

# Economic growth, education key to reducing gender inequality: Experts

They are critical in the long run, while policies such as flexible work arrangements are helpful

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The Covid-19 pandemic has exacted a disproportionate toll on women, who risk dropping out of school and the workforce because of additional household responsibilities.

But while policies such as flexible work arrangements are helpful, what is critical in the long run is sustained economic growth and investments in education. These in turn create good jobs for the middle class and reduce inequality for all, not just women.

This was the conclusion drawn by experts on Tuesday at the virtual Yale-NUS Global Affairs Lecture moderated by the dean of the Lee Kuan Yew School of Public Policy, Professor Danny Quah.

Speaking on addressing global inequality, former World Bank chief economist and Yale University economics professor Pinelopi Goldberg said that during the Ebola epidemic in West Africa from 2014 to 2016, more girls than boys dropped out of school and were less likely to return after the epidemic ended – something which could also happen with Covid-19.

Due to widespread lockdowns and shuttered businesses, many

women – who are over-represented in service sectors hardest hit by Covid-19 such as food and beverage, retail and entertainment – found themselves out of work.

This is unlike past recessions, which tended to affect men more than women, she said. “Traditionally, recessions hit the manufacturing sector harder where there are relatively fewer women than men.”

The World Economic Forum’s annual Global Gender Gap Report released yesterday showed the pandemic has rolled back years of progress towards gender equality, and the world is not on track to close the gender gap for another 135.6 years.

Prof Goldberg added that in low-income countries, this is compounded by an additional layer of women who are employed in the informal sector. They are invisible to governments and not covered by formal employment agreements, which means they have no access to Covid-19 relief packages.

The burden of additional childcare and housework has also caused many women to drop out of the labour force altogether, she said.

She added that a solution to this is flexible work arrangements coupled with aggressive childcare policies.

But it is economic growth which is key to reducing inequality in the long run, as this creates good jobs and helps lower-income workers and countries level up, said international political economy professor Dani Rodrik of Harvard Univer-



Participating in the Yale-NUS Global Affairs Lecture were (clockwise from below) former World Bank chief economist and Yale University professor Pinelopi Goldberg; moderator and Lee Kuan Yew School of Public Policy dean Danny Quah; and Harvard University’s John F. Kennedy School of Government international political economy professor Dani Rodrik. PHOTO: YALE-NUS COLLEGE

sity’s John F. Kennedy School of Government.

“It’s also about the maintenance of a fairly open international economic system... and having a world economy that is open to trade and investment, and the sharing of ideas and vaccines.”

Prof Rodrik said that while economists tend to focus on income disparities at the expense of other forms of inequality, one cannot deny that income is a “great facilitator” of access to other dimensions of a good life.

For example, he said, unequal ac-

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cess to Covid-19 vaccines, with wealthy countries having more access than poor ones, is “a stark reminder that income matters a lot”.

He added that for people to have faith in globalisation, pressing issues such as climate change and creating good jobs must be addressed.

The latter has become a structural challenge for countries of all income levels, due to globalisation and rapid changes in technology.

Creating productive jobs for the middle class is especially vital to the health of societies, he said, just as climate change affects humanity in a direct and physical way.

“Much of our sense of who we are has to do with our work and how we contribute to society. There is no bigger shock to one’s sense of happiness and satisfaction than losing a job, other than perhaps a medical emergency.

“So that’s the reality and we need to work off that. Healthy societies and politics really rest on a growing middle class, and that is the basis of wanting to have productive jobs for them.”

Agreeing, Prof Goldberg said such jobs would not be created simply by bringing manufacturing and automotive plants back to the United States – a key prong of former US president Donald Trump’s Made in America campaign.

“Not only is this not feasible in the long run, but it’s also inconsis-

tent with efforts to address climate change, as these are heavily polluting industries,” she explained.

In her view, the future is in the service sector but these jobs should be highly skilled ones.

This means increasing human capital and investing in education, she said. “These are things that countries such as the US and Europe should prioritise.

“In developing countries, it’s harder because the resources are often not there, which is why these countries need to rely on global cooperation.”

Prof Rodrik said that countries which deal with the pandemic and other challenges effectively have high levels of social trust and trust in their government.

On this count, East Asian economies such as China, Taiwan and Singapore have generally fared better than the US and Europe, said Prof Goldberg.

She noted that not only did they have a lower number of deaths per capita, but they also managed inequalities better.

“Nonetheless, there are too many differences across countries to take the lessons from one and (directly) apply to another. I hope that down the road, we will devote some energy to figuring out what explains the cross-country differences.”

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