

Women's Economic Activity and the Demographic Dividend

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Workshop on the Demographic Dividend

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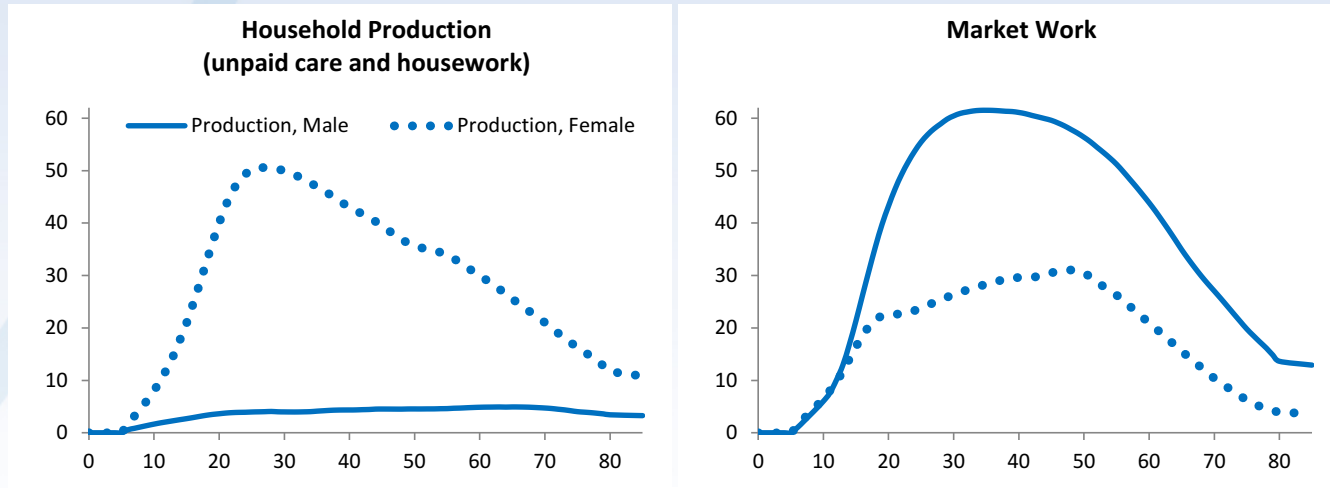


Gender and the DD

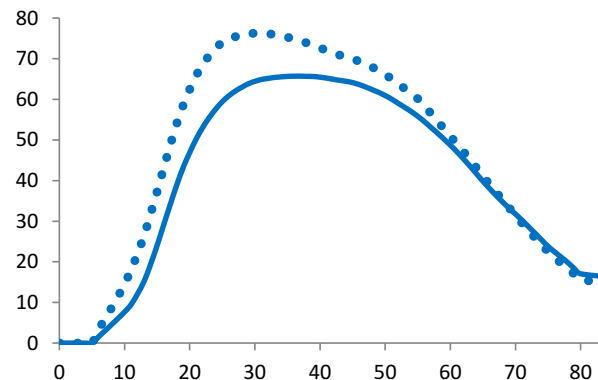
- Demographic dividend is about a very long-term chain of events
 - Lower fertility, lower mortality →
 - Population age structure change →
 - Economic impact → etc.
- Changing gender roles are another set of links in this chain
 - Interact with the “market economy”
 - Impact the “household economy”

