Inequality and Gender: the IMF’s Policy and Operational work

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# About the presentation

1. Why the focus on inequality/gender issues
2. IMF analytical and policy work
3. IMF’s engagement with member countries
4. How the IMF approaches inequality/gender issues at country level
5. Examples
6. Going forward
Why does the IMF focus on Inequality?

Because it is macro-critical

- Resource allocation
- Productivity
- Growth and Stability
- Social cohesion
Why does the IMF focus on gender?

Because it is macro-critical

- Output and productivity
- Income inequality
- Growth and Stability
- Economic resilience
Analytical and policy work on Inequality: some examples
Analytical and policy work on gender: some examples

Women, Work, and Economic Growth
Leveling the Playing Field

IMF STAFF DISCUSSION NOTE
Fair Play: More Equal Laws Boost Female Labor Force Participation
Christine Gonzales, Sonali Jain-Chandira, Kalpana Kochhar and Monique Newiak

INTERNATIONAL MONETARY FUND
Pursuing Women’s Economic Empowerment
May 2018

The IMF staff regularly produces papers proposing new IMF policies, exploring options for reform, or reviewing existing IMF policies and operations. The report prepared by IMF staff and completed on May 30, 2018, has been released.

The paper was issued to the Executive Board for information. The report was prepared by IMF staff. The views expressed in this paper are those of the IMF staff and do not necessarily represent the views of the IMF’s Executive Board.

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IMF’s engagement with countries

- Policy Advice
- Capacity Development

Pilots to explore how best to add value for the membership
Pilots: inequality and gender

Inequality studies: completed
Inequality studies: ongoing

Gender studies: completed
Gender studies: ongoing
Framework for dealing with inequality/gender issues from a macroeconomic perspective

HOW TO OPERATIONALIZE INEQUALITY ISSUES IN COUNTRY WORK

IMF staff regularly produces papers proposing new IMF policies, exploring options for reform, or reviewing existing IMF policies and operations. The Report prepared by IMF staff and completed on June 1, 2018, has been released.

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Focus and Topics on inequality

- Comparative analysis of inequality and poverty
- Income polarization
- Growth inclusiveness
- Expenditure composition
- Subsidy reform
- Tax progressivity
- Financial inclusion
- Rural poverty
- Regional income inequalities
- Labor market duality
- Assessment of reform options
- Impact of commodities boom-bust cycles
- Social protection assessment
Focus and topics on gender

- Drivers of female labor force participation
- Financial inclusion
- Public investment
- Labor market reforms
- National gender equality plans
- Legal barriers
- Diversification
- Corporate profits
- Gender-based violence and harassment
- Female entrepreneurship
Improving access to sanitation is essential for raising gender equality and economic growth.

**Female Literacy Increases with Sanitation Coverage**

**Female Labor Force Participation Increases with Sanitation Coverage**

Change in Inequality During Boom (2000-2005)
(Gini Index, In percentage points)

- Change Skills
- Commodity Prices
- Fiscal Policy

Model

Data
Distributional impact of reforms on both inequality and gender: Argentina

**Female Labor Force Participation, 1990-2014**

- **Argentina**: 48, 55, 56, 55, 56
- **Brazil**: 59, 56, 55, 56, 56
- **Chile**: 49, 56, 55, 56, 56
- **Colombia**: 49, 56, 55, 56, 56
- **Ecuador**: 56, 55, 56, 56, 56
- **Peru**: 68, 56, 56, 56, 56
- **Uruguay**: 56, 56, 56, 56, 56

Source: World Bank, Gender Statistics

**Policy Reforms and their impacts on female labor and on GDP**

- **Targeted childcare to low-income and poor income families**: Change in women's hours worked in the formal sector
  - 1.8

- **No discrimination in formal workplace**: Change in GDP
  - 2.3

- **Reducing Tax Wedge**: Change in GDP
  - 1.2
  - 7.0
  - 11.6

Source: World Bank, Gender Statistics
IMF’s engagement with countries

- Policy Advice
- Capacity Development

Training and tools available to both Fund staff and country authorities
Capacity Building

Workshops and Training
- Courses on inclusive growth, financial development and inclusion, distributional analysis of policy and reforms
- Peer-learning workshops on gender budgeting

Technical assistance
- Distributional analysis is an integral part of TA on tax and subsidy reforms
- Gender budgeting

Toolkits
- Macro-distributional impact of fiscal reforms
- Gender Budgeting
- Distributional analysis of energy subsidy reform
New tool based on SDGE framework

Framework (19 country studies)
- Dynamic general equilibrium model with heterogeneous agents incorporating country-specific characteristics

Model features
- Households (rural vs. urban)
- Productive sectors (agriculture, manufacturing, services)
- Frictions (differential cost of mobility, segmented financial markets)

Outcome
- Macroeconomic variables
- Inequality between and within-sectors
- Poverty
Going forward

Analytical/policy work

- G-20 report on strong, sustainable, balanced and inclusive growth
- Gender and technology
- Role of Gender in financial stability
- Gender diversity and diversification

Operational work

Inclusion/gender in country work when macro-critical

Toolkits

Expand toolkit set to consider:
- Macro-distributional impact of reforms for more developed economies
- Impact of reforms on gender

Training

Courses on SDGE framework for modeling the macro and distributional effects of reforms
THANK YOU