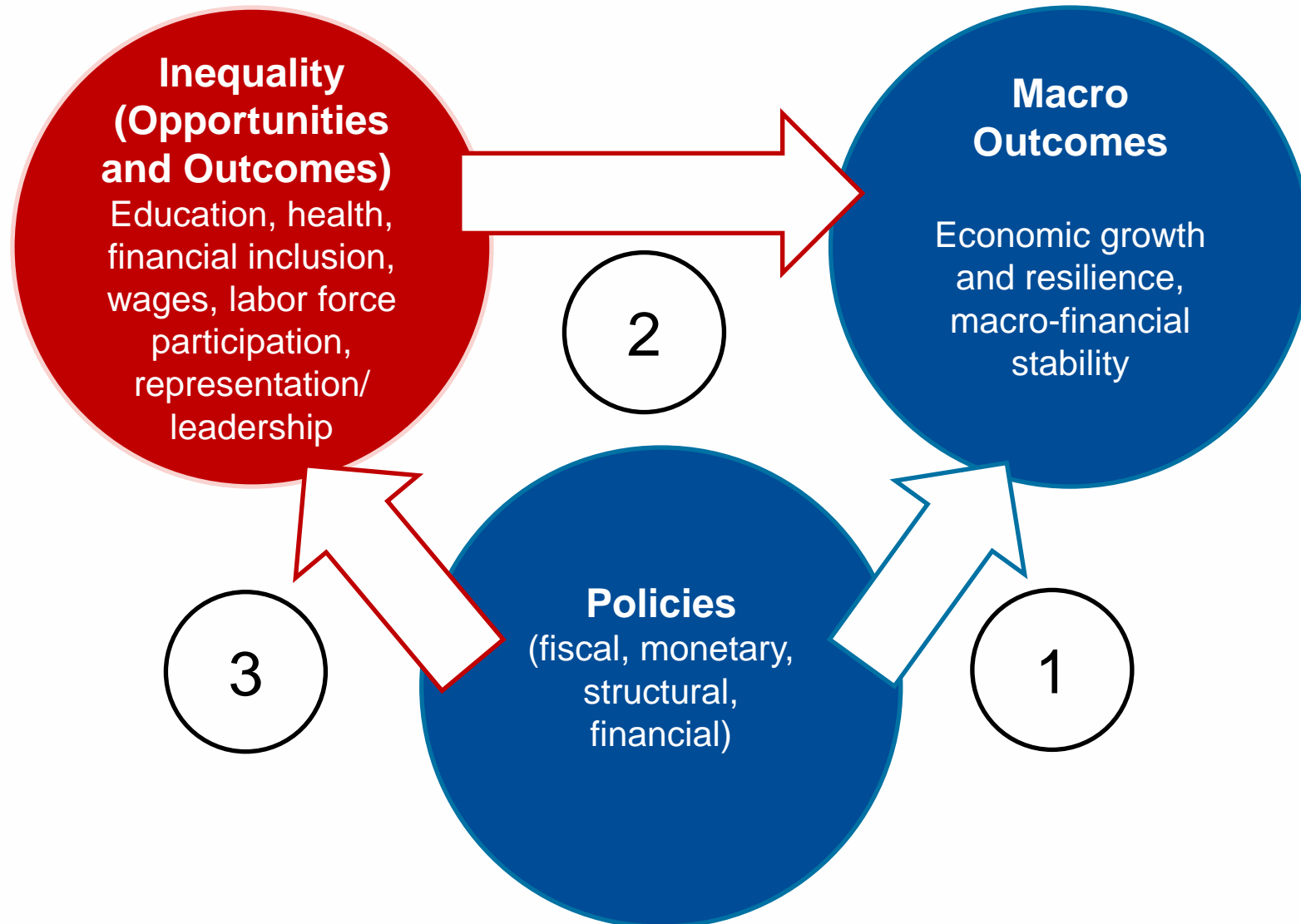# The Economic Case for Women's Empowerment:
Insights from IMF Research

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IMF Strategy, Policy, and Review Department

IMF approach starts from economic growth and resilience as is focused on macroeconomic policies.

