



ECONOMIC INEQUALITY: GLASS CEILING PERSPECTIVE

Dr. Anand Mittal¹

ABSTRACT-

Over the years the whole world has been rattling about having higher “Gross Domestic Product (GDP)”. Many countries have been seen to come out of their depressing situation to achieve flourishing growth, but within all this a major factor has been missed by many of us, and that is the participation of those contributing to this higher GDP. Most people who contribute to higher income growth are men and this can't be just a coincidence because women have shown their capabilities over the years but all still been overshadowed by powerful men. The situation now is changing for the good; some advancement have been noticed in European countries like Norway and Sweden due to their liberal attitude. Through this paper the author evaluates the different indices that have shown growing inequality and evaluated its key findings. The author also explains the meaning of some key terms which are often considered synonyms with each other. The current condition of the Indian economy, the challenges faced by women including the social gaps in the society, the solutions to all those challenges have also been looked into through the perspective of gender divide. The author also explains the growing misuse of law by the women in some cases.

KEY WORDS- GDP, Gender divide, Inequality, Glass ceiling, Economic growth

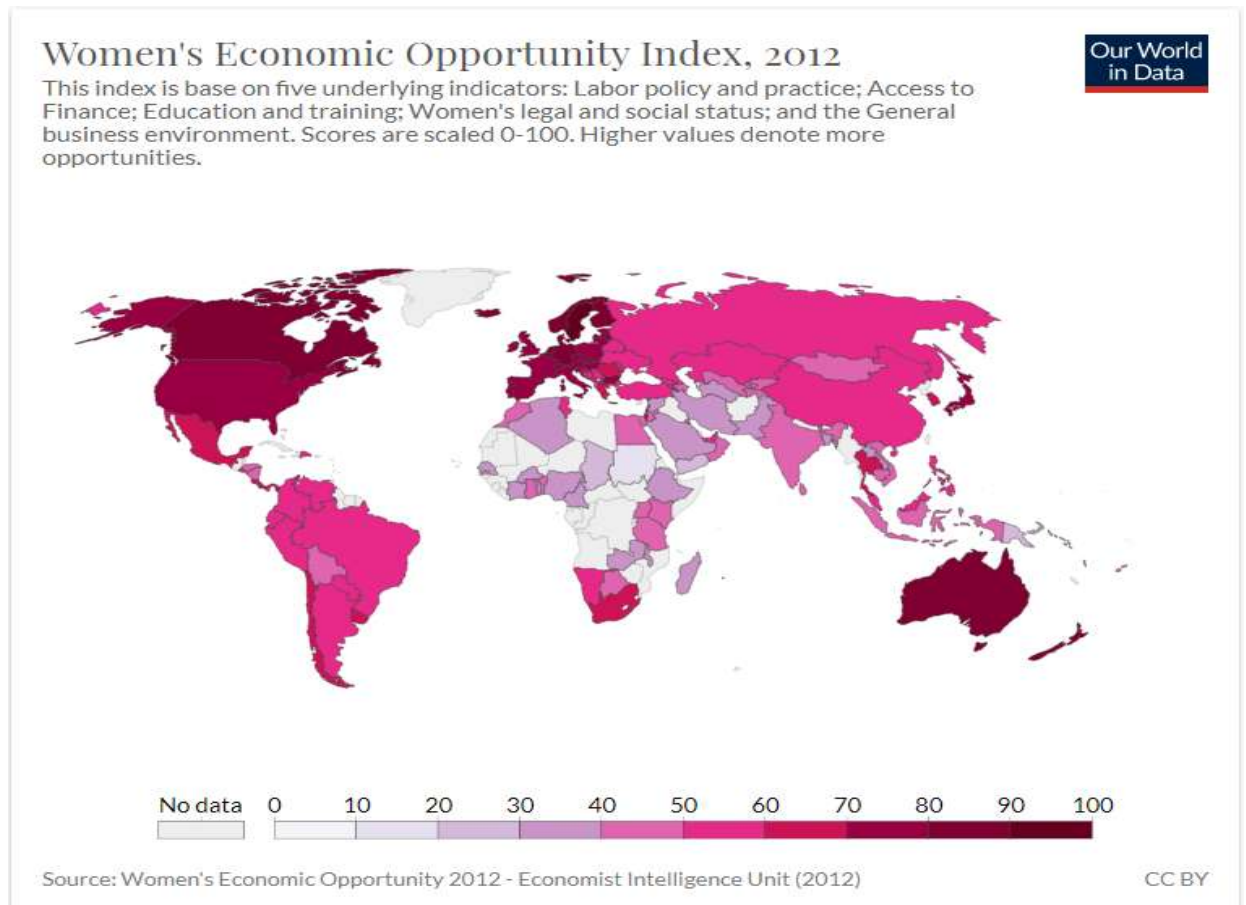
INTRODUCTION-

WOMEN'S ECONOMIC OPPORTUNITY INDEX-

The “Women's Economic Opportunity Index” covers 126 countries based on 26 indicators published by “The Economist Intelligence Unit”. The index is approved by a team of gender experts who measure the economic environment for women's participation in these countries. The index is unique in itself because in the present world the participation of women does not only depend upon economic factors but on social attitude and customs of that society too. The indicators are quantitative and qualitative. 