

other countries, are increasing their female clientele,²¹ and companies in male-dominated sectors, such as chemicals and construction, are increasing women's access to jobs through more concerted recruitment and family-friendly work arrangements. Multinational firms have increased profitability in South Korea by actively recruiting women for local managerial positions.²² While success stories are encouraging, a focus on gender equality is still all too rare. ManpowerGroup surveys report that only 2 percent of employers across 42 countries have adopted strategies to recruit more women.²³

Private and public sector actors can form powerful partnerships to support women's entrepreneurship, which in turn contributes to growth and a dynamic private sector. Women's entrepreneurship can be fostered through a combination of increased access to capital, networks, and new markets; high-quality business skills and development training; and access to broader services that offset gender-specific constraints.

4. Global action is needed to fill knowledge gaps about both the problems of, and the solutions to, gender inequality in the world of work. This involves addressing data gaps in such areas as earnings disparities, control over assets, and gender-based violence in homes and workplaces. But it also means contributing to stronger evidence on what works for increasing gender equality in the world of work. The World Bank recently launched *enGENDER IMPACT*, a gateway to its gender-related impact evaluations. This effort complements gender innovation and evaluation initiatives in Sub-Saharan Africa and Latin America and the Caribbean, and efforts by the IFC to highlight good business practices.

NOTES

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Executive Summary

GENDER EQUALITY IN THE WORLD OF WORK MATTERS

Jobs can bring gains for women, their families, businesses, and communities. Jobs boost self-esteem and pull families out of poverty. Yet gender disparities persist in the world of work. Closing these gaps, while working to stimulate job creation more broadly, is a prerequisite for ending extreme poverty and boosting shared prosperity.

Gender equality in the world of work is a win-win on many fronts. A large and growing body of evidence demonstrates both the business and the development case. Booz & Company estimates that raising female employment to male levels could have a direct impact on GDP, increasing it by 34 percent in Egypt, 12 percent in the United Arab Emirates, 10 percent in South Africa, and 9 percent in Japan, taking into account losses in economy-wide labor productivity that could occur as new workers entered the labor force.¹ Yet almost half of women's productive potential globally is unutilized, compared to 22 percent of men's, according to the International Labour Organization.² In places where women's paid work has increased, as in Latin America and the Caribbean, gains have made significant contributions to overall poverty reduction.

Both the *World Development Report 2013 on Jobs* (WDR 2013) and the *World Development Report 2012 on Gender Equality and Development* (WDR 2012) provide valuable and complementary frameworks to help policy makers advance gender equality in the world of work. The WDR 2013 approach helps us to understand how and when promoting gender equality in the world of work adds significant development value. The WDR 2012, meanwhile, offers an important framework for diagnosing and addressing gender-specific constraints. An important link between the two WDRs is the notion of agency—women's ability to make choices they value and to act on those choices. Jobs can increase women's agency by expanding their life choices and their capacity to better support their families and more actively participate in communities and societies. Conversely, significant constraints on agency pose major barriers to women's work and help explain the persistence of gender gaps.

Following the WDR 2013, "jobs" are broadly defined to include various forms of wage and non-wage work, formal and informal. Informal work is the largest source of employment throughout Africa, Asia, and the Middle East, and working women are more likely than working men to be self-employed or farming. The jobs that are best for women's economic empowerment—and development goals more broadly—depend on country-specific jobs challenges.

WHERE DO WE STAND?

Gender equality in the world of work is multidimensional. Broadly, key dimensions include labor force participation, employment, firm and farming

characteristics, earnings, and job quality. The last is the most difficult to measure and varies by context. However, full-time wage employment is a strong predictor of subjective well-being, and jobs that provide higher earnings, benefits, rights, and opportunities for skills development are more likely to expand women's agency.

