



# WOMEN MEAN BUSINESS

Empowerment in Developing Markets



Nottingham University  
Business School

Corporate  
Citizenship

UNITED KINGDOM • CHINA • MALAYSIA



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# FOREWORD



*I was lucky enough to get involved as a funder in development issues back in the mid-1990s. One of the first lessons that I learnt was that if you want to make a difference in communities, then you need to work with women. Whilst this was understood in the development world, it seemed that those businesses who were beginning to develop programmes in challenging parts of the globe weren't always aware of this thinking.*

*Microfinance has helped to change that view as well as the introduction of the UN Millennium Development Goals (MDGs), along with encouragement from the UN and other global institutions. However, recent research shows that the importance of gender is still relatively low on the business radar in both social and economic development. So when I had the chance to work with an MBA student from Nottingham University's International Centre for Corporate Social Responsibility (ICCSR), this seemed like the perfect opportunity to shine a light on this issue and the emerging best practice in the field.*

*I am deeply grateful to Susana Martins Murteira, the MBA student who carried out solid research, interviews and in-depth analysis on a vast number of company initiatives. My colleagues Anne Stubert, supported by Stephanie Caun, have done an excellent job in developing the original findings and further researching this emerging area. I am also very grateful to a number of businesses, of which some are featured in the report, for sharing their views and experiences in interviews. I hope that this report can strengthen our understanding of the business case for empowering women and provide inspiration to more companies to take action.*

*Kindest regards,*

A handwritten signature in black ink that reads "Amanda Jordan". The signature is written in a cursive, flowing style.

**Amanda Jordan**

Co-founder Corporate Citizenship

# EXECUTIVE SUMMARY

Gender equality is key to a country's economic, social and democratic development as it generates higher growth outcomes and lower poverty. Despite strong evidence of the vast benefits of women's empowerment, in many parts of the world women remain poorer and lack access to the same opportunities as men.

While the issue of gender equality has formed an integral part of the international development agenda for a long time, the area has gained renewed attention as companies and investors start to realise the business benefits of women's empowerment.

Research by Corporate Citizenship and Nottingham University's International Centre for Corporate Social Responsibility (ICCSR) has analysed global business initiatives on women's empowerment in emerging markets. Findings show that businesses are increasingly viewing women in developing countries as potential consumers, employees, suppliers and distributors. This report has identified three benefits for businesses to invest in women's empowerment in developing markets.

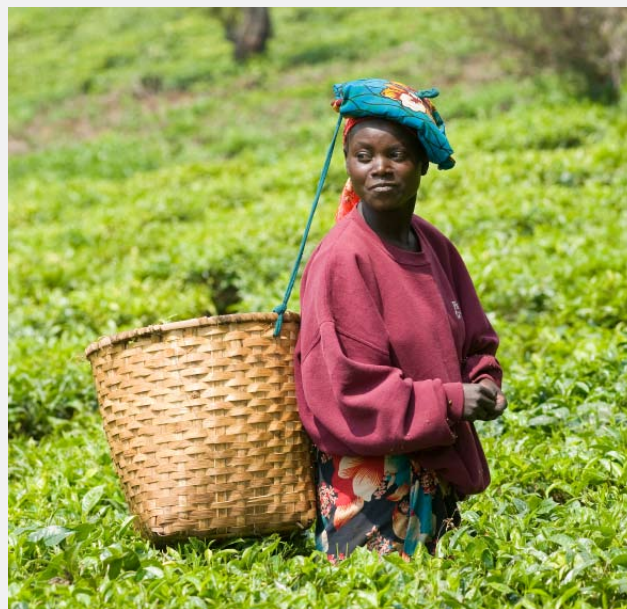
First, investing in women **spreads economic opportunities**, creating stronger communities and, as a result, a broader base of consumers and potential employees. Second, by increasing the number of women across the value chain, including employees, suppliers and business partners, and providing training and education to women, a company can achieve **higher productivity**. Finally, engaging women in distribution networks and targeting female markets can help a company to **increase sales**.

While global businesses show an increasing interest in women's empowerment, it remains a relatively new area for most companies and there are a number of challenges that businesses face in addressing it. These include a low level of understanding of gender issues and socio-economic conditions in emerging markets, limited funding to invest in programmes and initiatives, and a lack of senior level buy-in to the issues.

In order to grasp these benefits, we advise companies to take a strategic approach to the issue in the following ways:

- **Map gender disparity in key emerging markets.**
- **Gather data and insights on women across the value chain.**
- **Deliver social investment programmes** focusing on women's empowerment in key markets.
- **Invest in education and training** for female employees, suppliers and business partners across the value chain.
- **Identify opportunities across the value chain** where women could be further involved.
- **Build partnerships** with organisations such as NGOs specialising in women's empowerment.

Companies with significant footprints in developing markets have much to gain from assessing the opportunities in these recommendations. The long-term rewards include more productive labour forces, improved quality and efficiency of the global value chain, and an expanded customer base.



## SCOPE

Corporate Citizenship, together with the International Centre for Corporate Social Responsibility (ICCSR) at the University of Nottingham, recently conducted a study of the role of business and women's empowerment in developing markets. Women's empowerment is, in this report, defined as a way to strengthen the social and economic role of women in the society, including improved access to opportunities and resources.

