

RIETI BBL Seminar Handout

“She Is the Answer – The IMF’s
Work on Gender Issues”

September 9, 2016

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"She" Is the Answer - The IMF's Work on Gender Issues

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The views expressed in this presentation are those of the author and should not be attributed to the International Monetary Fund, its Executive Board, or its management.



OUTLINE

- ▶ Gender gaps in economic opportunities and outcomes
- ▶ Gender gaps are “macro-critical”
- ▶ What policies are known to work?
- ▶ Harnessing female talent in Japan—why is it important, and what can be done to fully realize the potential gains

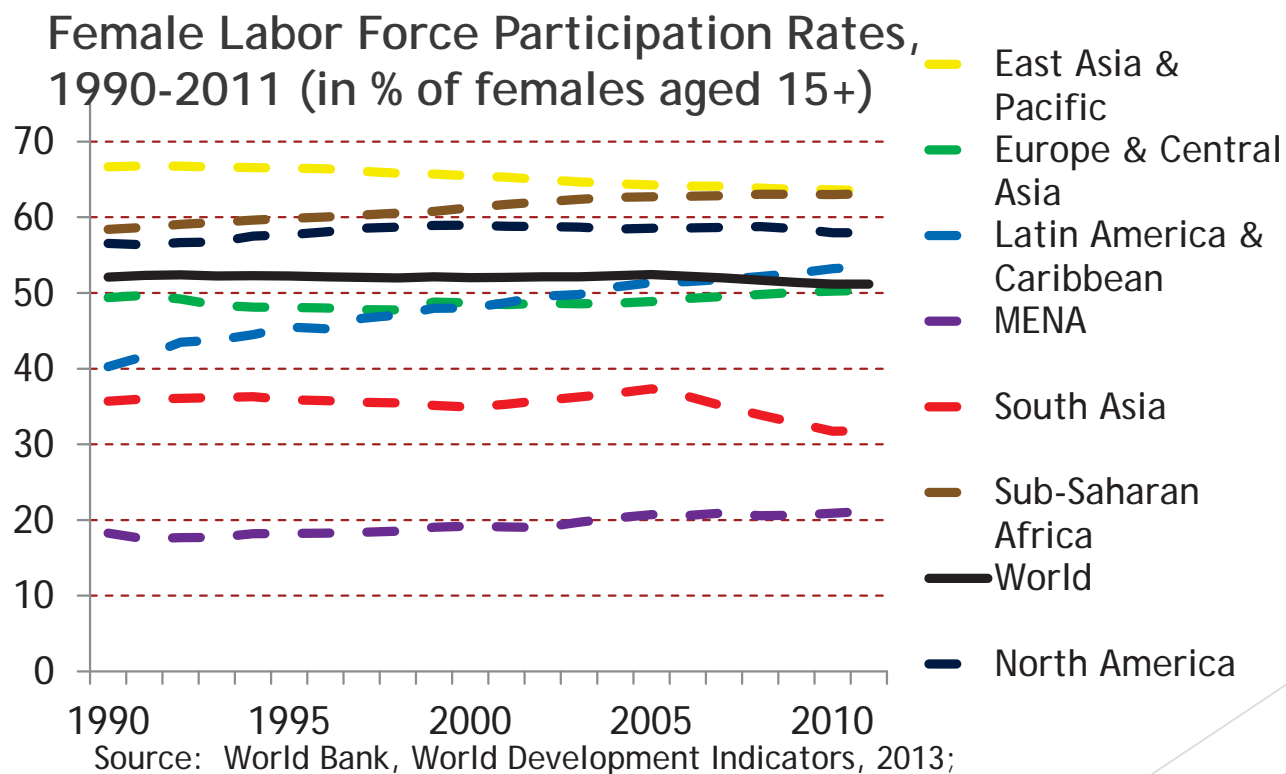


Gender gaps in economic opportunities and outcomes



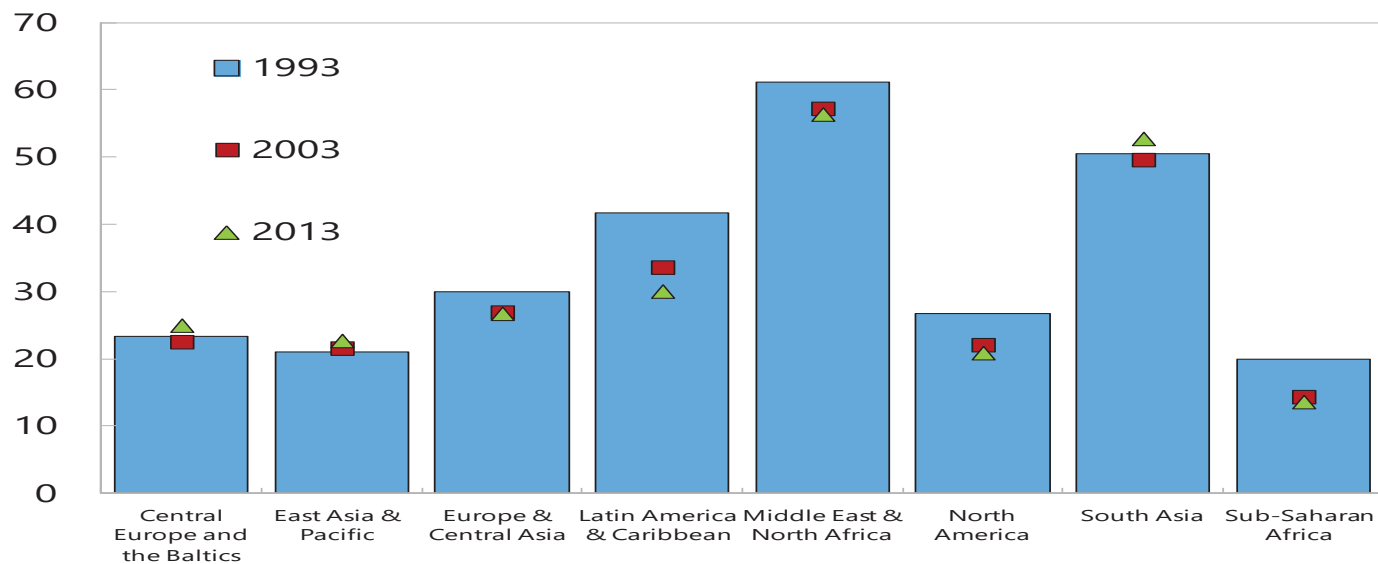
Female labor force participation rates

Stagnant over the last 20 years



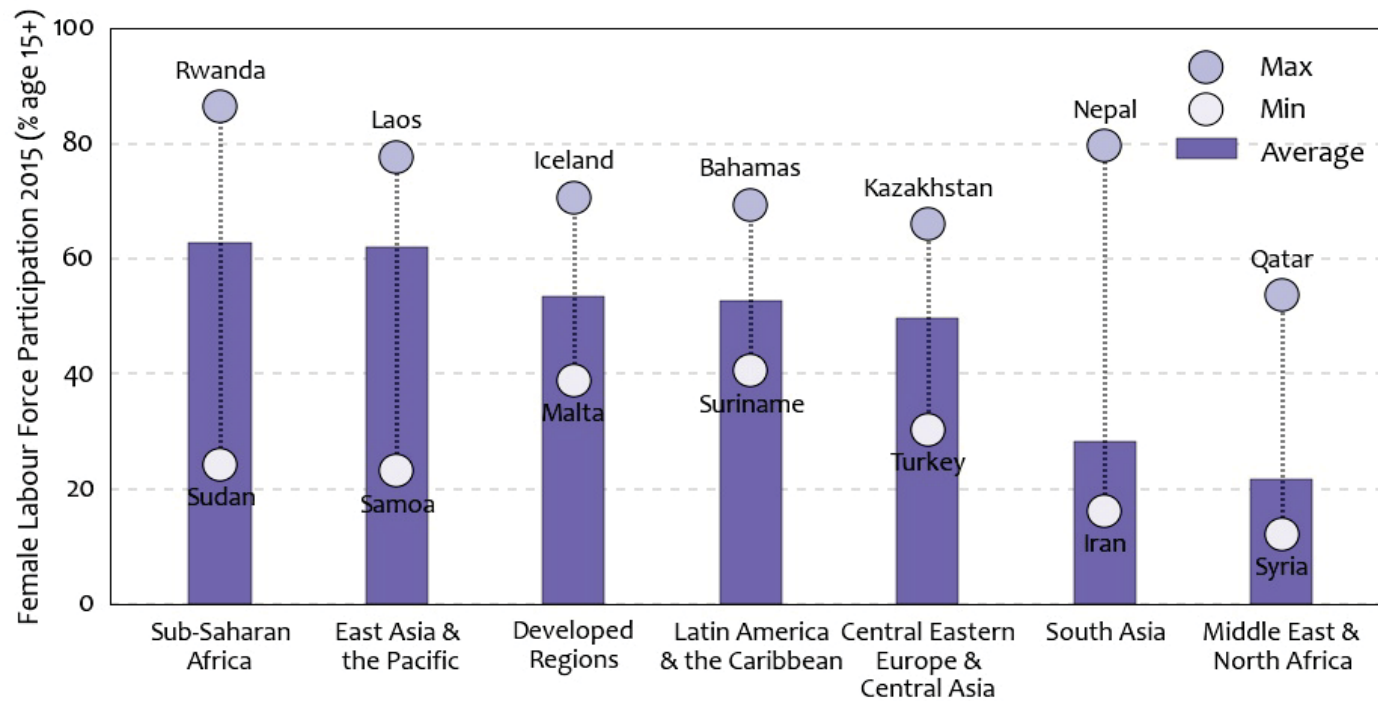
Gender gaps in participation rates *Still High*

Labor Force Participation Gaps, 1993-2013
(Male minus Female Labor Force Participation Rates, in Percent)



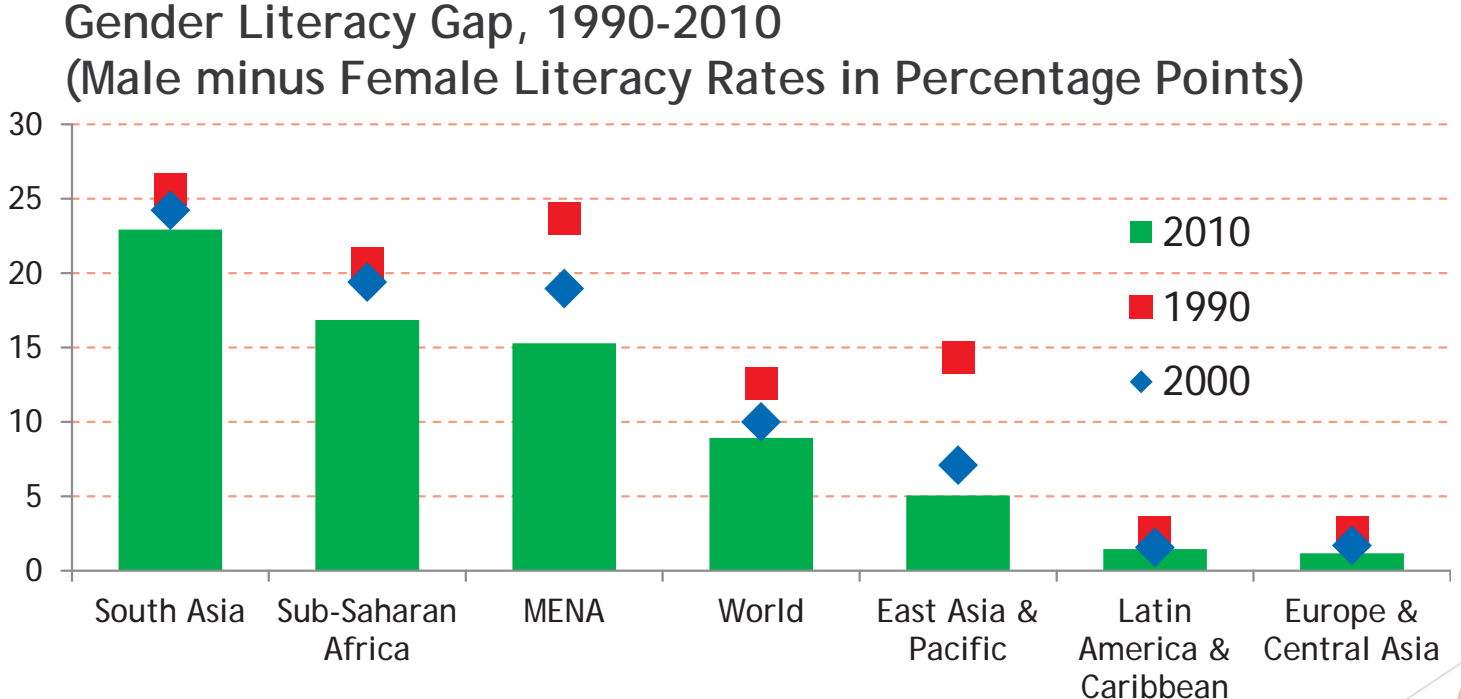
Sources: World Bank, World Development Indicators, 2015, ILO KILM

