

BUSINESS ENVIRONMENT REFORMS TO PROMOTE EQUAL OPPORTUNITIES FOR WOMEN IN THE LABOUR MARKET

EVIDENCE FROM ACP COUNTRIES



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BUSINESS ENVIRONMENT REFORMS TO SUPPORT WOMEN-OWNED BUSINESSES IN ACP COUNTRIES

LEGAL, ADMINISTRATIVE AND POLICY REFORMS TO ACCESS FINANCE AND MANAGE BUSINESSES

EXECUTIVE SUMMARY

Women are more likely to be unemployed, be economically inactive, work in the informal sector, and to have temporary or more precarious employment than men. A mix of social norms, time scarcity – in particular due to unpaid care activities or the lack of quality and affordable care, discrimination, lack of mobility, and low levels of human capital accumulation, affect women's likelihood of getting a high-quality paid job. COVID-19 has widened the historical inequalities present in the labour market. In addition to the increased time allocated to care activities due to the closing of schools and nurseries, jobs operated by women are more likely to be concentrated in sectors strongly affected by the pandemic, such as consumer-focused areas like hospitality, retail, education and care services. Closing the gender labour force and pay gaps are both moral and economic imperatives. It is estimated that the total Gross Domestic Product loss due to gender inequality in earnings was 14 per cent globally. McKinsey calculated that advancing gender equality could add \$13 trillion to global GDP in 2030.

This paper focuses on the legal, administrative, and policy and tax incentives and reforms necessary to promote a more inclusive labour market for women to have better quality jobs. African, Caribbean, and Pacific (ACP) countries need to continue and even strengthen policy and regulatory reforms, including tax reforms that encourage greater gender equality in the jobs market, higher earnings for women, and women's labour force participation in traditionally male-dominated sectors. While Business Environment Reforms (BER) alone are not enough, they have the potential of creating an enabling environment to promote women's economic empowerment through more and better quality jobs for women.

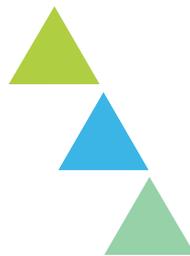
KEY FINDINGS

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Having equal opportunities under the law is essential to promoting equal opportunities for women¹ in the labour market. The lack of equal treatment under the law, negatively affects women’s access to the labour markets, earnings, and participation in highly productive activities.
[Increasing women’s labour market participation through legal reforms >>>](#)
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Policies and regulations still prohibit or create barriers for women from entering traditionally male-dominated industries, which often provide higher earnings and more job opportunities. BER could enhance women’s access to these specific job markets, thus reducing existing occupational segregation and gender stereotypes.
[Promoting women’s participation in traditionally male-dominated industries >>>](#)
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Fiscal systems and policies can influence women’s employment decisions and can limit or promote women’s labor market participation. Public procurement opportunities for targeting increased participation of women, either with quotas in traditionally male-dominated sectors or for the inclusion of women-owned businesses, can be useful for promoting a more inclusive labour market.
[Discriminatory fiscal systems and the role of tax incentives to promote a more inclusive job market for women >>>](#)



This paper provides examples of good practices in BER, which tackle legal, administrative, and tax barriers affecting women’s ability to participate in the labour market, and have access to better quality and higher paid jobs.

¹ This report does not intend to reproduce binary and discriminatory gender order and does not mention/include the LGBTQIA+ persons due to the complexity of analysing existing laws and regulations that impede full access to opportunities for this community. Most of the studies do not refer to the LGBTQIA+ population explicitly. Therefore, it cannot be assumed that their results apply to them. This is because not only do most ACP countries (and most of the world) only recognize the binary gender (male and female) on identity cards, but they also consider that sexual relations between people of the same sex are illegal and are in many cases punished with a prison sentence. The implications of discriminatory laws against the LGBTQIA+ community on businesses and labour markets need a study on its own. Without the intention of being exclusive, and because it is a concept used in most of the articles cited, the idea of gender will be used in a binary way in this report.

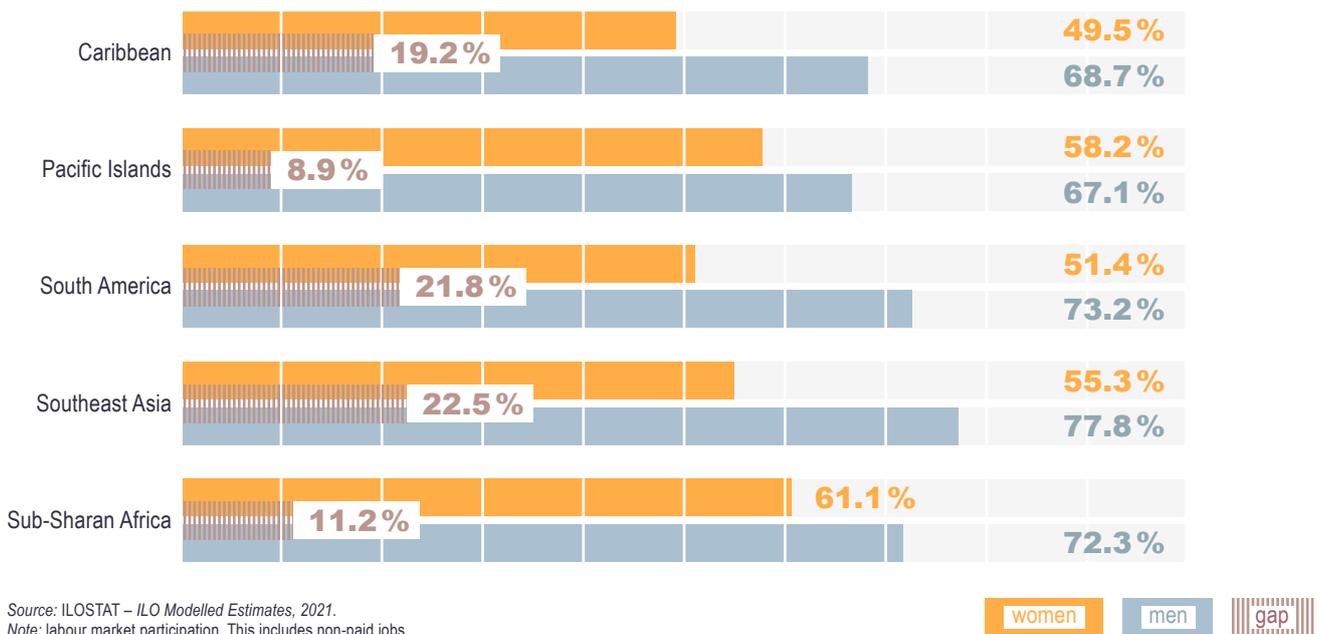
INTRODUCTION

Women are more likely to be unemployed, economically inactive, work in the informal sector, and have temporary or more precarious employment than men. Even when they have paid jobs, these are more likely to be lower quality jobs, with lower wages and social protection, than those held by male counterparts.

In 2021, estimates suggest that on average only 49.5 per cent of women in the Caribbean participated in the labour force. This is 19.2 percentage points below (Figure 1) the labour force participation rate of males and

represents the widest gap among African, Caribbean and Pacific (ACP) countries. In Sub-Saharan Africa this gap is 11.2 per cent and in the Pacific Islands it is 8.9 per cent. Furthermore, only 18.8 per cent of women in Africa have a paid job, compared to 30.3 per cent of men.² It is estimated that 12.4 per cent of women in the Caribbean are unemployed (compared to 8.1 per cent of men).³ In the Pacific Islands, 61.1 per cent have a vulnerable job,⁴ compared to 46.1 per cent of male counterparts.⁵ This disparity is not limited to ACP countries, and also applies to regions like South America and Southeast Asia.

FIGURE 1: Labour market participation by gender by regions, 2021



2 World Bank Group. World Development Indicators. 2021. <https://databank.worldbank.org/source/world-development-indicators>

3 ILOSTAT. ILO Modelled Estimates. 2021.

4 Vulnerable job is defined by World Bank as to unpaid family workers and the self-employed as a percentage of total employment.

5 World Bank Group. World Development Indicators. 2021

While the gender gap in labour force participation among adults stagnated over the past 20 years, it has widened due to the pandemic as there has been a substantial fall in participation in the context of COVID-19.⁶ Indeed, COVID-19 has worsened each labour market indicator for women and has increased the existing gender gaps.⁷

In addition to the increased time allocated to care activities due to the closing of schools and nurseries, and increased care for the sick (due to COVID-19) and the elderly, jobs operated by women are concentrated in sectors strongly affected by the crisis, notably in consumer-focused areas such as hospitality, retail, education, and care services, both in the formal and the informal sector.⁸

Due to the pandemic, and the acceleration of technological changes (for example, more individuals buying online, and using productivity or leisure apps) more jobs in the sectors dominated by women are being destroyed worldwide.⁹

On the one hand, occupations in the entertainment industry, recreation, accommodation and food services, tourism, in person-retail and educational services, which are predominantly dominated by women, have been hit the hardest by COVID-19. On the other hand, employment opportuni-

ties in traditionally male dominated occupations, such as in transportation, construction and technology, are soaring. Therefore, with this trajectory, potentially more women-held jobs could be lost in the future.

