

Women in Economics

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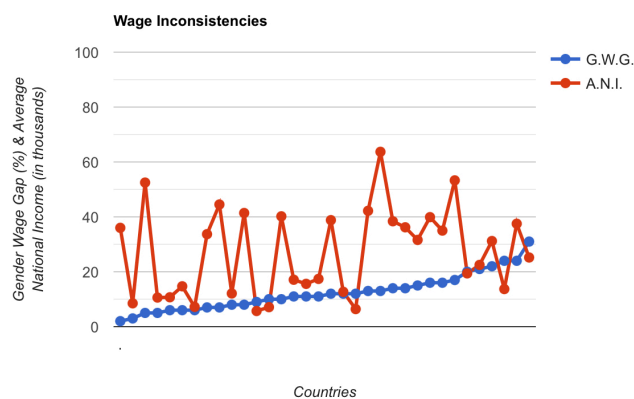
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Women should be encouraged to participate in high skill, high income occupations because it is important to have a diverse workforce - women can bring different perspectives and ideas, which can lead to better decision making and more innovative solutions. Women having a more prominent role in economics can also help to break gender stereotypes. When women are successful in traditional male dominated fields, it can inspire other women and girls to pursue their dreams regardless of gender norms. Additionally, women in high skill, high income occupations can serve as role models for future generations, and help to pave the way for a more equitable and just society. Creating more opportunities for women to participate freely and equally not only in the workforce in general, but also in fields relating to economics and trade would achieve everything aforementioned along with mitigating wage inconsistencies, helping to boost average national income, and benefiting national economies.

Wage inconsistencies between men and women, more commonly referred to as the gender wage gap, refers to the difference in earnings between men and women in the workforce. According to the Pew Research Center, women earn eighty-two cents to men's one dollar in the United States (Aragão). Compared with Belgium women's ninety-three cents to men's one dollar and South Korean women's sixty-seven cents to men's one dollar (Ortiz-Ospina, et al), it is obvious the gender wage gap is inconsistent and is caused by a variety of factors. One of these factors is occupational segregation - women are over represented in and more commonly work in lower paying jobs. In 2018, 95% of childcare workers, 89% of home health aides, 88% of maids and housekeepers, 84% of personal care aides, and 72% of cashiers were female (Ortiz-Ospina, et al). A lack of education, role models, and family support can all contribute to women choosing to work in lower paying jobs. Women are often more likely to take time off work to care for

children or other family members and as a result are less likely to choose to work in certain fields which require more hours and less flexibility (Schieder). Without access to paid family leave, women may miss out on opportunities for advancement and earn less over the course of their careers. Women may also face discrimination in the hiring process, promotion decisions, and pay negotiations. This can include explicit bias, such as being offered a lower salary than a male colleague with the same qualifications, or implicit bias, such as being passed over for promotion because of assumptions about women’s competence or commitment to work. This is true for countries all over the world, in most of which women are rarely in positions of leadership: “In 2014 data, the study finds that nearly a third of companies globally have no women in either board or C-suite positions, 60 percent have no female board members, 50 percent have no female top executives, and fewer than 5 percent have a female CEO.” (Noland) The graph¹ below shows the non-correlation between different countries gender wage gap percentage and the national average income. Not long after looking at it, one can see that there is little to no comparison to



how the gender wage gap correlates to the national average income. Proving that the gender wage gap is more complicated than simply making wages even, as it is less about economic development and more so a

¹ Graph information gathered from; Adjusted Net National Income per Capita (Current US\$).” World Bank Open Data, <https://data.worldbank.org/indicator/NY.ADJ.NNTY.PC.CD>. Earnings and Wages - Gender Wage Gap - OECD Data.” TheOECD, <https://data.oecd.org/earnwage/gender-wage-gap.htm>.

societal and cultural issue. There are several strategies which can be utilized to help close the gender wage gap. One important step is recognizing and addressing occupational segregation, and while this cannot be immediately fixed, it can be lessened by promoting women's participation in fields that are traditionally men-dominant and creating more educational opportunities for women in STEM fields, as well as enforcing existing anti-discrimination laws and strengthening penalties for employers who engage in discriminatory practices which can help to deter wage discrimination and ensure women are paid fairly. Additionally, policies such as mandated paid family leave, guaranteed affordable child care, and equitable flexible work arrangements can help to support working parents and reduce economic penalties women often face when taking time off to care for children or other family members.

Although eliminating the gender wage gap would not account for the vast discrepancies in countries national average income, involving more women in the workforce as well as economics and trade would without question boost national average income. Research has shown that increasing the number of women in the workforce and promoting gender diversity in leadership positions can have a positive impact on a country's economic growth and productivity. For example, a report by the McKinsey Global Institute found that advancing women's equality in the countries of Asia Pacific alone could add four and a half trillion dollars or a twelve percent increase to global GDP by 2025. As well as the fact that women's contribution to India's GDP would be an eighteen percent increase, accounting for the fact that roughly twenty-five percent of India's labor force is made up of women (Woetzel). Increasing women's participation in the workforce can help to reduce poverty and inequality - as many women often work in lower paying jobs with lower quality work environments - which would surely help boost national

average income. In order to successfully achieve this boost in economic growth, it will require an increase in women's labor force participation rate, increase the number of paid hours women work, and an increase of women's productivity by adding more women to higher-productivity sectors (Woetzel).

High skill, high income occupations play a critical role in shaping the global economy, and by increasing the number of women in these fields, we can create a more just and sustainable world. There have been several studies that have found women in leadership positions are more likely to prioritize issues such as social responsibility, environmental sustainability, and ethical business practices. For example, a study by the International Finance Corporation found that companies with more diversity in leadership positions were more likely to have better environmental, social, and governance (ESG) performance as well as better profitability (Di Miceli, et al). Companies and business do not need a majority of employees to be female in order to become more efficient; even having just thirty percent of the leadership positions filled by women can prove to be twelve times more likely to perform better financially (Kruse). When discussing leadership roles in times of crises, an article published in the Harvard Business Review utilized the recent crisis of COVID 19 to argue that women typically responded better than men. "One study found that outcomes related to Covid-19, including number of cases and deaths, were systematically better in countries led by women. ... Between March and June of this year, 454 men and 366 women were assessed on their leadership effectiveness using our Extraordinary Leader 360-degree assessment. Consistent with our pre-pandemic analysis, we found that women were rated significantly more positively than men." (Zenger & Folkman) Women have been able to demonstrate high levels of leadership whether or not their tenure

coincided with a crisis, yet are still limited to positions of leaderships. Out of 195 countries, seventeen have a female Head of State and nineteen have a female Head of Government (Facts and figures). Of forty-six presidents in the United States, zero of them have been female presidents and of the forty-nine vice presidents, one of them was female (Center for American Women and Politics). Women have been underrepresented in high skill, high income occupations for hundreds of years and increasing the amount of women that participate in higher level leadership and economic related occupations will help to create a more dynamic and open minded perspective, as well as a better functioning economy as a whole.

Women should be able to freely and equally participate in not only the workforce in general, but more specifically high skill, high income occupations to help better economies while promoting a sustainable and equitable future. In doing so, wage inconsistencies such as the gender wage gap would be mitigated if not completely eliminated, national average income would boost, countries GDP would increase, poverty among women would decrease, and economies as a whole would become more efficient and productive. By promoting women's access to education, training, and job opportunities, they can allow for more potential and increase their contributions to the economy.

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