



Gender Inequality and the Demographic Dividend

Youth, Society and Risk

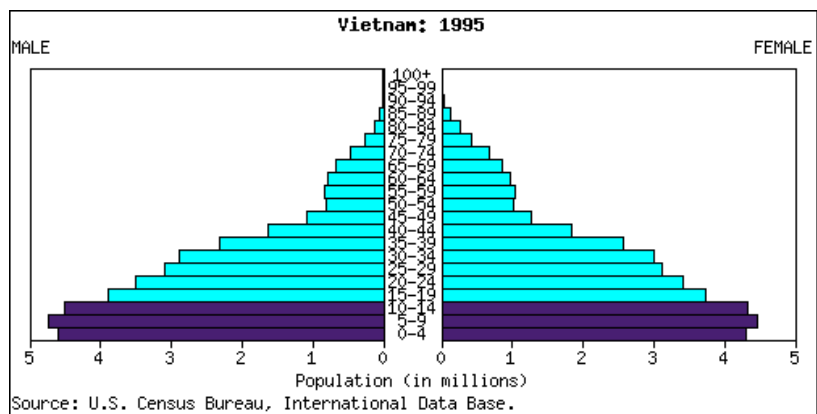
Investing in Young People's Health and Development:
Research that Improves Policies and Programs
April 28, 2008

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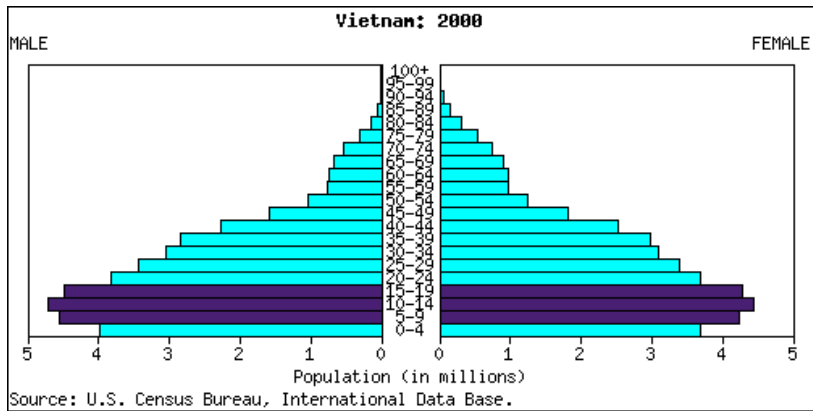
Demographic 'Dividend' and Economic Growth

- Demographic transition can create a bulge in the working age population
- The bulge may lead to increased economic growth (a "demographic dividend")
 - Very young and old are net consumers
 - Working-aged are net producers
 - Larger workforce results in higher aggregate productivity
- Empirically, a proportionately larger working-age population boosts growth at an aggregate level

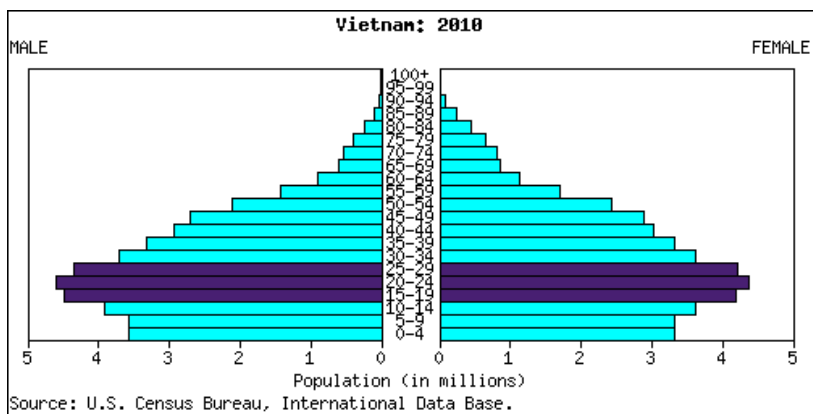
Demographic 'Dividend'



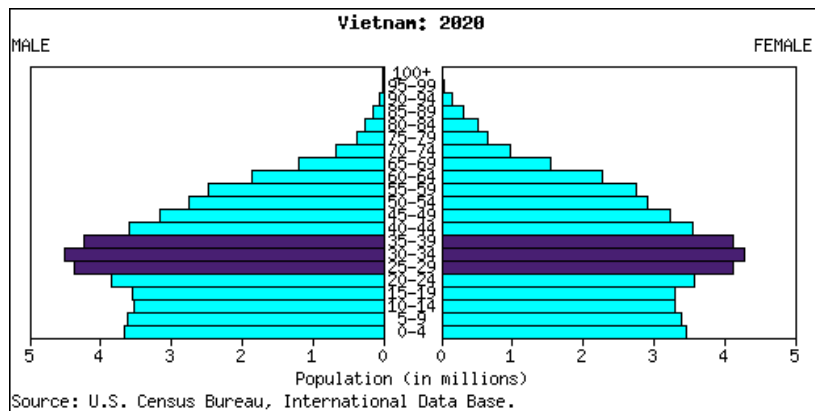
Demographic 'Dividend'