1) Labour practice and policy 2) Finance: Education and training, Legal and Social status, General business environment. Key finds of the report are: 1) Norway and Sweden are at the top positions due to open labour market, educational success, liberal social and economic regimes 2) Chad and Sudan are worst performers 3) India has been slipped at 112th position 4) There is inequality in opportunities because a large share of unpaid work falls on women 5) Women are restricted to have property in many countries which tightens their credit control leaving them with no asset. 6) Women are mainly concentrated in small retail businesses

¹ Author: Dr. AnandMittal : Associate Professor, Hansraj College, University of Delhi, Delhi. India ;
email:dr.anandmittal@yahoo.com

Figure. 1

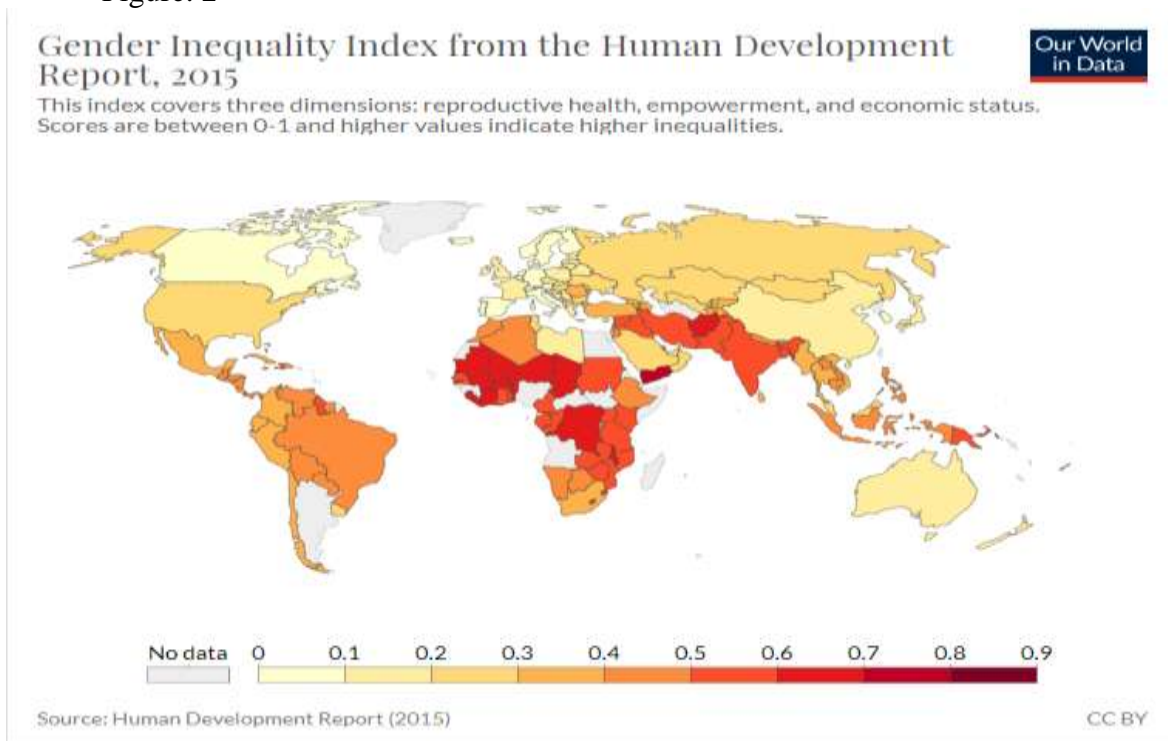


Source: Women's Economic Opportunity 2012- Economist Intelligence Unit 2012

GENDER INEQUALITY INDEX FROM THE HUMAN DEVELOPMENT REPORT

The Human Development Report published by United Nations measures gender inequalities across various fields, including economic sector. The index, called Gender Inequality Index measures inequality in three aspects 1) Reproductive health ("maternal mortality rate" and "adolescent birth rates") 2) Empowerment (parliamentary seats and proportion of females more than 25 years of age with secondary education) 3) Economic status (labour market participation). The key findings of the report are: 1) 20th century saw advancement in the economic world 2) The reverse in progress happened in European Union after the disintegration of Soviet Union which left the economy in ruins.