Inequality (Opportunities and Outcomes)
Education, health, financial inclusion, wages, labor force participation, representation/leadership

Macro Outcomes

Economic growth and resilience, macro-financial stability

Policies
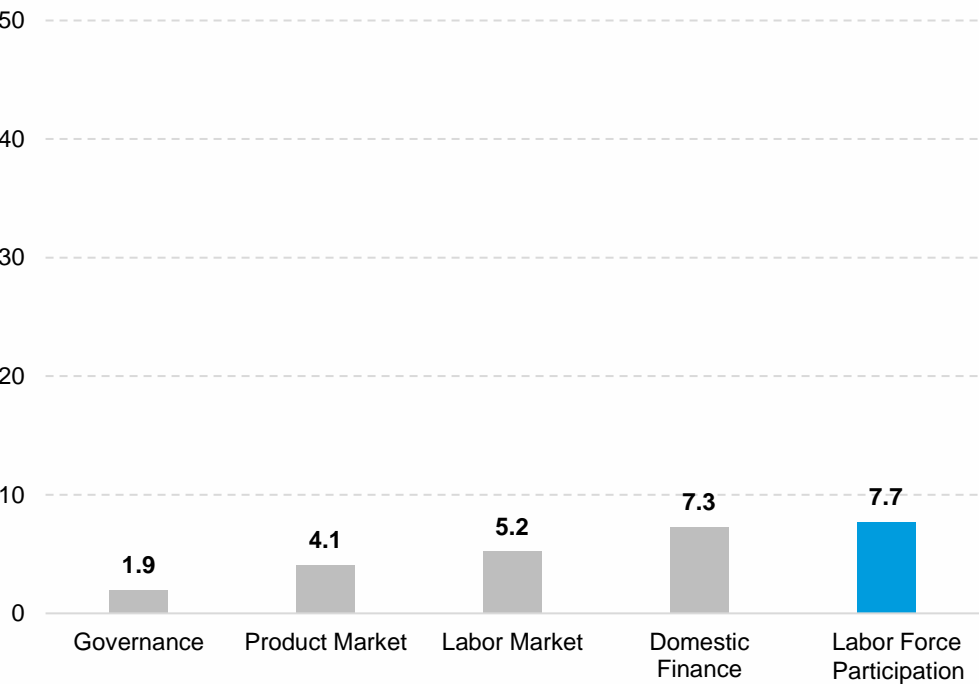(fiscal, monetary, structural, financial)

1

2

3

Evidence on the Macroeconomic Gains from Women's Economic Empowerment

Women's economic empowerment is critical for sustainable and strong growth and can amplify the impact of structural reforms
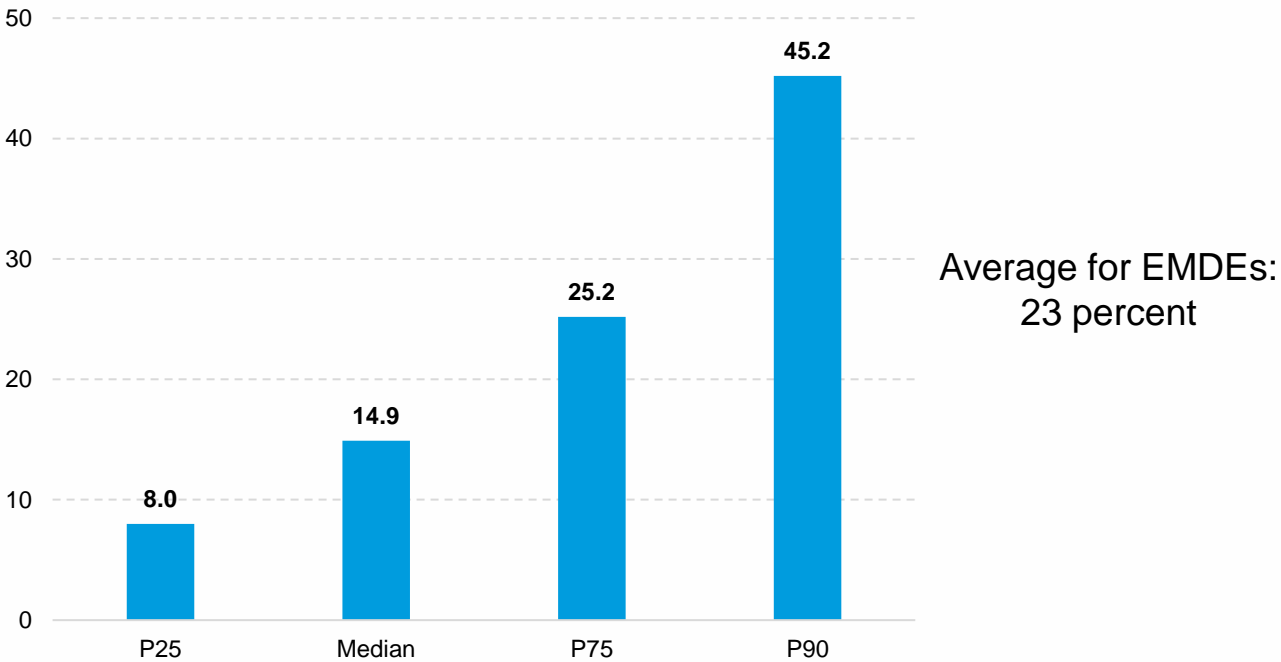
GDP Gains from Reforms
Model results, based on actual reforms
(% of GDP)

