

# TRANSFORMING ECONOMIES, REALIZING RIGHTS

*Progress of the World's Women: Transforming economies, realizing rights* documents the ways in which current economic and social policies are failing women in rich and poor countries alike, and asks, what would the economy look like if it truly worked for women?

The report brings together human rights and economic policymaking, and provides the key elements for a far reaching new policy agenda that can transform economies and make women's rights a reality.

## FACT SHEET - GLOBAL

### 1 / TRANSFORMING WORK FOR WOMEN'S RIGHTS

*With the right mix of economic and social policies, governments can generate decent jobs for women and ensure that the unpaid care work that goes into sustaining all economies is recognized and supported.*

#### PERSISTENT GENDER GAPS IN LABOUR FORCE PARTICIPATION AND PAY

The gender gap in labour force participation has narrowed slightly, but remains wide and persistent at 26.4 per cent globally.

Occupational segregation is widespread and persistent. Globally, women are over-represented in clerical and support positions (63 per cent) and service and sales workers (55 per cent) compared to managerial occupations (33 per cent).

Globally, women earn on average 24 per cent less than men, with variation across regions.

#### TOO OFTEN WOMEN ARE TRAPPED IN LOW PAID, POOR QUALITY WORK

Women tend to be over-represented in low-paid work: in 22 out of 34 countries with data, women are more likely than men to be in low-paid jobs.

In some developing regions 75 per cent or more of women's employment is informal, in jobs unprotected by labour laws and lacking social protection. These jobs are not covered by labour laws and lack social protection.

In EU countries, 75 per cent of women in management and higher professional positions and 61 per cent of women in service sector occupations have experienced some form of sexual harassment in the workplace in their lifetime.

#### WOMEN'S DISPROPORTIONATE SHARE OF UNPAID CARE WORK LIMITS THEIR OPPORTUNITIES

Women do nearly two and a half times more unpaid care and domestic work than men. In most countries, when paid and unpaid work are combined, women work longer hours than men.

In the EU, in 2013, 25 per cent of women compared to only 3 per cent of men cited care and other family responsibilities as the reason for not being in the labour force.

Based on surveys in 32 developing countries, 39 per cent of employed women said that they themselves look after their children while they work. Only 4 per cent of women used a nursery or organized childcare.

Gender pay gaps are particularly large for women with children. In sub-Saharan Africa and South Asia, the

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gender pay gap for women living in households with children is 31 and 35 per cent respectively, compared to 4 and 14 per cent for women living in households without children.

Care needs associated with demographic ageing are also increasing. A study in the USA found that women aged 55 to 67 who provided unpaid care to their elderly parents reduced their paid work hours by 41 per cent, on average.

## Policies to transform labour markets

Laws are an important basis for women's right to work and at work. By 2014, 59 countries has passed laws stipulating equal pay for equal work of value; 125 countries had laws to prohibit sexual harassment in the workplace; 128 countries had laws that guarantee married women's equality when it comes to property; and in 112 countries daughters had equal inheritance rights to sons.

However, there is still further to go on legal reform: some 77 countries maintain restrictions on the types of work that women can do, for example, banning them from working at night or in occupations such as mining or construction.

## Recognizing, reducing and redistributing women's unpaid care and domestic work

Women's employment rates are much higher in countries where family-friendly policies are in place. Employment rates for women with two children in EU countries that provide the most comprehensive support are 84 per cent, compared to 63 per cent in the EU countries with the least support.

The ILO recommends that Governments should provide a minimum of 14 weeks paid maternity leave, paid for collectively (i.e. not just by employers), at a rate of at least two thirds of previous pay. In 2013, only 63 countries complied with all three of these minimum standards.

Provisions for paternity leave and parental leave were in place in 80 and 66 countries, respectively, but these are very limited and variable—sometimes just one or two days of unpaid leave.

## Narrowing gender pay gaps and addressing occupational segregation

Minimum wages reduce the risk of women being in low paid work and narrow the gender pay gap. In **OECD countries**, the presence of a minimum wage, set at a relatively high level, reduces the risk of women being in low-paid work, and narrows the gender pay gap. The gender pay gap is 6 per cent in countries with a statutory minimum wage set at 40 per cent of median wages or above, 10 percentage points lower than the average gender pay gap for OECD countries.

Targets and quotas are one way to break down occupational segregation and tackle stereotypes. Belgium, Brazil, Germany, Iceland, Italy, Malaysia, the Netherlands, Norway and Spain are among those countries that have introduced quotas for corporate boards.

Colombia, Mongolia, the Philippines and South Sudan have used quotas to increase women's representation in decision-making positions in the public sector.

## Guaranteeing domestic workers' rights

As of 2010, there were 53 million domestic workers worldwide, most of them informally employed, an increase of almost 20 million since 1995. The overwhelming majority, 83 per cent, are women. About 30 per cent of domestic workers are currently excluded from national labour legislation, 43 per cent are not covered by minimum wage legislation and 36 per cent are not entitled to maternity protection.