Figure. 2



Source: Human Development Report (2015)

REVIEW OF LITERATURE

Dollar. D, Gatti. R (1999) relates the socio-economic development with that of the status of women. It covers factors which might affect the women's participation in income generation. Education being one of the many factors responsible for low participation is measured and the major reason for this is religion and also states that some societies are fine with it. There are also failures in market mechanism which affect the investment done in girl's education and these investments improve with the development of country and create gender equality. Author explains the reason behind more investment done in education of son is more than the investment done in daughter's education, "Gertler and Alderman (1989)" provide the explanation that the parents might think that the return of the investment with son might bring them huge returns in contrast to the returns brought by daughter.

Matthews. R, Nee. V (2000) discuss about the effect of economic growth on opportunities given to women in rural China. The rural income increases when there is expansion of non-farm opportunities but the benefit is enjoyed only by the male members of the family which indicates that even if there is an improvement in the economy, women's situation and circumstances will not change rather will deteriorate. As employers approve of more male members, they leave their agriculture sector which becomes feminized and they also lose their respect in the family as they earn less than the male members. Since rural families invest more in the male members than females, they are bound to get good quality jobs than girls.

Seguino. S (2000) says gender inequality has drastic impact on the economy of a country. The author wants to bring out the relationship between gender and growth, stating that in the modern world technology and trade is taken as the prime mover of economic development and it effects the "balance of payments", increases the foreign exchange capital but in addition to all these factors the modern policies tend to focus of income distribution of this growth also. The present gender opportunities show how different genders occupy different class levels in the economy where women are poor, undernourished, not much educated,

overworked compared to men. The reports state females in the skilled jobs have a constructive impact on aggregate demand enlarging the scope of the economy with increasing levels of income.

Mandel, Hadas (2007) presents the role of public policy on the contribution of females in the work force which later has an effect on society as a whole, it also differentiates between countries based on the political model they follow in achieving high quality standards to their citizens. The growing economic and social importance provided to the labour market has led to increasing demand for acceptance of women into those markets for their independence and empowerment. Their limited role of being a housewife makes them dependent on the bread earner and they get devoid of their social rights too. As labour market brings self realization and social status, income and social protection, it has become necessity for equality in the present society. Where the labour market is seen as a necessity for economic equality, the state also tries to overcome all the obstacles with the aim of providing equal jobs and salaries. Public policies in Scandinavian countries are made to bring women into the labor market, providing them with social rights and also providing special need of the working mothers. Social democracies lay stress on policies that would fulfill needs of working women to make their life comfortable. A semi-democratic country like Sweden has managed to provide the conditions which are favorable to women being both a worker and a mother. Sweden represents a dual-earner model, where state takes care of work and family services, United States is a purely capitalist country which lays emphasis on generating profit from the citizens, Germany and Italy are the conservative countries which rely on the bread earner.

Schober. T, Winter-Ebmer. R (2011) says gender economic inequality starts from inequality in gender where investment in son's education is done more rather than the daughter's education which reduces the human capital eventually harming the growth of the economy. Earlier reports stated that the "gender inequality" is beneficial to economy but with growing times where the world is in a rat race to become number one, a country should make appropriate use of its human capital whether it be a male or a female. Reports have stated that with reducing the share of women in the economy, their power in the household also reduces; they lose their respect and suffer from societal exclusion too. It is reported too that women who earn well they tend to spend their income on the family members, for getting better education and health care to their children which indirectly also affects the economy in a positive way where the government can use that money to help the poor and the needy. The author concludes by saying that it is evident that keeping women away from education and work force is to not full use of the human capital present within a country by keeping their talents go unnoticed.

Weir. D, Lay. M, Langa. K (2014) compares India and China stating the major gender gap in India as compared to China. Due to the disadvantaged meted out to women in human capital, the gender gap has increased larger in India as compared to China. Even though with China's one child policy resulting into giving more births to a male child and with increasing population who are about 45, even then the gender equality is less in China compared to India with its huge population of females in the working sector. This might also be the reason of China's fast growing economy where women are represented well as compared to India where we have such huge human capital but are not using it. It is due to the orthodox nature and conservative value of the families who do not let females in the society work and also the male chauvinism who do not let women enter powerful jobs which would hurt their male ego. By increasing the share of women in economic sector, India might be able to achieve better levels of income levels.

