
Bellagio Group on Gender and Growth
Putting gender equality at the core of the G20 agenda
Action Plan 2016–17

This document is the outcome of a high-level conference held on 25–28 July 2016 at the Rockefeller Foundation's Bellagio Center in Bellagio, Italy. The opinions and recommendations presented in this document reflect those of the conveners and members of the Bellagio conference. They do not represent the views of Chatham House, which does not express opinions of its own.

Introduction

Women's economic empowerment is essential for boosting global growth. By fostering a deeper understanding of 'how the other half works', we can find and fuel new engines for growth in the 21st century. Women are key economic actors, and their contribution to the economy needs to be acknowledged as a vital element in a global economic policy agenda that has strong, sustainable and balanced growth at its core.

Bringing more women into the formal labour market would help many advanced economies address the challenges of ageing, improve productivity and reduce dependency ratios. At the same time, recognizing the contribution of women who care for children and the elderly would help policymakers to estimate the contribution to growth from many economic activities that are not formally measured.

Women's economic empowerment is not just good for women but beneficial for society overall. If 'the number of female workers were to increase to the same level as the number of men,' said IMF Managing Director Christine Lagarde in a recent speech, 'GDP in the United States would expand by 5 percent, by 9 percent in Japan, and by 27 percent in India'.¹ Unfortunately, however, the population-weighted G20 average rate of female labour force participation fell from about 58 per cent in 1990 to 54 per cent in 2013.²

The goal of empowering women in the economy is urgent given the many economic challenges that advanced as well as developing countries are facing. Further, the alarming rise of populism and anti-elitism often corresponds with an attack on 'progressive' ideas about women, which means empowerment should be a top priority for government, business and society.

The Group of 20 (G20) is the premier forum for international economic cooperation among 19 of the world's largest developed and emerging economies and the European Union. The G20 mandate is to promote strong, sustainable and balanced growth. In 2014, the G20 set targets to increase G20 GDP by

¹ Lagarde, C. (2015), 'Delivering on the Promise of 2025', keynote address by Christine Lagarde, managing director of the IMF, W20 Summit, 6 September 2015, Ankara, Turkey, <http://www.imf.org/external/np/speeches/2015/090615.htm>. See also Elborgh-Woytek, K. et al. (2013), *Women, Work, and the Economy: Macroeconomic Gains From Gender Equity*, IMF Staff Discussion Note, <https://www.imf.org/external/pubs/ft/sdn/2013/sdn1310.pdf>.

² Klugman, J. (2015), *A Profile of Gender Disparities in the G20: What is Needed to Close Gaps in the Labour Market*, Research Paper, London: Royal Institute of International Affairs, <https://www.chathamhouse.org/publication/profile-gender-disparities-g20-what-needed-close-gaps-labour-market>.

2 per cent by 2018, and to reduce the gap between male and female labour participation by 25 per cent by 2025.

Since 2013, Chatham House has been working closely with G20 countries and the rotating host of the G20 to raise awareness of gender issues and ensure that gender equality in the context of growth targets would be on the agenda for various G20 meetings (including finance ministers' meetings, sherpa³ meetings and at the annual leaders' summit). In September 2014, Chatham House and the Australian National University jointly organized and led the International Policy Forum 'Investing in Gender Equality at the Group of 20 Leaders Summit – From Australia to Turkey' in Canberra during the Australian G20 presidency. This forum provided a space for constructive dialogue on gender-inclusive growth in G20 countries. More importantly, it presented a series of recommendations to sherpas for discussion at the G20 level.⁴

At the Canberra forum, it was clear that more policy action was needed to promote gender-inclusive growth to fulfil the G20 Pittsburgh commitment to 'strong, sustainable and balanced growth'.⁵ Here, 'balanced' refers to financial stability rather than any notion of 'inclusiveness'. Chatham House was actively involved in establishing the W(omen)20 as a G20 engagement group to focus on gender equality and economic inclusiveness. In April 2015, the Turkish G20 chair announced the creation of the W(omen)20 (also known as the W20).⁶

As a direct result of the establishment of the W20, the second International Policy Forum, which Chatham House had developed as a natural follow-up to the Canberra event, was adopted by the new W20 and evolved into the official launch event. It was held in Ankara on 6 September 2015 and prepared the ground for the official W20 summit on 16 and 17 October 2015.

On 11 and 12 July 2016, Chatham House held a successful third International Policy Forum in London, with the theme 'Empowering Women for Economic Growth: the Smart Choice for the G20'. The forum gathered 120 participants from around the world, representing the public and private sectors, academia, the media and activists, who engaged in passionate and intense discussions to generate key policy ideas for the G20 to explore in 2017.⁷ The forum had a strong following on social media, especially on Twitter, which amplified the message worldwide.

