



ANALYSING FEMALE EMPLOYMENT IN FOUR G20 COUNTRIES

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Note:

In this G20 edition, we have analysed female employment and entrepreneurship conditions in four different G20 countries - Germany, Saudi Arabia, Mexico and Russia:

The reason for choosing these four countries are as follows:

- **Germany** - It is considered a leader of the European Union and has a great influence on the G20.
- **Saudi Arabia** - It is an economic power in the Middle East region, which has been historically known as the zone of conflicts and wars.
- **Mexico** - Being in the south of the United States and Canada, Mexico is often overlooked by various analysts.
- **Russia** - It represents the legacy of the Soviet Union, a country which was founded on the principles of equality.

Research Question I: What are the female employment conditions in these four G20 countries?

Research Question II: What is the entrepreneurship situation among women in these four G20 countries?

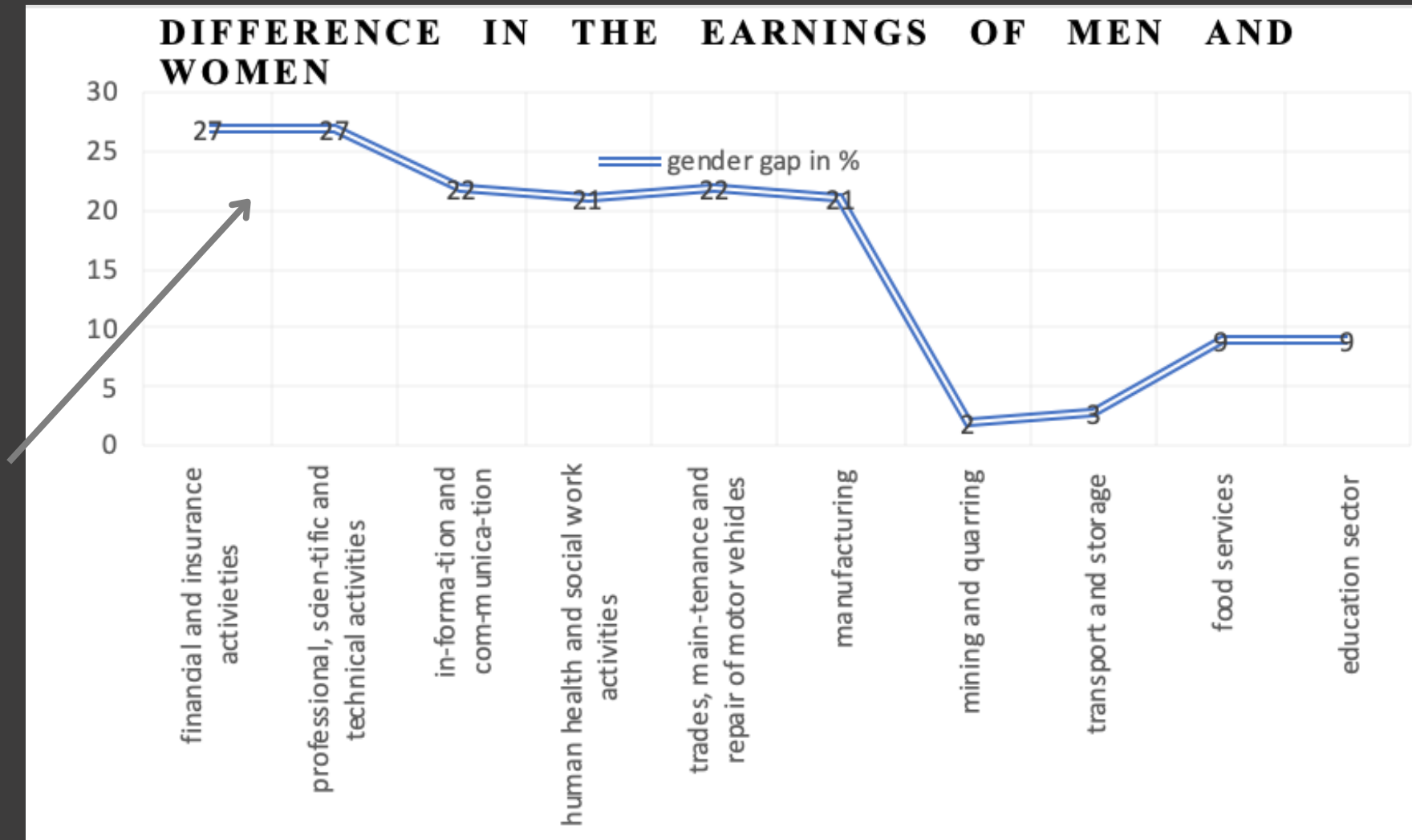
RESEARCH QUESTION- I

Germany (Introduction)

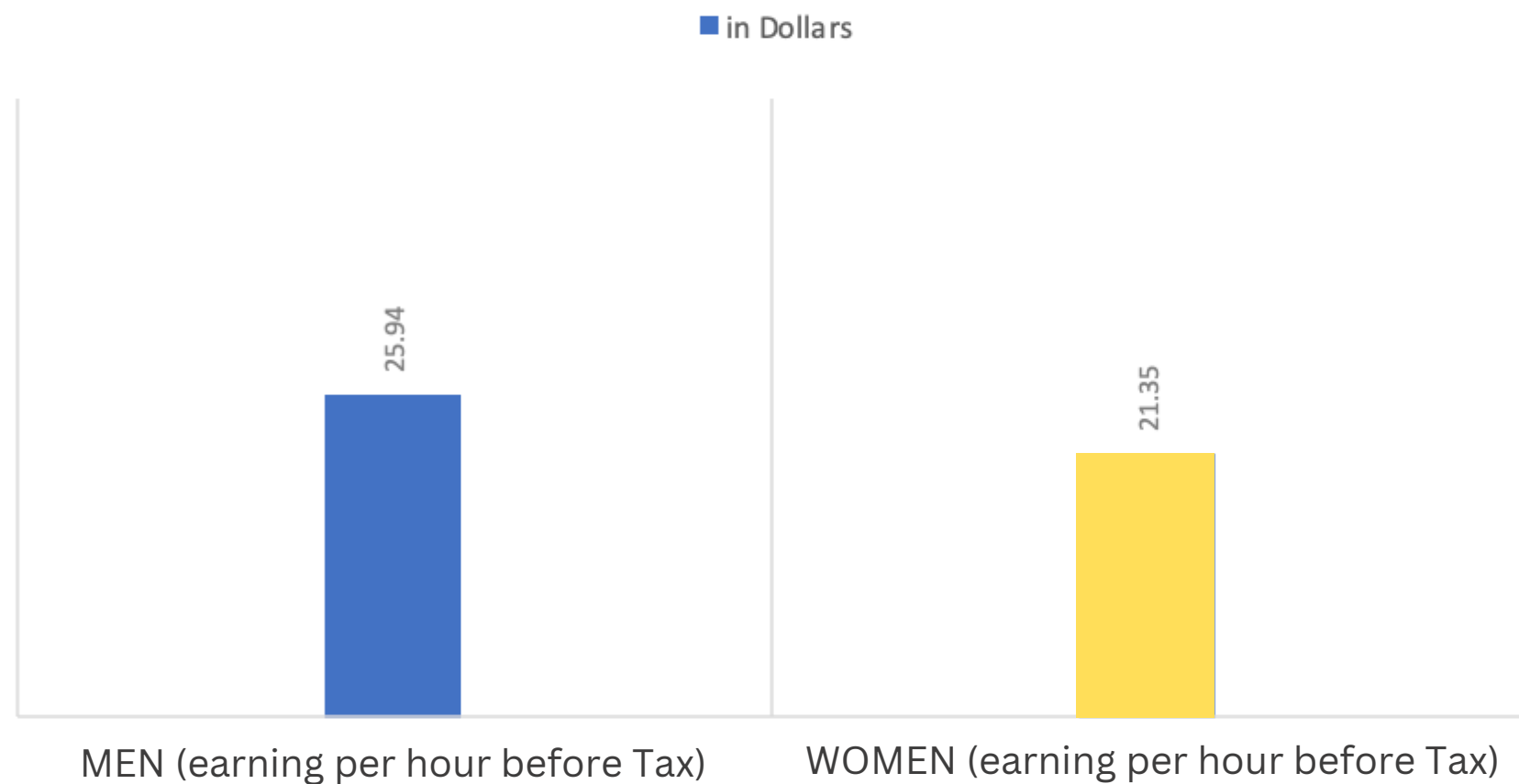
- *In Germany, women's employment has grown dramatically during the previous several decades. According to Eurostat, Germany had a higher employment rate for women in the 20–64 age range in 2020—73.8%—than the EU average of 67.3%.*
- *Yet, there are persistent gender disparities in employment rates, especially at upper management levels and in some industries.*
- *The gender wage gap, which was 18% in 2020, according to Eurostat, is a problem for women in Germany. Thus, women in Germany make 18% less money than males do on average.*
- *Among Germany's top firms, women occupied just 29.5% of managerial roles, according to a 2020 research by DIW Berlin.*

Germany

- The gender pay gap varied significantly across economic sectors in 2022:
- "Financial and insurance operations" and "professional, scientific, and technological activities" were the two sectors with the highest gaps (each at 27%).
- In the typically male-dominated fields of "trades, maintenance, and repair of motor vehicles" (22%) and "manufacturing" (21%), there are also noticeable earnings disparities.
- However, in the industries of "mining and quarrying" (2%), and "transport and storage" (3%), the gender pay difference was rather small, although many women didn't work here.



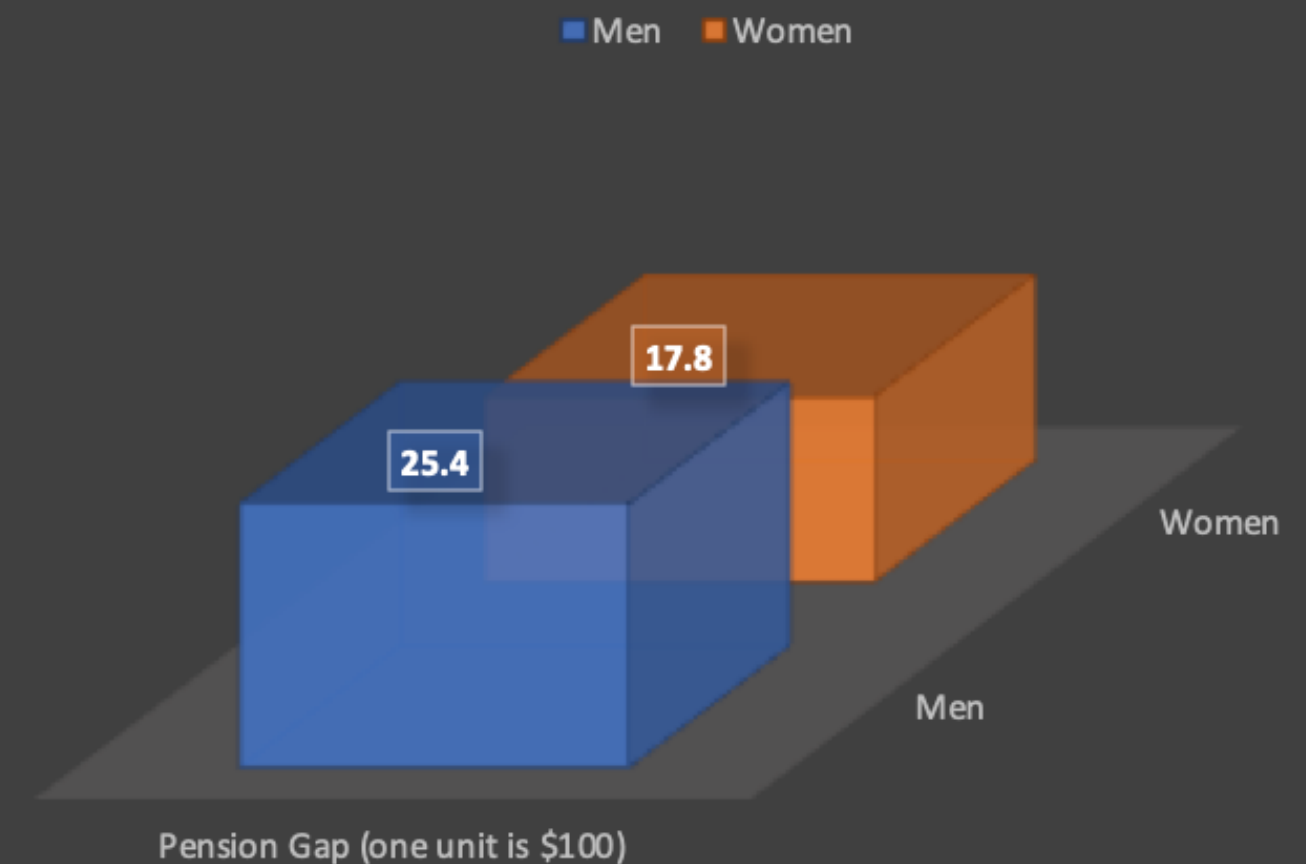
Gender Pay Gap between Men and Women



[HTTPS://DATA.WORLDBANK.ORG/INDICATOR/SL.TLF.TOTL.FE.ZS?LOCATIONS=DE](https://data.worldbank.org/indicator/SL.TLF.TOTL.FE.ZS?locations=DE)

- The gender pay gap, which compares the average gross hourly salaries of men and women as a percentage, was 18% in Germany in 2021.
- Likewise in prior years, this was much higher than the average for the EU (13%). While the EU average may not seem like much, it can equal about two months of a person's yearly wage.

AVERAGE RETIREMENT INCOME



https://www.destatis.de/EN/Press/2023/03/PE23_N015_12_63.html#:~:text=According%20to%20results%20of%20the,retirement%20income%20of%2025%2C407%20euros.

