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# Global Value Chain Policy Series Gender

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The Global Value Chain Policy Series was launched in 2018 by the World Economic Forum System Initiative on Shaping the Future of International Trade and Investment. It consists of brief policy papers on various aspects of global value chains (GVCs). The aim of the series is to stimulate cross-policy discussion and thinking about GVCs and collect ideas from researchers and practitioners on how to help GVCs contribute towards development, sustainability and inclusiveness. These ideas can then be examined in more depth in the context of particular value chains, regions or public-private initiatives. The World Economic Forum is working to bring the relevant actors together to facilitate this multistakeholder, cross-policy undertaking, aimed at catalysing partnerships for impact.

This White Paper draws on research undertaken on behalf of the UK Department for International Development (DFID) funded Work and Opportunities for Women (WOW) programme (<https://www.gov.uk/guidance/work-and-opportunities-for-women>).

The UN High Level Panel on Women's Economic Empowerment (UNHLP) established in 2015 brought together representatives from companies, governments, trade unions and non-governmental organizations.<sup>1</sup> The UNHLP recognized that GVCs provide important opportunities for women's economic empowerment, but that the many challenges they face need to be addressed. DFID established the WOW programme in 2017, as part of its ensuing contribution to the UNHLP.<sup>2</sup>

WOW is an ambitious programme that aims to enhance the economic empowerment of 300,000 women working in GVCs by 2022. The focus of the WOW programme is women as workers (including waged and informal work, and contributing family labour in smallholder agriculture). The research carried out by WOW, as well as the methodology developed, aims to enhance transparency in gender-disaggregated data and information in GVCs. In addition, WOW will partner with businesses operating in garment, agri-food and personal care GVCs to help address the most entrenched barriers to progress and go beyond simply encouraging women's participation in GVCs to enabling dignified, equal and economically empowering work for women.

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# Introduction

Global value chains (GVCs) are closely associated with the global sourcing of labour-intensive consumer goods from suppliers in developing countries. Women have been drawn into GVCs at every level: as farmers, workers, processors, entrepreneurs, buyers, service providers, managers and consumers. The expansion of GVCs has changed the gender pattern of work across production, distribution and retail in most consumer-oriented sectors. Women constitute the majority of customers at the retail end and play a key role in services that support GVCs. At the production end, GVCs have generated jobs for hundreds of millions of workers, a significant proportion female. However, women entrepreneurs face challenges accessing GVCs. Many are in developing countries, where women's labour market access has previously been limited.

Participation in GVCs has had mixed gender outcomes. On the positive side, companies benefit from gendered skills of women workers, such as embroidery, weaving, fruit picking and other skills that have been socially acquired through traditional gender roles, to attain productivity, efficiency and quality standards required in contemporary value chains. Policy-makers recognize that increasing women's incomes through paid work and entrepreneurship is important, since they are more likely than men to spend on supporting their children, households and communities.<sup>3</sup> Many argue women's employment in global production also provides opportunities for greater independence and economic empowerment.<sup>4</sup> However, women workers face significant challenges and are often disadvantaged relative to men. Women are more likely to be concentrated in insecure or informal work, receive poorer pay and conditions, combine paid work with a greater share of caring responsibilities and be subjected to discrimination and sexual harassment within the workplace. Women entrepreneurs face greater challenges in owning property, accessing finance and meeting standards in value chains.

Companies are beginning to realize the benefits of promoting women's economic empowerment in their own organizations and GVCs.<sup>5</sup> McKinsey estimates that companies with gender diversity are 21% more likely to outperform on profitability relative to competitors.<sup>6</sup> Some companies also promote diversity across their GVCs and are engaged in initiatives to promote gender equality among suppliers. Governments, too, have started to appreciate the strong correlation between women's economic participation and national competitiveness.<sup>7</sup> The World Economic Forum has found that closing the global gender gap enhances economic and social development and growth within high income and emerging markets.<sup>8</sup>

Promoting gender equality in GVCs faces significant challenges. There are few reliable estimates of the gender profile of work in GVCs and women's participation is often underestimated in industry and official statistics. Women's contribution to GVCs is insufficiently recognized and their skills often undervalued. Many buyers, suppliers and auditors fail to identify or address discrimination. Women face greater barriers than men in paid work and in gaining

promotion. Better data and information are needed to track change and assess the impact of initiatives to promote gender equality.

