



# Policy Brief

## Decent Work and Women's Economic Empowerment: Good Policy and Practice

UN Women is the UN organization dedicated to gender equality and the empowerment of women. A global champion for women and girls, UN Women was established to accelerate progress on meeting their needs worldwide.

UN Women supports UN Member States as they set global standards for achieving gender equality, and works with governments and civil society to design laws, policies, programmes and services needed to implement these standards. It stands behind women's equal participation in all aspects of life, focusing on five priority areas: increasing women's leadership and participation; ending violence against women; engaging women in all aspects of peace and security processes; enhancing women's economic empowerment; and making gender equality central to national development planning and budgeting. UN Women also coordinates and promotes the UN system's work in advancing gender equality.

UN Women defines women's economic empowerment as increasing the ability of women to bring about change that drives valuable outcomes as result of their increased economic capabilities and agency, i.e. their ability to function effectively in the economy, to participate in labour and product markets on equal terms with men, to shape the gender division of labour, to accumulate assets, and to shape the relationship between markets and the state and to influence the institutions and processes that determine growth and development.

UN Women's work on economic empowerment focuses on inclusive growth and social protection, employment and migration, agriculture, trade and sustainable development.

The ILO Decent Work Agenda covering four strategic objectives: Decent and productive employment; Social Protection; Social dialogue and organizational building and Standards, Principles and Rights combined, provide comprehensive coverage and support for women's economic empowerment and an integrated framework to address poverty alleviation. This includes addressing the policy and regulatory framework, access to finance, social protection including social protection floors, social dialogue and representation through employers' and worker's organizations.

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## KEY MESSAGES

1. Women contribute substantially to economic and social development, but are discriminated against in the world of work
2. Invest in gender equality and women's economic empowerment, more jobs and decent work for women because it is the right thing to do and it promotes sustainable growth and development
3. Implement development strategies, policies and programs that generate more jobs and ensure decent work for women, particularly in the informal sector
4. Promote women's leadership in public and corporate economic decision-making and in employer's and worker's organizations
5. Promote a culture of equality and shared responsibility between men and women in paid and unpaid care work

## WHY CREATE MORE JOBS, PROMOTE DECENT WORK AND WOMEN'S ECONOMIC EMPOWERMENT?

Women constitute half of humankind and 40% of the global workforce.<sup>1</sup> They are a growing proportion of the overseas migrant labour force. As workers, entrepreneurs and service providers they contribute actively to social and economic development.

Yet women's economic and human rights, their contributions and priorities have been largely overlooked. They are more likely to be unemployed than men, dominate the unprotected informal sector, are more likely than men to be in part-time formal employment in most high income regions, spend more time than men in unpaid care-work globally, have lower levels of productivity and earn less than men for work of equal value and are poorly represented in public and corporate economic decision-making. Women workers in rural and urban areas have also been hard hit by the current financial and economic crisis, volatile food prices, the energy crisis, export driven agriculture and subsidized imports. Women need to be fully engaged in efforts to shape responses to these interfacing crises, both in terms of influencing the design and assessing the impacts of recovery packages from a gender perspective, and have an equal voice with men at all levels of economic decision-making.

Empowering women economically and making them central to solutions is a moral imperative. But it also makes good economic sense. A growing body of research shows that enhancing women's economic participation improves national economies, increases household productivity and living standards, enhances the well being of children with positive long term impacts and can increase women's agency and overall empowerment.

- If women's paid employment rates were raised to the same level as men's, GDP would rise 9% in the US, 13% in the Eurozone and 16% in Japan.<sup>2</sup> By contrast, an ESCAP report found that restricting job opportunities for women, where 45% of women remain outside the labor market, costs the Asia-Pacific region up to USD 42-46 billion per year.
- Evidence from a range of countries shows that the share of household income controlled by women either through their own earnings, including as migrant remittances or via cash transfers is spent to benefit children.
- In Ghana, the share of assets and land owned by women is positively associated with higher food expenditures.<sup>3</sup>
- In China, increasing adult female income by 10% of the average household income increased the fraction of surviving girls by a percentage point and increased the years of schooling for both boys and girls.<sup>4</sup>
- Documentation on "Paurakhi," an organization of returned women migrant workers with networks in 15 districts in Nepal and supported by UN Women, shows that their experience, acquired confidence and their roles as financial providers have enabled them to, among other things, enjoy a higher status and decision-making power; engage in community mobilizing; work with the Government to ensure gender sensitive implementation of its migration policies and programs; and participate in regional and global intergovernmental processes.<sup>5</sup>
- In Brazil and Mexico, cash transfers directed at women have resulted in higher nutrition and education levels for children, especially girls, decreases in child labor and better employment for young women.<sup>6</sup>
- The Food and Agriculture Organization (FAO) estimates that if female farmers had the same access to productive resources as male farmers, they could increase yields on their farms by 20 to 30%, raising total agricultural output in developing countries by 2.5 to 4 per cent, thereby contributing to both food security and economic growth.<sup>7</sup>

