



Women and Sustainability

Investing in Women's Economic Empowerment

March 2011

About the Women and Sustainability Series

This paper is part of a BSR research series on women and sustainability that demonstrates how investments in women—in the work force, supply chain, communities, and as consumers—is beneficial for business. The Women and Sustainability Series was authored by Amaya Gorostiaga, Kara Hurst, Julia Nelson, Jennifer Schappert, and Racheal Yeager.

Additional resources can be found at <http://www.bsr.org/en/our-insights/women-and-sustainability>.

About BSR

A leader in corporate responsibility since 1992, BSR works with its global network of more than 250 member companies to develop sustainable business strategies and solutions through consulting, research, and cross-sector collaboration. With offices in Asia, Europe, and North America, BSR uses its expertise in the environment, human rights, economic development, and governance and accountability to guide global companies toward creating a just and sustainable world. Visit www.bsr.org for more information.

Executive Summary

This brief is intended to arm companies with the information, process, and tools to identify and implement strategic investments in women's economic empowerment.

This brief is similar in structure and some content (Prioritization Process and Call to Action) to the "Investing in Women's Health" brief. One or both may be relevant for different companies.

The brief is organized as follows:

- » **The Challenge:** Introduces the challenges preventing women from full economic participation in the developing world.
- » **Investment Opportunities:** Outlines the assets the private sector brings to eight key areas of women's economic empowerment, with industry examples and suggestions.
- » **Prioritization of Strategic Involvement Areas:** Outlines a process for prioritizing investments based on women's needs and business objectives.
- » **Call to Action:** Lays out immediate next steps for companies to move forward, including ensuring internal commitment to gender equity, gathering necessary background information, engaging key stakeholders, and communicating company commitment.

See separate [Appendix, Investing in Women: Industry-Specific Examples and Recommendations](#) to get ideas for investing in women's economic empowerment from peer companies and other industries.

We hope the guidance provided in this document will empower more companies across all industries to invest strategically in women around the world. By integrating women into their sustainability strategy, companies can help women become part of the solution to building a more just and sustainable world.

Introduction

Women are increasingly relevant to business as markets, operations and supply chains continue to expand in the developing world. In these environments, where gender inequity impacts business and society in myriad ways, women's economic empowerment holds significant relevance for sustainable business.

This brief is not intended to make the case for investment in women—we believe that case has largely already been made¹.

We know that women are critical to economic growth and community stability. Research has also shown that women earning an income are more likely than men to invest in the education, nutrition, and health of their children². Women are

also more likely to save and contribute to broader livelihood improvements in their communities. These contributions are especially relevant in developing countries, where women represent an increasing force behind social and economic development.³

Within this context, investments in women's economic empowerment become a strategic means to create and support markets, by partnering with and empowering women to create an environment that sustains business and healthy communities in the developing world.

The Challenge

Despite their critical societal role and growing evidence of their economic power, women continue to face greater risks and lack access to equal opportunities compared to men. Women also remain poorer and less educated, are paid less at work, and are more likely to suffer from physical, emotional, and sexual violence.

Women spend at least twice as much time as men on unpaid domestic work, making their average paid and unpaid work hours longer than men's in every region. Women also lack access to and control over financial resources, which reduces their autonomy and increases their vulnerability. Even when they are earning an independent cash income, significant percentages of married women, especially poor married women, have no say in spending decisions—22 percent in Rwanda, 18 percent in India, and 13 percent in Bangladesh.⁴

Currently, the majority of women's economic activity occurs beyond the formal sector—women do not (or cannot) own the land they farm, they sell products at market without establishing a formal business, they work domestically in their home or someone else's home. The vast majority of poor women are engaged in subsistence agriculture—in sub-Saharan Africa, women represent 70 percent of agricultural labor and are responsible for producing 90 percent of food.⁵

Women in formal employment often lack awareness of their rights and are unable to protect themselves against employment violations. Opportunities to advance professionally are limited—women often lack equal educational opportunities, and few professional-development programs explicitly target women in low-income employment.

Investment Opportunities

Simple interventions and innovations can begin to address these challenges and elevate women, communities, and businesses. Employing a woman can give her independence and can give her family stability: For example, one woman working in a factory is likely to support not only her parents, but also younger brothers and sisters back in her home village. Ensuring that female employees also have opportunities to develop higher skills and advance in the workplace is an additional and much-needed investment area.

