

## GENDER ECONOMIC EQUITY

# Achieving "25 by 25": Actions to make Women's Labour Inclusion a G20 Priority

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## Abstract

*While women's labour insertion has significantly increased, wide gender gaps persist: women participate less in labour markets, their employment conditions are worse, they face glass walls and ceilings and they are discriminated by the law. Achieving gender equity is not only a moral imperative, but it also key for growth and development. The G20 countries have committed to reduce the gap in labour participation 25% by 2025, yet progress has been slim and thus innovative solutions need to be implemented. This document aims to provide policy recommendations to achieve this goal and bridge gender gaps in the world of work.*

## Challenge

During the last decades women have massively entered the labour market. However, wide gender gaps persist. In 2017, global female labour force participation reached 49.4%, 26.7 p.p. lower than for men and no improvements are expected in the short term (ILO, 2017). Women are more likely to remain economically inactive and, when they do participate in labour markets, they are more prone to be unemployed, work in the informal economy, receive lower wages, concentrate in less dynamic sectors and be under-represented at the top (Kabeer, 2017). Thus, while female labour insertion and conditions have progressed, these have not necessarily translated into decent work or economic empowerment.

These gender inequalities are an obstacle to women's effective exercise of their rights. Yet promoting gender equality in labour markets is not only right for women, but also for the economy and society as a whole. A growing body of literature highlights the economic returns of closing gender labour gaps and the benefits of a diverse workforce for business performance (Brosio, Díaz Langou, & Rapetti, 2018). Therefore, the absence of a trade-off between equity and growth and its benefits in all dimensions make it imperative to advance towards women's empowerment.

Two interrelated factors are at play behind these gender gaps. First, social norms and customs create gender stereotypes that are deeply rooted in societies and internalized by men and women, affecting their decision to engage in labour activities in general and in certain sectors or occupations particularly. Second, the sexual division of labour has historically considered women as primarily responsible for domestic and care work, hampering female participation in paid activities and generating a "double burden". While female labour force participation has increased, there has been no recognition of the importance of unpaid work or a redistribution between men and women.



Gender prejudices are also associated to legal restrictions on women's agency. According to Women, Business and the Law report (World Bank, 2018), in 167 out of 189 countries laws hinder women's economic opportunities and 104 have legal gender-based job restrictions on women. These can affect their access to financial assets, property rights and social networks, and even constrain women's freedom of movement or labour insertion.

Education is another factor closely associated to labour inclusion. Educational achievements are correlated with greater participation in decision-making, improved employment outcomes, reduced early marriage, reduced maternal mortality and greater awareness of rights (UN Women, 2016). Over the last decades, girls' educational attainment has significantly improved and some countries exhibit a positive gap for women, yet in others it remains a problem.

Given its key role in the global economy, the G20 has a huge potential to deliver on gender equality. In 2014, the G20 leaders committed to reduce the gender gap in participation by 25% by 2025, which would bring more than 100 million women into the labour force. Despite the compromise and the heightened relevance of the W20 within the G20 process, overall progress has been slim and thus innovative solutions need to be pushed forward.

## Proposal

Empowering women is not only correct from a rights' perspective, but it is also smart economics: evidence suggests that reducing gender gaps in the labour market can contribute to economic growth and sustainable and inclusive development. In this sense, reducing gender gaps is essential to achieve the 2030 Agenda goal of "leaving no one behind".

Unequal power structures limit the opportunities for women, for they exclude them from certain activities while mostly relegating them to the private sphere. These asymmetries are reinforced by existing social norms, laws and public policies, and they translate not only in lower female labour force participation and lower pay for women, but also in constraints on women's freedom of movement, on their decision-making and on their actions more broadly. While culture and social norms are hard to change in the short term, policy can foster and accelerate the debunking of gender stereotypes.

One symptom of our patriarchal societies is the fact that women exhibit higher levels of time poverty due to the disproportionate amount of unpaid work they perform, which often leads to a double burden of work. Therefore, increasing female labour force participation requires encouraging co-responsibility between different actors to redistribute these activities.