Anastasiou S, Filippidis K, Stergiou K (2015) examines the relation between gender and economic growth in Greece and other Balkan states. Research has stated that organizations with female workers at a high professional level perform better in financial and corporate governance. Though women now have access to better education and opportunities and government also make incentives for them to enter a male dominant industry, still women who land up in these jobs are subjected to low paying jobs and discrimination. No country has shown have full gender equality not only in economy sector but also in other social opportunities also. Among many indicators to measure gender inequality, one such is gender pay gap which shows the gap in the income received by men and women for an identical job. More devastating is the fact that the “gender pay gap” is seen also in high income earning countries of Middle East also, there the participation of women has increased but they are subjected to exploitation with low income and work exploitation. Another measure is the gender ceiling which shows barriers and averts females from entering such industrial sectors. Greece has had a huge effect on its economy among other European Union nations with its fiscal policies by curbing benefits to workers.

Grotti. R, Scherer. S (2016) says that the world is seeing the changes made in the attitude of people towards gender equality where women are equally capable to do work done by men and simultaneously establishes the view that the existing inequality between genders is due to resources being invested in a particular gender. Economic inequality is also important from a sociological point of view because of its consequences on the society, effect on life expectancy, education. The author tries to understand whether the share of women in the work force reduce inequality in economic sector or not but some key reports have stated that the contribution of females in the economic sector lead to reduction in inequality meted out to women in every field, because the economic sector influences the sociological situation of women also where they are confronted with better quality of life. Economic equality creates equality in society where there is a similarity between the income of both husband and wife which balances the partner’s contribution towards housework and household expenditure too. In countries like Italy, Germany and Scandinavian countries, the contribution of women is very high which shows increasing levels of high income generation in the economy. Author mainly stresses about creating equality among the household between both the partners and the possible way is to increase the contribution of females in the labor market.

Kennedy. T, Rae.M, Sheridan.A, Valadkhani.A (2017) analyses the situation in Australia where it has been decades since the laws have been made to tackle gender income inequality, still the men continue to dominate the economy. The data presented shows that the share of females in the work force has increased but the “gender pay gap” is also increasing. The author sees gender inequality as multidimensional where it is not enough to increase the female population in the work force to tackle the situation but many steps and policies have to be formed to solve this problem. The reason why female population is still under represented is the masculinity imbibed in the economic sector. It has been reported that with expanding female workers in the firms, the organizations performance improves while focusing on the benefits of the firms by meeting better market needs. If the women are paid equal to the men for an identical job then women would seek to have better jobs contributing to the labour force and increasing the levels of the income generation in the economy. Increasing inequality is a worse situation which benefits no one, where the women are seeking to have better jobs, the unemployment rate increases, the level of poverty in the country increases and the country suffers due to low GDP. The author explains the different ways how the inequality is created in Australia; by giving lower wages to women or an identical post as a man, exploitation of the labor force by making them work for long hours,

hiring only male population for high professional jobs and paying them more and finally the difference in quality of education and opportunities provided to men and women.

RESEARCH OBJECTIVES-

- I. To examine the current condition of females in the economic sector
- II. To evaluate the key findings of the inequality indexes
- III. To analyze the challenges faced by women to enter such sector and to provide solutions to overcome such challenges

DATA AND METHODOLOGY-

The paper adopts descriptive and explanatory approach of making the assessment of gender inequality in economic sector and how it affects the standard of quality of citizens. The paper being purely doctrinal research paper relies to some extent upon the previous year reports released through United Nations in the assessment. The common way to analyze inequality is to take averages of income of both genders with inherent inequalities like education and opportunities given to different gender. The paper tells that the inequality and discrimination is not the same thing, discrimination is when someone is being favored against another person due to some external factor and not that person's abilities, and it is a cause which results into the effect of inequality. It's present in the world over where women are being discriminated against the male members of the society, being it their brother who gets better quality education at the sake of the girl's education or the employer who employs a not so good quality employee because he being a male would not ask for maternity leave or social security. The situation is better in countries of Scandinavia where government has made liberal laws where both genders are considered equal and better on the job training is provided so that no discrimination is done against a section of society. The condition is worse in countries like India where being both poor is filled with religious orthodoxies where women are not allowed to attend schools or work outside their home because it would pollute them. But pollute them with what, pollute them with ideas of better life or innovative and creative ideas, to know about freedom, the condition similar to Soviet Union where people who were kept isolated started to rebel when they got to know about the better quality lives of people living in west. The author does not deny the fact that women are employed in economic sector, yes they are but the work they do is mostly unpaid for and are overburdened with work which they are overqualified for. This modern world needs the participation of both the sections of society male and female in equal proportion, no section is inherently dominant over another and we should make it externally either, they are made equal and we should treat them as equals.