Economic activity is heavily gender-determined

- India, 1998/9, hours/week

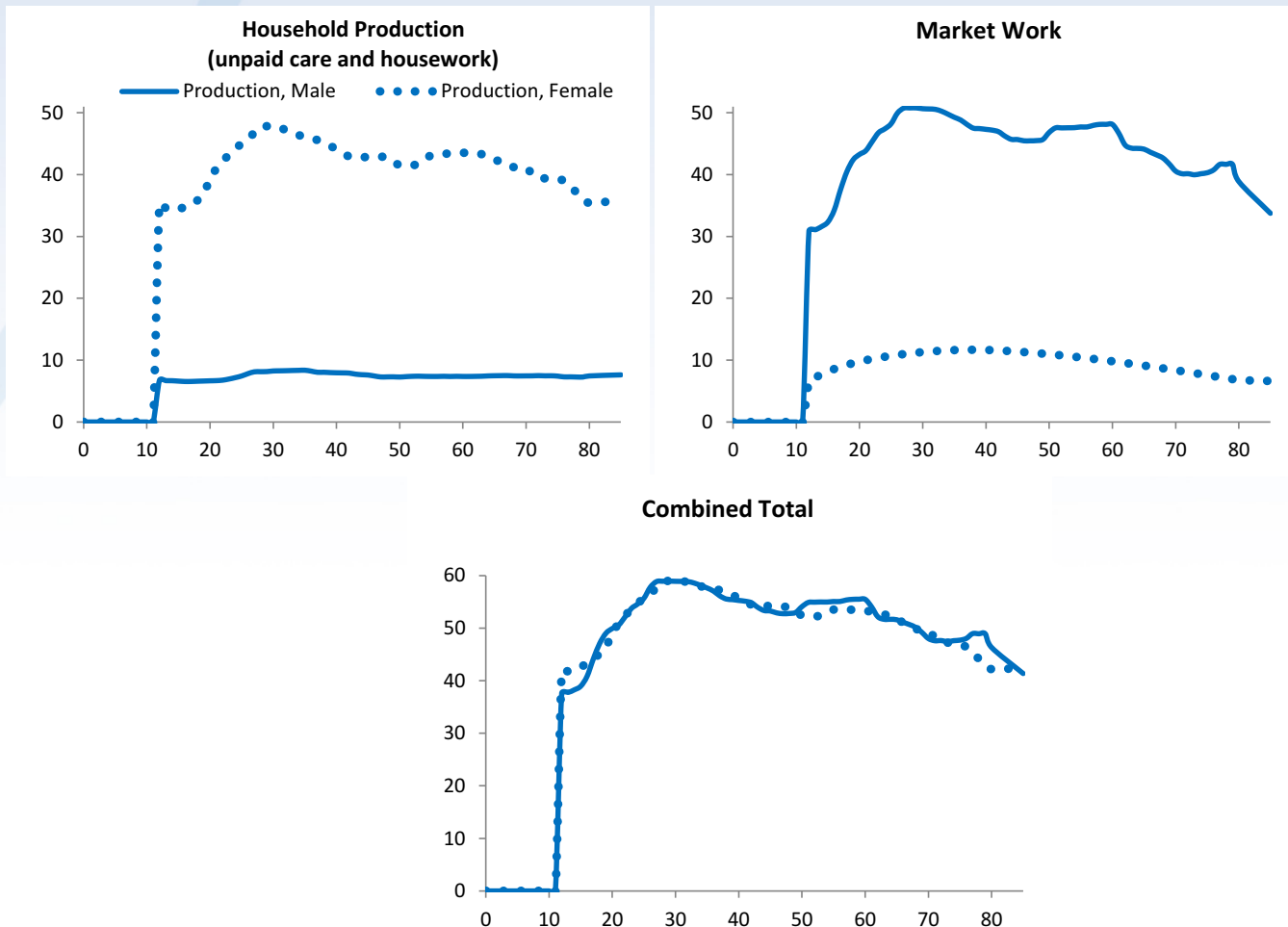


Combined Total



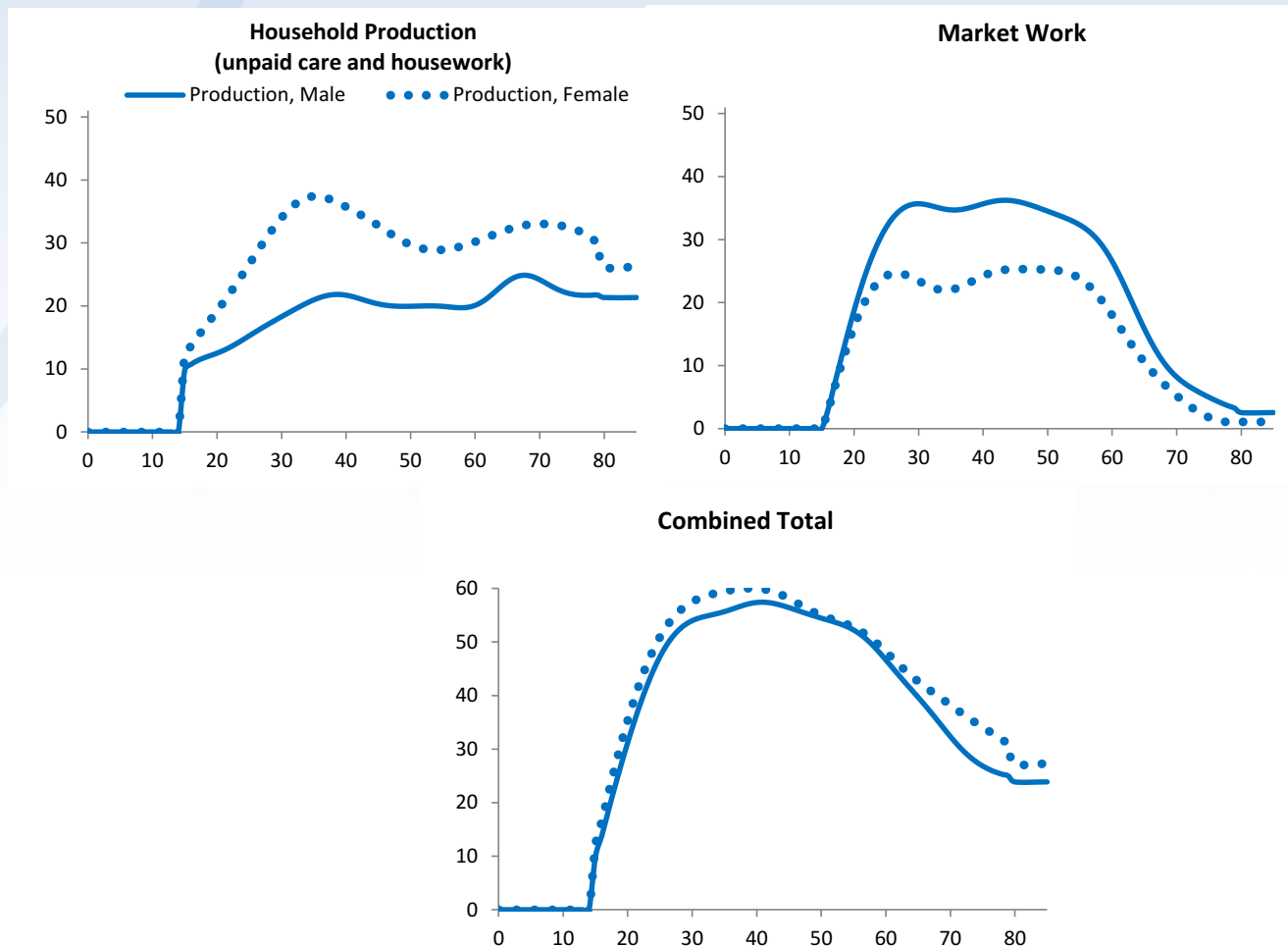
Economic activity is heavily gender-determined

