

# Gender Gaps in Economic Participation and Opportunity: A Critical Analysis of Cross Country Experiences

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**Abstract:** *In the present century, people are living in a world of “inequalities” in opportunity both within and across countries. Inequality is a threat to economic and social rights and threatens the realisation of all forms of rights everywhere. These inequalities perpetuate and provide inferior opportunities – economic, social and political – for some people than their fellow citizens. Inequality by gender, class and household produces divergent effects on growth and economic and political inequalities are one of the important channels through which inequality affects long-run process of development. The research revealed that the effect of inequality on growth depends on the measure used. Inequality in capabilities operates differently on growth than inequality in labour force participation and wages. The present paper presents a critical analysis of inequalities in “economic participation and opportunity”, which is one of the sub-indices for measuring gender gaps. The gender gap analysis in this paper is based on three concepts of this sub-index – the participation gap, the remuneration gap and the advancement gap employed in The Global Gender Gap Report -2015 by selecting 10 countries around the globe. The data related to these three concepts for the sample 10 countries was collected from this report and also consulting some global reports primarily aiming at an analysis of performance of the sample countries in narrowing down the gender inequalities, with special reference to the sub-index “economic participation and opportunity” The paper concludes that effective government intervention is necessary if women are to experience the real essence of the empowerment process and to enjoy the fruits gender equality and sustainable development.*

**Keywords:** Inequality, Gender gaps, Labour force participation inequality, Wage inequality, the advancement gap.

*“Gender equality is more than a goal in itself. It is a precondition for meeting the challenge of reducing poverty, promoting sustainable development and building good governance.”*

----- Kofi Annan

## 1. Introduction

Of late, the concept —“inequality” is sitting at the top of political agenda in many countries around the world. Political leaders both in developed and developing countries have been using this concept in their discussions as centrepiece of their major political campaign speeches and calling it as —“defining challenge of our time”. The IMF economists have also drew attention to this issue of global inequality by dismissing —trickle down’ economics and they have been arguing that the Governments have to target policies toward the bottom of 20.0 per cent of their citizens, particularly women.

The recent research on —“economy of exclusion” observed that equality is an important value in most societies and inequality is a signal of lack of income mobility and opportunity. Inequality reflects the persistent disadvantage for particular segments of society and has significant implications for growth and macro-economic stability and leads to sub-optimal use of human resources (Era Dabla-Norris et.al. 2015). The IMF research carried out in advanced, emerging and developing economies from 1980 to 2012 found that inequality was exacerbated by technological progress, weakened labour groups, globalisation and regressive tax policies. The research on inequality has also warned that inequality was not addressed by taking appropriate measures; it could lead to backlash against

economic liberalisation and eventually hurt the global economy.

In spite of impressive progress in the economies around the globe measured by growth rates, wide gaps between man and woman’s economic empowerment and opportunity, are found being driven by a variety of reasons and driving forces. In most countries, more men than women work and they get paid more for similar work. There are considerable gender gaps in access to education, health and finance in a number of countries. There is mounting evidence that the lack of gender equality, imposing large economic costs, hampers productivity and weighs on growth. Being influenced by these impacts, the attainment of a more equitable society and narrowing gender differences are considered as the two important issues towards which attention of today’s political leaders and economists is being focussed. The recent empirical evidence has also proved that higher gaps in labour force participation rates between men and women are likely to result in inequality of earnings between sexes and create income inequality. It is also observed that gender wage gaps directly contribute to income inequality (Christian Gonzales et. al. 2015). The Global Gender Gap Report -2015 also found that —“half of the people and talents are underdeveloped and underutilised, growth and sustainability will be compromised” (World Economic Forum, 2015). This report used —“economic participation and opportunity” as one of the sub indices for measuring and ranking countries for estimating the inequalities among men and women. To sum up, higher

inequality lowers growth by depriving the ability of lower income households, leads to underinvestment in education and results into lower labour productivity (Stiglitz, 2012; Galor and Moav, 2004; Corak, 2013; Cingano, 2014).

