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Opinion: Move over economic development, it's time for equitable development

While women workers have been hit disproportionately hard by the Covid-19 pandemic, the move to working from home has the potential to empower the female workforce given the extra flexibility it offers.

By Sofia Karadima 24 Mar 2021

The Covid-19 pandemic has had a disproportionately negative effect on women, highlighting that the UN's fifth Sustainable Development Goal, which is about ensuring gender equality and empowering women, has a long way to go before hitting the targets set for 2030. However, one of the big societal changes that the pandemic has brought with it, the large increase in working from home, could be transformative for women, as it will give them more flexibility to strike a better work-life balance and, hopefully, rise to more senior positions.

"With the roll-out of more virtual tools and platforms, combined with corporate buy-in to a more [flexible] workplace environment, there are more chances than ever before for professionals to network, perform job duties and excel without having to hop on a plane frequently or even work full-time from a corporate office," says Morgan Crapps, principal at Parker Poe Consulting. "This heightened flexibility will certainly open doors for more women in to rise within corporate leadership and economic development."

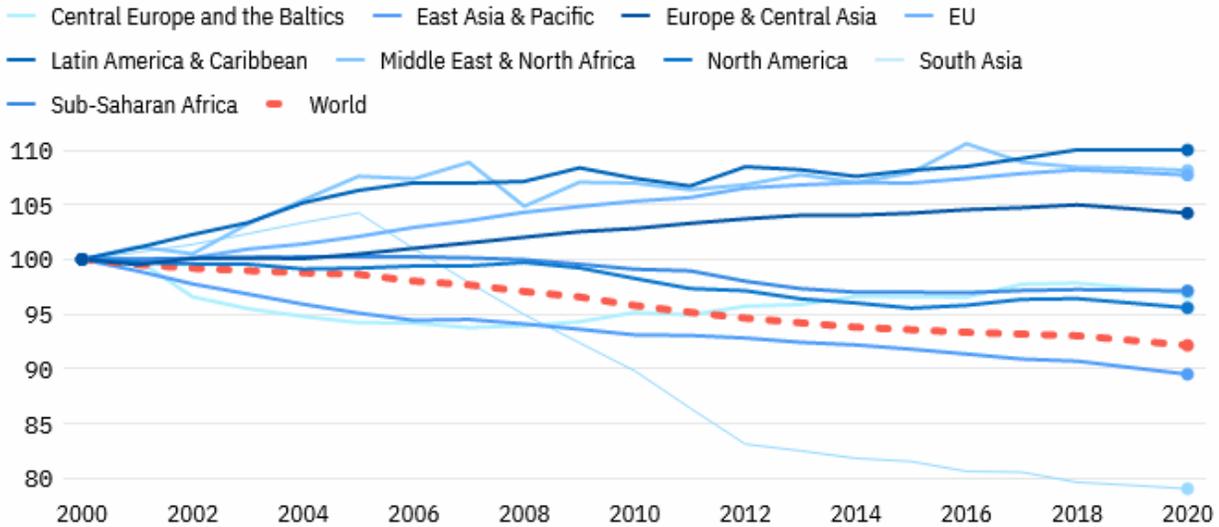
A McKinsey report supports Crapps' view, stating that the rise in popularity of remote work and independent work platforms as a result of the Covid-19 pandemic could be a boon for female workers, particularly in areas such as software, design, and sales and marketing – but with the caveat that the gender gap when it comes to digital access could stymie these opportunities.

The gender gap threatens economic prosperity

The digital access gender gap is generally regarded as one of the key reasons why female labour participation has decreased since the outbreak of the pandemic. However, analysis by *Investment Monitor* shows that female labour participation has steadily been dropping over the past 20 years.

Female labour participation rate falls worldwide

Indexed growth of labour force participation rate, female (% of female population ages 15-plus), 2000–20 (2000 = 100)



Growth is calculated from the base year of 2000, which equals 100

Source: World Bank

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The decrease in levels of female labour participation has had a negative impact on economic development. In fact, embracing gender equality is key to delivering higher profitability, not only at a company level but also on a country level, according to data from consulting firm PwC. Its Women in Work Index 2021 states that “increasing female employment rates across the OECD could boost the GDP [of member countries] by \$6trn, while closing the gender pay gap could boost the GDP of OECD members by \$2trn”.

