



Women's economic empowerment is the smart thing to do. What's stopping us?

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Inclusive and sustainable development around the world – leaving no one behind – is the overarching vision of the UN's 2030 Agenda. Gender equality and women's economic empowerment are central to the realization of this vision, yet gender gaps around the world remain large, pervasive and persistent. [A recent report](#) from a high-level panel established by the UN secretary-general identifies proven and promising actions that governments, businesses, non-governmental organizations and multilateral development agencies can take to close these gaps.

[We were honoured to serve as the co-authors of the report](#) and this blog post highlights some of its main findings. The complete report and supporting policy briefs are available [online](#). [Our recent column for Project Syndicate](#) also summarizes some of the report's conclusions.

Women's economic empowerment is the right and smart thing to do. Women's rights are human rights; the human rights case for gender equality is incontrovertible. The human development, economic and business gains from empowering women are substantial. Greater gender equality means a country is associated with better education and health, higher per capita income, faster and more inclusive economic growth, and greater international competitiveness.

A widely cited [McKinsey Global Institute study](#) suggests that closing gender gaps in labour-force participation rates, part-time versus full-time work and the composition of employment would add 12-25% to global GDP by 2025. Other studies, using a variety of methodologies, find similar potential gains.

The business case for promoting gender equality is compelling. A growing body of research documents the many ways that women contribute value to each link of the business value chain, as suppliers, leaders, employees, customers, brand creators and community members.

Companies with greater gender equality in their workforce and top management reap a variety of benefits. Such companies are better able to attract and retain female talent, to motivate their female workers, to understand and respond to the needs of female customers, and address complex problems by incorporating more diverse views. Several [new studies](#) confirm that companies with more [women in top leadership](#) and [board positions](#) enjoy higher [financial returns](#).

More than [90% of girls worldwide](#) now finish primary school and more women than men are now graduating from college in most regions of the world. Yet, despite these gains, large gender gaps persist in all kinds of work, whether paid or unpaid, formal or informal, public or private, agricultural or entrepreneurial.

Globally, only 50% of women aged 15 and above are in paid employment, compared with about 75% of men. At the same time, women do about three times more unpaid work than men. When women are paid, their jobs tend to reflect gender stereotypes and provide relatively low earnings, poor working conditions and limited opportunities for career advancement. On average, women are paid less than men, even when women perform the same or equal-value jobs. Women are under-represented in leadership positions in both business and government. In addition, compared with businesses owned by men, enterprises owned by women are smaller, employ fewer people and are more concentrated in sectors with limited opportunities for profit and growth.

The UN report identifies four overarching factors that impede gender equality in all forms of work and at all levels of development: adverse social norms, discriminatory laws and insufficient legal protections, gender gaps in unpaid household and care work, and unequal access to digital, financial and property assets.

[Social norms determine economic outcomes for women in several ways](#): they shape women's decisions about which occupational and educational opportunities to pursue; they affect the distribution of unpaid work within households and wages in paid care activities, such as nursing and teaching, which employ a high proportion of women; and they reflect and reinforce discriminatory gender stereotypes and [implicit biases](#), which limit women's pay and promotion prospects.

[Adverse social norms are also codified in laws](#) that limit women's professional choices and their ability to obtain passports, travel outside their homes, start

businesses and own or inherit property. [A recent piece of International Monetary Fund analysis](#) suggests that this kind of legal discrimination is associated with lower levels of educational attainment for women, wider gender pay gaps and fewer women-owned businesses.

Hundreds of millions of women work informally, without any protection – either in law or in practice – of their social and labour rights. In India, for example, some 120 million women (around 95% of women in paid labour) work informally, as do around 12 million women in Mexico (around 60% of employed women). People working informally often have no voice to demand better workplace conditions or pay. This is [especially true for women](#), who also face sexual harassment, violence and restrictions on their reproductive rights.

