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Women and Labor Markets

Women often remain a largely untapped resource in developing countries, and the lack of formal employment opportunities for women represents a key challenge to economic growth and social prosperity. IFC tries to address this challenge by attempting to increase viable female work opportunities in target countries through both a dedicated Gender Unit that works on improving corporate governance and specific targeted investments. While securing jobs for women, general initiatives and investments help lessen the burden of female unemployment while striving toward an ultimate goal of poverty reduction in all of society.

In 2008, IFC’s client companies employed over 360,000 women across all regions and industries. From Jamaica to Cambodia, from services to manufacturing, IFC projects are helping draw women into the workforce to enhance not only their own livelihoods but economies at large. Women, particularly in Sub-Saharan Africa and Asia, play an integral role in much of the food produced and garments worn, yet boast very little decision-making power in comparison to their economic contribution to society. IFC not only focuses on creating jobs in labor-intensive industries, but also on creating environments in which formal, higher value-added and higher-paying employment opportunities are made increasingly available to females.

The overall ratio of female to total employment provided by our client companies for which data are available (459 out of 590, or 78 percent) was nearly 30% as of end 2008. This figure, however, contains significant underlying variations. Such discrepancies may be attributed to the challenges associated with extracting and collecting data from industries for which close monitoring of female statistics has only recently started. Further, sectoral distribution can affect the overall proportion of employed women in a region. Regional differences may also play a role, with some countries actually under-reporting, as they are still in the process of developing appropriate tools to easily retrieve and disseminate employment records.
Female Employment Patterns by Industry Sector

Among our client companies, employment opportunities for women have been particularly abundant in health, where the ratio of female to total employment is the highest (59 percent), and in education (48 percent). Globally, women tend to play the role of primary caregiver of the family in addition to wage-earner, and sometimes they neglect their own health as they cannot afford to leave their families and work to reach a health care provider. Investments in health care and educational programs therefore, not only establish jobs but foster settings in which women gain better access to schools, services and treatment; with a healthy, educated, and hence, empowered female population, they also boost stronger communities and reduce unnecessary expenditure down the road. The advances within these sectors are threatened by a global economic crisis, however, making IFC’s investments even more essential to help women and their dependents face the economic challenges ahead.

The 2008 employment figures of IFC’s clients reveal a firm female presence in the textile (43 percent) and trade (42 percent) sectors. The consolidation of long-term patterns of economic globalization and increasing cross-border trade in recent years has offered increasing opportunities in sectors such as these for women in our target countries. These opportunities have benefited the development of their societies as they contributed to increase the labor force participation of women. As in the case of health and education, the global crisis threatens the advancements made in these sectors, making IFC’s investments particularly important to weather the storm.

A surprise finding is the prominence of females working in the chemicals (35 percent) and pulp and paper (32 percent) sectors, with particularly strong showings in East Asia, Europe and Central Asia. This signals that biases may be diminishing and doors opening to women across various strata even within less anticipated sectors.

Women are also well represented in companies supported through investment funds, where they constitute 32 percent of our clients’ workforce. These companies are often startups or smaller than those companies IFC supports through direct investments, and a strong female presence provides opportunities for women in new or fast-growing companies. There are, however, significant regional disparities among the clients from whom this sector’s employment data are available, with Europe and Central Asia featuring the highest percentage of female employees (48 percent). Importantly, in the Middle East and North Africa – a region where otherwise female participation in the labor force tends to be very low – investments through funds had relatively high female labor participation (38 percent), showing that smaller and newer companies may be more likely to employ women in this region.

