

Gender Parity in the Global Workforce: Working Towards Systematic Improvement

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International Media Centre – G20 Hangzhou Summit. Women compose over half of the world's population but their contribution to the labour force and economic growth is far below its potential. Across G20 countries and beyond, the job opportunities for women are fewer than for men, and wages are lower. According to the statistics provided by the [B20 2016 Policy Recommendations to the G20](#), the global employment ratio of women in the labour force in 2014 was 50 per cent, as opposed to 82 per cent for men. Also, globally, the gender gaps in labour force participation range from around 12 per cent in sub-Saharan Africa to 55 per cent in the Middle East and North Africa. Thus, as the International Monetary Fund's Managing Director Christine Lagarde stated, gender equality and inclusiveness

contribute greatly to macroeconomic stability and sustainable economic growth.

In order to grapple with the challenges of balanced economic growth and slow productivity, in 2014 the G20 members pledged to narrow the labour participation gender gap by 25 per cent by 2025. This is because it is now realised that simply increasing women's job opportunities cannot guarantee women's rights and welfare in the labour market. Unpaid jobs, low wages and the workplace glass ceiling still strengthen the barriers to balanced employment.

Therefore, this year the G20 leaders have emphasised inclusive economic growth, and suggested that all forms of discrimination against women should be eliminated. Furthermore, they have stated that effective measures should be taken to

increase opportunities for the equal representation of women in decision-making and leadership positions in both the public and private sectors, as well as in the composition of G20 delegations. In other words, systematic improvement is required in terms of women's occupations, entrepreneurship, and social protection.

Why the G20 needs to tackle gender inequality

Since the international financial crisis in 2008, the world economy has encountered pronounced changes that have affect all countries. Additionally, new challenges and multiple risks, such as weak growth momentum, sluggish demand, volatility in the financial market, and low growth in international trade and investment, continue to persist and emerge. Hence, it is progressively important to maintain strong, sustainable and balanced economic growth through developing global economic governance and making it more equitable and inclusive.

In such a process, gender parity and women's participation in the labour

market are systemic aspects of the recent functioning of the world economy. First of all, gender gaps in labour force participation could limit the pool of talent in the workforce and result in the inefficient allotment of resources. This underlines the significance of gender parity to increase productivity and GDP growth. For example, [Goldman Sachs evaluated](#) that narrowing the gender gap in employment could boost Japan's GDP by nearly 13 per cent. [A current World Bank report for Turkey](#) estimated economic loss from gender inequality in the labour market at about 25 per cent of GDP. Referring to the future potential gains, [the McKinsey Global Institute reported](#) that closing the gender gap on a worldwide scale can double women's contribution to global GDP growth by 2025. Thus, there is no doubt that the level of women's participation in the labour market determines the degree of economic efficiency and output.

On the other hand, the greater participation of women in the labour force could alleviate the unfavourable impacts of demographic change. That is to say, under

a same quota amount, when the surplus of women's labour power is further absorbed by the labour market, the total number of labour resources in society will increase at the same time. In other words, this is the process of shifting surplus labour power into practical productivity. Japan provides an example, where pressures are increasingly felt as a result of the rapidly aging population. Such pressures could be addressed by greater women's involvement in the workforce and this is a new key pillar of the current government's ['Abenomics'](#).

Discussions have also highlighted the fact that closing the gender gap is intrinsically significant as a human rights issue. Gender inequality is not only a critical economic challenge, but also a pressing moral and social concern. [According to a recent report](#), all G20 countries, excluding the US, have subscribed to the 1979 Convention on the Elimination of All Forms of Discrimination Against Women ([CEDAW](#)). Wherever the G20 is held each year, the norm of equality is constantly

emphasized in these countries. Also, whatever the main topics of the G20 are in each year, respecting and safeguarding human rights are mainstays for discussion. The reason is that many countries see all economic activities as connected to the social behaviours of human beings. Pursuing the universality of human rights means that people are inherently entitled to basic protections because they are human beings regardless of nation, religion, language, ethnic origin, and gender. In the end, these rights surpass national borders, political structures, and economic paradigms to promote the development of human civilisation. In other words, for many G20 countries, social rights and economic stability are connected and hence a key feature within Summit deliberations.

