

# 2024 SUSTAINABLE DEVELOPMENT TRANSFORMATION FORUM

## A Partial Least-Square Analysis of Gender Inequality, Occupational Segregation, and Economic Growth: Evidence from Sub-Saharan Africa.

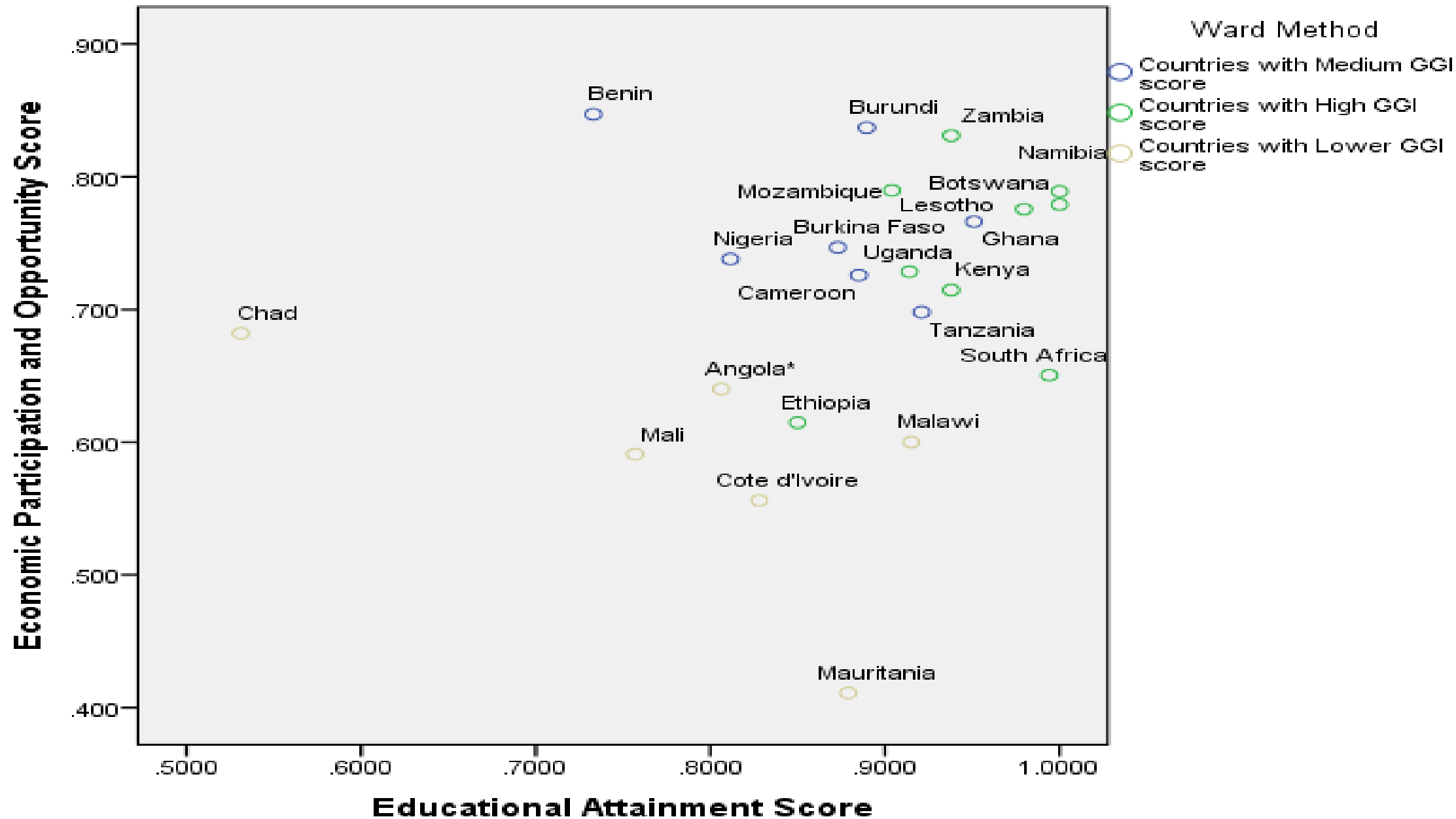
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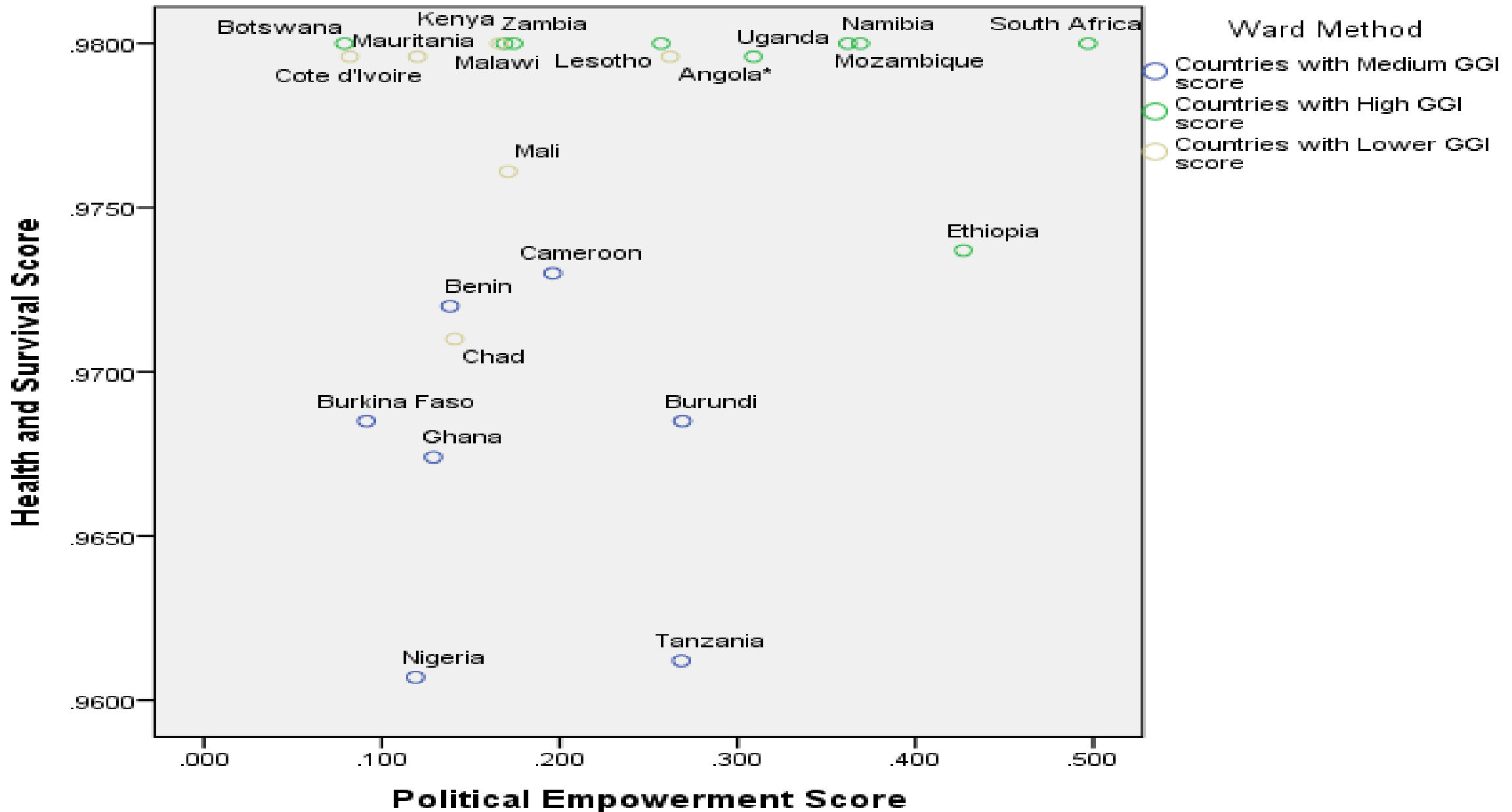
# Motivation