A good proportion of women (27-30 percent) are employed in sectors as diverse as food and beverage, information, and professional services. While there is still room for improvement, IFC’s continued commitment to reduce gender-based barriers on the workplace is helping promote a stronger presence of women across all industries. Yet, the presence of women in jobs in traditionally male-dominated areas such as oil, gas and mining, construction, heavy industries, and utilities, has predictably continued to be scarce. Not surprisingly, the ratio of female to total employment in all these sectors is much lower. For example, IFC construction clients report only 8 percent of its employees to be female. However, this figure is consistent with figures in developed countries. For example, less than 10% of construction jobs are filled by women in the United States. Even in these sectors, IFC continues to work to make additional opportunities accessible to women to the benefit not only of females but of the development of the societies in which they live.
Opportunities across Regions

At the regional level, the ratio of female to total employment reflects the different extent to which formal employment opportunities are available to women across the world. In Europe and Central Asia, the ratio of female to total employment was greater than 40 percent, and women enjoy significant opportunities in most fields. In Ukraine, for example, 43 percent of the employees of Nova Liniya – a Do-It-Yourself megastore, which offers customers competitively priced, quality goods – were women as of the end of 2008. Employment in this company has recently increased following two consecutive expansions, and employees (both men and women) undergo training that equips them well for more senior roles within or outside Nova Liniya.

The ratio of female to total employment was less than 20 percent in areas such as the Middle East, Africa and South Asia, consistently with the more general patterns of female labor force participation of these regions. In the Middle East and North Africa, for example, if female labor force participation rates had been at levels in line with women’s numeric presence in society, per capita GDP growth rates during the 1990s might have been 0.7 percent higher per year – a significant lost potential when considering the region’s average per capita income growth for the decade was 1.9 percent.1

There are, however, encouraging stories from the region. IFC’s investment in SEKEM illustrates our commitment to help provide employment opportunities for women where they are most needed. SEKEM, an Egyptian Holdings company specializing in biodynamic and sustainable agriculture has continuously provided increasing opportunities to women over the past few years, and its ratio of female to total employment, though still at 1 to 5, has doubled since the end of 2005, when it was only 1 to 10. Moreover, IFC microfinance investments reached almost 500,000 women borrowers, providing significant resources for the advancement of women in the region.

Lonmin – a South African mining company – offers an example of IFC’s commitment to help provide employment opportunities for women in Sub-Saharan Africa. As of December 2008, it employed more than 2,000 women, while also spending over US$ 7 million in community and local economic development programs, including a foundation that will support community development over the long term. Additionally, IFC has helped Lonmin put in place 13 separate projects ranging from upgrading female dressing rooms to the rollout of a sexual-harassment training program to the design of an alternative job-placement system. These programs have led to the hiring of more than 500 women, marking a 43 percent increase in the number of women employed at the mine.

Women in Latin America make up approximately one quarter (26 percent) of this region’s workforce. By number, most of the jobs were in manufacturing and services (48 percent). This substantial proportion sets Latin America far ahead of the second highest region in terms of female employment in manufacturing (Europe and Central Asia, 35 percent), and is in stark contrast with regions like the Sub-Saharan Africa and South Asia where, respectively, only 4 and 6 percent of reported female jobs are in manufacturing. Some companies in Latin America are looking beyond the gender issue as well. For example, 44 percent of the workforce of Carvajal – a Colombian paper manufacturer, supplier, and publisher – is composed by women recruited in conflict and underprivileged areas south of Cali where opportunities are few.
The Road Ahead

Women throughout the world face a number of challenges and inequalities in the workplace. In developing countries, these challenges and inequalities translate not only into personal grievances for the women who suffer them, but also into significant economic costs that hamper development.

Through its work, IFC helps counter many of the societal pressures that restrict women from receiving secure, safe and empowering jobs. IFC strives for investments that introduce new avenues for women in the workplace and that also allow them to have decent livelihoods for themselves and their families. Enhanced monitoring and reporting of employment data by our client companies is thus crucial if IFC is to improve its understanding of the employment opportunities generated by clients and act accordingly.

IFC also believes that its investments can help curtail the negative impact of the current global economic crisis on women. This will be particularly important for women employed in the agricultural and manufacturing industries. The keen reliance on consumer goods exports of these industries places their employees in a precarious situation. With fewer products to sell, agribusiness and manufacturing jobs appear to be particularly at risk, and women will likely be among the firsts to bear the consequences of the job losses that may stem from the downturn. The coming year will test whether today’s crisis will hamper the progress made vis-à-vis female employment, place it on hold or allow it to flourish. IFC maintains its commitment to eliminate gender-based biases and to bring empowerment to women through employment.