Likewise, investments in better environmental outcomes or technical developments can reduce women's workload and give them more time to dedicate to more productive efforts. Improving a woman's access to water or providing her with more efficient cooking or farming equipment can free hundreds of hours in a year, time otherwise used in productive economic activity.



7/10 of the world's hungry are women

2/3 of 774 million illiterate adults are women



15 percent of property worldwide is owned by women

Enhance assets through collaboration

Partnership can help you accomplish your objectives with a lower financial investment and added partner assets. Opportunities exist to collaborate with other businesses as well as non-corporate entities.

For example, companies in the information and communications technology sector can offer software, hardware, or expertise to your women's initiative. Likewise, consumer product and food, agriculture, and beverage companies can often offer access points to help reach large populations of women.

Local NGOs, international donors, and national aid agencies such as the U.K.'s Department for International Development and the U.S. Agency for International Development, can support your efforts and make them more impactful. Such partners can provide assets such as philanthropic capital, issue expertise, implementation capability, and local government and business networks. See [BSR's related report on Partnering with USAID](#).

PRIVATE SECTOR ASSETS

A good place to start is by defining the assets a business can bring to women's economic empowerment.

Every company has a unique set of assets through its product and/or service offerings, customer base, geographic distribution, supply chain, and philanthropic contributions.

For example, one of the most critical assets a company has is access. Some companies have unique access to groups of vulnerable women to whom they can provide employment or other benefits. Other companies may be able to enhance a woman's access to a product or service that will improve her economic circumstances or opportunities.

Relevant assets that companies can contribute include:



Analysis of how company assets fit with women's economic empowerment should incorporate business opportunities; for example, how a company's assets could be applied for both developing the talent of female employees and employee retention, or places in the supply chain where products and services can be sourced from female entrepreneurs.

Once assets are identified, companies can begin to pair these assets with potential investment areas, which are explored in the following section.

POTENTIAL INVESTMENT AREAS

Businesses should invest in line with broader global objectives, and where possible, seek to partner with the public sector on shared objectives. Opportunities for women's economic empowerment can support broader global objectives, including the United Nations' Millennium Development Goal 3, to promote gender equality and empower women⁶, and the UN Global Compact and UN Women's "Women's Empowerment Principles."

As outlined in the previous section, companies have myriad assets to contribute to women's economic empowerment. Companies can apply their assets in two categories: 1) formal employment and benefits and 2) entrepreneurship.

Formal Employment and Benefits

Women working in both formal and informal employment require assistance and opportunities in four key areas to excel and increase their income and reinvestment potential.

1. **Access to employment**

Women often lack access to decent and stable work due to low education and greater needs for benefits, such as maternity leave, family obligations, and poor health. Companies can contribute to improving working conditions in direct operations and supply chains, and can make efforts to attract, retain, and advance female employees.

SUGGESTION: Create and enforce robust corporate compliance policies with gender-specific stipulations.

2. **Education, skills development, upward mobility**

Girls often complete less school than boys in the developing world, which may prevent women from securing higher-skilled jobs and limit their professional advancement. Employee diversity policies and skills development programs will be highly beneficial to female employees and will reward companies with increased productivity, innovation, and employee retention.

EXAMPLES

- **HP, Women Leaders Summit:** Supports women in management positions, and increases their numbers, in Europe, the Middle East, and Africa.
- **Cisco Systems, Networking Academy Gender Initiative:** Provides computer and technology training to women globally.

3. **Gender-sensitive social protections**

Women in the developing world may require additional social protections from their places of employment or within their communities. Companies can reduce absenteeism and increase productivity, or reduce risk to employees or operations, by providing such services.

EXAMPLE: [Lonmin-IFC Women in Mining Partnership](#) created a full-time position of “women coordinator” and instituted new policies on sexual harassment and breastfeeding, and improved worksite facilities available to women.

4. **Access to savings and financial literacy**

Many low-income women lack access to bank accounts, creating risks associated with cash savings or lack of savings. Women also often lack financial independence, with obligations to share or forfeit their income to family members. Lastly, women stand to benefit from financial literacy training to help them manage household income and spending, as well as to increase understanding of and trust in formal banking systems.

