhar, & Newiak, 2017). The so-called phenomenon of occupational segregation, being it horizontal or vertical, combined with reduced working hours for women, play a fundamental role in the explanation of the wage gap that endures between women and men. Very few scholars sought to quantify the aggregate losses of a country basing their analysis only on one dimension of gender gap but Cavalcanti and Tavares embody an exception. In fact, using a growth

model in which saving, fertility and labour market participation are endogenous, the researchers were able to prove the aggregate effects of gender inequality in wages (Cavalcanti & Tavares, 2016). The study bears witness of the crucial relevance of the element of gender wage gap when analysing the effects that gender inequality has on economic growth.

1.3 The Gender Inequality Index

As mentioned, the above listed variables cannot capture in detail discriminations to which women are subjected worldwide and in addition, it often results problematic to shift inequalities that occur in reality into comprehensive data. For instance, as concerns legal restrictions towards women, WBL database is based on existing laws (*de jure*) and does not take into account their practical application (*de facto*). This represents a great difference in the data especially in developing, low-income and most of all conflict-affected countries.

However, for statistical purposes these categories have been created and in 2010, they were further unified by the United Nations in a multi-dimensional index called the Gender Inequality Index (GII). Prior to GII, several experiments of indices focusing on specific dimensions of gender inequality were theorised.

In 1995, the United Nations Development Program created the Gender Development Index (GDI) and subsequently the Gender Empowerment Measure. Other institutions as well have attempted through the years to construct their own index or scale. In 2010, for example, The Economist Intelligence Unit developed the Women's Economic Opportunity Index, which ranks economic opportunities for women in 113 countries (Butt, 2010). The Organisation for Economic Co-operation and Development (OECD) sought with its Social Institution and Gender Index in 2007, the World Bank as well with the Country Policy and Institutional Assessments Gender Equality Rating, which play an important role in determining the Bank's allocation of aid and has been conducted since 1977 but with heavy lacks data. Finally, the World Economic Forum implemented the Global Gender Gap Index in 2006.

The Gender Inequality Index measures gender inequalities in three important aspects of human development—reproductive health, measured by maternal mortality ratio and adolescent birth rates; empowerment, measured by proportion of parliamentary seats occupied by females and proportion of adult females and males aged 25 years and older with at least some secondary education; and economic status, expressed as labour market participation and measured by labour force participation rate of female and male populations aged 15 years and older (United Nations Development

Programme, s.d.). Figure 4 shows a streamlined scheme proposed by the United Nations Development Programme clarifying how these data are organised in order to obtain the index.

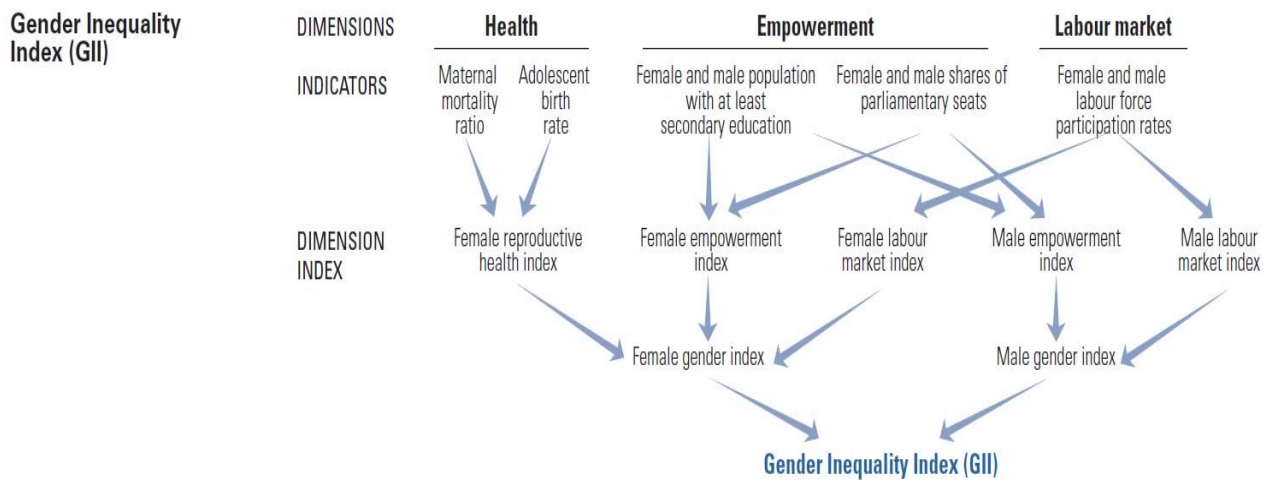


Figure 4: Gender Inequality Index (GII)

Source: (United Nations Development Programme, s.d.)

By capturing the magnitude of gender-related inequalities through the lenses of these dimensions, the aim of the index is providing information throughout time about 162 countries with the ultimate ambition of highlighting areas in need of critical policy intervention and stimulating proactive thinking and public policy. The GII ranges between 0, which indicates perfect equality, and 1, perfect inequality, with a higher value of the index indicating more gender disparities in health, empowerment and labour market outcomes. The world average score on the GII in 2018, the most recent update, was 0.439.

In their 2017 report called *Women, Growth and Economic Growth – Levelling the playing field*, various IMF researchers criticised the United Nations' GII as it comprehends a combination of disparities of opportunities and outcomes and this makes it difficult to distinguish between inequality that results from women's preferences and inequality that results from an uneven playing field (Jain-Chandra, Kochhar, & Newiak, 2017). As a consequence, they sought to introduce a new index based only on gaps in opportunities. Moreover, the GII has been criticised in the past due to its combination of indicators that compare men with women and indicators that affect only women such as adolescent fertility rate. Despite the objections, the GII remains the most widely used index, therefore it is the one employed in my analysis.

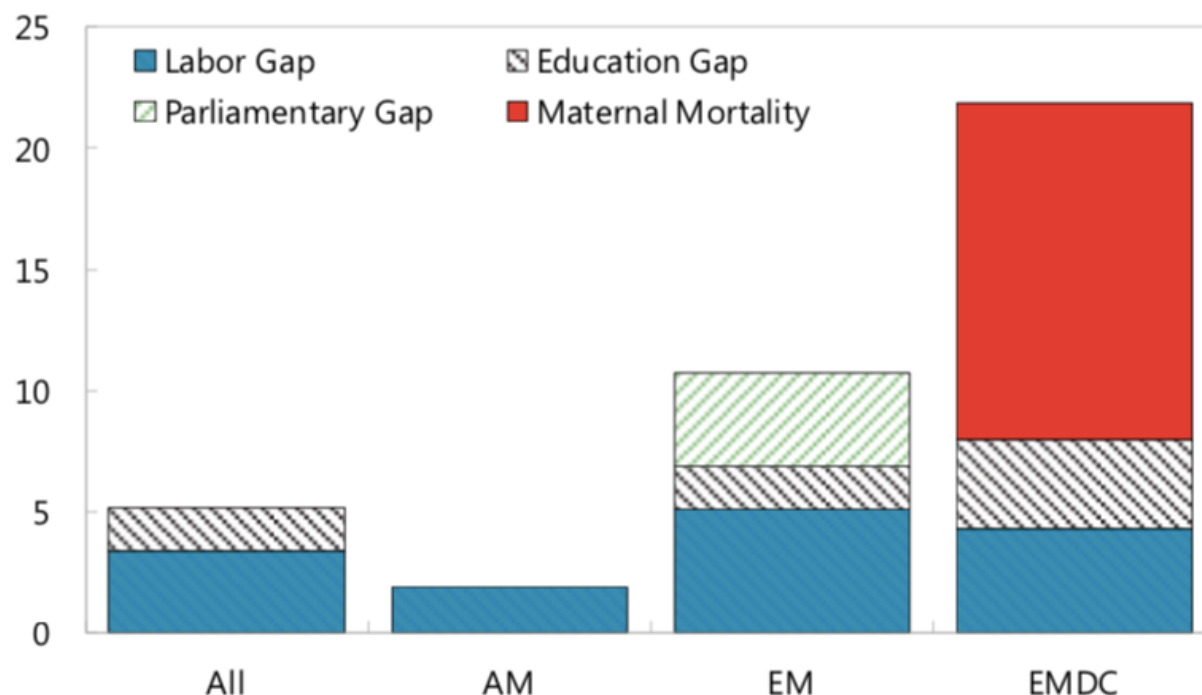
1.4 Income inequality

Up to this point, the listed inequalities mirror several channels that can hamper growth and productivity outcomes. The ways in which they are able to perform this function will be analysed in the next chapter. There is another channel through which a higher gender gap can interact with the economy: income inequality. Still, all the dimensions of inequality of this chapter – both in opportunities and outcomes - are severely intertwined with one another and strictly linked to this last one. Clearly, income inequality can be generated by large gaps in labour force participation rates between men and women as well as by wage gaps. Moreover, these economic outcomes are often produced by gender disparities in access to opportunities.

In summary, gender inequality (understood as the disparities that form GII) and income inequality are strongly related. This intuitive hypothesis was verified by researchers of the IMF in 2015 in their report *Catalyst for Change: Empowering Women and Tackling Income Inequality* (Gonzales, Jain-Chandra, Kochhar, Newiak, & Zeinullayev, 2015). They start from earlier theories, which posit that income inequality is driven by a series of standard determinants, and their relevance depend on the level of development of the country. The empirical analysis of Gonzales and others finds that gender inequality drives income inequality above and beyond determinants previously identified in the literature (Gonzales, Jain-Chandra, Kochhar, Newiak, & Zeinullayev, 2015). Throughout their investigation, they are able to argue that an increase in the GII from 0 (perfect gender equality) to 1 (perfect gender inequality) is associated with an increase in net inequality by almost 10 points. Alternatively, if the GII falls from the highest level of 0.7 (highest level in the sample, seen in Yemen) to the median level of 0.4 (seen in Peru), the net Gini decreases by 3.4 points, which is similar to the difference in net Gini between Mali and Switzerland (Gonzales, Jain-Chandra, Kochhar, Newiak, & Zeinullayev, 2015).

As the standard drivers of income inequality previously highlighted in the literature have different impact according to the level of development of the country, the same applies to the several aspects of gender inequality. Different dimensions of GII matter for different country groups. Generally, gender gaps in education and labour force participation are the drivers which affect the most income inequality. As concerns, advanced markets, where access to education and health gaps are narrower or totally closed, labour force participation gap represents the most crucial element. On the other hand, in emerging and developing countries, the ones with the lowest income, one of the major and central drivers of income inequality is maternal mortality, as inequality in opportunities translates into income gaps. Figure 5 presents a visual illustration of the impact of different gender inequality aspects as drivers of income inequality on country groups.

Marginal Effect of Gender Inequality on Net Gini, 2010 (In Gini Points)



Note: AM = Advanced markets; EM = Emerging markets; EMDC = Emerging and developing countries.

Figure 5 – Marginal effect of Gender inequality on Net Gini, 2010
Source: (Gonzales, Jain-Chandra, Kochhar, Newiak, & Zeinullayev, 2015)

In conclusion, the paper documents the strong association that exists between gender-based economic inequalities and income ones. Nonetheless, it poses a new query: the direction of causality of the two variables. Regressions between income inequality and gender inequality are subject to concerns related to reverse causality, i.e., whether gender inequality causes or is influenced by income inequality (Gonzales, Jain-Chandra, Kochhar, Newiak, & Zeinullayev, 2015). The direction of this causality and, as a consequence, the one that exists with economic growth is the field of inquiry of the next chapters and of this study.

