

# Constraints and discrimination in women's economic activity

Women are better off today, but still far from being equal with men

Sunday 30 September 2018, by [GAAG Nikki van der](#) (Date first published: 29 September 2017).

## **Things have certainly improved for women, but at the top of both industry and government the faces remain stubbornly male**

There have been huge changes for women in terms of employment in the past decades, with women moving into paid employment outside the home in ways that their grandmothers and even their mothers could only dream of. In the US, for the first time, in 2011, women made up slightly more than half the workforce. There are (some) high-profile women chief executives. There is a small but increasing number of female presidents. [Women](#) are moving into jobs that used to be done by men. Even those women working in factories or sweatshops have more choice and independence than if they remained at home. But their experience is contradictory, as feminist economist Ruth Pearson points out:

As individual workers they experienced both the liberating or the “empowering” impact of earning a regular wage, and of having increased autonomy over their economic lives; at the same time many were also well aware of the fact that their work was low paid, both in comparison with male workers but also with women workers employed in industrialised countries.

This contradiction is widespread – although more women are working, they are often still worse paid than men, in part-time jobs or in the huge informal employment sector with little protection and few rights. In many places, the increase in women working is simply driven by the necessity of having two wages to make ends meet.

And at the top of industry and government, the faces remain stubbornly male. In fact, there is some evidence that the numbers of women are actually decreasing. As Sheryl Sandberg, chief operating officer of Facebook, said: “Women are not making it to the top of any profession in the world.”

It is true that progress in terms of gender equality is uneven, but the proponents of the argument that women are taking over the world at work need only look at statistics on employment, equal pay and political representation of men and women to see just how wrong they are.

[Gender](#) analyses of labour markets tend to look at women's participation in paid employment compared with men's – and not the huge informal sector in which so many women work; selling a handful of tomatoes that they have grown in their gardens, picking cotton or sewing at night long after their children have gone to bed. The number of women owning small and medium-sized businesses is estimated to be between 8 million and 10 million, and although this is still far fewer than that for men owning similar enterprises, numbers are slowly growing. In most countries, the informal sector is far larger than the formal one. For example, in south Asia more than 80% of men and women work in the informal sector, and in sub-Saharan Africa it is 74% of women and 61% of

men.

There are also more women in formal paid work today than at any point in history. They now make up about 40% of the global formal labour force, and 43% of the agricultural labour force, although this varies considerably from country to country. For example, in the Middle East and north Africa in 2010, only 21% of women participated in the formal labour market, compared with 71% in east Asia and the Pacific. Men's labour participation rates tend to be more stable, both across countries and in different income groups.

While they cannot be said to be representative, the highest positions are even more elusive for women: only seven of 150 elected heads of state in the world are women, and only 11 of 192 heads of government. The situation is similar at the level of local government: female elected councillors are under-represented in all regions of the world and women mayors even more so. And many of the women in top positions are already lined up for success. The few women in the Forbes rich list mostly come from rich families or business dynasties such as Walmart or Apple.

In the private sector, women are on most boards of directors of large companies but their number remains low compared to that for men. Furthermore, the "glass ceiling" has hindered women's access to leadership positions in private companies. This is especially notable in the largest corporations, which remain male dominated. Of the 500 largest corporations in the US, only 23 have a female chief executive officer. That is just 4.6%.

Even in the 27 member countries of the EU, in April 2013 women accounted for only 16.6% of board members of large publicly listed companies. This is up by 5% since October 2010, when the European commission announced that it was considering "targeted initiatives to get more women into decision-making positions". But one in four big companies still have no women on the board at all, and the target of 40% by 2020 is still a long way off. Although there is little data on women managers in the global south, one paper on the subject in Africa notes that: "The few figures available showed wide disparities, with Egypt at one end of the spectrum with only 10% of managers being women, while Botswana at the top end had 30%."

Globally, research by accountancy firm Grant Thornton in 2013 found that women now fill 24% of senior management roles, a percentage that is gradually creeping up. But women make up only 16% of board members in the rich-world G7 economies compared with 26% in the Bric economies (Brazil, Russia, India and China) and 38% in the Baltic countries. Interestingly, one possible reason for this is that women in the latter have more access to childcare from extended families or from women they employ as nannies.

This means that in Japan, 93 out of every 100 people in top positions are men, in the US this is 80 out of 100, and even in the countries at the top of the list, only China has more women than men, and this is a leap from 25% the previous year. And interestingly, despite many years of legislation for gender equality, Sweden and Norway are only 27 and 22 in the ranking of top countries.

Women don't have power in other areas either – even in 2013, they still made up only 21.4% of parliamentarians. Most recent figures show that 17.2% of ministerial posts worldwide are held by women – up from 16.1% in 2008, which shows just how slow progress can be.