Wide variation in participation rates within regions



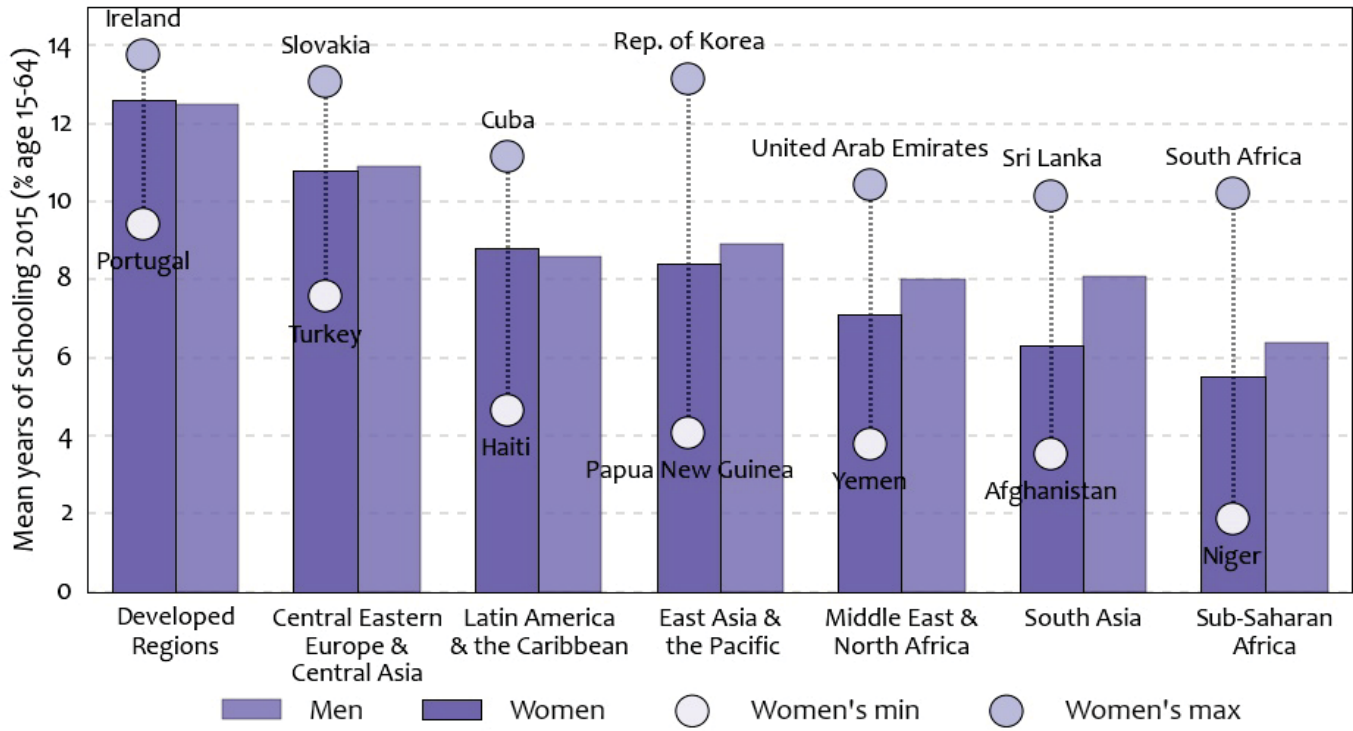
Note: Weighted regional average. 180 countries are included.
 Source: International Labour Organization Key Indicators of the Labour Market 2015 (Table 1A).

Gender gaps in education remain significant



Sources: World Bank, World Development Indicators, 2013, UNESCO Institute for Statistics

Once again, with wide variation within regions

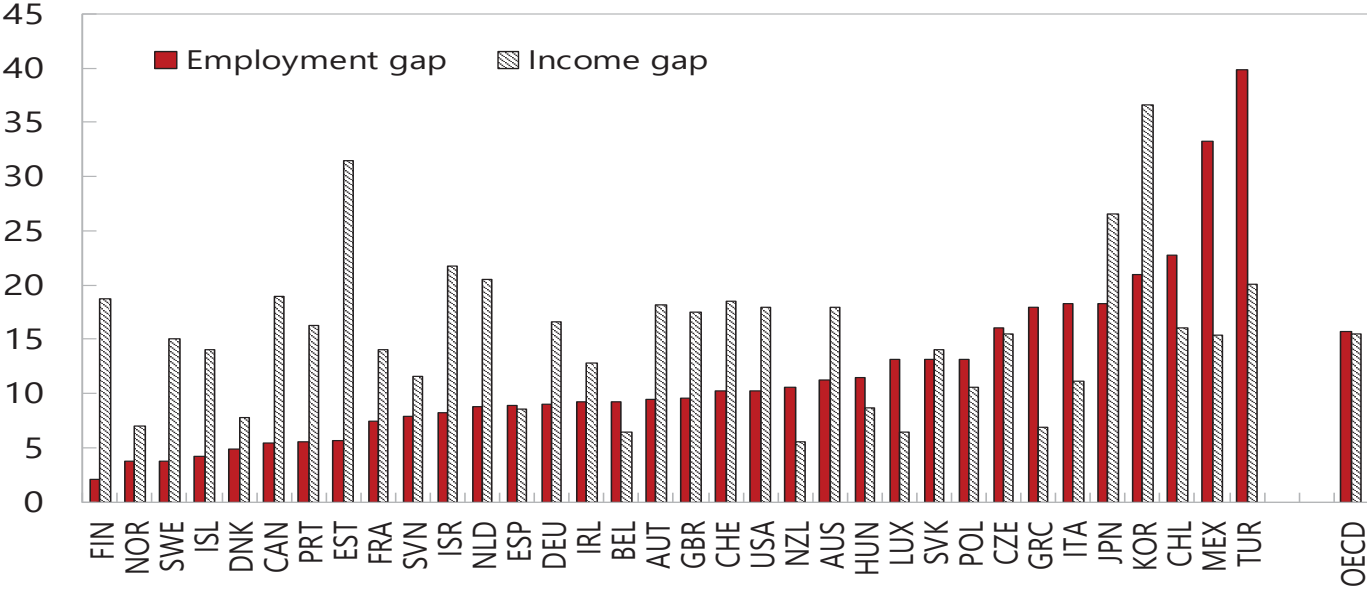


Note: Weighted regional average. 145 countries are included.
Source: Barro and Lee 2015.



Wage gaps remain significant, even in advanced countries

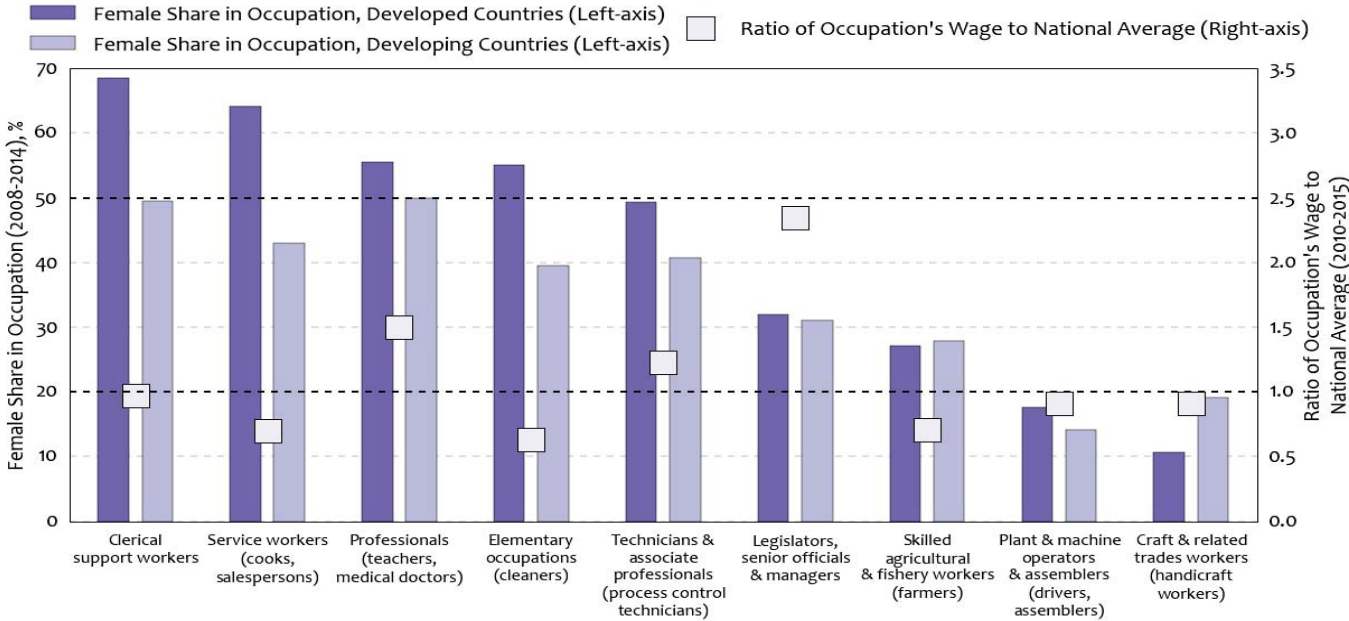
OECD: Employment and Income Gaps
(Male minus Female Employment and Income, in Percent)



Source: OECD (2015).



Women overrepresented in low-paying occupations, especially in developing countries



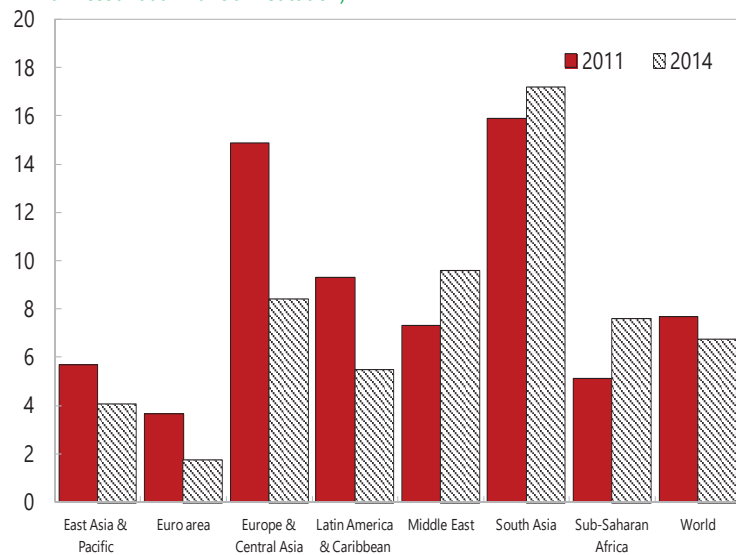
Note: Data available for 43 countries, data for occupational share is the most recent available (2008-2014) and the data on average wage is most recent available (2010-2015). The figures are not weighted by population. Developing countries include Brazil, Ecuador, Egypt, Macedonia, Mongolia, Pakistan, Panama, Peru, Philippines, Sri Lanka and Turkey. Developed countries include Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland and the United Kingdom. Only data based on ISCO-08 and ISCO-88 classifications are included. Source: International Labour Organization ILOSTAT database, International Labour Organization Key Indicators of the Labour Market database and EUROSTAT, Structure of Earning Survey 2010.