Chatham House has its own dedicated research initiative on gender and growth, which builds on the existing G20 agenda and works towards providing fresh policy ideas that support gender-balanced growth. By bringing together a committed group of scholars, policymakers, activists and business people, Chatham House has created a community of passionate campaigners and influencers. The Chatham House initiative aims to assess progress on gender equality in G20 countries and to monitor the implementation of G20 commitments. These observations are intended to inform suggestions for policy ideas and for measurable and actionable goals in order to influence policy in G20 countries and promote women's economic empowerment.

³ Sherpas are delegates from the offices of the leaders of the G20 countries.

⁴ Australian National University and Chatham House (2014), 'Recommendations to Sherpas from the ANU-Chatham House Policy Forum: "Investing in Gender Equality at the G20 Leaders Summit From Australia to Turkey"', 24 September 2014, https://www.chathamhouse.org/sites/files/chathamhouse/field/field_document/20151002RecommendationsSherpasGenderEqualityProject.pdf.

⁵ University of Toronto G20 Information Centre (2009), 'G20 Leaders Statement: The Pittsburgh Summit', 24–25 September 2009, <http://www.g20.utoronto.ca/2009/2009communique0925.html>.

⁶ The 2015 Antalya G20 communiqué is also notable for a much stronger emphasis on 'inclusive growth'.

⁷ Chatham House (2016), 'Empowering Women for Economic Growth: the Smart Choice for the G20', 12 July 2016, <https://www.chathamhouse.org/file/empowering-women-economic-growth-smart-choice-g20#sthash.IWZpKEok.dpuf>.

This Action Plan is the result of a year of research and debate. It includes findings from consultations in key G20 countries, as well as from the 2016 International Policy Forum in London. The purpose of the Action Plan is to provide a policy framework for gender-inclusive growth, to offer actionable policy recommendations for the G20, and to support the engagement of the W20 with the G20 chair and member states.

The Action Plan addresses finance ministers, central bank governors and sherpas. By targeting the two main channels of the G20's work, it aims to bridge the macroeconomic agenda of the finance track, which focuses on the international financial architecture and financial stability, with the agenda of the sherpa track, which covers international trade, energy governance, climate change action and development, among other multilateral issues.

The Action Plan has four main sections. The first section outlines policy ideas for the G20 forum. Section 2 proposes the creation of a G20 working group on gender-inclusive growth, as an addition to the current G20 architecture. Section 3 outlines a pipeline of further research to support future policymaking. Finally, in Section 4 the Action Plan offers suggestions for strengthening the structure and influence of the W20 engagement group.

1. Policy ideas for the G20

Despite promises by numerous international organizations and governments, progress on women's economic empowerment has been too slow and too peripheral. At the current pace, it will take more than 100 years to close the gender gap.⁸ The pace of change needs to be faster, and only effective and coordinated policy can accelerate change.

Addressing the imbalances between economic opportunities for women and those for men is central to meeting the G20's economic objectives and strengthening its framework for 'strong, sustainable and balanced growth'. With low GDP growth rates persisting, the G20 should strive towards a gender-balanced economy as a fresh policy alternative to support growth. Gender-focused economic policies should act as fundamental stepping-stones towards achieving this objective. For example, including a gender lens on the 'G20 Blueprint on Innovative Growth' that has been developed during China's 2016 G20 chair will put the objective of developing digital skills for women firmly on the G20 agenda.

To bridge the many streams of G20 policy work, and in particular the commitment to expand infrastructure investments, the 2016 Bellagio Group suggests:

- *Updating the Global Partnership for Financial Inclusion*, with a particular focus on access to finance and bank facilities for women.⁹
- *Giving special attention to narrowing and removing the digital divide*. The G20 must ensure that women of different ages not only have access to effective digital skills training, but also have equal access to the internet.
- *Developing a comprehensive measurement of economic activity, including the contribution to GDP from unpaid domestic and care work*. The G20 could consider a more gender-weighted GDP measurement in order to get a more detailed – and fairer – measure of a country's output.

⁸ World Economic Forum (2015), 'It's Back to the Future as Women's Pay Finally Equals Men's ... From 2006', press release, 19 November 2015, <http://reports.weforum.org/global-gender-gap-report-2015/press-releases/> (accessed 12 Sep. 2016).