Demographic 'Dividend'



Demographic 'Dividend'



Gender Inequality and Economic Growth

- Inequality may dampen growth by:
 - Slowing demographic changes
 - Reducing women's economic decision-making power
 - Restricting women's formal labor force participation
- Empirically, inequality in labor force participation, health, and secondary education have been shown to slow growth

Gender Inequality, the Dividend and Growth

- Maximizing the dividend depends on the implementation of social and economic policies
- Policy areas all influenced by inequality
- Effect of inequality on the dividend not yet examined empirically

Measuring Gender Inequality

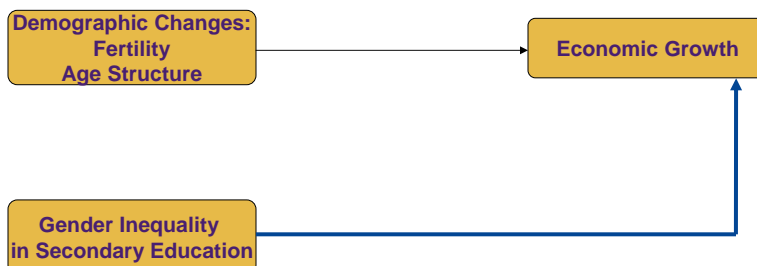
- Gender Inequality is **complex**, **multidimensional**, and **multilevel**
 - Economic (wages, labor force participation)
 - Familial / interpersonal (health)
 - Socio-cultural (education)
 - Can be measured at household, community and broader levels
- We focus on 1 level and 1 dimension: aggregate inequality in secondary school attainment

Why focus on education?

- Key component of human capital
- Relatively easily measured
- Substantial body of empirical work already done using education
- Has both direct and indirect effects on growth

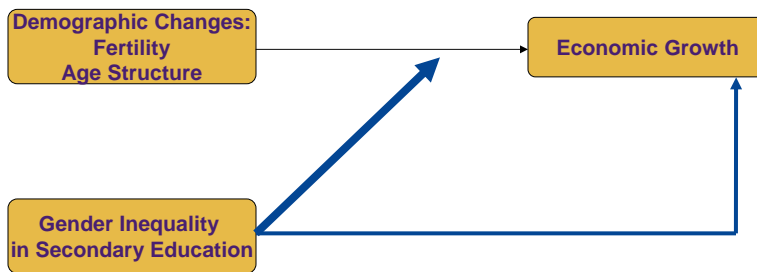
Conceptual Framework

- How does gender inequality in secondary education affect economic growth?



Conceptual Framework

- How does gender inequality in secondary education moderate the effect of the dividend?



Methodology

- 82 countries, data from 1965-2000, divided into 5 year groups
- Random effects model
- Ordinary least squares (OLS)

Key Variables and Measures

- Dependent variable: Change in GDP over 5 year period
- Demographic Dividend:

$$\ln \left\{ \frac{\# \text{ of working age (15-64)}}{\# \text{ total population}} \right\}$$
- Gender Inequality in Secondary Schooling:

$$I = \frac{(\text{mean yrs of F secondary schooling})}{(\text{mean yrs of M secondary schooling})}$$
 - Categories:
 - Equality or better ($I > 1$)
 - Moderate-low inequality ($0.75 \leq I \leq 1$)
 - High inequality ($I < 0.75$)

Results

Standard Growth Model

Demographic dividend ratio	6.75	**
Log GDP per capita in base year	-2.82	***
Equality or better	0.50	
Moderate-low inequality	0.59	*
Constant	-3.50	***

Note: *significant at 10%; ** significant at 5%; *** significant at 1%

Results



Interactive Growth Model

Demographic dividend ratio	2.26	
Log GDP per capita in base year	-2.30	***
Equality or better	0.73	
Moderate-low inequality	0.91	***
Equality or better * initial GDP	-1.90	**
Moderate-low inequality * initial GDP	-0.91	*
Equality or better * pop growth	1.28	**
Moderate-low inequality * pop growth	1.28	***
Equality or better * dividend	26.53	***
Moderate-low inequality * dividend	10.55	**
Constant	-4.50	***

Note: *significant at 10%; ** significant at 5%; *** significant at 1%

Conclusions

1. Gender inequality in secondary education directly reduces economic growth
2. Gender inequality in secondary education reduces the effectiveness of the demographic dividend

Policy Implications

- Economic growth speaks to policy makers
- National policies to promote female secondary education:
 - Valuable in their own right
 - Improve economic growth
 - Enable countries to capitalize on their demographic dividend

Thank You!

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