EXAMPLES

- **Standard Chartered GOAL Program:** Provides financial literacy to girls in India.
- **Primark Financial Inclusion Program:** Provides bank accounts and financial literacy to factory workers in India.

Entrepreneurship

Women seeking to grow existing businesses or start new ones will often require assistance in the four main areas described below. Supporting female entrepreneurship can help stimulate the economy, increase the consumer base, and provide new or innovative product inputs or services.

1. **Access to capital**

In many parts of the world, women are legally prohibited from owning land or inheriting property, and securing loans can be difficult. Assistance with securing capital in a safe and culturally appropriate way will help women start and expand their businesses.

EXAMPLE: Standard Chartered DIVA Program: Women-oriented and staffed bank branches to serve female customers in Africa.

2. **Business acumen training and networks**

Many women lack the basic business training and the logistical knowledge to run a small business. They also lack networks of mentors and potential business partners. Training and networking programs and/or physical centers can help address this need.

EXAMPLE: Goldman Sachs 10,000 Women: Provides business management training and network building for female entrepreneurs.

3. **Access to markets**

Women farmers or business owners struggle to get their products to market, causing many to rely on costly and often corrupt middlemen. Educational programs, assisted networking and trade shows, and innovations such as the use of the Internet or the mobile phone can help shrink the gap between female small-business owners and the market.

EXAMPLE: AarhusKartshamn: Provided technology tools and network building to improve yield and market access for female farmers.

4. **Access to technology and infrastructure**

Women's productivity and/or access to markets can be hindered by poor infrastructure and lack of information. Good roads and water can help improve women's productivity, as well as their mobility to reach physical marketplaces or trade shows. Internet connectivity and mobile phones can help women access data to inform their prices and marketing strategies, and can allow them to sell or market products online.

EXAMPLE: SAP: Provided female farmers with order-management and fulfillment software to improve traceability and data reporting to buyers.

Many leadership companies have already begun investing in women's economic empowerment in innovative and profitable ways. See **Industry Appendixes** for additional examples and recommendations.

Many of the company examples noted in this section are applicable to multiple industries beyond those highlighted. The following section details how to prioritize areas of engagement for your company.

Prioritization of Strategic Involvement Areas

Once company assets and women's empowerment needs have been identified, a company can start to identify strategic intersections with business and sustainability strategies. A **materiality analysis** can help to prioritize areas for investment.

Identifying these intersection points can help tie investments in women's economic empowerment directly to planned market expansion, supply chain