Moreover, as a new wave of innovation and technology disrupts the world of work, new challenges and opportunities arise to bridge gender gaps. According to the WEF (2016), the future of work will have different implications for men and women. As domestic chores are further automated, the amount of unpaid work could be reduced, decreasing women's double burden. Nonetheless, a globally ageing population means that care needs will increase in the near future. Additionally, the STEM field, in which women are underrepresented, is likely to register the highest employment growth, so reducing the digital, educational and entrepreneurial divides is essential to prevent women from lagging behind these opportunities.

Given existing information gaps, a necessary step to address inequalities is to collect better sex-disaggregated data and perform gender analyses of policies and events. Only by "engendering" data we will be able to produce better evidence and thus improve policymaking and planning to empower women. This requires gender mainstreaming in developing standards and methodologies for data collection and analysis, both in rural and urban environments. In this vein, striving towards the "25 by 25" goal set during the Australian G20 Presidency requires monitoring progress with quality data. For this purpose, the ILO and the OECD have developed a set of indicators (ILO & OECD, 2015) that are described in the Appendix.

As women face multiple and intersecting barriers in order to enter and remain in the labour market, a multidimensional and comprehensive approach is required to address each of the obstacles and deconstruct cultural and social representations in order to leverage female talent. Additionally, especial attention must be put on minority groups of women, such as migrants, who face additional barriers. The following sections provide policy recommendations building on previous research and the W20 2017 Communiqué and Implementation Plan.

## **1. Relaxing constraints on women's time**

Evidence shows that investing in the care economy can have positive implications in female employment and economic growth (GROW, 2015; ITUC, 2016; Melesse & O'Neill, forthcoming), as it can contribute to alleviate women's time poverty.

All individuals have the right to care and be cared for, yet care responsibilities and domestic work remain as key obstacles hindering women's full economic participation. Social norms have traditionally led to women being considered primarily responsible for unpaid work, yet with their massive insertion into the labour market the traditional divide man breadwinner/women caregiver is becoming obsolete. Additionally, while vital from an economic and social perspective, unpaid work remains invisible in economic accounts (Dutkiewicz & Ellis, 2018).



While the distribution of these activities remains far from egalitarian between men and women, many countries lack sufficient and quality care services. This situation is particularly troublesome for women in vulnerable environments, as they lack resources to afford care services and therefore cannot balance their time between paid and unpaid work. Progress in gender equality has been uneven between different groups of women and socioeconomic cleavages have increased in many countries (UN Women, 2016).

Following the recommendations put forth on the T20 Policy Brief on Care, the ensuing policies are proposed:

- Recognise care and domestic activities as unpaid work.
  - Carry out periodic time-use surveys.
  - Measure the contribution of unpaid work in national accounts.
  - Foster the formalization and professionalization of care workers.
- Reduce the burden of care and domestic work.
  - Invest in the provision of care services for children, people with disabilities, people living with diseases and the elderly.
  - Provide technology, infrastructure and public services that contribute to diminish the burden of domestic work: piped water, electricity connections, roads, quality childcare and education services (Chopra & Zambelli, 2017).
- Redistribute these tasks more equally between men and women.
  - Design public campaigns to challenge gender stereotypes regarding paid and unpaid work and shape more supportive social norms.
  - Foster paid maternity, paternity and parental leave regimes that promote co-responsibility between mothers, fathers and the State. Establish a number of non-transferrable leave days for fathers. Ensure this right for all family conformations.
  - Enact fiscal incentives for companies to implement family-friendly policies and flexible working arrangements for women and men.
  - Enact fiscal incentives for women to participate in the labour market, e.g. tax cuts for families' second earners.

## **2. Removing legal barriers to women's economic empowerment**

It is crucial to abolish all policies, laws and regulations that constrain women and foster legislations that protect them from being discriminated in order to allow their empowerment, strengthen their role in private and public decision-making and fulfil their rights. Legal discrimination based on gender hinders not only women's economic participation, but also the road towards sustainable and inclusive growth and development.