- 1) *Gender inequality is “not one homogeneous entity, but a collection of distinct and interconnected societal concerns” [...] (Sen, 2001)*
  - The gender gaps are closing faster in developed nations than in developing countries (World Economic Forum, 2023; Blau & Khan, 2020).
  - The barrier to an egalitarian Sub-Saharan Africa (SSA) is the deeply ingrained structural obstacles; **patriarchal societies** are supported by social institutions and cultural alignments (Adekunle et al., 2020).
- 2) Despite 1); SSA has made significant progress in narrowing gender inequalities in education, health, economic empowerment and political representation (World Economic Forum, 2023; Alwago, 2023)
- 3) In line with 2); to achieve Sustainable Development Agenda 2030 (#decent jobs and economic growth), Africa Agenda 2063 (*the Africa we want*), gender inclusivity; social, economic, and political inclusion is all crucial., (UN [Addis Ababa Action Agenda], 2015).

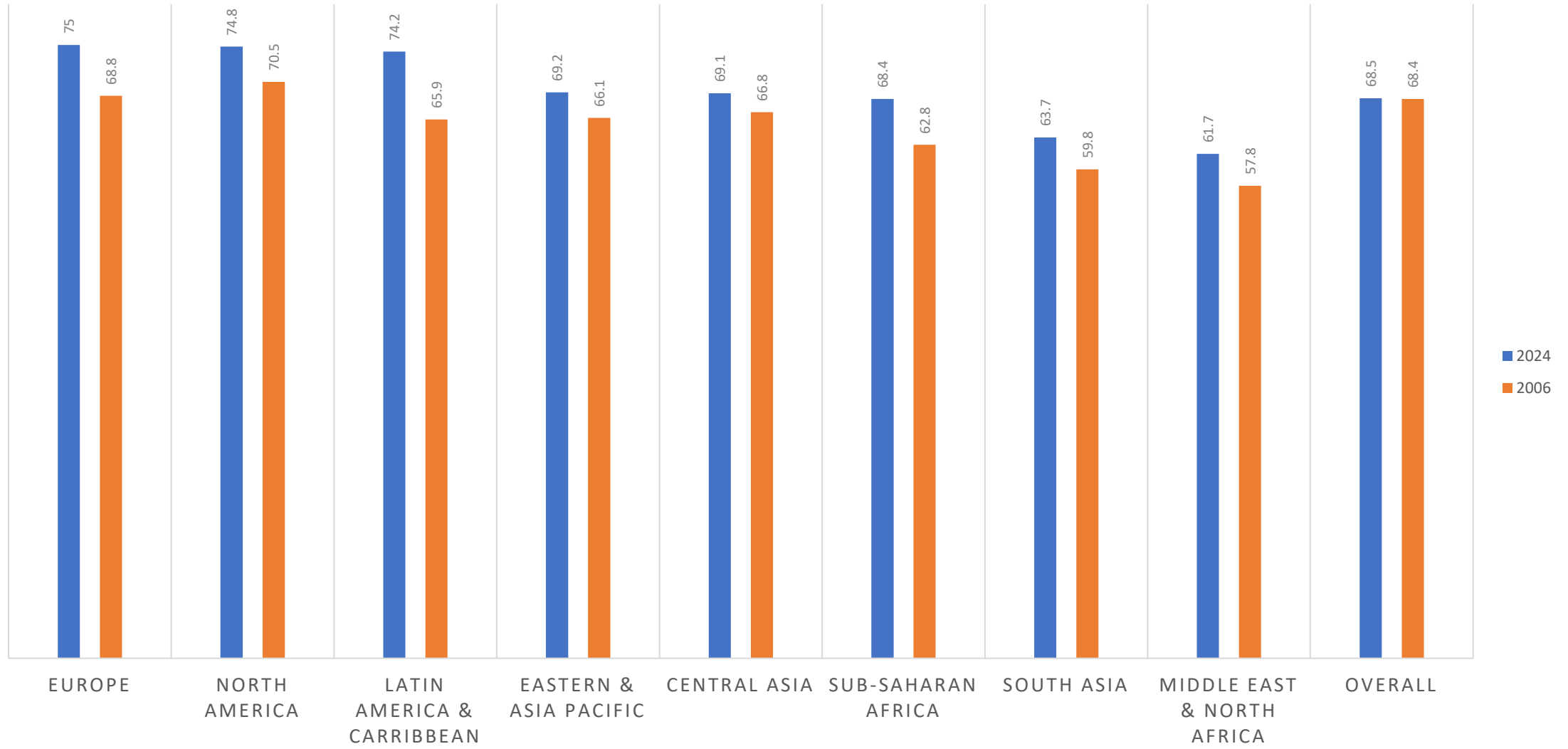
# Economic Empowerment index vs Education attainment [clusters]