Bar chart values: Governance 1.9, Product Market 4.1, Labor Market 5.2, Domestic Finance 7.3, Labor Force Participation 7.7

GDP Gains from Fully Closing Gaps in Labor Force Participation
Model-based, a longer-term scenario
(% of GDP)

Bar chart values: P25 8.0, Median 14.9, P75 25.2, P90 45.2

Average for EMDEs: 23 percent

Source: The first four columns are from WEO (IMF, Oct. 2019, Ch. 3), model simulated, based on actual reforms. The fifth column is based on Ostry and others (2018), updated by staff assuming all countries reduce labor force participation gaps in line with what the top 5% best performing countries achieved during 2014-19.

Source: Ostry and others (2018). Based on 128 countries. For gains be realized, various frictions such as financial barriers and informality would need to be addressed, requiring both broad macro-structural reforms and friction-specific reforms.

Women's labor force participation can offset pandemic scarring.

- **Closure of labor force participation gaps** in EMDEs:
  - ✓ 23 percent output gain on average
  - ✓ Large gains even with partial closure of gaps—offsets pandemic scarring (see chart)

- **IMF toolkits** help quantify the gains for individual countries, e.g., recently:
  - ✓ Albania (5 percent)
  - ✓ Montenegro (14 percent)
  - ✓ Belize (23 percent)
  - ✓ Bangladesh (40 percent)

