

Why Gender Equality is not a Zero-Sum Game Implying Loss for Men

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The single greatest antidote to poverty and social stagnation is the emancipation of women. Failed economies have been critically analyzed since the early twentieth century, with dedicated researchers analyzing problems ranging from the role of education in poverty alleviation, to the benefits of macroeconomic stability, to the advantages of an open trade system, to the consequences of corruption. The role of women, however, has been relegated to the periphery when assessing the effectiveness of economic policy.

When gender inequalities are examined from a legal perspective, it becomes obvious that governments virtually everywhere use the law to perpetuate gendered prejudice, deny women rights, and discriminate against them. As shown in the recent book *Equality for Women = Prosperity for All*, which I co-authored with Bahiyyih Nakhjavani (St. Martin's Press, 2018), World Bank data from 189 countries indicate that ubiquitous gender inequalities—whether in the home, in education, income, law, political representation, or employment—greatly undermine an economy's growth potential.

Inequalities in education, for instance, artificially reduce the pool of talent which societies can draw from. By excluding qualified girls from the educational stream and promoting less qualified boys, human capital in a country will be stunted, resulting in an adverse impact on economic performance.

The promotion of female education leads to lower births per women, not only because educated women will have greater knowledge of family planning but also because education creates greater opportunities for women that may be more attractive than childbearing. Lower fertility levels help reduce child mortality and expand the range of educational opportunities available to the next generation. The effects of lower fertility levels associated with improved female education have long-lasting effects and deliver a “demographic dividend” a couple of decades later.¹ With reduced fertility levels, the working-age population will grow more rapidly than the overall population and this will boost per capita economic growth.

A possibly equally powerful driver of economic growth associated with the narrowing of employment gender gaps is what economists call the “bargaining power within families.”² Not surprisingly, when women work and earn income as a result, they are more empowered within the home. Beyond the direct personal benefits for women, economists has identified a number of other favorable effects such as higher savings, more productive investments, and better use and repayment of credit, all of which are beneficial for economic growth.³ Other studies have shown that with greater female empowerment within the household there will be higher investments in

¹ Klasen, S., and Lamanna, F. 2009. “The Impact of Gender Inequality in Education and Employment on Economic Growth: New Evidence for a Panel of Countries.” *Feminist Economics* 15(3): 91-132.

² See, for instance, Duflo, E., and Udry, C. 2004. “Intrahousehold Resource Allocation in Cote d'Ivoire: Social Norms, Separate Accounts and Consumption Choices,” Yale University Economic Growth Center Discussion Paper No. 857.

³ World Bank. 2012. *World Development Report: Gender Equality and Development*. Washington, DC.

the health and education of children, thereby planting the seeds for the accumulation of human capital in the next generation.

Another avenue of influence has to do with growing evidence that female workers are less prone to corruption and nepotism than male workers. The criminology literature, for instance, has long established that male criminal participation in serious crimes at any age greatly exceeds that of females. More recently, a survey of 6,500 companies carried out in the United Kingdom looking at the gender composition of company boards showed clear evidence that companies with greater female participation in boards were less likely to find themselves in the middle of governance scandals involving bribery, fraud, and other factors likely to depress business confidence. Boosting the employment of women is likely to be beneficial for economic growth through improvements in the quality of governance. There is ample evidence that countries which more rapidly integrate women into the workforce have managed to improve their international competitiveness.

As the political empowerment of women has clear benefits for countries, quotas may be a useful tool for reducing gender disparities. Countries with quotas for women in Parliament show higher female labor force participation rates.⁴ This result is perhaps not surprising; with more women in parliament the likelihood that laws will be less discriminatory of women, that more laws will be approved making it easier for women to join the workforce (e.g., maternity leave, protections against firing in the case of pregnancy, greater facilities for childcare) will rise. Quotas also appear to have an impact on government spending priorities as studies reveal that there is greater spending on social services and welfare where quotas are implemented. A study carried out in India looking at data for 265 village councils found that once a quota established a one-third share for female membership, there was considerably more investment in infrastructures that contributed to improve the quality of life for the community, specially for women and children.