⁹ Under the leadership of the Chinese G20 presidency, the G20 Global Partnership for Financial Inclusion (GPFI) developed a new set of high-level principles that encourage governments to promote a digital approach to financial inclusion. See <http://www.gpfi.org/sites/default/files/G20-HLP-Summary.pdf>.

There has been some G20 interest in new measurements for the digital economy. This should be extended to less high-added-value, but socially important, unpaid domestic work.

- *Paying special attention to policies that promote female entrepreneurship.* The G20 has not yet fully acknowledged the potential of entrepreneurship as another driver of growth.
- *Ensuring a gender focus in G20 country action plans for structural reforms.* These domestic plans are not publicly available, but given that labour market reform is a key area for many G20 countries, explicit attention should be given to promoting the presence of more women in the formal labour force, and to domestic labour laws. This could draw on the 2016 World Bank report *Women, Business and the Law: Getting to Equal*.¹⁰

2. Establishing a working group on gender-inclusive growth

The 2016 Bellagio Group urges the G20 to establish a working group on gender-inclusive growth, where relevant government departments and ministers across the G20 countries, with the contribution of the OECD, the IMF and independent experts, look into policies to increase the participation of women in the labour market. It is currently unclear how the '25 by 25' female labour participation target agreed by G20 leaders in 2014 will be achieved, and what the monitoring mechanisms will be.¹¹ At the moment, countries have agreed to self-report every two years based on a template devised by the International Labour Organization (ILO) and the OECD.¹²

In addition, the existing G20 working groups should give more consideration to gender. In particular:

- *Investment & Infrastructure Working Group.* This group should include a discussion on how investments in physical and social infrastructure in G20 countries can enable more women to participate in the labour market.
- *The Trade & Investment Working Group* should encourage policies that promote women in supply chains and procurement contracts – potentially working with the World Trade Organization (WTO) and International Trade Centre (ITC).
- *The Development Working Group* should work with the W20 to formulate and monitor proposed action plans, in order to implement the UN 2030 Agenda for Sustainable Development.
- *The Employment Working Group* should establish a G20 network for women entrepreneurs and their businesses, drawing inspiration from the WEConnect initiative.¹³

The proposed working group on gender-inclusive growth should revolve around three steps: 1) concrete political and policy commitments by governments; 2) peer monitoring and exchange of good practices; and 3) selected action research.

1. Concrete political and policy commitments by governments

Credible policy action on gender-inclusive growth should include advancing policies that commit to:

¹⁰ World Bank (2016), *Women, Business and the Law 2016: Getting to Equal*, <http://wbl.worldbank.org>.

¹¹ We understand that the ILO and OECD are putting together a 'good practice' document and a template that should help countries to self-report on progress every two years.

¹² OECD and ILO (2015), *Monitoring progress in reducing the gender gap in labour force participation*, <https://www.oecd.org/g20/topics/employment-and-social-policy/Monitoring-progress-in-reducing-the-gender-gap-in-labour-force-participation.pdf>.

¹³ WEConnect International helps women-owned businesses succeed in global value chains. See <https://weconnectinternational.org/en/about-us/who-we-are>.

- Eliminating all legal discrimination that may limit or constrain the participation of women in the labour market;
- Reviewing measures to support participation in the labour market, including investment in social infrastructure for childcare and the elderly;
- Increasing the share of public procurement sourced to companies that meet specified gender criteria, such as share of senior leadership or specific relevant labour standards;
- Undertaking a gender audit of public-sector employees – starting with finance ministries and central banks – and G20 delegations; and
- Increasing diversity of representation in all intergovernmental processes, with a target of at least 30 per cent female representation¹⁴ across all G20 delegations (including working groups and engagement groups).

2. Peer monitoring and exchange of good practices

Accountability and support mechanisms need to be in place to regularly monitor and measure country-level progress towards targets, and track the implementation of commitments. Progress should be part of peer discussion at the proposed working group on gender-inclusive growth. Monitoring should include countries where policies and outcomes are presently lagging, given the acceleration in progress needed to meet agreed G20 targets.

Country-level efforts should be informed and supported by the exchange of good practices in a range of areas, including by:

- Exchanging good practices on public procurement;
- Sharing good practices, and making available the statistics produced by each country, on transparency, quotas and targets on boards, the public sector and listed companies;
- Reviewing good practice to encourage women and girls into STEM (science, technology, engineering and mathematics) careers; and
- Exchanging good practices to combat sexual harassment and gender discrimination in the workplace.

The new working group should also target relevant policymakers, such as ministers for education and skills, in its monitoring of and action on good practices.