GDP Gains from Narrowing Labor Force Participation Gaps versus Pandemic Losses
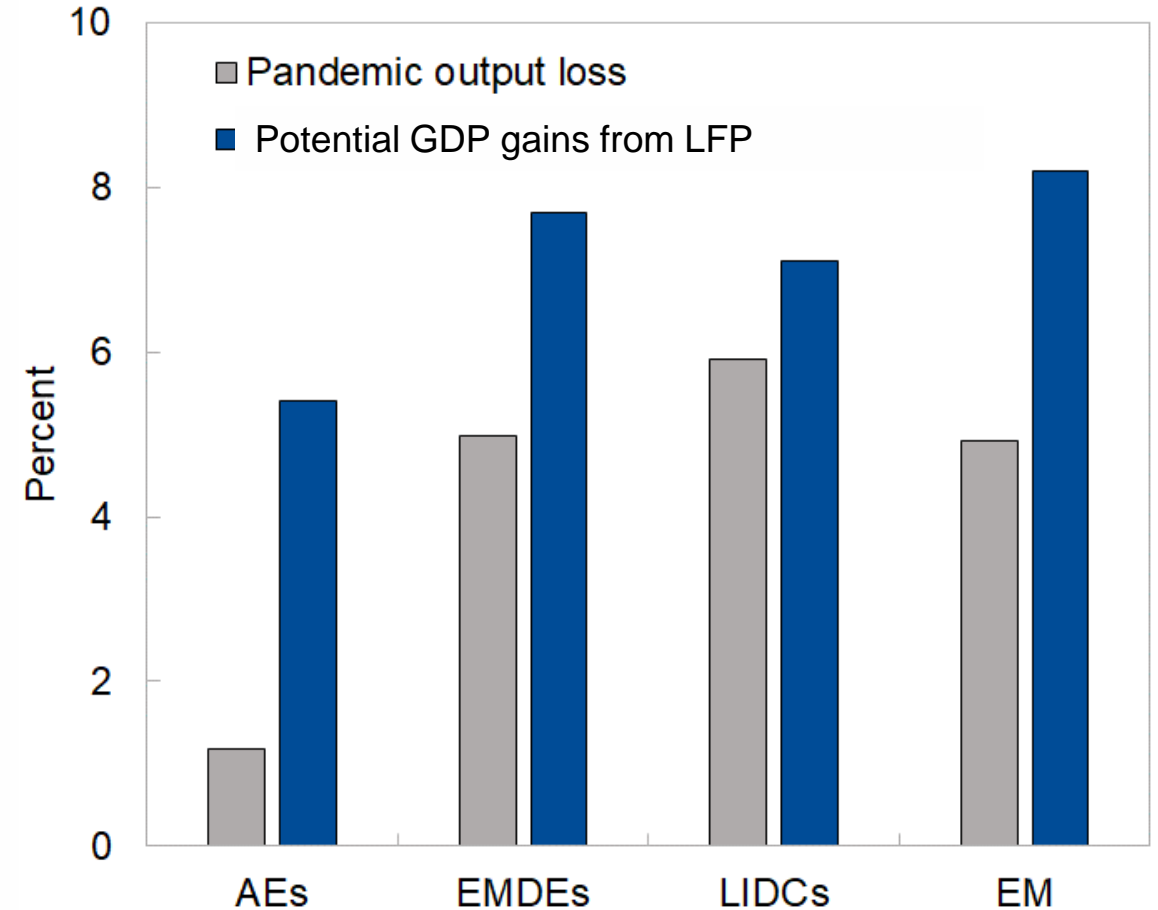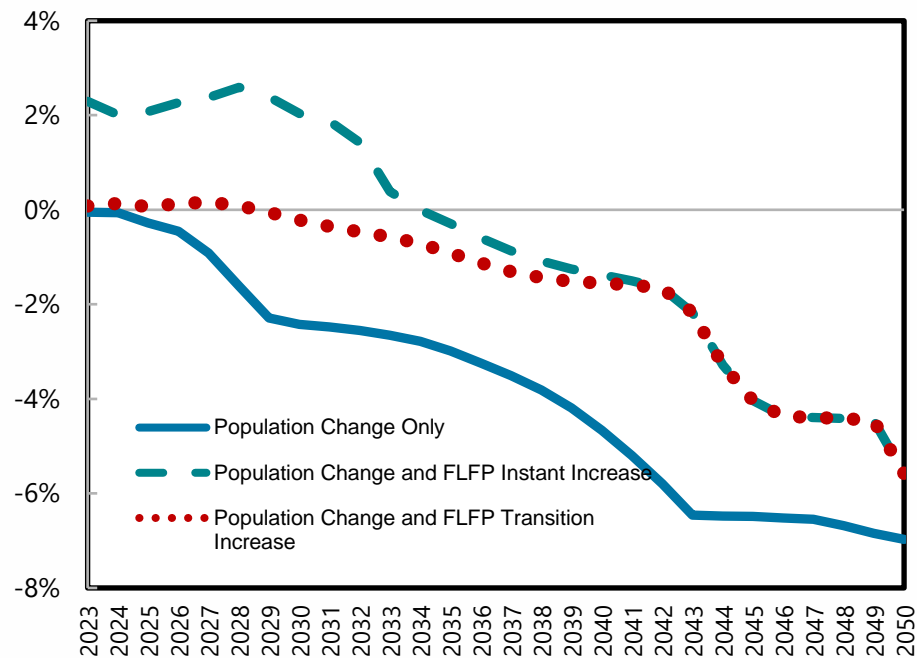

Sources: Ostry and others (2018); IMF staff calculations.

