

Researchers are in agreement: unless women contribute more to wealth production the world's economic growth will be insufficient. Another thing: in countries where women are more active in the

# Womenomics, the economy female-style

SOCIETY 1

by Donato Speroni

workforce the problems of population are also being solved. But there are still numerous obstacles to gender equality. Even in countries where, in theory...

**W**hat's the difference between the old equal opportunities policies and the new *womenomics* theories, circulated initially among economists and now seen in the daily press, thanks to a recent article by Cherie Blair in "la Repubblica" and "The Observer"? The difference is the same as that between an industry-specific policy and the economy at large; or to make a play on words, between running a Native American reserve and the Federal Reserve.

Policies in favour of the so-called weaker sex date back to the early decades of the last century. Essentially, they were intended to make it easier for women to hold down a role outside the home and in the main they were the result of the pressures applied by the feminist movement. In many cases, *ad hoc* legislation amalgamated women with other disadvantaged groups, such as the handicapped, released prisoners or ethnic minorities. By and large, women were treated as "differently male", who needed some kind of help so that they could do the things that were traditionally the preserve of the opposite sex.

Now many economists are suggesting a different approach. It's not just a question of

satisfying women's demands for greater responsibility outside the family without their having to make too many sacrifices to sustain the double role. The reality is something very different: unless the other half of the global population contributes more to wealth production economic growth will be insufficient. "Women are now the most powerful engine of global growth", writes "The Economist". And there's another thing: in many countries, it's only when women work (provided that society gives them the proper support and men share the domestic role) that they can afford a second child, or even the first. In short, especially in the more developed countries, womenomics and population figures go hand in hand.

One of the most determined supporters of womenomics is the consultancy company Goldman Sachs (GS), which has made several studies of the subject. According to GS economist Kevin Daly, the increase in

\_The advance of women in society has scratched only slightly at the seats of power occupied by men. There are a few exceptions, such as former First Lady Hillary Clinton, who is now running for election as President of the USA

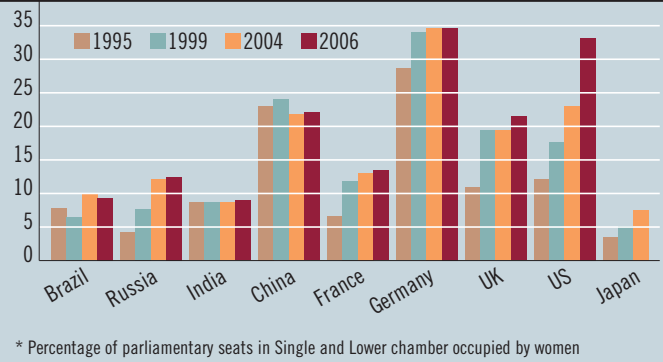


the number of women in the workforce has already played a significant part in the development of the Eurozone, with an average annual contribution of 0.4% to the growth in gross domestic product (GDP). According to Daly, Japan and Italy – which have further to go in the female employment race – are the countries that may well have most to gain by reducing the gap between male and female employment. “In many countries”, the economist adds, “women have to choose between work and children. Yet in places where it is relatively easy to combine work and a family, both the number of working women and the birth rates tend to be higher. It’s no coincidence that Italy and Japan have the lowest levels of female employment and the worst demographic prospects”.

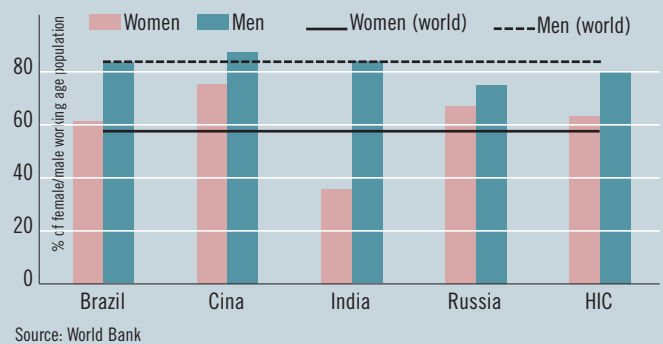
Daly calculates that if the level of female employment in Italy (46.8% in the second quarter of 2007) were to reach that of male employment (71.3%) GDP would rise by 21 percent. Of course his calculations are open to debate. They are based on the assumption that there is enough work to go round, and that the increased job opportunities (which would be provided in Southern Italy in particular) would translate totally into increased wealth production. All of which remains to be proved. However, there is no doubt that if more women were to enter the job market new opportunities for production would open up. At present exactly the opposite is happening in Italy. This is because of market problems, and for cultural reasons, but also because of the disparity between education and the type of work available. Today, most women in their thirties have a degree or diploma and many women don’t even look for jobs, especially in the South: a discouraging factor that’s not recorded in the unemployment figures usually referred to by politicians and journalists, because those are based only on people actively seeking work.

