

# Gender Equality and Economic Development: A Systematic Literature Review

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## Abstract

**Article history:**

Received: January 5, 2024

Revised: February 22, 2024

Accepted: April 10, 2024

Published: June 30, 2024

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**Keywords:**

Economic Development,  
Gender Equality,  
Labor Force Participation,  
Systematic Literature Review,  
Women Empowerment.

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**Identifier:**

Nawala

Page: 1-11

<https://nawala.io/index.php/gjepd>

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Gender equality has become a key pillar in advancing inclusive and sustainable economic development across nations. This systematic literature review synthesizes findings from several peer-reviewed studies published over the last five years, focusing on the economic impacts of gender parity in education, employment, and leadership. The review reveals a consistent positive relationship between gender equality and improved economic outcomes such as GDP growth, poverty reduction, and human capital development. Key themes include the macroeconomic benefits of female labor participation, the economic returns on investment in girls' education, and the role of gender-sensitive policies in fostering resilient economies. However, structural barriers such as discriminatory norms, legal inequalities, and weak institutional enforcement continue to impede progress. The review concludes that meaningful advancement requires context-specific, actionable policies backed by political will and institutional capacity. Gender equality is not merely a social goal but a strategic economic imperative for long-term national prosperity.

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## **1. Introduction**

Gender equality has emerged as a crucial component of sustainable economic development in both developed and developing countries. As economies strive for inclusive and equitable growth, the role of women in driving productivity, innovation, and long-term competitiveness has received increasing attention. The inclusion of women in education, the labor market, and decision-making processes not only reflects social progress but also contributes significantly to economic productivity and inclusive growth (Petrangolo & Ronchi, 2020). A more gender-balanced workforce enhances diversity in perspectives, improves institutional performance, and fosters more resilient economic systems. Moreover, increasing female participation in economic activities has been shown to contribute positively to household income, intergenerational welfare, and national development indicators.

Numerous studies suggest that gender disparities in access to education, employment opportunities, and legal rights can hinder a nation's economic potential, especially when half of the population is unable to fully participate in and contribute to economic activities. These disparities are often rooted in structural and institutional barriers, such as discriminatory laws, cultural norms, unequal access to finance, and underrepresentation in leadership roles. In particular, gender wage gaps and occupational segregation remain persistent challenges that restrict women's ability to achieve economic independence and limit overall labor market efficiency.

From a macroeconomic perspective, reducing gender gaps in labor force participation and income levels can lead to higher aggregate demand, increased

savings, and improved resource allocation, ultimately boosting GDP growth and fiscal sustainability (Kabir & Dudu, 2020). Empirical evidence also shows that countries with higher levels of gender equality tend to exhibit stronger human capital development, more effective governance, and more sustainable growth trajectories. Furthermore, gender equality is closely linked with human capital accumulation, poverty reduction, and broader development outcomes, particularly in low- and middle-income countries, where women's contributions are critical to agriculture, informal sectors, and caregiving (Kabeer, 2020).

Despite this compelling evidence, persistent inequalities continue to limit progress. Although many governments and international organizations have introduced gender-responsive policies through frameworks such as the Sustainable Development Goals (SDGs), implementation gaps, lack of political will, and inadequate institutional capacity remain major obstacles. The slow pace of change highlights the need for a deeper understanding of how gender equality translates into economic development in practice, particularly across diverse socio economic and political settings.

In light of these challenges, this systematic literature review aims to synthesize the existing body of scholarly work on the relationship between gender equality and economic development, with a focus on peer reviewed studies published between 2015 and 2022. By critically analyzing methodologies, theoretical approaches, empirical findings, and identified research gaps across various disciplines including economics, development studies, sociology, and gender studies this review seeks to provide a comprehensive understanding of how gender dynamics shape economic

trajectories across different contexts. It also aims to offer policy relevant insights that could inform the design and implementation of gender-sensitive development strategies at both national and international levels.

## **2. Literatur Review**

The nexus between gender equality and economic development has garnered considerable scholarly attention over the past decade, reflecting a growing consensus that inclusive growth cannot be achieved without addressing gender disparities. A central argument in this literature is that enhancing gender equality particularly in education, employment, and access to financial services serves as a catalyst for long term economic advancement.

According to Cheema et al. (2021), increasing women's participation in the labor force has a positive multiplier effect on economic performance by expanding the talent pool, promoting higher household incomes, and stimulating demand through enhanced consumption. Similarly, the study by Ghosh and Ramanayake (2021) highlights how closing gender gaps in economic opportunity improves productivity and can lead to greater macroeconomic stability, particularly in developing economies.

Empirical studies also demonstrate that gender equality is instrumental in improving institutional quality and governance, which in turn supports a more enabling environment for investment and economic resilience (Altuzarra et al., 2021). When women are empowered through legal rights, access to resources, and

leadership positions, the quality of public services and transparency often improves, contributing to better development outcomes.

However, gender inequalities remain pervasive due to deep-rooted cultural norms and institutional biases. Anthony and Udoka (2023) argues that while economic growth can reduce gender inequality to some extent, policy interventions are essential to accelerate the process. These include affirmative actions in education and employment, anti-discrimination laws, and targeted financial inclusion initiatives. Without deliberate policy reforms, the benefits of economic development may continue to bypass women, particularly in marginalized or rural populations.