Finally, the entirety of data presented in the chapter seeks to demonstrate the progresses the whole world has made in the last decades attempting to fight the gap both in access to opportunities and in political and economic outcomes that exist between men and women. Although the steps towards a society in which all genders enjoy the same rights and opportunities have been increasing, the above data wants to suggest that various disparities still hold in the majority of global regions, since no

country in the world has achieved gender equality yet. Policies which aim at this goal should increase as, at the current pace of change, it is expected to take other two centuries to reach gender parity, and as it will be demonstrated in the next chapters, this could sharply damage the potential economic growth of every economy.

CHAPTER 2 – Literature Review

The aim of this chapter is to analyse the theories that seek to give evidence on how the two variables of gender equality and economic growth and development affect one another. The chapter is going to start with the study of how economic development is able to influence and have an impact on gender inequality. I will continue analysing the inverse direction of causality and finally I will introduce “democracy” in order to understand if that represents a mediator variable between the other two. Going through the analysis of the study carried out by Inglehart, Norris and Welzel (2002), I will attempt to demonstrate that democracy does not generate the relation between gender equality and economic growth.

2.1 Development has an impact on gender equality

The first point of view that I wish to investigate is how economic growth affects gender gap. Empirical demonstrations bear witness that an increase in a country’s income leads to a decline in the gender gap of that country. The assumption is that economic development, reducing poverty thus reducing the vulnerability of poor households to risk, even without specifically targeting women, disproportionately improves their well-being and favours women more than men (Duflo, 2011). Through this process, it is able to bring about equality or at least to narrow the gap that endures between the two genders.

After the analysis carried out in the previous chapter, it is possible to deduce that gender inequality is often greater among the poorer households of the world, within and across countries. Starting from this premise, reducing poverty is a paramount point of departure in order to decrease the gender gap, as it is likely to increase opportunities. As concerns this point, more clarifications will follow below because the mechanism is not that automatic. Moreover, Duflo (2012) carries evidence that discrimination towards women and girls is stronger in times of crisis. According to the scholar, poor households face challenges that require them to make life or death choices on a daily basis. When forced, families that live in a context of discrimination towards girls, will favour boys out of girls. Evidence has been offered by different studies in this field. For example, it was possible to demonstrate that in India, where sex disparities in health and education are at their peak, the unbalanced sex ratio was caused by discriminatory attitudes towards girls. Indeed, whereas the ratio of infant mortality for serious diseases were matched and not significantly different, for the preventable and treatable illness, there were twice as many deaths among girls compared with boys.

The study concludes that the excess number of unexplained deaths due to treatable conditions such as diarrhoeal disease in girls may be because girls are regarded and treated less favourably in India (Khanna, Kumar, Vaghela, Sreenivas, & Puliyel, 2003). Another study highlights the mechanisms through which excess female mortality arises include differential allocation of food and health care by gender in times of droughts (Rose, 1999).

So far, the gender gap has been analysed “in negative”: in times of crisis, when development is missing and poverty is high, gender discrimination becomes wider and girls are treated differently compared to boys. However, many studies focused their analysis on the opposite point of view: what kind of transformations in the gender gap occur when economic growth and GDP increase?

Becker and Lewis (1973) were the most prominent in talking about the special relation between the number (quantity) of children ever born to a family and the “quality” of their children as perceived by others if not by the parents (Becker & Lewis, 1973). They argue that the income elasticity with respect to investment in children’s education is larger than that with respect to the number of children. Hence, a rise in income must, at some point, lead to a decline in fertility along with an increase in the investment in the human capital of each child (Cuberes & Teignier, 2014). When a high enough income threshold is reached, the fertility of the country starts declining. As a consequence of this drop in fertility rate, more resources will be allocated on a restricted number of children, with girls benefitting from this process and the gender gap in labour force participation narrowing.

In addition, as the economy develops, the industry structure evolves and in turn, service economy expands. It is called structural transformation, and specifically means the reallocation of labour from goods to service industries (Ngai & Petrongolo, 2017). It is what happened to Europe and more in general to the Western world in the decades coming after World War II and what is supposed to occur or is already taking place in developing countries. In the sector of services, women represent a good proportion of the labour market due to several reasons. For example, among them there is the relatively more intense use of “brain” skills compared to “brawn” ones, which comparatively advantage women. In addition, service industry often requires the use of interpersonal and communication skills, which, throughout the second part of the 20th century, allowed women to enter this specific economy. In summary, what Ngai and Petrongolo (2017) claim is that economic boost is, in the first place, a driver of diverse and more complex industries, among which we find that of services. The expansion in this sector of the economy automatically creates the jobs that women are better suited for in the market, without any specific policy targeted at reducing gender gap. However well-founded and true in the past history this theory may be and even if it could represent a good

starting point for what concerns developing countries, it may still evoke a form of occupational segregation. Horizontal segregation often takes the form of women disproportionately working in occupations that emphasize non-manual skills and men disproportionately working in those that emphasize manual skills. For example, women constitute 73 percent of workers in clerical occupations, but less than 4 percent of workers in craft occupations. Horizontal segregation also occurs within major groups such as the professions, where women are more likely to work in occupations that are “people-oriented” rather than “object-oriented” (Weeden, Newhart, & Gelbgiser, 2018).

The multidimensional nature of development has to be taken into consideration as well. One of the main aspects of development is technological progress, which usually comes hand in hand with the economic boost of a country. In 1912, Thomas Edison, as interviewed by *The Good Housekeeping Magazine*, argued that “the housewife of the future will be neither a slave to servants nor herself a drudge. She will give less attention to the home, because the home will need less; she will be rather a domestic engineer than a domestic labourer, with the greatest of all handmaidens, electricity, at her service. This and other mechanical forces will so revolutionize the woman’s world that a large portion of the aggregate of woman’s energy will be conserved for use in broader, more constructive fields” (Edison, 1912). Apparently, the premonition of the American inventor and entrepreneur was correct as technological progress spurred women to enter the formal labour market throughout the 20th century and still today, especially in developing countries.

Describing the flood of new consumer durables of the last century in the Western world, Greenwood, Seshadri and Yorukoglu (2005) talk precisely about a real household revolution. Indeed, labour-saving technological progress in the household sector, namely vacuum cleaners, washing machines and refrigerators, freed up the time devoted to housework, which we know is more engaged by women than by men, at any level of income. It is interesting to observe that it was found that the introduction of new and improved household technologies could explain more than half of the observed rise in female labour-force participation (Greenwood, Seshadri, & Yorukoglu, 2005). Interestingly, the narrowing of the gender gap, alone, could explain only a small fraction of the increase in labour-force participation. When the burden of housework is great it simply is not feasible for women to enter the labour market (Greenwood, Seshadri, & Yorukoglu, 2005). Thus, what the scholars seek to argue is that, even though a change in social norms was occurring, the decrease of the gender gap in labour market participation could not have occurred without the more practical help of labour-saving consumer durables.

The same process may be applied to different contexts and times. Dinkelman (2010) analysed how

the roll out of electrification in rural South Africa in the years after the end of apartheid led to an increase in 9.5 percentage points in female employment (Dinkelman, 2011). In previous years, women were forced not to join the labour market or to be involved in informal work such as running a small business from home, due to the constraints of the household and the duties at home as in most traditional societies, it is taken for granted that household occupations are carried out by women. Exactly as Thomas Edison had claimed, electrification freed women's time up.

Collecting water represents another of those activities which, if automatized, would enhance female labour force participation rate. In developing countries, where substantial time may be spent in fetching water, women are more likely than men to supply water for the household basically because access to water is strictly linked to several domestic tasks such as cooking, laundry, cleaning and so forth. Koolwal and Van de Walle's findings suggest that proximity to water may well reduce women's participation in own agricultural production and other unpaid work in some countries (Koolwal & Van de Walle, 2013).

An alternative theory which supports and bears new evidence to the assumption of economic development causing a decrease in gender inequality is Doepke and Tertilt's (2009) one. According to the authors, the expansion of women's political rights through female suffrage in United Kingdom and United States of America, which happened respectively in 1918 and 1920, definitely marked one of the greatest turning points in the evolution of gender equality. However, what, still today, many ignore is that this breakthrough was preceded by several other reforms in women's economic rights during 19th century. The scholars enquire the reasons why men should have given up a portion of their powers and rights, which were previously unrestricted, in order to share them with women. When deciding women's rights, men face a trade-off. On one hand, they wish to maintain their total bargaining power in the household, thus they tend to relinquish few rights to their wives. On the other hand though, men benefit from other women's rights for two reasons. First of all, they would like their daughters to enjoy more rights so that they will always be well-treated and their grand-children will be more likely to receive a good education. Moreover, improved rights for other men's wives, so for women in general, enhance the education of the next generation and thereby help offset a human-capital externality created by the marriage market (Doepke & Tertilt, 2009). The ultimate cause of the expansion of married women's economic rights in England and the United States throughout the 19th century was technological change that increased the importance of human capital in the economy (Doepke & Tertilt, 2009). At the end, once returns of education reach a significant threshold, men are likely to vote for a political regime of empowerment. According to the authors, this model explains why economic and legal rights were granted to women before their political ones and in conclusion

how economic development led to advancements in women's empowerment.

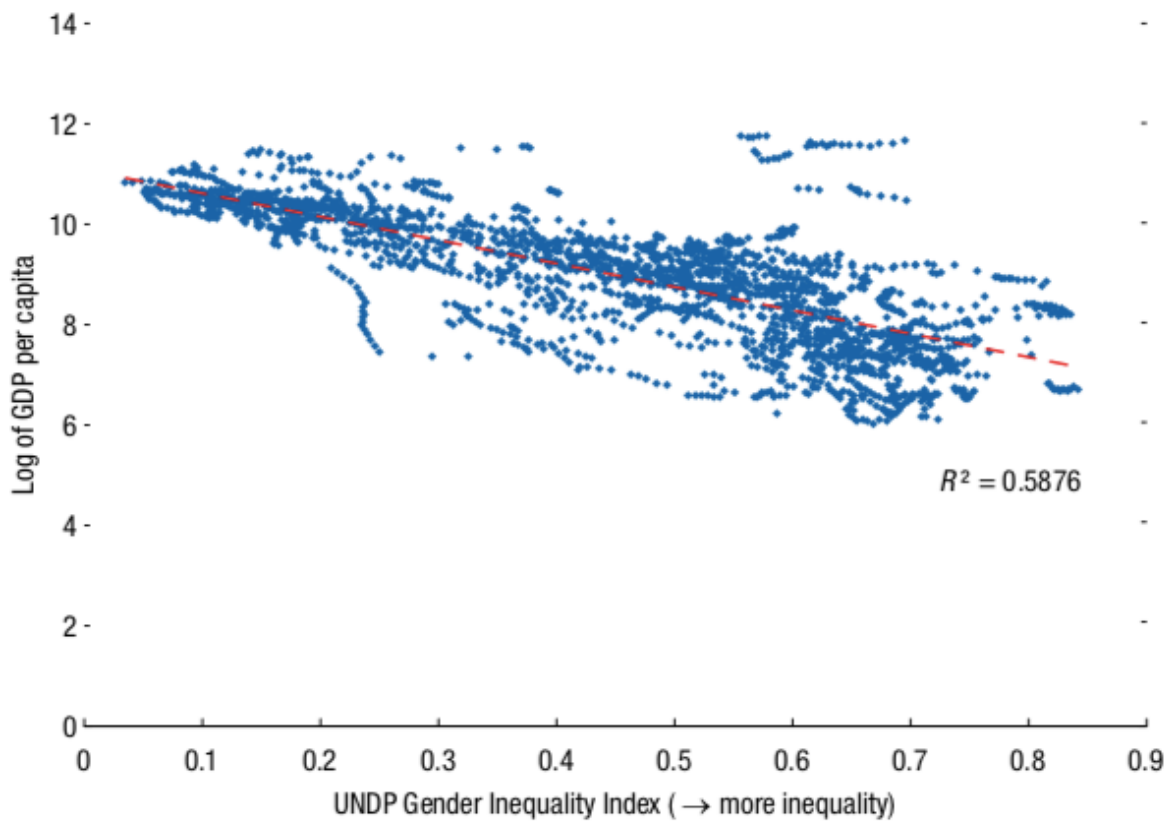
This investigation is close to Fernández's (2014), who proposed a similar theory which focuses on the role of development in exacerbating the tension in men's conflicting interests as husbands versus fathers, ultimately resolving them in favour of the latter (Fernández, 2014). Indeed, according to the study, from a starting context of patriarchy, when the wealth of the household reaches a significant level and fertility drops, men are willing to forgo some of their benefits vis a vis their wives in order to decrease the disparity in welfare between their sons and daughters, with the final objective of ensuring that the same process will occur to their future sons-in-law and their daughters. However attractive, this model presents a drawback. Some historians have claimed that there have been situations in which women were better off when the economy was poorer. The explanation to this phenomenon is that when the economy has very low wealth, men do not have much to gain from patriarchy. It is only as capital accumulation takes off that male preferences strongly favour patriarchy. This is later reversed once the economy reaches a critical level of wealth (Fernández, 2014). This analysis takes us back to the U-shaped relationship which exists between income per capita of a country and its female labour force participation that was introduced in the first chapter.