Nor is it enough to declare that “Italian women will have to work more”, because they already work an awful lot. If we count work in the home as well as paid employment, then the average Italian woman works 7 hours 26 minutes a day, 7 days a week, which is more than in many other European countries (e.g. Germany 6hrs 16mins, England 6hrs 48mins), whereas

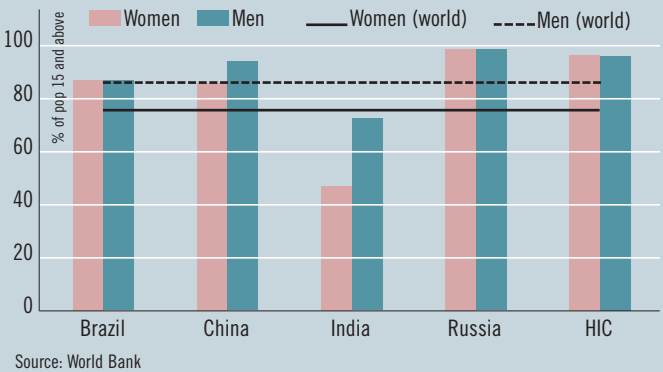
1. WOMEN IN PARLIAMENT\*



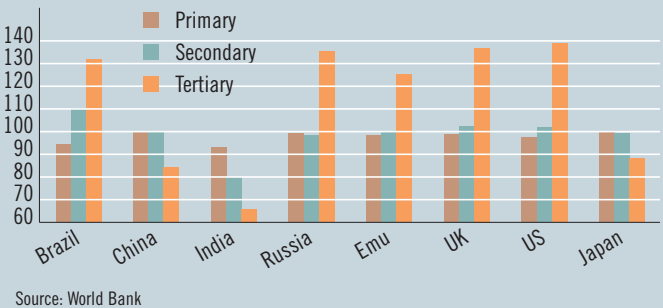
2. LABOUR FORCE PARTECIPATION (2005)



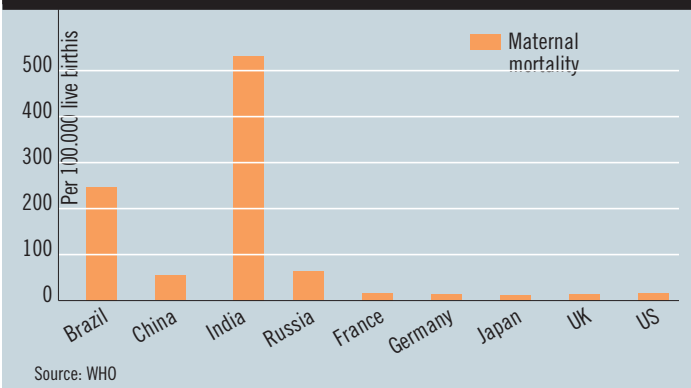
3. ADULT LITERACY RATES (2006)



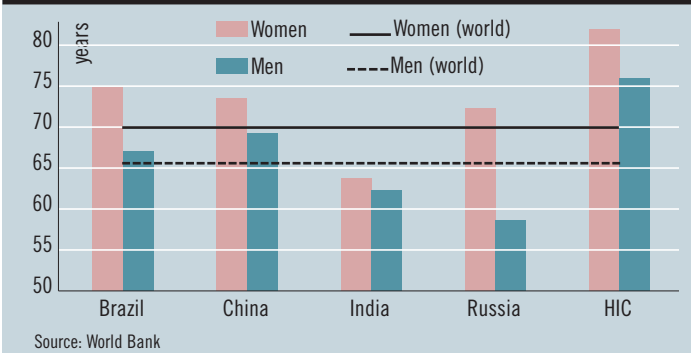
4. RATIO OF FEMALE TO MALE EDUCATIONAL ENROLMENT (2004)



