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A Solution For A Struggling Global Economy: Gender Equality

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This year's Nobel Peace Prize was awarded to three women from Africa and the Arab world in acknowledgment of their courageous work promoting peace, democracy and gender equality. In awarding the prize, the Nobel Committee stated that democracy and peace cannot be achieved unless women have the same opportunities and rights as men.

They might have added that without gender equality sustainable economic development cannot be achieved either. In fact, it is no exaggeration to say that women are the key to a global economic recovery.

A few weeks ago, U.S. Secretary of State Hillary Clinton, chairing the first-ever Asia-Pacific Economic Cooperation (APEC) High-Level Policy Dialogue on Women and the Economy, made this point emphatically: "By increasing women's participation in the economy and enhancing their efficiency and productivity, we can have a dramatic impact on the competitiveness and growth of our economies."

In her remarks, Secretary Clinton recounted some of the evidence: *The Economist* found that the increase in employment of women in developed economies during the past decade contributed more to global growth than did China. In the U.S., a McKinsey study found that women went from holding 37% of all jobs to nearly 48% over the past 40 years, and that the productivity gains attributable to this modest increase in women's share of the labor market now accounts for approximately 25% of U.S. GDP. That works out to over $3.5 trillion – more than the GDP of Germany and more than half the GDPs of China and Japan.

Women are indeed the world's third largest "emerging market" after China and India. A Boston Consulting Group survey concludes that women will control $15 trillion in global spending by the year 2014 and by 2028 will be responsible for about two-thirds of all consumer spending worldwide.

As farmers, workers, business owners and householders, women are central to the global economy. In developing countries, rural women farmers grow most of the food that is eaten and dominate the informal economy. In the U.S., they drive most consumer purchasing decisions and are now half the workforce and the majority of college graduates.

Yet the barriers to women's full economic participation – laws, customs and practices that reinforce gender discrimination at multiple levels – remain. Women are over-represented at the bottom of the global economy and under-represented at the top. They constitute a majority of the world's poor, more than 60% of the world's hungry, hold less than 20 percent of the world's land titles despite their dependence on and predominance in agriculture, and are much more likely to be illiterate and face gender-based violence. Among Fortune 500 companies, women hold only three percent of CEO positions and 15 percent of board seats.

It is time we understand that these barriers are not only tragically unjust but are also fundamental impediments to global economic growth.

Put simply, persistent gender inequality is holding countries back. In Sub-Saharan Africa, it's estimated that between 1960 and 1992 inequality between men and women in education and employment suppressed annual per capita growth by 0.8% points per year; gender equality would have doubled economic growth over that time period. The Asia and Pacific region is losing $42 billion to $47 billion annually because of women's limited access to employment opportunities, and another $16 – $30 billion as a result of gender gaps in education.