This White Paper draws on research undertaken as part of the UK Department for International Development (DFID) Work and Opportunities for Women (WOW) programme. The research aims to improve visibility and understanding of the role of women workers in GVCs. It will inform companies and stakeholders on how better collection, recording and reporting of gender disaggregated data and information can be achieved in GVCs. It also includes some information on women entrepreneurs, although this is not a specific focus of the WOW programme.<sup>9</sup>

This paper examines the gender profile of work at different tiers of GVCs and the challenges of accessing better data and information on women workers and entrepreneurs. It then assesses the opportunities and challenges for women workers and entrepreneurs, with a focus on garment and horticulture value chains. It also examines gender-related strategies pursued by companies, policy-makers and other stakeholders, concludes and provides recommendations for promoting women's economic empowerment in value chains.

# Gender profile of GVCs

In GVCs, lead firms or buyers coordinate their global supply networks but do not own production units themselves. A GVC links the full range of activities required to bring a product from its conception through design, sourced raw materials, intermediate inputs, marketing, distribution and support to the final consumer. This often involves the fragmentation of production and distribution within and across international borders. Estimates by the Organisation for Economic Co-operation and Development (OECD), World Trade Organization (WTO) and United Nations Conference on Trade and Development (UNCTAD) of the share of world trade now passing through global supply chains vary between 55% and 80%.<sup>10</sup>

To date, few reliable estimates of employment in GVCs exist, and the level of female engagement is often underestimated. It is difficult to discern from national labour force surveys and existing data sets what percentage of workers are employed by suppliers to global buyers, either directly as exporters or indirectly as domestic suppliers into GVCs. National employment statistics do not capture informal and non-standard types of work that are often prevalent at lower tiers of GVCs, and sector statistics rarely identify women entrepreneurs.

Women play an important role as consumers, salaried and waged workers, entrepreneurs and own-account and smallholder family labour within every tier of GVCs. Starting with retail and moving to transport and distribution, production and primary inputs, this section provides top-level estimates of women workers and entrepreneurs in selected GVC tiers, combining data from various sources.

## Retail employment

At the consumer end of supply chains, women represent approximately 70% of customers and by 2014 controlled an estimated \$20 trillion annual spending in the global economy.<sup>11</sup> Hence, gender is an important aspect of marketing in most consumer-oriented value chains. The early focus was on high-income countries; however, the purchasing power of women is rising in emerging economies, as labour force participation and gender equality improve.<sup>12</sup>

Consumer-facing GVCs are led by large retailers and brands that are themselves responsible for significant levels of employment. In total, estimates indicate that 142 million people work in retail in 82 countries for which data are available, although this figure includes both modern and informal retail sectors.<sup>13</sup> Retail accounts for 10-15% of total country employment on average.

The top six retailers in the world, as ranked by Deloitte based on sales revenue, employed nearly 4 million workers globally between them in 2015 (Table 1). Walmart alone employed 2.2 million workers, of whom 1.3 million were within the United States and the rest in their international operations spanning 28 countries. In 2014, Walmart ranked as the largest private-sector employer, both globally and in the USA.<sup>14</sup>

**Table 1: Leading global retailers – direct employees**

Deloitte retail rank (sales)	Company name	Estimated no. of employees
1	Walmart Stores Inc.	2,200,000
2	Costco Wholesale Corp.	153,500
3	The Kroger Co.	400,000
4	Schwarz Gruppe (including Lidl)	315,000
5	Tesco Plc	386,086
6	Carrefour SA	381,227

Source: Deloitte, *Global Powers of Retailing 2016: Navigating the new digital divide*, 2016, p. 12 and company websites (2015) cited in Barrientos, Stephanie, *Retail Shift* (forthcoming 2019).

