

The Human Cost of Gender Inequality

Why gender parity is essential to a human-centered economy

Mike Durrie

September 27, 2020

The recent verbal attack on US Congresswoman Alexandria Ocasio-Cortez and her subsequent public statement have put a spotlight on enduring gender discrimination in even the most advanced and affluent societies. But one aspect is often neglected: in a global economy marked by fierce competition for the best and brightest minds, what are the larger implications of systemic exclusion and abuse of women? Where young, diverse and inclusive entrepreneurship is a key driving force behind sustainable economic growth and the capacity of societies to address global challenges, can any country afford to marginalize more than half of its population?

Executive summary

“Without the equal inclusion of half of the world’s talent, we will not be able to deliver on the promise of the Fourth Industrial Revolution for all of society, grow our economies for greater shared prosperity or achieve the UN Sustainable Development Goals,” writes World Economic Forum founder Klaus Schwab in the preface of the [WEF Global Gender Gap Report 2020](#) (WEF 2020, n.p.). The ranking shows a strong correlation with the [OECD Better Life Index](#) (OECD 2020, n.p.) of quality of life in different countries. But as we will see, gender parity is also associated with innovative strength: a large proportion of the top 10 countries for gender parity also rank high in the [2020 Bloomberg Innovation Index](#) (Bloomberg 2020, n.p.). A 2018 World Bank study of 141 nations worldwide adds further weight to this argument: the report of the findings, titled [“The Cost of Gender Inequality”](#) (World Bank 2018, n.p.), estimates that bringing women’s lifelong earnings up to male levels would increase global wealth by more than US\$ 160 trillion.

As Douglas L. Peterson of S&P Global points out in the 2019 video report “[The Big Picture on Gender](#)” by the WEF (WEF 2019), populations are aging and economies are shifting from conventional manufacturing and agriculture to high-level robotics, data sciences and the STEM fields. With demand for qualified professionals in these areas rising, countries that succeed in empowering and educating women to fill the gap will enjoy a huge economic advantage.

The Gender Gap Report ranks Iceland as the world’s leading country for equality for the 11th time consecutively, at almost 88% gender parity. The top 10 comprise various countries around the world with gender equality ranging to below 80%, like Germany (78.7%).

Recent events including Ms. Ocasio-Cortez’s address to Congress following the abusive incident as well as a blog entry by ousted Pinterest Chief Operations Officer Françoise Bourgher paint a clear picture of the systemic misogyny and unfairness women face. On the upside, such public statements have the potential to heighten media attention and public awareness regarding gender discrimination. In addition, organizations like [Think Equal](#) operate educational programs to end gender and racial bias around the world.

With more awareness than ever and the shining example of Iceland leading the way, while other countries – large and small, rich and poor – follow closely behind, one could gain the impression that the global community is on the right track. We would say: Well ... yes – and no. The fact that the world’s best example of gender parity still disadvantages women on a scale of more than 12% and that the top 10 include wealthy nations in which the level of inequality exceeds 20% is nothing to celebrate. And it is certainly no reason to become complacent in the struggle for true gender parity.

Legal considerations

There are many dimensions of gender discrimination, and achieving gender parity will require continued work on all fronts. In terms of policymaking, we divide these efforts into laws that provide legal recourse in the event of discriminatory acts and educational and public awareness programs.

A key indicator of gender disparity is pay. The [WEF report](#) cited above refers to [2018 WEF data](#) (WEF 2018) indicating that women around the world earn a mere 54% of what men earn. It also quotes S&P calculations that the US economy would grow by 8.7%, the Japanese by 14% and the French by 17% if female and male labor force participation were equal.

Equal pay and employment opportunities represent one parameter of the [WEF Global Gender Gap Report 2020](#). It measures gender parity within four dimensions: Economic Participation and Opportunity, Educational Attainment, Health and Survival, Political Empowerment. It ranks Iceland No. 1, with just under 88% of its gender gap closed. The top 10 include Norway (84.2%), Finland (83.2%) and Sweden (82.0%) as well as Nicaragua (80.4%), New Zealand (79.9%), Ireland (79.8%), Spain (79.5%), Rwanda (79.1%) and Germany (78.7%).

Iceland's culture of [gender parity](#) begins – literally – in the cradle. Parental leave, even for the self-employed, is designed to encourage both mothers and fathers to care for children. It continues in school, where subjects and activities are decidedly gender-inclusive. Article 23 of the Act on Equal Status and Equal Rights of Women and Men mandates that gender equality must be taught in schools throughout all levels of education.