Despite improvements in gender equality, around the world women still face legal restrictions on their actions and opportunities. These limitations are correlated with fewer girls receiving education than boys, fewer working women and wider gender wage differentials (World Bank, 2016), all of which affect women's economic prospects and choices. Building on the UN Secretary-General's High-Level Panel on Women's Economic Empowerment and previous W20 processes, the following measures are put forward:

- Abolish policies, laws and regulations that prevent or restrict women's agency. These include regulations affecting women's freedom of movement, participation in economic activities, access to education, access to sexual and reproductive health services, working during night shifts, among others.
- Enact legislation to ensure women's equal access to assets and resources, including credit, land ownership, inheritance.
- Promote laws that guarantee equal pay for equal work regardless of gender.
- Reform inequitable laws and regulations and ensure legal protection and non-discrimination.
- Promote equal women's access to justice and legal aid.
- Prevent violence against women and girls in all contexts, including the workplace.

### **3. Foster women in STEM careers and traditionally male-dominated sectors**

Women who enter the labour market tend to concentrate in sectors considered as "female", which are an extension of women traditional tasks in the private sphere - i.e. education, health and domestic work. Socio-cultural norms and factors affect their career and occupation choices (Beneke, Polanco, Vásquez, & Calderón, 2016) and educational systems reinforce stereotypical expectations for women (OECD, 2012), leading to reduced female participation in certain fields. While girls' education has progressed over the last decades, this improvement has been uneven among different subjects. In a changing world, the Fourth Industrial Revolution is leading to a future of work in which jobs in science and technology will be the fastest growing and better paid (WEF, 2016) and in which men are currently predominant, while new jobs can become an opportunity for women.



Additionally, evidence shows that diversity in a group is associated with better performance and results, as people from different backgrounds bring different insights and perspectives (Page, 2007; WEF, 2016). Therefore, it is necessary to encourage women to get involved in traditionally male sectors, and vice versa, since an early age, while building pipelines to leverage the wide diversity of female and male talents that exists in non-traditional fields. Some concrete policies that could contribute to these purposes are the following:

- Eliminate gender biases and stereotypes from schools' curricula and teachers' education.
- Provide career counselling at schools and universities that challenge gender stereotypes among youngsters.
- Implement vocational training and skills development in emerging fields and support women and girls' enrollment.
- Encourage mentoring and coaching programmes to attract women to STEM careers and other traditionally male-dominated fields.
- Promote scholarships for women in STEM fields.
- Articulate with the private sector to foster the insertion of women in traditionally male-dominated sectors. Design a diversity certification for companies that promote gender equity.
- Set specific targets for female enrollment in STEM university degrees.
- Provide equal access to technology for girls and boys, women and men.
- Support research initiatives to evaluate and monitor the effect of digitisation on women, especially in developing countries.
- Design public campaigns that challenge gender stereotypes in certain fields.

#### **4. Gender mainstreaming in active labour market policies**

Training programmes are essential to promote skill acquisition and enhance women's employability in the short term. Nonetheless, women face additional barriers to men in order to enroll and remain in these programmes, especially concerning care and domestic responsibilities. Moreover, participation in vocational training tends to imitate and reinforce the occupational segregation observed in the labour market.





As they dropout from programmes, women lose the chance to acquire skills that can help them get a job. Therefore, gender mainstreaming is necessary across labour market policies since their inception to address the specific needs of women to participate in the world of work. A call for action could include the following measures:

- Ensure equal access to labour market policies regardless of gender, tailoring programmes to address the specific barriers that women face.
  - Consider men and women's different needs on training programmes's design.
  - Set participation targets by gender and monitor progress.
  - Articulate training programmes with childcare services.
- Foster gender mainstreaming in instructors' training.
- Design specific training modules for women entrepreneurs<sup>1</sup>. Foster links between women and funding possibilities.
- Provide guidance for women and men that participate in vocational training to avoid the reproduction of occupational segregation.
- Foster women's financial inclusion and literacy<sup>2</sup>.
- Design national strategies to collect data and measure skills mismatches in the economy to implement vocational programmes based on market demand. Promote actions to reduce these gaps by increasing women enrollment.
- Encourage gender-neutral job descriptions and blind recruitment processes to neutralize unconscious biases that prevent employers from hiring women.
- Strengthen policies to recognize and reduce informality in feminized sectors, such as domestic services.