Large gender gaps in unpaid work and care are a major driver of diminished economic opportunities for women. The household work and care responsibilities of women are reflected in a sizeable “motherhood pay penalty”. Around the world, mothers with dependent children earn, on average, less than women without dependent children, and less than fathers with similar household and employment characteristics. In fact, there is some evidence of a “fatherhood pay premium”: a positive relationship between a man’s wages and how many children he has.

The UN report identifies several promising and proven actions that businesses can take to promote gender equality and enhance economic opportunities for women. Most of the companies participating in the World Economic Forum are implementing one or more of these actions – many of these companies are leaders in these areas.

As a first step, businesses can identify and address adverse stereotypes and implicit biases in their organizations. Rigorous research on implicit biases can help companies design practices that [combat gender biases in the areas of hiring, promotion and pay](#). Many large global companies now have mandatory training for managers to recognize and counter these biases in human resource practices, with new digital platforms being developed to help organizations do so.

Many businesses are setting targets or other impact measures to monitor progress on reducing gender gaps in recruitment, retention and promotion and are linking managerial compensation to progress. Regular pay-equity reviews and innovative pay-equity processes – for example, setting explicit objective criteria for initial pay and promotion – have been shown to reduce gender pay gaps. Remediation processes to eliminate existing gaps are also effective tools.

Training and mentoring programmes help female employees to develop their skills. Sponsorship programmes, in particular, have been shown to be important in the

promotion of women and the development of a strong pipeline of female talent.

To attract and retain female workers, companies can offer family-friendly policies including flexible work options, and paid maternity and paternity leave benefits. Creating more flexible work choices reduces gender inequality in both paid and unpaid work. The need or the preference for temporal flexibility in work shapes women's choices of occupations, jobs and places of work and is a significant cause of the gender pay gap.

EDGE, a foundation and consulting company that grew out of the World Economic Forum's work on gender equality led by Nicole Schwab and launched at the World Economic Forum Annual Meeting in 2011, provides an innovative evaluation and certification tool that companies and organizations can use to assess whether their policies and practices support gender equality. EDGE has rapidly become a globally recognized standard certifying the best company practices to achieve gender equality. Roughly 110 companies from more than 40 countries and 22 industries are currently engaged in the EDGE assessment and certification process. EDGE has recently extended its certification work to public sector organizations, including the World Bank and the Federal Economic Competition Commission in Mexico.

To increase the share of women in top leadership positions in government and business, a growing number of countries are setting numerical targets or quotas. More than 110 countries have some type of quota for women in parliament and 11 countries are using quotas to improve the gender balance of government agencies. Quotas for corporate boards have been legislatively mandated in nine countries.

Businesses can also promote gender equality in their relationships with suppliers. Some companies are partnering with the public sector or with civil society organizations to protect and empower female workers in their global supply chains. The Better Work programme brings together global companies, factories in their supply chains, governments and worker organizations to improve factory conditions and safeguard the rights of workers in the garment industry. She Works, a public-private partnership organized by the International Finance Corporation (IFC), is working with private companies to improve gender equality and enhance employment opportunities for 300,000 women in company supply chains through mentoring programmes, flexible working arrangements and leadership training to increase diversity in management.

A growing number of global companies are working to build economic opportunities for women in their supply chains and to provide market-specific training and other

support to women, often in partnership with the public sector. Some of these companies are members of [WeConnect International](#), a non-profit organization that identifies, certifies and provides training to women-owned enterprises and connects them to qualified local and multinational companies. To join, companies commit to having a global supplier diversity programme.

Companies can also benefit from including women in their supply chains as distributors and retailers. Unilever's Shakti programme in India, launched in 2000, relies on women and their family members to distribute Unilever products in hard-to-reach rural villages. At last count, some 70,000 women and their 48,000 husbands and brothers were working as [Shakti entrepreneurs](#), reaching more than 4 million households in 162,000 villages.

During the past decade through its annual Global Gender Gap Report, the World Economic Forum has been a leader in calling attention to large, pervasive and persistent gender gaps in economic and political opportunities around the world. The recent UN report is a call to action to the global community to speed up the progress on closing these gaps to realize the vision of inclusive and sustainable growth.