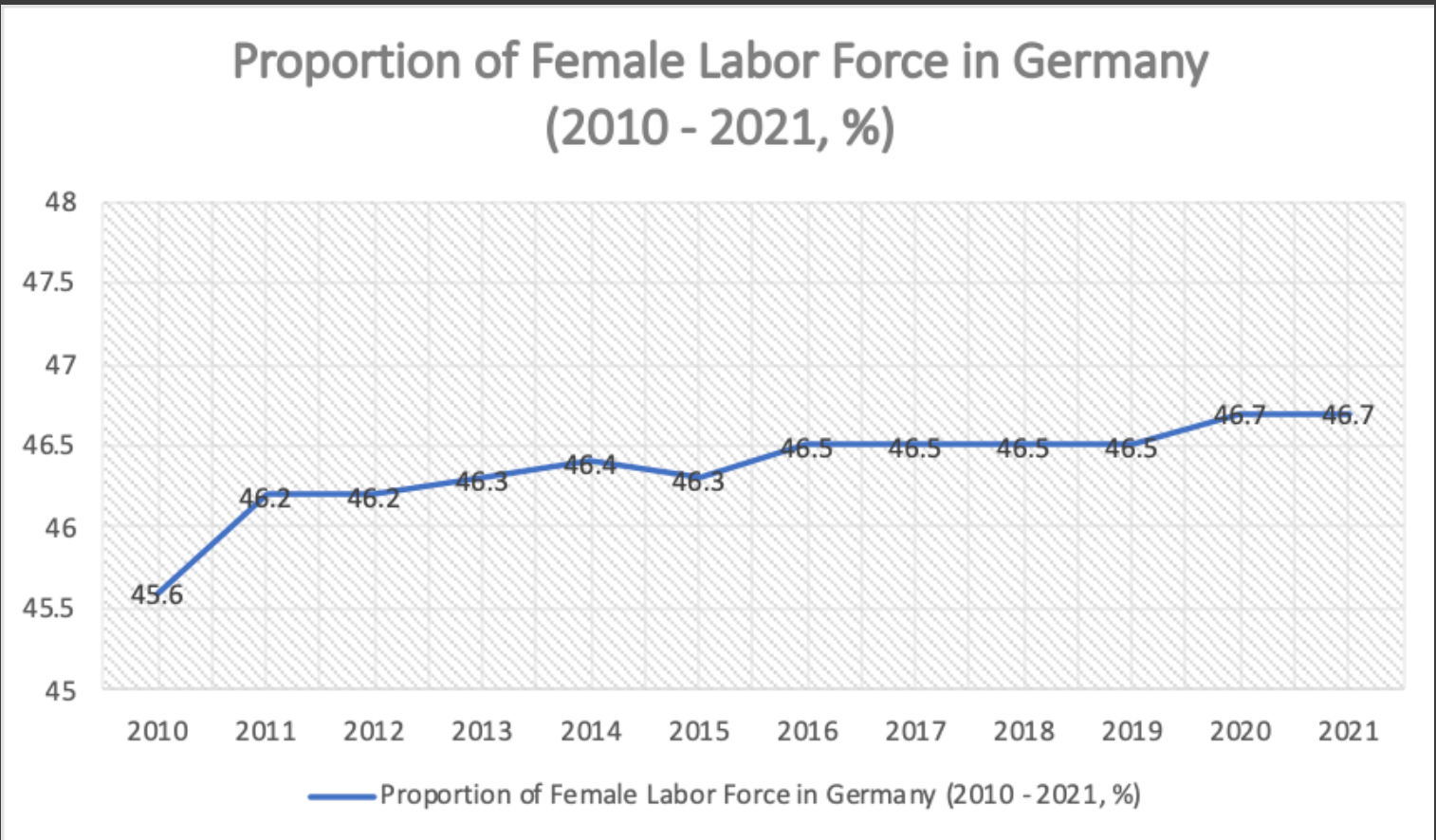
- In Germany, women 65 and older got a gross retirement income of 17,814 euros per year, according to the findings of the EU-SILC 2021 survey of income and living circumstances.
- A gross retirement income of 25,407 euros was earned by men in the same age group.
- Old-age, survivor's, and private old-age provision pensions are all included in retirement income. The year before the poll is considered the income reference year.

Germany in recent years has fostered the growth and involvement of women in the workforce. This change can be broadly classified into the following major categories:

Women's quota and pay transparency: The German government has adopted measures to introduce mandatory employment quotas for women, alongside making regulations to foster pay transparency and parity through the Pay Transparency Act that was introduced in 2017.

Special campaigns like the Maths and Science campaign: More women are being encouraged to enter the conventionally male-dominated professions by catering to specific needs on this front. The German Association of Women Engineers has started a campaign to encourage women in STEM.

Return from part-time to full-time work: Women, on account of bearing household responsibilities and the exceptional circumstances during the COVID-19 pandemic, indulged in undertaking part-time rather than full-time work. In order to allow for their full-time integration into the labour force, the government has taken special initiatives for their absorption in full time positions.



<https://data.worldbank.org/indicator/SL.TLF.TOTL.FE.ZS?locations=DE>

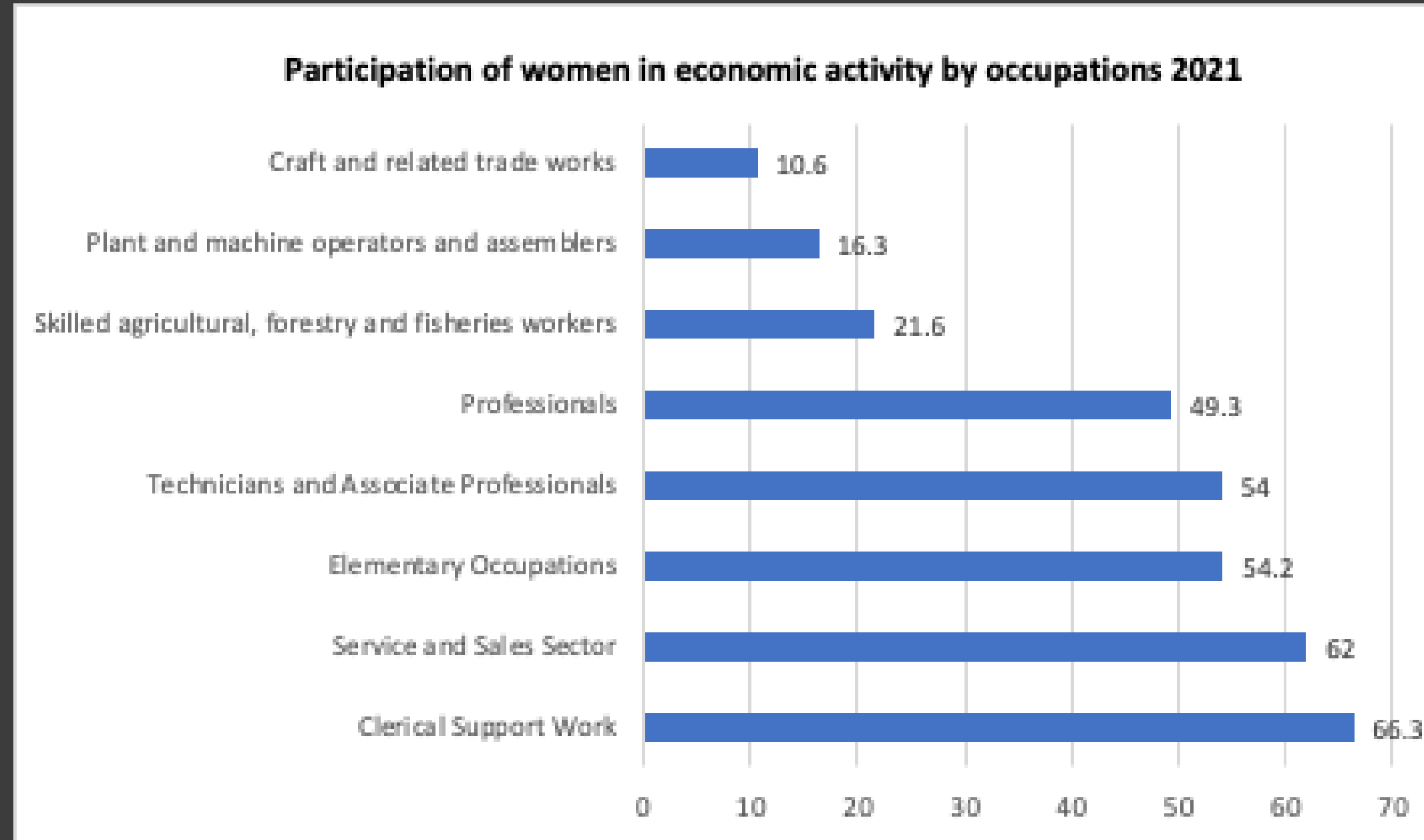
<https://www.deutschland.de/en/topic/business/women-and-work-in-germany-five-facts>

Introduction of parental allowance: to foster gender parity among men and women in handling parental responsibilities, the government has introduced parental allowances for both men and women.

Gender Care Gap project: German Government launched it to aim at ensuring equal division of unpaid care work between men and women. (women spend 52.4% more time on unpaid care work than men)

Instituting maternal leave and paid holidays: further create conducive situations for women, who are responsible for running homes alongside their professional careers.

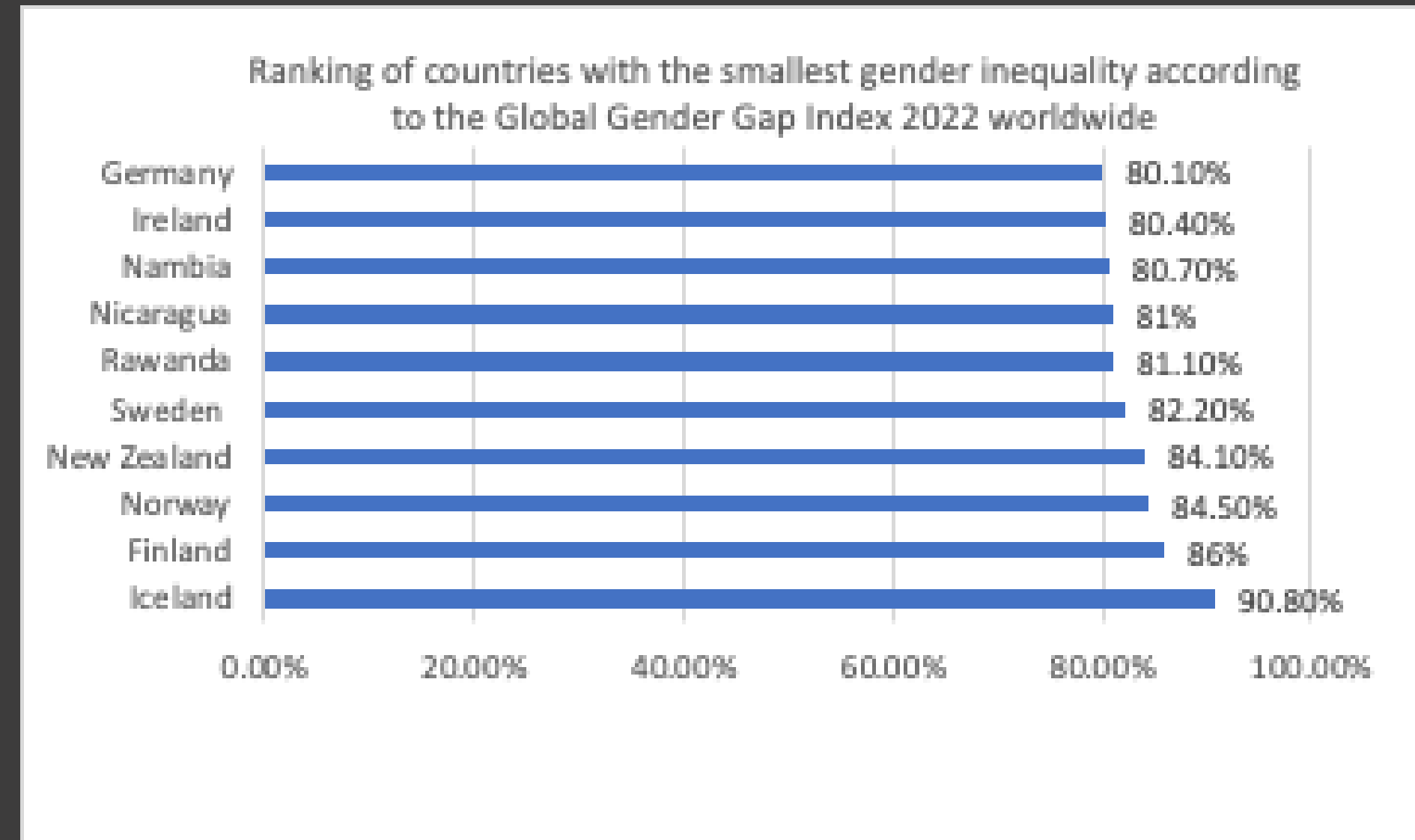
- This data is extracted from a micro census conducted by the Federal Statistical Office in 2021.
- It shows that a particularly large number of women – and correspondingly fewer men – worked in office and service occupations as well as in the commercial sector. Hence, female labour participation in the tertiary sector is encouraging.
- However, while the proportion of women in crafts and in the trade sector in 2021 remained roughly the same as compared to 1992, less female labour force participation was reported in the manufacturing sector in 2021 as compared to 1992 (18.3%). There is scope to improve female involvement in the secondary and primary sectors.



https://www.destatis.de/EN/Themes/Labour/Labour-Market/Quality-Employment/Dimension1/1_4_ParticipationWomenOccupation.html