The fact that Nordic countries lead this ranking might raise the question of what role cultural norms play in gender-related policies and individual life decisions. Here, the [Capability Approach](#), put forward by Indian Nobel laureate, economist and philosopher Amartya Sen in the 1980s, provides a valuable sounding board. Put simply, it measures available life options rather than people's individual choices to exercise them. Just as a person with access to food may choose to fast, an individual woman may make life decisions, e.g. regarding career and child-bearing, that are more or less informed by her cultural environment and personal preferences. It is the responsibility of policymakers to support these capabilities. As philosopher Martha Nussbaum, who has contributed to the Capability Approach, states in an article that appeared in the *International Labour Review* in 1999, "Women all over the world have lacked support for central human functions, and that lack of support is to some extent caused by their being women. But women, unlike rocks and trees, have the potential to become capable of these human functions, given sufficient nutrition, education and other support. That is why their unequal failure in capability is a problem of justice. It is up to all human beings to solve this problem. A cross-cultural conception of human capabilities gives us good guidance as we pursue this difficult task." (Nussbaum 1999, *Women and equality: The capabilities approach*, *International Labour Review*, Vol. 138, No. 3). The fact that the top 10 ranking includes cultures with traditionally restricted female roles, like Nicaragua and Rwanda, is a case in point: opportunity and culture need not be in conflict.

Returning to the insults endured by Alexandria Ocasio-Cortez on the steps of the White House, it is interesting to look at how policymaking deals with such verbal attacks in different countries. To be clear, it is and remains extremely difficult to legislate and enforce laws against insults and defamation of any kind. But the laws a nation puts in

place reflect its values and culture. [Iceland's laws](#) include a fine or imprisonment for up to one year for “Anyone who defames another person by insults in word or deed and anyone who disseminates such defamation.”



The language Congressman Ted Yoho allegedly directed at Ms. Ocasio-Cortez, within earshot of reporters, could potentially be grounds for legal action in the US as well. In that country, as in many others, using pejorative words that attack a person's identity – in this case, gender – is a prosecutable offence. Mr. Yoho's initial attack on Congresswoman Ocasio-Cortez's behavior, in which he called her “disgusting” and “dangerous,” was not what makes the incident stand out. His alleged use of appallingly vulgar words to describe her as a woman represents the crossing of a red line and a sign of a larger societal problem. (Mr. Yoho denies having used the offending language.)

To place this in a more specifically legal context, as California-based employment attorney Lance M. Williams, Esq., explains, US law protects against verbal abuse or harassment of specific categories of people. “Usually protective categories involve immutable characteristics,” he says. “For instance, gender is protected. If you are mean to someone because she is a woman, that is illegal. Similarly, using the N-word toward a Black person in the workplace is an obvious example of a verbal attack on the basis of race, which is illegal because race and color are protected characteristics.” In a real-life case handled by Mr. Williams, a superior insulted an employee on the basis of his nationality (Mexican) before firing him. The employee successfully sued for damages.

The N-word is largely considered out of bounds in the political sphere. This is by no means to suggest that racism has been overcome – far from it – but the word itself has been virtually absent from political discourse since the 1960s. On this basis, we suggest that the open and public verbal abuse of Ms. Ocasio-Cortez related to the immutable characteristic of gender reflects a culture that continues to regard women as human beings of lesser value and to accept dehumanizing language to describe them. This is both a symptom and a cause of gender disparity. “In using that language in front of the press, he gave permission to use that language against his wife, his daughters, women in his community,” Ms. Ocasio-Cortez told Congress in her statement. “And I am here to stand up and say that is not acceptable.”

Corporate gender inequality

The deeper attitudes this incident reflects are painfully obvious in the corporate world. A current case involving Françoise Bourgher and the idea-sharing social media platform Pinterest shows how deeply entrenched the “glass ceiling” is in even the most innovative young companies. Former Chief Operating Officer Bourgher, who is currently litigating against Pinterest after being fired in April 2020, said in an [August 12 article](#) (F. Bourgher 2020, n.p.), “Although 70 percent of Pinterest’s users are women, the company is steered by men with little input from female executives. Pinterest’s female executives, even at the highest levels, are marginalized, excluded, and silenced.”