- Mexico, 2005, hours/week

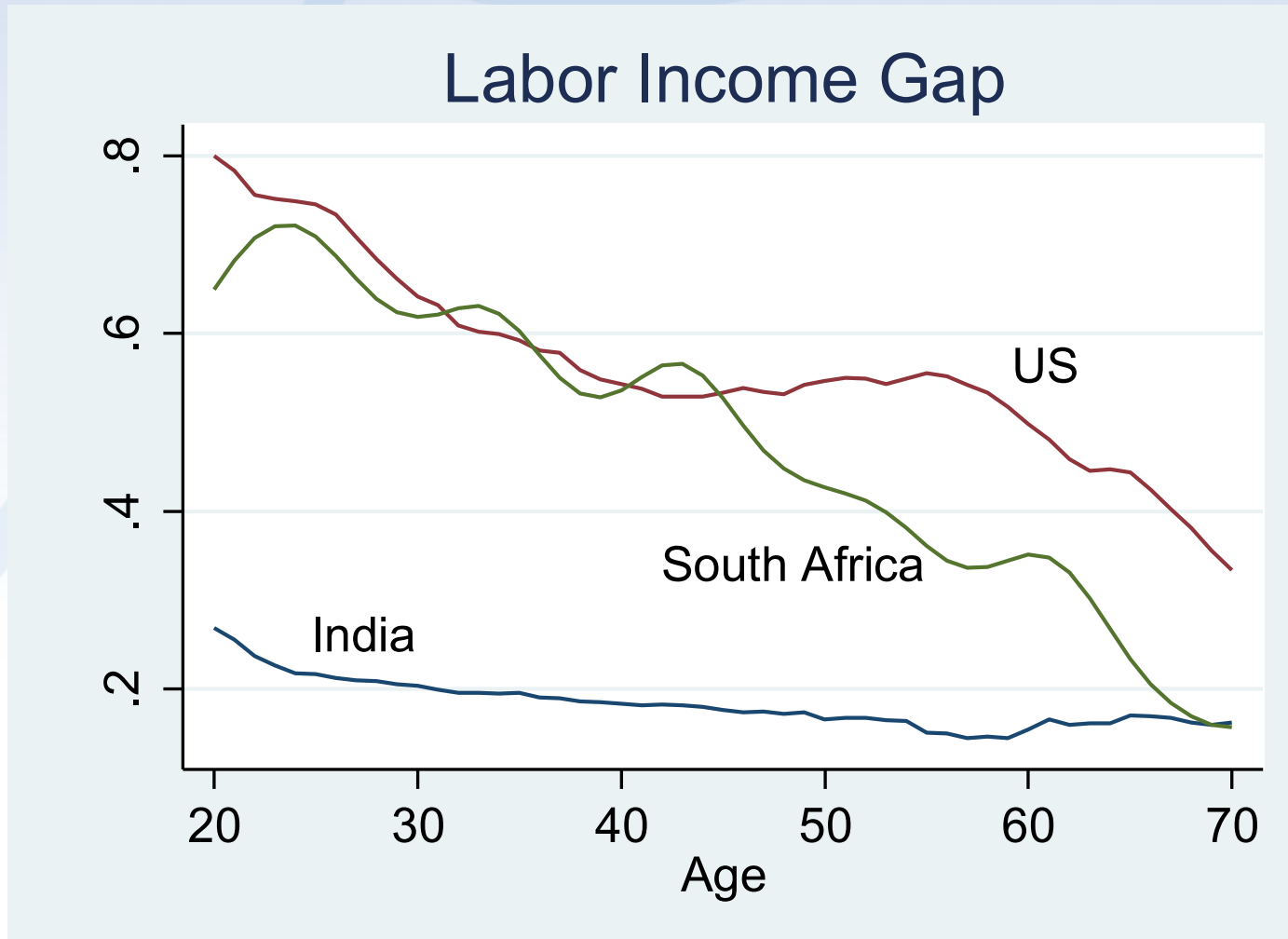


Economic activity is heavily gender-determined

- US, 2009, hours/week

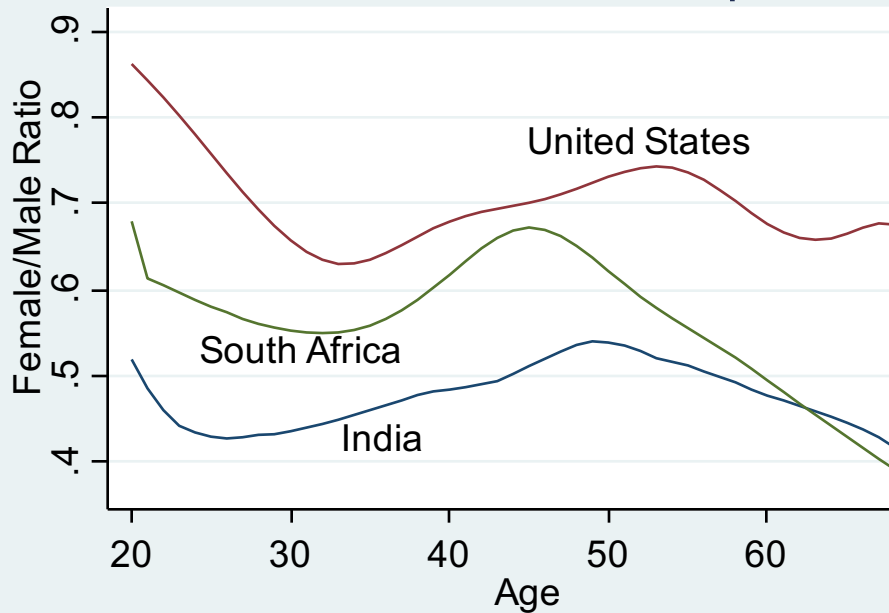


... leading to large differences in labor income

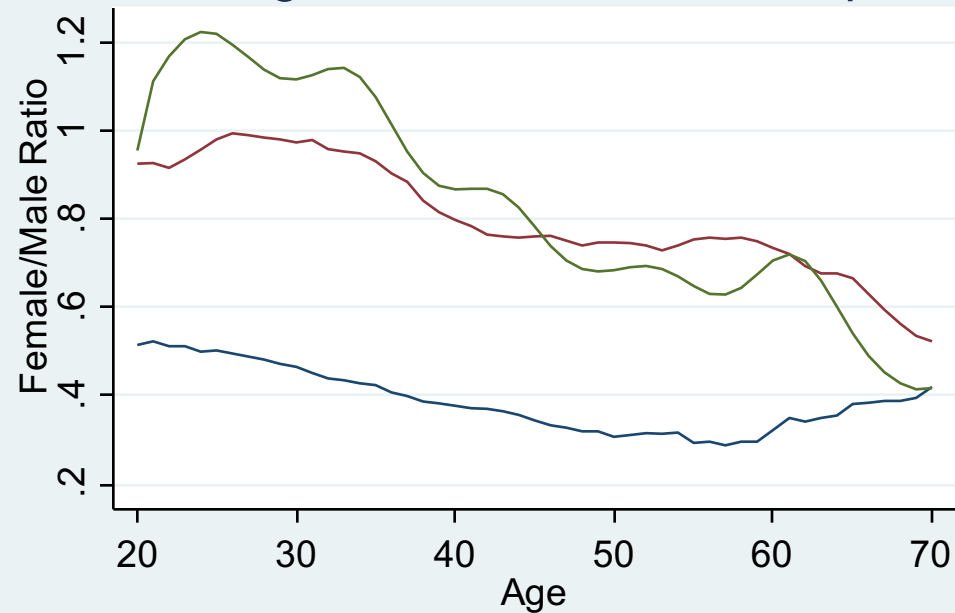


... based on different labor force participation but also different wages.

