Miles to go: Stepping up progress toward gender equality

McKinsey Global Institute September 2016

A year after the UN General Assembly vowed to achieve gender equality as part of the Sustainable Development Goals, we look at what steps need to be taken.

Last year, the 193 members of the UN General Assembly adopted the Sustainable Development Goals—among them Goal Five, which aspires to “achieve gender equality and empower all women and girls” by 2030. The ambition is inspiring, the challenge vast; gender inequality is a critical issue across the world.

Consider gender equality in work. Globally, women spend thrice the amount of time as men on unpaid care work—an economic contribution conservatively worth $10 trillion, or 13 percent of global GDP, for which they are not compensated or recognized. Turning to work that is paid and measured, women generate about 37 percent of the world’s GDP, despite being about half of the world’s total population. At current rates of progress in women rising to the C-suite, it will take more than 100 years to bridge the gender gap in the upper reaches of US corporations.

Gender gaps in work are symptoms of deeper gender gaps in society and only serve to exacerbate them. Examples of such disparities abound. About 195 million fewer adult women than men are literate. Around 190 million fewer women than men have a bank account. For every 100 men, there are only 22 women in ministerial and parliamentary positions. An estimated 36 million girls marry between the ages of 15 and 19, stunting their educational and economic potential. About 30 percent of women around the world have been victims of violence from an intimate partner. Research by the McKinsey Global Institute (MGI) in 2015 found that 40 of the 95 countries analyzed have high or extremely high levels of gender inequality on at least half of 15 indicators, both economic and social.

Narrowing gender gaps in work and in society would give the world economy a significant boost. MGI’s research suggests that, in a scenario in which every country matched the fastest progress toward gender parity made within its region, $12 trillion could be added to global GDP in 2025.

With so much at stake, how can we accelerate progress toward gender parity? MGI has identified ten gender “impact zones”—the areas of the largest concentrations of gender gaps experienced by women—that need to be addressed. Five of these impact zones are global, affecting women across the world: blocked economic potential, reflecting persistent wage
gaps between men and women and a low share of women in leadership positions; time spent on unpaid care work; legal rights; political underrepresentation; and violence against women. Another five are pervasive in certain regions: low labor-force participation in quality jobs, low maternal and reproductive health, unequal education levels, financial and digital exclusion, and girl-child vulnerability.

The good news is there are best practices around the world to build on. MGI’s research has identified around 75 interventions that have already been implemented. Two types of interventions are particularly important: opening up avenues for women to engage in productive work and entrepreneurship, as well as lowering barriers to their moving into positions of responsibility and leadership; and ensuring that girls and women receive education and training to help develop their talent and create opportunities. Taking action to change attitudes is an important part of the mix, whether that’s through engaging in dialogues within communities, promoting role models, or launching national social-media campaigns.

At the highest level, governments can create an enabling climate through legislation. Financial mechanisms, such as cash transfers targeting girls, can give incentive for changes in behavior within families and communities. And infrastructure can help make a difference, too; this includes both physical infrastructure, such as providing sanitation facilities for girls in schools, and digital solutions, such as offering apps designed for female entrepreneurs or mobile-based emergency services for female victims of violence.

Making substantial strides toward gender parity will require spending, of course. To achieve the $12 trillion GDP potential identified and to make progress on the Sustainable Development Goals, spending on five priority areas—education, family planning, maternal mortality, digital inclusion, and unpaid care work—needs to rise by $1.5 trillion to $2.0 trillion between now and 2025.

Spending needs to come from public, private, and individual sources. Public funding for gender-specific programs needs to be stepped up, but inevitably such spending will be a small share of overall development and social budgets. It is therefore vital that all public resources are channeled in a gender-neutral way and that gender is also at the core of all policy dialogues.

Capturing the power of parity is not all about money invested for a particular return. It is about dynamic new partnerships—public and private—that force the pace of progress. From the CEO down, businesses need to regard gender equality as an opportunity rather than a cost. There is evidence that increasing the presence and responsibility of women is correlated with improved company performance. Companies that embrace gender diversity and develop effective business models that target women as consumers, distributors, or suppliers can gain greater competitive advantage and growth in profits.

All programs need to be measured to ensure that they are effective—money is too precious to devote to interventions that don’t work or have enough impact. Companies could benefit from
systematically gathering data on their performance on gender-diversity initiatives, and from using the data to inform their actions and those of others in a similar context.

The imperative remains as strong as ever to step up efforts to close the global gender gap, one year after the adoption of the Sustainable Development Goals. This will require substantial investment and sustained effort, but doing so can produce an enormous payoff in the form of economic growth and millions of lives transformed.

Kweilin Ellingrud is a partner in McKinsey’s Minneapolis office; Mekala Krishnan is a fellow at the McKinsey Global Institute, where Anu Madgavkar is a partner.