Women have lower access to finance

Gender Gap in Financial Inclusion

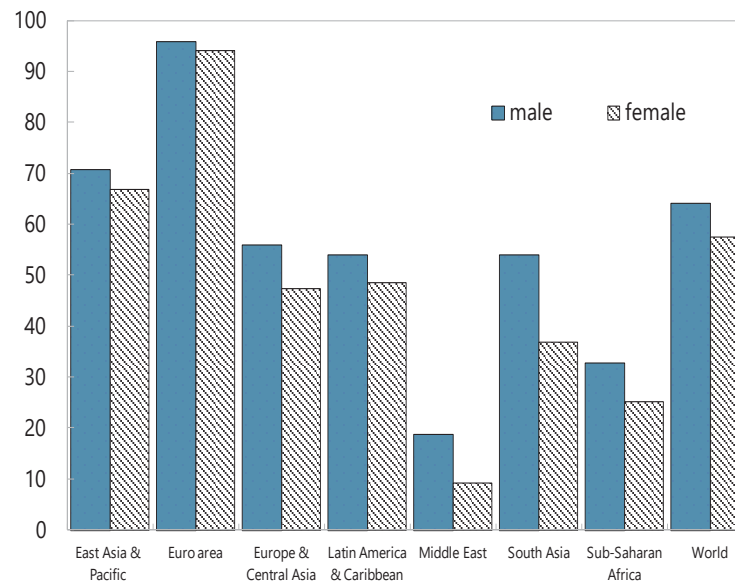
(Percentage of Men minus Percentage of Women with Account at Financial Institution)



Sources: Findex 2014

Account at a Financial Institution, 2014

(In Percent of Population)

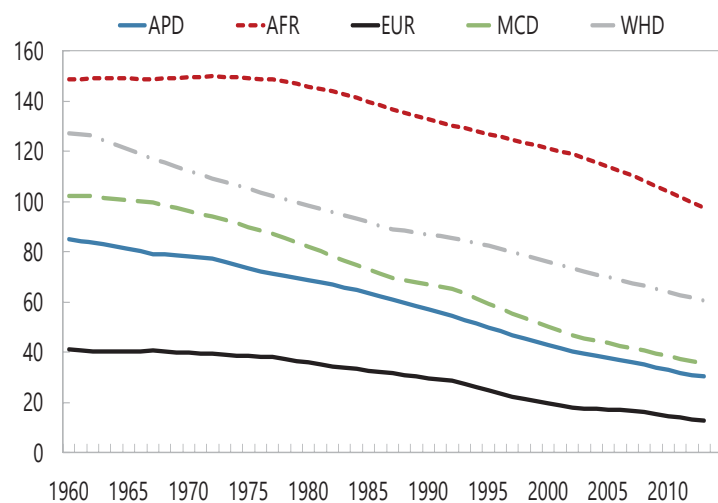


Sources: Findex 2014



Women face significant challenges with health issues

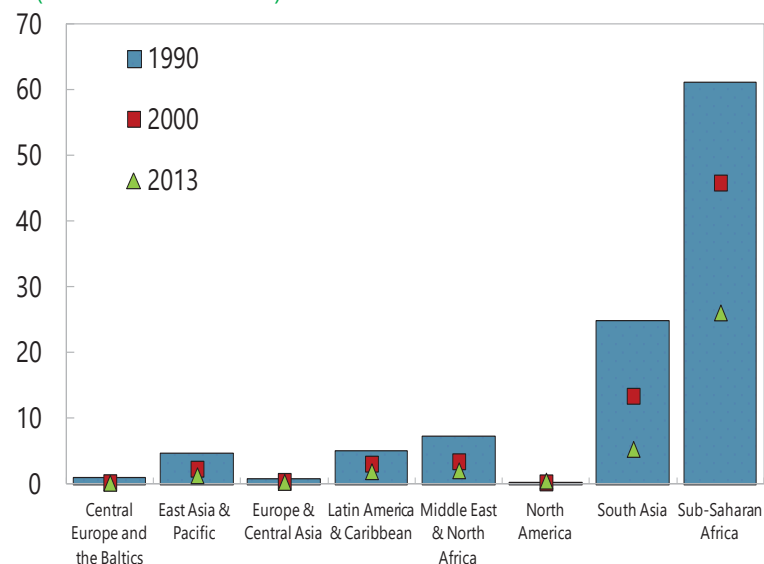
Trends in Adolescent Fertility by Region



Sources: World Bank, World Development Indicators

Lifetime Risk of Maternal Death

(Per Thousand Women)



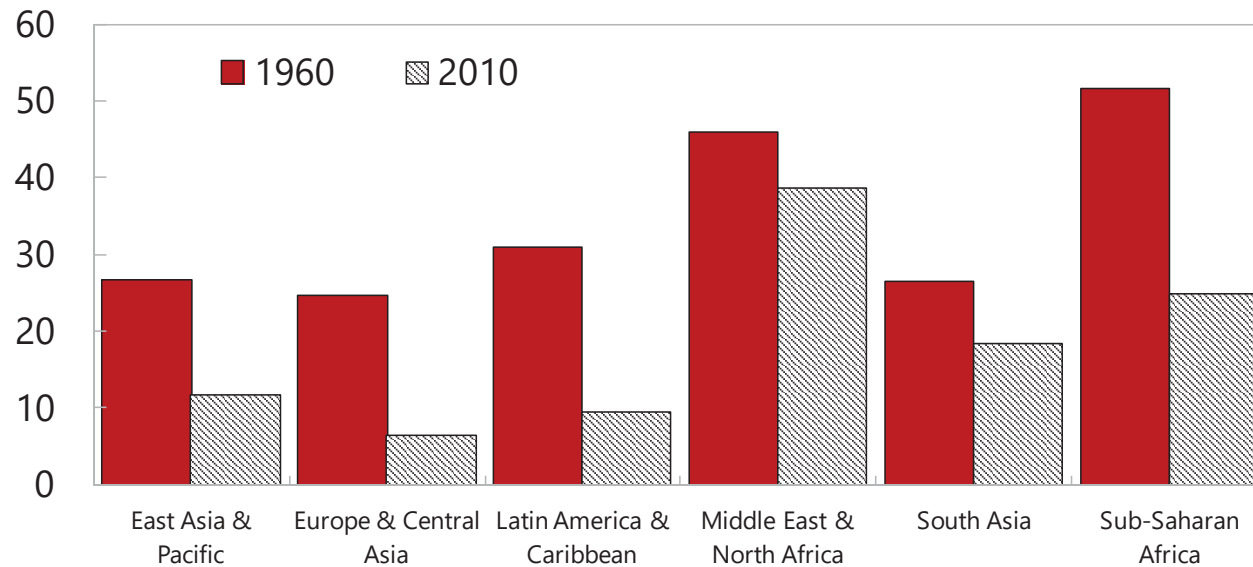
Sources: World Bank, World Development Indicators, 2015.



Gender based legal restrictions persist in many parts of the world

Gender-Based Legal Restrictions, 1960-2010

(In Percent of Total Observations)



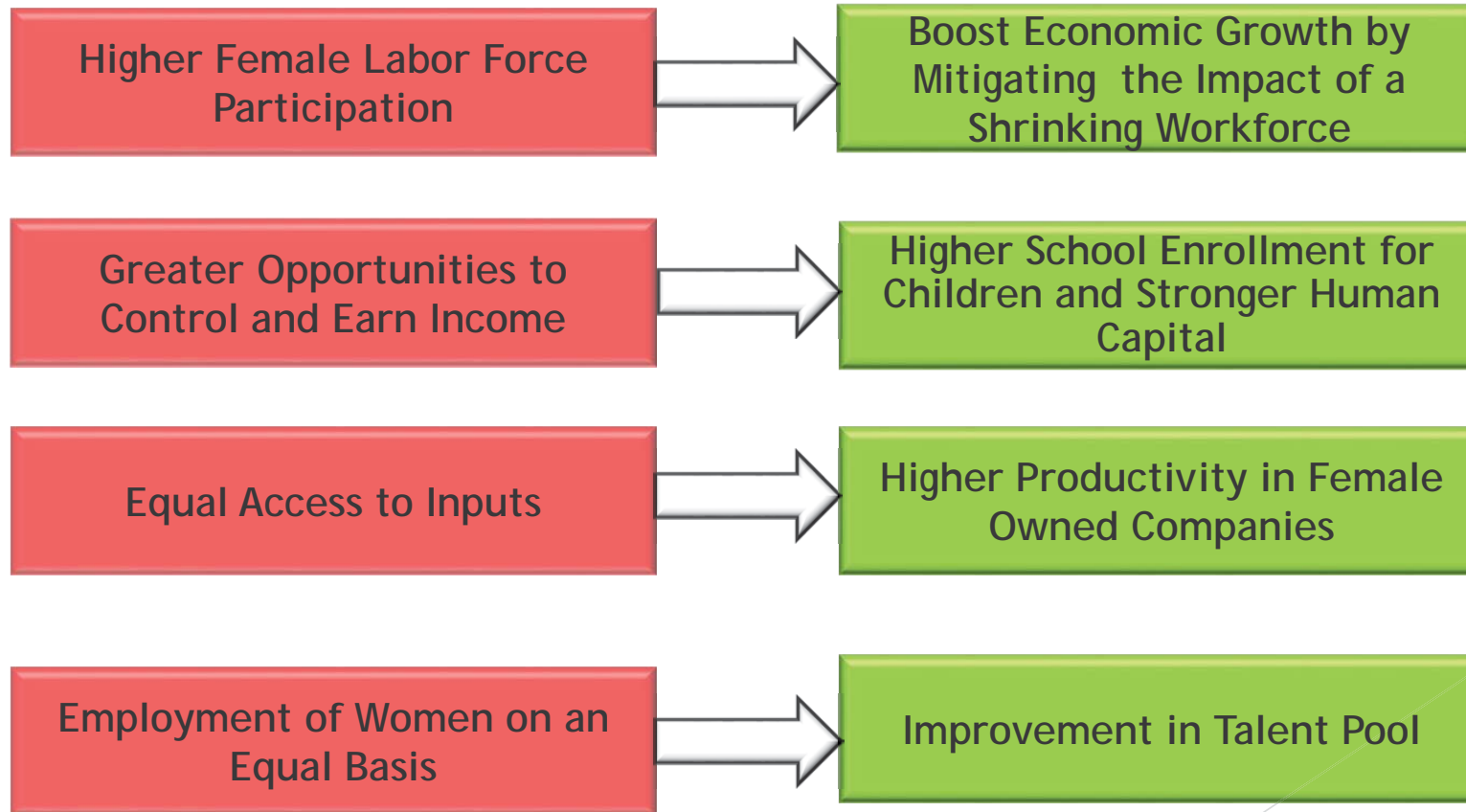
Sources: Women, Business and the Law 2014.