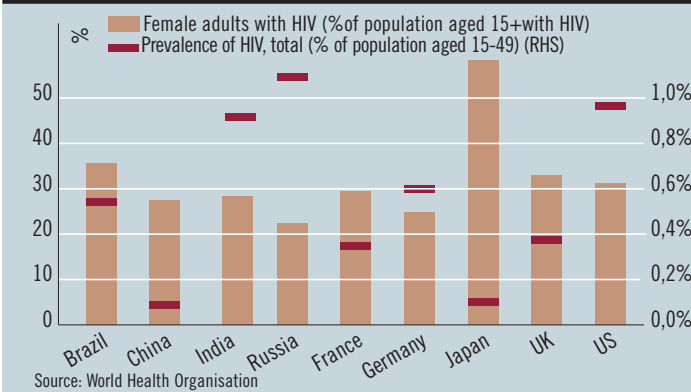
5. MATERNAL MORTALITY (2000)



6. LIFE EXPECTANCY AT BIRTH (2005)



7. PREVALENCE OF HIV (2005)



8. OBESE ADULTS (BMI)\*



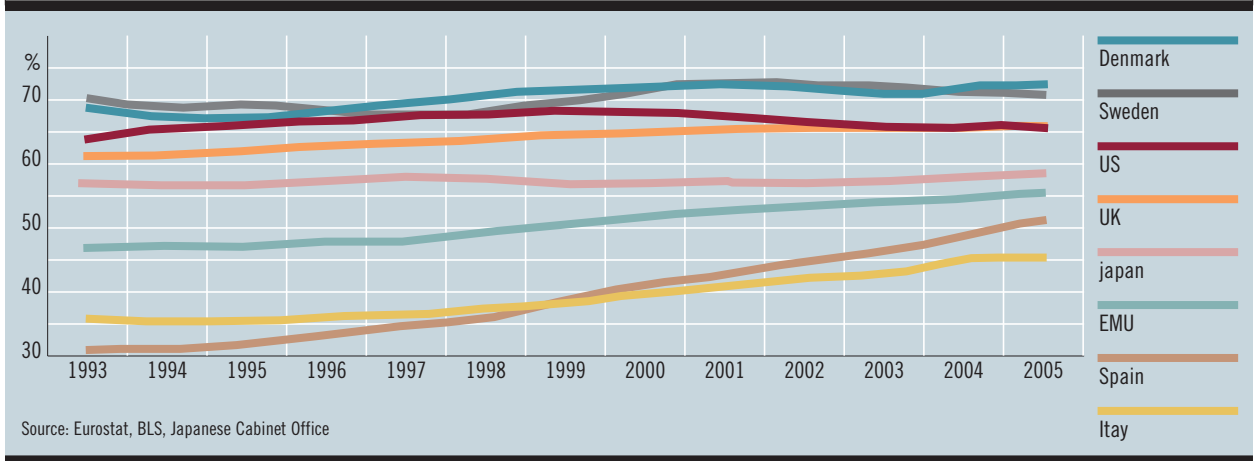
Italian – and Spanish – men spend less time on work in the home (1hr 35mins.) than any other males in Europe. Unpaid work done at home is not taken into account in the GDP. In fact, when you're learning statistics, you're often taught about the "cook's paradox": the wages I pay my cook count towards GDP, but if I marry her I will reduce the amount of national wealth produced. That's why, as explained in the interview with Linda Laura Sabbadini on page 17 many statisticians are hoping a satellite account will be prepared for national accounting that will reflect work done at home, not only so that the accounts will be more accurate, but also to quantify the range of domestic tasks that would be better re-distributed between the sexes or transformed into paid work outside the family.

World view

Italy is behind the times, but in other countries promotion of womenomics began long ago. In 1950, only a third of American women of working age were in paid employment. Today the percentage has doubled and almost half of jobs are held by women. Since 1970, worldwide, for every new job taken by a man two are taken by women. Even in the most recently industrialised countries women are becoming increasingly important in the workforce. In the emerging Asian economies 83 women are employed for every 100 men with jobs, a higher percentage than the OECD average. Female employment plays a particularly important role in the success of Asia's exports: in the textile industry, for example, the percentage of jobs held by women varies from country to country between 60% and 80 percent.