Germany

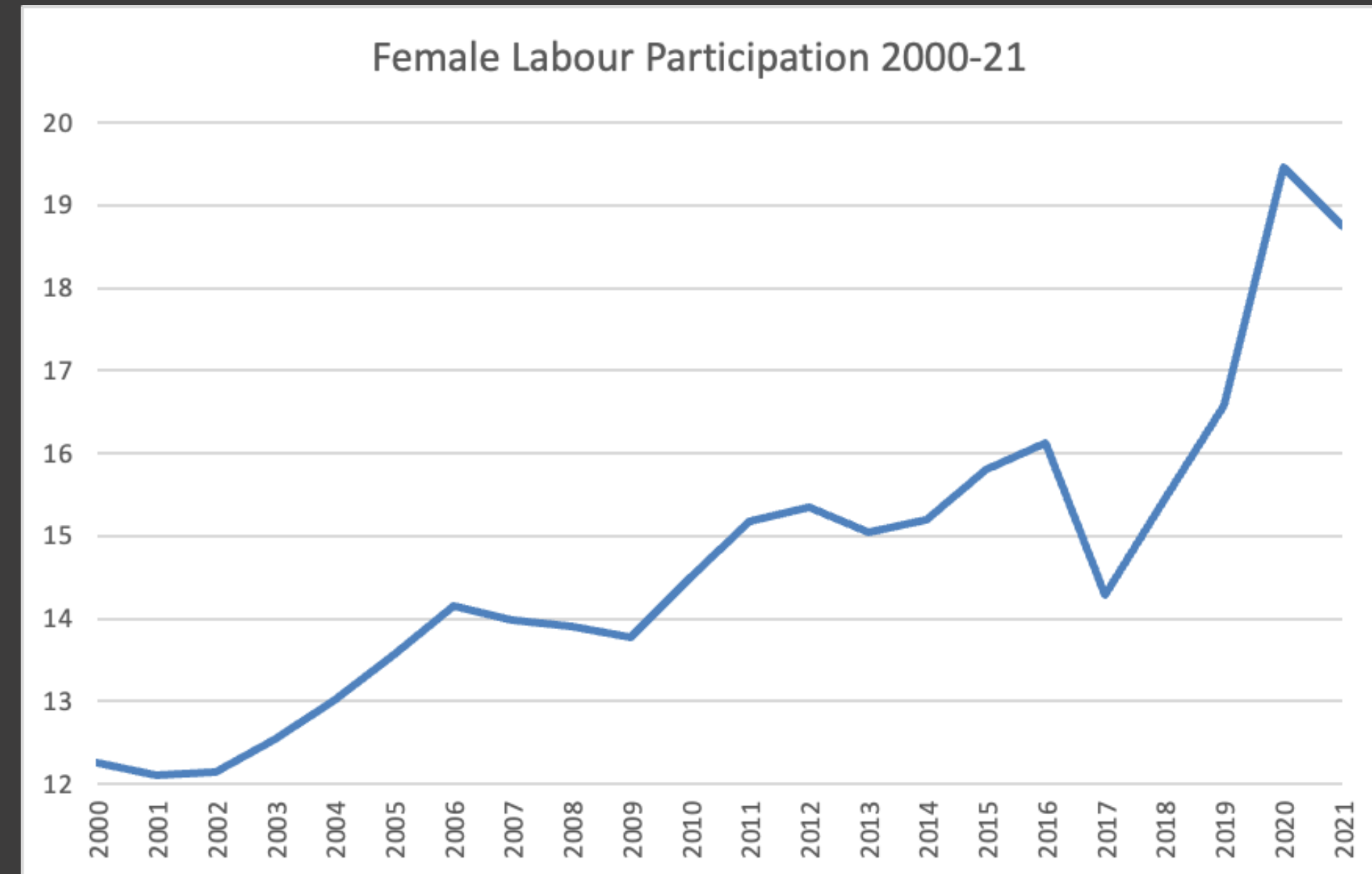
- According to figures published by the Federal Employment Agency (BA), roughly 71% of women in Germany have a job today – almost 10% more than the average for OECD countries.
- In 2022, Iceland is the country with the smallest gender gap according to the Global Gender Gap Index 2022. (With 90.8%).
- A value of 100 % would mean that women have the same opportunities in society as men.
- Germany is doing well vis-a-vis other nations and this can be attributed to the changing policies and reforms in the German state, especially the introduction of employment quotas for women in 2016.



Saudi Arabia (Summary)

- *The lowest rates of female labour force participation worldwide have long been found in Saudi Arabia (under 20% in 2021 as per World Bank).*
- *As per the Saudi Arabia government, the number of women in work was at "the highest level in the kingdom's history" in 2022.*
- *All available literature in the recent past has claimed that the country has made staggering progress towards women's empowerment in the employment sector and Vision 2030.*
- *Most importantly, the increase in female employment was not caused due to Saudi government hiring women in recent times.*
- *There has been real job growth that was fueled by the private sector, which is indeed commendable. For example, during 2019-2020, there was a mere 5% increase in the number of Saudi women working in the public sector.*

- Since the last decade, something unprecedented has been happening in the country's female participation in employment.
- In 2011, King Abdullah bin Abdulaziz Al Saud issued a royal decree allowing women to be nominated to the Shura Council, the country's consultative assembly.
- Saudi Arabia women's labour force participation rate jumped from 20% in late 2018 to 33% by the end of 2020, implying that their share of the labour market surged by 64% in mere two years. However, this is not depicted in this graph! →

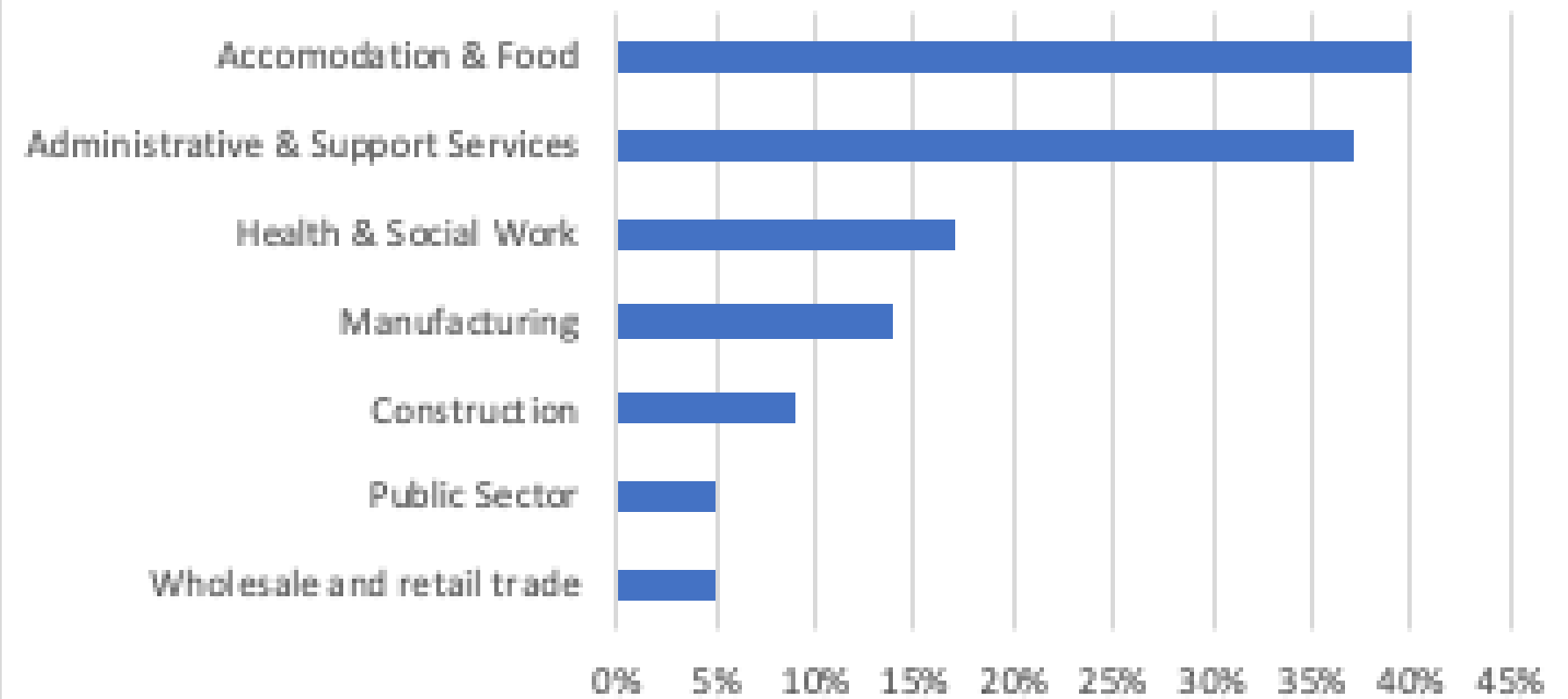


According to the above graph (World Bank), as of 2021, female labour participation in the total labour market in Saudi Arabia is under 20%. This contradicts various reports which claim a 33% or even 35% female labour participation rate. However, in both the cases, there has been a remarkable rise in female workforce participation, which is commendable.

Schemes under Vision 2030

- Since 2018, Saudi Arabia has allowed women to drive, live alone, work outside the home and travel without the permission of a male guardian. (6 million Saudi women over the age of 21 benefitted).
- 7,000 women found employment in 2021 with the help of the *Tamheer* programme, which offers on-the-job training to Saudi women.
- At least 51,000 women with jobs have benefited from the kingdom's *Wusool* programme, which provides transport for employees.
- 3,500 working mothers took advantage of initiatives such as *Qurrah*, which helps to provide child support.
- According to labour market data highlighted in the MHRD press release, 27.7% of Saudi women were employed in the education sector and 17.7 % in the retail and wholesale sectors as of March 2022. These are the two sectors where women's participation can be easily be improved further.

Employment of Saudi women increases substantially across sectors

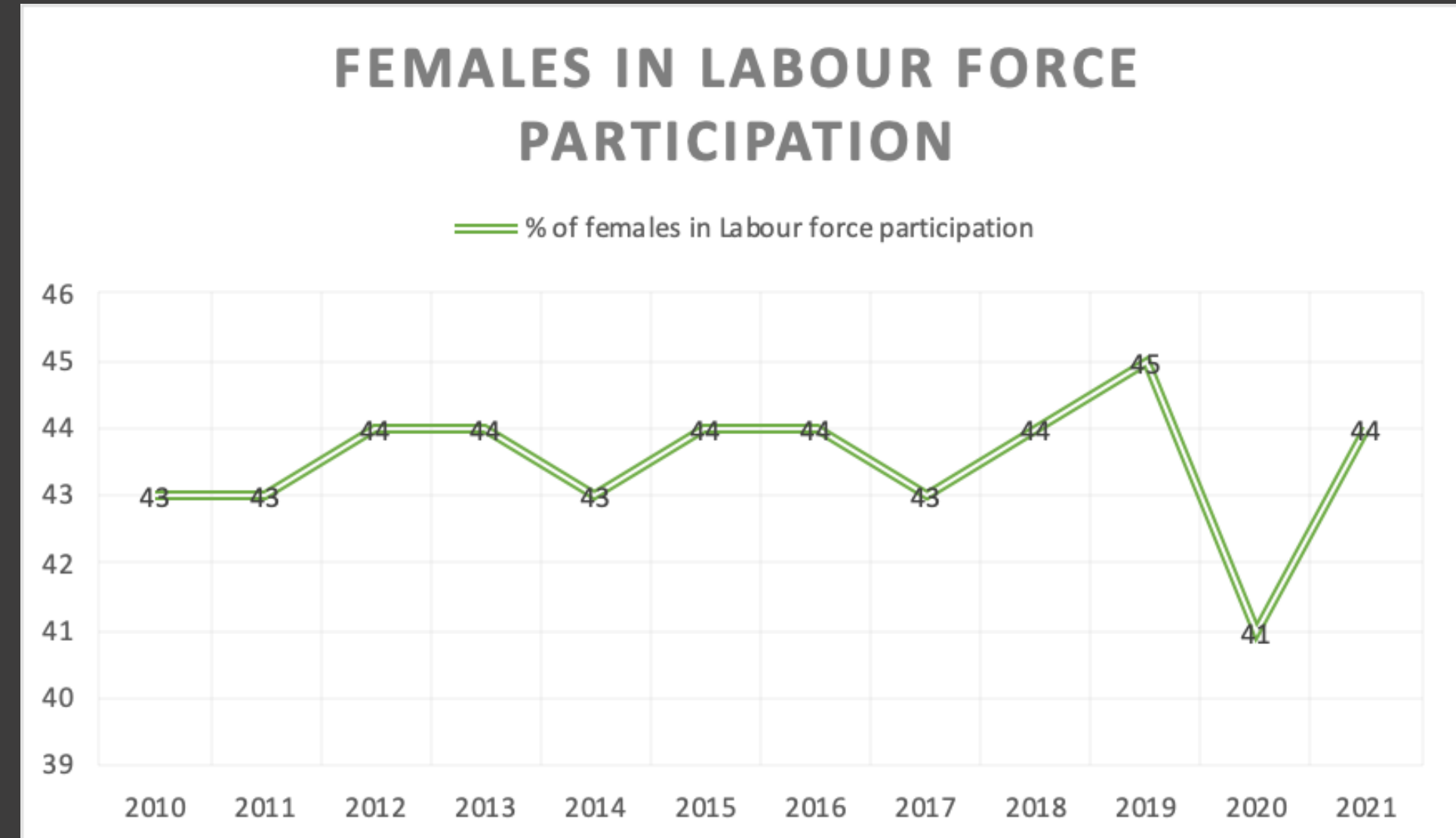


Growth of Saudi female employment by economic activity (%) between 2019 Q1 and 2020 Q4

Note: Since several government policies have been listed here, we are not providing these again in Research Question - II (under policies to support women's entrepreneurship)

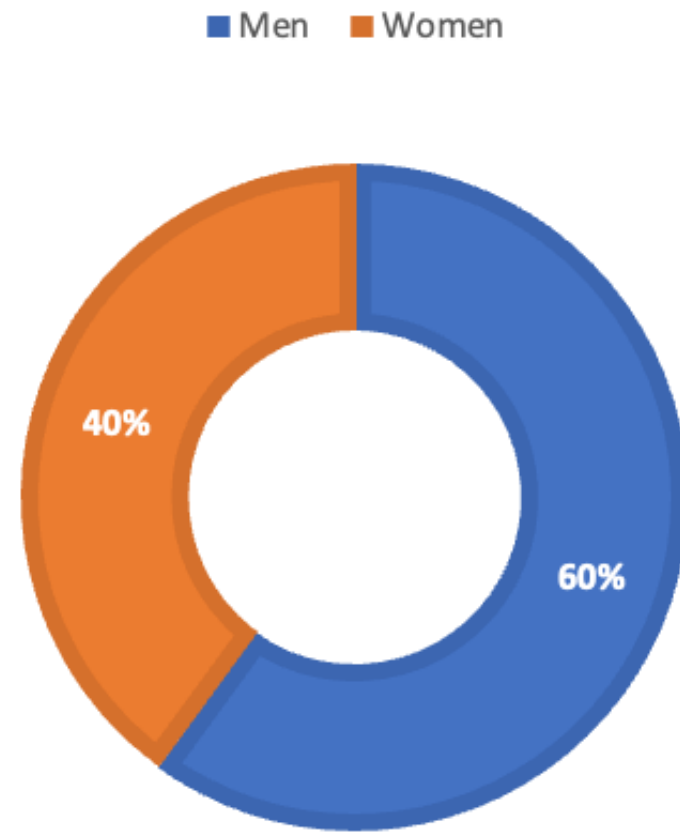
Mexico (Summary)