The ICR Facility delivered a live event on improving the Investment Climate through Gender-Sensitive Reforms during Covid-19. This webinar looked at the role of the private sector in halting and reversing widening gender gaps caused by the pandemic and how ACP governments can promote gender-sensitive business environment reforms for a sustainable recovery. Watch the recording [here](#).

HOW TO EXPLAIN THESE GAPS?

Women face barriers to benefit from the labour markets in the same way men do. Structural constraints such as social norms, the time dedicated to unpaid care activities or the lack of quality and affordable care, influence women's preferences and possibilities towards not pursuing paid work, working fewer hours, or doing so in sectors traditionally dominated by women, which are often low-paid sectors. In addition, discrimination, time scarcity, lack of mobility, gender asset gaps, and low levels of human capital accumulation affect women's likelihood to get a paid job and its quality and earnings.¹⁰

On average, women in most Sub-Saharan African countries have lower educational attainment levels than men and are less likely to have a high school diploma. As seen in [Figure 2](#), in Senegal, for example, only five per cent of women have completed the upper secondary level, compared to 17.3 per cent of men. This limits women's opportunities and their likelihood of accessing a formal job. However, the opposite is true in the Caribbean and Pacific Island countries where the overall population presents higher levels of education, and women have the same or slightly higher educational attainment than men. For example, in Saint Vincent, 44 per cent of women have completed their upper secondary degree, compared to 39.6 percent of men. This means also that women in the Caribbean and the Pacific islands have better opportunities to access formal jobs with higher wages.

6 Webinar available: https://www.youtube.com/playlist?list=PLLAZ9Lc6fzqkfreWJHJg1ICRLMP_Y64qE

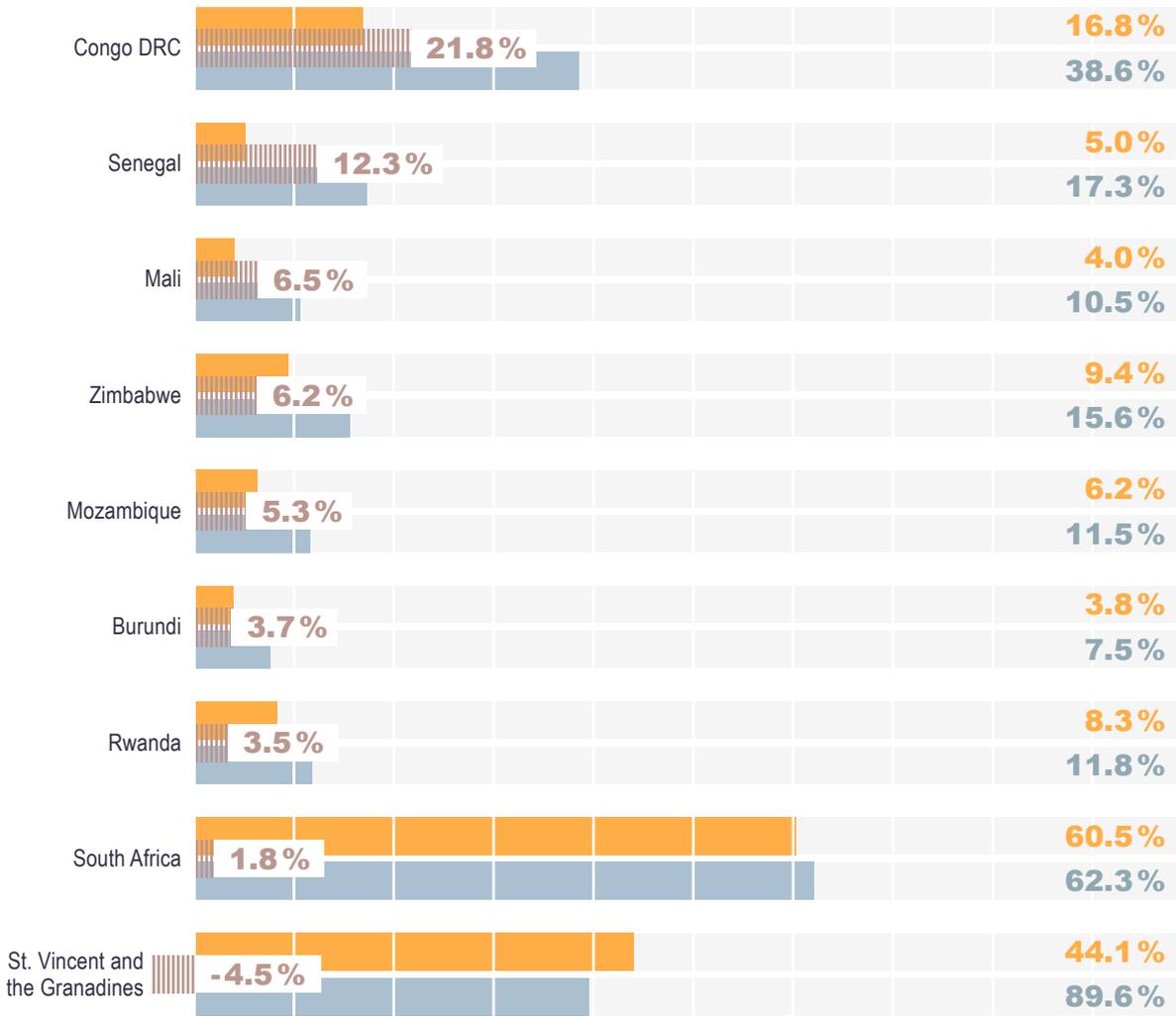
7 UN Women, *From Insights to Action. Gender equality in the wake of COVID-19*. United States: UN Women, 2020. <https://www.unwomen.org/-/media/headquarters/attachments/sections/library/publications/2020/gender-equality-in-the-wake-of-covid-19-en.pdf?la=en&vs=5142>

8 Ibid.

9 World Economic Forum. *Global Gender Gap Report 2021. Insight Report*. March 2021. WEF, 2021. http://www3.weforum.org/docs/WEF_GGGR_2021.pdf

10 Deere, C.D., Oduro, A, Swaminathan, H, and Doss, C. *Property Rights and the Gender Distribution of Wealth in Ecuador, Ghana and India*. Journal of Economic Inequality 11 (2013) (2): 249–65.

FIGURE 2: Educational attainment – percentage completing upper secondary



Source: UNESCO Institute for Statistics, 2021.
 Note: Selected countries are organised from the highest to the lowest gap.