Gender gaps are “macro-critical”

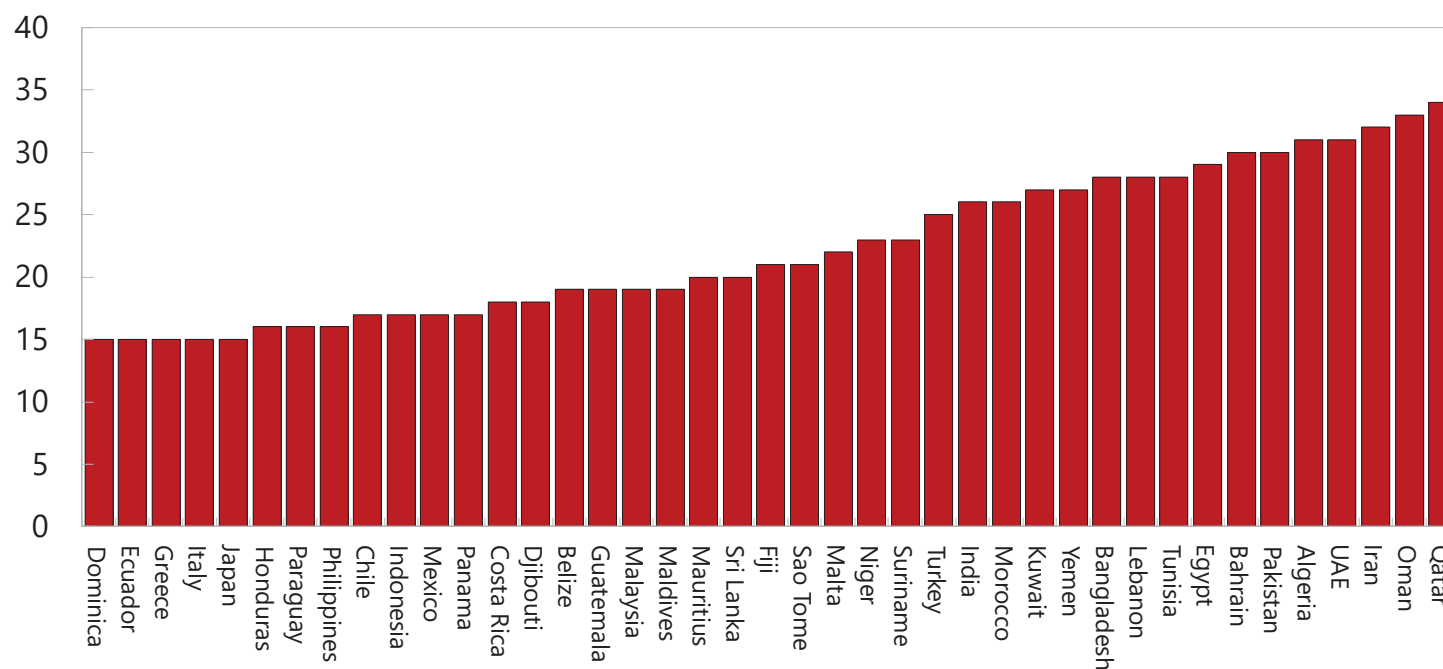


The macroeconomic gains from raising female labor force participation





Losses due to gender gaps in labor force participation and entrepreneurship (in percent of GDP)

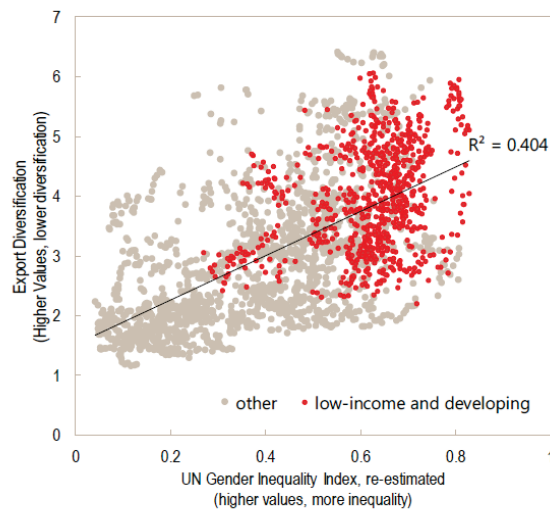


Sources: Estimates by Cuberes and Teignier (2014)

Gender inequality is associated with lower economic diversification

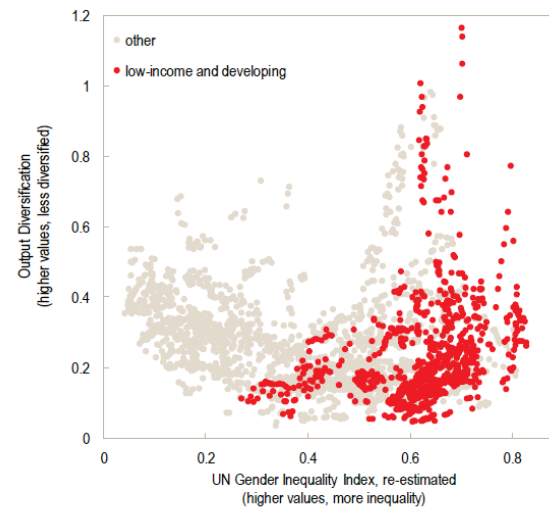


Figure 3. Export Diversification and Gender Inequality, 1990-2010



Sources: World Bank World Development Indicators, United Nations, IMF (2014), and IMF staff calculations.

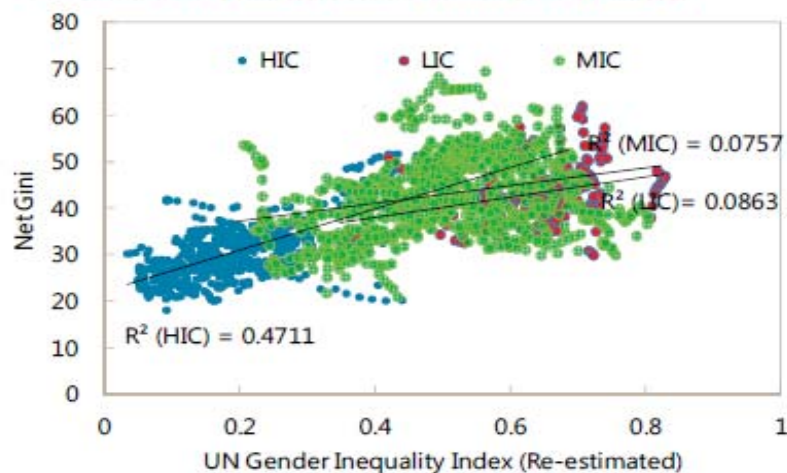
Figure 4. Output Diversification and Gender Inequality, 1990-2010



Sources: World Bank World Development Indicators, United Nations, IMF (2014), and IMF staff calculations.

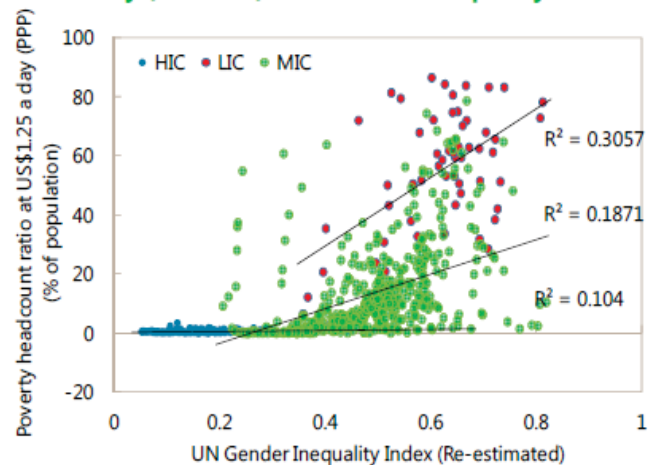
Strong gender dimensions to inequality and poverty

Income Inequality and Gender Inequality



Sources: SWIID; United Nations; and authors estimates.
 Note: HIC = High-income countries; LIC = Low-income countries; MIC = Middle-income countries.

Poverty (US\$1.25) and Gender Inequality

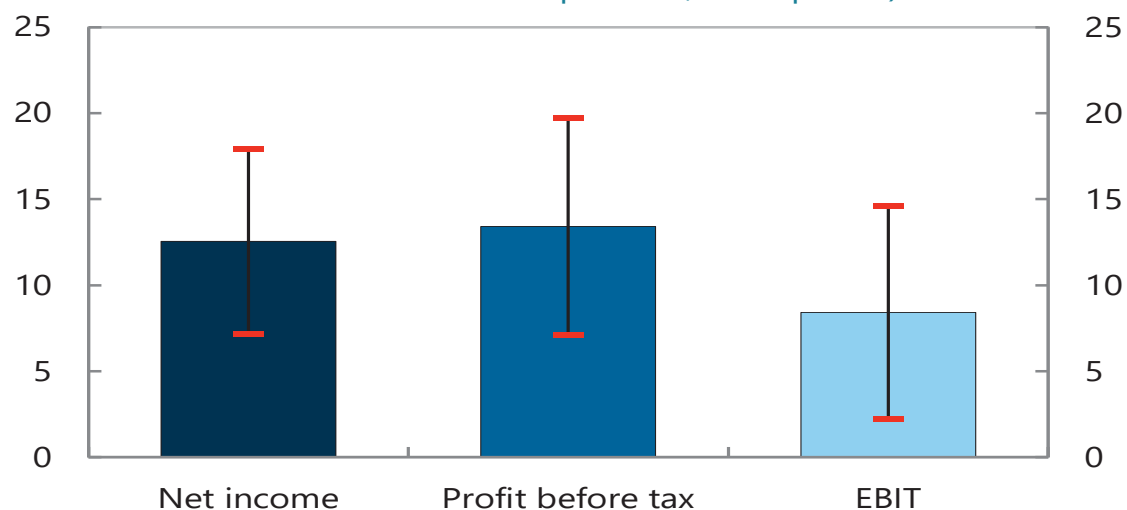


Sources: World Bank, World Development Indicators; United Nations; and authors estimates.

More gender diversity is good for the bottom line...



Figure 9. Female Representation in Senior Positions and Firm Financial Performance (Estimated ROA change from additional woman in a senior position, basis points)

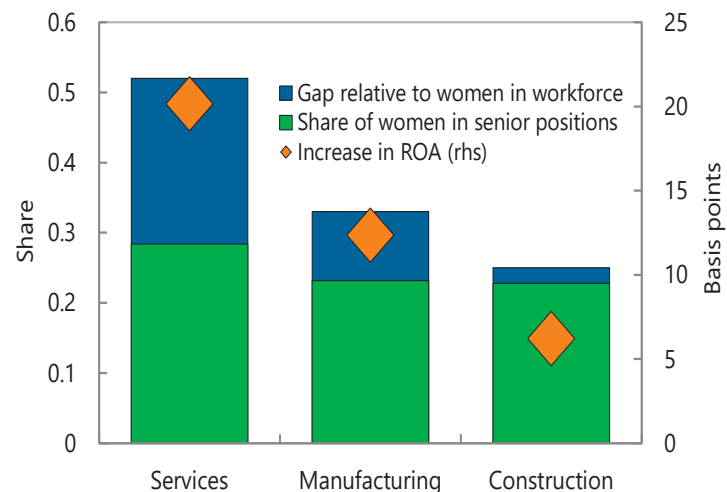


Sources: Orbis and IMF staff calculations.

Note: Point estimate and 95% confidence interval. Return on assets computed using net income, profit before tax and EBIT respectively.

The impact is even larger in high-tech and knowledge intensive sectors

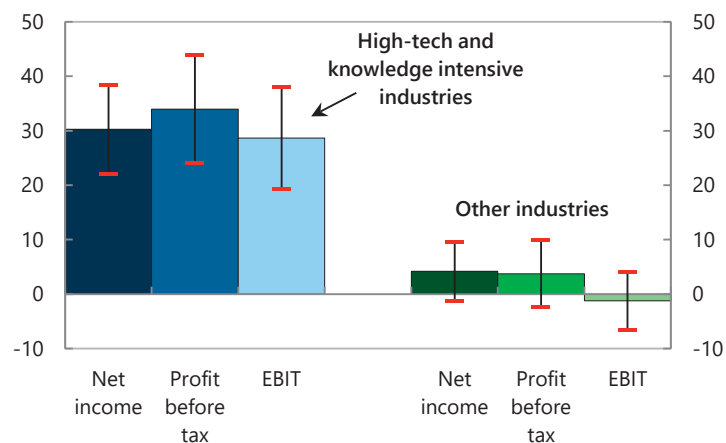
Figure 10. High versus Low Female Intensity Sectors



Source: Orbis and IMF staff calculations.

