

## Women in the Labour Market

### Key Statistics

- **58.7 per cent of women in South-East Asia and the Pacific are employed, compared to 86.2 per cent of men**
- **Globally, only 40.4 per cent of people who were employed in 2008 were women**
- **The large majority of women are employed in agriculture and increasingly in the services sector**
- **In sub-Saharan Africa and South Asia, the agricultural sector makes up more than 60 per cent of all female employment**
- **In Europe, women earn an average of 15 per cent less than men for every hour worked**
- **In the Russian Federation, women earn 39 per cent less than men**

### Overview

The *Global Employment Trends for Women 2009* report reconfirms that gender inequality remains an issue within labour markets globally. Women suffer multiple disadvantages in terms of access to labour markets, and often do not have the same level of freedom as men to choose to work. Gender differences in labour force participation rates and unemployment rates are a persistent feature of global labour markets.

Women are overrepresented in the agricultural sector, and if the more industrialised regions are excluded, almost half of female employment can be found in this sector alone. Women are also in a disadvantaged position in terms of the share of vulnerable employment, like unpaid family work and self-employment. These workers are most likely to be in insecure employment, low earning and low productivity. Those women who are able to secure the relative comfort of wage and salaried employment are often not receiving the same remuneration as their male counterparts. Gender wage differentials may be due to a variety of factors, including crowding of women in low paying industries and differences in skills and work experience, but may also be the result of discrimination. Given the constraints women are facing, promoting gender equality and empowering women is not only an important aspect of the Millennium Development Goals, it is also essential to achieving the new target on full and productive employment and decent work for all, as well as all remaining goals and targets.

### Women in Global Markets

Women engage in a wide range of markets in the course of their economic lives. From local markets where they buy and sell food for their families, to jobs in the city or overseas, women join global chains of production and exchange that stretch from micro-enterprises to large factories. Economic activity has been a crucial means by which women, particularly poor women, have gained access to the public domain and have been empowered to take on new roles. There are markets for goods and services, capital and labour, and in each of these women face important accountability challenges if their rights are abused. The expanding range of markets on which today all countries depend for economic survival is challenging the ability of states to meet their commitments to social development and human rights, including women's rights. Gender biases in labour markets have meant that women's productive potential is less than effectively tapped than men's and that women have been more concentrated than men in informal, subsistence and vulnerable employment. In the last decade, more than 200 million women have joined the global labour force. In 2007, there were 1.2 billion women in paid work, compared to 1.8 billion men. The gender wage gap, which is an indicator of the accountability challenge women continue to face in formal employment, is at a global average of about 17 per cent, which tends to be higher in private than in public sector employment.

### Conditions for Women in the Labour Markets

In 2007 at the global level, the share of vulnerable employment in total female employment was 52.7 per cent, as compared to 49.1 per cent for men. This represents a decline of 0.6 per cent over the previous year for both men and women. The move away from vulnerable employment into wage and salaried work can be a major step toward economic freedom and self-determination for many women. Economic independence, or at least co-determination in resource distribution within the family, is highest when women earn wages and salaries or are employers. This is lower when they are self-employed and lowest still when they are contributing family workers. The share of women in wage and salaried work grew from 41.8 per cent in 1997 to 45.5 per cent in 2007, but the status group of female self-employed workers saw a stronger increase.

Many women in the labour markets are migrant workers, leaving their home country or region in order to find adequate employment opportunities.

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### Conditions for Women in the Labour Markets (continued)

Women constitute 70 per cent of the overseas migrant workers moving both to the Arab States and to countries in East and Southeast Asia, such as Hong Kong SAR, Singapore, Republic of Korea, etc. Contemporary migration dynamics have shown a considerable increase in the number of women migrating independently of spouses or family members to pursue opportunities of their own. Women migrant workers usually enter gender-segregated sectors that are largely informal and unregulated, therefore offering them little or no protection. These women continuously become victims of exploitation, abuse and discrimination as they move for employment abroad. Irregular women migrant workers are particularly vulnerable to harassment, intimidation or threats as well as economic and sexual exploitation including trafficking and racial discrimination.

### Women in the Labour Market Leads to More Productivity (continued)

Women's participation in the work force will also contribute to the development of that region or country. The central role played by women in local and national economies is no longer in dispute, and a wide body of evidence now strongly links the economic empowerment of women in developing countries with the development outcomes in those countries. The return on investment in girls education is much higher than the same investment for boys, and there are also demonstrable improve to the lives of families and communities in countries that invest in girls and women. One reason for this is that while men reinvest approximately 30 to 40 per cent of their income into their family, women reinvest 90 per cent of their income into the household.