On virtually every global measure, women are more economically excluded than men. Trends suggest that women's labor force participation (ages 15–64) worldwide over the last two decades has stagnated, declining from 57 to 55 percent globally. Participation is as low as 25 percent in the Middle East and North Africa. Globally, Gallup estimates that men are nearly twice as likely as women to have full-time jobs—and, in South Asia, they are more than three times as likely.³

Gender gaps are evident among farmers, entrepreneurs, and employees alike. Because of gender-specific constraints, female farmers tend to have lower output per unit of land and are less likely to be active in commercial farming than men. In the Central Highlands of Ethiopia, the value of output per hectare of female-headed households has been estimated to be 35 percent lower than that of male-headed households, a disparity stemming mainly from unequal access to productive inputs.⁴ Female entrepreneurs typically operate smaller firms and in less profitable sectors. In Latin America and the Caribbean, half of established businesses owned by women have no employees, compared to 38 percent of businesses owned by men.⁵ Female employees are more likely to work in temporary and part-time jobs, are less likely to be promoted, and are concentrated in occupations and sectors with lower barriers to entry. Women and girls also do the vast majority of unpaid care and housework.

Women generally earn less than men. ILO analysis of 83 countries shows that women in paid work earn on average between 10 and 30 percent less than men.⁶ Gaps are particularly acute in the Middle East and North Africa, but also persist in high-income OECD countries.

Gender sorting into different jobs, industries, and firm types explains much of the pay gap. Throughout the world, women are concentrated in less-productive jobs and run enterprises in less-productive sectors, with fewer opportunities for business scale-up or career advancement. The latest Grant Thornton International Business Report indicates that the share of women in senior management roles globally is only 24 percent.⁷ Across developing countries, 18 percent of non-agricultural self-employed males work in business-oriented services, compared to only 5 percent of females; women are more heavily concentrated in retail services, often in the informal sector.⁸

OVERLAPPING DISADVANTAGES AND GENDER EQUALITY AT WORK

Gender-smart jobs strategies need to identify and address multiple deprivations and constraints that underlie gender inequality in the world of work. The WDR 2012 provides a

valuable framework for understanding the challenges. It highlights key outcome areas—agency, endowments, and economic opportunities—and underscores the fact that disparities are driven by multiple constraints that arise in formal and informal institutions, markets, and households. The constraints are most severe among women who face other disadvantages, such as being a member of an ethnic minority, having a disability, or being poor.

Social norms are a key factor underlying deprivations and constraints throughout the lifecycle. Norms affect women's work by dictating the way they spend their time and undervaluing their potential. Housework, child-rearing, and elderly care are often considered primarily women's responsibility. Further, nearly four in 10 people globally (close to one-half in developing countries) agree that, when jobs are scarce, men should have more right to jobs than women.⁹ Research shows that women are frequently disadvantaged by gender biases in performance and hiring evaluations.¹⁰

Jobs can increase women's agency, but a lack of agency also restricts women's job opportunities. In most developing countries, women have fewer choices in fundamental areas of day-to-day life, including their own movements, sexual and reproductive health decisions, ability to use household assets, and whether and when to go to school, work, or participate in other economic-related activities. Further, a large proportion of women in the world lack freedom from violence. The World Health Organization estimates that more than 35 percent of women have experienced gender-based violence.¹¹ Without addressing these critical constraints on agency, women cannot take full advantage of potential economic opportunities.

Inequalities in endowments and assets contribute to gaps in the world of work. While there has been important progress globally, in some countries fundamental deprivations persist. In 2010–12, female-to-male enrollment ratios for primary school were less than 90 percent in 16 countries, mainly in Africa, and some 57 million primary school age children were not enrolled.¹² Many women lack access to land and financial capital. Other deep-seated differences also persist. For example, young women and men often follow different educational streams and develop differences in aspirations and skills that underlie occupational segregations later in life. A wider account of productive inputs shows women disadvantaged in areas such as access to financial services, technology, training, information, and social networks.

Legal discrimination is a remarkably common barrier to women's work. Of 143 economies, 128 had at least one legal differentiation in 2013.¹³ These barriers include restricting women's ability to access institutions (such as obtaining an ID card or conducting official transactions), own or use property, build credit, or get a job. In 15 countries, women still require their husbands' consent to work. In many economies, especially in the Middle East and North Africa, women face the cumulative effects of multiple legal constraints.

IGNITING GENDER EQUALITY IN THE WORLD OF WORK

While there are no “magic formulas,” effectively tackling gender inequality at work is likely to be an integral part of addressing country jobs challenges. Overcoming gender inequality involves understanding local specificities and developing bold, coordinated actions to address multiple constraints. It requires investments in people's skills and capabilities, and supporting their abilities to contribute to higher productivity activities and economy-wide competitiveness over their life cycles. Four broad areas are likely to be important.