The ILO Domestic Workers Convention (No. 189) was adopted in 2011. The convention requires States to extend basic labour rights to domestic workers, such as overtime pay, annual paid leave, minimum wages and safe working conditions.

To date 17 countries have ratified the convention: Argentina, Bolivia (Plurinational State of), Colombia, Costa Rica, Ecuador, Finland, Germany, Guyana, Ireland, Italy, Mauritius, Nicaragua, Paraguay, The Philippines, South Africa, Switzerland and Uruguay.

## Increasing the returns to women's informal employment

Policies should recognize the contribution of informal workers, such as street vendors and waste pickers, to the functioning of urban environments.

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In 2013, waste pickers in the Colombian capital Bogota were recognized as public service providers and provided with formal contracts, with fixed rates for the materials they collect.

In Papua New Guinea, the Port Moresby Safe City Free from Violence against Women and Girls Programme works in partnership with the local authority, the police, women's organizations, vendors and customers, to improve infrastructure and prevent sexual harassment and violence against women vendors.

## Improving women's rural employment

Joint titling and reforming marital property regimes can help women to secure land: in Ecuador, for example, all property (except inheritances) acquired by either spouse during the marriage belongs to both of them jointly. Whereas in Ghana and Karnataka (India), separation of property means that all property is treated as individually owned. In Ecuador, women are 52 per cent of landowners, compared to 36 and 20 per cent in Ghana and Karnataka respectively.

A number of Governments in sub-Saharan Africa have recently introduced new programmes to subsidize seeds and fertilizers for small-scale farmers which can increase the probability of female-headed households cultivating higher-yielding crop varieties.

gaps and less access to pensions and other social protection contribute to large lifetime income gaps: In France and Sweden, over their lifetime women can expect to earn 31 per cent less than men; In Germany 49 per cent less than men; and in Turkey, an average woman can expect to earn just 25 per cent of what an average man will earn over her lifetime.

Household surveys show that women aged 20-59 years are more likely than men to live in a poor household, in 41 out of 75 developing countries with data. Women are also significantly more likely to live in poverty in older age. In the EU, for example, the poverty rate of elderly women is 37 per cent higher than that of elderly men.

## Women have less access to social protection

Currently, 73 per cent of the world's population have only partial or no social protection. Women are over-represented in this group.

In most countries, women are less likely than men to contribute to a pension scheme, and to receive an old-age pension. In countries where there are relatively large shares of women and men receiving a pension, there are often large gender gaps in benefit levels.

## 2/ MAKING SOCIAL POLICY WORK FOR WOMEN

*Well-designed social policies can enhance women's income security, and their ability to realize their potential and expand their life options. Social protection policies—including family and child allowances and old-age pensions—can be powerful tools to address women's poverty and reduce inequality. Social services, such as health care, child- and elder-care, and water and sanitation can have an even greater effect, as well as reducing the drudgery of unpaid care and domestic work.*

## WOMEN'S GREATER VULNERABILITY TO POVERTY IN CHANGING SOCIETIES

Lower rates of labour force participation, gender pay

## SOCIAL TRANSFERS ARE ESSENTIAL FOR REALIZING WOMEN'S RIGHTS

Data from 18 countries show that social transfers significantly reduce the poverty rates of single mothers. In Australia, Germany, Sweden, Denmark, Poland, Czech Republic, Hungary and Republic of Korea, social transfers reduce single mothers' poverty rates by half or more.

Conditional cash transfer programmes, aimed at families with children, now operate in more than two dozen countries in Africa and Asia and virtually throughout Latin America. Though benefit levels are often limited, they have also been shown to play a part in poverty reduction.

Social pensions which do not depend on prior contributions have been key in closing gender gaps

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in pension coverage in more than 100 countries. Extending their reach and increasing benefit levels is essential for women, who are less likely than men to have an adequate contributory pension.

It has been estimated, for example, that the introduction of universal social pensions would cost around 1 per cent of gross domestic product (GDP) per year in most countries of sub-Saharan Africa.

## ACCESSIBLE AND AFFORDABLE SOCIAL SERVICES ARE JUST AS IMPORTANT

Accessible, affordable, gender-responsive social services reduce poverty and inequality. In OECD countries, in-kind social services increase disposable income by around 30 per cent, compared to 23 per cent for social transfers in cash, almost halving poverty and reducing inequality by an average of 20 per cent.

### Access barriers to social services remain

Close to a billion people are still without access to an 'improved' water source and more than 2.5 billion people have no access to improved sanitation facilities such as flush toilets, composting toilets or ventilated improved pits.

In sub-Saharan Africa, women take on 62 per cent and girls 9 per cent of the burden of water collection in households without piped water.

Health expenditure averaged at (PPP) \$1,121 per capita worldwide in 2012, but ranged from \$159 in sub-Saharan Africa to \$5,575 in developed regions.

Globally, out-of-pocket spending is 22 per cent of total health expenditure, ranging from 16 per cent in developed regions to almost 50 per cent in South Asia.