Note: Gap represents the share of women in sectoral workforce less the share of women in senior positions. The diamond denotes the estimated increase in ROA from additional woman in a senior position. ROA computed using net income.

Figure 11. High-Tech and Knowledge-Intensive Sectors versus Other Sectors (Estimated ROA change from additional woman in a senior position, basis points)



Source: Orbis, Eurostat, and IMF staff calculations.

Note: Point estimate and 95% confidence interval. Return on assets computed using net income, profit before tax and EBIT, respectively. Following Eurostat, industries are classified as high-tech (based on R&D expenditures) and knowledge-intensive (based on the share of workers with tertiary education).



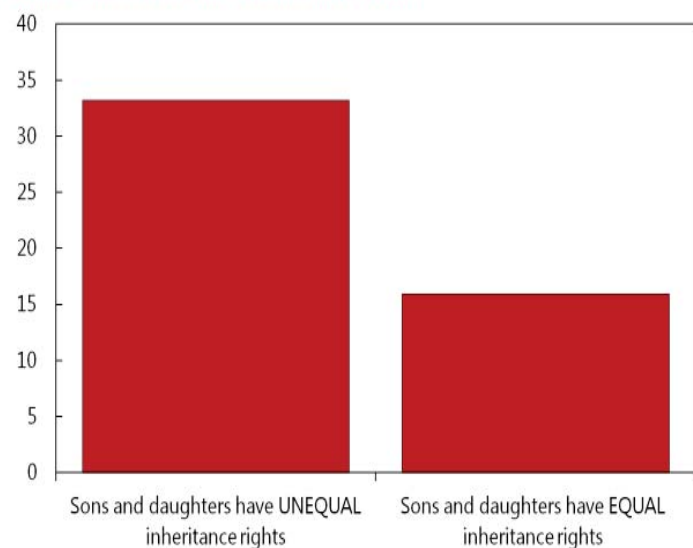
Reforms to increase women's economic empowerment

Laws matter—Gender gaps are much smaller when the legal playing field is more level



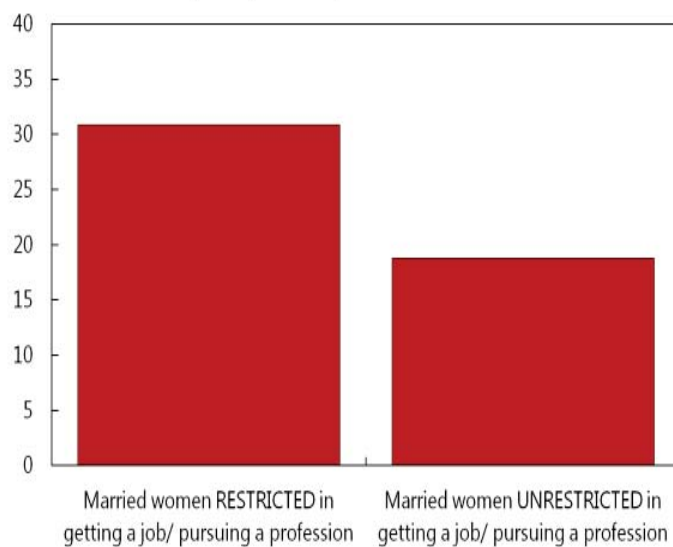
Labor Force Participation Gap

(Male minus female participation, in percent)



Labor Force Participation Gap

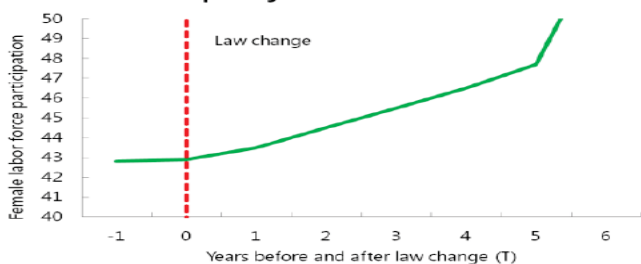
(Male minus female participation, in percent)



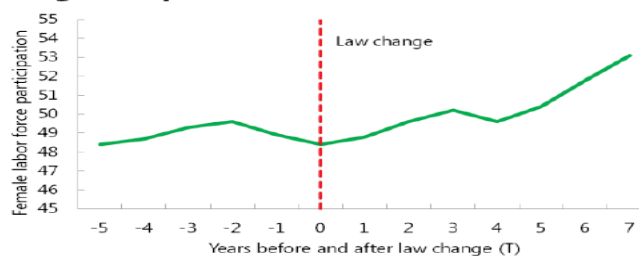
Changing laws can make a difference

Figure 7. Changes in Female Labor Force Participation Rates after Selected Legal Changes

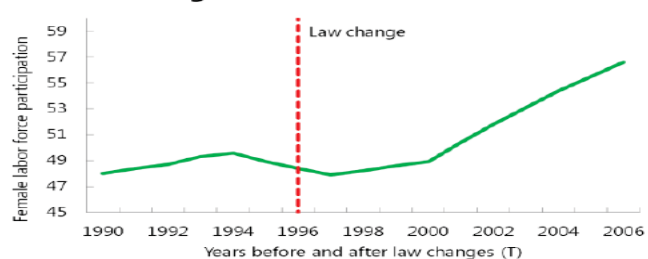
Guaranteed Equality



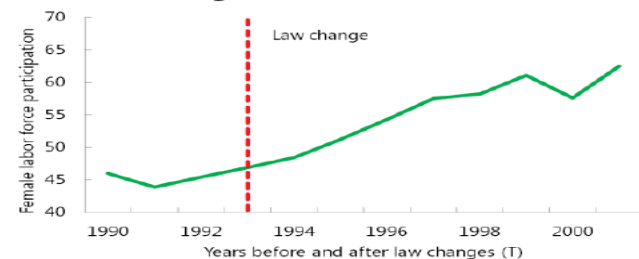
Right to Open a Bank Account



Six Law Changes in Namibia

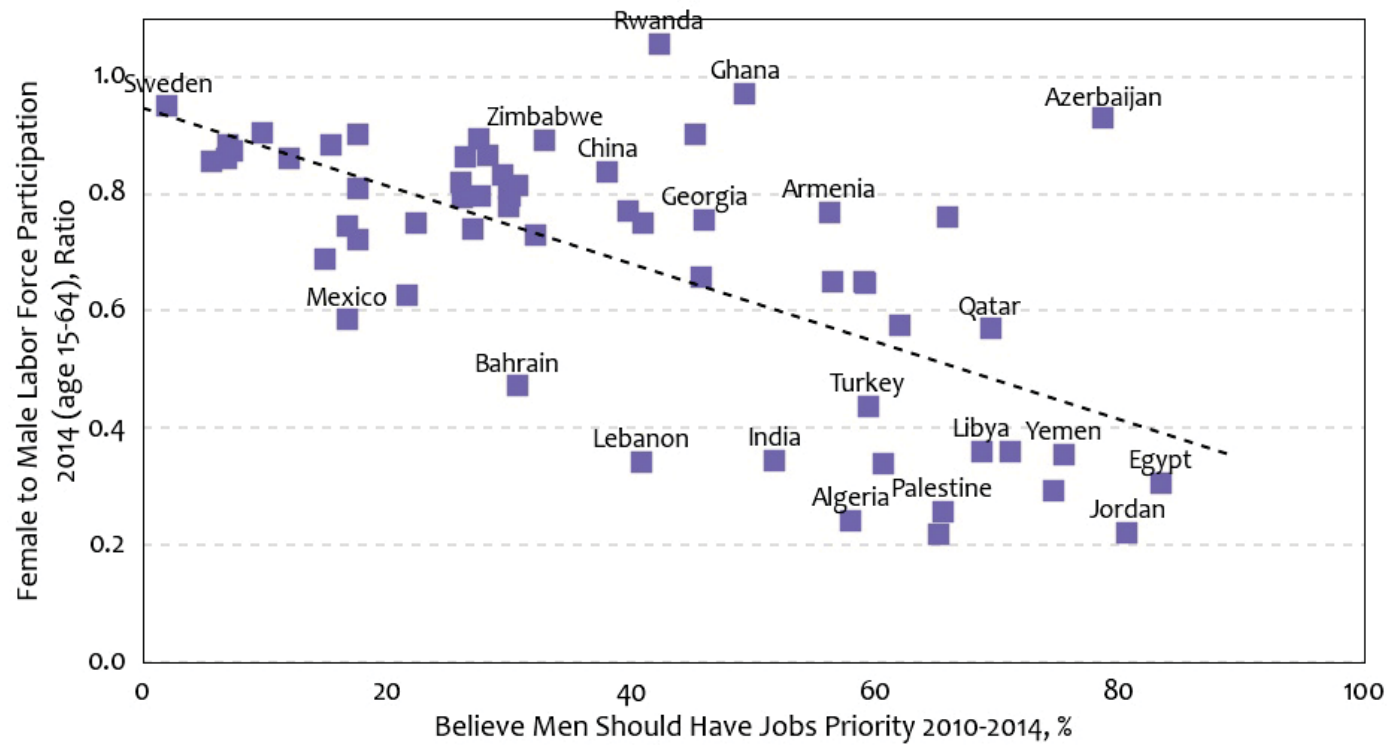


Two Law Changes in Peru



Sources: World Bank, Women, Business and the Law Database; and IMF staff estimates.

Societal attitudes matter

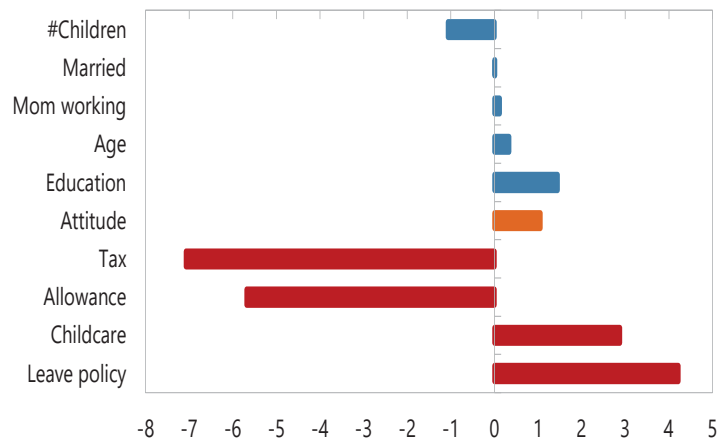


Source: World Values Survey Wave 6 (2010-2014) and ILO 2014.

Policies matter



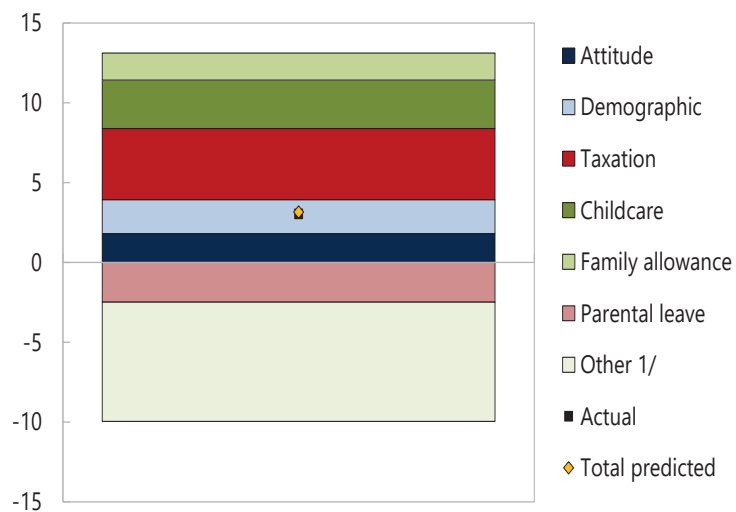
Marginal Effects of Individual Characteristics and Policies on Female Employment (Percentage points)



Sources: Background paper Christiansen and others (2016a).
 Note: Impact per one-standard-deviation increase (during 2002–2012 across countries) in the given variable. Coefficient on "Married" is insignificant.

