

Gender and Pro Poor Growth in Africa. Macro Findings

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Introduction

-Report on three recent studies examining macro linkages between gender inequality, growth, and other development goals:

a) Klasen (2002): Low Schooling for Girls, Higher Growth for All?

b) Abu-Ghaida and Klasen (2002): The Costs to Missing the MDG on Gender Equity

c) Klasen and Lamanna (2003): The impact of gender inequality in education and employment on growth using updated data

-Link it to other recent literature on the topic (World Bank: Engendering Development, Knowles et al. 2002, Smith et al. 2002, etc.)

Theoretical Considerations on the Link between Gender Inequality in Education and Employment and Growth

1. Education

- a) Lower Overall Human Capital (distortion or declining marginal return argument)
- b) Wage Discrimination and Female Employment?
- c) Externalities at the Household Level
- d) Demographic Externalities

2. Employment

- a) Lower Quality Labor Force (distortion or declining marginal return argument)
- b) Wage Discrimination and Female Employment?
- c) Externalities (demography, governance)

Link between Gender Inequality in Education and Employment and Poverty Reduction

1. Fertility Argument
2. Caregiver Quality Argument
3. Intrahousehold Bargaining Power Argument:
 - a) Greater Investment in Child Nutrition
 - b) Greater Investment in Child Education

Empirical Results: Gender Inequality in Education and Growth

1. Barro et al. vs. Knowles et al., Dollar and Gatti, Hill and King, and Klasen
2. Econometric Specification: Cross-Country and Panel Regressions, path analysis (direct and indirect effects), controls for endogeneity
3. Data: 1960-1992, full sample, developing countries, just Sub-Saharan Africa
4. Descriptives: SSA: Relatively high gender gap 1960, slow closing of gap 1960-1990

Growth Difference to East Asia and Pacific Accounted for by Gender Inequality in Education

	Sub-Saharan Africa	South Asia	Middle East North Africa
Growth Difference	3.3	2.5	1.9
Direct Effect	0.45	0.69	0.63
Indirect Effect	0.12	0.23	0.23
Total Effect	0.56	0.95	0.86

Separate Regression for Sub Saharan Africa: Effects seem stronger there (esp. Impact of initial gender gaps)

Update and Inclusion of Employment Inequality

-Data from 1960-2000

-Cross-Section and Panel Regressions

-Ability to Include Employment Inequality in Panel Framework (data and comparability problems !)

-Descriptives: SSA: Slow Closing of Gender Gap, Considerable Gap in formal Employment

	SSA	MNA	EAP
FMR Education 1960	0.45	0.52	0.59
FMR Education 1999	0.68	0.80	0.84
Growth Fem.Ed. 60-99	1.78	3.66	3.60
FMR Employees 1970	0.20	0.33	0.40
FMR Employees 2000	0.34	0.47	0.66

Impact of Gender Inequality in Education and Employment Inequality on Growth Differences to East Asia and Pacific (Preliminary !)

	Sub Saharan Africa	South Asia	Middle East & North Africa
Education Gap Effect	0.3-0.5	0.7-1.0	0.3-0.5
Employment Gap Effect	0.3-1.1	0.4-1.3	0.2-1.0
Total Effects	0.4-1.2	0.4-1.4	0.4-1.1

Gender Inequality and Poverty Reduction

1. Fertility Argument well documented
2. Link Women's Status-Undernutrition (e.g. Smith et al. 2002)
3. Link Women's Education- Child Survival (e.g. Schultz 1997, Klasen, 1999)
4. Link Women's Bargaining Power and Health Outcomes for Children (e.g. Thomas 1990, 1997)
5. Link Women's employment and reduced fertility, improved child mortality, and lower gender bias (e.g. Murthi et al. 1995, 2001, but literature more sparse here)

Putting it all together: The Costs of Missing the MDG in Gender Equity

Idea:

- Use best estimates about impact of gender inequality in education on growth, fertility, undernutrition, and child mortality to predict impact in 2005 and 2015 for countries that will not meet the MDG on Gender Equity (compared to meeting target)
- Countries in SSA unlikely to meet target (assuming linear extrapolation of current trends): Angola, Benin, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Congo, Congo DRC, Cote d'Ivoire, Djibouti, Eritrea, Ethiopia, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Mozambique, Niger, Nigeria, Senegal, Sierra Leone, Somalia, Togo, Uganda, Zambia.

Predicted Impact on Annual Per Capita Growth, Fertility, Child Mortality, Undernutrition

	Growth (ann. Per capita)		Fertility (TFR)		Child Mortality (deaths/1000)		Undernutrition (% underweight)	
	1995-2005	2005-15	2005	2015	2005	2015	2005	2015
Benin	0.2	0.4	-0.1	-0.2	-7.5	-19.6	-3.8	-6.4
Togo	0.3	0.5	-0.1	-0.2	-5.2	-13.8	-5.0	-4.5
Mozambique	0.3	0.3	-0.2	-0.3	-12.3	-19.0	-0.9	-0.5

Conclusion:

1. It pays to address gender inequalities in education and employment: failure to address them will reduce growth, harm poverty reduction and other goals.
2. Education results quite robust, employment results need further analysis
3. In addition, there are strong welfare and equity arguments to tackle gender inequality in education and employment.