## Health & Survival index vs Political Empowerment score [clusters]



## GENDER GAP INDEX PER GLOBAL REGION, 2024



# This study

- We revisit assertion (3) and explore the interconnection between gender inequalities, occupational segregation, and economic growth in Sub-Saharan Africa.
- We introduce macroeconomic instruments and trade openness for gender mainstreaming; **they are not gender neutral.**
- We use dataset from World Bank, World Development Indicators, and United Nations Development Program; between 2000-2020 for 20 SSA countries and apply the PLS-SEM approach.

## Summary of Key findings .

- ▶ Gender inequality had a significant **growth-retarding effect** on regional economic growth (period 2000-2020) through the moderating effect of macroeconomic fiscal policies and trade openness; gender mainstreaming.
- ▶ The macroeconomic fiscal policy tools and trade openness are essential for region's economic development; however, there's a **growth retarding twin-deficit effects in SSA.**

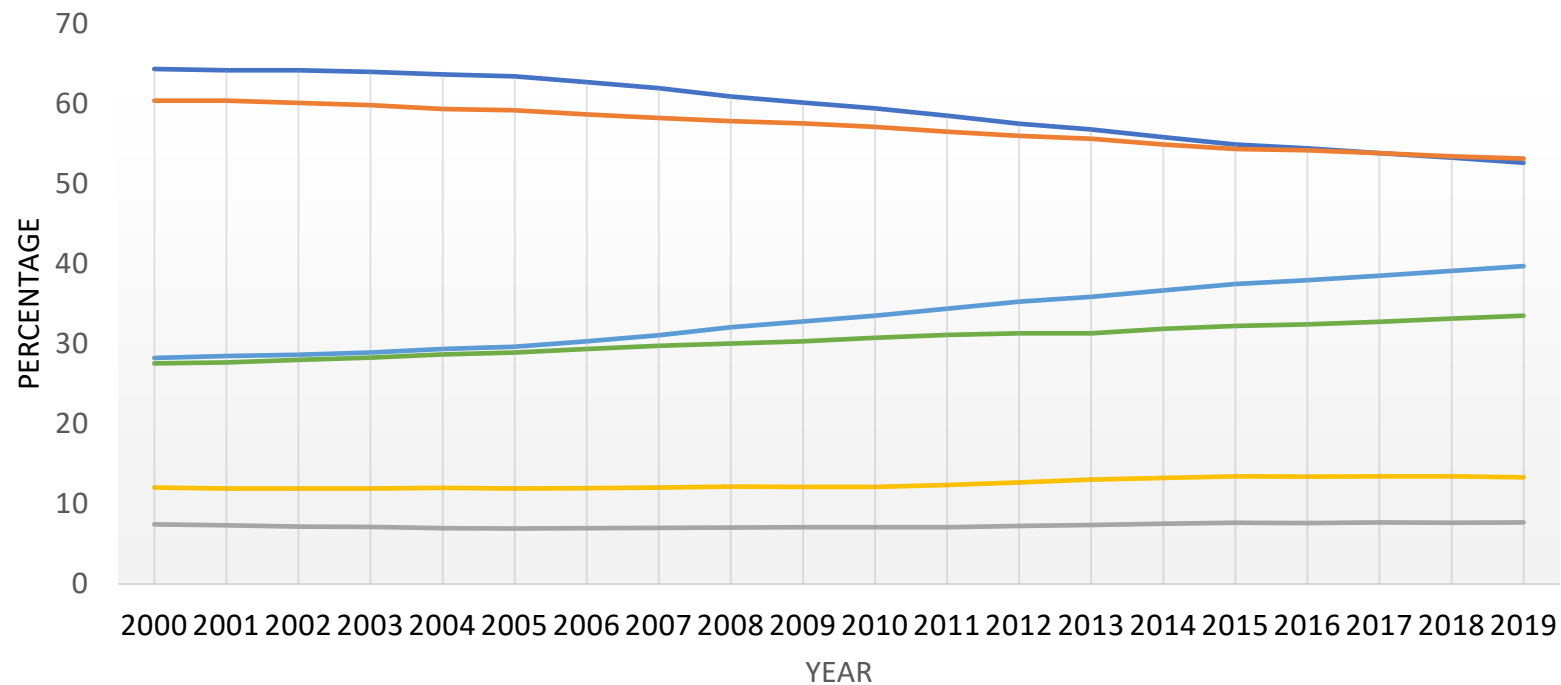
# Data

- *We focused on sub-indices of Gender Inequality Index (GII)*

Latent Variable	Construct measure
<b>Gender Inequality</b>	Adolescent fertility rate (births per 1,000 women ages 15-19)
	School enrollment, primary and secondary (gross), gender parity index (GPI)
	Labor force participation rate, male (% of male population ages 15+)
	Labor force participation rate, female (% of female population ages 15+)
	Maternal mortality ratio (modeled estimate, per 100,000 live births)
	Share of women's seats in parliament (% seats in parliament)
<b>Occupational Segregation</b>	Employment in services, male (% of male employment)
	Employment in services, female (% of female employment)
	Employment in agriculture, male (% of male employment)
	Employment in agriculture, female (% of female employment)
	Employment in manufacturing, male (% of male employment)
	Employment in manufacturing, female (% of female employment)
<b>Economic growth</b>	GDP per capita growth (annual %)
	Gross capital formation (annual % growth)
	GDP growth (annual %)
	Gross national expenditure (% of GDP)
<b>Macroeconomic Policies &amp; Trade openness</b>	Globalization Index (ratio of exports less imports to GDP; X-M/GDP)
	Fiscal tools: Taxes and government purchases