The lawsuit is based on allegedly unfair remuneration. “Discovering that I was given a less favorable vesting schedule was upsetting, but what really bothered me was that I had been misled.” According to her account, she had been told that all executives received stock options of 10% in the first year, 20% in the second, 30% in the third and 40% in the fourth. “I had accepted this schedule because I was planning to be at Pinterest for the long run,” Ms. Bourgher writes. When the company went public and

was required to reveal details, she says, “I realized that I was the only executive on the leadership team given this backloaded deal.”

Her article tells a detailed story of the subtle and not so subtle misogyny that permeates the corporate world. In a performance review, she said the only achievement that was recognized was her role as a champion of diversity. “Reducing a female executive’s achievements to ‘diversity’ is a common form of gender discrimination,” she writes.

After her dismissal, Ms. Bourgher refused to sign a non-disclosure agreement. “I realized it was more important to finally be an advocate for women at Pinterest, and for anyone else experiencing the pernicious effects of sexism, bias, and retaliation. It was time for a company that caters to women to respect their own.”

Employment attorney Williams welcomes her move to publicize her experience as part of the larger struggle for gender parity. “I think the first step is awareness. Even highly sophisticated, intelligent people often don’t believe that gender discrimination and sexual harassment are as rampant as they actually are,” says Mr. Williams. “Part of the reason is that 99% of cases settle out of court. And confidentiality provisions are almost always part of the settlement agreement. There are even NDAs as part of employment relationships. So the problem is allowed to persist, because nobody’s talking about it. Real societal change is going to come from storytelling. It was really brave of Ms. Bourgher to publish her experience, although her lawyers probably advised her against it because she is in active litigation and anything she says in public can be used against her.”

This case and the attitudes it reflects should come as no surprise. As we have seen, even the top 10 nations for gender parity currently score modestly, at between almost 79% and nearly 88%.

A number of organizations have been doing important work to address gender inequality in the workplace for decades. The globally operating nonprofit [Catalyst](#), for example, has been cooperating with corporate decision-makers since 1962 to create better workplaces for women. From research, educational programs and consultation to events and awards, Catalyst provides a comprehensive program to drive gender parity. Its [community of 70+ supporting business leaders](#) includes CEOs of major corporations like Dell, Deloitte and Pfizer. This is encouraging, yet it begs the question: How much more could such an organization achieve with government backing, funding and incentives such as tax concessions?

Education and awareness

Looking at these examples, it becomes clear that laws governing gender parity and verbal abuse directed at women can only accomplish so much. While they are undeniably important in expressing what a society considers unacceptable, policymakers need to focus on public awareness and education just as much – if not more.

An outstanding example of the kind of work needed is the social impact organization [Think Equal](#), founded by former filmmaker and creator of the BBC documentary “[India’s Daughter](#)” Leslee Udwin. The inspiration for the program came to Ms. Udwin through filming the documentary, which concerns the gang rape and murder of Jyoti Singh (23) in New Delhi in 2012.

“Gender-related verbal abuse seems predominantly to go one way: from men to women,” she commented for this paper. “The reason for this can only be that gender discrimination itself, which gives rise to these mindless, pathetic utterances by men and, indeed, sometimes by women – we must not forget that women are also programmed – is born out of an overweening, arrogant and exploitative patriarchy. The abuse, be it verbal, psychological or physical, is in fact not the disease. This is merely a symptom of the disease. The disease itself is the mindset that discriminates between one human being and another on the arbitrary basis of gender or other categories that we must tackle at the root.”



Ms. Udwin, who was honored with the UN Women for Peace Award in 2019 for her work, emphasizes that laws alone will never be enough to stop discrimination. “I don’t mean to be dismissive of the role of law – of course it has a place. But we must be realistic and not rest on our morals. In 2013, I interviewed the gang rapists and murderers of Jyoti Singh for 31 hours in Tihar jail. I sought reassurance from one of them, Mukesh Singh, that now that the death penalty had been legislated for rape as a result of this very case, the frequency of rapes would surely diminish. He smiled at me gently – yes, gently, as he was not a monster, but rather a programmed robot – and said, and I quote, ‘Now rapists will murder their victims after raping them, so they cannot be identified.’”

Think Equal is dedicated to introducing social and emotional learning as compulsory school subjects around the world. As Ms. Udwin explains in a recent [Forbes interview](#) (L. Wintermeyer 2019, n.p.), “It gives the foundation for positive outcomes in life by equipping them with the tools which are critical to living a life in dignity and in respect of the dignity of others. It teaches them 26 competencies, values, and skills including empathy, emotional literacy, self-regulation, gender equality, critical thinking, self-esteem, inclusion, problem solving, collaboration, resilience.” The Think Equal program focuses on young children up to the age of six. Neuroscientists widely agree that this growth phase is where biases and behavior patterns are shaped and can be positively influenced. Three years after its launch, Think Equal is currently active in 14 countries across six continents, including Australia, Canada, Kenya, Mexico, Singapore, Sri Lanka and the United Kingdom.