In the case of economic growth and development narrowing gender gap, it is important to highlight that often, the effect is not direct, namely the input of economic development creates benefits for a whole population, from which women, who are in a disadvantaged situation compared to men, disproportionally benefit. It is called comparative advantage. Indeed, the theories that were exposed in this first section support the view not only that economic development leads to gender parity but also that policies which are specifically targeted at diminishing disparities between male and female are not necessary since this is an effect of economic growth. On the other hand, in the next section, studies that support these kinds of policies will be proposed.

2.2 Gender equality is conducive to economic growth

As I sought to highlight in my introduction, a central argument in the discourse of several scholars and policymakers is that gender equality, as valuable in itself, is not the only rationale for supporting active policies against women's discrimination. Even if, in certain circumstances, inequality can stimulate growth by spurring innovation, gender's inequality plays a fundamental role in development and its decrease can have beneficial consequences in the efficiency and the macroeconomy of a country through three main channels: development, economic growth and macroeconomic stability.

The initial observation is, as shown in Figure 6, that a positive association between gender equality and GDP per capita exists (Jain-Chandra, Kochhar, & Newiak, 2017).



Sources: United Nations Development Program (UNDP), *Human Development Report*; World Bank, World Development Indicators database; and IMF staff estimates.

Figure 6 – Gender inequality and GDP per capita
Source: (Jain-Chandra, Kochhar, & Newiak, 2017)

Indeed, several articles and studies sought to analyse the impact of gender inequality on economic growth. Some of these theories are based on fertility and children's human capital channels, namely the so-called access to opportunities spelled out in the first chapter. On the other hand, another tide of scholars prefers to dwell on the female labour productivity channel, meaning the negative effects of gender inequality in the labour market on current aggregate productivity. In this section of the chapter, both the points of view will be investigated.

One of the first researchers to reveal the correlation which exists between gender equality and the welfare of a family was Thomas (1990). He argued that, once consumption and expenditure data are observed at individual level rather than at the household one, evidence suggests that women holding more bargaining power in the household are associated with larger investments and improvements in

children's health and education. In the intra-household analysis, income in the hands of a mother has a bigger effect on her family's health than income under the control of a father (Thomas, 1990).

Besides from that, gender inequality in economic participation reduces the average amount of human capital in a society and thus harms economic performance. It does so by artificially restricting the pool of talent from which to draw for education, thereby excluding highly qualified girls (Klasen & Lamanna, 2009). Consequently, it can yield to a less efficient allocation of resources. A number of theoretical contributions focus on the importance and the weight of gender inequality in access to education, largely because of the impact that female school enrolment has on fertility and the creation of human capital of the next generation. Promoting female education is known to reduce fertility levels, reduce child mortality levels, and promote the education of the next generation. Each factor in turn has a positive impact on economic growth (Klasen & Lamanna, 2009).

For example, girls' access to education is strictly related to fertility rate of a country. Whereas some scholars such as the above mentioned Cuberes and Teignier (2014) tend to believe that a drop in fertility is mainly generated by an increase in income per capita, others prefer to consider education to be the most influential element on the fertility rate. Driven by this hypothesis, Bloom and Williamson (1998) elaborated the theory of the so-called "demographic gift". They argue that when a demographic transition occurs, namely when a country shifts from high birth rates and high death rates to low birth rates and death rates, but working-age population growth is still high due to past high fertility, the youth dependency³ decreases while rising shares of working-age adults spur the growth of per income capita. Decreases in the education gender gap that induce lower fertility result in a reduction in the number of children and an increase in the number of young workers (Bloom & Williamson, 1998). In the majority of countries, more than 50 percent of the effect of rising dependency ratios (that is, proportional decreases in the size of the workforce) could be eliminated in 50 years by a gradual removal of gender gaps, and in several countries this scenario could more than offset the negative effects from a declining labor force by 2035, leading to overall GDP gains (Jain-Chandra, Kochhar, & Newiak, 2017).

In addition, Klasen and Lamanna (2009) point out that it is often difficult to theoretically separate the effects of gaps in education, employment and wage due to the causality running in both directions.

³ The dependency ratio is a demographic measure of the ratio of the number of dependents (aged zero to 14 and over the age of 65) to the total working-age population in a country or region. This indicator paints a picture of the make-up of a population compared to its workforce. (Hayes, 2020).

As I attempted to explain in first chapter, inequality in one dimension of female lives triggers other kinds of discriminations in other dimensions of a woman's life, generating a vicious circle.

In Esteve-Volart's theoretical model, individuals are born with a given endowment of entrepreneurial talent and decide how much human capital to acquire, and whether to become managers or workers (Esteve-Volart, 2004). She theorises three different scenarios. Labour market equilibrium without discrimination is the first one and the initial benchmark. Moreover, she adds a situation in which gender discrimination is an exogenous exclusion of females from managerial positions, and a third one in which gender discrimination as a complete exclusion of females from the labour market, namely women can only engage in home production. In the second situation, when women are excluded from managerial positions, her findings show that discrimination tends to lower equilibrium wages for both female and male workers, and to reduce investment in human capital by all females and by male workers (Esteve-Volart, 2004). In addition, decreased investment in human capital generates lower levels of talent, which in turn result in less innovation and slower adoption of technology. The final outcome is a decline in economic growth produced by these factors.

On the other hand, when women are totally excluded from formal labour market, the equilibrium wage rate—and, hence, the average talent and productivity—is the same as in the case of no discrimination. Nevertheless, this type of discrimination is inefficient, because per capita GDP is lower than without discrimination, as home production productivity is lower than that of production outside the home. Economic growth is also lower because, even if the innovation and adoption dimensions are not affected, females optimally decide not to invest in human capital (Esteve-Volart, 2004).

Specifically, the cross-country analysis of Cuberes and Teignier (2012) predicts that if all women are excluded from entrepreneurship, average output per worker drops by more than 10% and wages fall by even more, while if all women are excluded from the labour force, income per capita falls by almost 40% (Cuberes & Teignier, 2012).

A related theoretical literature has been engaged in analysing the impact of discrimination in wage on economic performance. Here, the literature is quite divided. On one side, there are studies carried out by Galor and Weil (1996) and Cavalcanti and Tavares (2016), which sustain that large gender pay gaps reduce economic growth. The former suggested that women are found to have a comparative advantage in intellectual activities, while men have the edge in physical tasks. As a result, as an economy develops and the demand for skilled labour increases, wages rise faster for women than for men. This, in turn, reduces women's fertility, as they make the optimal choice to increase their

participation in the labour market. Over the long term, the drop in population increases capital per worker and, hence, induces faster growth. In this scenario, if a limit is introduced on the rise in the relative women's wage, perhaps due to discrimination, the optimal choices of women are distorted, and potential output growth is reduced (Jain-Chandra, Kochhar, & Newiak, 2017).

Accordingly, Cavalcanti and Tavares (2016) calibrated Galor and Weil (1996) with a model that suggested that a 50% increase in the gender wage gap leads to a 35% decrease in income per capita in the steady state (Cavalcanti & Tavares, 2016).

On the other side, the debate is supported by Seguino (2000), who contrasts sharply with the above mentioned theories, arguing that gender inequality, which works to lower women's wages relative to men's, is a stimulus to growth in export-oriented economies. She suggests that discriminatorily low wages for women have effects on both exports, therefore technological change and productivity growth, and investment because they increase the competitiveness of export-oriented industrializing economies (Seguino, 2000).

The two views of the phenomenon of gender wage gap are opposite and this is due to the time horizon considered. Indeed, if Seguino (2000) focuses more on short-term growth effects, the other scholars work on long-term growth models.

In conclusion, the whole literature so far enumerated has reached some consensus on the fact that there is a positive effect of economic growth on gender equality and a negative effect of gender inequality on economic development, especially in a medium and long-term horizon. A problem that may arise is reverse causality. For example, Klasen (1999) found that increases in female labor force participation and formal-sector employment were associated with higher growth in a cross-country context. Differences in female participation and employment might have accounted for another 0.3 percentage points in the growth difference between the Middle East and North Africa region and East Asia and Pacific one. But these findings have to be treated with caution as they may suffer from reverse causality. In particular, it might be the case that high growth draws women into the labour force (rather than increasing female participation promoting economic growth) (Klasen & Lamanna, 2009). In the third chapter, I will focus on providing clarification on this point.

2.3 What about Democracy?

The literature review on the issue offers a broad perspective on both the directions of causality and bears witness for each one of the hypothesis. At this specific point one question may arise: which role does the process of democratization play in this whole phenomenon? Is it the intervention of democracy that generates the relation between gender equality and economic growth? In other words, does democracy represent the mediator variable between the other two?

In their study, Inglehart, Norris and Welzel (2002) offer an answer to all these questions. The scholars start by arguing that in a sense the link between women's representation and democracy should be self-evident, since women account for over half the population of most societies: if this majority does not have full political rights, the society is not democratic (Inglehart, Norris, & Welzel, 2002). However, for much of the human history, this seemed not to count since democratic institutions existed long before gender equality and up to 20th century women did not even hold the right to vote.

To begin with, the authors take participation in parliament as a benchmark of women equality and they claim that one indication that gender equality goes with democracy is the fact that democratic societies usually have more women in parliament than undemocratic ones (Inglehart, Norris, & Welzel, 2002). The link is definitely close but they still ask themselves if the two variables go together either because democratic institutions themselves tend to produce higher proportions of women in parliament, or because of underlying cultural changes that bring rising female participation in parliament, and also favour democracy (Inglehart, Norris, & Welzel, 2002). It is here that, for the first time in the study, the importance of changes in a society's cultural factors are introduced. In this case, it is this specific variable which drives the process. Cultural changes seem to bring rising female representation in parliament regardless of whether or not democratization occurs (Inglehart, Norris, & Welzel, 2002). Democracy does not seem to cause the phenomenon of female parliamentary participation but it is as well driven by the variable of changes in cultural factors. In summary, both the trend toward democracy and the shift toward gender equality in parliament, seem to reflect underlying cultural changes that are transforming society (Inglehart, Norris, & Welzel, 2002).