For aging economies, increasing female labor force participation (FLFP) helps mitigate the effects of demographic shifts.
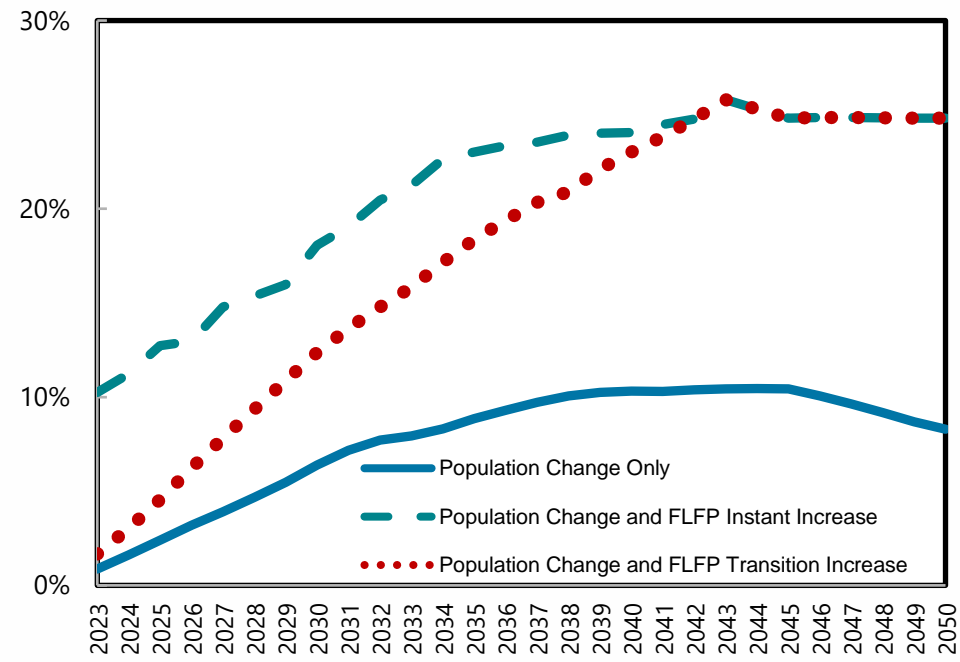
AEs: Median Change in GDP
(% change, under median population growth projection)

Note: In AE, we assume FLFP increases such that gap is no more than 7 percentage points. From Demographics Toolkit.
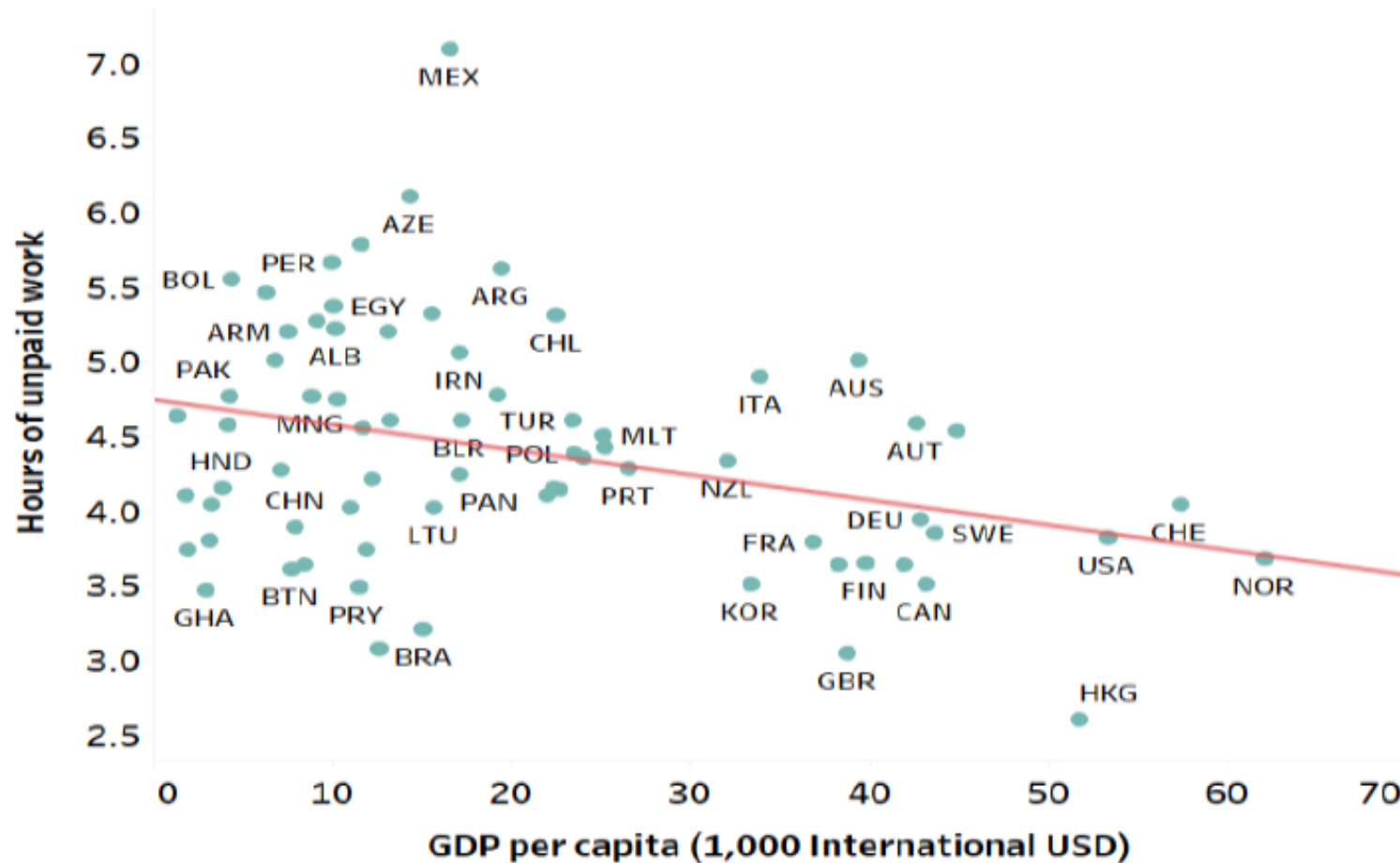
EMs: Median Change in GDP
(% change, under median population growth projection)