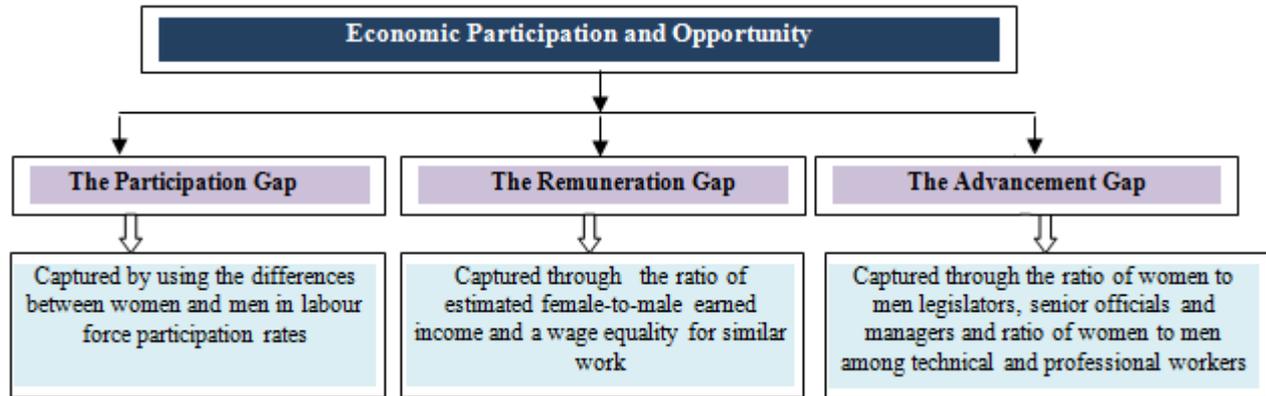
## 2. Methodology

The present paper relies exclusively on secondary data collected from global level reports to analyse and present the gender inequalities with special reference to economic participation and opportunity, which acts as one of the primary sources of inequality in general and income inequality in particular. To analyse the gender inequalities

and gaps, data has been collected from “*The Global Gender Gap Report -2015*” (WEF), particularly for economic participation and opportunity, one of the sub-indexes of measuring global gender gaps.

### Selection of Indicators

The Global Gender Gap Report-2015 (first introduced by the World Economic Forum in 2006 as a framework for capturing the magnitude of gender-based disparities and tracking their progress) - has estimated the sub-index: Economic Participation and Opportunity, containing the following three concepts:



**Figure 1:** Three concepts of the Indicator selected for the study

Source: The Global Gender Gap Report-2015, p.4.

## 3. Selection of Sample Countries

The lives of the people, shaped by many of the factors, are fundamentally influenced by where they live. Employment opportunities, no doubt, are the significant influencing factor, which decides the level of well-being of the people. Hence, today, attempts are being made to assess well-being of the people beyond per capita income or the amount of GDP. The researchers have identified that economic participation and opportunity can be considered as one of the best indicators to measure well-being and hence this indicator has been selected for the present analysis.

Generally the countries are classified according to the income groups and keeping in view this classification, 10 countries were selected for the present analysis as shown below:

Income group (in US \$)	No. of countries selected	Sample countries selected
1. Low income (1045 or less)	2	Burundi, Nepal
2. Lower middle income (1046-4125)	4	Bangladesh, India, Pakistan, Sri Lanka
3. Upper middle income (4126-12735)	2	China, Malaysia
4. High Income (12736 and above)	2	Norway, Barbados

Source: The Global Gender Gap Report -2015.

Secondary data was collected for the indicator selected for these countries from the Global Gender Gap Report -2015.

## 4. Discussion and Results

In general, the Global Gender Gap Index is calculated by considering four sub-indices viz., economic participation and opportunity, educational attainments, health and survival and political empowerment. Global ranking are estimated by the weights given to the scores of these four sub-indices ranging from 0.001 to 1.0 representing high gender gap and the absence of gender gap respectively. Hence, the global ranking and the ranks for the sub-index selected for the selected 10 countries are presented in Table. 1.

**Table 1:** Global Ranking and Ranks for Economic Participation and Opportunity – 2015

S. No	Selected Country	Global Rank		Economic Participation and Opportunity	
		Rank	Score	Rank	Score
1.	Norway	2	0.850	1	0.868
2.	Barbados	24	0.744	2	0.848
3.	Burundi	23	0.748	3	0.845
4	China	91	0.682	81	0.657
5	Malaysia	111	0.655	95	0.634
6	Sri Lanka	84	0.686	120	0.577
7	Nepal	110	0.575	121	0.575
8	Bangladesh	64	0.794	130	0.462
9	India	108	0.664	139	0.383
10	Pakistan	144	0.559	143	0.330