Goldman Sachs has made a specific study of the situation of women in the BRIC countries (Brazil, Russia, India and China), the four huge economies with greatest development potential. The country furthest behind in women's employment is India, which ranks bottom of all the classification scales: by employment rate (stable at 36%), by percentage of women in parliament (the country has had a woman Prime Minister but currently only 8% of its MPs are women), by life expectancy, by the number of women enrolled at university, by level of

### 9. WIDE DIVERGENCE IN FEMALE EMPLOYMENT EMPLOYMENT/WORKING AGE POPULATION



deaths in childbirth. Literacy rates are also very low (73% for men and below 50% for women), but for both sexes this rate has increased by about 12 percentage points since 1990.

In Russia, on the other hand, the situation of women is much better, not only compared to the other BRIC countries but also in relation to countries with a longer history of industrialisation. Here the women's share of the job market is in line with more advanced countries, there is almost 100% literacy and, for every 10 men, 14 women are enrolled at university. China's strongpoints are in political representation, with women occupying 20% of the parliamentary seats (twice as many as in Russia), and a female employment rate of almost 80 percent. Her weak points are literacy, where women rank 9 percentage points lower than men. In Brazil there's a strange mixture: women have a good level of culture, with the number of women versus men enrolled at university being even higher than in the Eurozone, but with few women taking part in politics.

The growing presence of women on the global market is concerned with more than just their place in the workforce. They also have a role as consumers, entrepreneurs and investors. And nowadays it's not only domestic goods that they buy: it is estimated that women also have a say in 80% of purchasing decisions, from houses and furniture to spending on health and leisure. Kathy Matsui, chief strategist of Goldman

Sachs, Tokyo, selected a basket of 115 Japanese companies that would benefit most from female buying power and a new feminine lifestyle that looks beyond the family. In a decade, shares in these companies has risen by 96%, against an average 13% increase in the Tokyo stock market as a whole.

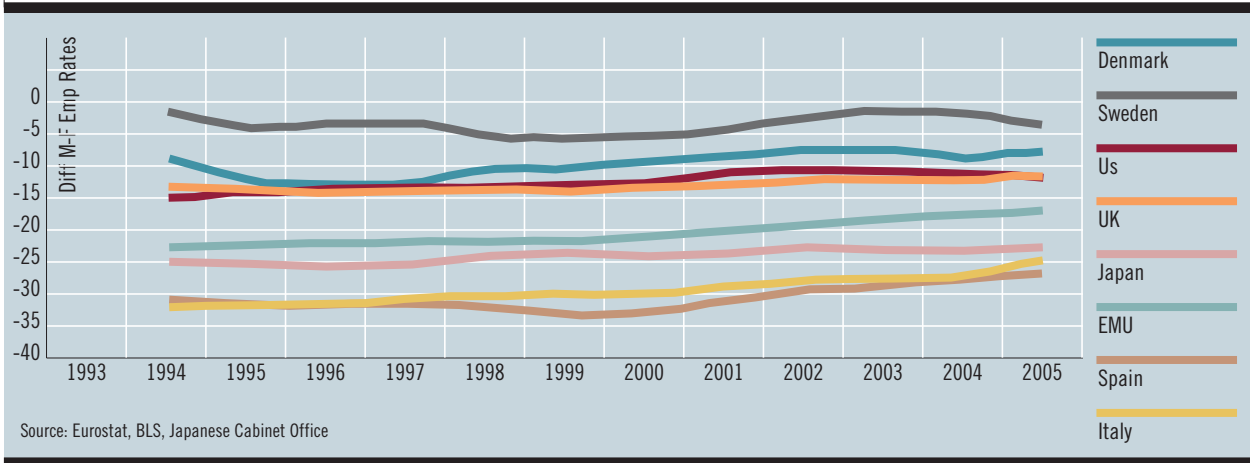
#### Women, power, wages

However, the advance of women in society has scratched only slightly at the seats of power occupied by men. In January 2007, according to the UN, women held 17% of parliamentary seats (in the lower house or in single-chamber systems) compared to 13% in 1990. The three countries where female political representation is most advanced are, surprisingly, Rwanda with 49%, followed by Sweden and Costa Rica with 47% and 39% respectively. Many women are against female quotas (seats reserved for women candidates). Nonetheless, the UN reports that where this system exists the number of women elected rises significantly.