The Role of Individual Characteristics and Policies

(Percentage points; based on data for countries with both years in regressions)

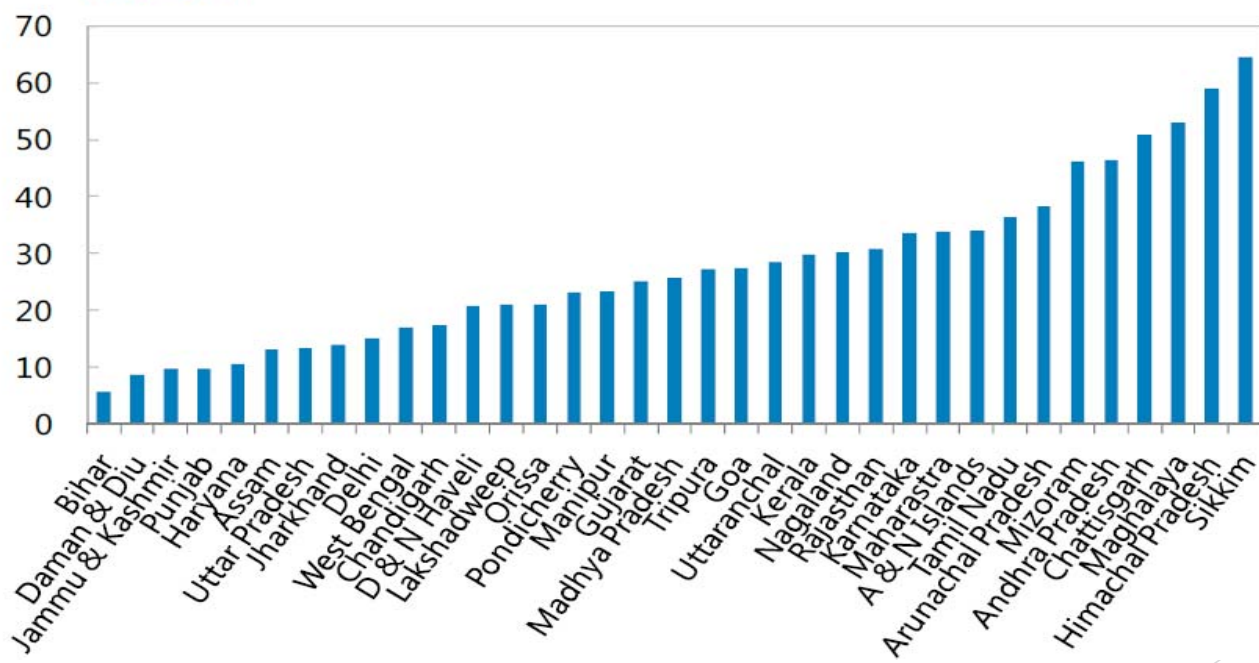


Source: IMF staff calculations.
 1/ Captures time dummy and other macro controls.

Social spending, infrastructure and labor laws matter



Female Labor Force Participation Rates Across Indian States
(2011/12)



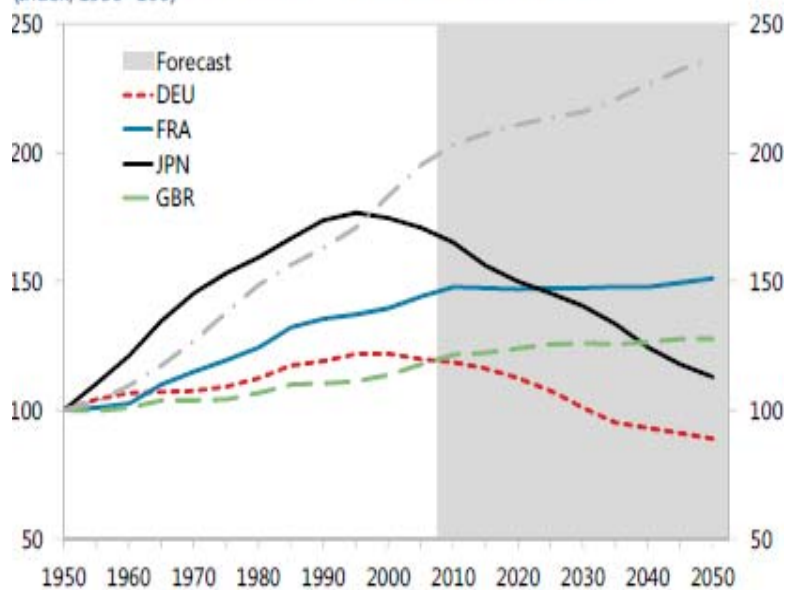
Women in Japan



Aging Societies—Potential for Higher Growth

Working-age Population Change (1950-2050)

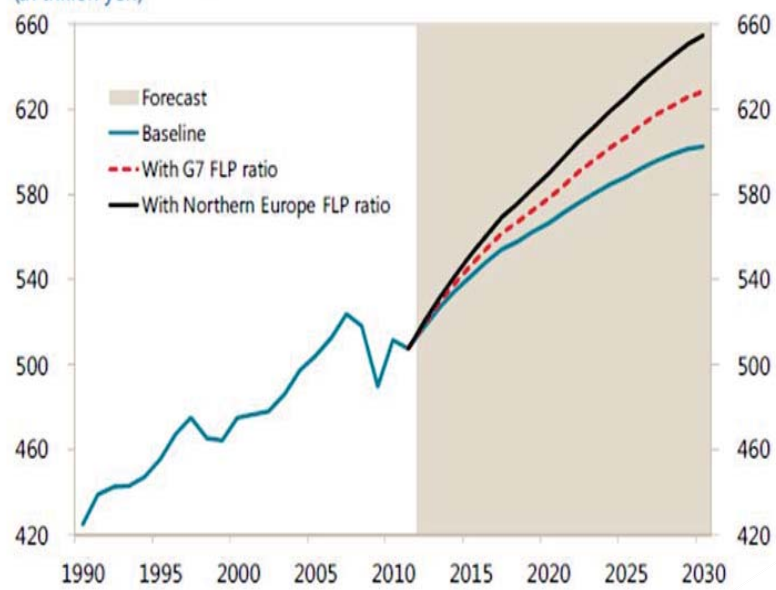
(Index, 1950=100)



Source: UN.

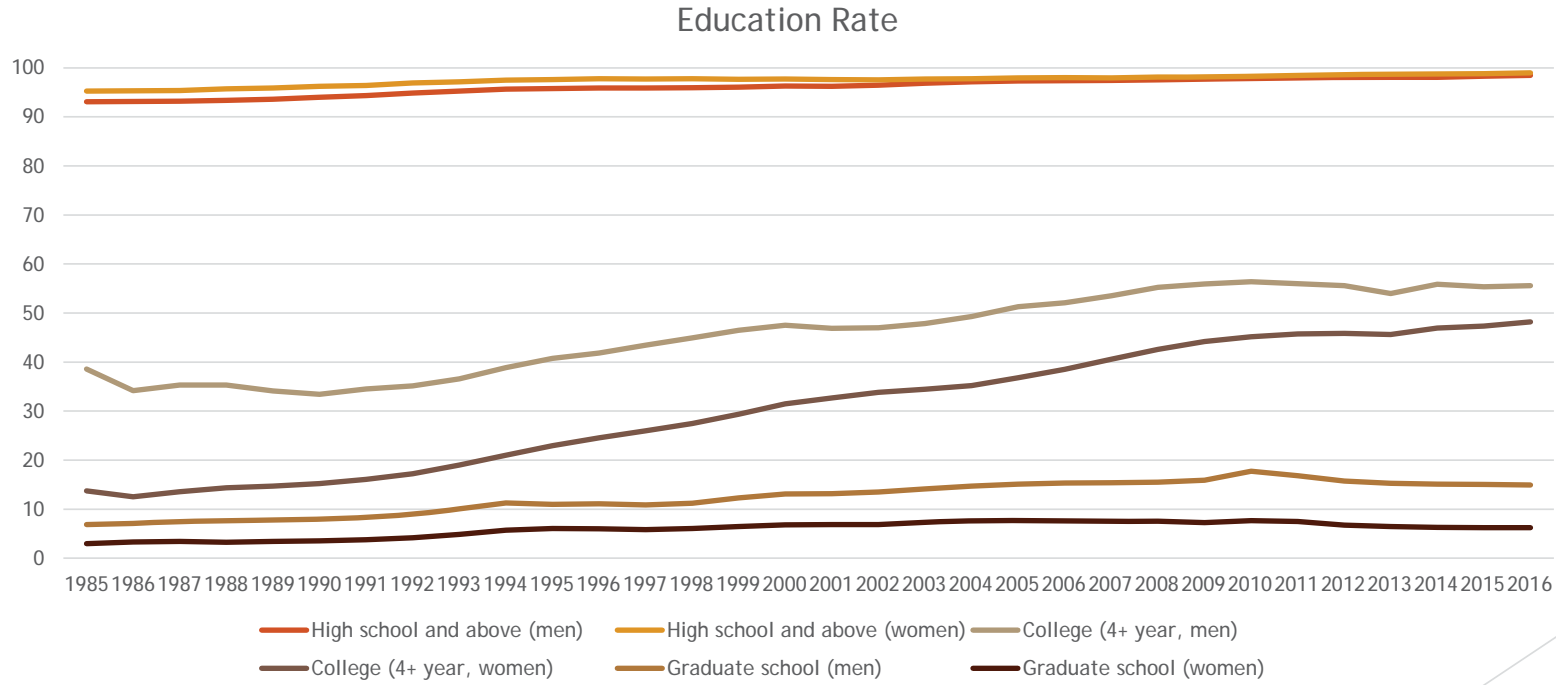
Real GDP: Policy Scenario with Higher Female Participation

(In trillion yen)



Source: WEO and IMF staff estimates.

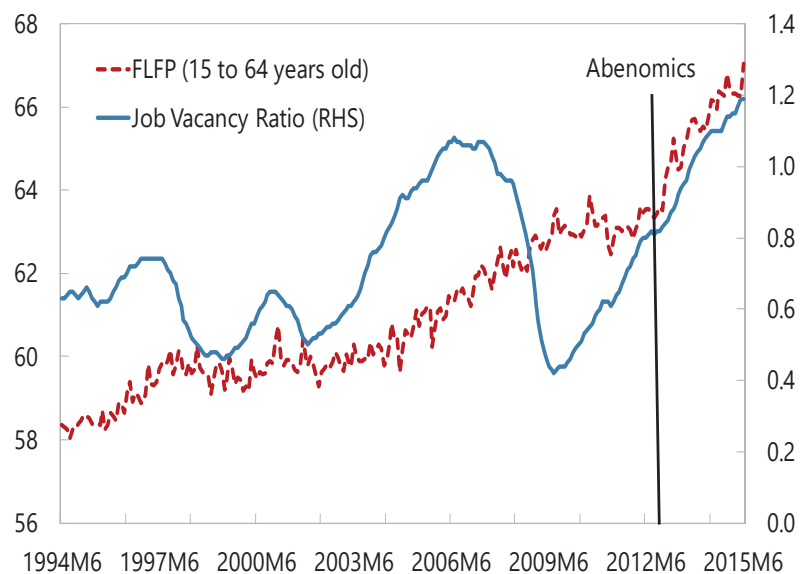
Education gaps are narrowing but...