Quotas may also have far-reaching and meaningful results for gender equality in other ways. Since 1998, one third of village council leader positions in a large state in India (West Bengal) were randomly reserved for women. The study explored the effects of this policy over 10 years, covering two electoral cycles.⁵ Initially public opinion towards female leaders was low with villagers rating female leaders as less effective than men despite similar performance. However, exposure to female councilors over a ten-year period altered perceptions of gender roles both in society and in the home. The negative bias male villagers held towards the effectiveness of female local leaders was reduced. After ten years, women were more likely to run and win local level political races in villages that had instituted the quotas.

While more and more countries have begun implementing quotas, there are also attempts under way to increase the participation of women in corporate boards, as a number of studies have found a positive correlation between companies with women on their boards and their financial success. Nine countries thus far have introduced such quotas: Belgium, France, Germany, Iceland, India, Israel, Italy, Norway, and Spain. The levels range from 20 percent in France to 40 percent in Iceland, Norway, and Spain. More movement is likely in coming years under the auspices of the

⁴ World Bank. 2015. *Women, Business and the Law 2016: Getting to Equal*. Washington, DC.

⁵ Beaman, L., Duflo, E., Pande, R., and Topalova, P. 2012. "Female Leadership Raises Aspirations and Educational Attainment for Girls: A Policy Experiment in India." *Science* 335 (6068): 582-586.

EU. The impacts of such quotas include greater returns on equity and invested capital, greater ability to retain talent, less vulnerability to crises in the case of firms in the financial sector, among others.

The marginalization of women from the corridors of power has been costly in terms of human welfare, as made evident by the history of our blood-stained twentieth century. The political empowerment of women would without doubt be an important catalyst in leading us to a more equitable world, in which the voices of women are heard not only in the context of the family, but also in cabinets, parliaments, and other centers of decision-making. It is of high significance that as we examine the multiple experiences across the planet in dealing with the impact of COVID-19, some of the most successful cases (e.g., [New Zealand](#), Germany, Norway, Iceland, Taiwan, among others) are all in countries led by women.

A couple of final important points. We have begun to move away from an emphasis on the desirability of equality of *opportunity*—in this particular context, the removal of barriers preventing women to vote—to the need to ensure equality of *outcomes*, or results. If many decades after the removal of restrictions on voting rights, women are still grossly underrepresented in political decision making bodies, then other means have to be used to ensure a speedier removal of the thousand and one hidden barriers which have impeded and curtailed their political empowerment. Far-reaching decisions have to be taken and more effective means of their implementation have to be found in order to ensure that women can more rapidly and actively contribute to improving social welfare.

I am encouraged by the fact that (1) there has been a greater recognition of how the subjugation of women has led to a whole range of socioeconomic ills and dysfunctions and (2) moving toward greater gender equality is not a zero-sum game implying loss for men. Gender equality is about moving to a stage in human evolution where being born a boy or a girl does not determine one's rights and opportunities to develop human potential.

Finally, international organizations such as the IMF and the World Bank should use the leverage provided by loan conditionality (which is especially strong in the case of countries in the developing world where some of the more blatant discriminations against women and girls are to be found) to press countries to be more proactive in the elimination of such restrictions. Eliminating these restrictions—entailing inequalities in the property rights regime, in the kinds of jobs women can have⁶, in their access to the court system, in the absence of legislation protecting them from domestic violence and in multiple other forms of discrimination as documented in the World Bank's *Women, Business and the Law* database—is a win-win for everyone, an unambiguous good for human beings and the international economy.

⁶ To take a compelling example: according to the Women, Business and the Law World Bank database, in Russia there are 456 occupations forbidden to women, many of them in the energy sector. These restrictions contribute to a large wage gap between women and man and also worsen income inequality.