#### **4. Breaking the glass ceiling**

Women who enter the labour market usually find difficulties to reach decision-making and leadership positions, both in the public and private sector. This phenomenon of vertical segregation is also known as “glass ceiling”, as women encounter an invisible limit to their professional development based on social norms, prejudices, unconscious biases,



traditionally male-dominated corporate structures, confidence gaps, among others. Minority groups of women even face a “concrete ceiling”, harder to break, to see through and aspire.

While on average women are at least as skilled and educated as men, they are under-represented at higher-level positions. This is sometimes described as a “leaky pipeline”: as one moves up the career ladder, the number of women decreases, as if they seeped along different professional stages so that only a few reach the top.

The barriers that women face can be related to care responsibilities that constrain the time they devote to paid work. Additionally, a corporate masculine culture and a lack of female role-models may impact on the ambitions and aspirations of high-potential women. In hiring and promotion processes, also recruiters could have unconscious biases and pre-conceived gender stereotypes.

G20 member states overall depict lower percentages of women in c-suite and board positions than the global average (Dutkiewicz & Ellis, 2018). It is imperative to amplify women’s voice and provide them with equal opportunities to become leaders.

- Implement gender quotas in high level positions in all economic sectors, including G20 Parliaments or Congresses, public firms’ boards, trade unions, NGOs.
- Design public campaigns in media to raise visibility of female role-models in leadership positions and to challenge gender stereotypes.
- Implement mentoring programmes to strengthen the role model effect of female leaders.
- Support networks of women in high-level positions.
- Promote work-life balance policies in order to retain women with care responsibilities and support their professional growth.
- Promote setting gender targets at all levels of organisations and monitor progress.
- Encourage firms to disclose wage gap information.
- In public procurement, ponder firms’ gender diversity in the selection process.



#### 4. Entrepreneurship and self-employment

Women entrepreneurs, defined as those who start a business either for subsistence or profit, make a huge contribution to national economies, as they create jobs, provide valuable products and services to communities and generate incomes for their families (Global Entrepreneurship Monitor, 2017). Nonetheless, their capacity for growth and their potential impact are significantly hindered by a myriad of barriers: women worldwide have restricted access to financial assets, resources, insurance and markets, and this affects their possibilities to increase productivity, scale-up their activities and engage in international trade. Moreover, women often lack entrepreneurship-relevant skills, such as experience in management positions, and they have less developed social networks that are crucial for a successful business start-up. These limitations also constrain the possibilities of women-owned businesses to enter value chains and compete in public procurement processes.

Nevertheless, female entrepreneurship is growing steadily. According to the Global Entrepreneurship Monitor (2017), between 2016 and 2014 female entrepreneurial activity increased 10%, while the overall gender gap in entrepreneurship decreased 5%. Moreover, while women are still more necessity-driven than men, they are increasingly opportunity-driven into business. In this context, it is necessary to leverage the huge potential of women entrepreneurs to contribute to the global economy, for which governments must create an enabling environment.

- Implement women-only training programs, incubators and accelerators aimed at developing entrepreneurial and leadership skills. Help them understand how they can transfer skills from household management into business development.
- Develop infrastructure (e.g. internet access) to enable non-urban entrepreneurs to access the market, raise funds (e.g., via crowdfunding), participate in online training programmes, and build and maintain social networks.
- Promote positive social attitudes and foster women's self-confidence in entrepreneurship by implementing ambassador programmes and designing public campaigns that showcase female role models in business (OECD, 2017a).
- Foster initiatives and events to build female entrepreneurial networks that do not reinforce gender differences and to integrate women to existing networks.
- Ensure social security protection and family policies (e.g. maternity leave) for the self-employed.



- In public procurement processes, foster the participation and selection of women-owned businesses.
- Ensure equal access of women to finance. Review financial instruments for start-ups and SMEs and remove biases that hamper women's access.
  - Implement tailored support for women entrepreneurs with growth-oriented business or working for subsistence.
  - Encourage women to become business venture capitalists and business angels.



## References

<sup>1</sup> More details in the last section.

<sup>2</sup> For detailed recommendations, please see the T20 policy brief on Financial Inclusion.