The latest advances at time of writing include a commitment by the India-based NGO [Lifeline Foundation](#) to partner with and fund Think Equal in introducing the program to 630 rural childcare centers (anganwadis) in the state of Rajasthan, India. “This means around 22,000 children will be transformed into empathetic, inclusive, gender-equal, responsible and respectful citizens, lasting into adulthood,” says Ms. Udwin. She adds, “We aim to scale up this pilot program to the 15,000 early-years settings in rural childcare centres in Rajasthan in 2021, benefitting 525,000 children.” Think Equal has also very recently inaugurated partnerships with aid organization [World Vision](#) and the Ministry of Education for Guerrero State, Mexico, to train 400 teachers starting in October, reaching 12,000 children. In addition, the Think Equal prosocial development program will be compulsory for every child age 3 to 6 in Belize. Ms. Udwin also told us that Think Equal will be rolled out to “every reception class student in the Eastern Cape, South Africa, benefitting 2,300 classrooms and 94,200 children.”

The organization conducts a [randomized controlled test \(RCT\)](#) in every country it enters. The first report on a pilot program in Botswana showed strong results. “Three

measures in particular: increase in social competence, decrease in anger and aggression, and a decrease in anxiety and stress are all through the roof,” Ms. Udwin says in the Forbes interview. Up to now, funding has been through philanthropy, but for the initiative to scale up it is imperative that policymakers give their support. “We need to show governments that this works and then we pass the responsibility of continuing the program onto them.”

Gender parity, quality of life, innovation and economic strength

Aside from the glaringly obvious negative impact on the lives and careers of women, what are the larger socioeconomic implications of gender inequality and discrimination? To gain deeper insight, we looked at parameters related to a country’s economic and social sustainability.

Given that quality of life is a strong indicator of a country’s capacity to attract and retain the best talents, we have chosen it over purely economic metrics like GDP. Quality of life also has the advantage of being less easily skewed by short-term developments that benefit a small proportion of populations only.

Returning to the top 10 countries for gender parity – Iceland, Norway, Finland, Sweden, Nicaragua, New Zealand, Ireland, Spain, Rwanda, Germany (respectively) – let’s now look at how quality of life compares. The [OECD Better Life Index](#) is based on the following parameters: Housing, Income, Jobs, Community, Education, Environment, Civic Engagement, Health, Life Satisfaction, Safety, Work-Life Balance. The top scorers are as follows: Norway at the top, Australia, Canada and Iceland scoring equally, followed by Denmark, Switzerland and Finland, The Netherlands and Sweden, with Luxembourg and the USA tied at No. 10.

It is difficult to determine whether higher quality of life is a result of gender parity, the other way around or whether the two are in a continuous feedback loop. But it is telling that four of the highest-scoring countries for gender parity are among the top 11 for quality of life. New Zealand, Ireland and Germany lag only incrementally behind.

In terms of innovative strength, we can again draw parallels to gender parity. [Bloomberg’s Innovation Index](#) ranks countries based on the following parameters: R&D Intensity, Patent Activity, Tertiary Efficiency, Manufacturing Value Added, Productivity, High-Tech Density and Research Concentration. The top 10 – Germany, South Korea, Singapore, Switzerland, Sweden, Israel, Finland, Denmark, US, France (respectively) – include three of the top 10 for gender parity.

The [S&P calculations](#) cited by the WEF, as mentioned above, point to growth ranging from just under 9% to 17% percent in mature economies simply by providing equal pay and employment to women.

As mentioned above, the causal relationship between these indices is – at this stage – a chicken-egg conundrum. Yet there can be no denying the correlations, regardless of what came first. And the numbers make a strong case.

