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**PANEL I**

## **Integration of Gender Perspectives in Macro-economics**

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The World Bank's mission is poverty reduction, and addressing gender inequality is an integral part of this mission. Despite recent gains in many countries, significant gender disparities in basic legal rights, access to resources and economic opportunity, and decision making remain pervasive around the world. And these disparities are inextricably linked to income and non-income measures of poverty.

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At the cross-country level, there is an empirically well-established link between closing gender gaps in education and increasing the level of economic growth.<sup>1</sup> Econometric simulations estimate that during 1960-1992 the average annual per capita growth rates in Sub-Saharan Africa and South Asia would have been between 0.5 and 0.9 percentage points higher if these c

effectively unable to contribute their skills to the economy.<sup>6</sup> A recent World Bank study estimates that if the female labor force participation rate had increased in the Middle East and North Africa region during the 1990s in accordance with education, fertility levels and age structure, annual per capita GDP growth could have been 0.7 percent higher, and average household income could have been 25 percent higher.<sup>7</sup>

Other gender inequalities, such as a preference for boys, may also pose future brakes on economic growth. A strong bias for boys over girls will generate significant imbalances in sex ratios, and can slow the fertility decline and the demographic transition.<sup>8</sup>

Finally, apart from its link to overall growth, there is also reason to believe that reducing gender inequality may contribute to a pattern of growth that is more poverty reducing. If gender inequalities are greater in poorer households, this may contribute to their higher fertility and larger family sizes. When large differentials in family size persist between poor and rich households, per capita income inequality may well widen with economic growth. A recent study on India found not only a strong correlation between gender equality and growth, but also that economic growth benefited the poor significantly more in states with higher gender equality.<sup>9</sup>

## **2. The World Bank is committed to promoting gender equality**

The World Bank's commitment to assisting countries to address gender inequalities is translated into practice by incorporating a gender perspective in its analytical work, its country strategy and policy dialogue, and its operational work. While much remains to be done, the Bank has made progress. Like many organizations, the World Bank began its efforts to promote gender equality from an awareness-raising perspective. In the last decade, we have moved much more towards specific targeted activities to promote gender equality, particularly at the country level, in analytical work and in our policy dialogue. The objective is of course to mainstream

ways in which these might be addressed. Following that, the Bank has produced regional flagship reports that analyze the relationship between gender, economic growth and development, for three regions—Sub-Saharan Africa; the Middle East and North Africa; and Europe and Central Asia.<sup>10</sup>

More recently, under the Economic Policy and Gender Initiative (EPGI), the World Bank has commissioned work to identify some of the gender-related issues important for policy makers to consider with regard to a number of specific economic reforms. Some of the topics explored include:

- The interrelations between gender issues and **trade liberalization**. This work explores how the incentive structure and ability to respond to changed terms of trade

Gender issues are also increasingly being incorporated in the Bank's <sup>fir</sup> B

certificates, which are often only assigned to the male household head. Legally allowing such joint titling on these documents provides women with the opportunity or ability to use the land for collateral to raise credit, and improve their incentives to improve the land.

### **Operational Work**

Gender issues were considered during the design of over 80 percent of the Bank's lending operations in FY03, and approximately half of them incorporated specific activities to ensure that women benefited from the programs in sectors such as health and education, water and sanitation, infrastructure, access to financial services, private sector development and transport.

While many of these project activities are not designed primarily to promote economic growth, they often result in increased women's productivity. Some examples include:

- Limitations of existing analytical tools and methods are still a constraint in building such an evidence base at the country level. We still know too little about the impacts of spillovers.