Thus, the study comes to the first conclusion that democratic institutions by themselves do not provide gender equality. Secondly, they investigate the opposite direction of causality: does decreasing gender inequality lead to the flourishing of democratic institutions? According to them, the answer is yes and the explanation still lies in the variable of cultural changes. In figure 7, the support for gender equality in politics is represented by the level of disagreement to the claim "men make better political leaders

than women”. The higher the disagreement to this statement, the more likely people seem to want women to participate in politics. Figure 7 shows the relationship between the disagreement to that statement and the society’s level of political rights and civil liberties in the years 1981-1998, represented by a sum of Freedom House ratings. The relationship is remarkably strong. In virtually every authoritarian society, a majority of the public believes that men make better political leaders than women; in virtually every stable democracy, a clear majority of the public rejects this belief (Japan being the sole exception) (Inglehart, Norris, & Welzel, 2002). However, the reality of things is not as simple as that depicted in the table of Figure 7. The increase in gender equality represents only a partial aspect of that whole change in cultural habits, factors and ways of thinking which ultimately contributes to democratization.

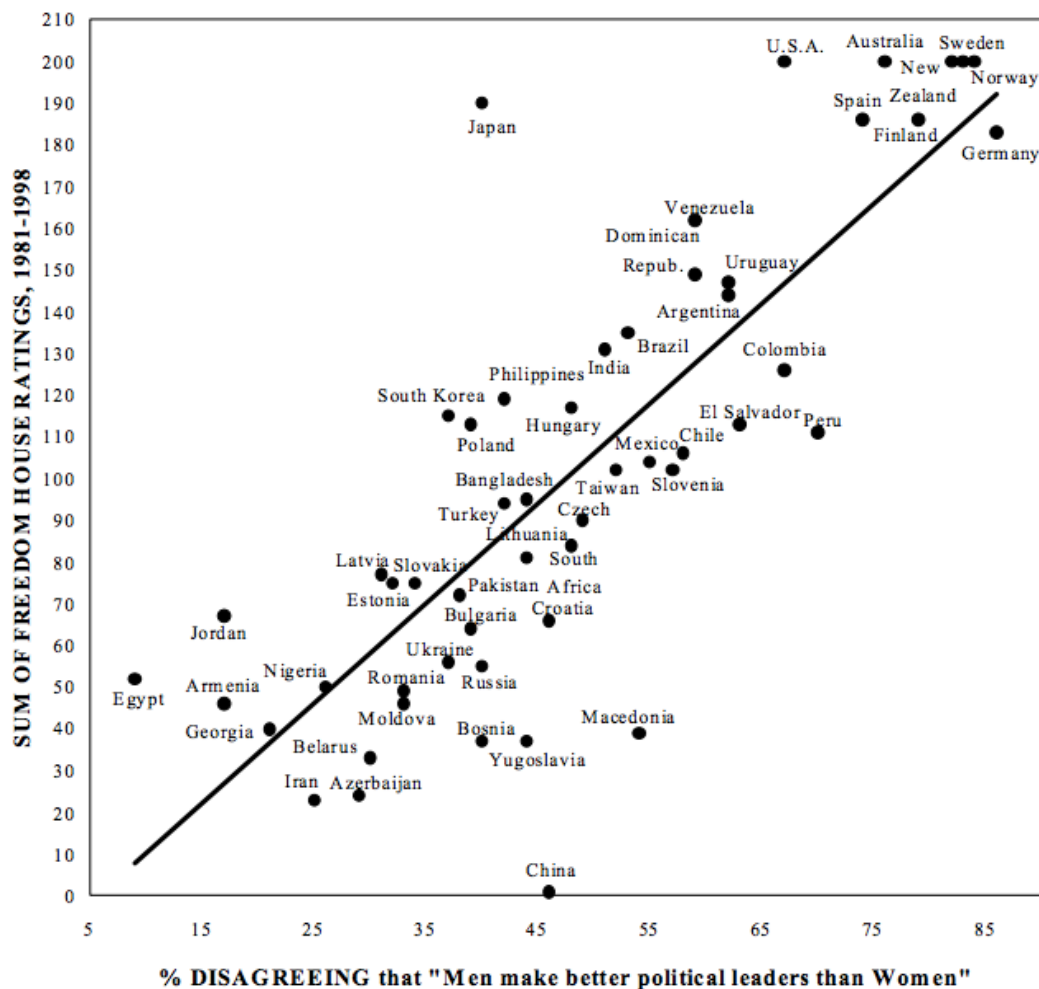


Figure 7: Gender Equality and Democracy
 $r = .82$, $N = 55$, $p < .000$
 Source: (Inglehart, Norris, & Welzel, 2002)

As a second step, the scholars introduce two main dimensions tapping basic values in a wide range of domains ranging from politics to economic life and sexual behaviour. The first dimension taps a dimension referred to as “Traditional vs. Secular-rational values,” while the second one taps “Survival vs. Self-expression values”⁴ (Inglehart, Norris, & Welzel, 2002). The Traditional vs. Secular-rational values dimension reflects the extent to which a society regards religion as important. On the other hand, Figure 8 depicts a wide range of beliefs and values that are correlated to Survival vs. Self-expression dimension.

⁴ The two dimensions of values “traditional vs. secular-rational” and “survival vs. self.espression” were introduced for the first time in the previous study of Inglehart (2000).

Item	Correlation
SURVIVAL VALUES emphasize the following:	
R. gives priority to economic and physical security over self expression and quality of life [Materialist/Postmaterialist Values]	.87
Men make better political leaders than women	.86
R. is not highly satisfied with life	.84
A woman has to have children to be fulfilled	.83
R. rejects foreigners, homosexuals and people with AIDS as neighbors	.81
R. has not and would not sign a petition	.80
R. is not very happy	.79
R. favors more emphasis on the development of technology	.78
Homosexuality is never justifiable	.78
R. has not recycled something to protect the environment	.76
R. has not attended a meeting or signed a petition to protect the environment	.75
A good income and safe job are more important than a feeling of accomplishment and working with people you like	.74
R. does not rate own health as very good	.73
A child needs a home with both a father and a mother in order to grow up happily	.73
When jobs are scarce, a man has more right to a job than a women	.69
A university education is more important for a boy than for a girl	.67
Government should ensure that everyone is provided for	.69
Hard work is one of the most important things to teach a child	.65
Imagination is not of the most important things to teach a child	.62
Tolerance is not of the most important things to teach a child	.62
Leisure is not very important in life	.61
Scientific discoveries will help, rather than harm, humanity	.60
Friends are not very important in life	.56
You have to be very careful about trusting people	.56
R. has not and would not join a boycott	.56
R. is relatively favorable to state ownership of business and industry	.54
SELF-EXPRESSION VALUES take opposite position on all of above	
The original polarities vary; the above statements show how each item relates to this values index. Source: 1990 and 1996 World Values Surveys.	

Figure 8: Orientations linked with Survival vs. Self-expression Values
Source: (Inglehart, Norris, & Welzel, 2002)

The authors bear evidence that the higher this dimension, the more democratic the country, once again confirming the initial assumption that cultural changes are the driving factor leading to the emergence and survival of democracy. Indeed, the occurrence of a shift from survival values towards self-expression ones lays the foundations for a culture of trust and tolerance, in which people place a relatively high value on individual freedom and self-expression, and have activist political orientations. These are precisely the attributes that the political culture literature defines as crucial to democracy (Inglehart, Norris, & Welzel, 2002). As it is shown in Figure 9, the correlation seems to

be very strong. Virtually all of the societies that rank high on survival/self- expression values are stable democracies. Virtually all of the societies that rank low on this dimension have authoritarian governments (Inglehart, Norris, & Welzel, 2002).

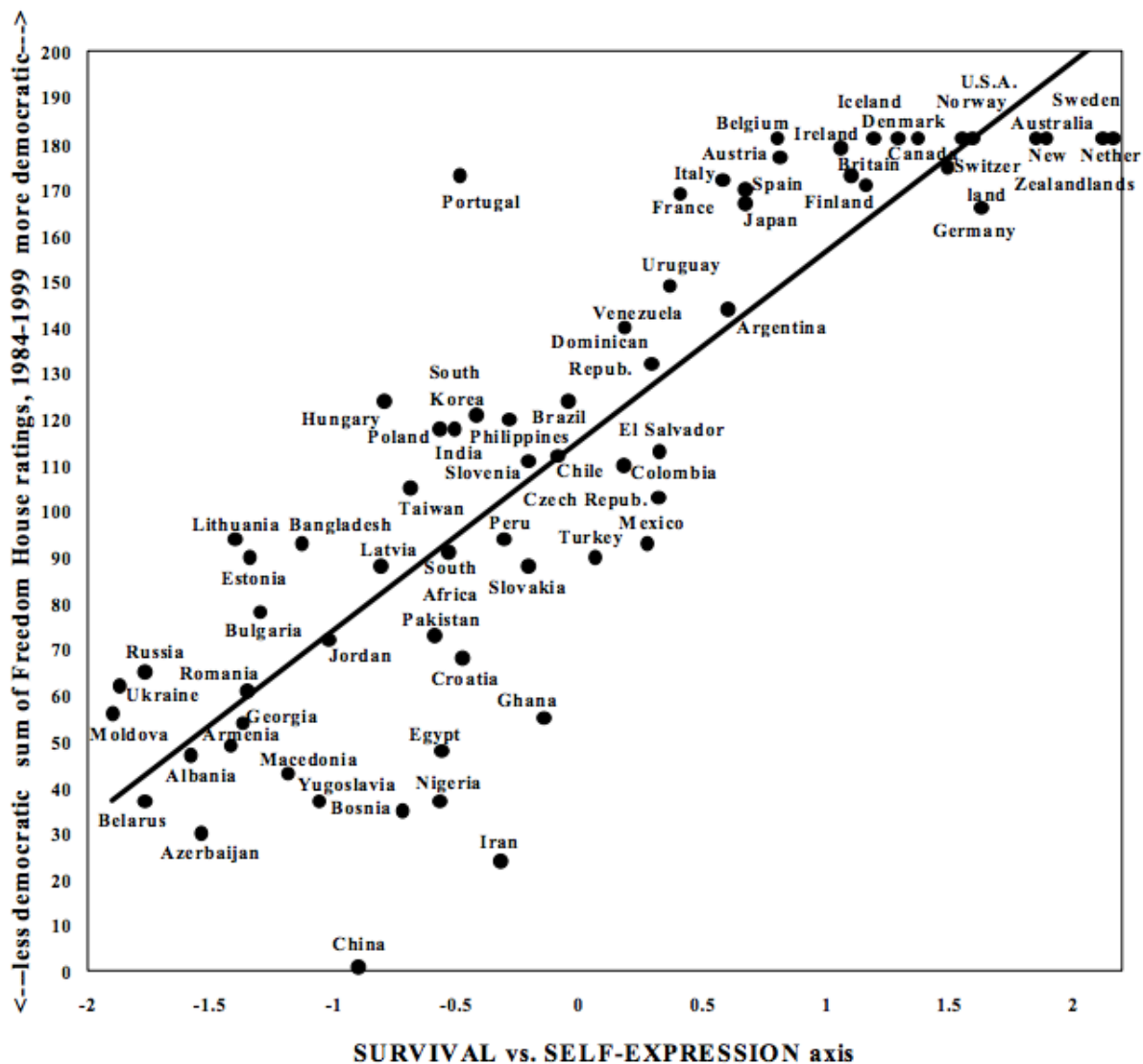


Figure 9: Self-expression values and democratic institutions

$r=.88$, $N=67$, $p < .000$

Source: (Inglehart, Norris, & Welzel, 2002)

However, many empirical examples do not support the interpretation that democratic institutions give rise to the self-expression values that are so closely linked with them, since throughout history many democracies did not become more trusty, more tolerant and did not share the features that characterize a society in which self-expression values are well-established.

In this theoretical framework, the economic development variable is introduced. Democratic institutions do not automatically produce a culture that emphasizes self-expression values. Instead, it seems that economic development gradually leads to social and cultural changes that make

democratic institutions more likely to survive and flourish (Inglehart, Norris, & Welzel, 2002). Evidence suggests that economic development does bring predictable changes in a society's prevailing values and these values are in turn conducive to democracy.