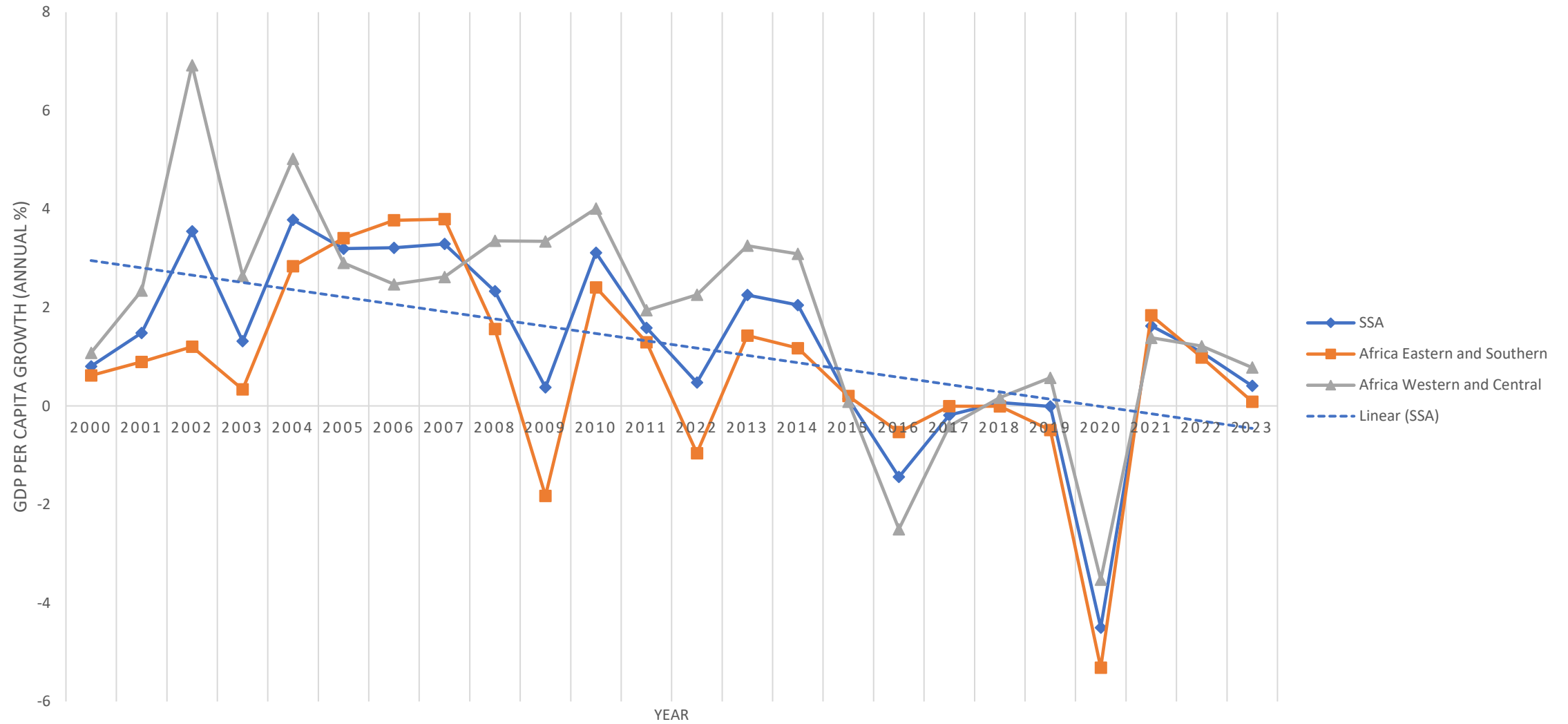


*Occupational distributions by employment sectors and gender in SSA*

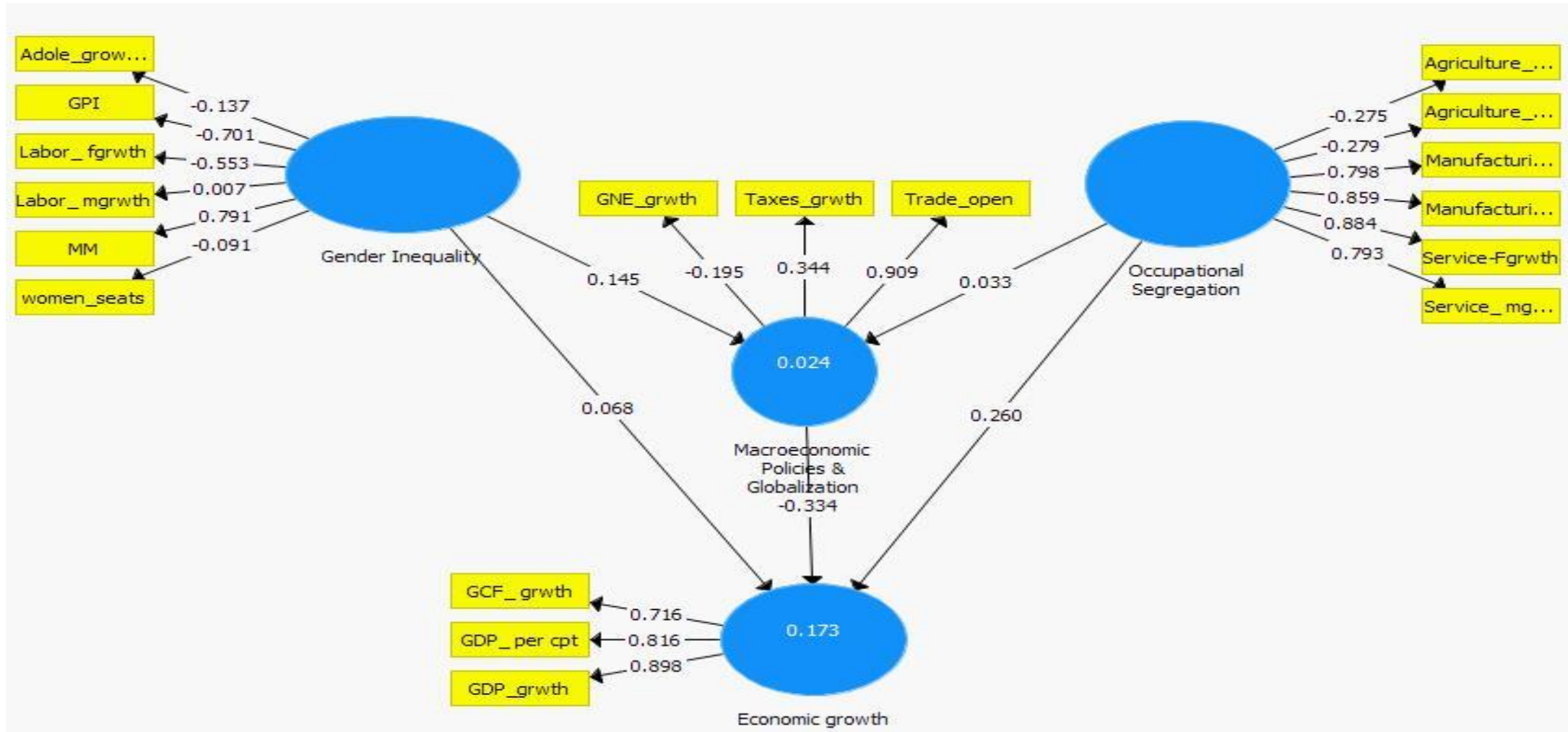


- Employment in agriculture, female (% of female employment)
- Employment in agriculture, male (% of male employment)
- Employment in industry, female (% of female employment)
- Employment in industry, male (% of male employment)
- Employment in services, female (% of female employment)
- Employment in services, male (% of male employment)

# SSA GDP PER CAPITA GROWTH (%)



# RESULTS



*PLS Path model analysis using bootstrapping computations*

# Bootstrapping path coefficients (Direct effects)

	Coefficients	Standard Deviation	t-statistics	p-values
Gender equality → Economic growth	0.068	0.097	0.702	0.483
Macroeconomic Policies & Trade openness → Economic growth	<b>-0.334***</b>	0.090	3.696	0.000