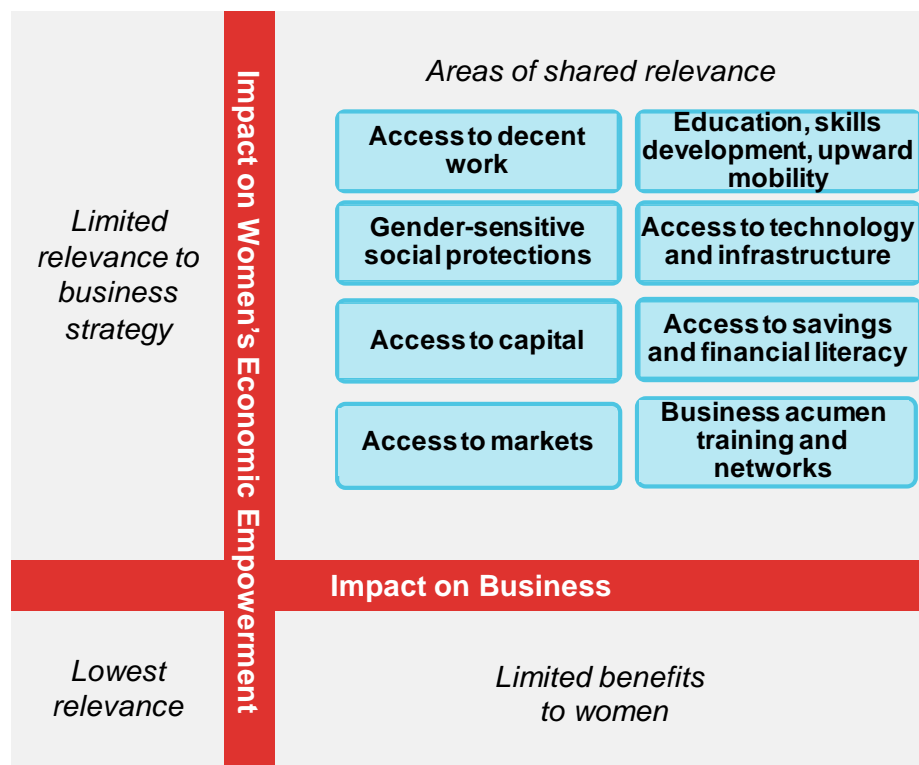
Definition: Materiality analysis

"Materiality" helps companies assess the relative importance of an issue based on its impact on business strategy as well as on society.

management, talent attraction and retention, community engagement strategies, and other strategic priorities.

The diagram below plots women’s needs (as identified in the previous section) in the upper-right-hand quadrant of the materiality matrix, indicating high strategic relevance for both women and business. In a traditional materiality analysis, a company will rank investment areas by order of relevant. In the diagram below, in order to serve cross- industry relevance, all “areas of shared relevance” shown below in the upper right-hand quadrant are plotted equally.

Diagram 1: Identifying strategic intersections



Different companies will find different investments more or less strategic and may include greater detail, such as specific program or geographic focus areas. For example, a female workers’ welfare committee, women’s farmer training, or the creation of a low-cost women’s health product could be plotted along the axis, mapped against a business or sustainability strategy.

The prioritization process requires a number of inputs:

- A list of women’s empowerment issues that may be relevant for the business (see preceding section)
- A set of overarching business objectives
- A set of relevant stakeholders
- Other information gathered from internal and external assessments, such as feedback from female employees and/or customers, investor input, etc.

Using the resources identified, the prioritization process includes four steps:

1. Identify where women are impacted by your business	<ul style="list-style-type: none"> » What percent of your operations, subsidiaries and supply chain workforces are women? » Where do women provide services or product inputs in your value chain? » Where do disparities exist between men and
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[See BSR’s Women and Sustainability website for a list of relevant stakeholders](#)

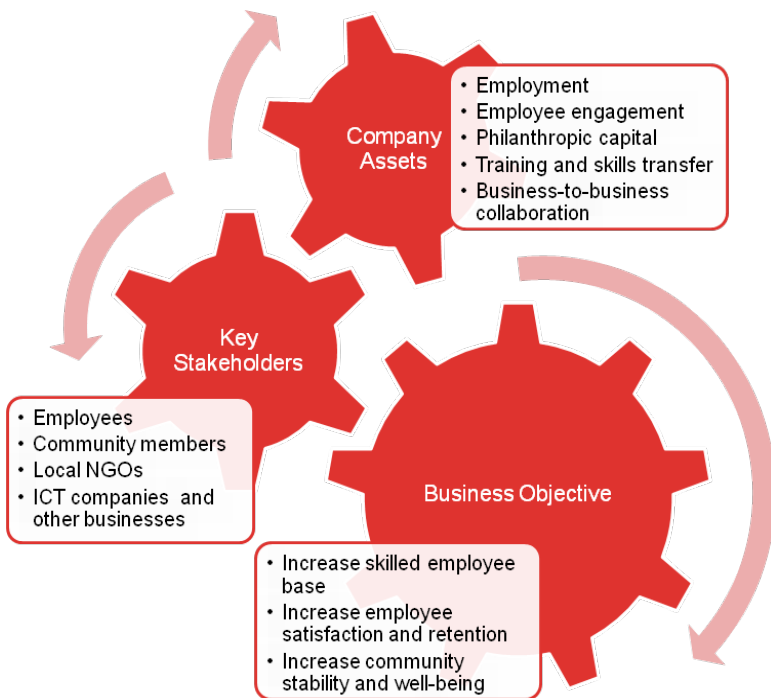
	women in your value chain?
2. Seek external perspectives	Engage with NGOs and other companies to help answer your questions and identify best-practice examples. Engage at the local level for insight into specific geographic contexts.
3. Compare identified women's needs against business objectives	Objectives and success factors may include revenue growth (new markets or products), operating efficiency (employee retention, productivity), risk management (regulatory, reputation, license to operate), and strategic alignment.
4. Prioritize investments	Identify locations and issues areas where investment will be most impactful and strategic, and explore time/cost and implementation options and constraints.