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## Appendix

During the Australian G20 Presidency, leaders committed to reduce the labour force participation gap by 25% by 2025. In this vein, the ILO and OECD proposed a set of indicators to measure progress. Following their joint report (ILO & OECD, 2015), these indicators are mentioned below.

### Gender gaps in labour markets

- Labour force participation rate, by sex, 15-64 (source: ILO, OECD; coverage: all countries).
- Employment/population ratio, by sex, 15-64 (source: ILO, OECD; coverage: all countries).
- Proportion of youth not in education, employment and training, 15-24 (source: ILO, OECD; coverage: all countries)
- Incidence of part-time employment, by sex (source: OECD, ILO; coverage: 18/20)
- Gender gap in senior managers, 15+ years (source: ILO, OECD; coverage: 18/20)
- % entrepreneurs, by sex (source: OECD; coverage: 18/20)
- Gender pay gap (source: OECD, ILO; coverage: 15/20)
- Gender Gap in PIAAC numeracy proficiency, 15-64 (source: OECD; coverage: 12/20)

### Gender gaps in opportunities

- Gender gap in OECD PISA reading and mathematics performance (source: OECD; coverage: 18/20)
- Gender gap in population with tertiary education, 25-64 (source: OECD; coverage: 19/20).



- Percentage of tertiary qualifications awarded to women in engineering (source: OECD; coverage: 18/20)
- Differences in legal treatment of men and women (source: WB; coverage: 19/20)
- Legal incentives to encourage women to work (source: WB; coverage: 19/20)
- Gender gap informal employment/total employment (source: ILO, coverage 15/20)
- Gender gap in coverage of social protection systems (source: ILO, coverage 15/20)
- Proportion of respondents who agreed with the statement: when jobs are scarce, men should have more right to a job than women (source World Value Survey (20/20)
- Total weeks of paid maternity leave and exclusive days for fathers (source: OECD; coverage (19/20)
- Preschool enrolment rate, children 3-5 years (source: OECD; coverage 17/20).



## Gender gaps in benchmark indicators

	Employment			Entrepreneurship
	Gap in labour force participation, all ages pp (A)	Share of female managers, all ages, % (B)	Gender gap median earnings, full-time employees, pp (C)	Gap in self-employment, pp (D)
<b>Argentina</b>	24.4	30.6	...	8.4
<b>Australia</b>	10.2	36.6	14.3	8.3
<b>Brazil</b>	21.9	38.4	...	8.0
<b>Canada</b>	5.7	35.5	18.2	6.4
<b>China</b>	14.0	...	...	...
<b>European Union</b>	10.5	31.61	12.46	8.5
<b>France</b>	6.6	33.4	9.9	5.9
<b>Germany</b>	7.6	29.2	15.5	4.9
<b>India</b>	51.2	12.9	...	-3.2
<b>Indonesia</b>	31.1	27.5	...	-11.7
<b>Italy</b>	18.4	27.5	5.6	10.7
<b>Japan</b>	16.4	13	25.7	2.7
<b>Korea</b>	19.6	10.5	36.7	4.7
<b>Mexico</b>	33.5	36.4	16.5	-0.2
<b>Russia</b>	10.0	41.3	...	...
<b>Saudi Arabia</b>	56.9	5.8	...	...
<b>South Africa</b>	12.2	32.1	...	4.2
<b>Spain</b>	10.7	30.6	11.5	7.9
<b>Turkey</b>	38.9	15.0	6.9	-5.6
<b>United Kingdom</b>	9.6	36.2	16.8	8.2
<b>United States</b>	10.8	40.5	18.1	1.8

Source: OECD, (2017)

- Data for 2016, except from Brazil (2015), Indonesia (2013), India (2012) and China (2010).
- Data for 2017, except from Australia (2016), Japan (2016), Saudi Arabia (2015), Korea (2015), Canada (2014), Argentina (2014) and India (2012).
- Data for 2016, except from Japan (2015), France (2014), Italy (2014), Spain (2014) and Turkey (2014).
- Data for 2017, except from Korea (2016), Brazil (2015), Argentina (2014) and India (2012).



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