Note: In EM, we assume FLFP increases such that gap is no more than 10.25 percentage points. From Demographics Toolkit

Higher female labor force participation—supported by addressing unpaid work—could boost GDP.

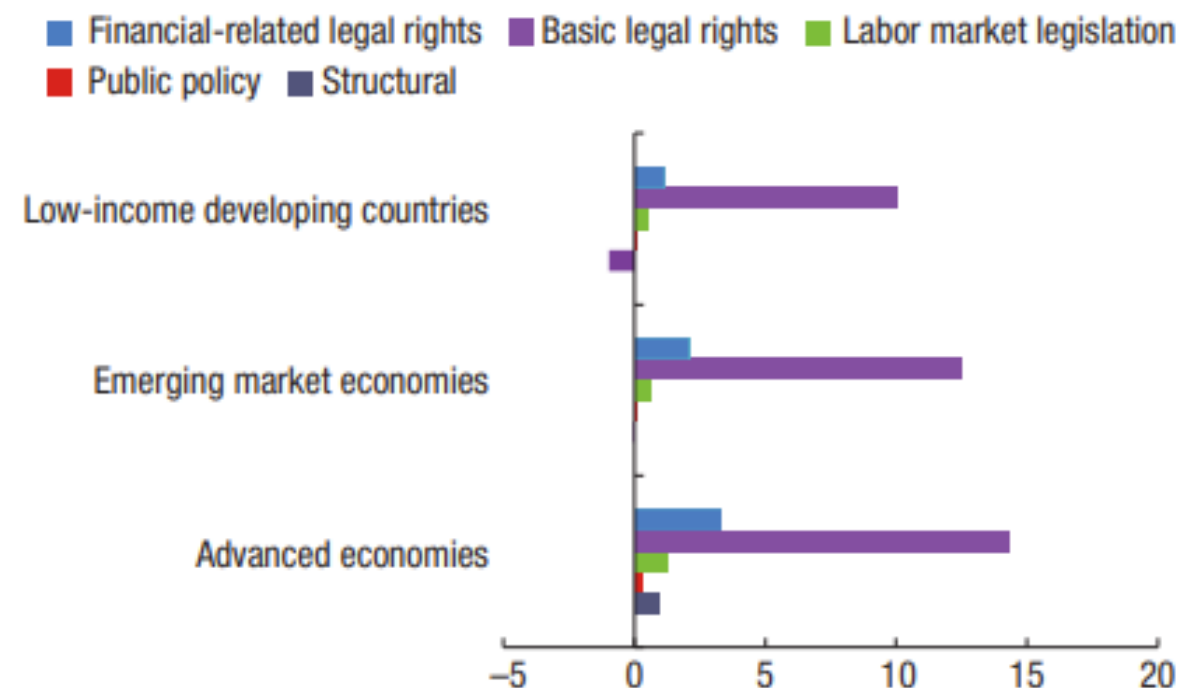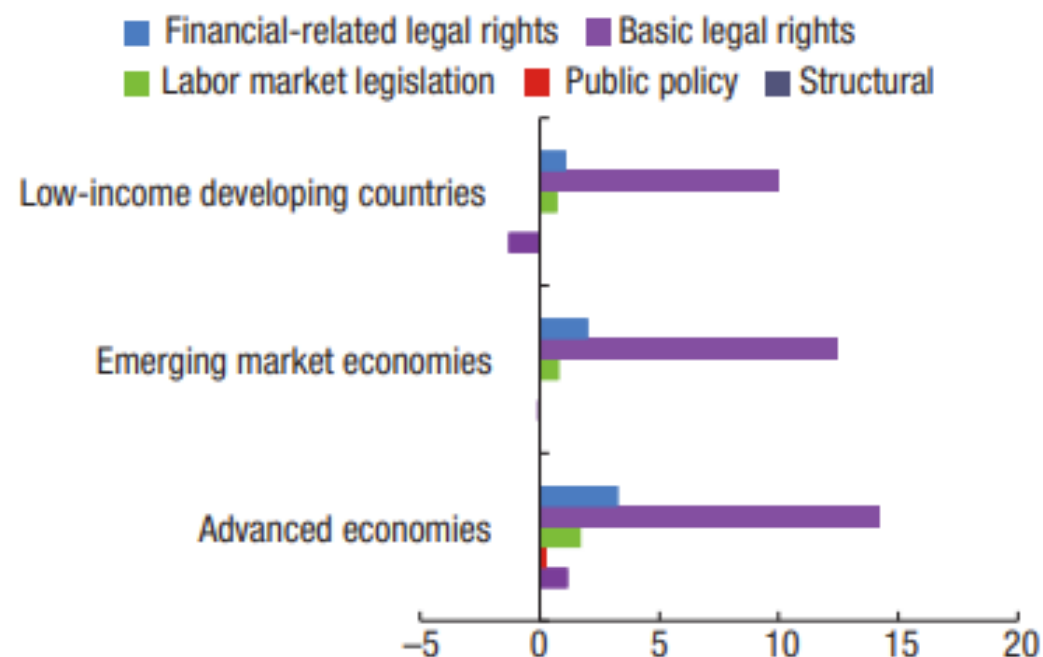**Alonso and others (2019)**