There are also encouraging signs from Arab countries: in 2006, for the first time ever in Kuwait, women were allowed to stand for election and they gained two seats; in

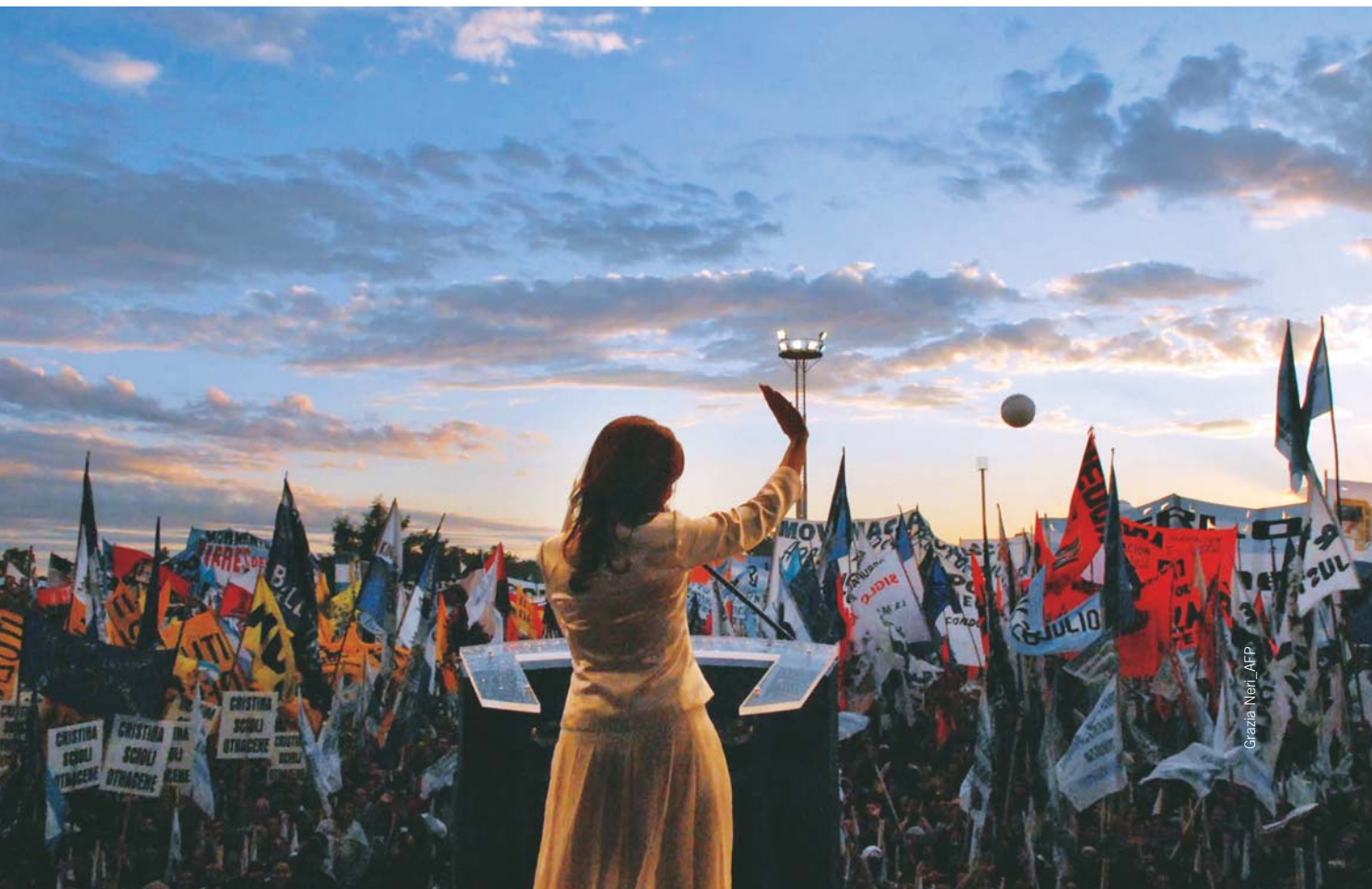
\_In January 2007, according to the UN, women held 17% of parliamentary seats compared to 13% in 1990. Facing photo: The newly elected Argentinean President Cristina Fernandez de Kirchner

