



Women at Work

Reductions in gender disparity don't translate to equal opportunity

Janet G. Stotsky

ONE of the most dramatic developments in the 20th century was the entry of women into economic and political spheres previously occupied almost exclusively by men. Although women are making progress in eliminating gender disparities, they still lag men in the workplace and in the halls of government. These gaps are found throughout the world, but are particularly pronounced in developing economies. So far, the greatest success has been in reducing education and health disparities and the least in increasing women's economic and political influence. Renowned scholars, leading institutions, global businesses, and a growing range of nongovernmental organizations stress the benefits of further reducing gender inequality to allow women to realize their full potential in economic activities and in civic life.

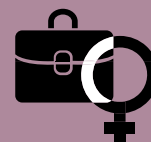
Getting the job done

This issue of *F&D* examines women at work. It analyzes various aspects of women's work experience—the gains that women have made in equalizing job opportunities and leadership roles and the challenges they still face to achieve genuine equality.

The first of the four feature articles, "Different Sight Lines," by Ann Mari May, shows how the rising proportion of women in economics may begin to alter the profession's views on policy questions. A survey of a random sample of male and female members of the American Economic

Association who received doctoral training in the United States found that while these economists share core views on economic methodologies and principles, women economists are much more likely to favor government intervention to equalize income distribution in the United States and to link import openness to export partners' labor standards. May sees these findings as consistent with studies that show women in the general population are more supportive of aid for those who are poor, unemployed, and sick.

In "Women in Charge," Rohini Pande and Petia Topalova focus on women's significantly smaller representation in political leadership positions compared with men and suggest ways to increase women's political voice and aspirations. They note that, not without controversy, many countries have sought to increase women's political leadership by instituting quotas for women's political participation. India is one such example, where, following a constitutional amendment in 1993, one-third of the seats at every level of government have been reserved for women. The authors interviewed a random sample of households in West Bengal, India, and found that repeated exposure to female leaders at the local level led to a dramatic improvement in voters' perceptions of their effectiveness. As a result of the quotas, women were better able to compete in village council elections in places that had been, but were no longer, reserved for women, suggesting that electoral change can come through changed perception of women's leadership potential. Their third finding was that



the presence of female leaders increases parents' aspirations for their daughters without diminishing their ambitions for their sons. Girls' aspirations also rose: they were more likely to seek a career and delay marriage.

The third article, "Ready to Bloom?" by Mark Blackden and Mary Hallward-Driemeier, highlights the role of entrepreneurship in allowing women in sub-Saharan Africa to grow their own businesses—and the remaining barriers to their economic success. The authors draw on two recent World Bank studies, which suggest that gender gaps in economic opportunities stem less from whether women work than from differences in the types of activities women and men pursue. African women are more likely to participate in the labor force and are more active in nonagricultural entrepreneurial activities than women elsewhere in the developing world. But they are much more likely than African men to work in the informal sector, in smaller enterprises, and in traditional women's industries, activities that tend to produce lower economic returns. They conclude that increasing economic opportunities for women entails enabling them to move into higher-return activities.

Lily Fang, in "Connections on Wall Street," highlights the stubbornly slow progress of women in the business world, which she attributes to women benefiting less from social connections than men. After examining a large sample of data from Wall Street on male and female analysts' performance, she finds that female analysts today are more likely to have graduated from an Ivy League college, are equally well connected in terms of sharing school ties with the senior officers in companies they cover, and are just as likely to become Wall Street "all-stars." For women, forecast accuracy is an important measure of their performance, while connections do not matter. For men, however, the opposite, holds. Fang concludes that while women are increasingly demonstrating their mastery of business skills, overcoming subjective barriers to top jobs remains slow.

Far from fair

These articles suggest that women are making progress in closing gender gaps in the economic and political spheres but that they are still far from achieving equity. These studies provide guidance for the design of policies to tap the full potential of women.

The increasing influence of female economists may help shape policy to emphasize a continued or even strengthened role for government to regulate business activities, redistribute income through fiscal policies, and provide a social safety net to the disadvantaged. Notwithstanding the success of the Indian experiment, women still often lack a voice in the political process. The proportion of seats held by women in their national parliaments is still less than 20 percent overall, and remains especially low in the Middle East and North Africa, an area undergoing change to more representative governments. However, the jury is still out on some fundamental issues. For example, current critical studies suggest that the relationship between gender inequality and economic growth is not as clear-cut as earlier analysis suggested and requires further investigation (for example, Duflo, 2012).

For international financial institutions, the advice they provide in surveillance and technical assistance and conditions they set in lending can draw an awareness of the benefits of closing gender gaps (see "Empowering Women Is Smart Economics," *F&D*, March 2012). There are many ways these institutions can offer support, be it through assistance in reforming tax and financial legislation to ensure equal rights for women; helping design a social safety net that factors in the disproportionate poverty of households headed by women, reflecting in part their relative lack of job opportunities; or simply ensuring that women's voices are heard (see "Budgeting with Women in Mind," *F&D*, June 2007).

This special issue of *F&D* also includes a Straight Talk column on women at work by IMF Managing Director Christine Lagarde—one of the most powerful women in the world, according to *Forbes* magazine—and short interviews with prominent women in economics and business from around the world on what led to their current success. ■

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Reference:

Duflo, Esther, 2012, "Women Empowerment and Economic Development," *Journal of Economic Literature*, Vol. 50, No. 4, pp. 1051–79.