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ECONOMIC DEVELOPMENT THROUGH WOMEN'S ECONOMIC RIGHTS

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Abstract

Achieving sustainable development requires taking critical initiatives like advancing women's empowerment through employment opportunities and improving gender equality. This study aims to do three things: first, it will scientifically investigate the connection between women's economic rights and global economic development. to investigate if the impact of women's economic rights varies depending on the economy. This study investigates the effects of women's economic rights on neighboring nations using spatial econometric methods. We utilize data for 171 nations from 1960 to 2016 for empirical purposes. The findings demonstrate that women's economic rights have a favorable impact on growth, however the effect varies depending on the economy. We can demonstrate through geographical analysis that 75% of the economic rights spillover impact for women passes through neighboring countries. The study's findings are in line with EU policy regarding women's economic empowerment, which holds that collaboration among all parties involved in advancing women's empowerment may result in sustained development and progress.

Keywords

Sustainable development , Women economic rights , Economic growth , Spatial econometrics

1.Introduction

The idea of sustainable development has drawn a great deal of interest from academics and decision-makers throughout the past 10 years. In particular, women's rights and gender equality have been highlighted as key pillars of sustainable development in the context of the sustainable development goals

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(SDGs) proclaimed by the United Nations (UN) (see SDG#5 in UN SDGs, 2015). Globally, gender inequality and the lack of employment possibilities for women remain pervasive. Women endure discrimination in the form of unfair pay disparities and lack of access to suitable employment, which might hinder the nation's economic development. According to Abigail and Moizza (2017), women's empowerment means they enjoy the same economic rights as males and are not subjected to discrimination just because they are women. Regrettably, when it comes to economic engagement in society, women are sadly less privileged than males (Hassan and Cooray, 2015; Oztunc et al. 2015). Providing women with economic rights can stimulate economic growth by enabling them to reach their full potential as effective home managers without hindrance (King & Mason, 2001; Sen, 1999). The economic rights of women can have long-term positive effects in a number of areas. Empowering women economically is not just the "right thing" to do to uphold the international community's obligations to human rights, according to a recent recognition by the UN Secretary-General's High-Level Panel on Women's Economic Rights. Additionally, it is the "smart thing" to do for business, economic growth, and development(Klugman and Tyson 2016).

The degree to which women have economic rights in one country may occasionally affect the level of those rights in neighboring countries through a variety of avenues, including commerce and foreign direct investment. In the research on economics, this impact is referred to as spatial dependence (Anselin, 1988; LeSage, 2008; Naveed and Ahmad, 2016). Few research have examined the relationship between women's economic rights and spatial dependence in the empirical literature. For example, in middle-income countries where foreign investors operate as key players in the gender structure of employment in tradeable industries, Neumayer and De Soysa (2011) discover a large spillover effect of women's economic rights. It suggests that commerce, foreign direct investment, and other routes could have a ripple effect from nearby nations. Wang and Naveed (2021) conducted a study to investigate the relationship between women's empowerment and income disparity. Their findings indicate a significant correlation, but they did not use spatial analysis to account for the impacts of neighborhood spillover. If this is ignored, the real impact of women's economic rights on economic growth may be underestimated or exaggerated (LeSage, 2008). Thus, the current study will specifically evaluate the relationship between economic growth and women's economic rights in neighboring nations.

Considering the significance of women's empowerment for development, this paper aims to accomplish three key goals. to conduct an empirical investigation on the connection between women's economic rights and global economic growth. to investigate whether the impact of women's economic rights varies depending on the economy. In order to examine the spatial dependency of the variable of interest, this research uses spatial econometric approaches. This is because, as a result of globalization, foreign direct investment, and commerce, advancing women's economic rights in one nation may have a knock-on effect on neighboring nations (Elson, 1999; Neumayer & De Soysa, 2011; Wichterich, 2000). In the literature, this dependency between nations is formally referred to as "spatial dependence," which needs to be managed for a proper study. In order to gather empirical evidence, we employ popular estimate methods such the spatial Durbin model (SDM), OLS, and MLE to determine how women's economic rights affect economic growth. Utilizing panel data spanning 171 nations from 1960 to 2016, we discover that women's economic rights contribute to economic growth across the worldwide sample. For the nations with varying wealth levels, the impact is varied, nevertheless. Using a spatial model, we discover that, compared to the nation's own impact of women's economic rights, which is only 25%, there is a significant spillover effect of women's economic rights coming from neighboring nations, or 75%.