- *Women's economic participation rates have varied between 40% and 45% over the past 17 years.*
- *In 2019, women were paid 18.8% less than men, based on median, full-time earnings—slightly more than the OECD average of 13.1%.*
- *Women in higher education in Mexico either nearly reached parity or exceeded it in 2018–2019. In fact, in postgraduate programs, women's enrolment exceeded that of men.*
- *However, for women in Mexico, a college degree is not a guarantee of employment. 75% of women with college degrees are unemployed in the formal economy.*

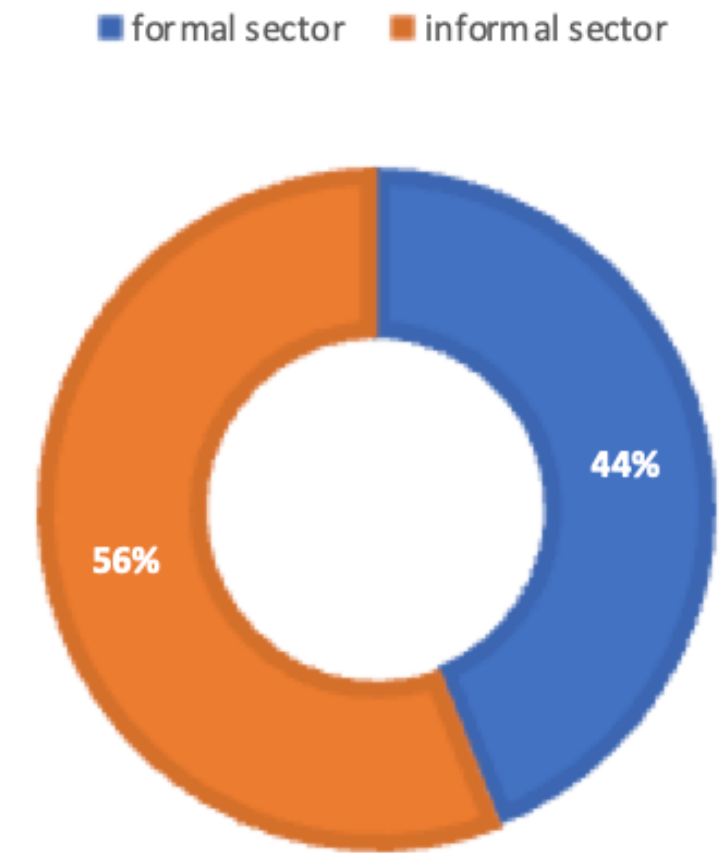


Mexico

GENDER GAP IN TOTAL EMPLOYED POPULATION

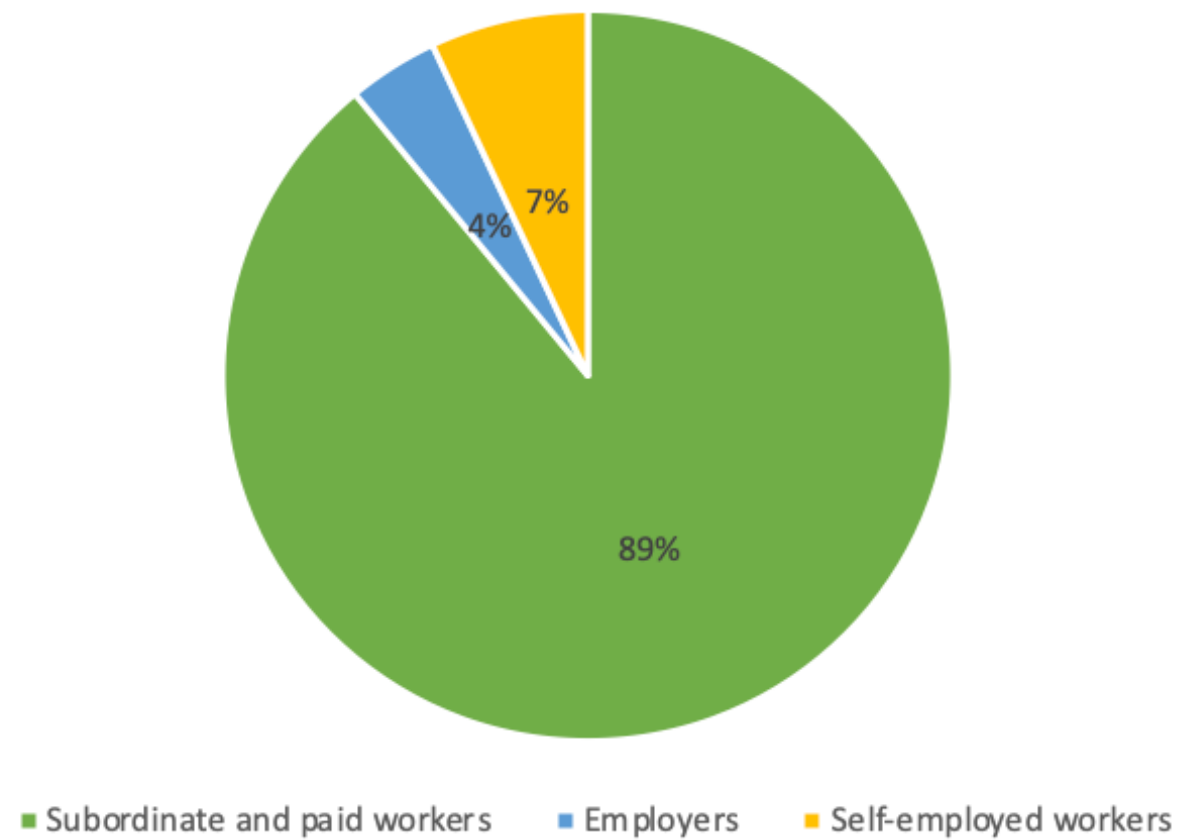


WOMEN IN FORMAL AND INFORMAL SECTOR



This data is from the second quarter of 2022 when 57 million individuals were working, including the formal and informal sectors.

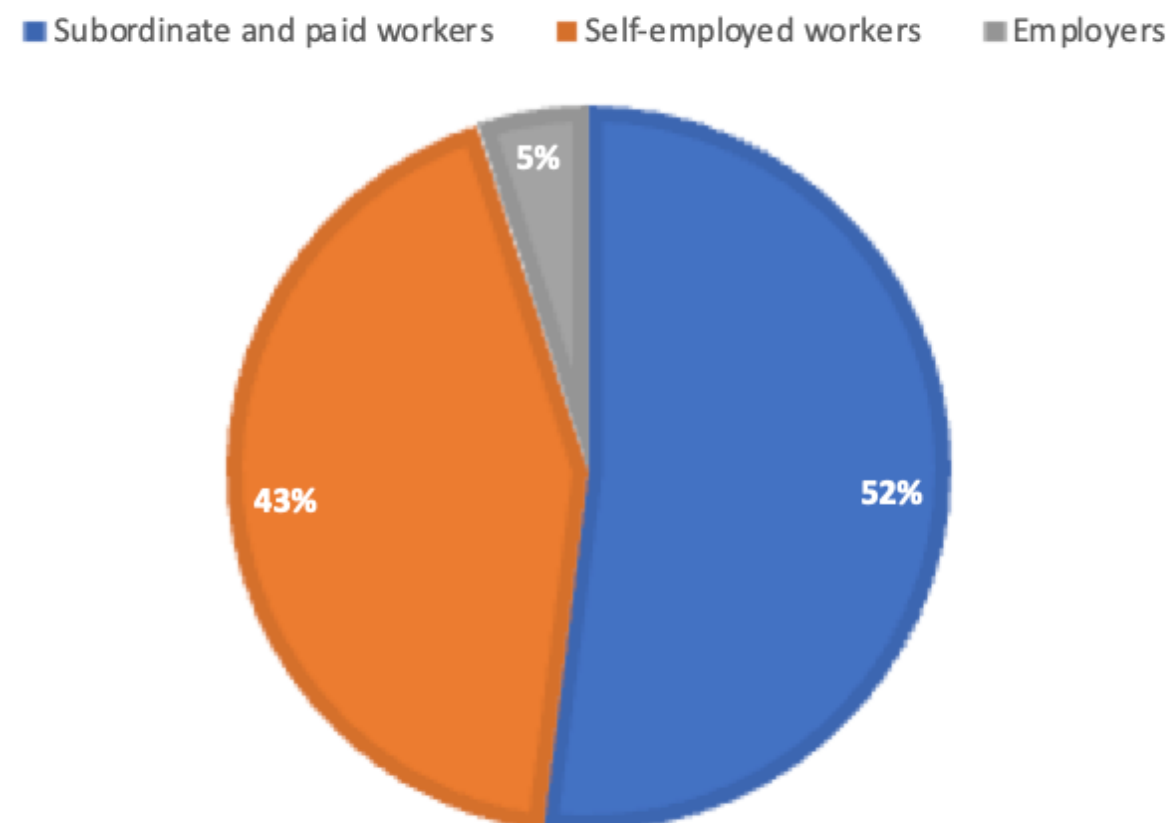
WOMEN IN FORMAL SECTOR



Observations in the formal sector:

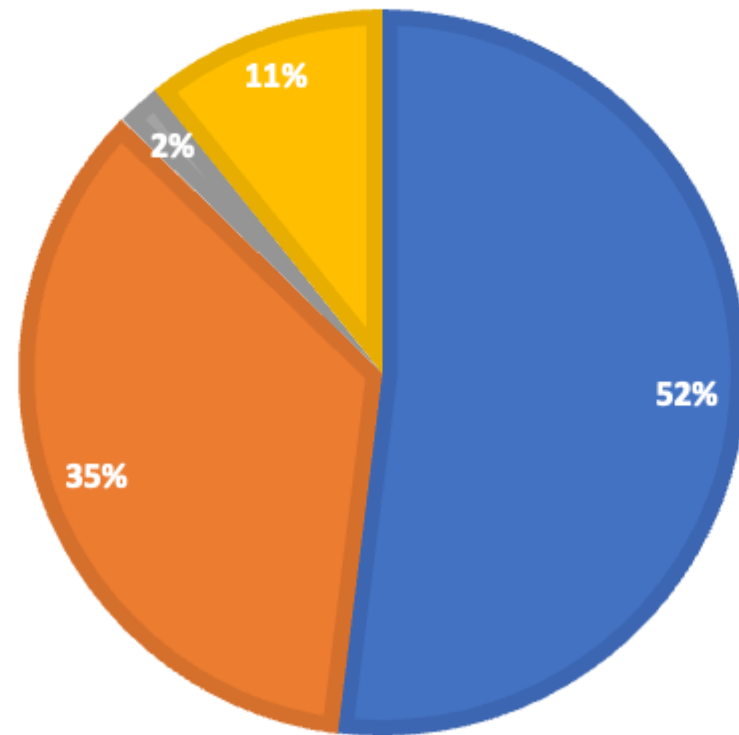
- Women (89%) are more likely to be subordinates than men (43%) in the job market.
- Men (43%) have more scope to be self-employed than women (7%).
- However, interestingly, we find out that both men and women have low tendency to become employers (5% for men and 4% for women).

MEN IN FORMAL SECTOR



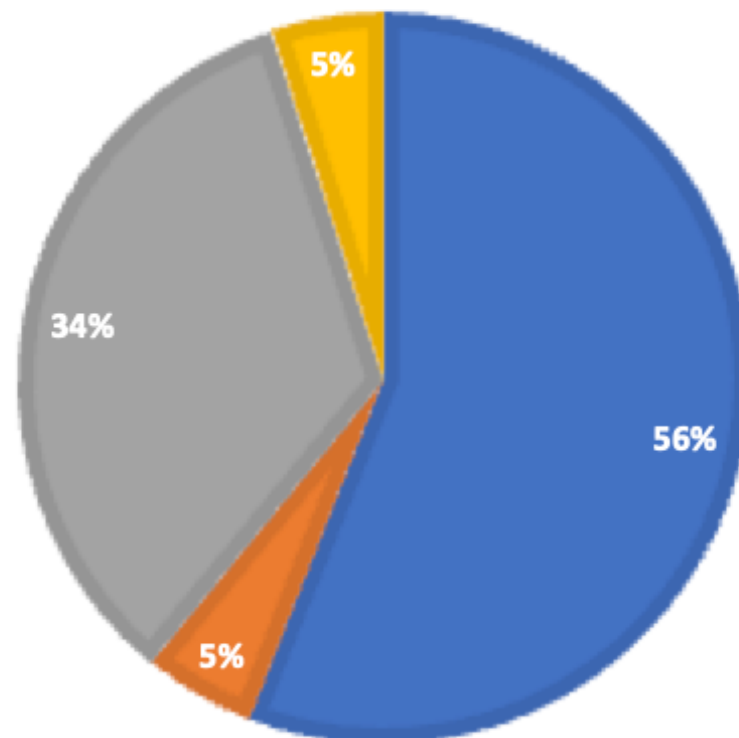
WOMEN IN INFORMAL SECTOR

■ Subordinate and paid workers ■ Self-employed workers ■ Employers ■ Unpaid workers



