

Human capital: Gender

Lecture 7 - 2/2013

Chayanee Chawanote

Gender inequality at the start of the 21st century

- ▶ Education
- ▶ Employment and earnings
- ▶ Households reproduce gender roles
- ▶ Resource control and bargaining power affect household allocation

Education

- ▶ Female primary and secondary enrollment rates and average years of schooling have generally risen over time.
- ▶ East Asia, Latin America, Europe and Central Asia have the highest gender equality in education.
- ▶ South Asia has the lowest gender equality in education.

Employment and earnings

- ▶ Men historically have higher rates of participation in the labor force than women.
- ▶ There is persistent occupational segregation by gender in both developed and developing countries, with women underrepresented in better-paying formal sector jobs and overrepresented in the unpaid and informal sectors.
- ▶ Measurement: the ratio of the proportion of all working women employed in a particular occupation to the proportion of all working men employed in that occupation
 - ▶ Women: service, clerical and sales jobs
 - ▶ Men: production jobs, higher-paying administrative and managerial positions

Employment and earnings

- ▶ Women continue to earn less than men.
- ▶ On average in developed countries, women earn 77% as much as men, and in developing countries, 73% as much.
- ▶ Female earnings tend to be rising relative to male earnings.
- ▶ We need to adjust ratio of earnings for women and men for characteristics of workers, types of occupations, and using hourly wages.

Employment and earnings

- ▶ Adjusted for the characteristics of workers (education, work experience, skills training) to be able to compare earnings across similar types of workers
- ▶ Women and men tend to be concentrated in different types of occupations
- ▶ More men than women work full-time
- ▶ Differences in measured human capital characteristics account for 10-30 percent of earnings gap.
- ▶ Controlling for/adjusting for job attributes will reduce the proportion of the earnings gap that remains unexplained.

Households reproduce gender roles

- ▶ One of the roles of the household is it transmits gender roles to the next generations.
- ▶ Children acquire a gender identity that shapes the set of socially acceptable activities for women and men and the relations between them.
- ▶ Allocating resources is another household shaping gender roles. Differences in gender responsibility in household resource allocation affect family decisions about investing in boys' and girls' education.
 - ▶ If parents consider it unlikely that their daughters will join the labor force and earn income as adults, they may see less justification for sending their daughters to school.

Households reproduce gender roles

- ▶ Women generally work longer hours than men (spending more time for household activities), have less experience in the labor force, and earn less income.
- ▶ Lower education and labor force participation generally mean lower incomes for women, and thus limited power to influence resource allocation and investments in the home.
- ▶ Policy makers need to consider gender divisions of time and task allocations within households. Policies that increase demand for female labor may not elicit the expected supply response if women cannot reduce their time on household maintenance or care activities.

Resource control and bargaining power affect household allocation

- ▶ Women's and men's relative control of resources has significant and different impacts on household consumption and expenditure.
- ▶ If women control more resources, women will translate into a larger share for family welfare and expenditures on children, as well as outcomes that strengthen women's well-being and status in the household.
 - ▶ greater share of household budget devoted to education, health, and food (nutrition-related expenditures)
 - ▶ These are expenditure allocations toward the next generation
 - ▶ greater positive impact on child survival

Resource control and bargaining power affect household allocation

- ▶ Recent studies in microfinance initiatives in Bangladesh show that
 - ▶ impact of female borrowing on per capita household expenditure (income) is about twice as large as the impact of male borrowing (more impact for female to smooth consumption over time)
 - ▶ Female borrowing has a greater positive impact on children's school enrollment and children's nutritional well-being (invest more in human capital)
 - ▶ Male borrowing has a greater impact on household net worth (invest more in physical capital)