1. Integrate gender into jobs diagnostics. Growth and labor market country diagnostics can identify the gender-specific constraints that women face in accessing productive jobs. A joint World Bank and Asian Development Bank gender assessment for Lao PDR found persistent wage gaps and self-employed women running smaller businesses. These diagnostics led to growth strategy recommendations focused on improving access to finance and business training for women entrepreneurs. A gender assessment in Vietnam identified adverse impacts of gender differences in statutory retirement ages and outlined policy options for addressing the problem.

2. Level the playing field through government actions across the lifecycle. Biases can begin very early in life, sometimes in subtle ways, and start trajectories of inequality that become increasingly difficult and costly to resolve. Policy actions across the lifecycle to advance gender equality in the world of work will typically include both (a) broad-based actions that, while benefiting everyone, may have an even greater impact on women's economic opportunities (such as early childhood development programming or reducing inefficiencies to business registration) as well as (b) targeted actions to remove or offset gender-specific constraints. The report discusses evidence behind a wider range of targeted actions, but selected examples are highlighted here.

During childhood and youth, policy actions can tackle inequalities through education and training. A growing body of evidence demonstrates the value of cash transfers with special incentives as a demand-side tool for boosting equality in schooling. Examples of supply-side strategies that have shown positive results by addressing gender-specific constraints include increasing the proximity of schools to homes in Afghanistan and building “girl-friendly” schools in Burkina Faso that improve facilities and incentives for girls' education while engaging parents and teachers.¹⁴ Education systems can challenge stereotypes through curricula. Tanzania's national curriculum includes substantial gender-related material in its secondary school civics syllabus and examinations.¹⁵ Multicomponent skills-development programs can also make a difference. A World Bank-supported youth employment program in Liberia that included vocational and life skills training, along with job placement help, boosted young women's employment by 47 percent and average weekly earnings by 80 percent.¹⁶

For women of productive age, actions can focus on removing barriers to getting paid work. Eliminating legal and formal

barriers to women's work is key to leveling the playing field. Reforms should focus on removing restrictions to women's work in labor and employment; removing unequal status provisions, such as head-of-household provisions, in family law; allowing and encouraging women's ownership and joint-titling of land; enforcing equitable inheritance laws; and applying nondiscrimination principles to customary laws. Most countries have made significant progress toward more equitable laws over recent decades, but there has been less progress in some regions, notably in the Middle East and North Africa and in South Asia.

Beyond addressing legal discrimination, targeted policies can address more subtle constraints. Strategies can include family-friendly leave and flexibility policies, extending affordable child-care and early child development programs, and developing technology and infrastructure to reduce burdens on women's time for household chores and care work. The World Bank estimates that adding one year of preschool education in Turkey, for example, could increase female labor force participation by 9 percent.¹⁷ Father-friendly leave policies in the UK and Nordic countries have strengthened opportunities and incentives for men to share in domestic responsibilities. A World Bank-supported program in Cambodia reduced women's time devoted to collecting firewood and increased their incomes by selling low-cost, fuel-efficient cookstoves through local female vendors.¹⁸

During elderly years, governments can support equitable old-age labor regulations combined with appropriate social protection. The importance of this demographic cannot be ignored. In developing countries, the old-age dependency ratio is expected to increase by 144 percent from 2010 to 2050, whereas the child dependency ratio is projected to fall by 20 percent during the same period. This translates to increased elderly care responsibilities for productive age women, as well as potential challenges for elderly people themselves. Many governments have removed differences in retirement and pension ages, but gaps remain in 49 countries. World Bank analysis showed that mandatory earlier retirement causes early labor force withdrawal of urban women in China.¹⁹ In developing countries, many elderly women are outside the scope of formal social protection—although studies in Brazil and South Africa have shown that pensions received by elderly women significantly increased granddaughters' education and health.²⁰ More policy experimentation is needed on interventions for updating older women's and men's skills and increasing connections to the labor market.

3. Proactive private sector leadership and innovation for gender equality. The private sector accounts for about three out of four jobs in countries like Egypt, Finland, and France and nine out of 10 jobs in countries such as Brazil, Chile, Japan, and South Africa. With International Finance Corporation (IFC) support, commercial banks in Cambodia, Nigeria, and Romania, among

Agency is the ability to make one's own choices and act upon them.