From a policy perspective, this study provides important factual evidence that advancing women's economic rights can spur growth and open the door to sustainable development. Developing nations should receive special attention in order to expand the work opportunities available to women, particularly in view of the recent pandemic (COVID-19). Thus, emphasizing women's empowerment through expanded economic rights need to be seen as a suitable growth strategy for the twenty-first century.

2.Theory and Literature

From a theoretical standpoint, a number of strategies that are closely related to women's empowerment and economic development were developed in the early 1970s and 1980s. For example, the NGOs' Gender and Development (GAD), Women in Development (WID), and Rise of Rights approaches (see Bradshaw et al., 2017 for more information). The GAD approach contends that there should be a balance of power between men and women, while the WID approach emphasizes the importance of women and criticizes why they are excluded from the process of economic development and have a limited role in decision-making, particularly regarding their employment and education. Many non-governmental organizations (NGOs) placed a strong emphasis on the acknowledgement in the early 1990s that

women's demands are legitimate and that they have the right to exercise their freedom without interference. Numerous theoretical and empirical studies demonstrate the relationship between economic growth and women's empowerment. For instance, the strongest evidence regarding women's contributions to economic development and growth is derived from research conducted by the World Bank (see Dollar and Gatti 1999; Klasen 2000). The empirical research on women's empowerment, their economic rights, and their relationship to economic growth is reviewed in the paragraphs that follow.

Gender equality has a significant positive influence on per capita income, economic development, and national competitiveness, claim Abigail and Moizza (2017). According to Woetzel (2015), by 2025, gender equality might raise the world gross domestic product (GDP) by $12–$28 trillion. Less gender inequality in the workplace and in schooling also positively affects economic growth, which is reliant on the expansion of the labor market and the acquisition of new skills. Additionally essential to the maintenance of the labor force and social well-being is the unpaid domestic work that is primarily performed by women. Additionally, it has been observed that boosting women's income through employment enhances wellbeing, lowers household poverty, and lessens a family's vulnerability to fluctuations in the economy. Research has not consistently demonstrated that having a diverse mix of genders on a company's board lowers risk, boosts productivity, and enhances firm value (Campbell & Mínguez-Vera, 2008)(Oztunc et al.) (2015) looked at the relationship between women's education and long-term economic growth in the Asia-Pacific region between 1990 and 2010. This study discovered that the female labor force participation rate, female education rate, and fertility rate all significantly contributed to the annual growth in per capita income. The panel regression analysis was based on the theoretical and empirical literature. Empirically speaking, it was also discovered that women's education plays a major role in economic expansion.

Hassan and Cooray (2015) used a panel of eighteen Asian countries to study the effects of education on long-term growth between 1970 and 2009. Additionally, they claimed that by utilizing both endogenous and exogenous growth frameworks, female education had strong and comparatively high growth effects. The average female enrollment ratios at the primary, secondary, and tertiary levels are 83, 41, and 15%, respectively, according to the study, while the average male enrollment ratios are 98, 49, and 20%. As a result, there is a notable gender disparity in the enrollment ratio of men and women in Asian nations.

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The effects of gender equality on economic growth and the effects of economic growth on gender equality were examined by Kabeer and Natali (2013). They maintained that achieving gender equality is both a practical way to further other development objectives and a necessary component of social justice and human dignity.