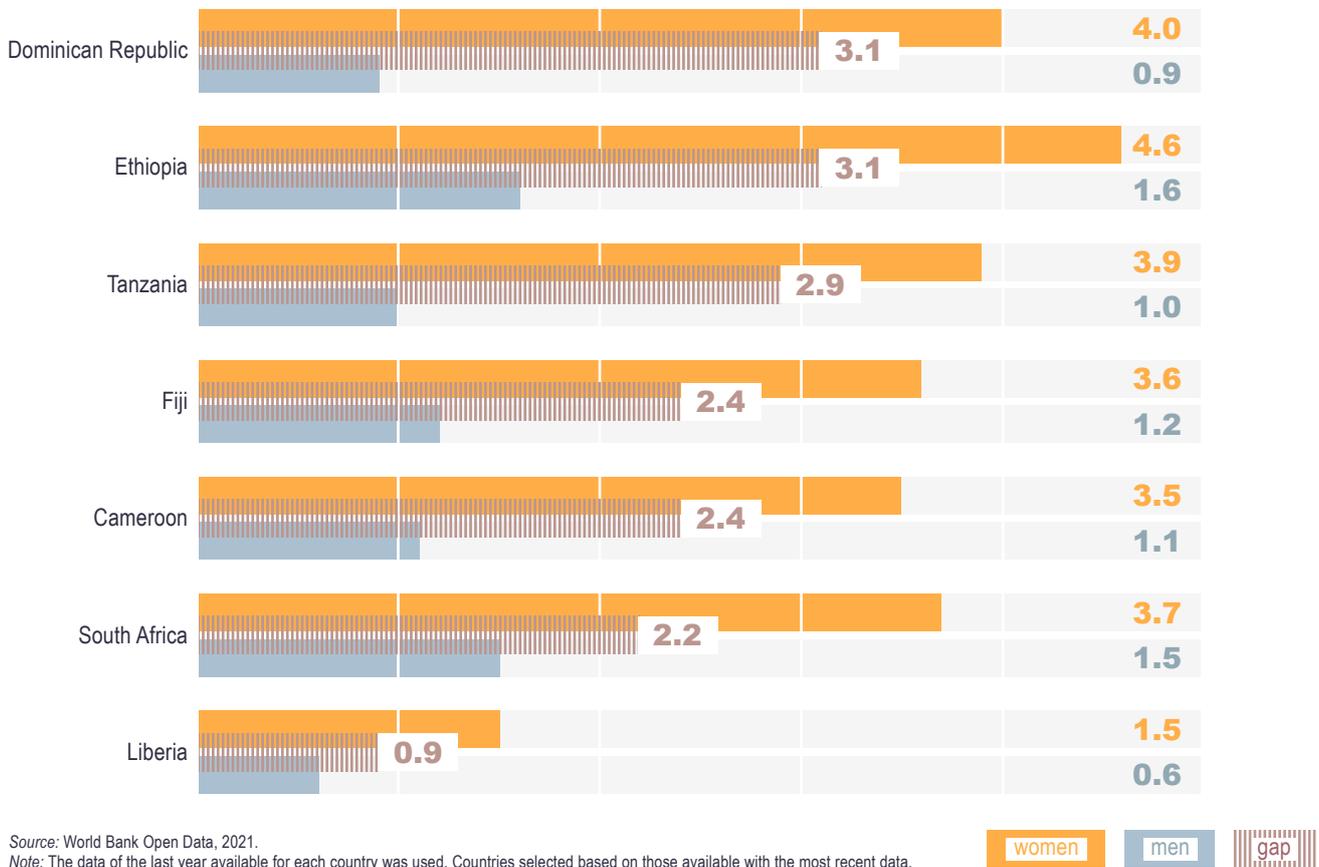


During the COVID-19 pandemic, the time dedicated to providing care has severely curtailed women’s labour force participation and is reflected in other job market indicators. In some countries, the crisis caused by the pandemic has been named a “She-cession” because of its differential impact on women. Even before the pandemic, in countries like Tanzania, it was estimated that women do almost four times more unpaid care and household work than men. **Figure 3**, shows that, on average, women spend three more hours per day on unpaid care and domestic work than men. The unequal distribution of domestic and care work at home affects women’s ability and time availability to have a paid job outside their homes.

In addition, women’s labour market participation and the quality and earnings of their jobs are affected by laws that restrict their mobility, the hours they can work and the type of occupations they can have. Their participation is further hampered by fiscal systems with explicit and implicit biases.¹¹ For example, as of 2021, according to Women Business and the Law, laws still prohibited women from getting a job in the same way as men in 10 Sub-Saharan African countries; there were no laws that prohibited gender-based discrimination in recruitment processes and the workplace in 17 ACP countries; and there were no laws prohibiting sexual harassment in the workplace in 28 ACP countries. Similarly, tax systems tended to penalize second income earners, who are more likely to be women.

11 Donor Committee for Enterprise Development (DCEd). UKaid. Swiss Agency for Development and Cooperation SDC. *Business environment reform and gender*. Donor Committee for Enterprise Development (DCEd). UKaid. Swiss Agency for Development and Cooperation SDC, 2016. <https://www.enterprise-development.org/wp-content/uploads/BEWG-DCEd-Technical-Paper-Gender-and-BER.pdf>

FIGURE 3: Daily hours spent on unpaid domestic and care work in selected ACP countries*



These types of restrictions negatively affect women’s economic opportunities and their formal workforce participation. They also contribute to the continuation of existing occupational segregation that concentrate men in higher-paid occupations and women in lower-paid ones.¹² The absence of a culture of shared care roles in the household, added to the lack of maternity, paternity and parental leave policies, and subsidized or public child and elderly care, also affect women’s labour market indicators.¹³

Evidence suggests that Business Environment Reforms (BER) that promote greater gender equality under the law are associated with more women participating in the labour force.¹⁴ In recent years, the equal pay regulations established around the world have led to positive changes in women’s employment, even in developing countries.¹⁵ In addition, countries that have moved towards more inclusive tax systems have witnessed improvements in their female labour market indicators.¹⁶

12 World Bank Group, *Profiting from Parity: Unlocking the Potential of Women’s Businesses in Africa*. World Bank Group, 2019. <https://openknowledge.worldbank.org/bitstream/handle/10986/31421/135420-ProfitingfromParityFullReport.pdf?sequence=1&isAllowed=y>

13 Ibid.

14 World Bank Group, *Women, Business and the Law 2021*. Washington: World Bank Group, 2021. <https://openknowledge.worldbank.org/bitstream/handle/10986/35094/9781464816529.pdf>

15 Ibid.

16 Grown, C. Valodia, I. *Taxation and Gender Equity. A comparative analysis of direct and indirect taxes in developing and developed countries*. Abingdon, New York: 2010. <https://idl-bnc-idrc.dspacedirect.org/bitstream/handle/10625/43684/IDL-43684.pdf?sequence=1&isAllowed=y>

WHY IS IT ESSENTIAL TO ADDRESS THE LABOUR MARKET GAPS?

It is estimated that the total Gross Domestic Product (GDP) loss due to gender inequality per year in earnings was 11.4 per cent in Sub-Saharan Africa, 16.6 per cent in East Asia and the Pacific, and 7.9 per cent in Latin America and the Caribbean.¹⁷ Closing the gender labour and pay gap is both a moral and an economic imperative. McKinsey calculated that advancing gender equality could add \$13 trillion to global (GDP) by 2030.¹⁸ A more diverse labour force and a more diverse talent pool represents society and the customer base,¹⁹ while also contributing more diversity in skills and education that may generate knowledge spillover, positively affecting firms' performance.²⁰

Gender equality is also a moral imperative aligned to the 2030 Agenda and its Sustainable Development Goals (SDG), where women's equality and empowerment is one of the 17 SDGs, namely SDG 5. It is also integral to all dimensions of inclusive and sustainable development,²¹ as well as the Generation Equality Forum, which aims to accelerate equality, leadership and opportunity for women and girls worldwide.²²

The **ICR Facility** can provide short-term technical assistance for women's economic empowerment in ACP countries through its three existing components. This includes, for instance, providing technical assistance to government agencies, business association or trade unions on issues such as reform to address discriminatory legislation and legislation, labour rights and working conditions. Support can also be provided for strengthening the role of women and women's associations in public private dialogues e.g. for topics important for women entrepreneurs. The ICR Facility also offer assistance to development finance institutions on improving their gender strategy and capacity. Additionally, the Facility commissions knowledge products such as this IC Report to support women's economic empowerment.

To find out more, to check eligibility requirements, or to apply for technical assistance, please visit www.icr-facility.eu/request-form.

17 Wodon, Q. de la Brière, B. *Unrealized Potential: The High Cost of Gender Inequality in Earnings. The Cost of Gender Inequality*. Washington, DC: World Bank. © World Bank. (2018). <https://openknowledge.worldbank.org/handle/10986/29865>

18 McKinsey Global Institute. *Don't let the pandemic set back gender equality*. McKinsey Global Institute, September 18, 2020. <https://www.mckinsey.com/mgi/overview/in-the-news/dont-let-the-pandemic-set-back-gender-equality>

19 Bharadwaj Badal, S. *The Business Benefits of Gender Diversity*. Gallup. 2014. <https://www.gallup.com/workplace/236543/business-benefits-gender-diversity.aspx>

20 Lazear, E. *Globalization and the Market for Teammates*. 1999. *The Economic Journal*, 109: 15-40.

21 UN Women. *SDG 5: Achieve gender equality and empower all women and girls*. n.d. <https://www.unwomen.org/en/news/in-focus/women-and-the-sdgs/sdg-5-gender-equality>

22 The Forum's 5-year action journey is built around a Global Acceleration Plan – a global road map for gender equality that aims to fulfil the promise of the Beijing Platform for Action and achieve the Sustainable Development Goals, including \$40 Billion in financial commitments. *UNW – GAP Report – EN.pdf (generationequality.org)*

The OECD estimated that discriminatory laws and social norms and practices are the cause of an 8 per cent loss in global investment and a 12 per cent decrease in labour force participation for women, which resulted in a 7.5 per cent loss of the global GDP.²³ Conversely, estimates indicate that reducing the gender gap in labour force participation by 25 per cent could increase the global GDP by 3.9 per cent.²⁴ Furthermore, simulations by the IMF reveal that closing the gender education gaps can increase female labour force participation by almost 19 pp in developing countries.²⁵

Improving women's labour market participation and the quality of the work they perform has positive benefits for them, their families, and society overall. Indeed, women's earnings are more likely to be invested in the education and better nutrition of their children, reducing the intergenerational transmission of poverty.²⁶

Finally, income and employment increase women's bargaining power and their fallback position,²⁷ which protects women from domestic violence, particularly Intimate Partner Violence (IPV), saving lives and millions to governments in investment in social and health services.²⁸

This second paper of the Women's Economic Empowerment series produced by the ICR facility will focus on BER to promote women's employment and improve the quality of the jobs they get.

This includes laws, regulations, and tax reforms, and incentives that promote women's economic empowerment through more and better labour market opportunities. The good practices used in this paper are examples of what ACP countries could achieve by addressing gender gaps through BER. It is important to bear in mind that while BER can create an enabling environment to increase women's labour force participation, passing laws and creating tax incentives or reforms alone is not enough to close the gender labour market gap. First, they need to be implemented and adopted. Second, gendered social norms,

structural barriers, and the disproportionate share of care activities that are shouldered by women restrict their formal employment opportunities and are issues that need to be addressed alongside BER initiatives.²⁹ Changes in laws and policies can however provide important first steps and create a signalling effect towards a wider change.