Source: WEF (2015) Global Gender Gap Report-2015, p. 10

The data in Table.1 indicate that at global level, the cumulative score for all the sub-indexes was found favourable for Norway, Barbados and Burundi, which show that gender gap is very less in these countries. Bangladesh,

representing the lower middle income countries occupied 64<sup>th</sup> place among the 145 countries followed by Sri Lanka with 0.686 score occupied 84<sup>th</sup> place and by China occupying 91<sup>st</sup> place with a score of 0.682. However, the status of Pakistan, Nepal and India is not satisfactory as their respective scores accounted for 0.559, 0.575 and 0.664, which tells us that more than half of the women have been facing gender gaps on an average.

A comparison between global ranks and ranks estimated for the selected indicator—economic participation and opportunity reveal a different picture for all these countries. Though Norway, Barbados and Burundi have occupied 2<sup>nd</sup>, 24<sup>th</sup> and 23<sup>rd</sup> ranks respectively, their performance was appreciable in narrowing the gender gap particularly with reference to indicator selected and they occupied top three positions among 145 countries. Bangladesh, Sri Lanka, India and Pakistan had a large gender gaps with respect to the indicator selected and occupied almost last places with low scores, comparatively. Malaysia though occupied 111<sup>th</sup> place in global rankings, showed significant achievement by narrowing down the gender gap with reference to the indicator selected.

## 5. Analysis of the concepts of Selected Indicator

### A. Labour force Participation Inequality:

As shown in fig.1, the analysis has been carried out for the three concepts separately for the countries selected. Table. 2 presented the performance of the countries selected with reference to gaps in labour force participation rates, which indicate the participation gap.

**Table 2:** Labour force Participation Rates in selected countries

S. No.	Countries Selected	Labour force Participation Rate (%)		F/M Ratio	Rank
		Female	Male		
1	Norway (2)	76	80	0.95	11
2	Barbados (24)	77	85	0.90	31
3	Burundi (23)	84	83	1.00	1
4	China (91)	70	84	0.84	59
5	Malaysia (111)	47	79	0.59	120
6	Sri Lanka (84)	39	81	0.48	129
7	Nepal (110)	83	89	0.93	17
8	Bangladesh (64)	60	87	0.70	97
9	India (108)	29	83	0.35	136
10	Pakistan (144)	26	86	0.30	140

Note: Figures in the brackets represent Global Overall Rankings.

Source: Ibid, Table: C1- Labour force Participation Rates, p.52.

The data presented in Table. 2 clearly indicate that Burundi, Norway, Nepal, Barbados and China have closed the gender gap between males and females with respect to labour force participation rates. Women are equally participating in the labour force on par with men in these countries. The data show that there are wide gaps between men and women in this regard as they could narrow the gap marginally and there exist wide variations in labour force participation rates particularly in India, Sri Lanka and Pakistan. Even Malaysia could not close the gap and was able to bridge it by 59.0 per cent as the labour force participation was found low at 47.0 per cent as against the male participation rate of 79.0 per cent.

### B. Estimated Earned Income and Wage Equality:

The second concept of the selected indicator – The Remuneration Gap – is estimated by working out the ratio of estimated female-to-male ratio of earned income and equality of wages between men and women for similar work. The data for this indicator has been presented in Table. 3

**Table 3:** Earned Income and Wage Equality gaps between Women and Men.

S. No	Countries Selected	Estimated Earned Income ( in US \$)		Female/ Male Ratio	Rank	Wage Equality	
		Female	Male			F/M Ratio	Rank
1.	Norway (2)	57293	72471	1.00	1	0.82	2
2.	Barbados (24)	10593	16314	0.65	57	--	--
3.	Burundi (23)	695	896	0.78	30	0.80	11
4	China (91)	10037	16190	0.62	67	0.65	66
5	Malaysia (111)	18218	31596	0.58	91	0.81	6
6	Sri Lanka (84)	5954	15323	0.39	131	0.73	29
7	Nepal (110)	1725	3069	0.56	98	0.58	105
8	Bangladesh (64)	2143	4105	0.52	108	0.52	126
9	India (108)	2257	9175	0.25	139	0.51	129
10	Pakistan (144)	1503	8000	0.19	141	0.61	88

Note:1. Figures in the brackets represent Global Overall Rankings. 2. US \$ 40,000 was taken as cut-off for both male and female estimated earned income.