- With ↑ income, countries devote less time to unpaid work.

- Negative relationship with *FLFP*.

- Simulations for 18 AEs/EMs show that policies that support women's paid work yield up to three to four percent of GDP.

Legal barriers and access to finance are drivers of lower female labor force participation rates in MENA.

1. Female-to-Male LFP Rate Differential: MENA vs. Income Groups
(Percent)

- Financial-related legal rights
- Basic legal rights
- Labor market legislation
- Public policy
- Structural

2. Female-to-Male Employment Differential: MENA vs. Income Groups
(Percent)

- Financial-related legal rights
- Basic legal rights
- Labor market legislation
- Public policy
- Structural

Source: IMF staff estimates.
Note: MENA = Middle East and North Africa.

Note: See Balima and Gomes (2022) for further details.

Policies to Support
Women's Economic Empowerment

Selected Policies for Women's Economic Empowerment

Legal reforms

- Constitutional law and civil rights
- Family law
- Property law
- Labor law
- Tax law

Fiscal policies

- Performance-based budgeting
- Spending on education, health, infrastructure and well-targeted social assistance
- Direct/indirect taxation
- Public sector wage policies

Financial sector policies

- Proportionate and risk-based supervision
- Supervisory guidance for FIs to reduce biases
- Investing in digital and financial literacy
- Equal access to digital infrastructure (mobile phones, high-speed internet, digital ID)

Labor market policies

- Parental leave and child/elderly care
- Training and skills enhancement
- Access to capital for small businesses
- Pay transparency

Policies matter:

- Taxation
- Family allowances
- Childcare
- Parental leave
- Education

Well-designed macroeconomic policies can not only help foster stability but also promote growth and women's economic empowerment.

Fiscal Policy and Institutions

✓ *Tax policy*, including eliminating explicit and implicit distortions (e.g., Montenegro, Türkiye)

✓ *Revenue administration* (e.g., compilation of good practices, TA on customs administration)

✓ *Pensions, social safety nets* (e.g., Mexico, Saudi Arabia)

✓ *Investment* to promote women's economic participation, such as in safe transportation (e.g., Jordan), infrastructure (e.g., India), and childcare (e.g., Austria, St. Lucia)

✓ *Performance-based budgeting* (e.g., Angola, Costa Rica, Bangladesh, Grenada)