It is well documented that a gender “sticky floor” and “glass ceiling” prevail across the retail sector. A large majority of workers at the shop floor level are female, but this does not translate into senior management and executive positions. For example, in 2015, women accounted for 57% of total employees at Walmart, Tesco and Carrefour. But the proportion of women declined at the management level to: Walmart 42%, Carrefour 36% and Tesco 31%, with only 23-25% of women at the board level across the three companies.

## Transport, distribution and other service providers

Retail is only one dimension of the expansion of services associated with the rise of GVCs. Multiple services are needed to support inter-firm coordination of input supply, production, distribution and marketing in GVCs operating across borders. It is estimated using OECD Trade in Value Added (TiVA) data that the share of services in global exports doubled from an average of 23% in 2008 to 45% in 2013. Services are also the largest and fastest growing employer, accounting for just over half of global total employment in 2017.<sup>15</sup> Overall, services account for a significant proportion of global female employment, and 57% of services employment in 2017 was female. While women are predominant as employees, relatively few rise to managerial positions.

However, the gender profile varies across different parts of the services sector. For example, transport plays a key role in the just-in-time distribution of goods, but remains a predominantly male sector.<sup>16</sup> In some countries, outdated labour regulations keep women out of sectors thought to be harmful to their reproductive health. However, improvements in health and safety standards have significantly reduced these risks. In 2017, Ukraine abolished a Soviet-era regulation that had prevented women from entering around 450 professions, including many in transport and logistics.

This, in conjunction with efforts to provide vocational training, change mindsets and introduce flexible working conditions, is expected to boost the understaffed logistics sector.<sup>17</sup>

## Producers and suppliers

Global sourcing by retailers has opened up new opportunities for women to engage in GVCs, both as waged workers and entrepreneurs. This has been particularly important in many low-income countries, where social norms have traditionally limited women's participation in markets.

The business case for sourcing from diverse suppliers, including women entrepreneurs, is based on access to new markets, meeting demands of diverse customers, innovation, cost saving through increased competition and more beneficial partnerships.<sup>18</sup> Yet, it has been estimated that women-owned businesses earn less than 1% of what governments and large corporations spend on products and services globally.<sup>19</sup> This is despite the fact that, according to the International Finance Corporation (IFC), roughly a third of all formal SMEs are women-owned.<sup>20</sup>

Information and data on women workers in GVCs are poor, particularly at lower value chain tiers where informal work (including own-account and contributing family workers) is concentrated.<sup>21</sup> The International Labour Organization (ILO) estimates that for 40 OECD countries and the BRIC (Brazil, Russia, India and China) bloc, GVCs generate approximately 453 million jobs, equating to 1 in 5 jobs being linked to GVCs and 20.6% of total employment. A significant share of these jobs is located in China (39.2%) and India (16.8%).<sup>22</sup> An estimated 190 million of these jobs are held by women, representing 42% of total employment in GVCs.<sup>23</sup> The ILO estimate excludes lower-income developing countries, where much feminized labour-intensive production takes place. It also overlooks many precarious workers, including homeworkers and smallholder agricultural producers, groups where women are concentrated.<sup>24</sup>

A global survey of suppliers was undertaken by the ILO in association with the UK and Norway Ethical Trading Initiatives (ETI) in 2017 as part of research on purchasing practices and working conditions.<sup>25</sup> This survey generated new data on workers focused on GVCs. The suppliers covered participate in GVCs supplying northern retailers and brands that operate codes of labour practice and require social audits. Of a total 1.5 million workers, 40.5% were female. Women were found to be the majority of workers in some sectors, such as garments (57%), but were generally

under-represented in all other sectors, where no female occupation achieved the 50% parity threshold. Women constitute less than 20% of top executives in all sectors, as shown in Table 2.