'Sustainable development needs sustainable peace'. These words have been emphasised many times at the Hangzhou G20 Leaders Summit. Likewise, sustainable development also requires sustainable equality. For these reasons, G20 efforts to handle gender inequality in employment by increasing women's participation in the

labour force are unambiguously necessary. However, it should be recognised that the relationships between gender equality and inclusive growth and the transformation of the labour force are complicated. It means that balanced growth does not automatically lead to gender equality and, vice versa, thus economic growth cannot be achieved by gender equality directly per se. Therefore, dealing with issues of women's equality requires the combination and structuring of equivalent education opportunities, reduced unpaid care work, and guaranteed pension systems and social protection. In other words, it is a systemic construction, including governance and accountability mechanisms, which determines the welfare of the whole international community.

Previous discussions of gender parity in the G20

Since the end of the last century, economic inequality in terms of income, output, consumption and wealth has risen within the G20 countries. The majority of these countries have seen fast-increasing rates

of economic inequality, and vulnerable and low-wage jobs are growing faster than quality, high-wage jobs. Leaders and researchers have begun to seek out the causes of economic inequality in an effort to remedy the situation. It has been broadly accepted that imbalanced employment in the labour force is a crucial contributor to economic inequality. [A recent report](#) revealed that growth in economic inequality is significantly driven by the gender gap between men and women in terms of political participation, employment, freedom of movement and reproductive rights. In addition, the management of national and multinational organisations is largely dominated by men.

Gradually, across the G20 countries and beyond, mounting concerns about uneven economic development are being discussed within the context of gender inequality, because there is a growing recognition that imbalanced employment rates and gender discrimination against women can exacerbate disparities in economic growth. Moreover, it has begun to be acknowledged by G20 leaders that gender equality is essential for strong,

sustainable and balanced economic growth. [In 2009](#), the G20 members recognised the human dimension to the global economic and financial crisis and established the goal of creating an equitable and family-friendly labour market for both men and women. Subsequently, G20 nations made [further progress](#) on effective labour organisations and flexible labour market policies between 2010 and 2011, offering incentives to create more quality and formal-sector jobs for women. They also pledged to encourage women's participation in the workforce, including providing tax ameliorations and other benefits to lessen the effects of long-term unemployment.

This kind of acknowledgment helps strengthen women's empowerment in the workforce and labour market. In order to advance women's rights, G20 countries made a commitment to aim for women's full economic and social participation [in the 2012 Los Cabos Declaration](#). This declaration also stated that constantly grappling with the issue of gender inequality is crucial to achieving the G20's

economic objectives, and pledged to expand women's employment by supporting part-time job creation and job training. It also recommended taking action to eliminate gender discrimination in order to develop a more equitable society based on fairness, justice and democracy.

Although G20 members have recognised the importance of ensuring women's rights and participation in the labour force, their commitment has largely remained at the level of discussion only. However, a significant transformation in policies relating to women's labour force participation occurred at the 2014 Brisbane G20 Summit. As the issue of gender parity moved to the fore, some specific targets were endorsed at that time. In particular, [G20 leaders agreed](#) to reduce the workforce participation gap between men and women by 25 per cent by 2025, and undertake to bring more than 100 million women into the workforce in an effort to promote global economic growth and reduce inequality and poverty. Although the targets to meet this 2025 goal differed across countries, the fact that they

were accepted normatively is an indication that policy on women's employment is generally improving.

The initiation of Women 20 (W20) has also created more opportunities for women to guide the G20's formulation of policies on gender equality and monitor its performance. [As W20 President Gulden Turkten explained](#) at the W20's inception, it will work as an outreach group to empower females in the workforce and work toward ensuring women's participation in global economic growth.

