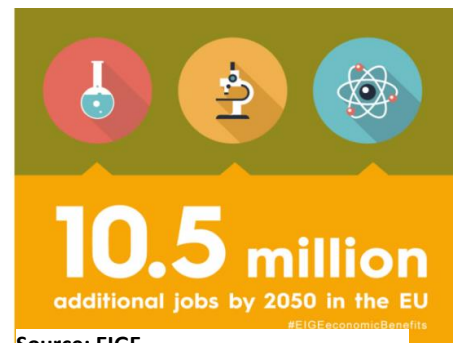


Gender equality: Panacea for economic growth - Economic benefits of gender equality in the EU¹ (Eva-Maria Burger)

The European Institute for Gender Equality (EIGE) commissioned a study on economic benefits of gender equality in the EU, which aims at measuring socio-economic effects of gender equality measures. The study underlines that fostering gender equality would lead to

- **More jobs:** An additional 6.3 and 10.5 million jobs can be created until 2050.
- **An increase in GDP:** GDP per capita might increase by 10% until 2050

In addition, a holistic approach, inclusive of parallel measures to promote gender equality in different fields, would yield more positive economic results than individual measures (such as in terms of education or reconciliation).



1 Point of depart

There are overwhelming differences between women and men in the EU ...

- Women are under-represented in **STEM-disciplines**. 75% of students are male.
- The average gender gap is 11.6% in terms of employment; it gets higher with every child that needs to be cared for. Childcare duties have been deemed to be the major reason for part-time work for women in 2015 (39% of women would opt for part-time work due to children while only 4% of men would do so for the same reason)
- Mostly, it is women who are employed in **part-time work** (2015: 32.1%, men: 8.9%) which entails higher risks of poverty for them
- **Gender Pay Gap:** On average, women earned **16.1%** less than men.

What is at the heart of these discrepancies???

- Gender-segregated education and training
- Low employment intensity
- Lower wages
- Precarious employment models
- Unequal distribution of unpaid work

Women are mostly hit by the negative consequences of gender inequality; yet, it also affects men and society at large!

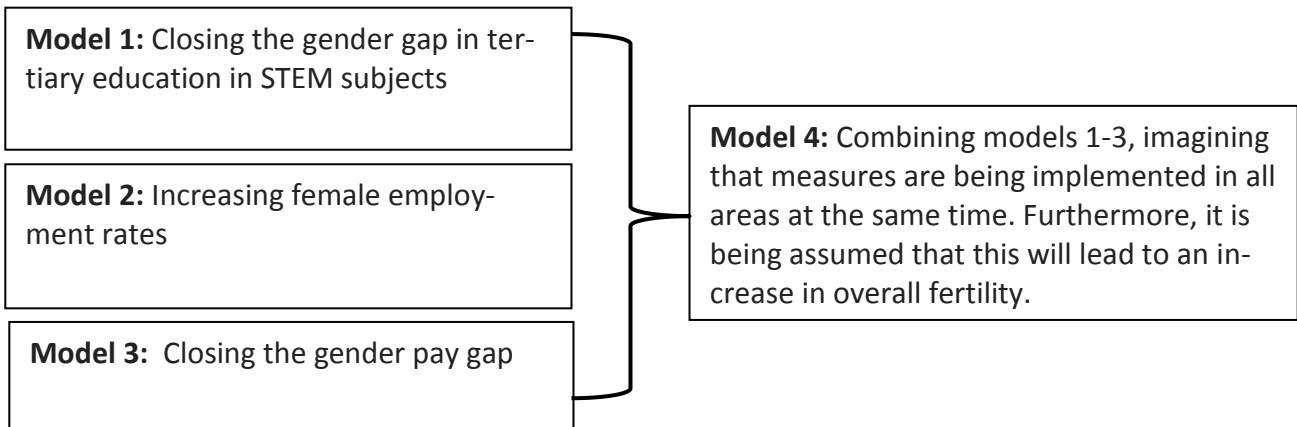
2 Methodology of the study

According to EIGE, this study has been unparalleled, as no EU-spanning study has used a similar econometric model in order to measure and forecast socio-economic consequences of gender

¹ Translation by Birgit Eigelsreiter

equality measures in education, labour market participation, wages and reconciliation of work and family life.