## TIME FOR ACTION

Against this background the following measures could be undertaken to create more jobs, promote decent work and women's economic empowerment:

### **1. Improve our understanding of the distributional consequences of economic growth strategies and the macroeconomic policies underpinning them; undertake a gender-based impact assessment of the same, in particular of the policy initiatives adopted in response to the financial and economic crisis**

#### ***Gender Sensitive Macroeconomic Training:***

The Gender and Economic Policy Management Initiative, a joint initiative of the United Nations Development Programme (UNDP) and the United Nations Entity for Gender Equality and the Empowerment of Women (UNWomen) that is well-established in Africa and is currently being replicated in Central and Eastern Europe and Asia, focuses on building a critical mass of gender-aware economists to support the development, implementation and monitoring of gender-responsive macroeconomic policies and frameworks. The Economic and Social Commission for Western Asia has developed guidelines and tools for gender mainstreaming to assist ministries of labour and national machineries for gender equality. The Department of Public Information promotes the issue of women's economic empowerment in its outreach and advocacy work.<sup>8</sup>

### **2. Develop and improve the use of sex-disaggregated data and gender statistics on women's economic empowerment; strengthen data collection instruments, such as household surveys, labour force surveys, time-use surveys to fully reflect gender equality issues and women's economic empowerment, including on employment, work and entrepreneurship**

#### ***Satellite Accounts and Unpaid Care Work:***

The United Nations System of National Accounts (SNA), 1993 sets the standards for the measurement and classification of economic activities. It classifies most activities done by women (including cooking, cleaning and caring for children) as non-economic, thereby falling outside of the SNA boundaries, but it recommends that such activities be recorded in parallel — or satellite — accounts. The increased availability of time-use surveys has enabled the construction of additional satellite accounts, the one in Mexico being a recent example. Generally, however, data are still lacking and more work is needed on global standards and definitions. There is much to be done before the importance of measuring unpaid care work is acknowledged and fully integrated into national statistical systems.<sup>9</sup>

### **3. Implement development strategies, policies and programs that generate more jobs and ensure decent work for women, particularly in the informal sector**

#### ***Policies Generating More Employment for Women:***

Policy interventions by the Government of Bangladesh in the Health and Community Services Sector such as the door-step delivery of family planning services by networks of female community workers; the New Industrial Policy of the early 1980s ushering in the shift to export-oriented industrialization — more specifically labour-intensive garment manufacturing that employed women; and the micro credit revolution which was a dominant focus of the NGO sector that enhanced women's, largely informal economic activity within and beyond the home, have largely contributed to women's increased employment in Bangladesh.<sup>10</sup>

#### ***Gender-responsive Public Works Programmes:***

In several developing and emerging economies, public works programmes provide employment and social protection



to the working-age poor, with gender responsiveness now marking them. The Mahatma Gandhi National Rural Employment Guarantee Act (MNRNREGA) in India and the South African Expanded Public Works Programme (EPWP) are examples of important safety nets for women: on average, about 50% of NREGA beneficiaries and 63% of EPWP beneficiaries in 2010 were women, achieved through different means including the introduction of explicit quotas: one-third in the case of NREGA and a target of 40% in EPWP. NREGA also aims to promote women's participation in the workforce by setting equal wages for men and women; allowing childcare facilities to be provided on worksites; and requiring provision of work close to participants' homes. Women also have to be included in the monitoring and management of the scheme. As a result of NREGA's equal wage policy, women can earn higher wages: up to 60 Rupees (1.2 USD) more than in private rural employment.<sup>11</sup>