At this stage, it is important to remark the central role that gender equality plays in the syndrome of beliefs and values tapped by the survival/self-expression dimension (Inglehart, Norris, & Welzel, 2002). Several elements strongly correlated with this dimension involve the role of women in society, as it can be noted looking at the items written in bold typeface in Figure 9. Inglehart, Norris and Welzel (2002) calibrate their previous works by arguing that gender issues constitute not only a central component of value change in post-industrial societies, but the most central one.

Finally, the authors argue that democratization definitely is a multi-staged process that may as well imply a shift in values. However, according to their study, the main effect is one that moves from economic development to culture, to political institutions, with economic development bringing cultural changes that are conducive to democracy (Inglehart, Norris, & Welzel, 2002). This seems to be the main causal sequence, leading to the final outcome that democracy is not a mediator variable for what concerns gender equality and economic growth. Indeed, the intervention of the former does not generate the relation of the latter two. It would rather seem like a consequence of them since a society's traditional cultural and values heritage is transformed firstly by economic development into higher degrees of consideration for self-expression values, which, in turn, improves the chances for democratic institutions to emerge and flourish.

In short, a substantial literature has been devoted to the problem of reverse causality between gender equality and economic growth. The two variables are closely related but, as Duflo (2011) suggests, does this imply that pushing just one of these two levers would set a virtuous circle in motion? On one hand, scholars indicate that it may be the case that since economic development favours women more than men, it can bring about equality. On the other side, many sustain the assumption that policy strictly targeted at reducing gender gap would sharply boost economy, especially in the long run. Whereas chapter 2 was focused on reviewing the literature on both sides of the empowerment-development nexus, in chapter 3 I am seeking to identify paramount aspects of both directions of causality and to draw some conclusions.

CHAPTER 3: Caveats, answers and conclusions

The main focus of this work was to identify and make a broad distinction between the two bodies of literature that concern, on one side, those who have taken the instrumental approach, focusing on the contribution of gender equality to economic growth and, on the other, those who explored the implications of economic growth for gender equality.

On one hand, the mainstream development literature appears to be largely dominated by a positive view of the relationship that links economic growth to the narrowing of gender gap. One version of this is the view that gender inequality is linked to scarcity of material resources in a society so that women are placed at the back of the queue whether it is for food, health care, education or jobs, when these are in short supply, particularly if women's economic contributions are seen to be less than those of men (Kabeer & Natali, 2013). As it was analysed in the previous chapter, GDP and income per capita growth make it less necessary for households to discriminate girls due to scarce resources. Another explanation is the likely impact of growth on women's bargaining power within the family and in the economy in general. Indeed, as labour saving technologies advance, women's time is freed up, and at the same time, economic development expands women's work opportunities in the wider economy. The sum of these phenomena is likely to cause an increase in the bargaining power of females in the household, which leads as a consequence to a decline in various dimensions of gender gap. A third route through which economic growth may lead to better outcomes on gender equality lays in the drop in fertility caused exactly by a country's increase in income per capita. The phenomenon would allow more resources to be allocated on a restricted number of children, with girls disproportionately benefitting from this process.

On the other side, evidence suggests that gender inequality plays a fundamental role in development and its decrease can have beneficial consequences in the efficiency and the macroeconomy of a country. Various scholars have spelt out both direct and indirect pathways through which higher gender equality can have a meaningful impact on economic growth. The first and foremost explanation is offered by the human resources point of view. Indeed, if females represent around half of the global population, and if ability and talents are assumed to be evenly distributed by gender, then the failure to educate and make use of women's ability and talent to the same extent as that of men represents market distortion, an artificial restriction on the pool of talent available in an economy, lowering the average productivity of its human capital (the 'selection-distortion effect') (Kabeer & Natali, 2013). Moreover, various other channels and pathways are mediated by family relations and most of all by the whole set of externalities that the narrowing of gender gap entails, as it was clarified

in the previous chapter.

From the policymaker point of view, if gender equality is found to make a distinct contribution to economic growth, there is clearly a strong instrumental rationale for its promotion, giving gender equality advocates a more receptive audience among mainstream policymakers (Kabeer & Natali, 2013). If, on the other hand, gender equality is not found to add a great deal to growth, even though the intrinsic problem remains, the argument in favour of gender equality is weakened. Taking the reverse relationship, if economic growth is found to contribute to gender equality, then the pursuit of economic growth on its own can be relied on to bring about a more equitable development (Kabeer & Natali, 2013). If, on the other hand, economic growth has little or no influence at all on gender inequality, or even if it has a negative impact, then strategies adopted for growth would have to be reformulated according to fairer lines and supplementary measures should be put in place to ensure a more equitable distribution of the effects and advantages of growth.

In this study, I reviewed the evidence for both sets of relationships and in this last part I will seek to provide some answers to these problems according to the theoretical literature and I will draw out some methodological concerns that scholars have spelled out in order to highlight how findings may sometimes not be accurate. Focusing on key points from the preceding analysis, I am drawing conclusions which then can be combined with policy implications, that may largely vary according to previous findings.

3.1 Caveats and relative answers that arise from the analysis

A substantial literature may agree on some fundamental aspects and policies that might be adopted but problems and methodological concerns are still significant and questions of endogeneity and directions of causality are critical to many if not all the studies on the subject.

The first problem relates to the standard methodology for quantifying the causal effect of different gender gaps on economic growth or income per capita: cross-country regression analysis. Indeed, even though a vast literature uses this method in order to find out linkages between long-run growth and a variety of policy factors, it is not possible to know if the observed interrelationship between the dependent and independent variables mirrors a true causation or if it represents the outcome of interaction among unobserved variables which are correlated with these determinants and are not factored in the model. One of the main criticisms of the so-called Barro regression was suggested by Levine and Renelt (1992) who systematically studied and evaluated the robustness of partial

correlations between growth rate and a variety of other dimensions. Their findings suggested that very few economic variables are robustly correlated with cross-country growth rates (Levine & Renelt, 1992). Cross-country regressions report average effects for all the countries included in a study but it is highly unlikely that the average effect will be the same for each individual country because of variations in these unobserved variables (Kabeer & Natali, 2013). To this concern, Knowles, Lorgelly and Owen (2002) have argued that any conclusion must be tempered by acknowledging that disentangling patterns of significance and causation from highly collinear, interrelated cross-country data of varying quality is fraught with difficulties. Indeed, Kabeer and Natali (2013) suggest that once the problems of regression analysis at this highly aggregated level are acknowledged, the findings usually examined in papers should be taken as suggestive evidence of the nature of the relationship between economic growth and gender inequality. These theoretical studies should serve as points of departure for more specific and detailed analysis based on country case studies so that data can be contextualised and more definitive proofs of the relation of causality can be provided.

By the time the relation of causation is established, the main problem arises: the direction of causality. To this concern, the evidence which has been proposed by the academic world and analysed so far seem to propose empirical findings which suggest the presence of an asymmetry in the relationship between gender equality and economic growth. Despite the recursive relationship posited between the two, causality seems to be stronger in one direction than the other: Kabeer and Natali (2013) claim to find fairly robust evidence that greater gender equality, particularly in education and employment, contributes to economic growth, but much weaker and less consistent evidence for the reverse relationship relating to the impact of economic growth on gender equality. There are several reasons for which this might be the case. First of all, as it was reiterated, there is a direct market-related effect, namely increasing women's education enlarges the pool of talent available to an economy. Nonetheless, this might not be enough because the impact of a lower gender gap in the access to education on growth through the market channel depends on the extent to which this education translates to employment and career opportunities, which may still be subject of a high level of gender disparity. If women are well educated but their country's labour market lacks opportunity for them and they are offered only unproductive and poorly paid jobs, growth might not be affected by the changes in the rate of female access to education.

Thus, according to Kabeer and Natali (2013), the most effective pathway through which gender equality can translate in economic growth in a broad variety of contexts is the family-mediated long-term effect. Indeed, investment in women's education enhances their role in decision-making within

the household and, as it was outlined in the literature review, this effect is related to a variety of outcomes which, in turn, lead to positive implications for future generations. The strong power of increases in women's education is supported by a series of micro-level impacts that in turn are highly associated with economic growth. For instance, Basu (1994) defines the maternal education - child mortality relationship as almost "boringly linear in virtually every data set that has been studied".

As regards this direction of causality, an additional problem may emerge: the choice of the dimensions of gender inequality on which analysis should focus on. Seguino and Were (2014) questioned themselves whether the impact of gender equality should be evaluated considering long-run effects of inequality on economic growth, which they call *capabilities inequality* and consist in those which were designated in this study as inequalities in women's access to opportunities, or whether they should focus on short/medium-run effects of inequality, which they name *inequality of livelihoods* and in this work, were called inequalities in women's economic and political outcomes. Exactly because of the unbalanced data that emerged from a panel of 101 countries analysed in their cross-country regression analysis, Mitra, Bang and Biswas (2015) sought to provide an explanation to this concern, claiming that both dimensions of economic access to opportunity and economic and political outcomes for women lead to a boost in growth. However, the scholars argue, this largely varies on the stage of development of the country concerned: while developing economies experience significant improvements in growth from greater equality in opportunity, developed societies see significant improvements resulting from greater equality in outcomes (Mitra, Bang, & Biswas, 2015). In addressing the multidimensionality of gender equality, their study is indeed able to confirm the hypothesis on the differential impacts of various dimensions of gender inequality on economic growth. The scholars claim that the focus of policy intervention to address the problem of gender inequality should be contingent on the stage of development of a society (Mitra, Bang, & Biswas, 2015). Women's access to education, and more in general to the whole set of economic opportunities discussed in the first chapter, are more likely to be an advantage for developing economies which aim at enhancing their growth. In this way, the concerned nation can benefit from the indirect family-mediated long-term impacts discussed above in this chapter. Only once a threshold level of economic and institutional stability is achieved, the country in question can shift to policies targeted at ensuring equal participation in economic activity and an equal voice in the political sphere.

Bearing evidence to this hypothesis, with the aim of highlighting the power and efficacy of the indirect effects of education in the long-term, Appiah and McMahon's study (2002) report that the indirect feedback effects of education on growth in Africa appeared to exceed the direct, market-dependent

effects. The greater importance of the direct effects of education in OECD countries suggests that indirect pathways give way to direct ones as countries develop (Appiah & McMahon, 2002).

A different view and explanation are offered by Amin, Kuntchev and Schmidt's work (2015). The scholars raise two different issues concerning the correlation between gender equality and economic growth. The first one is a critique towards the academics that tend to take in consideration only female access to education rates and female labour market participation rates as indicators of gender inequality. As it was underlined in the first chapter, gender inequality is a multidimensional variable which is formed by various elements and Amin, Kuntchev and Schmidt (2015) sustain that the negative relationship between gender inequality and growth goes beyond education and it holds for the broader measure of gender inequality that we use. Indeed, limited number of measures of gender inequality, namely disparities in education and labour market outcomes, are employed by the majority of scholars dealing with economic growth models. Instead, fundamental dimensions of gender gap such as disparities in land, financial access, savings and credit remain in the background and often absent from estimations.

As a second point, Amin, Kuntchev and Schmidt (2015), still believe that the causality seems to be stronger in the direction that goes from gender equality to economic growth and still hold to the division of countries based on their stage of development but their findings differ from the previously indicated ones in a specific feature. Indeed, the scholars sustain that the negative relationship that correlate growth and gender inequality is far from uniform and it holds at relatively low income levels but not when income level is sufficiently high (Amin, Kuntchev, & Schmidt, 2015). They argue that policy-makers should focus on reducing gender inequality in relatively poor countries not only because it would serve the dual purpose of reducing the gender gap where it is most flagrant and bringing in growth where it is most needed, but as the correlation between gender equality and economic growth does not hold in developed economies.