The ICR Facility can contribute towards creating a more gender inclusive labour market by supporting governments, policymakers, statistical offices, business associations, regional organizations, among others, to implement such reforms.

23 OECD. *Introduction. Social Institutions and Gender Index, SIGI 2019 Global Report*. 2019. OECD. <https://www.oecd-ilibrary.org/sites/08557968-en/index.html?itemId=/content/component/08557968-en>; OECD. *Public Governance Directorate Committee of Senior Budgets Officials*. 2021. [https://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=GOV/SBO\(2021\)3&docLanguage=En](https://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=GOV/SBO(2021)3&docLanguage=En)

24 ILO. *World Employment Social Outlook. Trends for Women 2017*. ILO, 2017. https://www.ilo.org/wcmsp5/groups/public/-/dgreports/-/inst/documents/publication/wcms_557245.pdf

25 Fabrizio, S. Fruttero, A. Gurara, D. Kolovich, L. Malta, V. Tavares, M. Tchelishvili, N. *Women in the labour Force: The Role of Fiscal Policies*. IMF, 2020. <https://www.imf.org/-/media/Files/Publications/SDN/2020/English/SDNEA2020003.ashx>

26 Kronfol, H. Nichols, A. Tran, T. *Women at Work : How Can Investment Incentives Be Used to Enhance Economic Opportunities for Women?* Policy Research Working Paper; No. 8935. World Bank, 2019. Washington, DC. © World Bank. <https://openknowledge.worldbank.org/handle/10986/32055> License: CC BY 3.0 IGO.

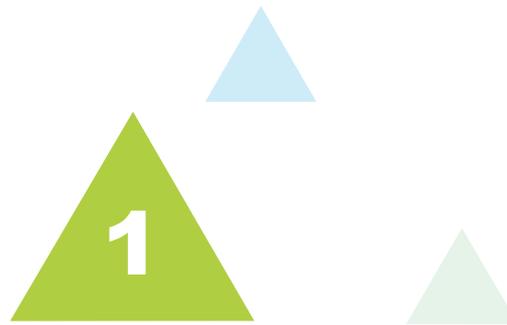
27 Bargaining power is defined as the ability to exert influence over another (Donald et al., 2017). This is usually considered to understand negotiation within the household about decision-making. A fundamental aspect of bargaining power is a person's fall-back position, which is defined as "the outside options that determine how well-off the person would be if cooperation failed" (Agarwal, 1997).

Donald, A. Koolwal, G. Annan, J. Falb, K. Goldstein, M. *Measuring Women's Agency*. Policy Research Working Paper; No. 8148. World Bank, 2017. Washington, DC. © World Bank. <https://openknowledge.worldbank.org/handle/10986/27955> License: CC BY 3.0 IGO; Agarwal, B. *Bargaining and gender relations: within and beyond the household*. CND discussion paper n° 27. 1997. https://www.researchgate.net/publication/2822720_Bargaining_And_Gender_Relations_Within_And_Beyond_The_Household; Morrison, A.W., Orlando, B. *The costs and impacts of gender-based violence in developing countries: Methodological considerations and new evidence*. The World Bank working paper, 2004.

28 Agarwal, B. *Bargaining and gender relations*.

29 United Nations. *Policy Brief: The Impact of COVID-19 on Women*. UN, 2020.

<https://www.un.org/sexualviolenceinconflict/wp-content/uploads/2020/06/report/policy-brief-the-impact-of-covid-19-on-women/policy-brief-the-impact-of-covid-19-on-women-en-1.pdf>



INCREASING WOMEN'S LABOUR MARKET PARTICIPATION THROUGH LEGAL REFORMS

In most ACP countries, with a few exceptions in the Caribbean, women are more likely than men to be out of the labour force, unemployed and economically inactive, and to earn less for the same job.³⁰ While labour market gaps between men and women are caused by a variety of factors, discriminatory laws and regulations, or the absence of anti-discriminatory

legislation, are major barriers to women's access to paid, quality jobs.³¹ BER has the potential to create an enabling environment for a more equitable labour market for women, by promoting a more inclusive labour market for women with legal, regulatory, fiscal reforms.

1 LEGAL BARRIERS TO EQUAL EMPLOYMENT OPPORTUNITIES FOR WOMEN

As shown in [Table 1](#), in some ACP countries, women cannot get a job in the same way as men do under the law. This means that there are restrictions on a woman's legal ability to get a job, such as establishing that husbands can prevent their wives from working or requiring that women obtain additional permission or documentation to get a job.³² Actually, as per the latest data available by Women, Business and the Law, only a few ACP countries (for example, Benin, Ivory Coast, Mali, Niger) mandate equal remuneration for work of equal value for both women and men.³³ In addition, in 18 ACP countries, the law does not explicitly prohibit discrimination in employment.

While reforms on laws that restrict women's employment, as presented above, are not sufficient on their own, they are still necessary steps towards a more inclusive labour market for women. Indeed, Hyland, Djankov and Koujianou Goldberg found a positive correlation between gender-sensitive laws, higher female labour force participation, and a decrease in the wage gap between men and women.³⁴

³⁰ World Bank Group. *World Development Indicators*.

³¹ Donor Committee for Enterprise Development (DCED). UKaid. Swiss Agency for Development and Cooperation SDC. 2016. *Business environment reform and gender*.

³² The World Bank Group. *Women, Business and the Law 2021*.

³³ Ibid.

³⁴ Hyland, M. Djankov, S. Koujianou Goldberg, P. Gendered Laws and Women in the Workforce: Dataset. American. 2020. *Economic Review: Insights*. <https://doi.org/10.1257/aeri.20190542>. <https://pubs.aeaweb.org/doi/pdfplus/10.1257/aeri.20190542>

TABLE 1:
LAWS THAT AFFECT WOMEN'S EMPLOYMENT IN ACP COUNTRIES

		
	Countries with laws restricting women from getting a job in the same way as men ³⁵	Countries where the law does not prohibit discrimination in employment based on gender ³⁶
Barbados		x
Botswana		x
Brunei Darussalam		x
Cameroon	x	
Chad	x	
Comoros	x	
Congo, Rep.		x
Dominica		x
Equatorial Guinea	x	
Eswatini	x	
Gabon	x	
Guinea-Bissau	x	
Jamaica		x
Mauritania	x	
Micronesia, Fed. Sts.		x
Niger	x	
Nigeria		x
Palau		x
Sierra Leone		x
Solomon Islands		x
St. Kitts and Nevis		x
St. Vincent and the Grenadines		x
Sudan	x	x
Tonga		x
Vanuatu		x

Source: Author's own elaboration based on World Bank, *Women, Business and the Law*, 2021.

Note: The ACP countries not included in this table or spaces in blank have no laws which act as a barrier for women's employment.

35 This refers to the fact that women do not have additional restrictions just because they are women. Their rights are upgraded to the point where there is no legal restrictions on these subjects, based on gender.

36 Although the World Bank refers to reforms based on gender, the meaning of this expression may differ from one country to another.

1 REFORMING THE LAW TO PROMOTE WOMEN'S EMPLOYMENT

What are some good practices to address these legal barriers towards equal employment? Countries such as the Marshall Islands, Senegal, Sierra Leone, and Ethiopia have developed strategies to change laws and regulations that impede women's equal labour market opportunities. In 2020, for example, the Marshall Islands prohibited gender-based discrimination in the workplace, and the law began to mandate equal pay for equal work.³⁷ Senegal also prohibited gender-based discrimination in the workplace, and Sierra Leone adopted legislation on sexual harassment in the workplace.³⁸ As these reforms were implemented recently, there is no evidence yet on their impact on women's employment. A positive effect is expected as different actors in society start recognising the need for equality in the labour market.

However, Ethiopia's change to its family law can provide some clues about the effect of such reforms. In 2000, Ethiopia reformed its family law, extending married women's access to marital property and removing restrictions that did not allow them to work outside their homes. As a result, women in the region that implemented the reforms first were more likely than their counterparts in non-implementing regions to be employed in jobs that could only be performed outside their homes.³⁹

The reform also led more women to access skilled and full-time paid jobs that could only be performed outside their homes.⁴⁰ This change also led to more women accessing skilled and full-time paid jobs.⁴¹ Furthermore, the study found that the policy had more significant benefits on younger and single women. Indeed, the family law reform also delayed the legal age of marriage from 15 years old to 18 years old, which led to a more significant impact on young and single women, increasing their labour force participation by 15–24 per cent in the areas impacted by the reform.⁴²

In 1994, Malawi introduced laws that invalidated customary law and included a requirement of a non-discrimination clause and equal inheritance clause for surviving spouses. This generated an increase in labour force participation rates for women.⁴³ Furthermore, in 1996, in Namibia, women's labour force participation increased 10 per cent after introducing a law that equalised property rights for married women, granting women the right to sign a contract, head a household, pursue a profession, open a bank account and initiate legal proceedings without their husband's permission.⁴⁴ Moreover, in 2005, Kenya outlawed the customary law that banned married women from inheriting from their deceased father⁴⁵ thus increasing women's chances to have enough economic resources to access education and training and open a business, among other benefits.