From 1980 to 2005, Rowland (2012) looked at how improved status affected economic development for 126 different countries every five years. Additionally, this study used a pooled time-series cross-section analysis to develop the mechanism of the relationship between women's status and economic development. Several indicators of women's status, including education, labor force participation, fertility, and infant mortality, were included in this analysis. The World Bank provides the information for each of the chosen nations. They discovered that fertility and infant mortality acted as a mediating factor between the effects of education and labor force participation on development.

Seguino (2000) asserts that because GDP growth affects investment, wage inequality is positively correlated with it. This research examines economies that are export-oriented and semi-industrialized between 1975 and 1995. However, Fatima's (2011) study used the OLS technique to demonstrate that there isn't a significant correlation between GDP growth and female education. Between 1980 and 2006, information was gathered on GDP, investments, male and female education levels, and labor force participation. Comparatively, Cuberes and Teignier (2014) found that gender positively benefits greatly from economic growth. Using cross-country and panel regression, Klasen (2000) examined the potential impact of gender inequality in education and employment on growth and development from 1960 to 1992. The findings showed that gender disparity in education has an indirect effect on economic growth through population growth and investment, as well as a direct impact on economic growth by lowering the average quality of human capital.

Spatial econometric analysis has been used in very few studies in the empirical literature. The comprehensive contents of the paper pertaining to economic development and women's economic rights that we found in the Scopus database are displayed in Table 1. Six empirical and three theoretical papers testing the connection between economic growth and different kinds of women's rights were found based on our content analysis. The majority of the studies that are currently available have used panel data models or logistic regression. Interestingly, we find that no paper has used spatial econometric analysis to account for neighborhood spillover effects. Analyzing how we benefit or perceive from our neighborhood and

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vice versa is crucial. Thus, both direct effects (from the country's own women's economic rights effect on growth) and indirect effects (spill-over effect from neighboring countries) will be explored and quantified in the current study.

3. Empiral specification

Spatial economietric models

Moreover, we are also interested in testing the spatial dependence in our analy- sis of women economic rights. As we know that, many countries are connected geographically and with trade relations. There is the possibility that the level of women economic rights in one location, which we might label i (country i), depends on the level of women economic rights at location j (another country that is located close or far). Formally we might state (for detail see Anselin (1988) and LeSage (2008)):

$yi = f\ yj\ , i = 1, \dots , n\ j \neq i$

The present study uses spatial autoregressive (SAR) and spatial Durbin model (SDM).

4.Data

The analysis is conducted using an unbalance panel dataset covering 171 countries between 1960 and 2016. The Cingranelli and Richards (2010) dataset's measure of women's economic rights serves as the primary variable. Numerous recent studies have used this dataset, also known as the CIRI Human Rights Database; see, for instance, Dreher, Gassebner, and Siemers (2012), Gutmann, Pfaff, and Voigt (2017), and Blanton and Peksen (2016). The following internationally recognized definitions of rights serve as the foundation for the extensive and distinctive definition of women's economic rights (Cingranelli and Richards, 2010):

- Pay for work done equally
- The ability to choose a career or job without having to get permission from a husband or other male relative
- The freedom to work for pay without having to get permission from a husband or other male relative
- Parity in recruiting and advancement procedures
- Job security (no arbitrary terminations or layoffs, unemployment benefits, maternity leave, etc.)
- Employer nondiscrimination
- The freedom from sexual harassment in the place of employment

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- The ability to work after hours
- The ability to perform tasks in hazardous occupations
- The ability to serve in the armed forces and law enforcement

The women's economic rights index, which is created using the data from the aforementioned variables, is used as a stand-in for women's economic rights. Its value ranges from 0 to 3, with 1 denoting some rights, 2 showing rights under the law, and 3 denoting government and legal guarantees of women's economic rights (for more information, see Cingranelli & Richards, 2010). Table 2 provides a succinct overview of the economic rights of women.

The second source of information for GDP per capita and related variables is the World Development Indicator (World Bank, 2016) dataset.