Hours Worked Gap



Wage Per Hour Worked Gap

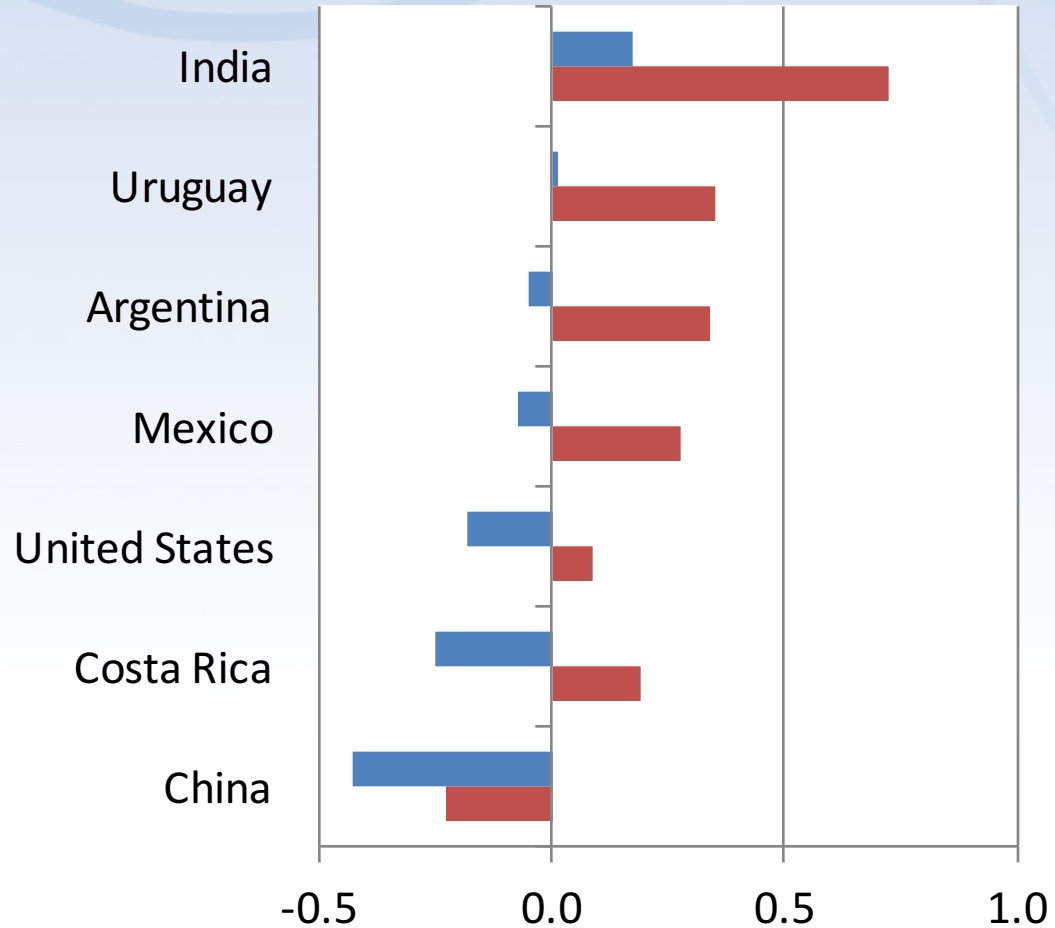


What “gender dividend”
might we get in the future from
closing some of these gaps?

Close the labor income gap by 50%?

Change in the support ratio from 2014 to 2050 if Female Labor Income Age Profile:

- Remains Constant
- Converges by Half



Avg Annl Rate of Change in Support Ratio

Will there be a gender dividend?

- Some of it may be “automatic”
 - Lower fertility frees up women’s time which can be spent on market work
 - Higher investments in girl’s human capital may lead to future cohorts of women doing more market work at higher wages
- Much of it may NOT be
 - Institutions may function to hinder realizing a gender dividend
 - Market work competes with non-market work and non-work for our time

Measuring the “care economy” to understand the gender dividend

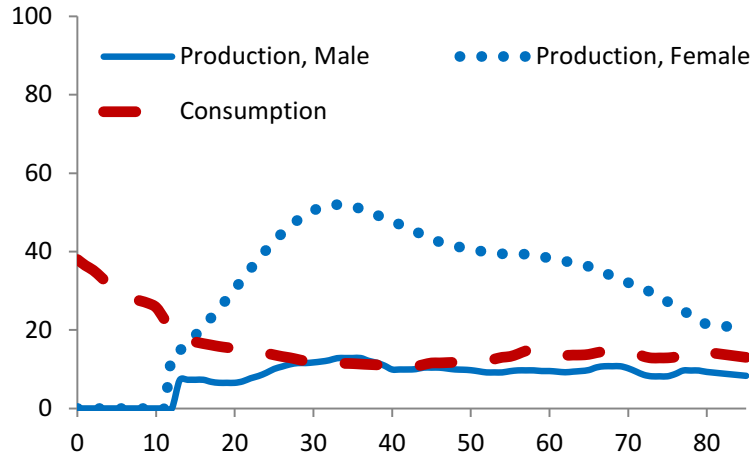
- National Time Transfer Accounts (NTTA)
 - Measure time spent producing unpaid care and housework services using time use surveys
 - Value that time by a replacement wage
 - Apply NTA methodology to estimate production and consumption by age
- Counting Women’s Work
 - countingwomenswork.org



