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HD INSIGHTS

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Measuring Gender Inequality and its Impact on Human Development: The debate about the GDI and GEM

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What do the Gender-Related Development Measure (GDI) and the Gender Empowerment Measure (GEM) aim to measure?

The GDI is a measure that adjusts the Human Development Index by gender inequalities in the three dimensions covered by the Human Development Index, i.e. life expectancy, education, and incomes. It is therefore important to note that the GDI is "not" a measure of gender inequality as such. To see the importance of gender gaps in human development, one can use the ratio of the GDI to the HDI or the difference between the two.

The GEM seeks to measure relative female representation in economic and political power. It thus considers gender gaps in political representation, in professional and management positions in the economy, and in earned incomes.

What are the limitations of GDI and GEM?

There has been an active debate about the advantages and disadvantages of these measures - the topic of the recent GDI/GEM Review organized by the Human Development Report Office. The review highlighted the following issues.

Two main problems arise with the GDI. First, it is often mis-interpreted as a measure of gender inequality and thus used incorrectly. This is largely due to its complexity and also related to the way it has been communicated in some instances. Second, there are a number of problems with its construction, including particularly the way gender gaps in incomes are calculated. Briefly, the problem is that the GDI implicitly assumes that gender differences in earned incomes are a good representation of gender differences in human development related consumption (such as adequate access to nutrition, housing, clothing). There

are a range of smaller conceptual problems as well as more serious issues of data availability and reliability with this measure.

The GEM is probably a conceptually clearer measure and more easily interpreted but also has two primary shortcomings, among other more minor issues. The most important one also relates to the earned income component. Instead of simply considering the gender gap of earned incomes (which would be a good measure of female economic empowerment), it includes a measure that takes absolute incomes of males and females adjusted downward by gender gaps in earned incomes. The second problem relates to the rather complicated way of how the gender gaps are being calculated in the GEM. It would probably be more intuitive to use the ratio of female-to male achievements in the components than the current more complicated procedure. Among the other issues raised, the most serious one is that the data available to calculate the GEM continues to be very poor and thus allows a calculation for less than 100 countries.

What did the GDI/GEM review recommend regarding the two measures?

Regarding the GDI, the review recommended to clearly communicate its function as a measure of gender-sensitive development (and not a measure of gender equity). It was also recommended that UNDP considers developing a new composite measure of gender equality that would become the flagship gender indicator and relegated the GDI to be one of several distribution-sensitive measures of human development.

Regarding the GEM, the main short-term recommendation was to change the current treatment of earned incomes to ensure that only gender gaps in earned income are considered (and not absolute levels of income). In the medium term it was suggested to simplify the measure by using average gender gaps in the three components.

What should be done at the country level to study gender inequality in human development?

At the country level, it is first useful to generate gender-disaggregated statistics on all aspects of human development (not only the three components of the HDI) and base any analysis and policy recommendations on this data first. Other related issues impacting human development achievements include the contribution of women's unpaid work, gender-based violence, and ownership of productive assets, to name a few. In many countries there are large gender gaps in some dimensions but not in others and composite measures are typically unable to bring this out. Using gender-disaggregated data allows one to identify the problem areas and focus policy interventions on these.

In practice, the GDI as it currently stands is not always useful for country-level work. If, for example, one calculated HDIs and GDIs by region, province or state, the two indicators are usually quite close to each other and due to the problems raised above, it is hard to interpret the differences between them. That said, it is useful to calculate HDIs for males and females separately, in addition to other gender specific indicators that are pertinent for national development.

The GEM is potentially more useful in country-level work, particularly in countries where females have poor access to positions of political and economic power. Here the GEM can be a useful tool to highlight these gaps (although a reformulated GEM as suggested above would probably do this better). Countries can also adapt the component indicators and include data on women's representation in local government institutions. Empowerment indicators such as decision making at the household level and contraceptive

prevalence rates could be used where data permits. These can facilitate disaggregation of the GEM at the sub-national level.

Are there any other measures of Gender Inequality to consider?

Recently, a whole set of gender inequality measures have been developed. Among them are composite measure of gender gaps produced by the World Economic Forum, by Social Watch, by the OECD, and the Economic Commission for Africa. They each cover different dimensions and often complement each other. All of them are mostly useful for cross-country comparisons. For country-level work, examining the components of these measures is most helpful.

Some general sources:

Revisiting the Gender-related Development Index (GDI) and Gender Empowerment Measure (GEM), Journal on Human Development, Special Issue (Volume 7, Number 2, July 2006)

<http://hdr.undp.org/publications/journal.cfm>

Global HDR 2006 - Beyond Scarcity: Power, poverty and global water crisis

- **Calculating the Indices**

http://hdr.undp.org/hdr2006/pdfs/report/Technical_notes.pdf

- **Note on Revisiting the GDI/GEM, Human Development Indicators**

http://hdr.undp.org/hdr2006/pdfs/report/Human_development_indicators.pdf

- **Human Development Indicators Tables**

http://hdr.undp.org/hdr2006/pdfs/report/HDR_2006_Tables.pdf

Global HDR 1995 - Gender and Human Development

http://hdr.undp.org/reports/detail_reports.cfm?view=545

UNDP/HDRO (Statistics Website)

<http://hdr.undp.org/statistics>

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