#### ***Gender-sensitive Legal and Social Protections for Domestic Workers:***

Legal and social protections for domestic workers have been introduced in several countries – Argentina, Bolivia, Brazil, Chile, France, Hong Kong, Jordan, South Africa, Switzerland, Uruguay and others.<sup>12</sup> In 2002, the Domestic Workers Act was introduced in South Africa to set a minimum wage and specifies working conditions such as hours of work, overtime pay, salary increases, and leave entitlements. Domestic workers and their employers must also contribute 1% of wages to the Unemployment Insurance Fund.<sup>13</sup> Research finds that the real wages, average monthly earnings, and total earnings of all employed domestic workers have risen since the Domestic Workers Act came into effect, while weekly hours worked and employment have fallen.<sup>14</sup> The 100th Session of the International Labour Conference (ILC), 2011 adopted the Domestic Workers Convention, No 189 to provide an international framework for these efforts.

#### ***Women's Entrepreneurship Development:***

ILO Women's Entrepreneurship Development programme works to unleash the socio-economic potential of women's enterprises to contribute to employment creation, gender equality, economic growth and poverty reduction within the framework of the Decent Work Agenda. The programme has outreach to over 25 countries. For example, over 110,000 people (80% women) benefited from a recent, 3 year technical cooperation project, in 2010 over 10,000 women entrepreneurs in Lao People's Democratic Republic benefited from the ILO gender-sensitive basic business training package and over 30,000 women and men benefited from financial services through 140 Village Banks. The programme has also contributed to changing societal attitudes at the household level with an 11 per cent increase in household chores taken up by men in Vietnam. In Cambodia, some 3,000 families were able to withdraw or prevent their child from the worst forms of child labour and enroll their child in school as a result of women establishing or improving their own micro-business with support on capacity building. In Southern Africa, partners made 10 institutional frameworks relevant to WED gender-sensitive with technical support from the ILO. Globally, 19 national WED country assessments have been developed, identifying clear recommendations to improve the environment for WED. The month of the women entrepreneurs is celebrated in 9 countries. Local supply of services to women entrepreneurs has increased; in South Africa for example the increase was 22%. An international network of accredited

trainers of trainers in gender-responsive WED tools supports the ongoing delivery of the ILO's approaches to WED.

## **4. Promote women's leadership in public and corporate economic decision-making and in employer's and worker's organizations**

### ***Women in Corporate Leadership:***

Germany's 30 biggest publicly listed companies have announced targets for promoting women without the introduction of a mandatory quota. The quota introduced by Norway has increased the representation of women on the boards of large Norwegian companies from 22% in 2004 to 42% in 2009. Sweden and Finland have introduced corporate codes that stress the importance of diversity and gender equality.<sup>15</sup>

### ***Women's Leadership in the Informal Sector:***

The Self-Employed Women's Association (SEWA) established in the early 1970s is a good example of empowered leadership of poor women in the informal economy. With over 1.3 million women members, SEWA is the largest trade union of informal workers in India, with more than 70% rural membership fairly distributed across various religious and caste groups.<sup>16</sup> SEWA helps poor women improve incomes, work conditions and social security, through its initiatives on micro-finance and insurance (via the SEWA Bank), training and communication, its work on labour issues – paralegal assistance, lobbying, health insurance, maternity benefits and pensions. Most SEWA members report improvements in earnings, marketing and working conditions, regular savings and/or asset acquisition/building often for the first time in their lives, increased self-esteem and improved bargaining power within and outside their homes. Key challenges include difficulties in graduating out of poverty on a long-term basis, and en-

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try into trades hitherto dominated by men.<sup>17</sup> SEWA's work has led to important policy changes: the national policy for protecting street vendors and legislation on social security for informal workers in 2008. SEWA has been part of global standard setting and policy, being one of the main promoters of the process which led to ILO Convention 177 (1996) on the rights of home-based workers.

## 5. Promote a culture of equality and shared responsibility between men and women in paid and unpaid care work

### *Shared Responsibility for Unpaid care Work:*

Innovative NGO initiatives have focused on increasing men's involvement and skills in care-giving. The Sonke Gender Justice Network in South Africa uses innovative approaches to strengthen men's capacity and commitment to care for children, including orphans, affected by HIV/AIDS in rural areas.<sup>18</sup>