Amelia Lopez Huix is the owner and corporate partner on gender economic governance at management consulting firm MCI Partners. She believes that the pandemic has brought with it an urgency for the global economy to respond to and reflect the needs of all of its stakeholders. This, she says, is a strategic economic and market issue for any business, as those that don't leverage gender equality risk limiting their performance potential and ultimately losing a competitive edge.

Adding more women to the equation

Seeing gender equality as a both major global risk *and* a market opportunity for companies and countries is a significant step for leading corporate decision makers as well as the heads of investment promotion agencies, free zones and governments, especially in the post Covid-19 world.

Fatima Hadj, initiator and co-founder of Climate Action Women, a platform focused on advocating climate action and empowering women, evokes the spirit of Albert Einstein when she says: “We can’t solve our problems with the same thinking we used to create them.” She adds that the world must think differently to build a sustainable and competitive economy. To do this, there is a need to accelerate gender diversity at the boardroom level or anywhere where key decisions are made.

Indeed, adding more women to the equation would have a positive impact on not only decision-making, but also the corporate site selection decisions that drive foreign investment. John Boyd of location consultancy Boyd Company states that many development agencies that his organisation is working with have replaced the words “economic development” with “equitable development” in their mission statements.

“We are seeing development agencies as well as cities around the world identify opportunities to promote gender equality to site-seeking companies,” he says. “These opportunities include workforce training programmes, women’s healthcare initiatives, childcare resources, scholarship and tuition programmes.”

How can multinationals promote gender policies and practices?

Apart from development agencies, multinational corporations (MNCs) also have the power to promote gender equality in the workplace through their policies and practices. A report from the UN Conference on Trade and Development argues that the positive gender policies and practices at MNCs should be done through both direct and indirect channels. It adds that it is not just enough for these companies to carry out these policies in their domestic market; they can be more effective when implemented in all countries of operation.

There are many ways that MNCs can promote gender equality, but it should not be taken for granted that their influence in developing countries will be positive. This is why investors need to pay more attention to diversity and inclusion policies, support initiatives that encourage financial inclusion for women, back women-led enterprises, promote gender diversity at the boardroom level, and form the right work environment for women to rise up the corporate ladder.

The transmission of positive gender policies and practices through multinational enterprises

Channels	Policy options	Level of action
Direct channel		
Women employed in foreign affiliates	Encourage the adoption of a gender strategy at the corporate level to ensure equal working conditions and to facilitate women's employment, training and promotion throughout the network of affiliates.	Host country
	Foster MNE reporting on gender at all levels of the hierarchy and with a geographical breakdown.	International level
	Avoid a race to the bottom of social standards while competing for foreign direct investment, including through regional coordination.	International level
	Home country governments can make investment guarantee schemes conditional on reporting and applying consistent gender policies and practices throughout the MNE network of affiliates.	Home country
	Take gender equality impact into account in targeted investment promotion strategies.	Home and host country
Indirect channels		
Supply chain relationships	Promote linkage programmes between local companies and MNEs, including through supplier capacity-building.	Host country
	Promote the participation of women in supplier training and capacity-building programmes.	Host country
	Home governments can set up a social dialogue between MNEs, their partners or suppliers in host economies and other relevant stakeholders to help companies achieve their gender objectives and transmit them along the value chain.	Home country
Competition – demonstration	Encourage transparency on gender policies and practices in foreign affiliates.	International level

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	promote and improve those they are under-represented.	level
	Promote knowledge-sharing and networking programmes between MNEs and local companies.	Host country
Technology	Encourage the participation of women in education and training at all levels.	Host country
	Encourage the participation of women especially in science, technology, engineering and mathematics (STEM) training and careers.	Host country
	Female participation could be fostered through partnerships between MNEs and universities, and other educational institutions.	Host country
Labour mobility	Improve national education policies and labour training, particularly for women.	Host country
	Facilitate partnerships, internships and labour mobility programmes across foreign and local companies.	Host country
	Encourage MNEs to participate in local business associations and related community initiatives.	Host country