In addition, although there are several direct and indirect pathways through which economic growth might translate into greater gender equality, they should never be taken for granted as the increase in gender equality is dependant on the pace and pattern of growth, on the time period and the context in which it takes place, and it is strictly related to the strenght of pre-existing cultural values and paths of the concerned society. For instance, Forsythe, Korzeniewicz and Durrant (2000) found that the impact of economic growth on gender equality depended on initial levels of gender inequality and per capita income but this impact varied according to which period of time was included in the study. Thus their findings suggested that economic growth had a major impact on the narrowing of gender

gap in countries that started out as poorer for the period 1970-1990 but when they extended their analysis to the period up to 1997, the scholars observed that the greatest effects could be detected in countries with high levels of per capita GDP.

Moreover, the intrinsic cultural values of a society play a fundamental role when it comes to determine the extent to which economic growth is going to impact on gender inequality. For instance, as Inglehart (2002) suggested in the analysis of the relation between economic development, cultural change and democracy, the fact that a society was historically Protestant rather than Confucian or Islamic still has an impact on a country which is experiencing a change of values due to economic development. Cultural change is path dependent and this is one of the main reasons why issues of time and context feature as significant influences on the impact of growth on gender inequality and they should be supported by some affirmative actions targeted at the narrowing of gender gap.

However, issues of time and context do not affect only the direction that goes from economic growth to gender equality, but they have a strong impact also on its stronger counterpart. Whereas Mitra, Bang and Biswas (2015) uphold the theory that there are standard pathways and specific dimensions of gender inequality at which policymakers should target in order to boost economy depending on the stage of economic development of a nation, World Bank (2012) illustrates how there is no single path to or blueprint for reform. Each country presents a specific social, political and institutional context which interact with the stage of economic development, timing and pattern of legislative reforms in shaping gender equality so neither policies nor dimensions of gender disparity to focus on cannot be generalised according to the distinction between access to economic opportunity and political and economic outcomes. Nonetheless, in relation to this matter, World Bank (2012) claims that developing countries can resort to the so-called “leap-frogging”, namely developing countries can learn from developed countries’ experiences and from each other so that they can implement measures that lead to greater gender equality even faster. Essentially, the scholars sustain that it is possible that these countries “leapfrog” with respect to gender equality, in the same way that many have done with technological change (World Bank, 2012). To this concern, Tzannatos (1999) supports the view that whereas industrialized countries took centuries to reach the stages of gender equality which they are at now, that by the way, do not even represent perfect parity, labor markets in developing countries are transforming relatively quickly in the sense that gender differentials in employment and pay are narrowing much faster than they did in industrialized countries. Indeed, the increased power of globalization and growing integration of the world economy means that goods, labor, capital, ideas and information as well move across the world much more easily and quickly than before. The costs to countries of maintaining gender inequality are likely to have become even

larger in the globalized world of the twenty-first century and at the same time, globalization offers opportunities for more rapid changes in norms and beliefs concerning gender equality (World Bank, 2012).

3.2 From the policy maker point of view

Essentially, although many problems and methodological concerns are still present, it is possible to argue that the academic world is quite in agreement on the fact that a negative relationship between gender inequality and economic growth does exist and that the causality is stronger in the direction that goes from the former to the latter. Once acknowledged that, however, the literature still has different and conflicting visions on which policies should be applied on different countries.

One aspect that has to be taken in consideration in this investigation is that even though there is a growing supply of data, and expansion of numbers of indicators, women's economic empowerment remains poorly covered in statistics across the globe (Haan, 2017). Especially in low-income contexts, data on labour market participation, informal sector, women owned businesses and data on women's time use is still lacking even though this kind of information represents a priority and a starting point in the work of policy makers.

In addition, conceptual problems remain significant. Aspects of women's economic empowerment are interrelated, and how this inter-relationship manifests itself may be different for different socioeconomic groups, and social norms are critical (Haan, 2017).

Summing up, in this last part of the chapter, I am seeking to focus on policy aspects that the literature univocally considers paramount, regardless of disagreements concerning the theoretical point of view.

First of all, no matter the stage of economic development at which the country in question finds itself, equal educational opportunities represent not only a basic human right that has to be achieved for its own's sake, but also the cornerstone of equal economic opportunities, which in turn are very likely to lead to a boost in the economy. Gender parity in the access to education is the strongest long-term driver of empowerment within both the household and the job market. The creation of the human capital of the next generation has a strong impact and will spur economic development (Klasen & Lamanna, 2009).

On the other side, as it was previously mentioned, the target of gender parity in access to education is likely to be effective in the long-run but in the short term, it may need to be supported by policies

that help turn educational gains into gains in the labour market (Kabeer & Natali, 2013). Moreover, expansions in employment may not, on their own, overcome the various gender-related constraints that have downsized women's capacity to take advantage of existing employment opportunities on fairer terms. Explicit policies to reduce disparities in the labour market will be key to reduce gender gaps and through this promote economic growth (Haan, 2017).

Another fundamental aspect which represents a general concern for the academic world relates to the failure to factor in women's unpaid labour in the domestic domain. This means that we remain in the dark about the direct or indirect growth impacts of what is going on in the unpaid reproductive economy (Kabeer & Natali, 2013). Redistribution between males and females in responsibilities for what concerns unpaid care work within the home allows women to free up time and spend more time in productive activities of the formal economy. In this case, the improvement in female labour force participation is made possible by a hidden increase in gender equality within the household. Nonetheless, according to Tzannatos (1999), it is fundamental to take in consideration whether changes in women's wages and employment took place while their work in the invisible economy has been constant or has not decreased to fully compensate for their greater participation in the monetized economy. Women's greater participation in labour market does not automatically translate into gender redistribution of unpaid work within the household and when this redistribution does not occur, then improved gender equality in female labour force participation with its consequent boost of the economy will at the same time produce greater inequality and overall work burdens from women's point of view within the house.

If the distributional "rules" for women's and men's time allocations and costs and benefits within the household are not adjusting fast enough, the fruits from women's work may translate into increases in other household members' welfare with little net gain for them (Tzannatos, 1999). What Tzannatos (1999) concludes is that only a decline in fertility and a rise in productivity at home, which are likely to be caused by equal educational opportunities for girls and boys, will enable the labor market changes to leave women with net gains. Once again, the solution rely on the strong driver of education.

3.3 Gender equality and economic development: zero-sum or win-win game?

Even though the problems listed in this chapter still represent barriers and bottlenecks for the implementation of policies targeted at gender equality with the long-term aim of economic growth, the most prominent obstacle is offered by the tide of thinking that tends to see the achievement of gender parity, and the relative policies in order to get to that point, as a zero-sum game.

For instance, Duflo (2011) argues that equity between men and women is only likely to be achieved by continuing policy actions that favor women at the expense of men, possibly for for a very long time. “While this may result in some collateral benefits, those benefits may or may not be sufficient to compensate the cost of the distortions associated with such redistribution. This measure of realism needs to temper the positions of policy makers on both sides of the development/empowerment debate. This may not be the most comforting message to deliver, but may be necessary to prevent the backlash that failed miracle solutions generally attract” (Duflo, 2011). As long as the view offered by the scholar will still be shared both by the academic world and the public opinion, how can institutions and people in decision-making positions, largely formed by a majority of men worldwide, fully focus on the bridging of gender gap? With zero-sum games the losers, in this case men, may devise strategies for precluding equality.

Instead, what needs to be understood is that there are no real winners from discrimination. As Tzannatos (1999) supports, a reduction in segregation is not a purely redistributive issue, on the contrary, the “size of the pie” increases with women claiming a bigger share. Indeed, if, as it was held in this work, women empowerment and gender parity lead to a development of the economy, men’s access to opportunities and economic outcomes do not need to change or decline in absolute terms. Klasen and Lamanna (2009) support this win-win view as well, arguing that while their results suggest that changing the composition of the labor force to include more women (and thus fewer men) would have a positive effect on growth, a more realistic policy recommendation would be to develop an employment-intensive growth strategy that makes particular use of women.

Even though concerns and problems as regards many aspects of the relationship that links gender parity and economic growth such as the questions of endogeneity and directions of causality are still critical and subject of debate among scholars, this last argument may still represent a bright conclusion: the costs of discrimination towards women not only harm women concerned but also impose a cost for the entire society. In the same way, accomplishments in the field of parity between males and females may benefit both genders, without the risk of creating winners and losers or

“reducing the slice of the pie” for men, but rather “making the pie bigger” and achieving a win-win game, where everyone is better off.

CONCLUSION

This work provides an attempt to summarize the vast existing theoretical studies of the relationship between economic growth and gender gaps and it offers recommendations on how these studies can be improved in order to further understand this complex problem. As it was already suggested, the evidence provided about the nature of the relationship that exists between the two variables should be taken by scholars and policy makers as a starting point for more detailed research based on the specificities of a determined country, society or context. It is important to underline how more historically located and locally contextualised data is needed in order to achieve a definitive proof of causality. While there is persuasive evidence that certain aspects of gender equality do have a positive impact on economic growth, it is also clear that the strength of the impact, and the pathways through which it occurs, is mediated by various contextual factors including the nature of growth strategies, the structure of the economy, the sectoral nature of the job segregation, levels of economic development and cultural factors (Kabeer & Natali, 2013). However, throughout the literature presented, I sought to demonstrate that given the interrelationships, there might be the possibility of a virtuous circle, which is often emphasized by development practitioners and experts of the field. Further complication is offered by the fact that the analysis is based on the premise that gender equality is multidimensional and that the various aspects may well differ in their consequences for economic growth. In this framework, many scholars have focused only on limited aspects of gender inequality such as education and labour market participation. Although these are considered fundamental dimensions of gender disparity, other measures which are likely to be relevant to growth continue to be absent from estimations such as for instance inequality in land, savings, credit and political participation. Each of them, as Figure 10 depicts and seeks to schematise, has some impact on economic growth and the potential of addressing these other forms of gender equality go often unexplored, which is an underestimated problem in the academic world.

	Inter-household inequalities	Gender inequalities
Human capital	Reduced ability to invest in education and health	Education and health gaps reduce quality labour force Education impacts fertility which impacts labour force participation Intergenerational effect: women's investment in children Care burden reduces potential contribution market economy
Economic resources	Income inequality reduces average propensity to invest	Gaps in labour force participation reduces economic growth Differences in access to land / productive resources impact investment, productivity, growth
Political/governance	Social and political instability reduces investments, increased pressures to redistribute	Women's representation in public bodies impact investment decisions
Institutional/legal	Discrimination (caste, race) limit productive potential	Legal barriers impacting women's labour force participation, labour market segmentation

Figure 10 – How different inequalities can impact growth, a scheme

Source: Haan, 2017

The year we are living right now, 2020, is the anniversary of several fundamental cornerstones for what concerns gender parity, such as the twenty years of the Millennium Development Goals and the 25th anniversary of the Beijing Platform for Action. During these occasions, Resolutions calling for action to ensure gender parity in education and health, economic opportunities and decision-making at all levels through gender mainstreaming in the formulation and implementation of development policies were adopted. Nonetheless, 2020 does not represent a turning point only because anniversaries usually serve as accelerators and boosters. In addition to that, the spread of the pandemic of COVID-19 has put world society in the position of choosing whether taking steps forward or backwards as concerns gender equality. Indeed, during times of health emergency outbreak preparedness and response efforts remain largely gender-blind, and the gendered nature of pandemics such as the current COVID-19 crisis is consequently left unexplored and without effective interventions (Ramo, 2020). Men and women are differently affected by COVID-19 and it was estimated that the long-term impact of the crisis will continue to exacerbate and reproduce gendered inequalities across the globe (Ramo, 2020). In this very particular and highly critical time, in which gender disparities are strengthening themselves through several channels and one of the most serious economic crises of the last two centuries has just broke out, the boost that gender equality is reported to give to economic growth should not be underrated. Both understanding and quantifying the economic importance of different gender gaps across the world might be fundamental and of a great help in this particular period.