Table 2: Female employment in all sectors, and in textile, clothing, leather and footwear (TCLF) industries

Rank	Female employment (%)	
	all sectors	TCLF industries
Worker	40.5	57.3
Middle manager	44.8	37.4
Top executive	19.7	18.4

Source: ILO, "Purchasing practices and working conditions in global supply chains: Global Survey results", *INWORK* Issue Brief No.10, 2017.

In sum, available gender-disaggregated macro data on entrepreneurs and workers in GVCs are limited. Large surveys, such as those undertaken by the ILO/ETI, are required to gain more accurate information on women working in GVCs. However, these data rarely capture casual or informal workers and those in lower supply chain tiers, including women entrepreneurs. The available data and information indicate that a gender "glass ceiling" prevails across GVCs, with women concentrated in low-income insecure work, and men concentrated in higher-paid supervisory and managerial positions. Women-owned businesses are under-represented in value chain sourcing as a percentage of all female entrepreneurs.

# Opportunities and challenges: garments and horticulture

In the absence of good quality macro data, case studies have provided the main source of information on the position and condition of women workers in GVCs. These have found differing outcomes for women in different sectors and contexts, with debates in the literature on whether women's participation is empowering or disempowering. Some find that women are heavily exploited, their work is often unrecognized and they enjoy few rewards from their contribution.<sup>26</sup> Others find that, despite many challenges, access as paid workers and entrepreneurs in global production provides women with greater access to independent incomes. This has been important in emerging economies, where female labour market participation has traditionally been restricted by social norms. Access to value chains can enhance women's potential economic and social empowerment.<sup>27</sup>

Women face specific gender constraints in global supply chains,<sup>28</sup> which include:

- Occupational segregation
- Low pay
- Precarious work (casual and informal)
- Poor access to maternity rights and childcare
- Poor education and skills training
- Long working hours combined with significant care responsibilities
- Discrimination and sexual harassment

As business owners and entrepreneurs, women face additional challenges, including in:

- Ownership of property and land
- Accessing credit and loans
- Obtaining procurement contracts with multinationals and governments<sup>29</sup>
- Tackling corruption and inefficiencies at customs borders
- Meeting stringent quality standards required by global buyers

This section examines available data and information on challenges and opportunities for women in supply chains, focusing on the ready-made garment sector (RMG) in Asia and the horticulture (fresh fruit, vegetables and flowers) sector in Africa.

## Ready-made garment sector

Ready-made garments (RMG)<sup>30</sup> are sold through a wide range of outlets with large intermediaries playing an important role of managing the value chain for some retailers. The global apparel/garment market was valued at \$3 trillion in 2016, accounting for 2% of world GDP.<sup>31</sup>

Garment production has generated significant waged employment for large numbers of women in many Asian countries, where social norms had traditionally confined most women to the home. An estimated 60 million workers are involved in the spinning, weaving and stitching stages of the garment value chain.<sup>32</sup> Approximately 50-80% are female,<sup>33</sup> depending on the country.

As garment production was outsourced to developing countries in the 1980s, initially young women were drawn in as low-cost workers. They were often preferred for their socially acquired skills and apparent “docility” in accepting terms and conditions. As the sector has matured in many countries, the age profile has risen, and more male workers are also employed in the sector. Women are concentrated in labour-intensive work as operators, and men are more likely to dominate supervisory and management positions. In Bangladesh, for example, estimates indicate that women now constitute approximately 55% of production workers, 20% of supervisors, 9% of human resource and middle managers and 1% of senior managers.<sup>34</sup>

Garment production is often associated with “low road” and “foot loose” sourcing that easily shifts between countries in search of lower labour costs and trade preferences. Although the growth in formal employment for women in the sector in developing countries has been huge, research indicates the majority carry out “low-skilled” tasks, such as sewing, embroidery, cutting and finishing of garments. They often experience poor working conditions, poor social or maternity protection, insecure employment and low union density. Women workers can be vulnerable to verbal abuse and sexual harassment by male supervisors and managers. Subcontracted production (such as embroidery and embellishment) can involve home-based women workers, with few rights and little protection.<sup>35</sup>

As garment value chains have evolved, some suppliers have economically upgraded by providing higher-value, full-package production (including sourcing, innovation, production, labelling and finishing) to leading brands and retailers.<sup>36</sup> Suppliers that economically upgrade require a more skilled and stable workforce to support innovation, quality and productivity.