ANALYSIS-

1. DISCRIMINATION VERSUS INEQUALITY-

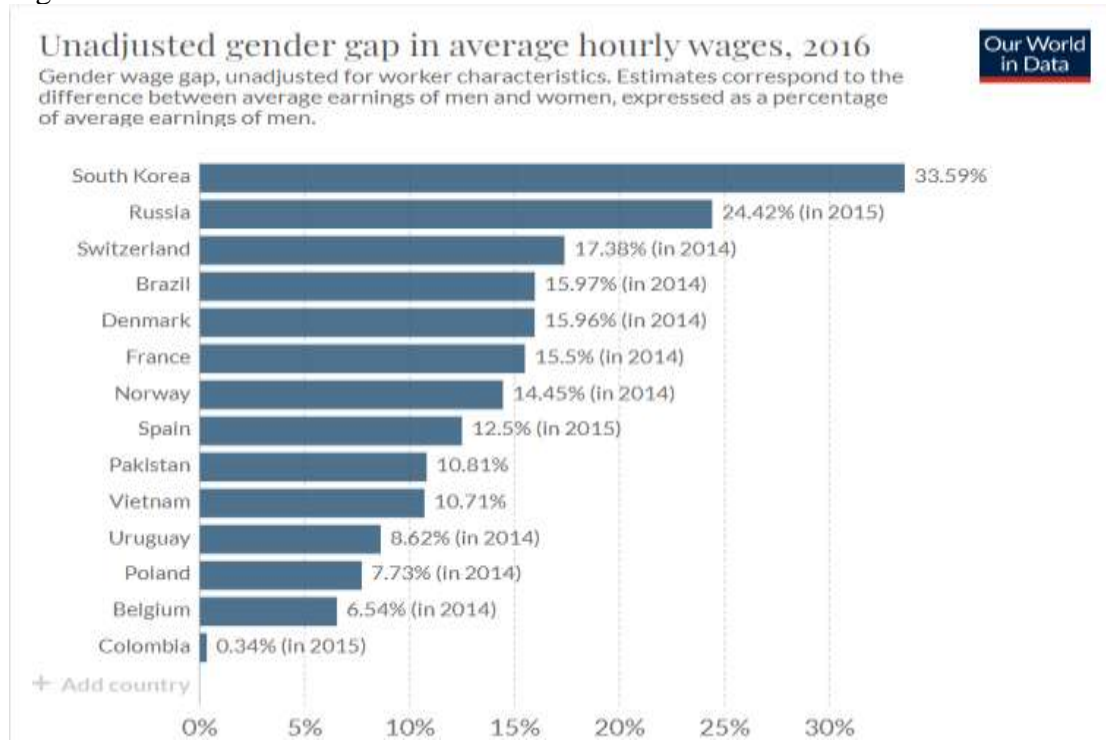
Discrimination is a cause giving rise to poverty, hurdle in removing poverty and inequality. Discrimination happens when someone is favored despite the capabilities of other person which results into inequality between those individuals. Inequality is about not having equal chances like others due to some inherent discrimination.

2. GENDER PAY GAP-

It is a metric that indicates the difference in pay between male and females can also be stated as inequality in payment between men and women. When it is calculated by just comparing the workers, then it is a raw indicator but when it includes variants such as education, experience then it becomes an adjusted pay gap.

In most of the countries, the pay gap is positive i.e. men get high wages than women for the same amount of work and the gap varies across various countries.