37 The World Bank Group. *Women, Business and the Law 2021*.

38 Ibid.

39 Women tend to be less geographically mobile, for instance, a study by the United Kingdom's Government Office for Science found that women tend to work in less productive firms and this was potentially because of their lack of geographical mobility caused by childcare responsibilities. Lucas, K. Stokes, G. Bastiaanssen, J. Burkinsaw, J. *Inequalities in Mobility and Access in the UK Transport System*. Social and Political Science Group, Institute for Transport Studies, University of Leeds. 2019. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/784685/future_of_mobility_access.pdf

40 Women tend to be less geographically mobile, for instance, a study by the United Kingdom's Government Office for Science found that women tend to work in less productive firms and this was potentially because of their lack of geographical mobility caused by childcare responsibilities. Lucas, K. Stokes, G. Bastiaanssen, J. Burkinsaw, J. *Inequalities in Mobility and Access in the UK Transport System*. Social and Political Science Group, Institute for Transport Studies, University of Leeds. 2019. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/784685/future_of_mobility_access.pdf

41 Hallward-Driemeier, M. Ousman, G. *Strengthening Economic Rights and Women's Occupational Choice: The Impact of Reforming Ethiopia's Family Law*. World Bank Policy Research Working Paper (6695), 2013.

42 Ibid.

43 Gonzales, C. Jain-Chandra, S. Kochhar, K. Newark, M. *Fair Play: More Equal Laws Boost Female Labour Force Participation*.

44 Ibid.

45 Ibid.

It is essential to consider that even when countries adopt such legal reforms, social norms and customary laws can continue to affect women's labour market opportunities. For example, although Kenya prohibited gender discrimination in its constitution in 1997, it was only in 2010 that customary law⁴⁶ was subject to non-discrimination and equal treatment.⁴⁷ Indeed, the World Bank estimated that customary law prevails in about a third of Sub-Saharan African countries even when it violates laws against gender-based discrimination.⁴⁸ For decades, decisions by African courts allowed customary law to continue without trying to mitigate its discriminatory application on women. For instance, Kenyan and Ghanaian courts have recently asserted the rights of women to own and dispose of real property above customary laws that, many times, do not allow for them to inherit land, which curtails their economic prospects and independence.⁴⁹ Although no evidence was found to evaluate the effects of legal measures against customary law, in 1993, Peru's new Constitution invalidated customary law whenever it went against the non-discrimination constitutional clause.⁵⁰ As a consequence, women labour force participation increased by 15pp in the decade that followed this reform.⁵¹

Promoting business environment reforms to allow more women-owned businesses to formalise also creates employment opportunities for women. Indeed, women face greater barriers than men to register and manage a business and access credits. Evidence also suggests that women are more likely to employ other women.⁵² The first report in this series on business environment reforms for women's economic empowerment by the ICR Facility focused on how to promote women-owned businesses.

ACP countries willing to increase women's labour market participation, earnings, and quality of their jobs need to identify and tackle the legal barriers that can affect women's economic empowerment both within the law and customary practices.⁵³

46 Customary law is the indigenous law of the population that abides by it, it is called as such because it has its source in the practices and customs of the people. Ndulo, M. *African Customary Law, Customs, and Women's Rights*. 2011. Cornell Law Faculty Publications. 187. <https://scholarship.law.cornell.edu/facpub/187>

47 Kamau, W. *Customary Law and Women's Rights in Kenya*. 2014. <http://theequalityeffect.org/wp-content/uploads/2014/12/CustomaryLawAndWomensRightsInKenya.pdf>

48 The World Bank Group. *Women, Business and the Law 2021*.

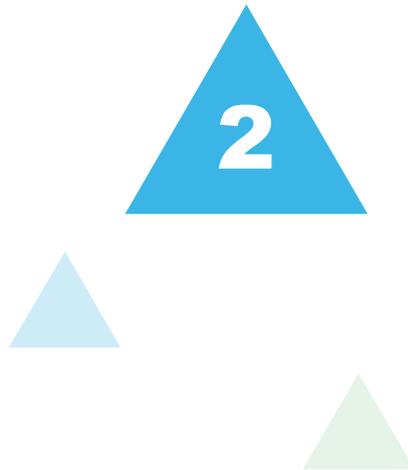
49 Ndulo, M. *African Customary Law, Customs, and Women's Rights*.

50 Gonzales, C. Jain-Chandra, S. Kochhar, K. Newark, M. Fair Play: More Equal Laws Boost Female Labour Force Participation. IMF Staff Discussion Note 15/02. 2015. <https://www.imf.org/external/pubs/ft/sdn/2015/sdn1502.pdf>

51 Ibid.

52 Directorate-General for International Partnerships – European Commission. *Because women matter. Designing interventions in food, nutrition, and agriculture that allow women to change their lives*. Directorate-General for International Partnerships – European Commission, 2019. <https://op.europa.eu/en/publication-detail/-/publication/51ec7cf6-5a05-11e9-a60e-01aa75ed71a1>

53 Martínez-Restrepo, S. *Business environment reforms to support women-owned businesses in ACP Countries. Legal, administrative, and policy reforms to access finance and manage businesses*. ICR. 2021. https://www.icr-facility.eu/fileadmin/files/downloads/icreports/icreport_ber_wee_en.pdf



PROMOTING WOMEN'S PARTICIPATION IN TRADITIONALLY MALE-DOMINATED INDUSTRIES

The OECD suggests that there are still 88 countries worldwide that prohibit women from entering certain occupations. This limits women's opportunities in the job market and reinforces existing occupational segregation as well as gender stereotypes of what kind of jobs women should do.⁵⁴ This is particularly worrisome since the pandemic has spurred a job boom in traditionally male dominated sectors such as construction, infrastructure, transportation and technology, but led to job losses female dominated sectors.⁵⁵ Occupational segregation explains to a great extent the income gaps between men and women, since traditionally male-dominated industries pay higher wages.⁵⁶ Pre-pandemic studies already suggested that four out of every five jobs destroyed within the next ten years due to automation would be jobs traditionally held by women.⁵⁷ From this perspective, the gender pay gap as well as women's job informality and unemployment will increase even more if women do not access traditionally male dominated sectors and activities in the current expansion, and remain in

potentially high automated activities (e.g. occupations that mainly include both routine physical tasks and routine cognitive work), easily replaced by technology and by changes resulting from the pandemic.⁵⁸

Indeed, in-person jobs or activities that are more likely performed by women (e.g. in education, beauty salons, restaurants, care activities, tourism) have been more affected by the pandemic crisis.⁵⁹ It is still unclear to what extent these trends will persist over time and change consumers' behaviours in the long run. However, many studies do suggest that we must plan for a 'new normal'⁶⁰ and take into account all segments of the labour force in the efforts to build back. Already, recovery policies are focusing on traditionally male-dominated sectors such as mining, oil, energy, and construction.⁶¹ While some industrialised economies are also pushing for a new normal aiming to 'build back better' through a more inclusive green recovery, this is not the overall agenda of most developing countries.

54 OECD. *SGI 2019 Global Report: Transforming Challenges into Opportunities*, Social Institutions and Gender Index, OECD Publishing, Paris, 2019. <https://doi.org/10.1787/bc56d212-en>

55 McKinsey Global Institute. *COVID-19 recovery in hardest-hit sectors could take more than 5 years*.

56 The World Bank Group. *Profiting from Parity*.

57 World Economic Forum. *The Global Gender Gap Report 2017*. 2017. http://www3.weforum.org/docs/WEF_GGGR_2017.pdf

58 World Economic Forum. *Global Gender Gap Report 2021. Insight Report*. March 2021.

59 Donor Committee for Enterprise Development (DCED). UKaid. Swiss Agency for Development and Cooperation SDC. 2016. *Business environment reform and gender*.

