

Gender Equality and Gender Aware Economic Policy for Growth and Development

Özlem Onaran

Greenwich Political Economy Centre, University of Greenwich



Austerity has failed!

- In Europe fiscal conservatism still prevails, despite
 - high unemployment rates
 - or low paid insecure jobs,
 - gaps in social standards, infrastructure and productivity
- hence need for investment
- But despite low interest rates public investment is taboo; fiscal compact still rules
- The recommendations by even the conservative think tanks or international institutions such as the OECD or the IMF do not find a significant reception with neoliberal governments
- attempts to weather the potential negative effects are still mostly about monetary policy whose effectiveness is limited

Implications of austerity for gender equality

- the negative impact of fiscal conservatism on growth and tax revenues
→ increase competition over resources
→ Cuts in local and public services where women are workers and users
→ women take up the slack via invisible unpaid domestic work
- The importance of child and social care as social infrastructure is underestimated even by the progressives who recognize the right to education and decent care
- The importance of the public provision of care to increase labour market opportunities of women and gender equality is underestimated

Opportunities for gender-sensitive policy-making?

- Multiple crises: Chance to emphasize complementarity between targets
 - inclusive and sustainable development,
 - gender equality;
 - poverty alleviation;
 - decent job creation
 - Ecological sustainability
- Complementing and not competing
- mobilize all the tools of economic policy and public investment with an aim to achieve high employment, equality at all dimensions including gender equality, and sustainability,
- Impact on public budget –partly self-financing; there is money!
- Redefine infrastructure and fiscal rule: borrow to invest in public social infrastructure

Gender aware policies for an equality-led and sustainable development

- public investment and jobs in social infrastructure:
 - where benefits do not just accrue to individual users but have a public good character and accrue to society as a whole.
 - goods and services, access to which is seen as human right
 - > private supply/profit motive leads to undersupply /privileged access
 - > public/collective ownership
- education, child care, elderly care/social care, health care
 - Universal public child care and social care
 - care deficit
 - Both direct and indirect impact on productivity
 - Educated and healthy workforce
 - Female labour force participation↑
 - socializing the invisible, unpaid domestic care work
 - Social security →more innovative and productive workers
- improve pay and working conditions in these industries
- Purple jobs for both men and women - (Ilkkaracan 2013)
- More jobs with lower Carbon emissions
 - labour intensive services, (also shorter working hours –more later)
 - Purple and green are complementary

Macroeconomic impact of gender equality

- Gender inequality → personal inequality and low wage share
 - eliminating gender wage gaps → upward convergence in wages → greater equality and overall a higher wage share
 - →higher growth in a wage-led economy
 - Europe is wage-led: higher share of wage income leads to higher growth
 - Wage-led growth = Equality-led growth=Gender equality-led growth
- Consumption ↑ as gender equality ↑
 - Not just the level but also composition of consumption changes
 - more income in the hands of women →household spending on children's education and health...↑
 - Social infrastructure=positive function of gender equality at the household
- Private investment ↑ as social infrastructure ↑
 - Social infrastructure +physical infrastructure (transport , ITC ...)
 - Public + household spending in social infrastructure

Policy mix:

public investment, progressive taxation, Increasing equality

Obst, Onaran, Nikolaidi 2017

- increase public investment by 1% of GDP
- + wage share by 1%
- + more progressive taxation (1% higher tax on capital and 1% lower tax on labour)
- The impact of wage policies is positive but small
- the overall stimulus becomes much stronger with fiscal expansion.
- The effects are stronger if policies are implemented simultaneously in all the EU countries.
- need for wage and fiscal policy coordination
- →6.7% higher GDP in the EU15, 12% higher GDP in Finland,

...Policy mix:

public investment, progressive taxation, Increasing equality

Obst, Onaran, Nikolaidi 2017

- Private investment increases by 2.3% as a ratio to GDP in the EU, and by 5.9% in Finland
 - Public spending crowds in private investment, it does not crowd out
 - >Demand
 - >improved business environment
- Budget balance improves by 0.9% as a ratio to GDP in the EU, and 1.2% in Finland
- Impact on inflation is very modest
 - a 1%-point rise in the wage share → 1.5% ↑ in prices in the EU, and 1.8% ↑ in prices in Finland
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...Gender aware policies for an equality-led and sustainable development

- Gender aware labour market policies
 - Gender wage equality
 - Labour Market Regulation to achieve dual earner, dual carer family model
 - work-life balance as an essential component of decent jobs
 - shorter working hours
 - Equal incentives for both men and women regarding parental leave
 - Universal child care and social care
- Representation and collective voice for both women and men
 - inclusive unions
- establishing sufficiently high minimum wages at living wage rate

... Gender aware policies for an equality-led and sustainable development

- shorten working hours
 - Compared to the 19th century, we are all working part-time today.
 - More equal countries have shorter working hours. (Schor, 2010)
 - shortening of hours → higher hourly productivity
- shorter working hours → gender equality
 - Shorter hours with wage compensation for the lower wage earners → a narrowing of gender wage gaps.
 - should address daily care responsibilities, and work-life balance based on gender equality in the division of labour in the household;
 - e.g. daily working hours as opposed to more holidays or longer weekends.

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