10. THE DIFFERENCE BETWEEN MALE AND FEMALE EMPLOYMENT RATES



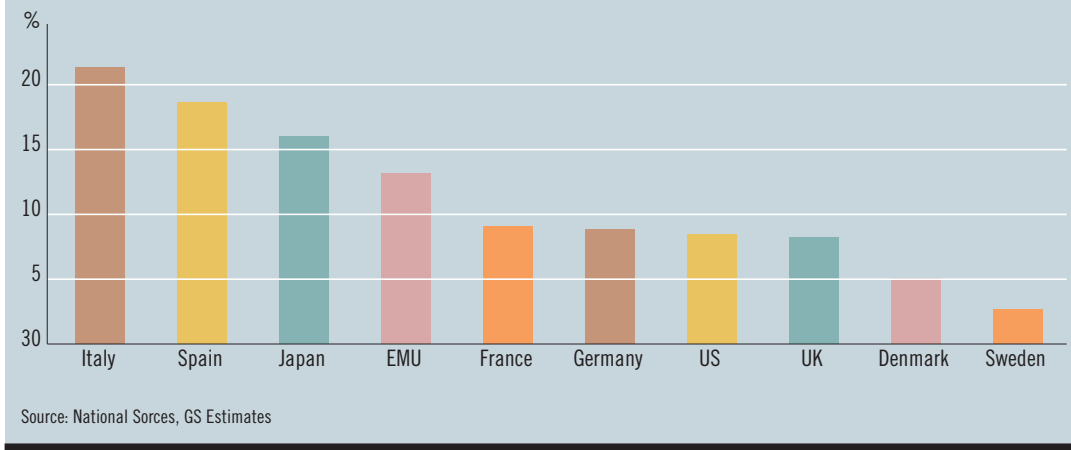
Bahrain they took one and in the Arab Emirates they won almost a quarter of the seats. The number of female heads of state or government is also rising: the election of Cristina Kirchner in Argentina should bring the number to 14 worldwide. It's important for women to have political power because – as stated in the Note to the Lisbon Report written in Italy by Minister

Emma Bonino and presented on 23<sup>rd</sup> October by Prime Minister Romano Prodi – “It’s the decision-makers who determine the agenda on which decisions are taken”: it’s easier to obtain investments for the so-called ‘family-work conciliation policies’ if women are also involved in policy decisions. But in the economy the increase in women’s power is finding it difficult to break through the



Grazia Neri/AFP

11. POTENTIAL BOOST TO GDP FROM CLOSING THE GAP IN FEMALE AND MALE EMPLOYMENT RATES

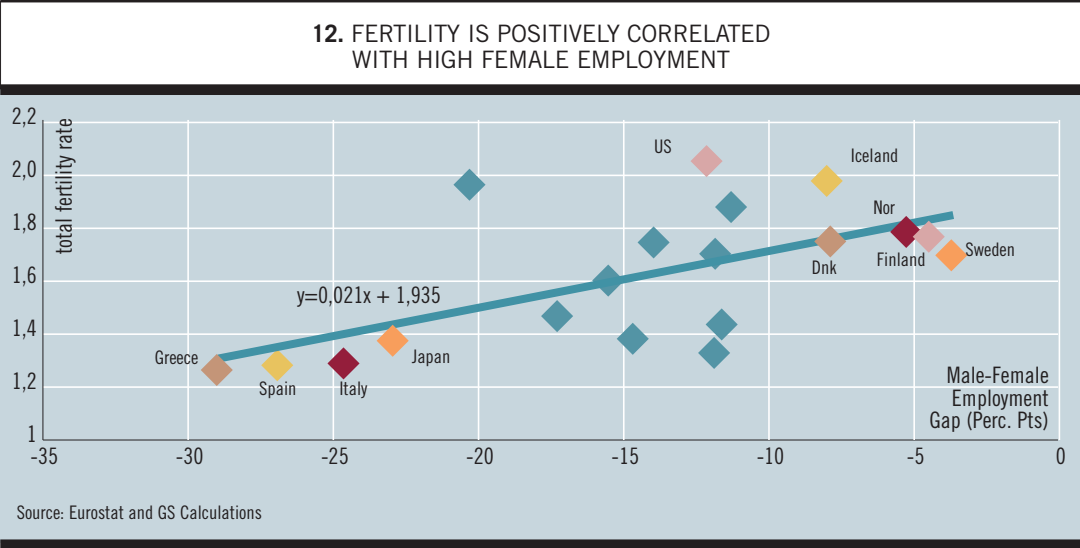


“glass ceiling”. The percentage of women in the boardrooms of listed companies is 7% worldwide, 15% in the United States and less than 1% in Japan.