60 "New Normal" refers to the state to which society settles following the Covid-19 crisis. UNSDG. *A new normal: UN lays out roadmap to lift economies and save jobs after COVID-19*. 2020. <https://unsdg.un.org/latest/announcements/new-normal-un-lays-out-roadmap-lift-economies-and-save-jobs-after-covid-19>

61 Klatzer, E. Rinaldi, A. "#nextGenerationEU" Leaves Women Behind. *Gender Impact Assessment of the European Commission Proposals for the EU Recovery Plan*. 2020. https://alexandrageese.eu/wp-content/uploads/2020/07/Gender-Impact-Assessment-NextGenerationEU_Klatzer_Rinaldi_2020.pdf

2 LAWS THAT LIMIT WOMEN'S OPPORTUNITIES IN CERTAIN SECTORS

Certain laws combined with social norms affect women's opportunities to participate in specific sectors. They also reinforce gender occupational segregation and result in lower earnings for women. This is particularly true in traditionally male-dominated industries such as construction, oil, gas, and electricity. In some countries, the weight women can carry, the possibility of working night shifts – due, among other things, to the substantial burden of care work that women shoulder – or simply the type of work women can perform is limited by law.⁶²

As seen in [Table 2](#), in some ACP countries, women cannot work at night or cannot perform jobs that seem 'dangerous' or are industrial jobs,⁶³ in the same way as men, particularly in the mining, construction, manufacturing, and energy sectors. These types of laws include regulations that give authorities the power to determine whether a woman can work in industries and jobs deemed dangerous⁶⁴ to women 'regardless of the content of any decisions issued by that authority'.⁶⁵

TABLE 2:

LEGAL CONSTRAINTS PREVENTING WOMEN FROM WORKING IN TRADITIONALLY MALE-DOMINATED SECTORS IN ACP COUNTRIES

			
	Countries where women cannot work at night in the same way as men	Countries where women cannot work in a job deemed dangerous in the same way as men	Countries where women cannot get an industrial job in the same way as men
Angola		x	x
Barbados			x
Benin		x	x
Burkina Faso		x	x
Cameroon		x	x
Central African Re-public		x	x
Chad		x	x
Congo, Dem. Rep.		x	x
Congo, Rep.		x	x
Djibouti		x	x
Dominica			x
Eswatini			x
Ethiopia		x	x



62 The World Bank Group. *Women, Business and the Law 2021*.

63 Such as those in the mining, construction, manufacturing, and the energy sector.

64 A job deemed dangerous is, for example, being a ship's helmsman. Svetlana Medmedeva had studied navigation in college and graduated as a navigation officer in the Russian Federation. She got a job as a ship's helmsman but was later told she could not work as such, because that job was qualified as too dangerous, harmful or arduous for women. World Bank Group. *Women, Business and the Law 2018*. 2018. <https://wbl.worldbank.org/en/past-reports>

65 Ibid.

	Countries where women cannot work at night in the same way as men	Countries where women cannot work in a job deemed dangerous in the same way as men	Countries where women cannot get an industrial job in the same way as men
Fiji			x
Gabon		x	x
Ghana			x
Guinea		x	
Guinea-Bissau	x	x	x
Ivory Cost		x	x
Jamaica			x
Lesotho			x
Madagascar		x	x
Mali		x	x
Mauritania		x	x
Mozambique		x	x
Niger		x	x
Nigeria			x
Papua New Guinea		x	x
Senegal		x	x
Sierra Leone			x
Solomon Islands	x		
Somalia	x		
St. Kitts and Nevis			x
St. Vincent and the Grenadines			x
Sudan	x	x	x
Vanuatu	x		

Source: Author's own elaboration based on World Bank, Women, Business and the Law, 2021.

Note: The ACP countries not included in this table or spaces in blank have no laws which act as a barrier for women's employment.

2 BUSINESS ENVIRONMENT REFORMS TO PROMOTE WOMEN IN TRADITIONALLY MALE-DOMINATED INDUSTRIES

BER has the potential to increase the number of women in traditionally male-dominated sectors, such as construction, manufacturing and extractive industries, that offer greater earnings and have stronger potential for growth due to COVID-19 economic recovery efforts, which have provided stimulus support to such sectors.⁶⁶

What are some examples of reforms on this front? Several countries have eliminated restrictions on women's employment in jobs deemed dangerous (for women) as well as promoting women's legal capacity to work during night shifts, making job opportunities more equal for both men and women.⁶⁷ Both restrictions were eliminated in Brunei Darussalam in 2011 and in Kiribati in 2016.⁶⁸ In 2018, the Democratic Republic of the Congo lifted a ban on women working in industrial business; similar reforms were undertaken in 2017 in Kiribati. More recently, in 2020, São Tomé and Príncipe lifted restrictions on women's ability to work at night in mining and in jobs deemed dangerous.⁶⁹

In some cases, misinformation or misinterpretation of the law limits women's opportunities in these sectors while affecting the wellbeing and safety of men. For example, while in Colombia, the weight limit that can be carried in a job is 25 kilos,⁷⁰ companies allow men to carry more than the allowed weight but limit women to 12 kilos.

Some initiatives need to complement BER to include women in traditionally male dominated industries. An example of this is the Extractive Industries Sector (EI) that is almost completely male dominated, and where women's participation remains in the lower levels of companies and of the value chain, at times informally as it occurs in mining.⁷¹ The involvement of women in this sector is essential in order to promote more jobs for women and higher earnings.⁷² This is why in Ghana, the Ministry of Education put in place a Science, Technology, Engineering and Mathematics Education (STEM) clinics to encourage the interest of girls in science. The programme includes activities to get girls interested in mining careers. Also, female students are preferred by mining companies for internships, and mining companies in Ghana have a skill-development programme for females that are linked to Women in Mining Initiatives at the corporate level. The objective of these actions is to increase girls' and women's participation in extractive industries by increasing their preparation for taking up active roles.⁷³

66 World Bank Group, *Profiting from Parity*.

67 The World Bank. *Women, Business and the Law Dataset*. n.d. <https://datacatalog.worldbank.org/dataset/women-business-and-law>

68 Ibid.

69 Ibid.

70 SURA. *Manejo manual de cargas*. s.f. <https://www.arsura.com/index.php/component/content/article/74-centro-de-documentacion-anterior/seguridad-industrial/785--sp-7581>

71 Abebe, J. *Broadening Options for Promoting Women's Participation in the Extractive Industries Sector in Africa*. 2016. SSRN. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2820590

72 UN Women. *Promoting Women's Participation in the Extractive Industries Sector. Examples of Emerging Good Practices*. 2016.

<https://www.unwomen.org/-/media/headquarters/attachments/sections/library/publications/2016/promoting-womens-participation-in-extractive-industries.pdf?la=en&vs=1955>

73 Ibid.

2

PUBLIC PROCUREMENT POINT-SYSTEM TO PROMOTE JOB CREATION FOR WOMEN

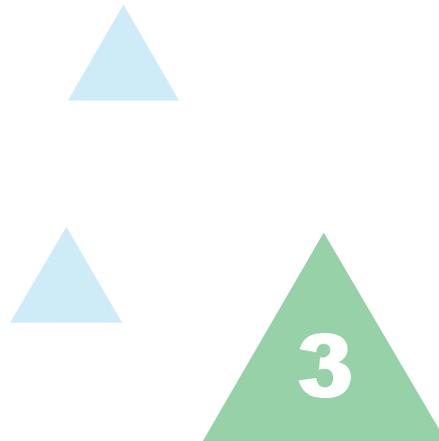
Creating quotas for women through public procurement can also be an important tool to promote job creation for women in traditionally male-dominated industries. In developing countries, public procurement can equate to 30 per cent of GDP.⁷⁴

On the one hand, public procurement can benefit women-owned small and medium businesses that are also more likely to employ other women.⁷⁵ On the other hand, public procurement can incentivise the hiring of women within approved projects (with a point system) or even guarantee pay equity. For example, a 2020 decree in Bogota, Colombia, mandates that all contracts awarded by the city must include a quota to increase female participation in traditionally male-dominated sectors. As of 2021, all construction projects should include at least 6.8 per cent of women among its employees or contractors. There are quotas of 9.6 per cent in transportation, 22.2 per cent in energy, and 44 per cent in manufacturing-related projects. Other contracts must demonstrate 50–50 gender parity in employment. These percentages start low in sectors where women are almost completely absent like construction and transportation, and increase over time, given the lack of women trained to perform certain activities.

As traditionally male-dominated jobs get even more traction as a result of technological changes and the COVID-19 recovery, legal reforms and incentives to specific industries are necessary to promote more opportunities for women in these sectors.

⁷⁴ ITC. *Empowering women through public procurement*. 2014. <https://www.intracen.org/uploadedFiles/intracenorg/Content/Publications/Women%20procurement%20guide-final-web.pdf>

⁷⁵ Directorate-General for International Partnerships – European Commission. *Because women matter*.



DISCRIMINATORY FISCAL SYSTEMS AND THE ROLE OF TAX INCENTIVES TO PROMOTE A MORE INCLUSIVE JOB MARKET FOR WOMEN

Tax systems influence women's employment decisions. Evidence suggests that the tax treatment of married couples⁷⁶ reduces wives' likelihood of labour force participation or access to formal jobs and creates other labour market inefficiencies.⁷⁷

Furthermore, tax exemptions or incentives can promote women's employment, job quality, and earnings.⁷⁸ There is currently scarce but growing evidence about the effects of taxation on women's employment and earnings, particularly in the global south, even less so in ACP countries. This section shows empirical cases where taxes have affected gender equality in employment. and the necessary fiscal to promote more and better jobs for women. What can be done through tax reforms and tax incentives to promote more and better jobs for women?

76 The first income earner is the person whose income is highest within the household, and the second income earner is the person that receives the lowest income in the household.