Innovation can lead to the increased employment of male workers, although this varies by country. The need to attract and retain more skilled workers often leads suppliers to offer better pay, conditions, rights and social benefits (including for childcare) than those prevailing in the sector. Nominal wages have increased in many Asian countries as a result of labour pressures, but living costs have also risen. Studies indicate that RMG pay is significantly below the levels required for a living wage in most producing countries.<sup>37</sup>

## Horticulture sector

Fresh fruit and vegetable (FFV) exports are an important part of horticulture and have expanded significantly through advances in cool-chain technology, logistics and transport. Most supermarket retailers sell FFV under their own company label, rather than under the name of their main suppliers. Some multinational companies play a major role in horticulture, but many smaller companies are major exporters from specific countries according to seasons. The profile of the FFV sector can vary significantly between countries, with different combinations of larger commercial farming and/or smallholder production across value chain tiers.

The gender profile of agriculture in GVCs reflects overall patterns. Women do the majority of the work in agriculture (an estimated 75% in Uganda, for example), yet land ownership is primarily in the hands of men (70-90% of land entitlement is male in Latin America and Sub-Saharan Africa).<sup>38</sup> In most commercial agriculture, it is usually men who are the “recognized farmers” that take the crop to market and collect the money from sales. However, women do not proportionately share in the income resulting from their work.

The expansion of global sourcing through horticultural value chains has contributed to the rise of larger commercial farms and packhouses based on waged employment. In many countries, women constitute a significant portion of these workers. Aggregate employment data relating to horticulture supply chains (separate from domestic markets) are difficult to obtain except through industry bodies at the individual country level. Case studies indicate significant female participation in the horticultural workforce in many developing countries. It is important to distinguish between seasonal production work, which generates low value added and where conditions for workers are poor, and more high-value work in packing and processing where working conditions are better.

In production, women are commonly hired as temporary or casual workers, while men predominate in permanent positions. In the Senegalese tomato sector, 2% of female workers have permanent contracts compared to 28% of male workers.<sup>39</sup> An estimated 75% of women workers in the South African fruit industry and 60-75% of women in Zambian vegetable production are hired in casual or temporary contracts.<sup>40</sup> Here the pay and conditions are often the poorest, with limited rights or social protection.

Workers employed in packhouses and processing are often more skilled, with a higher level of educational attainment. Women are often employed for their socially acquired “nimble fingers” and ability to care for the quality of fruit and vegetables packed. For example, South African fruit production employs 400,000 workers of whom 52% are female but, in packhouses, women can constitute up to 80% of the workforce.<sup>41</sup> Processing in Zimbabwe and Mexico has over 85% female participation.<sup>42</sup> Packhouse and processing workers enjoy much better pay, conditions and rights compared to production workers, are more often unionized and enjoy many employer-related benefits.

At lower value chain tiers, there are wide variations in farm profiles, with smallholder farms predominating in some countries, such as India, Uganda and Kenya. In Kenya, for example, an estimated 220,000 smallholders and 100,000 waged workers (75% female overall) are linked to horticultural value chains with an estimated 2 million indirect dependents.<sup>43</sup> Women also play a critical and largely unsung role in small-scale agriculture, often working as unpaid family labour on smallholder farms.<sup>44</sup> The tasks women undertake (early plant and post-harvest activities) are critical to productivity and quality, yet women receive little training, access to inputs or finance.