5.Results

The empirical findings regarding the influence of women's economic rights on growth from a global standpoint are presented in this section. The GDP per capita growth is our dependent variable, as previously stated, and the primary variable of interest is women's economic rights, which is defined as having a value between 0 and 3. As a result, the impact of women's economic rights on growth is not absolute. Instead, we have three treatment groups and one reference group, which are as follows:

Level 0 (no economic rights for women) is the reference group.

Treatment groups: three tiers of economic rights for women

- Level 1 (defines certain rights)
- Level 2 (illustrates legal rights)
- Level 3 (demonstrates that the government and the law both protected women's economic rights)

The results of a global sample using a random effect model and pooled OLS are presented in Table 4 using maximum likelihood estimator (MLE) techniques. The average impact of women's economic rights across three distinct levels on GDP per capita growth is the effect of women's economic rights. Table 3 displays the outcomes of Eq. 1, with the OLS results obtained by estimating the model without the panel displayed in the first two columns. The impact of women's economic rights is fairly significant, indicating that a nation with women's economic rights (average of three levels) will see growth at a rate that is 0.55% higher than that of a nation without such rights (level 0). The panel data model with a random effect model is used in the results shown in columns 3 and 4 by applying the MLE

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technique. Furthermore, this approach accounts for various individual and national observable characteristics, including human rights variables. According to column 4's findings, countries with women's economic rights have a 0.42% greater GDP per capita growth impact than those without such rights. Recent studies (Dahlum et al., 2022; Kabeer, 2020; Mishra et al., 2020) have reported findings that are similar. These findings regarding women's economic rights hold up well under various conditions.

Variables	OLS	OLS	MLE	MLE
Women economic rights	0.634***	0.555***	0.595***	0.415***
	0.109	(0.119)	(0.138)	(0.140)
Lag of log GDP percapita	−0.444	−0.873***	−1.262***	−1.392***
	0.0658	(0.0978)	(0.151)	(0.151)
Trade	0.0117***	0.0113***	0.0167***	0.0166***
	0.00148	0.00159	0.0025	0.002
Consumption expenditure	−0.0516	−0.0505***	−0.064***	−0.0551***
	0.0051	0.005	0.007	0.006
Life expectancy		0.0705***	0.070***	0.127***
		0.0104	0.0132	0.0162
Human rights variable				
Disappearance	–	Yes	–	Yes
Extrajudicial killing	–	Yes	–	Yes
Political imprisonment	–	Yes	–	Yes
Torture	–	Yes	–	Yes
Freedom of assembly and association	–	Yes	–	Yes
Regional dummies	–	Yes	–	
Time dummies	No	No	Yes	Yes
Constant	7.842***	6.466***	10.17***	7.388***
	0.779	(0.911)	1.258	(1.511)
Observations		5756		5756
$R2$	0.79	0.80	0.77	0.81

6. Conclusion

This study attempts to investigate the relationship between women's economic rights and economic expansion. It specifically examines the theory that women's

economic rights promote economic expansion. However, through foreign direct investment, international trade, social and cultural ties, and globalization, the level of women's economic rights in neighboring countries also affects the economic growth of many countries (Elson, 1999; Neumayer & De Soysa, 2011; Wichterich, 2000). Because of this, this study uses spatial econometric tools to accurately identify the impact of women's economic rights from both their own country and those of their neighbors. We employed panel data covering the years 1960–2016 for a global sample of 171 countries in our empirical analysis. We use the spatial models (SAR and SDM), OLS, and MLE with robust standard error for estimation.

The study's findings demonstrate that the global sample's economic growth is considerably boosted by women's economic rights. Whether we use estimation techniques that account for spatial dependence (SAR and SDM) or pooled OLS and MLE, this relationship remains significant. This finding suggests that advancing women's economic rights is a critical first step toward accomplishing sustainable development objectives. This study also demonstrates that the relative growth rates vary according to the various degrees of economic rights for women.

