It's Time to Hurry History on Women's Economic Equality

By Amanda Ellis

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"An estimated 70 percent of women-owned small enterprises in developing countries lack access to the financing they need to grow their business," according to international development economist Amanda Ellis.

At the recent G20 summit in Hamburg, leaders announced the launch of "We-Fi"—the Women Entrepreneurs Financing Initiative—to much acclaim. The new billion-dollar financing facility, which has direct monetary support from almost half of the G20 members, will be managed by the World Bank.

Given my own battles as a specialist at the Bank just over a decade ago to gain approval for a modest $15 million to finance the first dedicated line of credit for women entrepreneurs in Africa—where gold jewelry had to be used as collateral due to women's lack of property rights—the We-Fi facility is indeed a welcome initiative. Yet for billions of women around the world, it is still merely a Band-Aid.

An estimated 70 percent of women-owned small enterprises in developing countries lack access to the financing they need to grow their business, create jobs, and contribute to economic growth. That adds up to a nearly $300 billion annual credit deficit.

Even among the comparatively prosperous G20 members, less than 40 percent of women have access to bank accounts. Yet few national financial inclusion strategies reference women, let alone include plans to remedy this imbalance. And it's not just access to finance that's a problem. Not a single country has yet achieved equal pay for equal work , never mind full gender equality. Worse still, nine out of ten countries—91 percent to be precise—still have laws on the books that discriminate against women's ability to be economically active.

Clearly, these data points are symptomatic of much deeper systemic problems.

To their credit, the G20 leaders have acknowledged the need for a special focus on women's empowerment and accepted it as an economic issue. In 2014, they launched the W20 (Women 20) initiative in Australia with a pledge to reduce the gender employment gap by at least 25 percent by the year 2025. Successive G20 chairs Turkey and China continued to champion the cause, and last month We-Fi was launched under the 2017 leadership of German Chancellor Angela Merkel.

The business case is compelling. Recent research by the global management consulting firm McKinsey demonstrates that a whopping $28 trillion could be added to the global economy by 2025 if all countries bridged the gender gap. That's a magnitude equivalent to the combined US and China economies today. IMF Managing Director Christine Lagarde agrees that "the focus on gender equality is an 'economic no-brainer.'"

With such strong incentives, what is the holdup in taking action? The recent G20 declarations are full of laudable statements about the importance of women's empowerment, yet 15 of the members still have discriminatory national laws that actively hinder women's ability to fully contribute to economic growth on the same terms as men.

To name a few examples: In Russia, women are legally barred from 456 professions, including being a freight train conductor or a trolley driver. In

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China, the retirement age for women is up to 10 years earlier than for men. This was the main issue cited in a survey of women's impediments to gaining top jobs there. And in the US—alongside only Papua New Guinea, Tonga, and Surinam—there is still no mandated paid maternity leave.

Two years ago, all 193 United Nations member countries committed to "The Future We Want by 2030," framed by 17 Sustainable Development Goals. Of these, Goal number five aims to "achieve gender equality and empower all women and girls." But the stated target to undertake reforms aimed at giving women equal rights to economic resources and ownership of property has a key caveat that reads "in accordance with national laws." So this essentially gives an out to those more than 90 percent of countries that still have discriminatory economic laws against women.

Even this year's G20 communiqué only commits to make improvements in gender equality "where appropriate." With gaping loopholes like these, what good are such declarations really?

The imperative of creating equal opportunity in national legislation was set out in the UN's Universal Declaration of Human Rights way back in 1948. While not in itself a silver bullet for women's economic inequality, such legislation is a necessary first step. It is fundamental to women's economic rights and the ability to enforce them, as well as the basis of a significant increase in global economic well-being.

So it is disappointing—indeed, downright distressing—that in 2017 there is still such a poor track record worldwide on such a basic issue as leveling the legislative playing field for women's economic rights. What's more, it's baffling, given the proven financial benefits.

According to the World Economic Forum, at current rates of progress it will take another 170 years to reach economic parity. To help speed the process, global business leaders are stepping up to support and promote the W20 agenda with initiatives such as EY's (Ernst & Young) Women Fast Forward. As EY CEO Mark Weinberger has said, "We wouldn't wait 170 years to implement any other business imperative offering so much upside, so why are we waiting on this one?"

Simply put: It's time to hurry history.

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