Even if the number of women attending university is constantly on the increase (140 women for every 100 men in the USA; 150 in Sweden, but only 90 in Japan), women almost always halt their progression on the

career ladder at a lower rung than men. Partly it’s their own choice, preferring less competitive jobs that fit in better with family commitments; but this is destined to change in future because, as several studies have shown, there are many jobs where women are more successful than men. It’s the companies with more women at the top whose shares tend to thrive, while a number





of studies also state that women are better at investing. According to a survey by Merrill Lynch, unlike men, women avoid “ruminating” on their investments, they make continual changes, with consequent excess trading costs, and at the same time stay clear of committing too much money to individual, high-risk ideas. Despite these virtues, the glass ceiling

remains in place. The “Financial Times” reports that Britain’s Cranfield University publishes an annual index that highlights the absence of women in positions of economic power. “This is followed by a long discussion on the subject, with many references to Norway where, starting this year, companies with less than 40% female representation on the board will be de-listed; then there’s a period of calm until the next year’s report”. But it’s not only a problem in Britain. Prithi Haldia of Prime Database, a Delhi company, says that “women are an endangered species inside the Indian boardroom”; currently they represent only 5% of all directors. Meanwhile, in Australia, a recent study has calculated that last year only 3% of the top two hundred businesses had a woman as CEO. According to the “Financial Times” the situation isn’t really so tragic, since the British newspaper prefers to speak of the “glass elevator” rather than the “glass ceiling”, claiming that in small businesses the influence of women is actually growing, especially in the service sector. Businesses owned by women already produce 25% of UK turnover. In many respects, men and women’s working situations are different. Women in



Grazia Neri/AFP

Women are playing a bigger role in work and politics. Rwanda has the highest percentage of women in politics (facing photo: Justice Minister Edda Mukabagwiza and Cherie Blair)

any case earn less. On average, in the OECD countries, the difference in wages for a man and woman in full-time work varies by 15% to 20 percent. It's true that almost all the OECD countries have regulations that stipulate equal treatment for men and women but in fact women end up in poorer-paid jobs than men, with fewer chances of promotion.

Women are mainly active in the service sector, whereas men are more heavily represented in manufacturing. Of the 110 jobs listed by the ILO (International Labour Organization) 50% of working women are concentrated in only 11 occupational categories. Those with most women include primary education (14.5 women for every man), nursing and obstetrics (10.1), secretarial work (9.8), personal care (9.3), sales and shop assistants (5.8), domestic help (5.4). By contrast, it's evident that men are in a huge majority as miners (80 men for every woman), sailors (52.9), and welders (23.1), to mention only a few categories. Again in the OECD countries, over 25% of women work part-time and by far the greatest majority of women are employed in this way. The problems associated with part-time working are among the most delicate posed by policies on gender equality; on one hand, part-time employment benefits women because it is easier for them to coordinate work and family; on the other, it often leads to marginalisation, to there being no hope of a career, and often, too, it results in lower social security contributions and hence a smaller pension.

### **New policies, new psychology**

In all, the general picture is pretty clear: it's important for women to get out of the home in order to contribute more to the production of the nation's wealth and to the well-being of their own families; at the same time, society cannot demand that they take the full weight of this change on their own shoulders, because it must be offset in part by a redistribution of the work traditionally performed by women. This opens up a vast chapter of policies and comparisons between the best types of practice, something that is under scrutiny by the international organisations. According to OECD studies, determining factors include taxation (women work more where the total family



\_ One of the areas where most jobs are held by women is teaching in primary education, followed by nursing and obstetrics, secretarial work, personal care, sales and shop assistants

income is not penalised) and, obviously, the overall benefits offered by the authorities to those with children: allowances, access to kindergartens and nurseries, regulations making it easier for mothers to take paid leave are clearly essential. However, the partner's mental attitude is also important: his willingness to share the work of caring. Some European countries have launched campaigns to encourage men to work more at home and, in certain cases, they require fathers to take a short compulsory holiday when the mother comes home with the new baby: if they look after the child together in the early days, then it's more likely that they will go on sharing their roles in the future. The idea seems to be working. ■