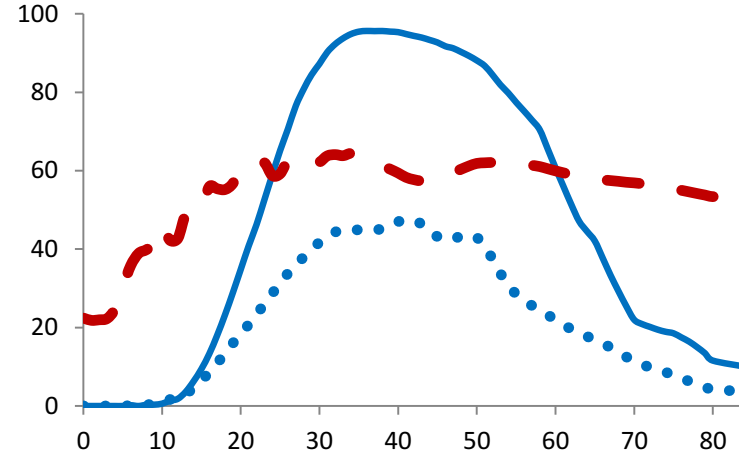
**COUNTING
WOMEN'S
WORK**

Example (Mexico, 2005)

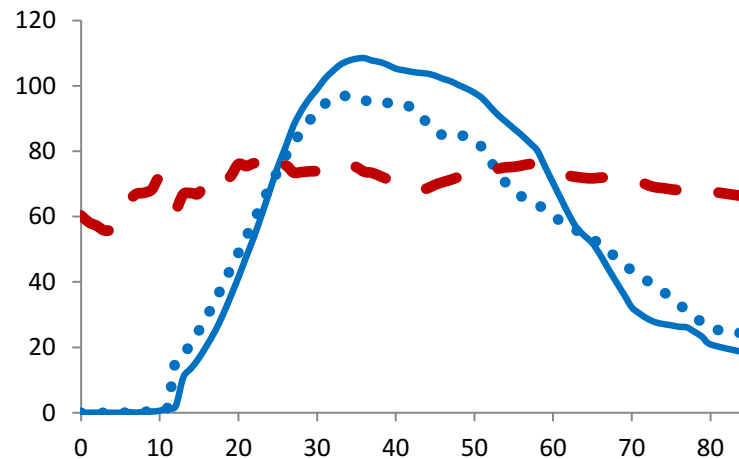
National Time Transfer Accounts (Household Production)



National Transfer Accounts (Market Production)