77 LaLumia, S. *Tax Policies to Encourage Women's labour Force Participation*. 2017. https://www.hamiltonproject.org/assets/files/tax_policies_womens_labor_force_participation_LaLumia.pdf; Fabrizio, S. Fruttero, A. Gurara, D. Kolovich, L. Malta, V. Tavares, M. Tchelishvili, N. *Women in the labour Force: The Role of Fiscal Policies*.

78 Kronfol, H. Nichols, A. Tran, T. *Women at Work : How Can Investment Incentives Be Used to Enhance Economic Opportunities for Women?*; Donor Committee for Enterprise Development (DCEd). UKaid. Swiss Agency for Development and Cooperation SDC. 2016. Business environment reform and gender.

3 HOW TAXATION SYSTEMS CAN AFFECT WOMEN IN LABOUR MARKETS⁷⁹

Taxation systems can support or hurt women's labour market participation and earnings. Tax policies⁸⁰ can directly target women's employment and entrepreneurship, such as, by providing help female-owned businesses compete with male-owned counterparts that might have better access to networks and finance;⁸¹ but they can also have explicit or implicit⁸² gender biases that affect women's decisions to participate in the labour market.⁸³ Indeed, Grown and Valodia reveal that explicit bias happens when the tax legislation treats men and women differently, and implicit bias when tax systems intersect with gender relations, norms, and economic behaviour to negatively impact women.⁸⁴

In taxation systems with explicit gender-bias,⁸⁵ married women, whether they are first or second income earners, receive less after-tax income than their husbands, which is a significant disincentive to enter the paid labour force.⁸⁶ This has been studied in the case of the United States and Norway, where evidence has shown that women's income and labor market participation is more than their male's counterparts elastic to tax deductions. For example, the United States' 1981 Tax Act "reduced the marriage penalty by instituting a secondary-earner deduction", which expanded married women labour force participation, generating increased income almost enough to cover the losses derived from the deduction. Another example, in the case of Ghana, by 2010 single-parent households could not claim tax relief for financially dependent people.⁸⁷ This severely penalised women, who head the majority of single-parent households in the country. By 2014, this regulation was been modified and now every person with a dependent spouse or two (and more) dependent children can apply to the Marriage/Responsibility tax relief.

By the time of the study by Valodia, in Kenya, the joint taxation system also punished women, since Kenya's Tax Act assumed that the income of a married woman who lived with her husband was his, unless she filed a separate tax return from her husband, which meant that the returns derived from that income went to him. This was developed under the conception that married couples enjoyed economies of scale, shared their income equitably, and that since women's income was extra, it could be taxed at a higher rate. While the new 1995 constitution eliminated this explicit gender discrimination, it introduced a new form of indirect (implicit) discrimination against non-nuclear households.⁸⁸ Indeed, Budlender, Casale and Valodia's analysis shows how under the new system, female head of households paid significantly more taxes than married couples because of a lack of deductions.⁸⁹

For example, women working in the formal sector in Ghana and South Africa are more likely to pay more direct taxes and less likely to receive deductions than men.⁹⁰ This, because low-income earners get their taxes deducted from their salaries directly by their employers but are not required to submit a tax return to the government, thus affecting their ability to benefit from deductions. While this is not an explicit bias against women, it affects women at a larger scale because they are more likely to have low pay rates, work part-time or leave the labour force intermittently due to maternity leave and / or other care-related activities.

While joint taxation systems (where household members can jointly pay taxes and receive benefits) have proved to be detrimental to women's labour force participation, individual taxation systems could also be fairer for women.⁹¹

79 This review was made based on existing studies. Changes in laws and regulations might have happened after the publication of such reports.

80 Gender-neutral policies are not explicitly aimed at either men or women and are assumed to affect both sexes equally. However, because of structural constraints, such as social norms, they usually maintain the status quo.

81 Kronfol, H. Nichols, A. Tran, T. *Women at Work: How Can Investment Incentives Be Used to Enhance Economic Opportunities for Women?*

82 Agyei, A. Gyamerah, S. *The Awareness of Employees on Tax Relief Scheme in Ghana*. 2014. <https://core.ac.uk/download/pdf/236301385.pdf> Ghana Revenue Authority. Personal Tax Relief. n.d. <https://gra.gov.gh/domestic-tax/personal-tax-relief/>

83 Grown, C. Valodia, I. *Taxation and Gender Equity. An eight-country study of the gendered impact of direct and indirect taxes*. 2010. https://www.tips.org.za/research-archive/annual-forum-papers/2010/item/download/882_eb0a26060c69916a8572d1c6585f61a5

84 Ibid.

85 Very few studies have been found that study the existence of explicit bias in tax systems in ACP countries. The case of Ghana and Kenya are examples of this issue but more research needs to be done in order to understand this issue and propose reforms.

86 Ibid; Barnett, K. Grown, C. *Gender Impacts of Government Revenue Collection: The Case of Taxation*. 2004. <https://gender-financing.unwomen.org/en/resources/g/e/n/gender-impacts-of-government-revenue-collection-the-case-of-taxation>

87 Grown, C. Valodia, I. *Taxation and Gender Equity. An eight-country study of the gendered impact of direct and indirect taxes*.

88 Smith T. *Women and Tax in South Africa*. 2002. Women's Budget Initiative: Cape Town.

89 Budlender, D. Casale, D. Valodia, I. *Gender Equality and Taxation in South Africa*.

90 Grown, C. Valodia, I. *Taxation and Gender Equity. An eight-country study of the gendered impact of direct and indirect taxes*.

91 LaLumia, S. *Tax Policies to Encourage Women's labour Force Participation*; Borella, M. De Nardi, M. Yang, F. *Are Marriage-Related Taxes and Social Security Benefits Holding Back Female labour Supply?* Working paper 26097. 2021. <https://www.nber.org/papers/w26097>; Fabrizio, S. Fruttero, A. Gurara, D. Kolovich, L. Malta, V. Tavares, M. Tchelishvili, N. *Women in the labour Force: The Role of Fiscal Policies*.

Indeed, based on a model calibrated for Senegal, Fabrizio, Fruttero, Gurara, Kolovich, Malta, Tavares and Tchelishvili suggest that individual tax filing could increase women's labour force participation by 15.5 per cent, from a current base of 17.9 per cent for females with a high school diploma.⁹² In addition, it could increase female income by 19.3 per cent, reducing the gender income gap by 15.3 per cent. The authors explain these changes because women have more incentives to work additional hours under an individual tax filing system. Although this issue has not been studied in any ACP countries, evidence from reforms done in Sweden and Canada showed that tax reforms that transitioned from joint to individual taxation increased women's labour participation by 10 per cent.⁹³ A study by Lalumia about the United States (the country with the lowest female labour participation among industrialized economies) suggests that a second-earner deduction of 15 per cent could incentivize more married women to join the labour market.⁹⁴ This, due to the fact that women (more likely to be a second earner because of lower wages) would keep a greater net income.

As ACP countries mature their fiscal policies and reform their tax systems to increase their national budgets, it is important to design tax systems that recognize unequal gender roles and, wherever appropriate, seek to transform them. The way tax policy values unpaid work can impact positively or negatively women's paid employment.⁹⁵ Furthermore, evidence suggests that in addition to reforming tax systems, it is necessary to simplify tax filing procedures. Indeed, evidence suggests that women are more likely to be disadvantaged than men, for not knowing how much tax to pay, and what procedures to follow.⁹⁶

Finally, it is essential to consider that while individual tax filing systems are seen as more gender-equitable, evidence also points out that most women (and men) do not necessarily take advantage of such systems. Most women have informal or formal low-paid jobs, and their incomes are below their countries' income tax threshold.⁹⁷ Higher education expenditures that increase women's education attainment (to at least a high school diploma) have shown to be key to increase women's labour force participation.⁹⁸

3 CREATING TAX INCENTIVES TO PROMOTE GENDER-INCLUSIVE JOBS

Tax incentives can incentivize women to re-enter the workforce after a prolonged maternity leave. Although no examples have been found for the ACP region, the case of Malaysia can illustrate reform opportunities that promote women's jobs. In 2013, the Malaysian government introduced a tax incentive program that encourages employers to train women who re-entered the labour force after taking a career break (due to motherhood).⁹⁹ The Malaysian government stated that women who went back to work would get

individual income tax exemptions for up to 12 months. Similarly, in the Republic of Korea, private firms receive tax credits if they employ female workers who wish to re-enter the labour market after child rearing.¹⁰⁰ However, although it is expected to create positive benefits, reforms such as this one have not been widely implemented, especially in ACP countries, and their results are yet to be measured.¹⁰¹

92 Fabrizio, S. Fruttero, A. Gurara, D. Kolovich, L. Malta, V. Tavares, M. Tchelishvili, N. *Women in the labour Force: The Role of Fiscal Policies*.