MEN IN INFORMAL SECTOR

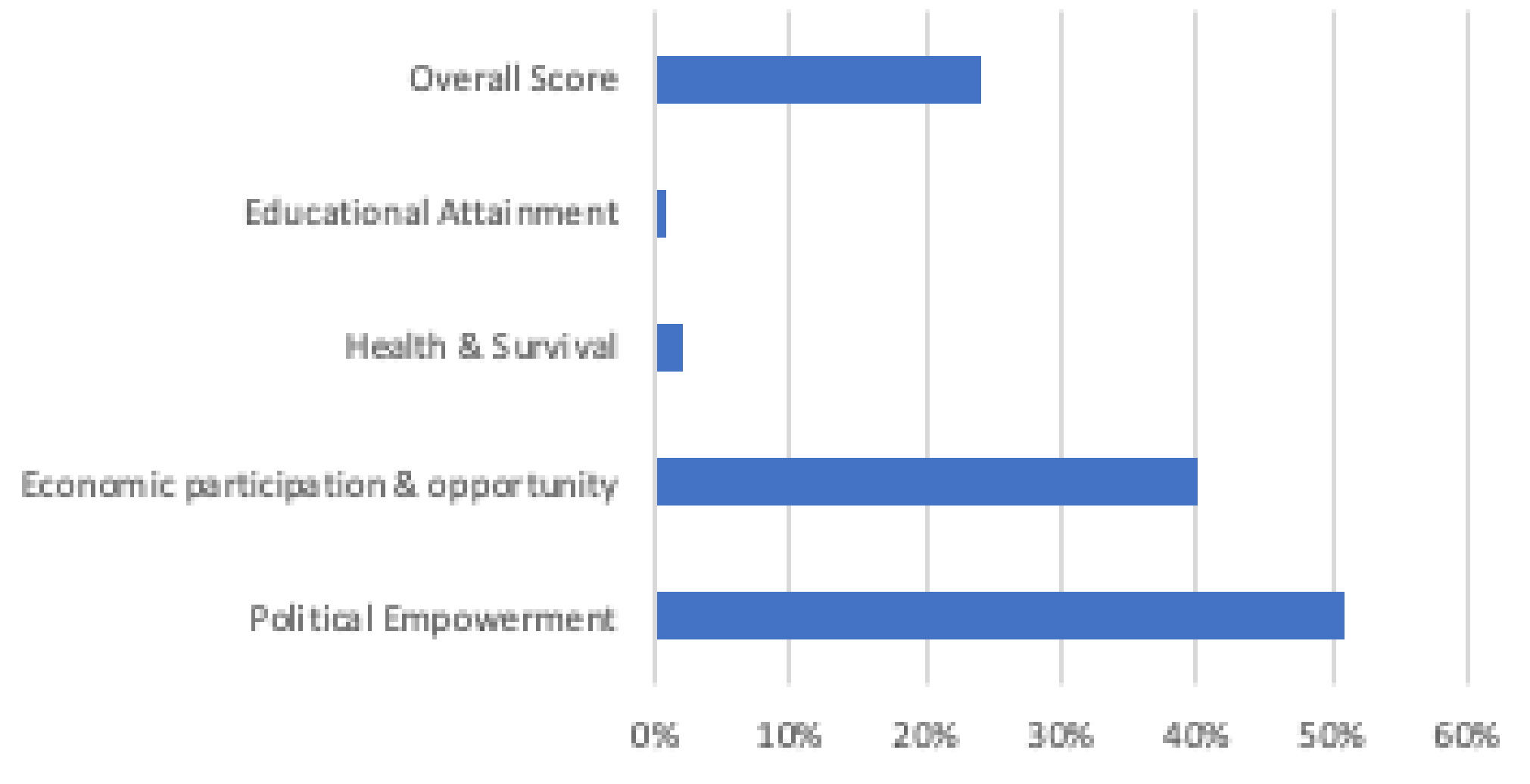
■ Subordinate and paid workers ■ Self-employed workers ■ Employers ■ Unpaid workers



Observations in the informal sector:

- Women (11%) are more likely to be unpaid workers than men (43%) in the informal job market.
- Men (34%) vastly outnumber women (2%) in providing employment in the informal sector.
- Interestingly, the trends change for men and women in terms of self-employment and being subordinate workers in the informal sector. (Self-employment - 35% women and 5% men; Subordinate workers - 52% women and 56% men).
- This reversal can be attributed to the patriarchal concept of Mexican culture. Women often work in street markets to sell the food they have produced themselves and earn a living for their families.

Gender Gap Index in Mexico: 2022 by area



The gender gap here is with regards to the equality of opportunity that men get vis-a-vis women.

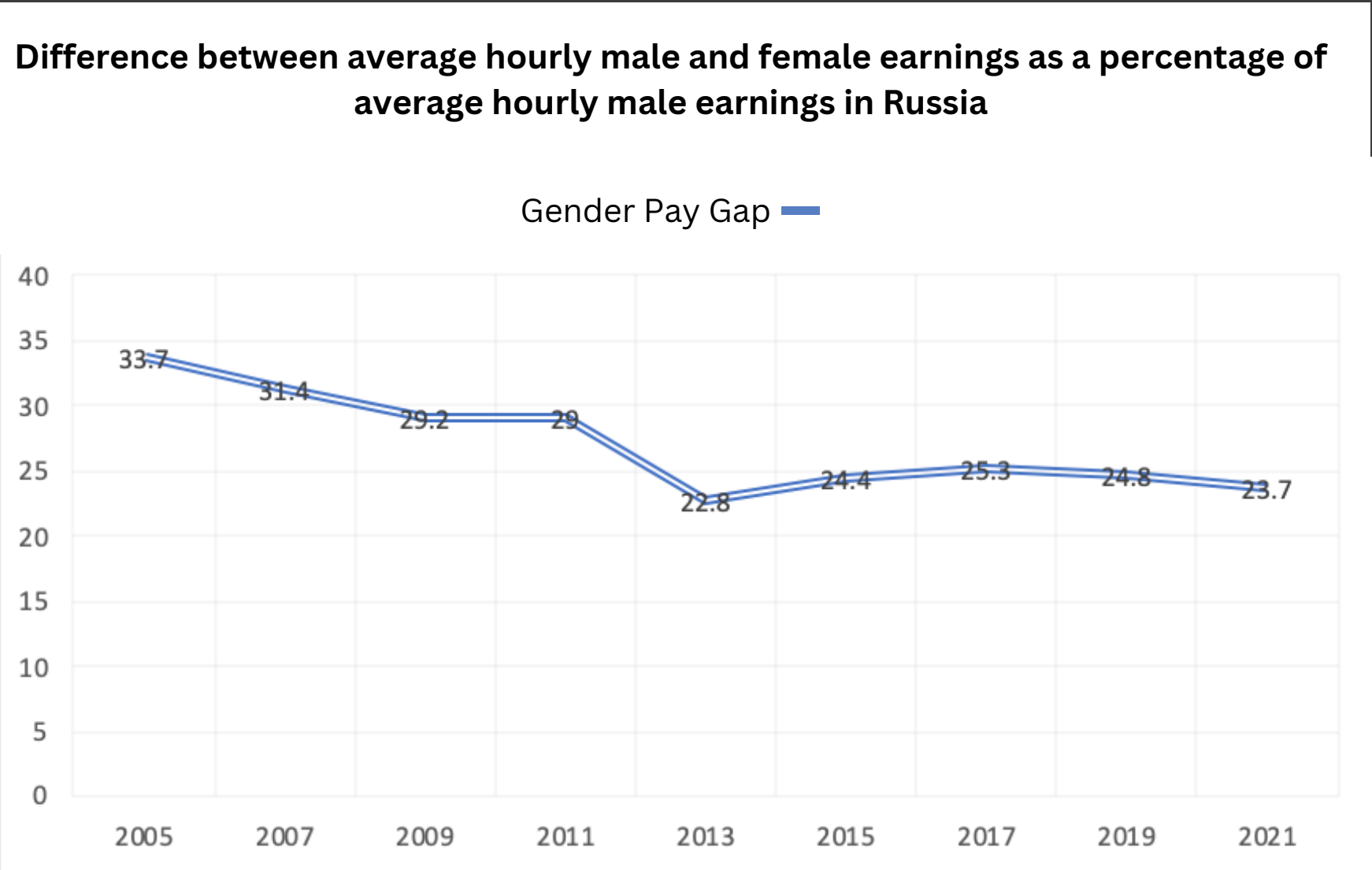
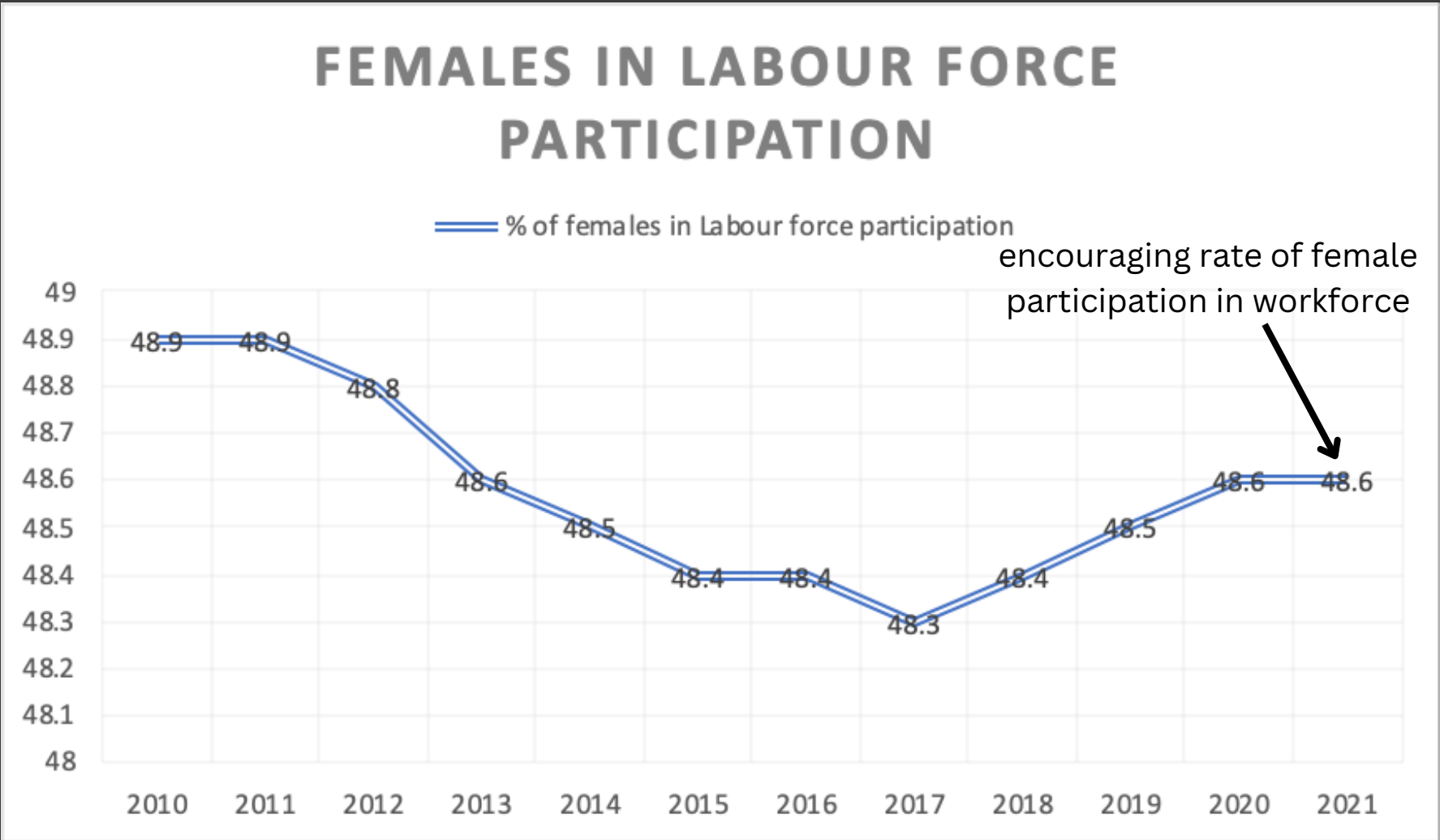
Therefore, there should be more involvement of women in the political realm, since their presence in politics would increase initiatives for female empowerment.

- Although Mexico had an overall gender gap of 24% in 2022 (quite high), it was unfortunately considered one of the best Latin American countries in this regard.
- There is a stark difference in the gender gap across areas.
- For example, political empowerment has a significant gender gap vis-a-vis educational attainment and health and survival.
- The gender gap with respect to economic opportunity and participation is also quite high.
- This can be attributed to the fact that more than half of Mexico's population is engaged in the informal economy, with women (58.8%) more likely than men (50.1%) to hold informal jobs.