Once the process is completed, a company should have:

- » A list of potential investment areas
- » Key stakeholders associated with the issue area
- » A clear understanding of relevant company assets to contribute to the issue
- » A clear set of business objectives

Below is a sample program idea arrived at through the recommended prioritization process.

EXAMPLE: TRAVEL AND TOURISM COMPANY
Investment Area: Skills development center for women



Hotel franchises in developing countries often employ large numbers of women, as waitresses in hotel restaurants, receptionists, and cleaning staff, as well as in other positions. At the same time, the introduction of a hotel in an area may be met with new risks for women, in exploitative forms of informal employment or sex tourism. Within this context, a hotel company might seek to maximize positive benefit and reduce risks for local women by creating a skills development and mentoring center. Such a center could provide basic business and communications trainings, ICT training, and a mentorship network of female hotel employees and other local female professionals.

When the company selects this area to focus on, using the prioritization process above, the company can define the assets they bring to the investment, key stakeholders to involve in structuring a program, and the business objectives the program would fulfill. See diagram at left for sample completion of this process.

Using this prioritization process will help a company maximize both business relevance and positive impact, and should help navigation of the vast and growing resources on women's economic empowerment.

Call to Action

Women's economic empowerment will be critical to realizing the economic potential of many of the world's emerging economies. As such, investments in women's economic empowerment represent an enormous opportunity for international companies to share in the growth of those economies.

This brief is intended to arm companies with some of the information and the basic tools needed to examine these possibilities.

With these tools in hand, we suggest the following actions to get you started:

Look internally: Find out whether your house is in order before exploring opportunities to invest outside.

- » Obtain gender-disaggregated data on direct employees, management, and board members.
- » Assess existing gender wage gaps.
- » Catalog leadership and professional development opportunities offered to female staff.
- » Examine codes of conduct for subcontractors and suppliers to ensure that they address women's rights issues, such as maternity leave or sexual harassment.

Do your homework: Gather information to inform your investment decisions.

- » Obtain gender-disaggregated data on your field operations, subsidiary operations, and suppliers.
- » Examine your existing networks and partnerships for opportunities to collaborate on women's economic empowerment.
- » Utilize an employee women's action network to generate innovative ideas.
- » Identify a champion to manage internal dialogue and preparation.
- » Undertake a prioritization process, such as identified in this brief or similar.
- » Set overall objectives and obtain senior-level buy-in.

Get external input: Engage key stakeholders at the global and local levels.

- » Partner with NGO's familiar with women's issues
- » Compare assets to identify business-to-business collaboration opportunities.
- » Talk to your suppliers about their gender-related issues and concerns.
- » Talk to female community members about their needs and interests in key consumer and supply chain markets.

Speak out about your commitment: Motivate others to follow your lead or collaborate with you.

- » Become a CEO Signatory to UNIFEM/UNGC's [Women's Empowerment Principles](#).
- » Make a commitment through the [Clinton Global Initiative](#).
- » Explore partnership opportunities with your government, for example, in the United States with the [U.S. State Department, Office of Global Women's Issues](#).
- » Engage with governments in your field operations or supply chains—many have ministries of women and children or ministries of gender.

Contributing to women's economic empowerment is one way for you to support women through your sustainability strategy. See more ideas on BSR's Women and Sustainability webpage: <http://www.bsr.org/en/our-insights/women-and-sustainability>.

References

¹ See BSR Insight, "[Investing in Women for a Better World](#)", March 10, 2010; McKinsey, "The Business of Empowering Women," 2010.

² Blumberg, "Income under Female Versus Male Control," *Journal of Family Issues*, 9(1), 1988; Desai and Johnson, "Women's Decision-Making and Child Health: Familial and Social Hierarchies," Commissioned by the Measure DHS project in Calverton, Maryland, 2005.

³ Simavi et al, "Gender Dimensions of Investment Climate Reform," World Bank Group, 2010.

⁴ For all data, see UN World's Women Report 2010 and UNIFEM/UNGC "The Case for Advancing Women in the Global Marketplace," 2010.

⁵ UNIFEM/UNGC "The Case for Advancing Women in the Global Marketplace," 2010.

⁶ See UN Millennium Development Goal website, <http://www.undp.org/mdg/goal3.shtml>