Women farmers often have smaller land holdings and receive less support. They find it particularly difficult to attain credit and access training programmes needed to produce high quality FFV required in value chains.

## Future challenges: automation and skills

Automation is rapidly changing the garment sector, with the influx of disruptive technologies. 3D printing, body scanning technology, computer-aided design, wearable technology, nanotechnology, environmentally-friendly manufacturing techniques and robotics are all pointing towards the reduced need for workers and skilled talent for the mass production of goods. The impact on the sector could be substantial. Robotic automation poses a significant threat of job displacement, with the textile, clothing and footwear sector particularly at risk. Automation is likely to disproportionately affect female workers, who currently serve as the backbone of the textile and clothing sectors.<sup>45</sup>

In horticulture, technological innovation is being introduced in the packing sector. Computerized “electronic eyes” can now grade fruit and vegetables and rapidly sort products based on quality and buyer requirements (such as by size, colour and shape). Interestingly, in the South African fruit industry, women are now used as forklift drivers in some automated packing plants, as they are deemed more careful than men when moving fruit crates between sections. Nevertheless, far fewer workers are required in automated packing and processing. This is likely to disproportionately affect women, given they are concentrated in these segments of the chain.

Automation will play a key role in the future development of GVCs, affecting workers in many other sectors. Concerns are mounting that automation could increase gender inequalities if women’s jobs are disproportionately displaced, especially as women are currently under-represented in technical subjects that support industry 4.0.<sup>46</sup> However, much will depend on strategies to upskill workers and the extent to which these promote the training and education of women. Skills development is crucial to economic upgrading in value chains<sup>47</sup> and will require close attention to address gender inequalities as automation advances.



# Promoting women's economic empowerment in GVCs

Companies, governments and international organizations have pursued different strategies to address the rights of workers in GVCs. However, the extent to which these have been effective in addressing gender inequalities is limited.

## Government policy

Government policy is an important influence shaping the gendered context in which retail and sourcing occur. There is much variance among governments when it comes to prioritizing the empowerment of women but, as examined by Linda Scott, all governments should address certain basic issues. These include ensuring that women are not victims of violence and harassment, that they are equal under the law with men (in terms of financial inclusion and access to credit, holding property, entering professions and freedom to travel), and that affordable, high quality child and elderly care is supported (as women bear the brunt of the burden of unpaid care). Equal access to quality education and healthcare services is also necessary.<sup>48</sup> These interventions go beyond what is traditionally considered related to economic performance and take the entire ecosystem into account.<sup>49</sup>

In addition, governments can implement policies that particularly benefit women entrepreneurs, for instance, by helping producers to meet sanitary and phytosanitary standards for export markets in sectors where women are heavily involved. In February 2018, Kenya and Uganda, along with Trade Mark East Africa, set up a One Stop Border Post at Busia, one of the busiest border crossings in East Africa. Improvements in physical infrastructure, along with streamlined customs processes aimed to reduce delays for the 5,000 traders crossing every day, 3,500 of whom are women.<sup>50</sup>

## Private-sector social compliance

Many multinational firms have introduced codes of labour practice to improve working conditions in their GVCs. This has led to a large social compliance industry based on social audits and assessment with some positive effects on improving measurable standards, such as health and safety. However, codes have done little to promote enabling rights, particularly non-discrimination and freedom of association.<sup>51</sup> For example, a study of social audits undertaken in 2,447 factories in Asia between 2009 and 2012 found 99% compliance with no discrimination.<sup>52</sup> This is despite the fact that many audits were undertaken in countries where gender discrimination is deeply embedded, such as Bangladesh and India, which rank 119 and 125, respectively, in the UN Gender Inequality Index.<sup>53</sup>

Recent studies suggest that the audit industry needs to be much more attentive to gender equality and women's empowerment for codes of labour practice to be effective.<sup>54</sup> There are a number of reasons why social auditing is ineffective from a gender perspective.<sup>55</sup> In brief, the reasons include:

- Buyers have not requested that auditors focus on gender-related issues.
- Gender discrimination is deeply embedded and taken as a “norm” by social auditors and those commissioning the audit.
- Gender diversity, training, experience or awareness is lacking in audit teams.
- Workers are wary of giving poor feedback and are often preselected and/or coached by suppliers in advance of audits.
- Often suppliers pay for their own audits, and auditors are wary of raising issues when they have an established relationship with a company.
- One persistent view is that only the specific clause of gender discrimination is relevant, without taking a gender perspective across all code criteria.
- A standard audit methodology based on a “tick box” approach is unable to identify personally sensitive issues such as sexual harassment, particularly in countries where women feel culturally ashamed to report these issues.

## Private-sector initiatives on gender

Multinational companies at the forefront of GVCs are seeking more innovative strategies, with some engaged in initiatives and alliances that go “beyond compliance” to improve socio-economic sustainability, as well as gender equality, in their value chains. This has been spurred by civil society campaigns, as well as by greater engagement between companies, civil society organizations and academic researchers.<sup>56</sup>

Some large retailers and brands are now pursuing strategies to promote women's economic empowerment in their GVCs. Leading examples are Walmart and Gap Inc., outlined in Box 1. Another example is the inclusion by Marks & Spencer in their Plan A, the commitment that women should occupy 25% of management positions in their first-tier manufacturing suppliers by 2022.<sup>57</sup>

The advantages of initiatives undertaken by multinationals are the potential for scale and the provision of an alternative avenue in contexts where national governments and societies do not prioritize women's empowerment.<sup>58</sup>

## Box 1: Company initiatives on women's empowerment

### Walmart Women's Economic Empowerment (WEE) Initiative

Walmart recognized that women comprise the majority of its customers and play a crucial role in its business and its supply chains worldwide. Walmart's WEE initiative has three key goals:

- **Sourcing:** Source \$20 billion from women-owned business in their US operations
- **Training:** Support the training of 1 million women in farms, factories and retail in emerging economies, and low-income women in the United States
- **Diversity and inclusion:** Ask major suppliers (with over \$1 billion sales with Walmart) to report the diversity composition of the key account teams that service Walmart and Sam's Club.

### Gap Inc. P.A.C.E.

Gap's P.A.C.E. (Personal Advancement & Career Enhancement) programme helps women employed in apparel value chains in their personal and professional growth and to advance to management positions.

P.A.C.E. partners with non-governmental organizations to provide training for women workers in areas such as communication, problem-solving, decision-making, stress management and financial literacy. By 2018, more than 68,000 women in 12 countries had participated in the programme. Its goal is to improve the lives of 1 million women and girls in Gap Inc.'s supply chain.

Assessments of both programmes have found that they enhance the well-being of women workers and entrepreneurs, and have beneficial outcomes for business.

Sources:

Walmart, "Women's Economic Empowerment: About the Initiative", <https://corporate.walmart.com/womensempowerment/about> (accessed 24 August 2018); Scott, Linda, *Private Sector Engagement with Women's Economic Empowerment: Lessons learned from years of practice*, Saïd Business School, Oxford, 2017.

Gap Inc., "P.A.C.E. - Changing One Million Lives", <http://www.gapincustainability.com/people/pace-changing-one-million-lives> (accessed 24 August 2018); Nanda, Priya, et al., *Advancing Women, Changing Lives: An Evaluation of Gap Inc.'s P.A.C.E. Program*, International Center for Research on Women, 2013

## International principles and guidelines

Many multinational companies support the UN Guiding Principles on Business and Human Rights (UNGPR). This requires governments to protect and business to respect human rights, as well as ensure remedies for workers where human rights violations occur. Until recently, gender was not prioritized in the UNGPR, despite the significant percentage of women in forced labour. However, this is beginning to change. In late 2017, the UNGPR Working Group on Business and Human Rights convened a multistakeholder consultation on applying a gender lens to the UN Guiding Principles and launched a new thematic project to pay greater attention to gender in developing guidance for states and businesses.<sup>59</sup>