Russia (Summary)

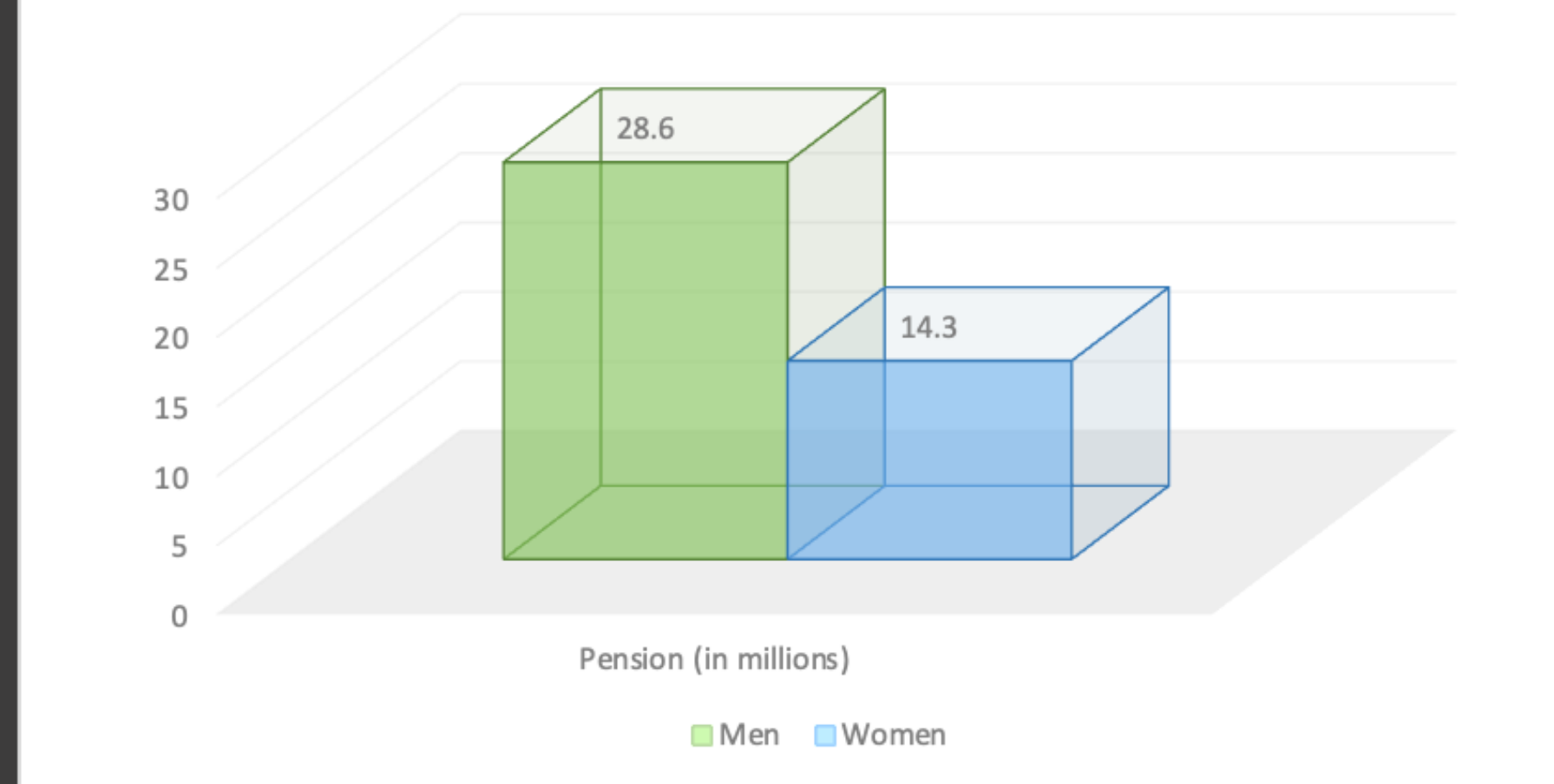
- *About half of Russia's workforce is made up of women. Women made up 47.5% of the workforce in Russia in 2020, according to the Federal State Statistical Agency.*
- *In spite of having greater education levels than males, Russian women are more likely to work in low-status, low-paying jobs. They make around 30% less money than males do on average.*
- *Gender roles continue to be viewed from a traditional perspective. In the Russian parliament, women hold just around 14% of the seats, and they are underrepresented in other positions of leadership in industry, politics, and education.*
- *Russian women continue working due to various financial difficulties. This has caused the birth rate to plummet. Although Russia's fertility rate peaked at 1.8 in 2016, it was still below the benchmark replacement rate of 2.1.*

- With a difference in labour force participation between men and women (30-55 years of age) of less than 4 percentage points, Russia has one of the smallest gender gaps in employment in the entire globe.



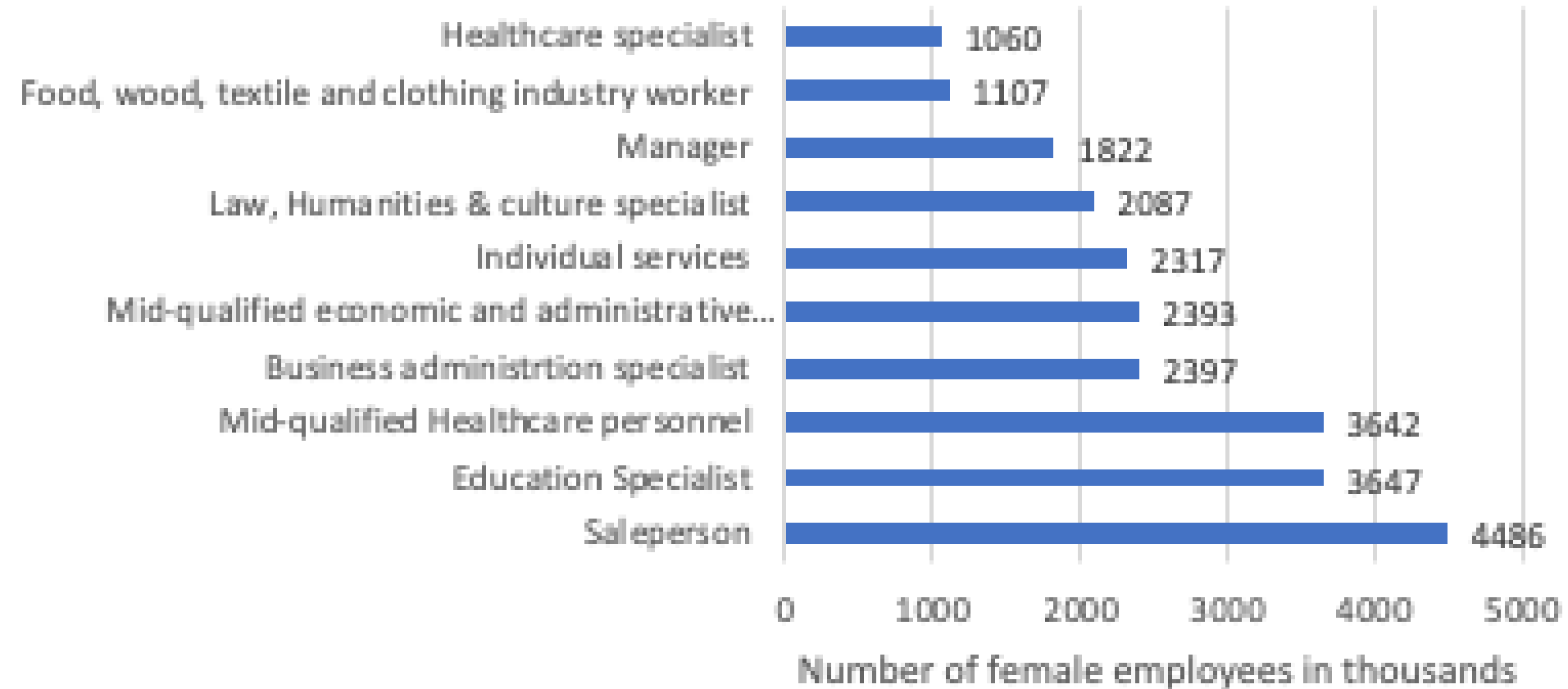
- The Soviet era left behind a legacy of low gender disparities in the workplace, where the equality slogan applied to all social classes as well as to men and women.
- Nonetheless, among high-income nations, Russia has one of the greatest gender pay gaps.

Pension gap between men and women in Russia



- The income disparity is not just limited to the pay gap. Due to women's lower access to corporate and political power and a general tendency to own fewer assets, there is a 45% income disparity between men and women in Russia.
- Due to the fact that lower wages inevitably result in lower pensions, they have lesser pensions.
- Given that there are twice as many old women as senior men in Russia (28.6 million against 14.3 million), this issue is especially significant.

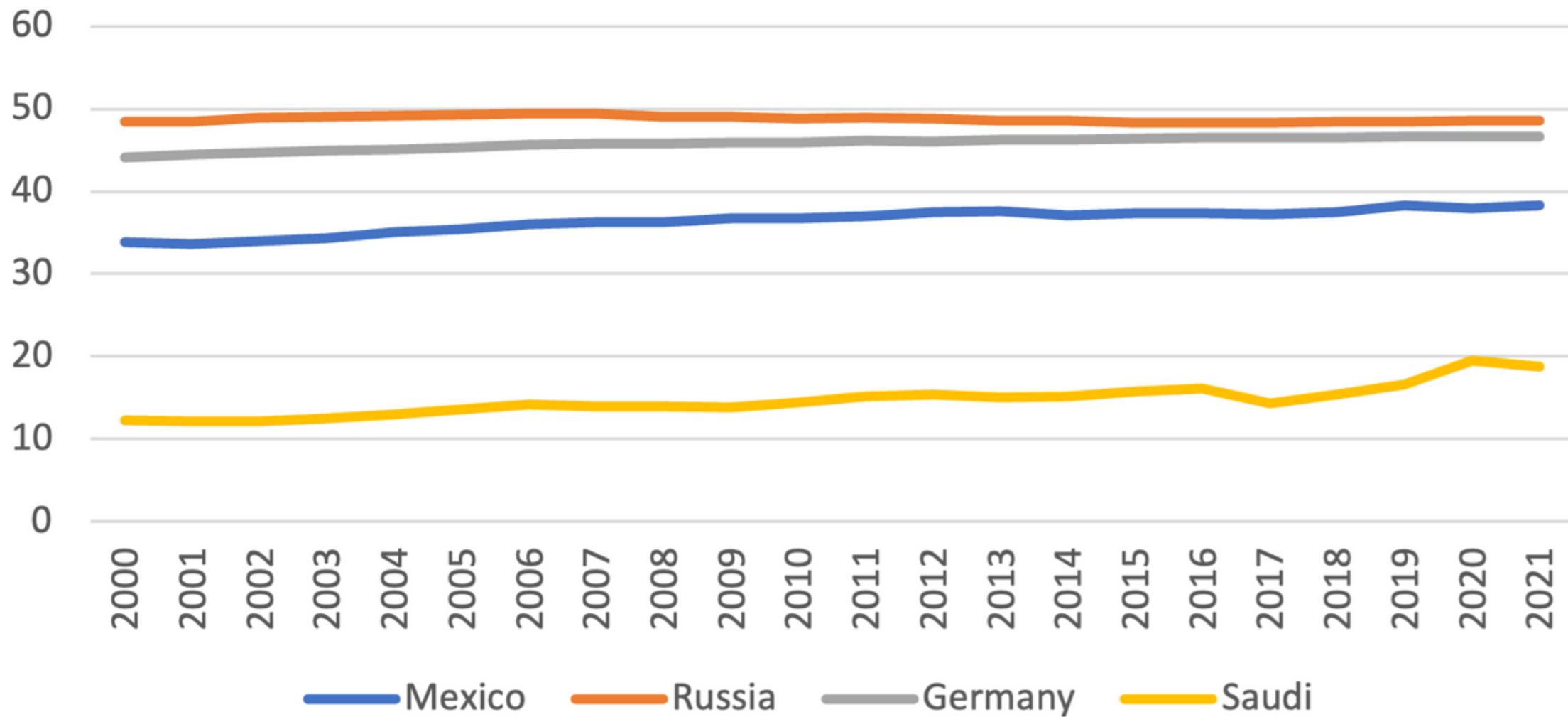
Most Popular Jobs among women in Russia in 2021



- In July 2019, Russian authorities signed a decree which opened more than 350 jobs for women, which were previously off-limits under Soviet-era labour restrictions.
- From 2021, women were allowed to work as truck and train drivers, as well as serve in the navy. Under the new rules, only 100 out of the previously 456 jobs will remain off-limits for female candidates, due to physically challenging or harmful working conditions.
- Despite the trend toward less gender bias in the labour market, the country still sees a rather traditional “female” and “male” job differentiation.
- According to a research carried out by a popular Russian recruiting website *Avito Jobs*, most Russian women and men still eye traditionally “female” or “male” occupations and differ in their salary expectations significantly.

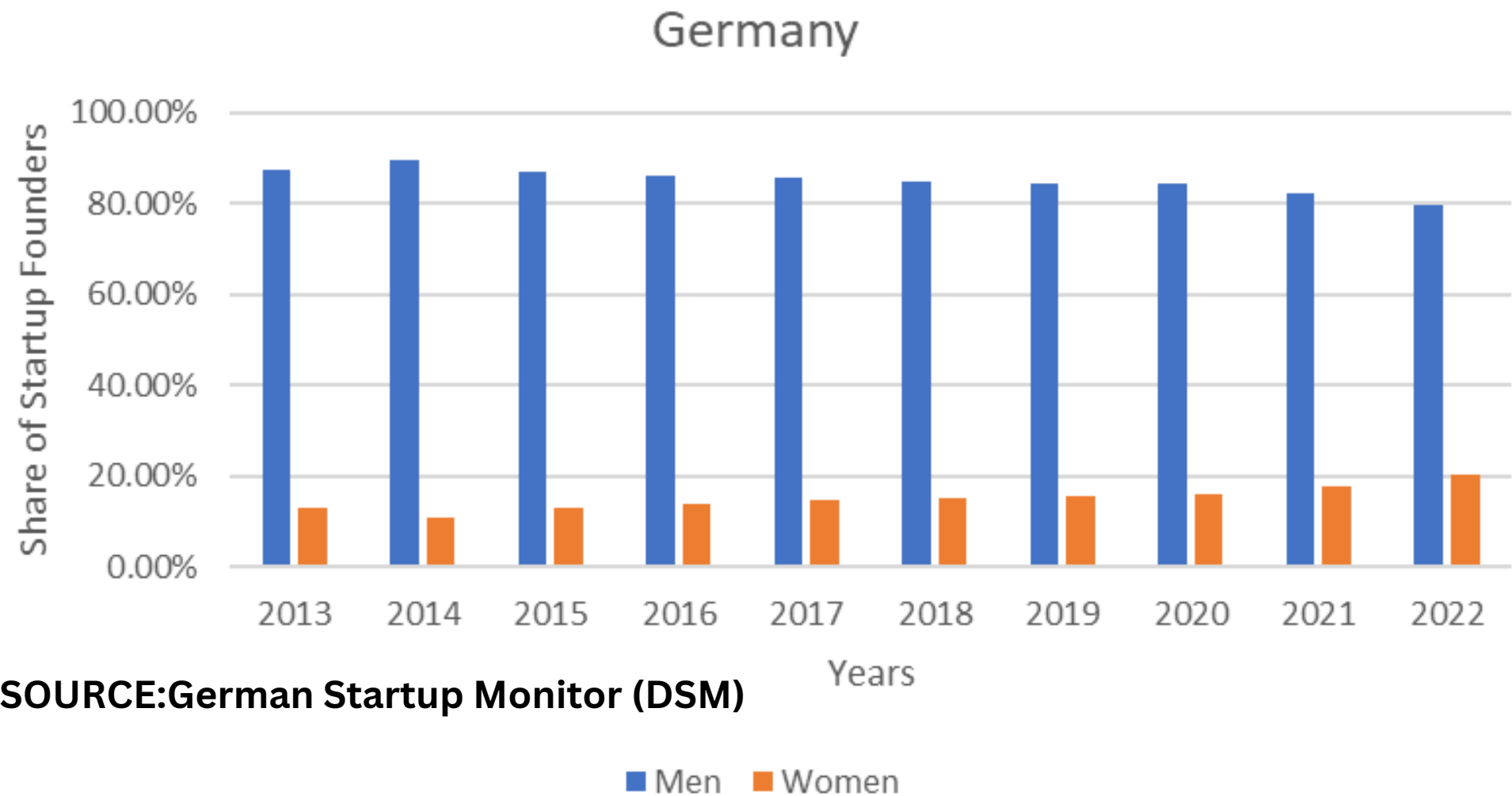
Female Employment Comparision in A Nutshell