Structural Reforms

✓ *Legal*, including equal rights to immovable property (e.g., Kiribati), workplace protections (e.g., Jordan) and removal of restrictions on type of work (e.g., Qatar)

✓ *Labor market*, including enhancing flexibility (e.g., Korea, Luxembourg), and parental leave policies (e.g., Japan)

✓ Enhancing *financial access* (e.g., Cote d'Ivoire, The Gambia)

✓ *Education/human capital* (e.g., Belize, Mali, Niger, Somalia)

✓ *Disaggregated data collection* (e.g., Aruba, Botswana)

Resources

IMF Staff Reports

	IMF Staff Reports (Fiscal Years 2023 and 2024)	Employment	Wages	Entrepreneurs & Leadership
AFR	Angola (IMF 2024c)	X	X	X
	Eswatini (IMF 2023j)	X	X	X
	Guinea (IMF 2024h)	X		
	Mali (IMF 2023s)	X		X
	Mauritius (IMF 2024m,n)	X		X
	Sierra Leone (IMF 2022d)			X
	South Africa (IMF 2023ad)	X	X	
	The Gambia (IMF 2024t)	X		X
	WAEMU (IMF 2024u)	X		
APD	Australia (IMF 2023c)	X	X	
	Bangladesh (IMF 2023d)	X		
	India (IMF 2023m)	X		
	Japan (IMF 2023n)	X		
	Japan (IMF 2024k)			X
	Kiribati (IMF 2023p)	X	X	X
	Korea (IMF 2023q)	X	X	
	Mongolia (IMF 2023v)	X		
EUR	Albania (IMF 2024b)	X		
	Austria (IMF 2024d)	X		
	Belgium (IMF 2023e)		X	
	Czech Republic (IMF 2023h)	X		
	Estonia (IMF 2023i)		X	
	Luxembourg (IMF 2023r)	X	X	
	Montenegro (IMF 2024o)	X		
	Romania (IMF 2023z)	X		
	Slovak Republic (IMF 2024r)	X	X	
	Türkiye (IMF 2023af)	X		

	IMF Staff Reports (Fiscal Years 2023 and 2024)	Employment	Wages	Entrepreneurs & Leadership
MCD	Iraq (IMF 2024i,j)	X		
	Jordan (IMF 2023o)	X		
	Jordan (IMF 2024l)	X		
	Morocco (IMF 2023w)	X		
	Morocco (IMF 2024p)	X		
	Qatar (IMF 2024q)	X		
	Saudi Arabia (IMF 2022c)	X		
	Saudi Arabia (IMF 2023ac)	X		
	UAE (IMF 2023af)	X		X
	West Bank and Gaza (IMF 2023ah)	X		X
WHD	Aruba (IMF 2023b)	X	X	X
	Bahamas (IMF 2024e)	X		
	Belize (IMF 2024f)	X		
	Brazil (IMF 2023f)	X		
	Chile (IMF 2024g)	X	X	
	Costa Rica (IMF 2023g)	X		
	Grenada (IMF 2023k)	X	X	X
	Mexico (IMF 2023t, u)	X		
	Panama (IMF 2023y)	X		X
	Paraguay (IMF 2022b)	X		
	St Lucia (IMF 2024s)	X	X	
	USA (IMF 2023ag)	X	X	

Non-technical Resources

Summary of IMF Work: Unlocking Solutions to Macroeconomic Challenges

Books

Kolovich and Newiak: Sub-Saharan Africa | IMF eLibrary

Women, Work, and Economic Growth – Leveling the Playing Field | IMF eLibrary

Fiscal Policies | IMF eLibrary

Podcasts

Monique Newiak: Good for Women Good for Growth: Closing Nigeria's Gender Gap

Monique Newiak: Financial institutions - OMFIF

Lisa Kolovich: Demographics–IMF Podcasts

Blogs: IMF.org

Tools and Data

Tax and Benefits Analysis Tool (TAXFIT)

The IMF's "Tax and Benefits Analysis Tool" (TAXFIT) is a microsimulation model that analyzes taxes and benefits (including income taxes, social security, social assistance, etc.) for households in 16 emerging market and developing economies, allowing users to compare burdens and generosity across different systems.

Financial Access Survey - IMF Data

ILO Care Policy Investment Simulator

UNSG High-Level Panel on Women's Economic Empowerment Toolkit

World Bank Data Portal

Women, Business, and the Law

ILO Statistics

Thank you!

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