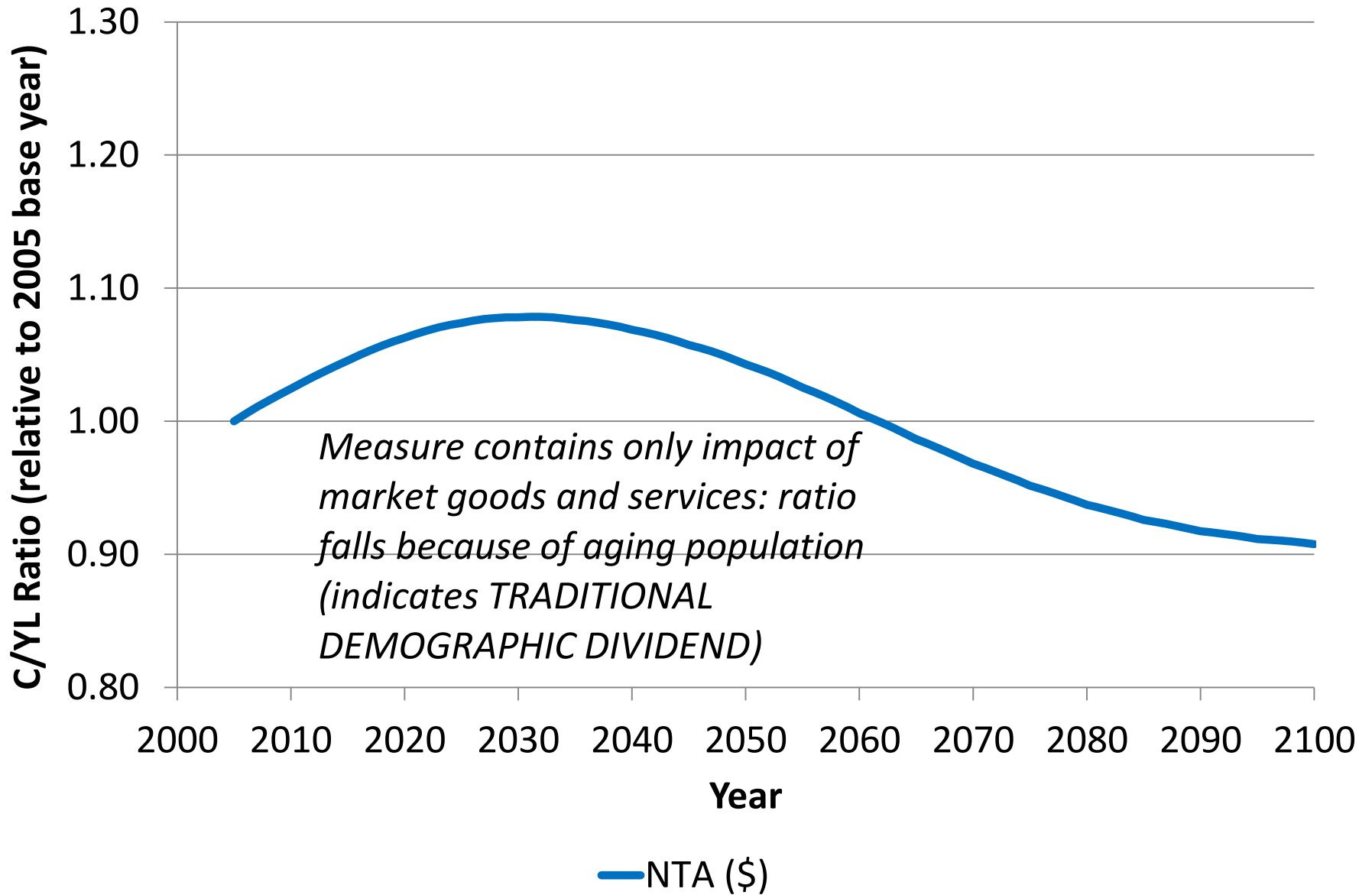
Combined Total



How does this impact the DD?

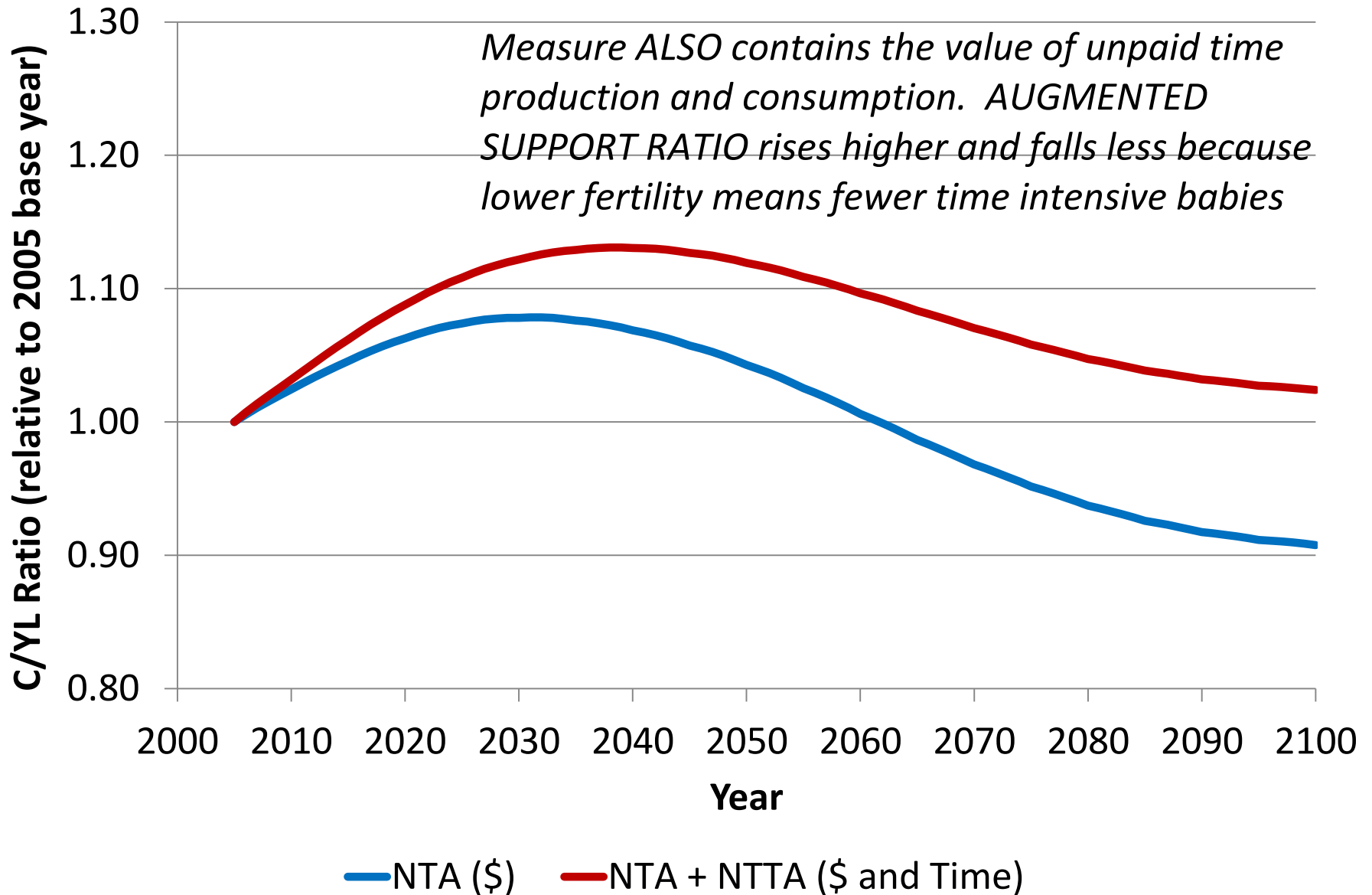
- Unpaid care and housework creates a lot of value, is a huge part of the economy
 - From Mexico example
 - NTA household production: 22% of GDP
 - NTA market labor income: 42% of GDP
- Dependency looks different when you include cost of care
 - Youth dependency increases relative to old age
 - Makes lower fertility look like an even better bet for realizing a demographic dividend