The UN Women's Empowerment Principles (WEP) offer guidance to business on "how to empower women in the workplace, marketplace and community"<sup>60</sup> and emphasize the business case for promoting gender equality. They were developed on the basis of real-life business practices and input. More than 1,900 companies have signed the Principles and committed to promoting women's economic empowerment.<sup>61</sup> WEP 5 specifically relates to value chains, with a focus on business relations with women-owned enterprises and gender-sensitive solutions to credit barriers.

In sum, to date, a number of initiatives involving companies have addressed workers' rights, but the extent to which they have addressed gender inequality across GVCs is limited. This is arguably beginning to change. The rise of the #MeToo movement has raised awareness of problems many working women face across organizations and countries. The UN High Level Panel that brought together leading companies, government and civil society representatives between 2016 and 2017 identified seven key drivers of women's economic empowerment. Among these, changing business culture and practice was identified as critical. These need to extend to the GVCs through which most multinational companies now operate if significant transformation is to take place.

# Conclusion and recommendations

Evidence from McKinsey indicates that promoting gender diversity not only enhances business performance, but would add \$12 trillion to global growth.<sup>62</sup> The World Bank estimates that eliminating discrimination against female workers could increase productivity by up to 40%.<sup>63</sup> GVCs are now integral to the global economy. Interest in promoting gender equality and women's economic empowerment in GVCs is rapidly growing among companies, as well as governments, civil society and multilateral organizations.<sup>64</sup>

A key challenge in promoting gender equality and women's economic empowerment in GVCs is the lack of systematic information or the availability of reliable data. This results in part from gender blindness in the collection of national labour market data and information, and problems differentiating employment linked to GVCs from sector-wide employment (domestic and export). Some data and information are collected by companies, auditors, monitoring bodies, researchers and policy actors engaged in GVCs but are often not gender-disaggregated or collected and reported in a systematic way. The information available is fragmented and dispersed across companies and organizations.

Greater transparency is needed to track improvements in the position of women and knowing which strategies make a difference. Further research is needed to obtain a better understanding on:

- Where women and men are located across GVCs as workers and entrepreneurs
- Barriers that reinforce gender inequality and that undermine women's access to decent work or women entrepreneurs supplying retailers and brands
- Initiatives that could more effectively promote gender equitable decent work and access women's economic empowerment
- Whether changes over time in GVCs are leading to women workers accessing better jobs, rights and protection.

Some companies are pursuing strategies on women's economic empowerment in their GVCs. These include promoting women's leadership roles, providing better opportunities for training and promotion, supporting unpaid care, reducing the gender pay gap and addressing discrimination and sexual harassment. Engagement by more companies and stakeholders would help to expand women's economic empowerment in GVCs. This can be achieved through:

- **Recognition:** Recognizing the significant role women workers and entrepreneurs play in company value chains and the challenges they face
- **Transparency:** Requesting better gender-disaggregated data and information from suppliers, and providing information on strategies to promote gender equality within the company and supply chain

- **Women's voices:** Consulting women workers and entrepreneurs on the challenges they face, when developing strategies to support them; bringing suppliers on the journey through consultation and collaboration
- **Business and development cases:** Acknowledging that women's economic empowerment is good for women, households and communities, good for business and profitability, and good for sustainable development
- **Partnerships:** Engaging with civil society organizations that have a track record of working closely with women workers and entrepreneurs, as well as with other companies, as collective action is more likely to succeed than individual action
- **Global alliances:** Collaborating with governments and joining international initiatives, such as the UN Women's Empowerment Principles, that promote women's empowerment globally.

Now is an important time for actors in the GVC space to collaborate in promoting more effective strategies for women's economic empowerment. Scaling up would benefit women, their households, communities and businesses and would help build more sustainable value chains.

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