Occupational Segregation → Economic growth	<b>0.260***</b>	0.049	5.277	0.000

# Bootstrapping path coefficients (Indirect effects)

	Coefficient	Standard Deviation	t-statistics	p-values
Gender Inequality→Fiscal tool & Glob index→Economic growth	-0.048**	0.025	1.934	0.035
Occupational Segregation→Fiscal tools & Glob index→ Economic growth	-0.011***	0.003	3.487	0.000

# Discussions



- 1) **Twin-deficit hypothesis:**
  - ✓ These reveal that government expenditures (social consumption expenditure) and tax policies have growth retarding effects in SSA countries.
  - ✓ The constant fiscal deficits recorded by SSA countries make the region resort to borrowing to finance the budget deficits in the delivery of public goods and services through public expenditure.
  - ✓ This in the long-run results in high debt service-to-GDP ratio (above the threshold) which generates negative impacts on economic growth
  - ✓ SSA countries are net importers (i.e., exports raw agricultural products and unfinished goods) hence, experiencing BOP deficits.
- 2) **Significant negative indirect effect of gender inequality.**
  - ✓ **Budgetary restrictions** sparks a wave of austerity measures that limit social spending, increasing the amount of unpaid care and domestic work performed by women in the informal economy; the share of women in agriculture and service sector.
- 3). **Insignificant direct effect of gender inequality**
  - ✓ Policy responses and mitigation strategies in SSA
- 4). **Occupational segregation effects ( $\beta = 0.26, p < 0.05$ ).**
  - ✓ Positive effects- skills specialization and efficiency; market diversification and flexibility
  - ✓ Negative indirect effect- Income inequality and consumer demand