Proportion of female labour compared to overall workforce



RESEARCH QUESTION -II

Germany

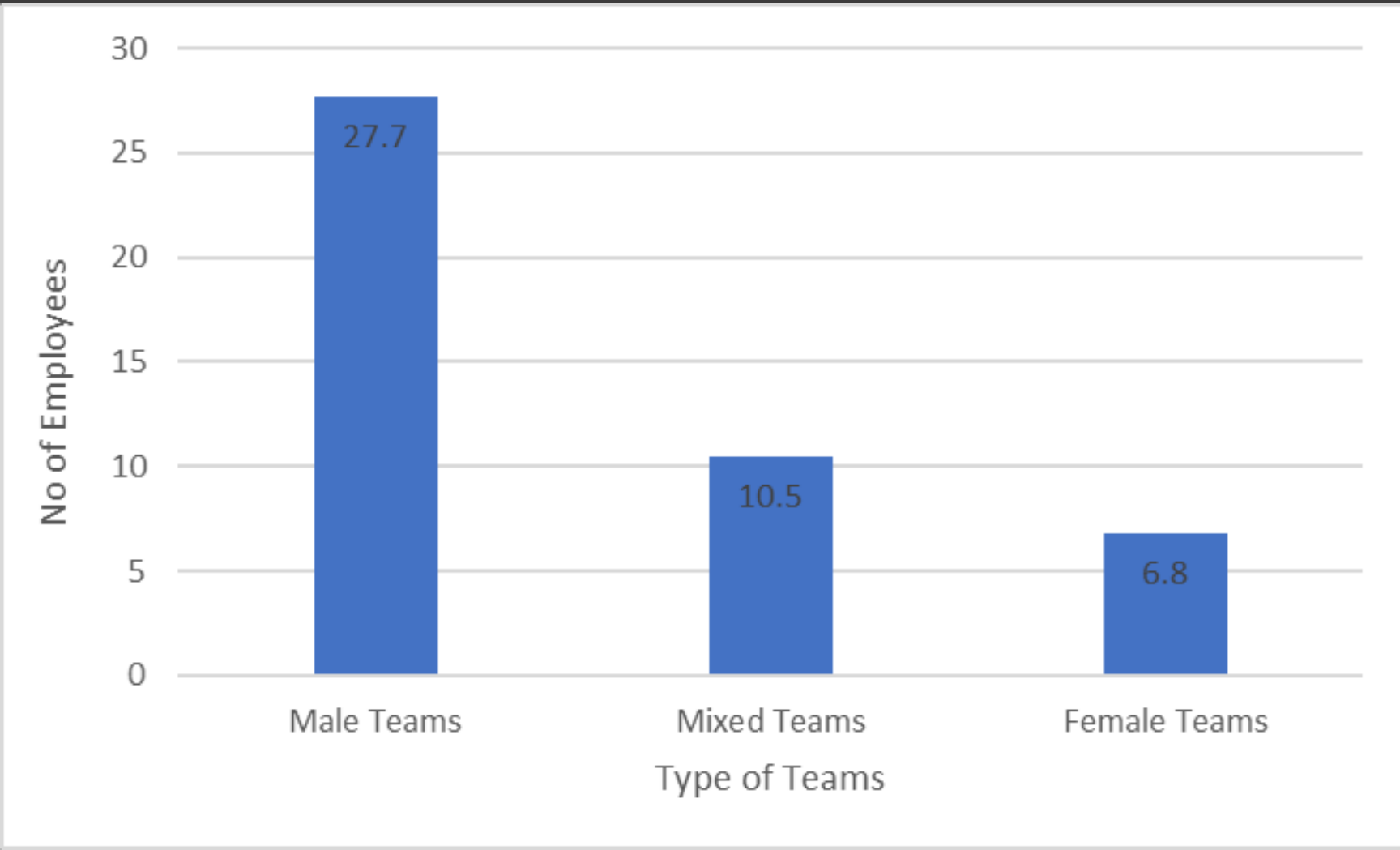


We can see a positive Trend:

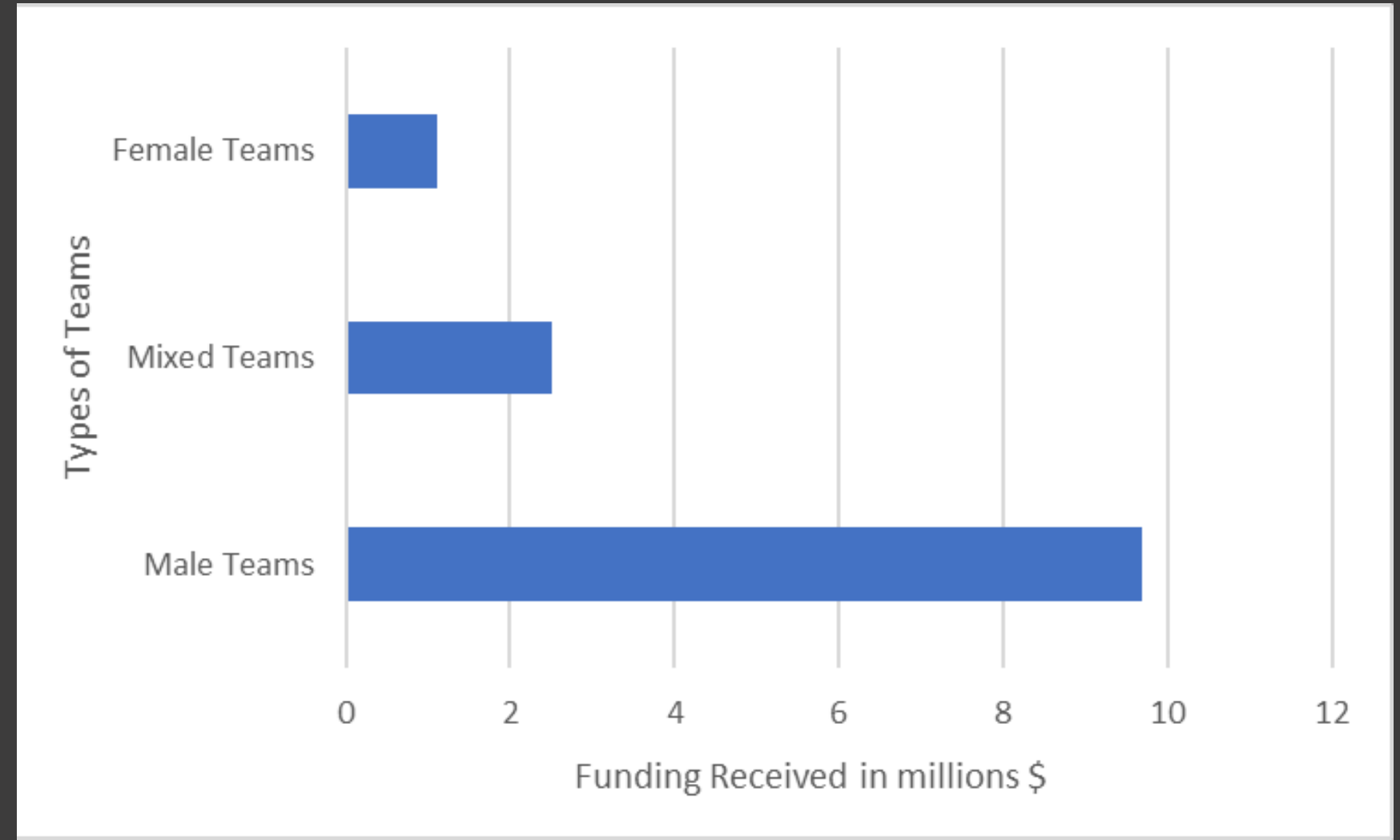
The share of female founders in Germany has risen to 20% and 37% of founding teams currently include at least one woman (but they do remain significantly underrepresented).

- The massive gender gap in the number of women startup founders is an international phenomenon among European countries, in which Germany ranks in the middle.
- **Gender Gap in Capital**: All-male teams receive almost nine times as much capital on average as all-female teams.
- **Investors are mostly men**: While only 6% of female founders are active as business angels, the share among male founders is 16% – an imbalance that increases challenges for women when it comes to financing
- **Worklife Imbalance**: The added stress faced by female founders with children often comes at the expense of their working hours. This is why 81% of them feel the need for improvements regarding the compatibility of family and entrepreneurship.

Average number of employees



Average funding received (in million Euros)



Policies to Support Women's Entrepreneurship

The National Agency for Women Start-ups Activities and Services (BGA) is a government agency in Germany that supports and promotes women's entrepreneurship. It was established in 2000 and is funded by the Federal Ministry for Family Affairs, Senior Citizens, Women, and Youth.

Entrepreneurship Education

- The Federal government is supporting the expansion of entrepreneurship activities in higher education through the *EXIST programme*.
- This is a national competition for higher education institutions where the entrepreneurship strategies are assessed and winners receive funding to support their implementation. It also focuses on financing and commercialising research results.

Business Counselling

- The European Social Fund supported the initiative "**Equality in the labour market creating prospects**" supports equal opportunities and promotes the equal participation of women and men in the German labour market.
- It advises women (and men) who seek to re-enter the labour market after family-related career breaks and also provides personal coaching. This support is provided through 23 centres across Germany.

Policies to Support Women's Entrepreneurship

Networking Opportunities

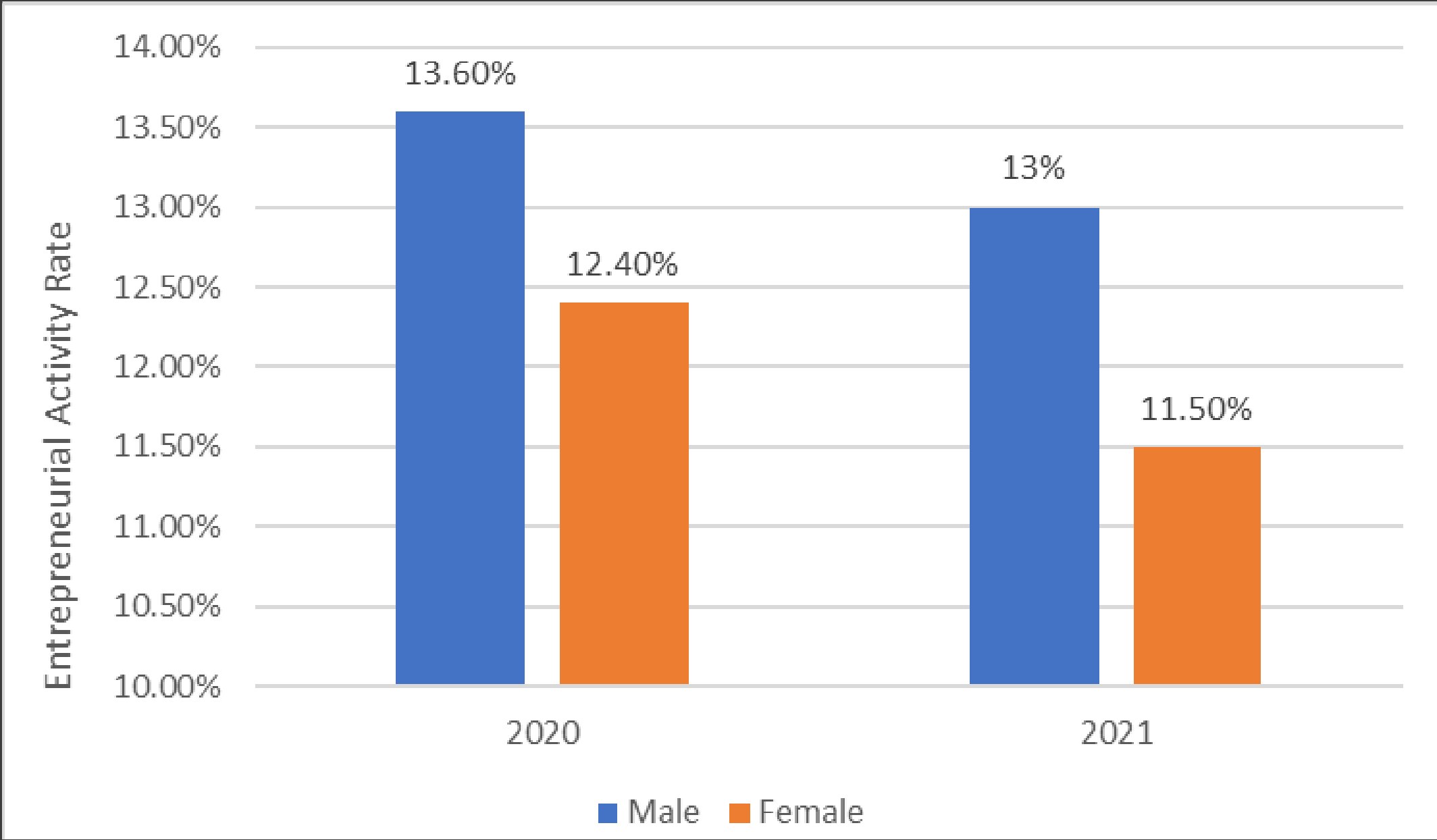
- WeiberWirtschaft eG is a government initiative that was established in 1992 as a network for female entrepreneurship centres. Currently, the network consists of 15 centres in nine federal states in Germany
- BGA hosts a database with more than 350 registered associations, centres, working groups, and women entrepreneurs as networking opportunities for (future) women entrepreneurs and business owners nationwide.