93 Selin, H. *The Rise in Female Employment and the Role of Tax Incentives*. 2009.

https://www.researchgate.net/publication/46470041_The_Rise_in_Female_Employment_and_the_Role_of_Tax_Incentives;

Crossley, T. Jeon, S. *Joint Taxation and the Labour Supply of Married Women: Evidence from the Canadian Tax Reform of 1988*. 2007.

https://www.researchgate.net/publication/5111429_Joint_Taxation_and_the_Labour_Supply_of_Married_Women_Evidence_from_the_Canadian_Tax_Reform_of_1988

94 LaLumia, S. *Tax Policies to Encourage Women's Labour Force Participation*.

95 Fabrizio, S. Fruttero, A. Gurara, D. Kolovich, L. Malta, V. Tavares, M. Tchelishvili, N. *Women in the labour Force: The Role of Fiscal Policies*.

96 ADB. *Gender Tool Kit: Micro, Small, and Medium-Sized Enterprise Finance and Development*. 2014.

<https://www.adb.org/sites/default/files/institutional-document/34125/gender-tool-kit-mse-finance-development.pdf>

97 UNDP. *Issues Brief: Gender Equality and Poverty Reduction: Issue 01 Taxation*. April 2010.

<https://www.undp.org/content/dam/undp/library/gender/Gender%20and%20Poverty%20Reduction/Taxation%20English.pdf>.

98 Heath, R. Jayachandran, S. *The Causes and Consequences of Increased Female Education and Labor Force Participation in Developing Countries*. Working Paper 22766. 2016. <https://www.nber.org/papers/w22766>

99 Kronfol, H. Nichols, A. Tran, T. *Women at Work: How Can Investment Incentives Be Used to Enhance Economic Opportunities for Women?*

100 Kim, J. Jong'Wha, L. Kwanho, S. *Gender Inequality and Economic Growth in Korea*. Korea University, November 2014. <https://doi.org/10.1111/1468-0106.12181>.

101 Ibid.

The recently adopted decree 85 of 2015 makes Vietnam one of the best business environments for female employees. This decree provides corporate tax rate reductions to companies that employ female staff and supply them with benefits that include childcare, sufficient bathroom facilities, menstrual leave, and obstetric and maternal examinations.¹⁰²

While tax benefits generally require a lower administrative burden for firms, unlike tax subsidies, they can also be less cost-effective and create tax loopholes if not implemented adequately.¹⁰³ One solution could be to adopt performance incentives in the form of tax benefits that are based on female employment levels in companies.¹⁰⁴

Tax incentives and deductions for companies can also play a major role in increasing job opportunities for women and the quality of their jobs. Evidence suggests that Green Jobs (including renewable energy jobs) are among the fastest-growing jobs worldwide, and stimulus measures can improve such ongoing trends and contribute to creating more jobs for women.¹⁰⁵ The International Renewable Energies (IRENA) shows, for example, that renewables and other transition-related technologies attracted investments worth USD 824 billion between 2017 and 2019, and will double by 2021–2023 worldwide.¹⁰⁶

Different countries have implemented tax incentives that seek to boost the creation of Green Jobs. This is the case of the Grameen Shakti (GS) microloans initiative in Bangladesh, which is a good example of a programme that offered fiscal incentives resulting in the creation of thousands of jobs for women.¹⁰⁷ Seeking the promotion of Green Jobs, the initiative provided funding to install about 100,000 solar home systems in rural communities, and it trained and employed 12,000 workers, among which over 5,000 were women working as solar PV technicians and maintenance workers.¹⁰⁸ This programme addressed two major problems in Bangladesh: the lack of access to grid electricity by most of the population and the high unemployment among women and young people.¹⁰⁹ In Myanmar, the same programme with local adaptations created 75,000 new jobs, many of these for women trained and re-skilled by Grameen. In addition to being beneficial to the environment and providing electricity to people previously deprived of it, this programme created training and job opportunities for vulnerable women.¹¹⁰ This is also an interesting study since the green jobs boom is more likely to benefit men than women.¹¹¹

There's no information available about the characteristics of these jobs, the quality compared to local labour markets, and their duration over time since most studies focus on the effect it has on women users rather than on job creation and employment opportunities for women.¹¹² Although no evidence was found about similar examples in ACP countries, tax incentives and investment in research, innovation, and infrastructure can promote the creation of more green jobs in the years to come. With the right training and incentives, there is a great potential in green jobs for a more equitable labour market – but it will not be fulfilled automatically.

102 (Decree 85/2015-Vietnam)

103 Kronfol, H. Nichols, A. Tran, T. *Women at Work: How Can Investment Incentives Be Used to Enhance Economic Opportunities for Women?*

104 Ibid.

105 ILO. *Gender Equality and Green Jobs*. 2015. https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/documents/publication/wcms_360572.pdf

106 IRENA. *World Energy Transition Outlook. 1.5°C Pathway*. Abu Dhabi: 2021. https://irena.org/-/media/Files/IRENA/Agency/Publication/2021/March/IRENA_World_Energy_Transitions_Outlook_2021.pdf

107 Newcombe, A. Ackom, E. *Sustainable solar home systems model: Applying lessons from Bangladesh to Myanmar's rural poor*. 2017. https://www.researchgate.net/publication/315753447_Sustainable_solar_home_systems_model_Applying_lessons_from_Bangladesh_to_Myanmar%27s_rural_poor

108 ILO. *Rural renewable energy investments and their impact on employment*. 2017. https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_562269.pdf; Australian Aid. ILO. *Green Jobs in Asia Project Employment Creation Model in Bangladesh Promoting Green Jobs in Renewable Energy: Women Solar Technicians and Entrepreneurs*. 2012. https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/genericdocument/wcms_183806.pdf

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Fostering gender equality and women's economic empowerment are critical elements of the European Union's strategy for external relations.

The **European Commission's DG DEVCO INTPA Strategic Plan for 2020-2024** considers the private sector a key developmental actor, notably by supporting an enabling business environment and investment climate, to foster growth and decent job creation.

The EU Strategic Plan states:

Overcoming gender inequality and barriers to women's economic empowerment remain among the biggest global challenges to inclusive and sustainable growth. [...]

The EU will advance the gender equality agenda internationally and push for a comprehensive gender transformative and evidence-based response at country and global level, leading to more just, peaceful, and inclusive societies.

A three-pronged approach will be followed:

1. gender mainstreaming
2. gender equality in policy/political dialogues
3. key gender-specific initiatives

And more recently the European Commission adopted at the end of 2020 the EU's new Action Plan on Gender Equality and Women's Empowerment in External Action 2021–2025 (GAP III) that aims to accelerate progress on empowering women and girls, and safeguard gains made on gender equality during the last 25 years since the adoption of the Beijing Declaration and its Platform for Action.

The EU promotes Women Economic Empowerment also in the framework of its other initiatives, such as the European Fund for Sustainable Development +, a key instrument crowding in private investors, where viable business proposals meet social needs, and where limited public funds can attract private money. Combined with the work on improving the investment climate the EU supports access to finance for female entrepreneurs, who often face difficulties in accessing credit from banks.

CONCLUSIONS AND POLICY RECOMMENDATIONS

Reforming discriminatory laws and tax systems is key to promoting a more inclusive labour market for women, more and better jobs, and higher earning opportunities. Taking action on these matters is in line with the European Union's and the OACPS' strategic engagement, notably in the areas of gender equality and women's economic empowerment, and will contribute to combat gender-based violence in ACP countries.

While promoting women's job market indicators is a matter of fairness and equal rights, it is also an economic imperative. The global economy loses 14 per cent of its GDP due to the gender gaps in the labour market.¹¹³

The evidence analysed in the report shows the importance of removing the legal barriers and reforming the tax systems, while promoting tax incentives that impact women's ability to obtain a paid job, work outside their homes and access jobs in traditionally male-dominated industries.

However necessary, legal and fiscal reforms alone are not enough. Only a combined and systematic approach that addresses cultural and social norms, discriminatory behaviours, sexual harassment (beyond reforming the law), the care economy, and the digital and skill gender gaps, can fully promote sustainable change and create opportunities for women. Some recommendations from this report are:

1. **Promote legal reforms:** equal opportunity starts with equal treatment under the law. Legal frameworks must be reformed so that women can get jobs in the same way as men, and must penalize discrimination against women during recruitment processes and in the workplace.
2. **Create public procurement incentives:** creating a point-based system or quotas through government contracting can create new opportunities for women to access the labour market, particularly in traditionally male-dominated sectors. These initiatives need to be complemented with training to strengthen women's skills in high demand areas (e.g. transformation, construction, technology) as well as robust hiring efforts.
3. **Promote fiscal reforms:** due to explicit and implicit bias, tax systems can penalise women's earnings (given that they are second income earners, for the most part), and disincentivise their labour market participation or their access to the formal job market. As ACP countries mature their fiscal policies and reform their tax systems, it is important to design tax systems that recognise unequal gender roles, and, wherever appropriate, seek to transform them. Tax incentives can promote women's general access to the labour force, as well as increases in the number of women re-entering the workforce after prolonged maternity and push industries that get support from the government (such as Green jobs) to create more jobs for women.

BER have the potential to create an enabling environment to promote women's economic empowerment through a more inclusive labour market, more job opportunities, higher earnings, and job quality. The next paper in this series will address Public-Private Dialogue (PPD) to promote women's economic empowerment.

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