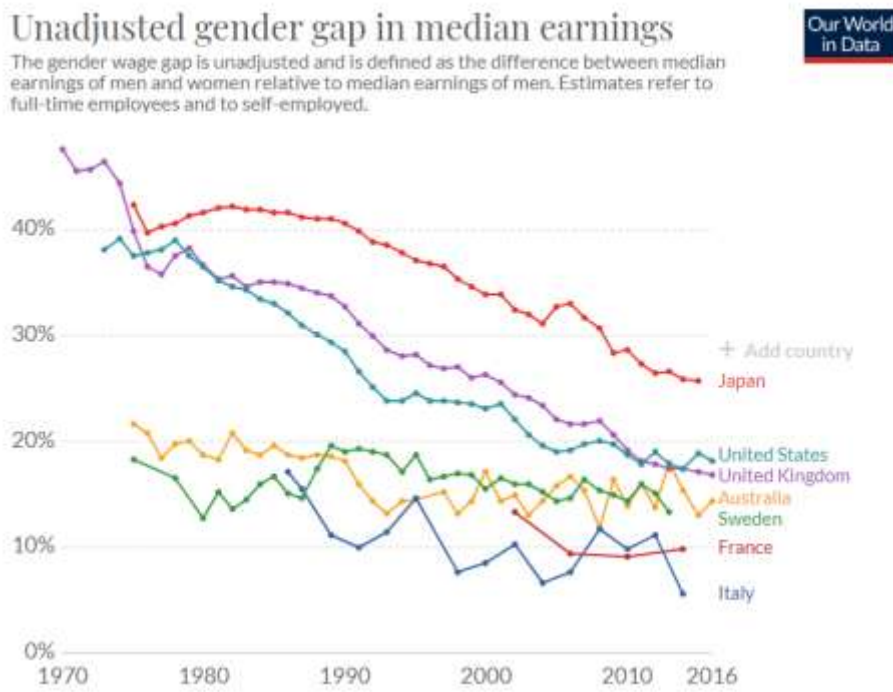
Figure. 3



Source: ILOSTAT

Improvements are seen in “gender pay gap” where countries are moving towards equal pay between men and women. Values closer to 100 represent lower gap. A major finding from reports states that the gap increases with women getting married and having children who reflects that the economic environment is hostile to working mothers and they are looked upon. It acts as an indicator which indicates the government to work in ways that reduces such factor in the economic sector. This also means that in countries where the conditions for women with a family is not good and if the gap reduces in these countries, it is due to women with certain traits like with no husband or children are employed and this should also be taken account of that the women in high GDP countries are overrepresented in low paying jobs. Even though the gap is reducing but it is evident that women are still not given high profile jobs with huge responsibilities.

Figure. 4



Source: OECD, Gender Wage Gap (2017)

Figure. 5

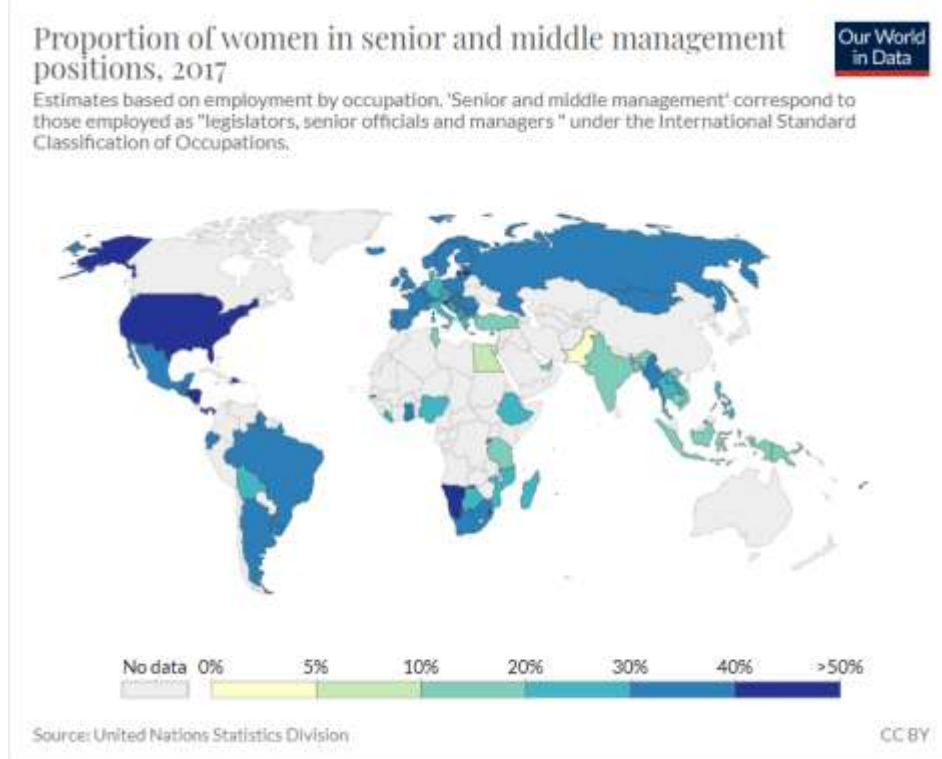
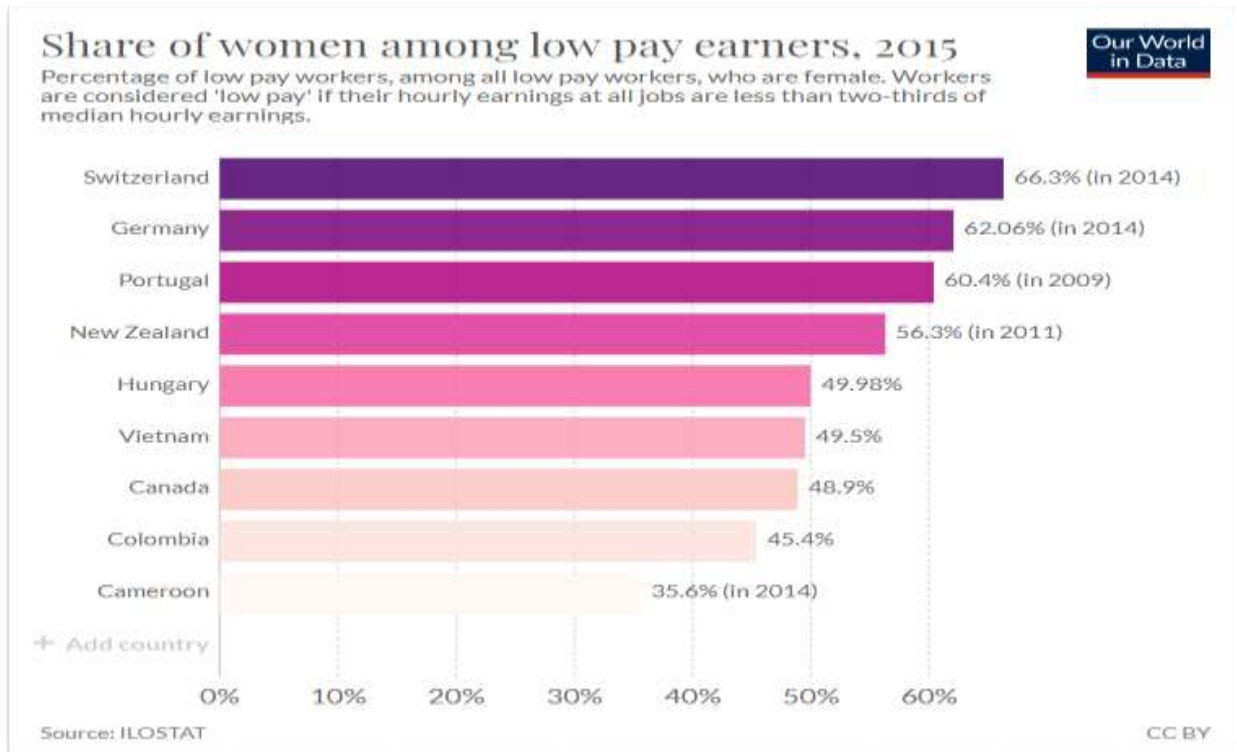