Relying on the [E3ME-Model](#) the authors used four individual models in order to display the effect of gender equality measures.



Two different calculations were used for each model:

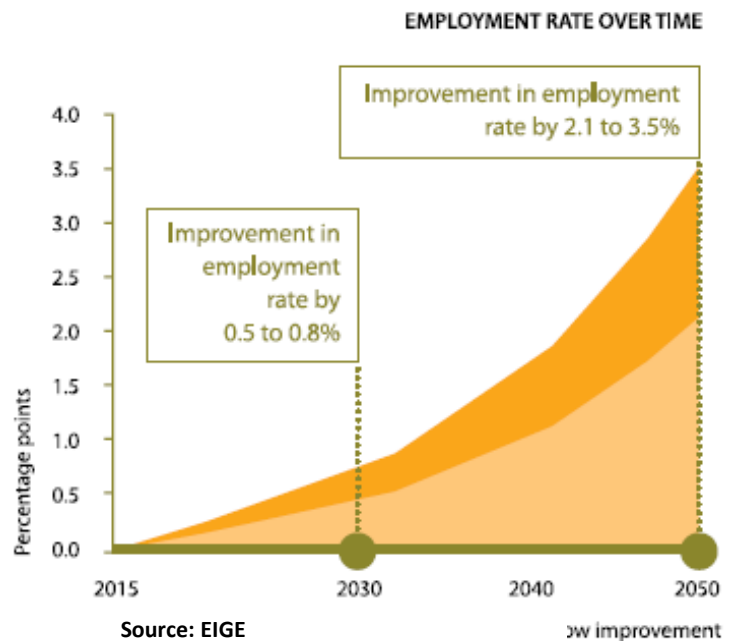
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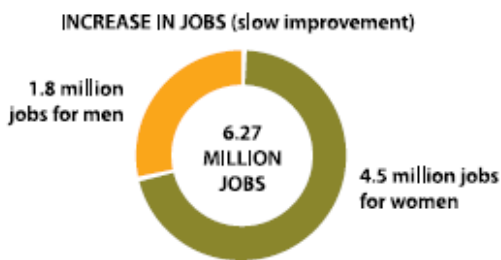
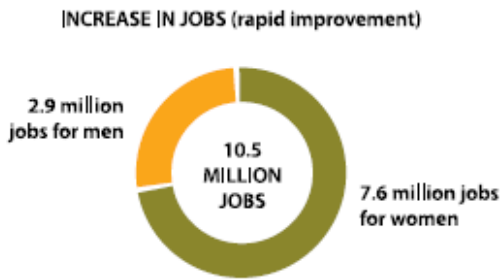
- ‘Slow Progress’ scenarios for slow implementation of measures
- Rapid Progress’ scenarios for more ambitious implementation of measures

3 Which economic advantages can be expected from increasing gender equality in the EU?

Higher employment rates

According to the study, EU employment rates will increase by 0.5%-0.8% until 2030 and by 2.1-3.5% until 2050. As a consequence, European employment rates will lie at approx. 80% if gender equality is to be considerably fostered. If not, they will reach 76%. Female employment will also rocket as the gender pay gap is being closed.





Source: EIGE

market participation of women in more productive sectors such as in STEM jobs lies at the heart of this trend.

As a consequence, gender equality measures are key to economic growth. Their impact is higher than the impact of any other, more general, measure in the field of education and labour market participation

