commentary

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GENDER INCLUSIVENESS IS KEY TO ACHIEVING THE G7'S GOALS

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As inclusiveness is now a major economic issue on the global economic agenda, the Italian presidency has brought gender to the forum and has nudged the G7 to include it into its discussion on many areas – from higher participation to the labour market, to measures to end violence against women – and so to play a part in the action towards the Sustainable Development Goals (SDGs). Focusing on women's contribution to economic growth and the stark gender disparities in economic empowerment is a positive, albeit overdue, expansion of the G7 approach and an implicit recognition of the need for the largest industrial countries to look beyond the 'traditional' financial and economic issues. On the gender agenda, the G7 trails behind the G20 that has made a number of commitments to gender equality – notably in 2014 with the "25 by 25" commitment (to reduce "the gap in participation rates between men and women in our countries by 25 per cent by 2025, taking into account national circumstances, to bring more than 100 million women into the labour force, significantly increase global growth and reduce poverty and inequality", G20 Leaders' Communique, Brisbane Summit, 15-16 November 2014). In 2015 the G20 established the W(omen)20 as one of its engagement groups - along with the B(usiness)20, C(ivil society)20, L(abour)20, T(hink tanks)20 and Y(outh)20.

In 2015, the G7 Leaders recognised for the first time the need to promote gender equality and committed to reduce the gender gap in workforce participation. In 2016, under Japan's chair, the G7 leaders acknowledged the crucial role that women and girls can play as agents of change in the economic, social, and political spheres and asserted their commitment in the Ise-Shima Leaders' Declaration. This year, under Italy's presidency, the G7 have strengthened such a commitment, and aims at turning it into concrete action.

The G7 agenda on gender-inclusive growth recognises that investing in women's and girls' economic empowerment is not only a way to endorse fundamental human rights, it is also smart economics. It contributes to the independence of many women and girls, their educational attainment, health, community engagement, and security, and reduces their risk of being victims of violence. Despite significant improvements in the economic empowerment of many women, there are still

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more women than men in poverty in both developing and developed countries. Women are paid less than men (on average 17% less than men), work longer hours as they take care of family members, and are often excluded from the labour market; furthermore, they do not have access to finance and are denied property rights[1]. Finally, many women are still excluded from economic decision-making within their own household[2], and their participation in public life remains patchy.

Closing the gender gap, therefore, is not only an issue for developing countries and emerging markets economies – i.e. the G20 – but it is also relevant for the developed world (and so for the G7). Furthermore, active policies to promote gender inclusiveness are critical to build more robust, sustainable, resilient, and inclusive economies around the world. If women – who account for half the world's working-age population – do not achieve their full economic potential, the global economy will suffer. By increasing female participation to the labour market to full parity with male participation, the global GDP could grow by as much as $28 trillion, or 26% by 2025[3].

There are several policy areas where the G7 can contribute to advance gender inclusiveness and women's economic empowerment, and work closely with the G20 to contribute to the SDGs. Priorities, however, are assigned to the improvement of female participation to the labour market – for instance, in Italy and Japan, the female participation rate, at round 55-60% of total working age population, is below the one prevailing in the G7 countries, approximately 70% (OECD Labour Force Statistics, 2015). In order to achieve this objective, efforts are concentrated on investment in social infrastructure, tax incentives, and gender-oriented macroeconomic policies. Other areas of interventions include policies to support work-life balance and initiatives to foster women's leadership in business and in politics. The latter is especially difficult to harness at the current stage given the different approach – such as "pink" quotas – among the G7 (and G20) Member States.

1 http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_457317.pdf

2 https://unstats.un.org/unsd/gender/downloads/worldswomen2015_report.pdf

3 http://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/the-outlook-for-global-growth-in-2015