Projected Support Ratio, Mexico

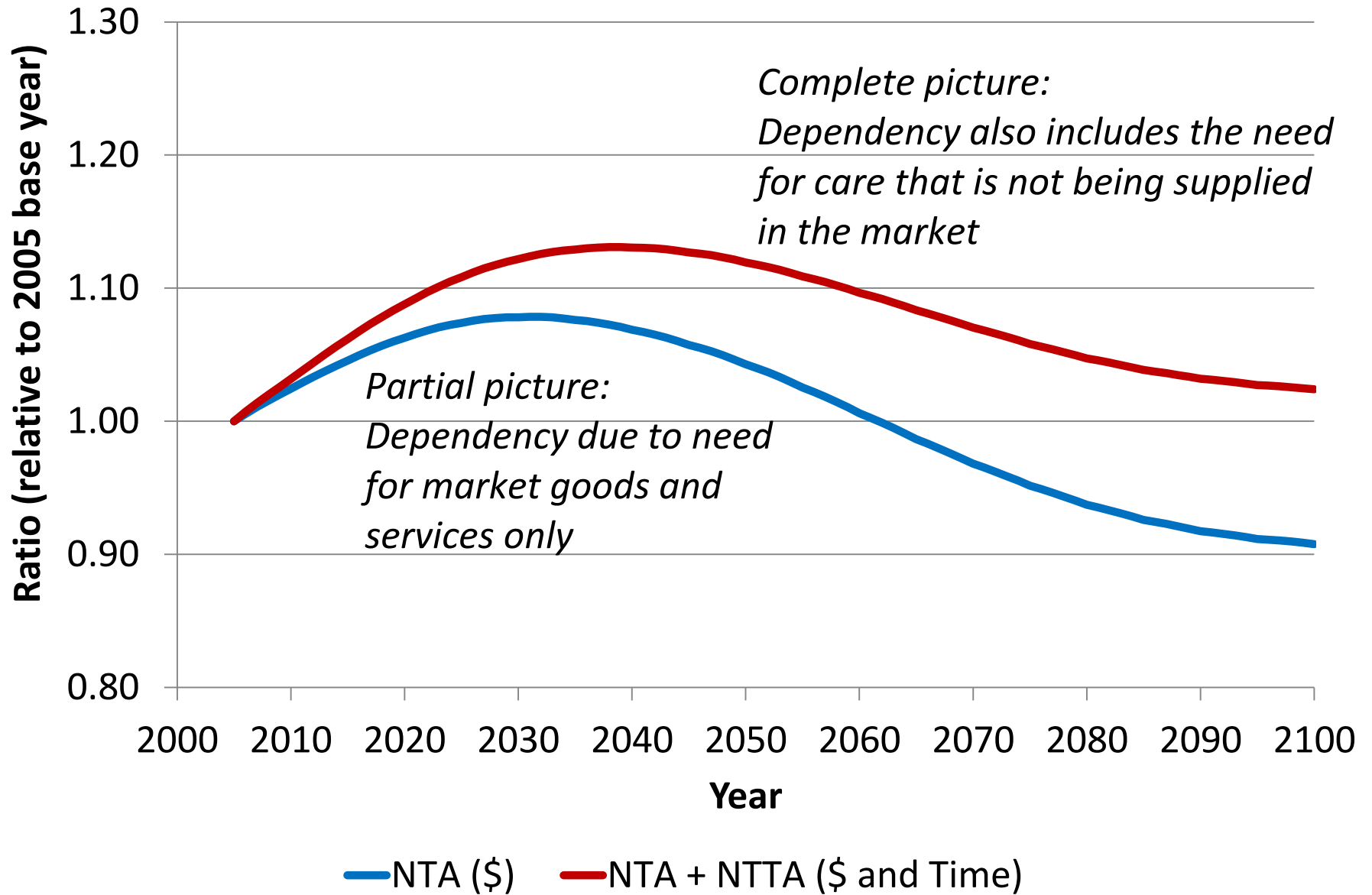


Projected Support Ratio, Mexico

Measure ALSO contains the value of unpaid time production and consumption. AUGMENTED SUPPORT RATIO rises higher and falls less because lower fertility means fewer time intensive babies



Projected Support Ratio, Mexico



What does it mean?

- Traditional demographic dividend is about “free money”
 - Policy message: consume it for only temporary gain, or invest it for permanent growth enhancement.
- Augmented demographic dividend is also about “free time”
 - Time could go to more intensive care, more market work, or more non-work
 - But what is the policy message? (Alaka Basu’s IUSSP magazine piece)