Source: Ibid, Tables. C2: and C3, pp.53&54.

The data presented in Table. 3 amply show that except in Norway, the females are not all getting equal income compared to men. Similarly, except in Norway, Malaysia

and Burundi, females are not at all getting equal wages for a similar work done by men. It is very pathetic to note that in Pakistan the females are getting only 19.0 per cent of

income earned by men, and the situation is not all good in India, Sri Lanka and Bangladesh. In India women are earning 25.0 per cent of the income earned by men and it was 39.0 per cent in Sri Lanka and 52.0 per cent in Bangladesh. Wage equality was found satisfactory in Norway, Malaysia and Burundi as the females are getting almost same wages for a similar work and this is not satisfactory in India, Bangladesh and Nepal.

### C. The Advancement Gap

Proportion of females to males functioning as legislators, senior officials, managers and professional and technical workers has been considered as the indicators for measuring the 'advancement gap'. Higher F/M ratio represents lower advancement gap and lower F/M ratio indicates higher advancement gap. Table. 4 present these details.

**Table 4: The Details of Advancement Gap**

S. No	Countries Selected	Legislators, Senior Officials and Managers				Professional and Technical Workers			
		Female	Male	F/M Ratio	Rank	Female	Male	F/M Ratio	Rank
1.	Norway (2)	36	64	0.55	43	52	48	1.06	1
2.	Barbados (24)	48	51	0.95	5	56	44	1.28	1
3.	Burundi (23)	-	-	-	-	-	-	-	-
4	China (91)	17	83	0.20	103	52	48	1.07	1
5	Malaysia (111)	22	78	0.28	95	44	56	0.79	90
6	SriLanka (84)	24	76	0.32	88	51	49	1.03	1
7	Nepal (110)	18	82	0.22	99	30	70	0.43	117
8	Bangladesh (64)	5	95	0.06	123	24	76	0.32	118
9	India (108)	-	-	-	-	-	-	-	-
10	Pakistan (144)	3	97	0.03	124	22	78	0.28	122

Note: 1. Figures in the brackets represent Global Overall Rankings

Source: Ibid, Tables: C4 and C5: pp.55& 56.

Generally it is felt that if the representation of female legislators, officials and managers is high, the females have more no. of opportunities to design and implement necessary programmes, schemes for the upliftment of women, which brings higher level of empowerment. However, the data presented in Table. 4 reveals that in majority of the countries selected, less than 30.0 per cent of the legislators, senior officials and managers were found and the situation is very dismal particularly in Pakistan, Bangladesh, China, Nepal and Sri Lanka. The female to male ratio is very negligible in these countries. Barbados has occupied the top place with 95.0 per cent of female representation, followed by Norway. Similarly the data also indicate that the no. of professional and technical workers was found in negligible proportions particularly in Pakistan, Bangladesh and Nepal where females represent very negligible proportion. Norway, Barbados, China and Sri Lanka have the significant representation of females, who even found in more proportions compared to men.

### 6. Conclusion

Beyond doubt, gender equality is an important objective of development in the present world, as it was experienced that gender equality enhanced the productivity, improved development outcomes and made institutions more representative. Gender gaps in education have in recent years, closed in many countries and there are more young women than men in universities. Women are living longer than men and their participation in labour force has increased. Still gender disparities remain in many countries. More number of women are working as unpaid family workers and are cultivating small farms which are less profitable than men. Women entrepreneurs are operating in smaller firms and as a result they are earning less than men for the same work. The impressive growth in per capita income did not deliver greater gender equality and women

are unable to influence their household decisions and are caught in "inequality trap".

Although considerable progress is made in recent years toward closing the gender gaps, within most countries, gender gaps in economic participation and opportunity have remained in both developed and developing economies. The analysis made with reference to the sample countries amply reveals this stark reality and also supports the finding that gender equality improves economic efficiency. Even today in majority of the countries, earned incomes of the women ranges from less than 25.0 per cent to 40.0 per cent of the incomes earned by men. As women account for one-half of the potential base, competitiveness of any economy in the long term depends significantly on whether and how it educates and utilises the capabilities of its women. In order to maximise competitiveness and development potential, each country should strive for gender equality by providing women the same rights, responsibilities and opportunities as men. Effective government intervention is necessary if women are to experience the real essence of the empowerment process and to enjoy the fruits gender equality and sustainable development, being guided by Millennium Development Goals.

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