Source: Ministry of Education, Culture, Sports, Science and Technology

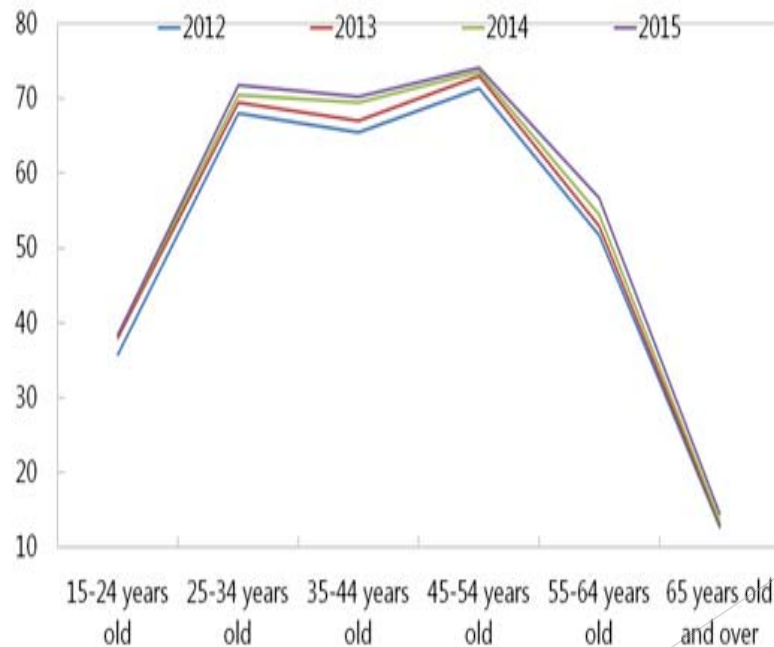
Japan—what has been accomplished so far?

Female Labor Force Participation Rate and Job Vacancy Ratio
Ratio (In percent)



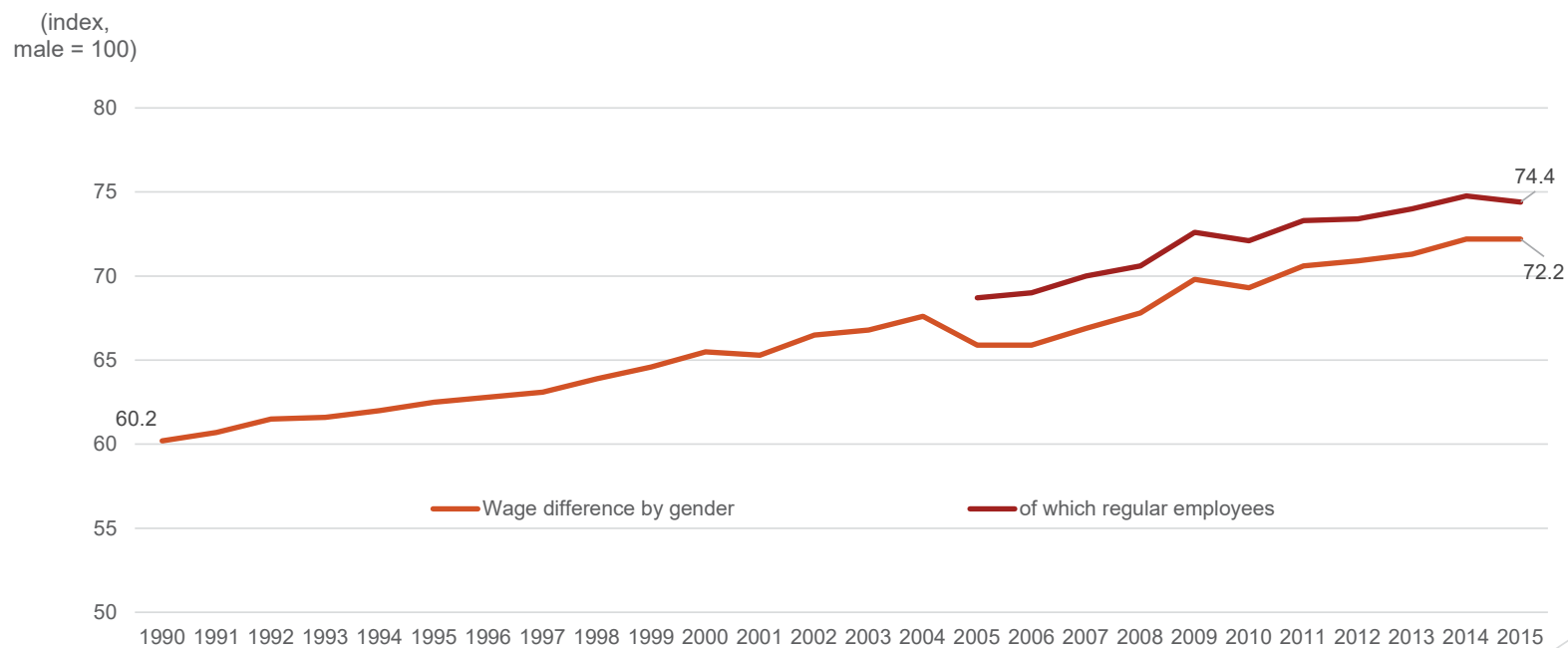
Source: Haver Analytics.

Female Employment Rate M-curve
(%; January)



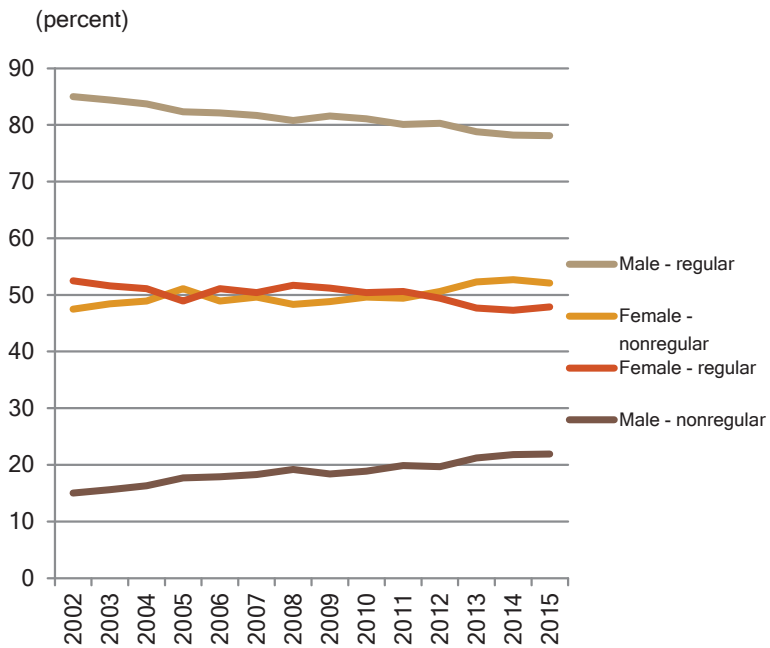
Sources: Labor Force Survey

Wage gaps have narrowed but remain sizable

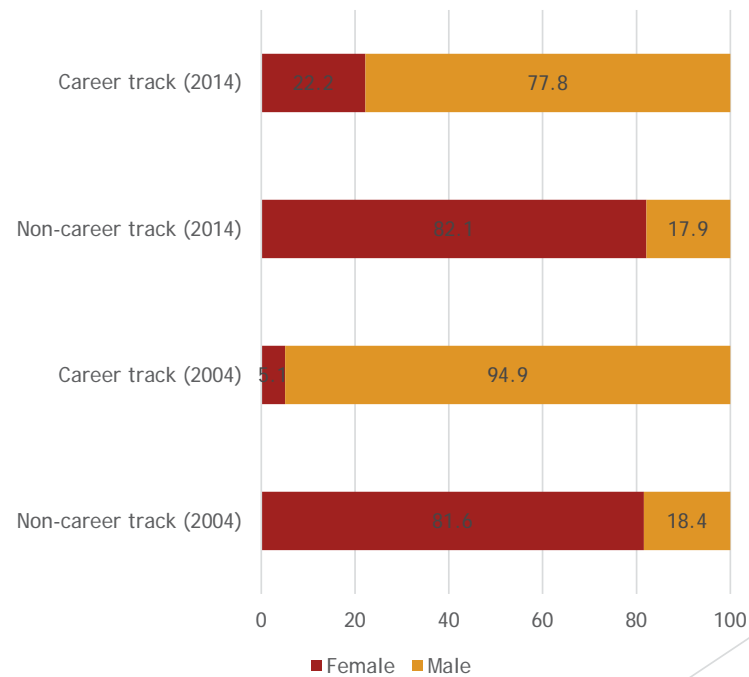


Source: Ministry of Health, Labour and Welfare

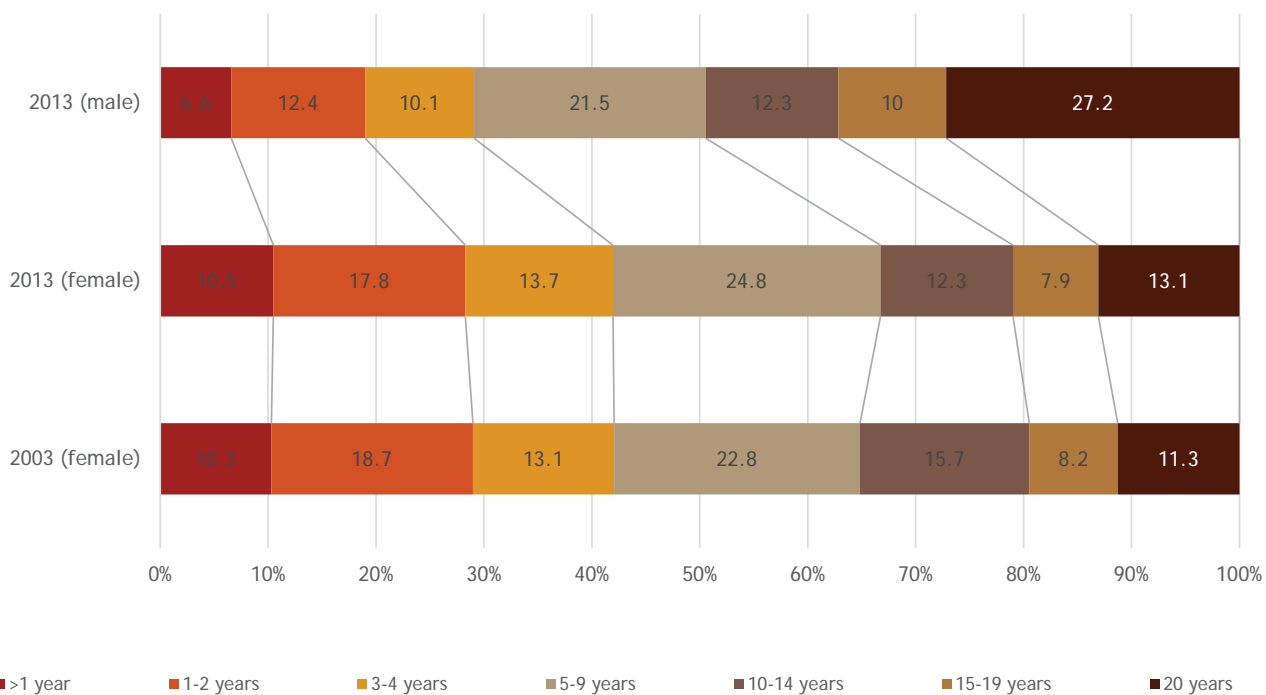
Women disproportionately in nonregular jobs and non-career track jobs...