Progress toward gender parity at Hangzhou G20: more structural solutions required

The role of women has now been broadly recognised as an important element in social activities, economic growth and even political campaigns. [Turkish Prime Minister Ahmet Davutoglu once said](#), 'If the women are smiling, you can be sure that their country is happy.' Although the question of whether a female's happiness

can represent a whole country's well-being is a moot point, it can certainly be argued that if women can make decisions within their families, they can also be decision-makers in the outside world. It is heartening that more and more females are actively engaged in international political and economic issues and are even holding senior leadership positions in government or international institutions, like IMF Managing Director Christine Lagarde, German Chancellor Angela Merkel and South Korean President Park Geun-hye. However, currently, women still hold a minority of decision-making positions in the workforce. This means that achieving the objective of gender equality will mean not just increasing job opportunities for women, but also enabling them to actively participate in political and economic activities. Such a goal requires more structural solutions. Thus, the Hangzhou G20 shifted to a focus on gender equality perspectives in global economic governance, women's entrepreneurship and social protection, as well as women's role in the digital economy.

Based on previous improvements, measures were taken at the [Hangzhou G20 Summit](#) to remove obstacles to women's employment, improve labour force participation ratios and expand the effectiveness of existing labour market policies. Meanwhile, measures are being taken to offer more formal and quality job opportunities for women and ensure their social protection. Furthermore, measures are being taken to supply women with job training opportunities and enhance their labour productivity. It is noticeable that the systematic plans towards women's rights and their equal participation in the workforce have been transferred from policy discussion into preventive and long-term measures. [As Chinese President Xi Jinping stated](#), 'the G20 should work with real action, with no empty talk'.

Additionally, in contrast to previous summits, the Hangzhou G20 urges other social resources and social powers to engage in promoting gender parity. For example, it suggested governments should both expand spending on education and improve its benefit to enable girls and boys to grow up with equivalent opportunities.

On the other hand, it is proposed that the international community could eradicate impediments that force women to choose between family and work because of the difficulties women face in the workforce related to societal attitudes and their role in family. Access to affordable, high quality childcare might free up women's time for employment. These actions will increase the possibility of women's participation in the labour force and their contribution to economic growth.

Besides these actions, and considering the rapid development and widespread use of information and communication technology, [G20 members recommended](#) that it is necessary to enable women to improve their digital capabilities so that they can acquire access to market information, social networks and finance. It was also reaffirmed that governments will support and launch specific programmes to assist women in overcoming obstacles to starting up businesses through information services and technical support.

In general, the Hangzhou G20 committed to take concrete actions and specific measures to deal with gender disparity in the global labour market. The systematic plan seems to seek to address the issue of gender equality both in the short-term and in the long run. In this process, enhancing economic growth and output have been emphasized consistently. Nevertheless, G20 countries and beyond have noticed the economic benefits of increasing women's employment, but at the same time ignored the women's workforce outside the labour market. The most significant omission being unpaid work.

Unsurprisingly, food prepared for families goes unrecorded, because it is not a trade. Raising children goes unaccounted for, because it is not a market service. Caring for the elderly goes unpaid, because it is regarded as a woman's responsibility. Due to unrecorded contributions, the women's labour force outside the market therefore goes unnoticed and is not included in GDP statistics. While [according to the research](#), unpaid work may account for 70 to 80 per cent of GDP in low-income countries, it could contribute around 40 to 50 per cent

of GDP in high-income countries. Furthermore, around 60 per cent of women who are not in the labour market worldwide engage in the informal unpaid sector. Hence, a failure to measure unpaid work not only influences our interpretation of where the women's labour force originates from and how the market runs, but also affects the manner in which global policies are formulated.

The G20 has started to promote policies and actions to involve more women in the labour market. These could enhance total output and realize the G20's commitment to strong, sustainable, inclusive and balanced economic growth. This makes good global economic sense, but the G20 should also pay more attention to the causes of inequality in international economic development and formulate initiatives to tackle the problem. It is time for G20 members and beyond to work together on their pledges. Leveling the playing field at each step of the process will not only represent a historic shift for women, but also help the international economy to achieve more sustainable and inclusive growth.



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