



WP/06/233

IMF Working Paper

Gender and Its Relevance to Macroeconomic Policy: A Survey

Janet G. Stotsky

IMF Working Paper

Fiscal Affairs Department

**Gender and Its Relevance to
Macroeconomic Policy: A Survey**

Prepared by Janet G. Stotsky*

Authorized for distribution by Jesús Seade

October 2006

Abstract

This Working Paper should not be reported as representing the views of the IMF.

The views expressed in this Working Paper are those of the author(s) and do not necessarily represent those of the IMF or IMF policy. Working Papers describe research in progress by the author(s) and are published to elicit comments and to further debate.

This survey examines the implications of gender differences in economic behavior for macroeconomic policy. It finds that reducing gender inequality and improving the status of women may contribute to higher rates of economic growth and greater macroeconomic stability. Women's relative lack of opportunities in developing countries inhibits economic growth, while, at the same time, economic growth leads to a reduction in their disadvantaged condition. Equality of opportunity in labor and financial markets is critical to enabling women to take full advantage of improved macroeconomic conditions. Macroeconomic policies should take into account the benefits of reducing gender inequalities, especially in the lowest-income countries where these differences are most pronounced, and should consider the potentially harsher short-term effects of economic austerity measures on women to avoid exacerbating gender inequalities.

JEL Classification Numbers: E6, J16

Keywords: Gender, macroeconomic policy

Author's E-Mail Address: jstotsky@imf.org

* I would like to thank Ben Clements, Peter Heller, Prachi Mishra, Enrique Palma, Tej Prakash, Dawn Rehm, Jesús Seade, and Marijn Verhoeven for providing useful comments and suggestions. I would also like to thank Nadia Malikyar and Beulah David for ably assisting with the preparation of the document, Sandra Stotsky and Van Wallach for their valuable editorial assistance, Assi WoldeMariam for her usual capable and generous assistance in putting together the data, and the IMF for granting me study leave.

Contents	Page
I. Introduction	3
II. Gender Differences in Behavior and Macroeconomic Outcomes.....	6
III. Gender Inequalities and Economic Growth: A Simultaneous Relationship	17
IV. Gender Inequalities in Labor and Financial Markets	32
V. Gender, Economic Instability, and Adjustment	41
VI. Summary of Survey on Gender and Macroeconomics	48
References	57
Tables	
1. List of Countries Used in the Figures	21
Figures	
1. Selected Fund Member Countries: Human Development Index (HDI) and Nominal GDP per capita	20
2. Selected Fund Member Countries: Gender-Related Development Index (GDI) and GDP per capita	23
3. Selected Fund Member Countries: Gender Empowerment Measure (GEM) and GDP per capita	24
4. Selected Fund Member Countries: Primary School Enrollment and GDP per capita	25
5. Selected Fund Member Countries: Secondary School Enrollment and GDP per capita	26
6. Selected Fund Member Countries: Life Expectancy at Birth and GDP per capita.....	27
7. Selected Fund Member Countries: Total Fertility Rate (Births per Woman) and GDP per capita	28
Appendices	
I. The Role of the International Community and the Millennium Development Goals	51
II. Microeconomic Evidence on Gender Differences in Behavior	54