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RIASSUNTO IN ITALIANO

Introduzione

Ad oggi, nessun paese al mondo ha ancora raggiunto l'uguaglianza di genere ed una ricerca del World Economic Forum ha stimato che, anche se le disparità di genere negli ultimi anni hanno subito un forte calo, si prevede che occorreranno altri 202 anni circa per colmare il divario economico che esiste tra uomini e donne, mantenendo il ritmo di andamento attuale.

Ciò che rende questi dati ancora più sconcertanti è il fatto che la maggior parte del mondo accademico supporta ormai la tesi che sostiene l'esistenza di un legame causale positivo tra l'emancipazione femminile e lo sviluppo economico. Christine Lagarde ha infatti affermato "come un'auto bloccata in seconda marcia, l'economia globale non potrà mai raggiungere il suo potenziale mentre i talenti di metà della sua popolazione rimangono sottovalutati e sottoutilizzati" (Jain-Chandra, Kochhar, & Newiak, 2017). Inoltre, anche l'attuale segretario generale delle Nazioni Unite António Guterres, grande sostenitore delle pari opportunità di genere, ha dichiarato che la disuguaglianza tra uomini e donne "non è solo inaccettabile, è stupida" (United Nations, 2020). Secondo l'Organizzazione internazionale del lavoro, il lavoro delle donne, sia retribuito che non retribuito, potrebbe essere il singolo fattore di riduzione della povertà più importante nelle economie in via di sviluppo (Heintz, 2006). Si ritiene generalmente che la parità di genere possa rappresentare il prerequisito per numerosi altri obiettivi di sviluppo sostenibile delle Nazioni Unite.

L'economia mondiale ha un potenziale che può essere raggiunto solo se vengono stabilite delle condizioni perché uomini e donne abbiano pari opportunità. L'uguaglianza di genere non è semplicemente una questione di diritti umani, ma una necessità economica (Dordevic, 2018) e per entrambi i motivi dovrebbe riguardare l'intera popolazione globale.

La tesi si sviluppa in tre capitoli. Per quanto riguarda il primo capitolo, al fine di indagare le teorie che sono state sviluppate su questo tema, è necessario investigare a fondo la disuguaglianza di genere e comprendere a pieno che cosa essa comporta. In questo capitolo, cerco di fornire una presentazione della sua natura multidimensionale, fornendo definizioni, descrizioni e prove di diversi aspetti come l'educazione, la fertilità, la mortalità materna, il tasso di partecipazione alla forza lavoro e così via. Questi elementi sono quelli che dovrebbero causare la crescita economica o essere la sua conseguenza, quindi è fondamentale comprendere i dati che li caratterizzano.

Una volta esaminati questi elementi, nel secondo capitolo, analizzo le diverse teorie e idee che orbitano attorno al problema. Il capitolo è suddiviso in tre gruppi. Nei primi due, le teorie sono divise

in base alla direzione della causalità: lo sviluppo economico da solo può assumere un ruolo importante nel ridurre la disuguaglianza tra uomini e donne; dall'altro lato, dare potere alle donne può favorire lo sviluppo. Nella terza parte viene aggiunta la variabile mediatrice della democrazia. È l'intervento della democrazia che genera la relazione tra le due variabili?

Nel terzo e ultimo capitolo traggio alcune conclusioni dall'analisi precedentemente effettuata. Basando lo studio su dati quantitativi e qualitativi, cerco di identificare diversi aspetti di entrambe le direzioni della causalità. Inoltre, è importante specificare che, poiché il lavoro è basato su una variabile multidimensionale, potrebbero emergere risultati diversi per paesi diversi.

Ostacoli all'emancipazione economica delle donne: cos'è la disuguaglianza di genere?

Al fine di comprendere in che modo il divario di genere ostacola la crescita, è fondamentale sottoporre ad un'approfondita analisi la disparità di genere in sé e per sé. La discriminazione nei confronti delle donne si manifesta attraverso una serie di disuguaglianze nel corso della loro vita e per questo motivo, non è semplice unire le diverse componenti in un'unica variabile, sotto il nome di "disuguaglianza di genere". Molti studi si sono concentrati su dimensioni specifiche come per esempio l'istruzione, la salute, il tasso di partecipazione alla forza lavoro, la partecipazione politica e così via. Più in generale, gli studiosi sono giunti alla conclusione che è conveniente analizzare la disuguaglianza di genere da due diversi punti di vista: disuguaglianza di opportunità e disuguaglianza nei risultati economici e politici (Mitra, Bang e Biswas, 2015).

La prima categoria comprende essenzialmente il tasso d'istruzione femminile in confronto a quello maschile, gli indicatori di salute femminile, tra cui il tasso di natalità e di mortalità materna di un paese, l'accesso finanziario e accesso al credito e i diritti delle donne da un punto di vista legale, in quanto in molti paesi in via di sviluppo i diritti riguardanti le eredità e il possesso di terreno favoriscono ancora gli uomini rispetto alle donne.

Ognuno di questi elementi non solo è considerato dalla maggior parte del mondo accademico come un ostacolo per quanto riguarda la crescita economica di un paese, ma le disparità nelle opportunità spesso fungono anche da attivatori di un circolo vizioso che di conseguenza porta a disparità nei risultati economici, la seconda categoria di disuguaglianze di genere, che a loro volta hanno il potere di innescare e aggravare ulteriori divari.

La seconda categoria di disuguaglianze di genere, infatti, è quella dei risultati politici ed economici ed essenzialmente comprende il tasso di partecipazione femminile in parlamento, il tasso di partecipazione femminile al mercato del lavoro e il divario salariale tra uomini e donne.

Per ciascuna delle due categorie, gli esperti si concentrano solitamente sul tasso d'istruzione femminile e sul tasso di partecipazione femminile al mercato del lavoro per il fatto che, rappresentando le donne circa il 50 per cento della popolazione mondiale, il divario di genere nell'occupazione e nell'educazione riducono automaticamente la scelta di talenti da cui i datori di lavoro possono attingere. Di conseguenza un'economia non è in grado di raggiungere la sua produttività potenziale in quanto la società sostituisce donne produttive con uomini relativamente meno produttivi.

Nonostante ciò, alcuni studiosi sottolineano come tutte le dimensioni che compongono la variabile multidimensionale della disparità di genere siano altrettanto importanti e che ciascuna di esse dovrebbe essere considerata come fondamentale nell'esame degli effetti che esse hanno sulla crescita economica. A tale proposito, per fini statistici, nel 2010 le Nazioni Unite hanno unito i diversi aspetti in un indice multidimensionale chiamato Gender Inequality Index (GII). L'indice di disuguaglianza di genere misura le disuguaglianze di genere in tre importanti aspetti dello sviluppo umano: la salute riproduttiva, misurata dal rapporto di mortalità materna e dai tassi di natalità delle adolescenti; emancipazione, misurata in base alla percentuale di seggi parlamentari occupati da donne e alla percentuale di femmine e maschi adulti di età pari o superiore a 25 anni con almeno un livello di istruzione secondaria; e lo stato economico, espresso come partecipazione al mercato del lavoro e misurato dal tasso di partecipazione alla forza lavoro delle popolazioni maschili e femminili di età pari o superiore a 15 anni (United Nations Development Programme, s.d.).

Rassegna della letteratura per entrambe le direzioni causali

Lo scopo di questo capitolo è quello di analizzare le teorie che cercano di fornire prove su come le due variabili di uguaglianza di genere e crescita economica si influenzino a vicenda. Il capitolo inizia con lo studio di come lo sviluppo economico è in grado di avere un impatto sulla disuguaglianza di genere. Più avanti, viene analizzata la direzione inversa di causalità e alla fine del capitolo, introduco la variabile di "democrazia" per capire se essa può rappresentare una variabile mediatrice tra le altre due. Analizzando lo studio condotto da Inglehart, Norris e Welzel (2002), cerco di dimostrare che non è la variabile di democrazia a generare la relazione tra uguaglianza di genere e crescita economica.

Il primo punto di vista che indaga il mio studio è come la crescita economica influenzi il divario di genere. Manifestazioni empiriche testimoniano che un aumento del reddito di un paese porta a una riduzione del divario di genere. Il presupposto è che lo sviluppo economico, riducendo la povertà e riducendo così la vulnerabilità delle famiglie povere a rischio, anche senza prendere di mira specificamente le donne, migliora in modo sproporzionato il loro benessere e favorisce le donne rispetto agli uomini (Duflo, 2011). Attraverso questo processo, la crescita economica è in grado di determinare l'uguaglianza o almeno di restringere il divario che persiste tra i due sessi.

Partendo dalla premessa che la disuguaglianza di genere è spesso maggiore tra le famiglie più povere del mondo, ridurre la povertà è un punto di partenza fondamentale affinché il divario di genere sia a sua volta ridotto, poiché è probabile che aumenti le opportunità. Inoltre, gli studi di Duflo (2012) testimoniano che la discriminazione nei confronti delle donne e delle ragazze è più forte in tempi di crisi. Secondo la ricercatrice, se costrette, le famiglie favoriranno i ragazzi alle ragazze. La prova è stata offerta da diversi studi in questo campo, elencati nella tesi.

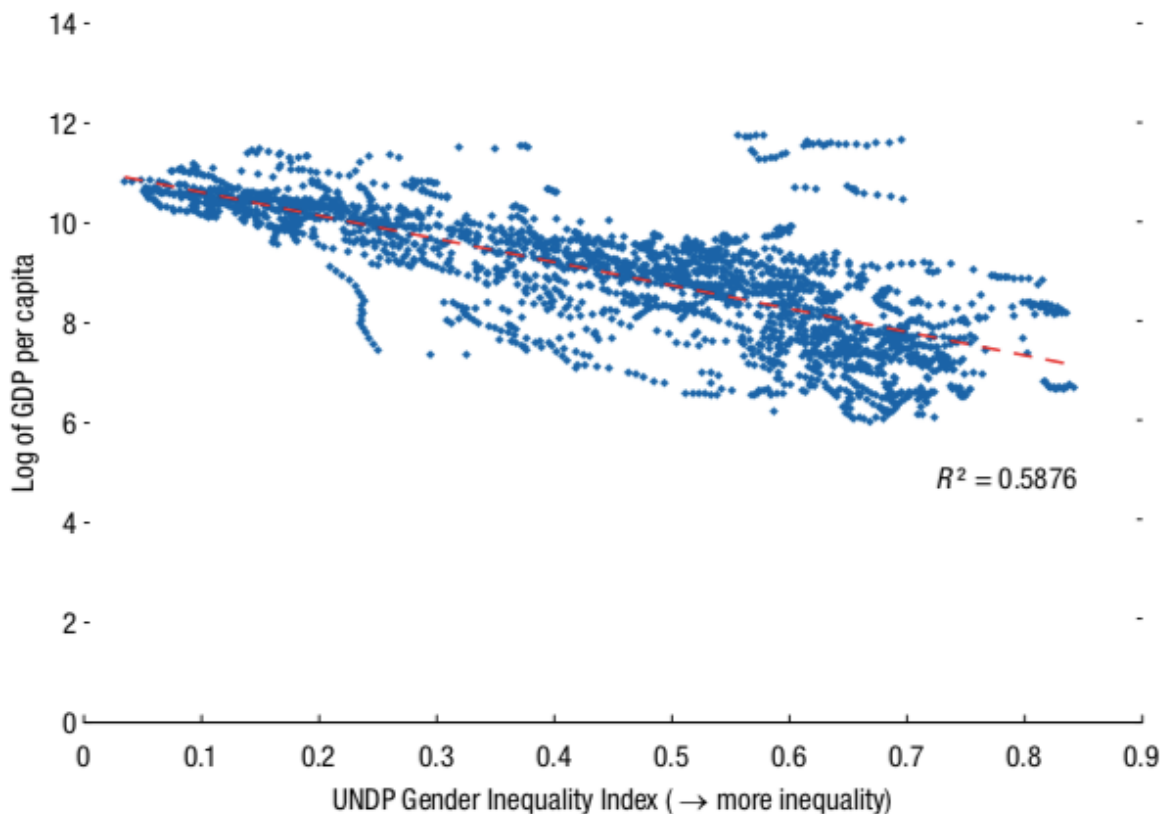
Inoltre, man mano che l'economia si sviluppa, l'economia dei servizi si espande. Si chiama trasformazione strutturale e comporta la riallocazione del lavoro dalle industrie ai beni ai servizi (Ngai e Petrongolo, 2017). È ciò che è accaduto in Europa e, più in generale, nel mondo occidentale nei decenni successivi alla seconda guerra mondiale ed è anche ciò che dovrebbe succedere o sta già avvenendo nei paesi in via di sviluppo.