Overall, the literature strongly supports the view that gender equality is not merely a social objective but a critical economic imperative. It enhances the efficiency of labor markets, fosters innovation through diversity, and reinforces the foundations of sustainable development.

### **3. Methods**

This study adopts a systematic literature review (SLR) approach to examine the relationship between gender equality and economic development. The SLR method was chosen for its ability to provide a comprehensive, transparent, and replicable synthesis of existing academic research. Literature searches were conducted through well-established academic databases such as Google Scholar, Scopus, and ScienceDirect, using keywords including “gender equality”, “women economic empowerment”, “economic development”, “female labor participation”,

and “gender gaps”. Boolean operators like and, or, and not were used to refine and narrow down the search results.

The inclusion criteria consisted of peer-reviewed journal articles published between the last five years, written in English, and directly examining the link between gender equality and economic development. Exclusion criteria included articles that addressed gender issues without a clear connection to economic aspects, non-peer-reviewed publications such as opinion pieces or editorials, and articles that were inaccessible in full-text form. The initial search yielded 157 articles. After removing duplicates and conducting a title and abstract screening for relevance, 42 articles were selected for full-text review. Following the application of the inclusion and exclusion criteria, several articles were ultimately included in the final analysis.

The selected articles were analyzed through thematic content analysis to identify recurring patterns, methodological approaches, key findings, and research gaps. Each article was coded based on several variables, including the region of study, research methodology (quantitative, qualitative, or mixed methods), indicators of gender equality (e.g., labor force participation, education levels, wage gaps), and measures of economic development (e.g., GDP growth, poverty reduction, human capital development). By following this systematic approach, the study aims to present an evidence-based and context-sensitive understanding of how gender dynamics influence economic development across different regions and socio-economic settings.

## 4. Results and Discussion

The findings from the systematic review of 20 peer-reviewed articles reveal a strong and consistent relationship between gender equality and various dimensions of economic development. Across diverse geographical contexts ranging from low-income to high-income countries studies show that greater gender parity in labor force participation, education, and leadership roles positively correlates with higher levels of GDP growth, poverty reduction, and improvements in overall human development.

One key result highlighted in multiple studies is that enhancing women's access to education significantly boosts a country's productivity and long-term economic competitiveness. For example, Khan et al. (2023) argue that gender inequality in education costs countries billions of dollars annually in lost human capital and productivity. Investment in girls' education has shown to yield higher returns not only in income generation but also in child health, fertility rates, and household well-being, which cumulatively support national economic progress.

In addition to education, female labor force participation remains a dominant factor in explaining growth disparities between regions. According to Solotaroff et al. (2019), increasing women's participation in formal employment sectors contributes to more stable household incomes and can help nations transition from subsistence-based economies to more dynamic and diversified structures. However, structural challenges such as occupational segregation, wage gaps, and unpaid care work continue to limit women's economic contributions, especially in developing countries.

Another recurring theme is the macroeconomic benefits of gender inclusive policies. As Kan and Klasen (2021) demonstrate, countries that adopt policies aimed at improving childcare access, parental leave, and anti-discrimination protections tend to experience higher female employment rates and faster economic recovery during periods of recession or crisis. Gender-sensitive fiscal and labor market policies not only support women directly but also foster a more resilient and inclusive economic system overall.

Despite this positive linkage, the literature also underscores the need for context-specific interventions. As Razavi (2019) notes, the effectiveness of gender equality measures depends on social norms, institutional capacity, and political will. In many cases, the absence of enforcement mechanisms or weak legal frameworks results in limited real-world impact, even when gender equality is enshrined in national development plans. This gap between policy and practice remains a major barrier to achieving the full economic potential of gender inclusion.

In summary, the reviewed literature provides compelling evidence that gender equality is not just a matter of social justice but also a vital economic strategy. Closing gender gaps in education, employment, and decision-making is associated with more inclusive and sustainable development. However, to translate this potential into measurable outcomes, governments must go beyond symbolic commitments and implement gender-responsive policies with accountability mechanisms.

## 5. Conclusion

This systematic literature review reaffirms the critical role that gender equality plays in driving sustainable economic development. The evidence gathered from 20 peer-reviewed studies published over the last five years clearly demonstrates that promoting gender parity in education, labor force participation, and decision-making is not only a matter of social justice but also an essential strategy for achieving inclusive and resilient economic growth. When women are empowered with equal opportunities, countries experience significant gains in GDP, institutional quality, and human capital development.

The review highlights that investment in girls' education, greater access to formal employment, and gender-sensitive policy reforms have measurable economic benefits, particularly in low- and middle-income countries. However, despite increasing global awareness and policy commitments, persistent structural barriers such as cultural norms, legal discrimination, and inadequate institutional enforcement continue to limit women's full participation in economic life.

To realize the economic potential of gender equality, governments must move beyond symbolic efforts and enact targeted, context specific interventions supported by strong political will and institutional capacity. Only by integrating gender considerations into every level of policy and development planning can nations unlock broader economic progress and achieve the long-term goals of equity and sustainability.

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