### *Parental Leave Policies:*

The most systematic promotion of equal caregiving roles and equal sharing of unpaid work has been undertaken in the Nordic countries, which are also the countries with the highest female labour force participation rates.<sup>19</sup> In Iceland the length of parental leave is 9 months, divided into thirds, with 3 months for the mother, 3 for the father (non-transferable) and 3 that parents can share. The reimbursement is 80% of the salary. From 2001 to October 2003, the average number of days taken by men increased from 39 to 83, and 13 percent of Icelandic fathers used more than their non-transferable part.<sup>20</sup>

### *Public Childcare Programmes for the Poor:*

These programmes in Mexico enable female participation in the workforce and to promote child development, targeted at poor households, they require mothers to work, study or be looking for a job.<sup>21</sup> Mexico's Federal daycare programme for working mothers, Programa de Estancias Infantiles para

Apoyar a Madres Trabajadoras (PEIMT), subsidizes community and home-based daycare to facilitate the employment of low income mothers. In 2011, 10, 000 day centres were registered taking care of a total of 300 000 children.<sup>22</sup> The programme provides financial aid to individuals and civil society organisations interested in running nurseries, and a subsidy to low-income mothers who wish to enroll their children. The co-payment means that daycare service comes at a lower cost to users but is not entirely free. One of the greatest achievements of the programme has been the creation of female employment, and by 2011, it had generated around 45,000 paid jobs for providers and their assistants, mainly women.

## 6. Invest adequate financial resources in gender equality and women's economic empowerment, especially in the world of work and monitor and evaluate policies and these programs, making appropriate revisions

### *Gender Responsive Budgeting (GRB), an Accountability Tool:*

GRB is a good form of gender impact assessment and accountability. Embedding a gender perspective at all stages of the budgetary cycle avoids gender-blind spending and improves the efficacy of government programmes by identifying gender-disproportionate consequences. Several OECD and non-OECD countries-Egypt, Morocco, Nepal, Rwanda have experimented with some form of gender budgeting over the past decade.<sup>23</sup> In some countries, gender budgeting now has a legal basis - Austria, Belgium, Egypt, Korea, Spain and Mexico. Others like Norway have guidelines to ministries for a gender-sensitive analysis of their respective budgets.<sup>24</sup> About half the OECD countries "always" or in "some cases" require GRB at all levels of government – 47% of countries at central government level (e.g. Belgium, Finland, France, Israel, Korea, Mexico, Norway and Spain), 42% at regional level (e.g. France, Germany, Korea, Mexico, Spain and Switzerland) and 52% at local levels of government (e.g. the Czech Republic, Finland, Germany, Israel, Mexico, Spain, Korea, Switzerland).

# TRENDS IN WOMEN'S EMPLOYMENT

## Some Facts

- The global labor force participation rate for women rose between 1980-2009 from 50.2% to 51.8%, while the male rate fell from 82.0% to 77.7%, with a huge gap nevertheless of 26 percentage points in 2009.<sup>25</sup>
- In 2011, four out of ten unemployed persons was a young woman or man. In 2010 the female youth unemployment rate stood at 13.1 percent compared to the male rate of 12.6 per cent.<sup>26</sup>
- Women dominate the service sector (47% of all employed women against 41% of men's employment); are more likely than men to work in agriculture (38% of all employed women against 33% of all employed men);<sup>27</sup> are much less represented in industry (16 per cent against 26 per cent of all employed men).<sup>28</sup>
- While they constitute 40% of the global labour force, women account for 58% of all unpaid work, 44% of wage employment and 50.5% of informal employment against 48.2% for men.<sup>29</sup>
- The estimated number of workers in vulnerable employment in 2009 is 1.53 billion, an increase of more than 146 million since 1999 and in most regions the vulnerable employment rate among women exceeds that of men.<sup>30</sup>
- In advanced economies, involuntary part-time employment has increased two-thirds and temporary employment has increased more than half. In two-thirds of emerging and developing countries where data is available, the share of informal employment stands at more than 40 per cent.<sup>31</sup>
- Time use studies in 30 developed and developing countries show that despite women's increasing labour force participation, they devote more time than men to housework and childcare, with differences ranging from about 50% more in Cambodia and Sweden to about 3 times more in Italy and 6 times more in Iraq.<sup>32</sup> But in no country do women spend as much time as men in market work.<sup>33</sup>
- ILO evidence from 83 developed and developing countries shows that women earn between 10 and 30 per cent less than men.<sup>34</sup>
- In 2010, women accounted for just below 12 per cent of board members in the largest publicly listed companies in the European Union, and for just over 3 per cent of board chairs.<sup>35</sup>

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