More jobs

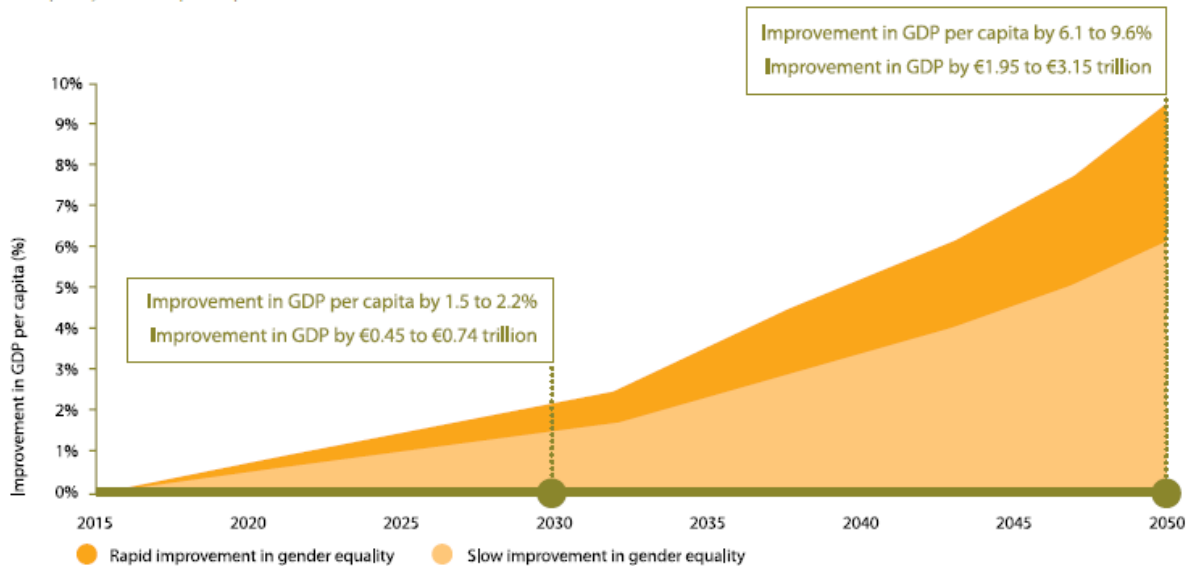
Improvements in gender equality might create up to 10.5 million new jobs until 2050 if measures are implemented rapidly. If they are being implemented at a slower pace – due to political resistance – at least 6.27 million jobs will be created.

Women are expected to constitute 70% of this newly created workforce. This would eliminate existing risks of poverty or marginalisation.

Increase in GDP

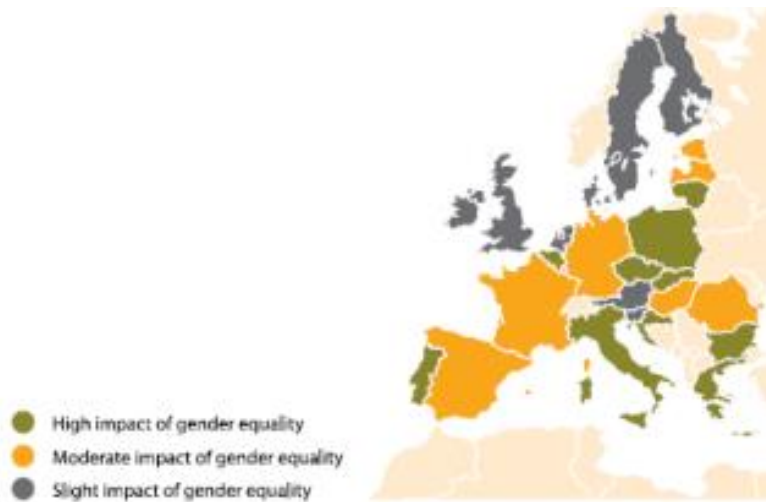
GDP per capita is supposed to increase by 6.1 and 9.6% until 2050. This will amount to between € 1.95 and € 3.15 billion and will have an impact as early as of 2030 (between 1.5 and 2.2% increases). Increases in labour market

Figure 2: Effect of improved gender equality on GDP per capita



Source: EIGE

Different effects according to Member States



Gender equality might lead to an increase of GDP per capita of up to 12%. Expected GDP rises will not be the same for every Member State, though. States which lag behind on the EIGE Gender Equality Index are supposed to score better in terms of expected growth (Bulgaria, Greece, Italy, Poland, Portugal, Romania, Slovakia).

Source: EIGE

Higher competitiveness

Gender equality is to boost competitiveness by raising productivity and lowering prices. As a consequence, the EU will be able to offer more products and services and compete at international level. Imports might decrease by between 0.4% and 0.7%.

Counterbalance demographic change and ageing in the EU

Gender equality in education, labour market participation and unpaid work is expected to have considerable effects on fertility rates. This entails increases in population numbers and labour force. The EU might employ between 1.3 and 2.6 million more people in 2050 than it does today; an outlook which would reduce the strain on social protection system and counterfight demographic change.