Questioning the Trade-off between gender disparity and industry output

Topic: Gender issues in IO models (I)
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According to the European 2020 Strategy, one of the prerogative for sustainable, competitive and inclusive growth is represented by the reduction of the gender disparities. This general ideas is corroborated by several empirical studies in this field, which confirm the positive relationship between the increase in labour market participation by women and the potential macroeconomic gains. In this perspective, Italian economy is characterised by high level of unemployment rates and low level of female labour participation, which represent the challenges that the policy maker faces when implementing a gender policy. Such policy should be able to stimulate the demand of female labour, to reduce the gender disparity and advantage the general level of employment. The economic growth should follow at least in aggregate terms, however there might exist a contradictory impact in disaggregate terms on production, income generation and distribution and final demand formation.

From this perspective, in this article an efford is made to analyse the effects of a policy aimed to reduce the gender disparity and trying to disclose or exclude any trade-offs effects between stimulating female labour demand and disaggregate performances. For this purpose, a Gendered Computable General Equilibrium (CGE) model, calibrated on the Gendered Social Accounting Matrix (SAM) for Italian economy is developed. The integration of gender features in the SAM and thus in the CGE model, represents an important aspect of this study since it allows identifying the contribution of each industry to the generation and allocation of income by gender. The policy simulation is designed to reduce the female labour cost for industries affected by â€œhighâ€• gender disparity. The results permit to verify how the structural conditions of the labour market by industry affects the gender policy results and the possibility to improve the reliability and effectiveness of the adopted measures.