Source: Ministry of Health, Labour and Welfare



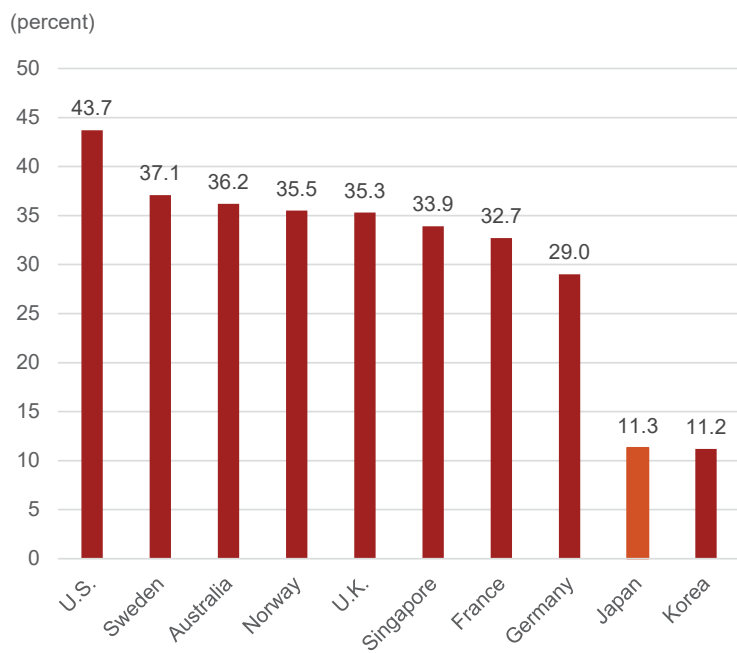
Women have much shorter tenures at their jobs



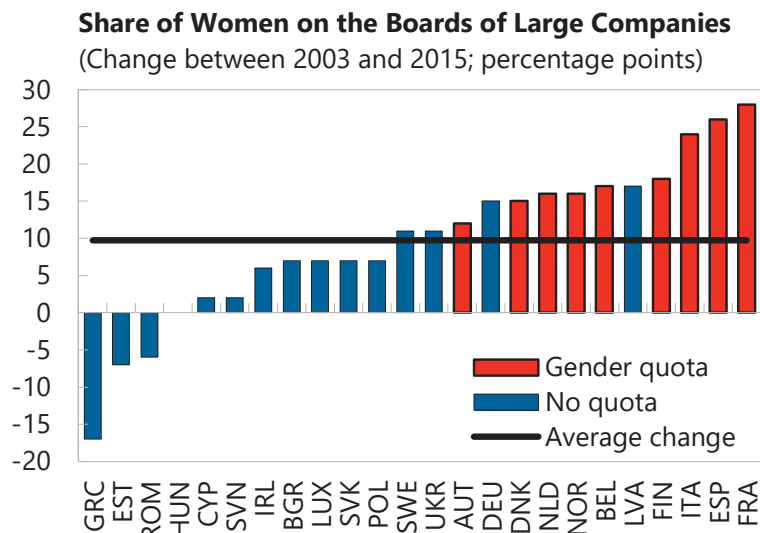
Source: Ministry of Health, Labour and Welfare



Women in Japan hold very few managerial positions



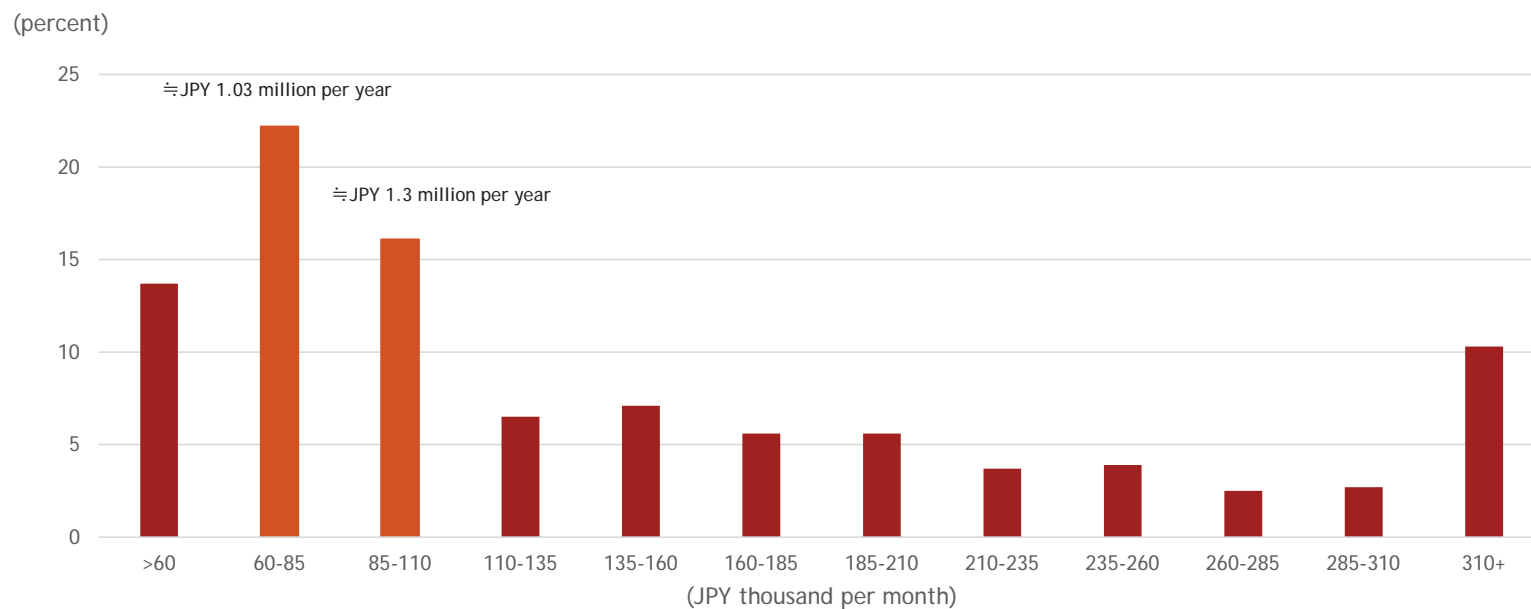
Source: Japan Institute for Labour Policy and Training



Sources: Eurostat and IMF staff calculations. Based on a sample of about 620 large listed companies.

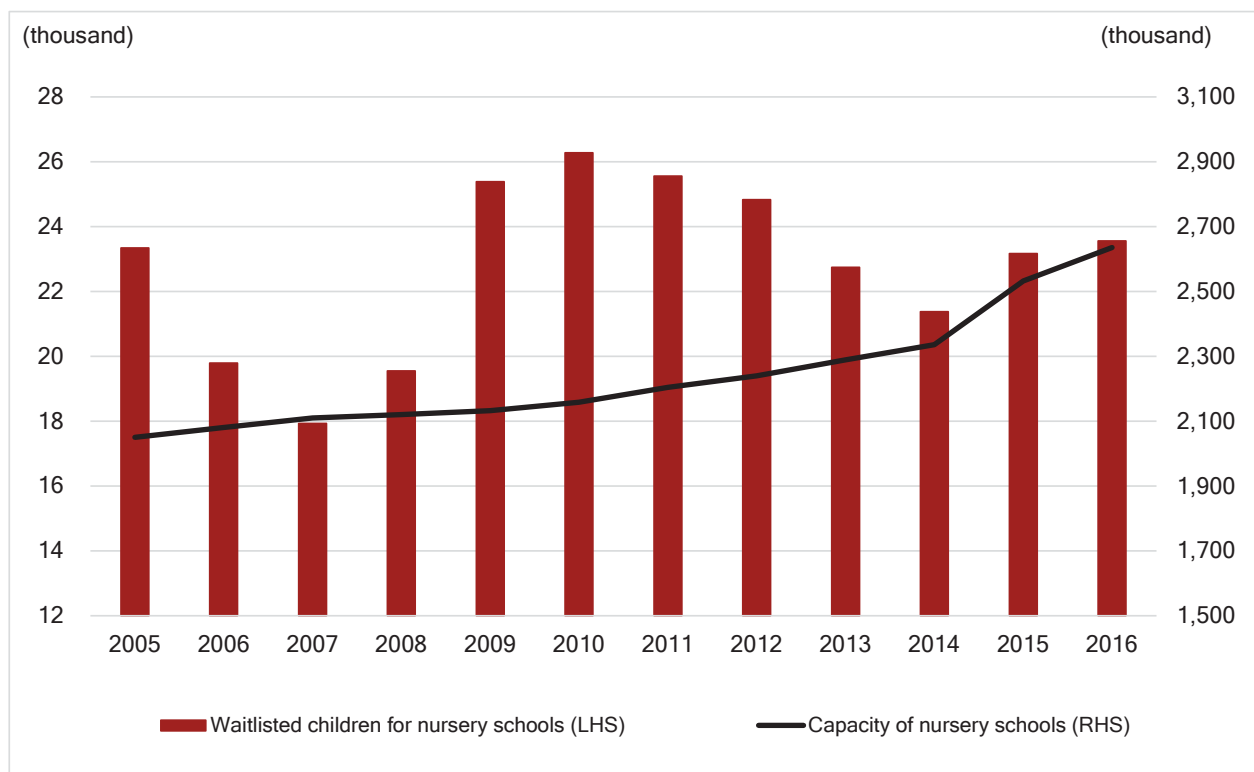


The tax system is a powerful disincentive to women



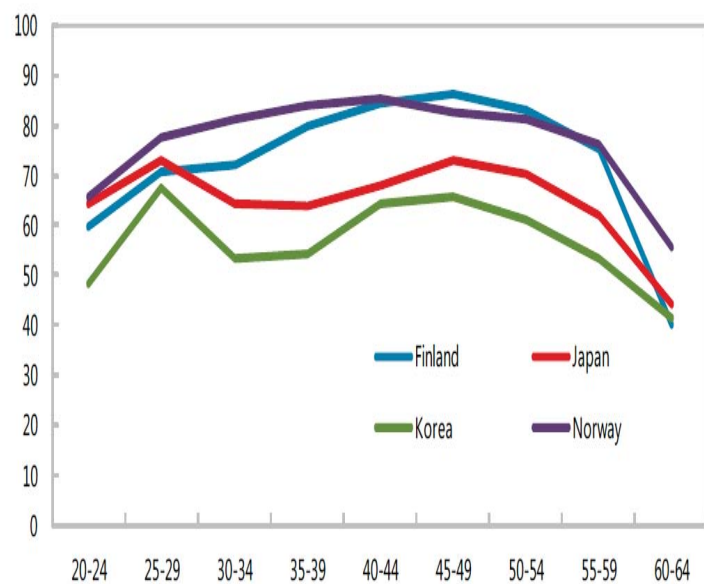
Source: Ministry of Health, Labour and Welfare

Capacity and waiting lists at Japan's nursery schools

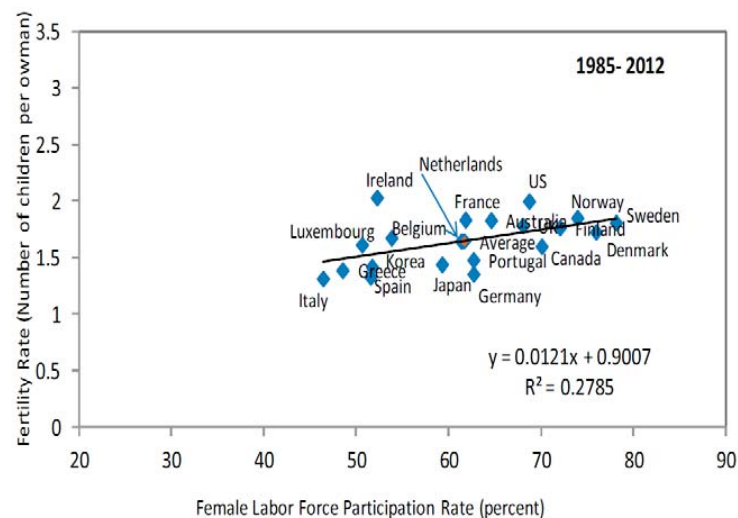


Labor force participation and fertility rates

Female Employment Profile Over the Life-Course by Country



Participation and fertility rates





Thank you very much for your
attention



Background/extra slides

Changing laws to favor women does not happen at the expense of men