### Women in the Labour Market Leads to More Productivity

*"Female entrepreneurship is an increasingly salient part of the economic make-up of many countries and is a key contributor to economic growth in low- and middle-income countries"* – Global Entrepreneurship Monitor, 2007

As a major untapped resource, women and girls have enormous potential to make lasting contributions to the world around them. Investing in girls not only bring high individual returns but also provides an unparalleled opportunity to reduce poverty, stimulate economic growth and ultimately lead to the achievement of the Millennium Development Goals. It can also be good for the company 'bottom line', since many experts believe that socially responsible enterprises are better equipped to weather economic crises than businesses that do not have embraced the corporate social responsibility agenda (CSR), which includes working towards gender parity in the workforce.

A 2004 study of 353 Fortune 500 companies found that those companies with the highest representation of women on their top management teams experience better financial performance than companies with low representation of women. They study found that Return on Equity (ROE) was 35 per cent higher, and Total Return to Shareholders (TRS) was 34 per cent higher for companies with greater gender equity.

### Gender Gap Report

The *Global Gender Gap Reports* have been issued and commissioned by the World Economic Forum for the past four years. During this time, the WEF has been quantifying the magnitude of gender-based disparities and racking their progress over time. By providing a comprehensive framework for benchmarking global gender gaps, the *Report* reveals those countries that are role models in dividing resources equitably between women and men, regardless of their level of resources. From a business, economic and competitiveness viewpoint, targeting gender parity is a necessary condition for progress, and for the achievement of the Millennium Development Goals. The aim is thus to achieve parity of participation and opportunity while facilitating diversity of thoughts, opinions and approaches. It is the hope of the WEF that the *Global Gender Gap Report* will serve to highlight the countries that have made continued, often remarkable, progress over the last year in closing the distance to parity and will act as an urgent call for action towards the work that still needs to be done elsewhere to full harness the skills and talents of one half of humanity.

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### Global Gender Gap Report Results

While the *Report* focuses on a wide range of indexes that indicate the gender gap present in a specific country or region, one index in particular is relevant to the issue of women in the labour market. The Economic Participation and Opportunity index measures several variables that contribute to the understanding of the extent of gender parity present in a country. These variables include the ratio of female labour force participation over male value; the wage equality between women and men for similar work, converted to female-over-male ratio; the ratio of estimated female earned income over male value; the ratio of female legislators, senior officials and managers over male value, and; the ratio of female professional and technical workers over male value. The overall 'scores' attributed to each country corresponds with the gap that has been closed thus far relating to gender parity in that area. A score of 1 = equality and a score of 0 = inequality. Some examples of specific countries' gender gaps relating to economic participation and opportunity include:

- Mongolia – ranked 1<sup>st</sup> with a score of 0.8334; ranked 22<sup>nd</sup> overall
- Iceland – ranked 16<sup>th</sup> with a score of 0.7502; ranked 1<sup>st</sup> overall
- New Zealand – ranked 7<sup>th</sup> with a score of 0.7842; ranked 5<sup>th</sup> overall
- Philippines – ranked 11<sup>th</sup> with a score of 0.7604; ranked 9<sup>th</sup> overall
- Australia – ranked 19<sup>th</sup> with a score of 0.7477; ranked 20<sup>th</sup> overall
- Mozambique – ranked 3<sup>rd</sup> with a score of 0.8133; ranked 26<sup>th</sup> overall
- Bahamas – ranked 2<sup>nd</sup> with a score of 0.8264; ranked 28<sup>th</sup> overall
- Canada – ranked 10<sup>th</sup> with a score of 0.7641; ranked 25<sup>th</sup> overall
- United States – ranked 17<sup>th</sup> with a score of 0.7501; ranked 31<sup>st</sup> overall
- Indonesia – ranked 101<sup>st</sup> with a score of 0.5722; ranked 93<sup>rd</sup> overall
- Fiji – ranked 111<sup>th</sup> with a score of 0.5343; ranked 103<sup>rd</sup> overall
- Vietnam – ranked 25<sup>th</sup> with a score of 0.7349; ranked 71<sup>st</sup> overall
- Lesotho – ranked 4<sup>th</sup> with a score of 0.8013; ranked 10<sup>th</sup> overall

As can be seen with this data, the countries with the highest gender parity in economic participation and opportunity are not necessarily those in developed regions or even those with the highest gender parity in general.

### References

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- Who Answers to Women? Gender and Accountability. 2009, UNIFEM