3. Selected action research

The working group should also advance and deepen understanding of policy areas where progress is lagging, as well as cases of innovation warranting attention. The overall goal should be to identify how key constraints have been addressed in practical and coherent ways to provide useful examples for the G20 leadership. Possible areas of focus include the investigation of links between laws, legal reform, informal institutions and social norms, to provide insights into how norms change over time. It is also important to keep abreast of rigorous evidence emerging from evaluations about what succeeds in closing gender gaps.

¹⁴ This would align with targets for boards in some of the EU countries.

3. Ideas for evidence-based research to support policy action

We highlight the following areas and themes for more research in support of policy action. Despite the existence of many studies on women and the economy, more statistics, data and even robust anecdotal evidence are needed to support action. Furthermore, some coordination is necessary to ‘connect all the dots’, and to ensure that many excellent micro studies are linked together to present a holistic picture and clearly inform policies.

The areas where more research is needed are:

- A survey of data on female participation in the labour market:
 - e.g. Looking at different measures, including World Bank and ILO indicators, on labour participation; at OECD and World Economic Forum research; at private-sector reports, including McKinsey’s *The power of parity: How advancing women’s equality can add \$12 trillion to global growth*, *The Economist’s* ‘glass ceiling index’, and Bloomberg; and regional work by the European Institute for Gender Equality and StatsAPEC.
- Best-practice gender policy in the G20:
 - e.g. Collating successful G20 country practices and results to outline a set of ‘best practice’ policies for G20 countries. This could include drawing from the European Commission’s *Strategy and Engagement for Gender Equality*.
- An exploration of entrepreneur mobility:
 - e.g. Entrepreneur mobility across G20 countries, benefits to GDP and a focus on women entrepreneurs in different life stages.
- Demographics and digital skills:
 - e.g. A comparative investigation into the requirements for ‘upskilling’ women and providing them with digital skills across different age groups in the G20, from young women in STEM to entrepreneurs in the ‘silver economy’.
 - A survey on demographics and digital skills.
- The implications of ‘big data’ for women’s economic participation
- An examination of policies to promote the numbers and impact of women engaged in economic diplomacy and economic governance
- Analysis of the G20 agenda to design interventions to progress the Sustainable Development Goals, especially Goal 5, to achieve gender equality and empower all women and girls:
 - e.g. The W20 could hold a consultation with women representatives from non-G20, low-income developing countries as to where they should focus their advocacy to benefit all women.
- A study on diversity in procurement:
 - e.g. A survey across G20 countries to clarify the laws around procurement and whether there are entrenched disadvantages for women.

4. Strengthening the W(omen)20

The W20 promotes gender-inclusive economic growth and gender-responsive economic governance in G20 countries. Its mandate includes helping to achieve progress on the G20 commitments of ‘women’s full economic and social participation’ as per the G20 2012 Los Cabos declaration.¹⁵ One of the challenges for the W20 is the handover between G20 host years, when the W20 gets a new chairing organization from the G20 host country. It is critical to ensure continuity across the W20.

In order to achieve its mission, the W20 should focus on two objectives:

- In the short term: through wide engagement with policymakers and the media – especially social media – the W20 should become visible and acknowledged as an equal G20 engagement partner, so that it can talk ‘at eye level’ to the G20 sherpas and other engagement groups.
- In the long term: the W20 should become a funded body with a public manifesto.

Organizations, policy institutes, think-tanks and NGOs that work on gender and G20 policy can actively support the work of the W20 through research, dissemination, advocacy, capacity-building, impact measurement and engagement with the G20 countries. High-profile champions such as Angela Merkel, Janet Yellen and Christine Lagarde can help promote awareness and engagement with the W20 among G20 leaders, finance ministers and central bank governors.

In addition, the W20 needs to engage with and develop critical links to other G20 engagement groups. The L(about)20 is already integrating gender dimensions into its recommended strategies and proposals. Furthermore, important commitments could be underpinned by work in other G20 engagement groups to mainstream gender equality, such as ensuring the integration of women and girls in efforts associated with the B(usiness)20’s Global Skills Accelerator. Members of the B20 could commit to tracking and increasing the share of women in corporate management, for example. The involvement of the W20 in the B20 Summit in Hangzhou on 3–4 September 2016 is a good start. Chatham House is eager to lead the gender growth mission by increasing policy convening among global thought leaders and designing action research to collect, analyse and disseminate the data needed to accelerate change.

¹⁵ University of Toronto G20 Information Centre (2012), ‘2012 Los Cabos Summit’, 18–19 June 2012, <http://www.g20.utoronto.ca/summits/2012loscabos.html>.

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