Based on these observations, we call for policies that support gender parity by:

- Integrating equality and mutual respect into regular early and ongoing education – as demonstrated by Iceland
- Funding and mandating targeted educational programs to foster acceptance of women as equals while breaking down patterns of aggression – for example, by working with early education and conditioning organizations
- Establishing clear legal frameworks that make gender-related verbal abuse a prosecutable offence – while acknowledging that laws alone are not enough to change attitudes and behavior
- Actively supporting the Capability Approach to enable women to realize their individual goals
- Establishing institutions to actively encourage victims of verbal and/or physical abuse, discrimination and marginalization to make their experiences public and raise awareness – as exemplified by Congresswoman Ocasio-Cortez and former Pinterest COO Franciose Bourgher
- Legally mandating equal pay for equal work and supporting women in entering future-oriented (digital) professions
- Supporting and incentivizing cooperation with organizations dedicated to corporate gender parity

Clearly, there is much work to be done to fully address the multidimensionality of gender inequality. We maintain that fair treatment and equal opportunity are basic human rights, and policymakers have a responsibility to ensure that legal frameworks as well as educational and public awareness programs are in place to support gender parity. In doing so, governments can contribute to a solid foundation for sustainable economic development and quality of life for society as a whole. Today, tomorrow and beyond.

References

- World Economic Forum (December 2019), *Global Gender Gap Report 2020*, World Economic Forum, retrieved September 2020, from http://www3.weforum.org/docs/WEF_GGGR_2020.pdf
- Organisation for Economic Co-operation and Development (2020), *OECD Better Life Index*. OECD, accessed September 2020, from <http://www.oecdbetterlifeindex.org/#/111111111111>
- Iman Ghosh (February 2020), *Ranked: The Most Innovative Economies in the World*, Visual Capitalist. accessed September 2020, from <https://www.visualcapitalist.com/world-most-innovative-economies/>
- Quentin Wodon and Benedicte de la briere (May 2018), *The Cost of Gender Inequality*, World Bank Group, accessed September 2020, from <https://openknowledge.worldbank.org/>
- Laura D'Andrea Tyson (March 2019), *Gender parity can boost economic growth. Here's how*, World Economic Forum, retrieved September 2020, from <https://www.weforum.org/agenda/2019/03/how-to-fix-gender-pay-gap-laura-tyson/>
- World Economic Forum (December 2018), *The Global Gender Gap Report 2018*. retrieved September 2020, from <https://www.weforum.org/reports/the-global-gender-gap-report-2018>
- Meghan Werft (March 2017), *7 Laws That Show Why Iceland Ranks First for Gender Equality*, Global Citizen. accessed September 2020, from <https://www.globalcitizen.org/es/content/7-iceland-feminist-law-women/>
- *Capability Approach*, Wikipedia, accessed September 2020, from https://en.wikipedia.org/wiki/Capability_approach
- Internet Encyclopedia of Philosophy, *Sen's Capability Approach*, accessed September 2020, from <https://iep.utm.edu/sen-cap/>
- Nussbaum, M., 1999. *Women and equality: The capabilities approach*. Int'l Lab. Rev., 138, p.227.
- International Press Institute, *Iceland*, accessed September 2020, from <http://legaldb.freemedia.at/legal-database/iceland/>
- Francoise Broucher (August 2020), *The Pinterest Paradox: Cupcakes and Toxicity*, Digital Diplomacy, accessed September 2020, from <https://medium.com/digital-diplomacy/the-pinterest-paradox-cupcakes-and-toxicity>
- Lawrence Wintermeyer (March 2019), *Eliminating Gender And Racial Bias In The World: Leslee Udwin Wins UN Women For Peace Award*, Forbes, accessed September 2020, from <https://www.forbes.com/sites/lawrencewintermeyer/2019/03/07/eliminating-gender-and-racial-bias-in-the-world-leslee-udwin-wins-un-women-for-peace-awards/>
- *Randomised Controlled Trial*, Wikipedia, accessed September 2020, from https://en.wikipedia.org/wiki/Randomized_controlled_trial
- OneWorldRO (February 2016), *India's Daughter (trailer)* [Video], Youtube, from <https://www.youtube.com/watch>
- *70+ CEOs coming together to accelerate and advance women, including women of color, into senior leadership and board positions*, Catalyst, from <https://www.catalyst.org/champions/ceo-championsA/>
- *Early Childhood social and emotional learning*, Think Equal, from <https://thinkequal.org>
- *Home*, Lifeline Foundation, from <http://www.lifelinefoundation.in/>
- *Sponsor a Child*, World Vision, from <https://www.worldvision.org/>
- *Workplaces that work for women*, Catalyst, from <https://www.catalyst.org/>

About

[The Digital Economist](#) is a global impact organization with the mission to drive technological convergence toward a human-centered digital economy by bringing investable opportunities, in line with the Sustainable Development Goals, to the fore.

For press inquiries, please reach out to press@thedigitaleconomist.com. For partnerships please contact directly at navroop@thedigitaleconomist.com.