Regarding the various country groups, we discover that, in comparison to low-income countries, higher-income countries gain more from women's economic rights. One possible explanation for this could be that developed countries have somewhat more economic rights for women than developing ones. More employment opportunities are required in developing nations, as this will help to achieve sustainable development.

Our sample group of countries exhibits notable spatial dependence, as revealed by spatial analysis. Specifically, within the SDM model, we discover that a nation's own impact from women's economic rights is only 25%, whereas the neighborhood (indirect) effect is 75%. It demonstrates the considerable spatial spillover from neighboring nations, suggesting that cooperative efforts by the neighboring nations regarding women's economic rights can benefit all of the region's nations. The findings regarding various economies, as measured by income, are consistent with the idea that women's economic rights have a greater impact on developed nations than on developing nations. More economic rights not only improve a country's economic development but also have a similar effect on neighboring countries, according to general findings, even though the results for low-income countries are not as significant as anticipated. This demonstrates the neighborhood's spillover effect, which is the study's singular finding.

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Our findings back up the European Union's initiatives for women's economic rights in the area (Cichowski, 2004; Ellina, 2004).

This study offers important empirical support for the policy argument that expanding women's economic rights can support growth and pave the way for sustainable development. Particular focus should be given to developing nations to increase the number of work opportunities available for women, particularly in light of the recent pandemic (COVID-19). These ought to be the top priorities since they are important factors that influence economic development. Consequently, in the new millennium, emphasizing women's empowerment through the expansion of their economic rights should be seen as a suitable growth strategy. Policies pertaining to women's education can also increase their empowerment, which promotes additional economic growth.

This study has minimal limitations to conduct thorough research in addition to strong empirical evidence. For example, the CIRI data is distinct and contains a lot of significant gender-related components; nevertheless, this study is severely limited by the time period. In the future, it would be interesting to examine the efficacy of women's economic rights at different levels and with more recent data. The analysis could be expanded, for instance, to select a subsample of nations, particularly by segmenting the sample according to various regions (ASEAN, GCC, or ASEAN sample), with nations that have varying degrees of women's empowerment, or by using micro-level research for a smaller sample.

	SAR	SDM	SAR	SDM
	(1)	(2)	(3)	(4)
Panel A:average results				
Women Eco-rights	0.396***	0.336**	0.0151	0.0281
	(0.144)	(0.146)	(0.319)	(0.315)
*W*x[Women Eco-rights]		0.259		−0.0258
		(0.222)		(0.583)
Lag of log GDP per capita	−1.285***	−1.526***	−1.915***	−2.187***
	(0.206)	(0.229)	(0.459)	(0.494)
ρ_1 *W*x[Lag of log GDP per capita]		0.0452		0.0452
		(0.241)		(0.241)
Trade	0.0067***	0.0072***	0.00403	0.00530
	(0.00224)	(0.00221)	(0.00677)	(0.00671)
Consumption expenditure	−0.0197	−0.0222	−0.154***	−0.162***
	(0.0129)	(0.0144)	(0.0194)	(0.0208)
Life expectancy	0.0718**	0.0905**	0.165***	0.121***
	(0.0311)	(0.0388)	(0.0322)	(0.0391)

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Rho (spatial dependence)	0.411***	0.413***	0.116***	0.111***
	(0.0291)	(0.0292)	(0.0347)	(0.0366)
Panel B:direct,indirect and total effects				
Direct effect				
Women Eco-rights	0.406***	0.373***	0.00256	0.0143
	(0.148)	(0.143)	(0.308)	(0.305)
Indirect effect				
Women Eco-rights	0.255**	0.640*	0.00147	−0.0496
	(0.0994)	(0.342)	(0.0426)	(0.599)
Total effect				
Women Eco-rights	0.662***	1.013***	0.00404	−0.0353
	(0.244)	(0.389)	(0.349)	(0.696)
Direct effect %	61%	37%	63%	40%
Indirect effect %	39%	63%	37%	60%
Observations	1200	1200	1128	1128

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