Role models and Mentors

- "FRAUEN Unternehmen" is a national initiative that has created a network of "role model" women entrepreneurs who travel to universities, schools, and economic development events to promote entrepreneurship among women.
- The Gründerinnenzentrale (Women's Start-up Centre) has established the "Push UP" program in which individual mentors support women in the initial start-up phase.

Mexico

***NOTE:** Entrepreneurial Activity Rate measures the proportion of the adult working age population that is actively trying to start a business, or manages a business that is less than three and a half years old*



- According to the Global Entrepreneurship Monitor (GEM) 2020/2021 report, the Total Entrepreneurial Activity (TEA) rate for women in Mexico was 16.5%, which is higher than the average for Latin America and the Caribbean (12.3%) and the average for high-income countries (7.4%).
- According to the National Institute of Statistics and Geography (INEGI), the number of women-led businesses in Mexico grew by 27% between 2012 and 2018, which is commendable.

Problems Faced by Women Entrepreneurs in Mexico

- **Access to Finance:** According to a study by the International Finance Corporation (IFC), only 29% of women entrepreneurs in Mexico have access to formal financial services, compared to 45% of men.
- **Regulatory and Administrative Barriers:** According to a study by the World Bank, it takes an average of 20 days and 7 procedures to register a business in Mexico, which can be time-consuming and complex for entrepreneurs, particularly those with limited resources.
- **Size and Scale:** According to data from the National Institute of Statistics and Geography (INEGI), the average revenue per employee in women-owned businesses is 37% lower than in male-owned businesses.
- **Access to Markets:** According to a study by the National Entrepreneurship Institute (INADEM), only 13% of women entrepreneurs in Mexico export their products or services, compared to 25% of male entrepreneurs.

POLICIES TO SUPPORT WOMEN'S ENTREPRENEURSHIP

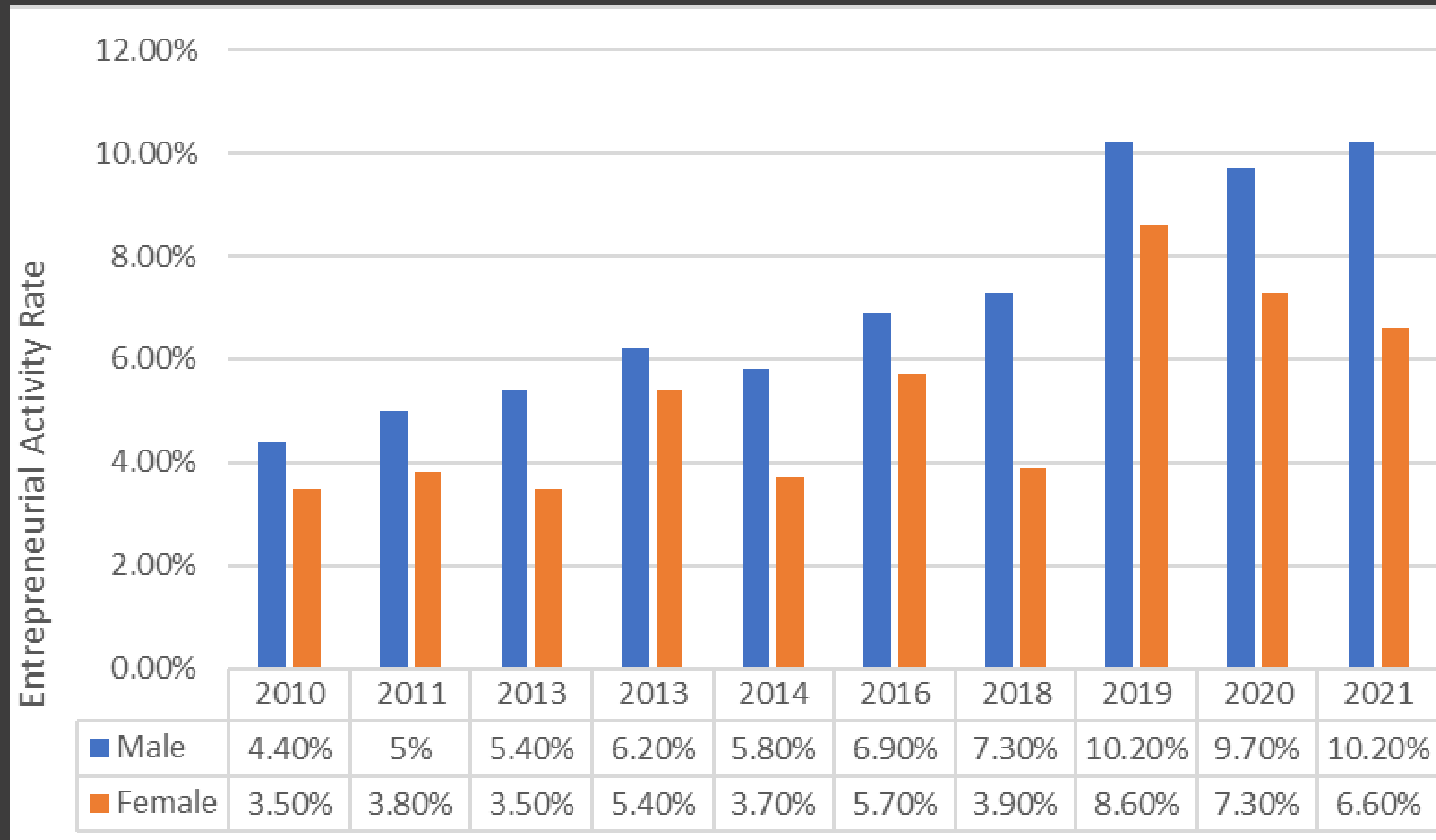
National Program for Women's Entrepreneurship (PNME)

- The program was launched in 2013 by the Ministry of Economy and is designed to support and promote the creation, growth, and consolidation of women-led businesses in Mexico.
- In addition to training, the PNME has provided over 10,000 women entrepreneurs with access to funding and credit through partnerships with financial institutions and other organizations.
- In 2020, the Mexican government allocated approximately 535 million pesos (around 27 million USD) to support the PNME and other programs aimed at promoting women's economic empowerment and gender equality.

Support Program for Women Entrepreneurs

- This program was launched in 2007 by the National Institute of Women (Instituto Nacional de las Mujeres, INMUJERES), which is a decentralized agency of the federal government.
- The program has provided training and capacity-building programs to over 65,000 women entrepreneurs, helping them to develop their skills and knowledge in areas such as marketing, finance, and business management.
- PAEM has also provided over 13,000 women entrepreneurs with access to funding and credit through partnerships with financial institutions and other organizations.

Russia



- According to the Global Entrepreneurship Monitor (GEM) 2020-2021 report, the percentage of women involved in early-stage entrepreneurship in Russia was 6.6%.
- On the other hand, the level of entrepreneurial activity among women in the early stages was only 1.6% in 2007. Hence, Russian women's entrepreneurship has progressed significantly over the years.

Problems Faced by Women Entrepreneurs in Russia

- **Access to Financing:** Some two-thirds of women entrepreneurs in Russia are inadequately serviced by banks, needing an average of \$42,000 in financing.
- **Gender Pay Gap:** Russian women earn only 72 cents for every dollar earned by men, which makes it difficult for them to access the capital to even start their businesses.
- **Lack of Networks:** According to the European Bank for Reconstruction and Development (EBRD), only 8% of women in Russia reported having a mentor or advisor, compared to 23% of men.
- **Legal Barriers:** It can take up to 50 days to register a new business in Russia, and there are complex tax and regulatory requirements that can be difficult to navigate for women entrepreneurs.
- **Cultural Attitudes:** A survey by the Moscow School of Management SKOLKOVO found that 53% of Russian men and 38% of Russian women believe that women are less successful in business due to their gender.

POLICIES TO SUPPORT WOMEN'S ENTREPRENEURSHIP

The National Strategy for Women's Advancement and Gender Equality

Core Projects in the National Strategy for Women's Advancement and Strategy included the following:

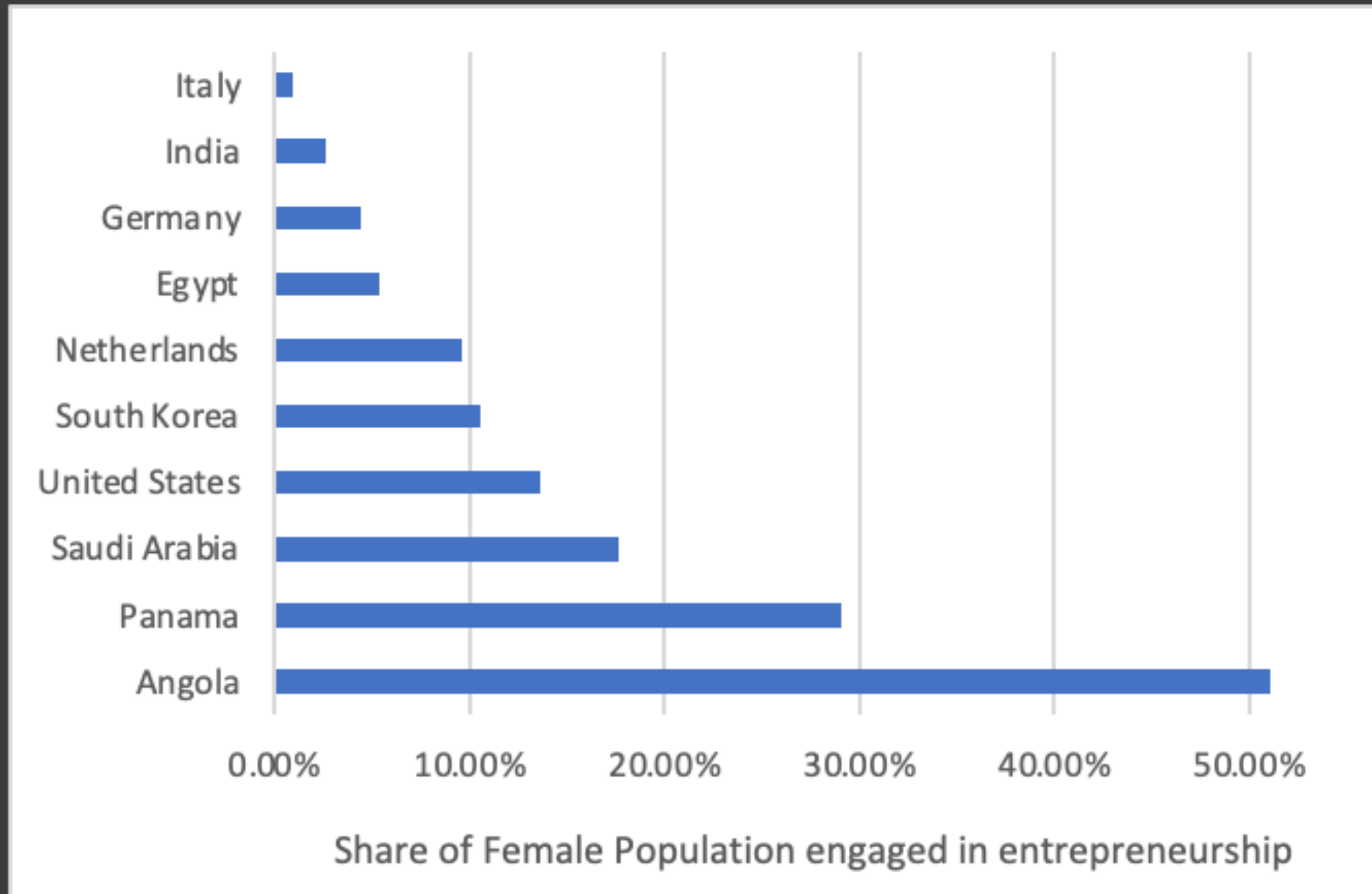
- Women for Sustainable Industrial Development
 - Women in Digital Economy
 - Women's Cooperation in the World Trade
 - Women's Financial Literacy.
-
- Federal Corporation for the Development of Small and Medium Enterprises (SME Corporation) implements the following programmes as part of the national strategy: - “ABC's of Entrepreneurship”, an educational programme on setting up a business from scratch and “School of Entrepreneurship”, a programme on business development. 16,524 persons completed these programmes in 2018, and 58% of them were women.

POLICIES TO SUPPORT WOMEN'S ENTREPRENEURSHIP

The Russian Government's '*Support for Women Entrepreneurship*' program is a flagship state initiative aimed at promoting the participation of women in the country's entrepreneurial landscape.

- According to the Ministry of Economic Development, the program has provided support to more than 27,000 women entrepreneurs since its launch in 2017.
- The program has helped to increase the number of women-owned businesses in Russia by more than 10% over the past four years.
- In a survey conducted by the Ministry of Economic Development, over 80% of women entrepreneurs who received support from the program reported an improvement in their business performance and competitiveness.
- The credit line established for women entrepreneurs has supported the creation of over 3,000 new businesses and helped to preserve over 15,000 jobs.

Saudi Arabia



Source: Global Entrepreneurship Monitor

- According to a report by the Global Entrepreneurship Monitor (GEM) published in 2020, women in Saudi Arabia accounted for approximately 17.7% of the total adult population who were either starting or running a new business.
- In 2020, the Saudi Arabian General Investment Authority (SAGIA) reported that women accounted for 24% of the total number of new business licenses issued in the country.

Problems Faced by Women Entrepreneurs in Saudi Arabia

- **Access to Finance:** According to a report, women entrepreneurs in Saudi Arabia face significant obstacles in accessing finance, with only 10% of women-owned businesses in the country having access to bank loans or other forms of financing
- **Cultural Barriers:** A survey by the Saudi British Bank found that 70% of women in Saudi Arabia who were interested in entrepreneurship cited cultural and social barriers as the main obstacle to pursuing their business ideas.
- **Access to Markets:** A report by the Organization for Economic Cooperation and Development found that only 16% of women-owned businesses in the country reported that they had exported goods or services, compared to 23% of men-owned businesses.
- **Access to Training:** According to a report by the World Bank, only 7% of women in Saudi Arabia reported having taken a business course or training program in the past year, compared to 22% of men.



For any inputs, suggestions or clarifications, please contact us at cnesinfosphere@gmail.com



Thank you!