Figure. 6



3. WOMEN IN INDIA-

Women in India contribute to 29% of labour force and most of the work done by them is unpaid, most of it being informal or unprotected which means that they might be employed in the agriculture sector working for their family. Mainly all those who contribute are not represented well in business sector and not given any high professional job. Though most of them are employed in agricultural sector only 9% hold such land holdings depriving them of any assets which limit their credit also. IMF estimates that India's GDP might rise by 27% with increasing contribution of women in the work force as of men. Their employment does not only benefit those who are employed but women generally spend their income earned on their family, they boost demand, provide their children with better education who in future again contribute to the society. The "Government of India" has launched MUDRA scheme to support micro enterprises and direct benefits through "Pradhan Mantri JAN Dhan Yojana" to improve the quality of life of women. Potential sectors where women can create jobs for themselves are the private sector and business community due to the high wage provided. Though there is a need to provide women with training skills, vocational skills, financial literacy programs, but once all this expenditure is done, women when start working like professionals would bring great profits to the firm.

4. CHALLENGES-

It is very common in rural India and the world also to invest more in the education of their son rather than their daughter which lands their sons in better job opportunities and deprives the girl child of any such opportunities and limits her to do household chores, this is the biggest challenge that India is facing today, on how to improve the quality of education given to girl child to provide her also with better opportunities. Another challenge that the world faces due to capitalization is that the firms hire people with better education and work experience so that the firm has to spend less on the job training of those employees which is

not the case with the female employees, they are mostly non-skilled with poor job experience and that is why the expense on their job training is much higher. This challenge needs to be curbed by reducing the amount of this job training so that the employers are not hesitant to give opportunities to women too. Many women also do not feel confident to go out and be independent as they are scared or they fear that they may not be able to perfectly balance between work and family life, the burden of family life always stays with the women, this needs to balance between both man and woman. There are these social norms too that women should not work outside the home or should be limited to household or agriculture chores only as was believed also during the colonization period that educated woman would lose her household, but the recent examples has proved all these conceptions wrong where women have come out to prove their capabilities. A unique challenge that has come out in the recent time for women is that the employers are now scared to hire women in their firms because of the “ME TOO movement” where many women spoke out about the harassment happened with them in their workplace, now the influential male employers do not employ women in fear of such allegations.