Un'altra interessante teoria è stata proposta da Fernández (2014), che si concentra sul ruolo dello sviluppo nell'accrescere la tensione tra gli interessi conflittuali degli uomini nel ruolo di mariti e nel ruolo di padri, risolvendoli infine a favore di questi ultimi. In effetti, secondo lo studio, da un contesto iniziale di patriarcato, quando la ricchezza della famiglia raggiunge un livello significativo e la fertilità diminuisce, gli uomini sono disposti a rinunciare ad alcuni dei loro benefici, "cedendoli" alle loro mogli al fine di ridurre la disparità nel benessere tra i loro figli e le loro figlie, con l'obiettivo finale di garantire che un giorno i loro generi facciano lo stesso con le loro rispettive figlie.

Nel caso in cui la crescita economica riduce il divario di genere, è importante sottolineare che spesso l'effetto non è diretto, in particolare l'input dello sviluppo economico crea benefici per un'intera popolazione, da cui le donne, che si trovano in una situazione svantaggiata rispetto agli uomini, traggono relativamente più benefici. Si chiama vantaggio comparativo.

La direzione di causalità opposta prevede che la disuguaglianza di genere svolga un ruolo fondamentale nello sviluppo e la sua riduzione possa avere conseguenze benefiche sull'efficienza e la macroeconomia di un paese attraverso tre canali principali: sviluppo, crescita economica e stabilità

macroeconomica. L'osservazione iniziale è, come mostrato nella Figura 1, che esiste un'associazione positiva tra uguaglianza di genere e PIL pro capite (Jain-Chandra, Kochhar e Newiak, 2017).



Sources: United Nations Development Program (UNDP), *Human Development Report*; World Bank, World Development Indicators database; and IMF staff estimates.

Figura 1 – disparità di genere e PIL pro capite
Source: (Jain-Chandra, Kochhar, & Newiak, 2017)

Uno dei primi ricercatori a rivelare la correlazione esistente tra uguaglianza di genere e il benessere di una famiglia è stato Thomas (1990). Ha sostenuto che, una volta osservati i dati sul consumo e sulla spesa a livello individuale piuttosto che a livello familiare, le prove suggeriscono che le famiglie in cui le donne detengono più potere contrattuale sono associate a maggiori investimenti nella salute e nell'istruzione dei bambini.

Inoltre, la disuguaglianza di genere nella partecipazione economica riduce la quantità media di capitale umano in una società e quindi danneggia la performance economica. Lo fa limitando artificialmente il pool di talenti da cui attingere per l'istruzione, escludendo in tal modo ragazze altamente qualificate (Klasen & Lamanna, 2009).

L'intera letteratura elencata nel mio elaborato ha raggiunto un certo consenso sul fatto che esista un effetto positivo della crescita economica sulla parità di genere e un effetto negativo della disuguaglianza di genere sullo sviluppo economico, specialmente in un orizzonte a medio e lungo termine. Un problema che può sorgere è la causalità inversa. Ad esempio, Klasen (1999) afferma che incrementi nella partecipazione della forza lavoro femminile e nell'occupazione nel settore formale sono associati a una maggiore crescita. Tuttavia, questi risultati devono essere trattati con cautela in quanto potrebbero soffrire di causalità inversa. In particolare, potrebbe accadere che un'elevata crescita attiri le donne nella forza lavoro (piuttosto che aumentare la partecipazione femminile promuovendo la crescita economica) (Klasen & Lamanna, 2009). Nel terzo capitolo, mi sono concentrata sul fornire chiarimenti su questo punto.

La letteratura sull'argomento offre un'ampia prospettiva su entrambe le direzioni della causalità e rende possibili ciascuna delle due ipotesi. A questo punto specifico, potrebbe sorgere una domanda: quale ruolo svolge il processo di democratizzazione in tutto questo fenomeno? È l'intervento della democrazia che genera il rapporto tra uguaglianza di genere e crescita economica? In altre parole, la democrazia rappresenta la variabile mediatrice tra le altre due? Nel loro studio, Inglehart, Norris e Welzel (2002) offrono un'interessante risposta a tutte queste domande ed arrivano alla conclusione che la democratizzazione è sicuramente un processo a più fasi che può anche implicare un cosiddetto "spostamento dei valori" che corrisponde ad un'emancipazione del genere femminile. Tuttavia, secondo il loro studio, l'effetto principale è quello che passa dallo sviluppo economico al cambio della cultura, e come ultimo passaggio alle istituzioni politiche, con lo sviluppo economico che porta cambiamenti culturali favorevoli alla democrazia (Inglehart, Norris e Welzel, 2002). Questa sembra essere la principale sequenza causale, dunque gli autori sostengono che la democrazia non è una variabile mediatrice per quanto riguarda l'uguaglianza di genere e la crescita economica. In effetti, l'intervento della prima non genera la relazione delle altre due. Sembrerebbe piuttosto una loro conseguenza poiché il tradizionale patrimonio culturale e di valori di una società viene trasformato in primo luogo dallo sviluppo economico in gradi più alti di considerazione per alcuni valori come quelli di emancipazione della donna, che, a loro volta, migliorano le possibilità per le istituzioni democratiche di emergere e prosperare.

Avvertenze, risposte e conclusioni finali

La letteratura può concordare su alcuni aspetti e politiche fondamentali che potrebbero essere adottati, ma alcuni problemi di natura metodologica sono ancora significativi e le questioni di endogeneità e direzioni di causalità sono fondamentali per molti, se non tutti gli studi sull'argomento. In questo ultimo capitolo, analizzo i problemi che caratterizzano lo studio della correlazione tra le due variabili di disparità di genere e crescita economica e cerco di offrire alcuni spunti di riflessione a riguardo.

Innanzitutto, stabilire una relazione di causalità potrebbe già rivelarsi difficile in quanto alcuni studiosi sottolineano il fatto che le regressioni solitamente riportano effetti medi per tutti i paesi inclusi in uno studio, ma è altamente improbabile che l'effetto medio sarà lo stesso per ogni singolo paese a causa delle variazioni di variabili non osservate (Kabeer & Natali, 2013). Infatti, Kabeer e Natali (2013) suggeriscono che, una volta riconosciuti i problemi dell'analisi di regressione a questo livello altamente aggregato, i risultati di solito esaminati nei documenti dovrebbero essere presi come prove che suggeriscono la natura del rapporto tra crescita economica e disuguaglianza di genere. Questi studi teorici dovrebbero servire da punti di partenza per analisi più specifiche e dettagliate basate su studi di casi a livello nazionale in modo che i dati possano essere contestualizzati e possano essere fornite prove più definitive della relazione di causalità.

Quando viene stabilita la relazione di causalità, sorge il problema principale: la direzione della causalità. A questo proposito, i dati che sono state proposte dal mondo accademico e analizzati nel mio elaborato sembrano proporre risultati empirici che suggeriscono la presenza di un'asimmetria nel rapporto tra uguaglianza di genere e crescita economica. Nonostante la relazione ricorsiva posta tra le due variabili, la causalità sembra essere più forte in una direzione rispetto all'altra: Kabeer e Natali (2013) affermano di avere prove abbastanza solide a sostegno del fatto che una maggiore uguaglianza di genere, in particolare nell'istruzione e nell'occupazione, contribuisca alla crescita economica, ma prove molto più deboli e meno coerenti per la relazione inversa relativa all'impatto della crescita economica sulla parità di genere.

Inoltre, nonostante le diverse visioni, indipendentemente dallo stadio dello sviluppo economico in cui si trova il paese in questione, le pari opportunità educative rappresentano non solo un diritto umano fondamentale che deve essere raggiunto per sé, ma anche il punto focale delle pari opportunità economiche, che a loro volta apportano una spinta all'economia. La parità di genere nell'accesso all'istruzione è il principale motore a lungo termine di emancipazione femminile, sia all'interno della famiglia che nel mercato del lavoro. La creazione del capitale umano della prossima generazione ha un forte impatto e stimolerà lo sviluppo economico (Klasen & Lamanna, 2009).

Il mio studio si conclude con una nota che sottolinea come non sia possibile che le istituzioni e le persone in posizioni decisionali, in gran parte uomini in tutto il mondo, si concentrino completamente sull'obiettivo di colmare il divario di genere, fintanto che il punto di vista offerto e condiviso dagli studiosi sarà quello che l'emancipazione femminile sia un gioco a somma zero. Invece, ciò che deve essere capito è che quando si parla di discriminazione, non ci sono veri vincitori. Come sostiene Tzannatos (1999), una riduzione della segregazione non è un problema puramente redistributivo, al contrario, la "dimensione della torta" aumenta con le donne che rivendicano una quota maggiore.

Conclusion

Nella parte finale del mio lavoro, ho cercato di sottolineare come il 2020 sia un anno di grande importanza rispetto al contenuto di questo studio. Prima di tutto, è l'anniversario di alcuni momenti fondamentali per quanto riguarda la parità di genere, come i vent'anni dei Millennium Development Goals e il 25 ° anniversario della Piattaforma d'Azione di Pechino. Tuttavia, il 2020 non rappresenta una svolta solo perché gli anniversari di solito servono da acceleratori. Oltre a questo, la diffusione della pandemia di COVID-19 ha messo la società mondiale nella posizione di scegliere se fare passi avanti o indietro per quanto riguarda l'uguaglianza di genere. In effetti, durante i periodi di emergenza sanitaria, la preparazione e gli sforzi di risposta rimangono in gran parte ciechi per quanto riguarda le differenze di genere e questo punto di vista da cui osservare la crisi COVID-19 viene di conseguenza lasciato inesplorato e senza interventi efficaci (Ramo, 2020). Uomini e donne sono influenzati in modo diverso dalle emergenze sanitarie ed è stato stimato che l'impatto a lungo termine della crisi continuerà ad aggravare e riprodurre le disuguaglianze di genere in tutto il mondo (Ramo, 2020). In questo momento così particolare e critico, in cui le disparità di genere si stanno rafforzando attraverso diversi canali e una delle crisi economiche più gravi degli ultimi due secoli è appena scoppiata, la spinta che l'uguaglianza di genere è in grado di dare alla crescita economica dovrebbe essere al centro dell'attenzione mondiale. La comprensione dell'importanza economica dei diversi divari di genere in tutto il mondo potrebbe essere fondamentale e di grande aiuto in questo particolare periodo.