Lack of political voice is critical given that this is where laws and policies that affect whole populations – both male and female – are made. In the UK, Dame Helena Kennedy, QC, noted in a speech on International Women's Day:

"You don't have to believe in patriarchy to realise that the law was made by men and is

dominated by men, and that the same goes for parliament. Which means that in all the making of the law, women are largely absent. It is not surprising that the law doesn't work for women."

Women who are in powerful positions often find they face a daily barrage of sexist behaviour from men, which in many countries is outlawed in the workplace. And often, even among the elite, women do not do as well as men. Eighty-eight per cent of women aged 30-39 see their earnings decline when they have children. A study of Harvard graduates in the US found that median earnings in 2005 were \$90,000 for women but \$162,500 for men. Among full-time, full-year workers, median earnings were \$112,500 for women and \$187,500 for men.

What is interesting too is that despite the fact that in many countries girls are forging ahead of boys when it comes to educational attainment, this doesn't always pay dividends when it comes to employment. Despite the youth bulge in much of the global south, even secondary and university education, where girls and young women are excelling, are failing to translate into employment for many young women. As one report from the World Bank notes: "Progress in education is not matched by higher labour force participation. By age 24, women lag behind in all regions. In Latin America and the Caribbean, the gap is around 26 percentage points. The gap is even larger in south Asia, where 82% of men are active in the labour market, against just 28% of women."

If we look at the gender pay gap, the story is no better. An International Labour Organisation (ILO) study of 83 countries found that women earn 10%-30% less than men. Even in the US in 2010, women working full-time still earned only 77% of the male wage. In sub-Saharan Africa and east Asia and the Pacific, young women aged 15-24 who are working earn only 82% and 84% respectively of the amount young men earn in an hour. According to the ILO, if present trends continue, it will be another 75 years before the principle of equal pay for work of equal value is achieved.

In some countries, however, in Latin America and the Caribbean and Europe and central Asia, young women are beginning to earn the same and sometimes even slightly more than young men. And younger women everywhere seem to be doing slightly better in terms of earnings than older women, except in Latin America and the Caribbean, perhaps owing to progress in female education, but also probably because older women have taken time out to have children while younger women have not. Or because the pay gap is such that in many countries, including, for example, Brazil, middle-class women in paid work outside the home have been able to afford to pay other, poorer women to care for their children.

The cost of women not being engaged in paid work is huge: according to one report the economic cost of failing to educate girls to the same standard as boys in 65 low- and middle-income countries was estimated at \$92bn a year. And according to the IMF, whole economies are losing out - if women and men had more equality at work, it would increase GDP in the US by 5%, in Japan by 9% and in Egypt by 34%.

None of this would seem to back up Hanna Roisin's theory that the world of work is becoming a place where "women hold all the cards".

## **Case study: fair pay for domestic work in Nicaragua**

You no longer have to lower your head and wait for the man to tell you what to do; now we make our own decisions and share activities and responsibilities with our partners.

(Adilia Amador Sevilla from Achuapa, Nicaragua)

An innovative development is taking place in Nicaragua. A number of cooperatives with Fairtrade contracts are including in the costs of production a component for the unpaid work of women. This is exceptional in a world which consistently undervalues women's work and refuses either to measure it or count it as economic activity, despite feminist campaigning over several decades. The money raised is being used by the cooperatives for collective projects to empower women and improve gender balance in the wider community. As Adilia says, the relations between men and women are being radically altered.

The starting point came in 2008, when the cooperative Juan Francisco Paz Silva needed to renew its Community Trade (equivalent to Fairtrade) contract for sesame oil with the Body Shop. The co-op and Etico (an ethical trading company that works closely with the co-op) both had strong gender policies and were looking for ways of supporting women through this contract. The idea of including a component for women's unpaid work came as a flash of inspiration, as a recognition and recompense for the contribution to production made by women.

This calculation, and its addition to the costs, was accepted by the Body Shop, although they wanted more justification and more detail on what was actually being paid for. Subsequently, some coffee buyers have also agreed to make a similar addition.

Since this development started, there have been more women than men joining the co-ops as new members, an increase in the numbers of women initiating new projects, and a remarkable 100% payback rate on loans made to women.

These changes have led to an increased sense of self-esteem among the women, who now have greater confidence to speak and participate in the affairs of the cooperatives.

• This is an edited extract from [Feminism & Men by Nikki van der Gaag](#), published by Zed Books. The author will be in discussion with Dean Peacock of [Sonke Gender Justice](#) at an event at [Bookmarks bookshop](#), London, at 7pm on Thursday 2 October

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**P.S.**

The Guardian

<https://www.theguardian.com/global-development/2014/sep/29/women-better-off-far-from-equal-men>