Women report problems because health care facilities are too far away, particularly in rural areas: 69 per cent in Mozambique, 67 per cent in Peru and 51 per cent in Nepal. More than two thirds of women in Senegal; 48 per cent in Pakistan; 37 per cent in Tajikistan say that they do not have the final decision on their own health care.

### The triple dividend of scaling up social services

Globally, 10.3 million additional health workers are required to ensure the effective delivery of universal

health care, the majority in Asia and Africa. UNESCO estimates that 27 million more teachers will be needed worldwide to achieve universal primary education by 2030.

Creating these jobs has the potential for a triple dividend: ensuring better public services, providing greater support for women's unpaid care work, as well as increasing the availability of decent employment for women.

### Health care

Every year, about 100 million people are pushed below the poverty line as a result of catastrophic health costs. A number of countries including the United States, Thailand and Rwanda, have started to roll out universal health coverage to enhance access and affordability. Rwanda and Thailand have also taken steps to tackle other access barriers by scaling up the provision of community health workers and mobile clinics.

### Care services

In most countries care services are scarce, and where they exist their coverage and quality is often uneven. In OECD countries, coverage of Early Childhood Education and Care (ECEC) services for children aged 0–2 years, when the care burden on women is largest, is only about 33 per cent, compared to at least 70 per cent for children aged 3–5 years. Care services for under-3s are rarely provided free of charge and costs vary as widely as coverage rates.

Public expenditure on elderly care remains low. Families, friends, neighbours and community networks provide the bulk of long-term care, with women assuming most of the related unpaid work.

### Water and sanitation

In developing countries, access to improved water is higher in urban than rural areas and high-income groups have significantly better access than low-income groups. Several countries have successfully extended water and sanitation services to underserved areas and ensured their affordability through public investments, subsidies and price regulation.

Experiences across regions suggest that placing women at the centre of water decisions leads to

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## 3/ TOWARDS AN ENABLING MACROECONOMIC ENVIRONMENT

*Macroeconomic policies can and should support the realization of women's rights, by creating dynamic and stable economies, by generating decent work and by mobilizing resources to finance vital public services.*

### THE RELATIONSHIP BETWEEN ECONOMIC GROWTH AND GENDER EQUALITY

Gender gaps in labour force participation are associated with lower growth rates. In the Middle East and North Africa region, gender gaps in the labour market reduce GDP per capita by an estimated 27 per cent; in South Asia by 19 per cent; and among other developing regions between 9 and 12 per cent.

However, in some cases *gender inequality* fuels growth. In some contexts, lower wage rates for women contribute to lower average labour costs, providing a short-term boost to growth in labour-intensive industries. Virtually all economies rely on the unpaid care and domestic work that is largely provided by women. Firms, for example, depend on the human resources that are produced and sustained through such work. The unequal distribution of the costs of care therefore supports economic growth.

To support substantive equality for women, macroeconomic policies need to go beyond a sole focus on GDP growth, to work in conjunction with social policy, with the aim of creating inclusive economies that truly work for women—and indeed all members of society.

### UNPAID CARE WORK UNDERPINS ECONOMIC GROWTH AND MUST BE RECOGNIZED AND SUPPORTED

The work involved in caring for people is essential for reproducing the labour force and generates real economic value, but it is not incorporated into the calculation of GDP, reflected in other macroeconomic indicators, or taken into account in economic policymaking.

In the United States, the total value of unpaid childcare

services in 2012 was estimated to be \$3.2 trillion, or approximately 20 per cent of the total value of GDP.

In other countries, the total value of unpaid care work is estimated to be between 10 per cent (Argentina) and 39 per cent (India) of GDP. In Mexico, the value of unpaid care work is 21 per cent of GDP, higher than the economic contribution of key sectors, such as manufacturing (17 per cent of GDP).

The development of human capacities should be seen as a form of investment that yields future benefits. This has important implications for fiscal policy. Support for unpaid care and domestic work through public social spending on health or childcare, for example, should not be classified as public consumption (current expenditure), but as public investment (capital expenditure). This would enable governments to borrow money to pay for these vital investments.

In many countries, however, the reverse is happening: austerity cut-backs to public services in the aftermath of the global economic crisis have reduced public sector employment, with a disproportionate impact on women's jobs, and reduced the availability of public services, which is likely to have increased women's unpaid care and domestic work.

### MOBILIZING RESOURCES TO FUND SOCIAL POLICIES

Governments need revenue to pay for social policies and corporations must pay their fair share.

Annual tax revenue lost to developing countries due to trade mispricing alone is estimated at between US\$98 and \$106 billion, nearly \$20 billion more than the annual capital costs needed to achieve universal water and sanitation coverage.

As well as eliminating tax avoidance, there are other ways of raising resources to fund essential infrastructure and public services: for example, Cambodia, Costa Rica, Mauritius and Sri Lanka have reduced spending on security and the military and redirected resources to fund social protection.

Bolivia and Botswana are among the countries that have used revenues generated from natural resource extraction to finance their social protection systems. Papua New Guinea is considering using revenues from gas production to set up a sovereign wealth fund to fund social policies.