CONCLUSION AND WAY FORWARD-

With inequality and discrimination all over the world, there is an urgent need to alleviate this by adopting various measures which are designed to reduce inequalities, which address discrimination, and realize the importance of equal rights to the marginalized. A specific target must be set to fulfill the needs of the indigenous and the marginalized including both social and economic within a limited period of time. Before coming to solutions, the factors which lead to discrimination must be looked upon, this must include the laws made by the government and must be checked where they bind the people or create a division among them, then it develops a necessity to develop non-discriminatory laws and fulfill such laws by implementing them. The measure to recognize discrimination must be land and cultural rights. To measure such data, appropriate data must be collected using national and international organizations. As already discussed the inequality in economy is related to its social factors also, and that is why target must be set which fulfill needs of women. Another way to reduce inequality is by expanding the investment done in women’s education. Even in India the boys are given the privilege to go to private schools whereas the girls are made to go to public schools; if this inequality is culminated maybe the gender gap would reduce as both the male and the female would be given the same education and training. Most firms today give rewards to employees to devote extra time to work with long hours, fixed and non-fixed schedules but this should stop as it discriminates against women as many women are not allowed to stay out till late nights but is also against the human rights where the firms try to exploit its employees with giving the incentive of extra wage. These are all suggestions in theory but can be implemented only when there is a change in the social custom as well which accepts the need of women in different spheres of life and does not limit them in their household work, to empower them. The laws must be made where the original culprit must be taken into account of, women also should not be allowed to take advantage of such situations but must respect the law and not put false allegations against an innocent man. There is a need to increase the access of internet to women so that they can start their businesses on their own and showcase their capabilities to the world, we should also invest in more women entrepreneurs who are capable and can bring huge returns on investments. The author has made its research and presented the data that was relevant to explain the worsening situation of women in this modern world. We talk about equal rights and representation but not take them literally as nowhere are those things to be seen literally. Many reports have concluded by saying that the participation of women in the firms

increases their benefits by focusing more on the benefits of the firms and fulfilling the needs of the market. We should not discriminate because we are equal, no one has been made superior to another, and realizes the importance of women in every field that we can possibly think of and start to work towards making our society better for women too.

REFERENCES-

Alderman, Harold, Gertler, Paul (2010) “The substitutability of public and private health care for the treatment of children in Pakistan” (English)

vol. 1

Anastasio S, Filippidis K, Stergiou K (2015) “Economic recession, austerity and gender inequality at work. Evidence from Greece and other Balkan countries”. *Procedia Economics and Finance* vol. 24, page(41-49)

Dollar. D, Gatti. R, (1999) “Gender Inequality, Income, and Growth: Are Good Times Good for Women?” *Working Paper Series, No. 1*

Grotti. R, Scherer. S, (2016) “Does gender equality increase economic inequality? Research in Social Stratification and Mobility” *Research I Social Stratification and Mobility*

Kraus MW, Callaghan B (2014) “Noblesse Oblige? Social Status and Economic Inequality Maintenance among Politicians”. *PLoS ONE* 9(1): e85293. doi:10.1371/journal.pone.0085293

Kennedy. T , Rae. M ,Sheridana. A ,Valadkhani. A, (2017) “Reducing gender wage inequality increases economic prosperity for all: Insights from Australia” *Economic Analysis and Policy* vol. 55 page(14-24)

Mandel, Hadas (2007) : “Ideology, family policy and gender economic inequality: Different models, different tradeoffs”, *LIS Working Paper Series, No. 465, Luxembourg Income Study (LIS), Luxembourg*

Matthews. R, Nee.V, (2000) “Gender Inequality and Economic Growth in Rural China” *Research* 29, 606–632

Seguino. S, (2000), “Gender Inequality and Economic Growth: A Cross-Country Analysis”. *World Development* 28(7) pp. 1211-1230

Schober.T, Winter-Ebmer. R, (2011) “Gender Wage Inequality and Economic Growth: Is There Really a Puzzle?—A Comment *World Development*” *World Development* Vol. 39, No. 8, pp. 1476–1484, 2011

Weir.D, Lay.M, Langa K, (2014) “Economic Development and gender inequality in cognition.A comparison of China and India, and of SAGE and the HRS sister studies”. *The journal of the Economics of Ageing* vol. 4, pp(114-125)