The study analysed current business initiatives on women's empowerment in emerging markets and also global initiatives, policies, and organisations active in the space. Through detailed analysis supported by a number of interviews with businesses, it examined activities among UK and US signatories of the UN Global Compact. The findings showed that 60 out of the 416 companies included in the study are currently running initiatives focused on women's empowerment in developing countries. In order to broaden the research, we also conducted in-depth interviews with companies that are not UK and US signatories of UN Global Compact. Finally, while this area is still new to most businesses, our research revealed a number of interesting case studies and innovative approaches that illustrate how businesses are successfully empowering women in developing countries across the world.

## INTRODUCTION

At the 2011 Nobel Peace Prize Ceremony three women's rights advocates shared the Award. In its announcement speech, the committee recognised that *"We cannot achieve democracy and lasting peace in the world unless women obtain the same opportunities as men to influence developments at all levels of society"*.

Gender equality is key to a country's economic, social and democratic development as it generates higher growth outcomes and lower poverty. The World Economic Forum's 2011 Global Gender Gap report, which compares equality between men and women across the world, found that in countries where the gender gap is smallest, there is greater productivity and economic competitiveness. Despite strong evidence of the benefits of women's empowerment, many women remain poorer and less educated, face greater risks and have access to fewer opportunities than men.

Thus far, most of the work on women's empowerment in emerging countries has been undertaken by government and international aid organisations. For example, the internationally agreed UN Millennium Development Goals, which sets targets for addressing some of the world's biggest development challenges by 2015, recognises gender equality as one of eight goals. More

specifically, Goal number 3 - 'Promote Gender Equality and Empower Women' - addresses the issue of eliminating gender disparity in education by 2015.

The area has, to date, received relatively low priority on corporate agendas. However, there is a strong argument for the private sector to become more involved. Arguably, corporate initiatives have more power to bring about change – both financially, and through leveraging brand influence – than government or non-governmental organisations (NGOs). While an increasing number of multinationals turn their focus to developing countries as the new high growth markets, gender disparities represent serious obstacles for businesses and investors.

The business benefits of investing in women are evident across the world. Not only do skilled women represent a pool from which to hire, they are also a significant, and in many developing countries, largely untapped market of consumers. As such, there are clear business benefits if companies think creatively about how to manage their business through an innovation 'lens' of gender. In this report, Corporate Citizenship and ICCSR identify three such business benefits and outline the steps which should be taken by forward-thinking companies who want to maximise the opportunities of this emerging area.

*"Forget China, India and the internet: economic growth is driven by women."*

The Economist

## THE MULTIPLIER EFFECT

Extensive research has shown that the empowerment of women tends to have a strong multiplier effect on the wider community, spreading local economic development. Well-educated women who can control their own income generate a number of wider benefits, including improved child health, increased agricultural productivity and enhanced economic growth. Furthermore, research by the World Bank has suggested that providing girls with an extra year of schooling can increase wages by up to

In addition, women are also more likely to save and to invest in the wider community.

Microfinance is often described as one of the earliest forms of business to engage more fully with women in developing countries. First developed among rural women in Bangladesh in the 1970s, the microfinance industry discovered that, given the chance, poor women would often have the best credit rating, defaulting on loans much less frequently than men.

*"When men get the chance, they start dreaming about themselves; when women get a chance, they dream about the home and their children."*

Grameen Bank - a microfinance organisation

20 percent. This also contributes to lowering birth rates, which can have a profound economic impact.

Economists have shown that in many developing countries income earned by women results in different expenditure patterns than income earned by men. In many societies, men tend to reserve a greater part of their income for personal consumption, while women invest in the nutrition, education and health of their children. Findings suggest that women tend to reinvest 90 percent of their income into the family, while the equivalent number for men is 30-40 percent.

Previously, women in developing countries had generally less control over capital assets, and cultural perceptions of women as poorer credit risks were prevalent. This view is still predominantly the case in emerging markets. However, whilst not without flaws, microfinance has undoubtedly shifted the roles and expectations of women in many societies across the world. It has drawn many into commercial activity for the first time, and allowed them to become cash income earners. The UN highlights that women involved in microfinance *"not only change the way they manage household income, they also change their own roles and the roles of others in their families and communities"*.

## WOMEN'S EMPOWERMENT ON THE GLOBAL PRIVATE SECTOR AGENDA

Over the past few years, a number of international policy initiatives around women's empowerment have emerged on the global business agenda. An important step forward is the **Women's Empowerment Principles** - a joint initiative of the UN Global Compact and the UN Entity for Gender Equality and the Empowerment of Women (UN Women), launched in 2010. The principles provide a framework for businesses to integrate gender equality in the workplace, marketplace and community.

Preceding this, the Global Private Sector Leaders Forum shared the aim of engaging private sector leaders in

promoting women's economic empowerment. The forum is one of the World Bank President's six commitments on gender equality announced in 2008. A number of global business leaders are part of the forum, making the commitment to integrate women's empowerment into their core business. Members include multinationals and financial institutions such as Nike, Goldman Sachs, Cisco and Exxon Mobil.

*"Gender equality is smart economics"*

Robert Zoellick, President of the World Bank

## BUSINESS BENEFITS OF EMPOWERING WOMEN

Research by Corporate Citizenship and the ICCSR has analysed global business initiatives on women's empowerment in emerging markets. This shows that businesses increasingly view women in developing countries as potential consumers, employees, suppliers and distributors. Businesses see a number of benefits of investing in women's empowerment.

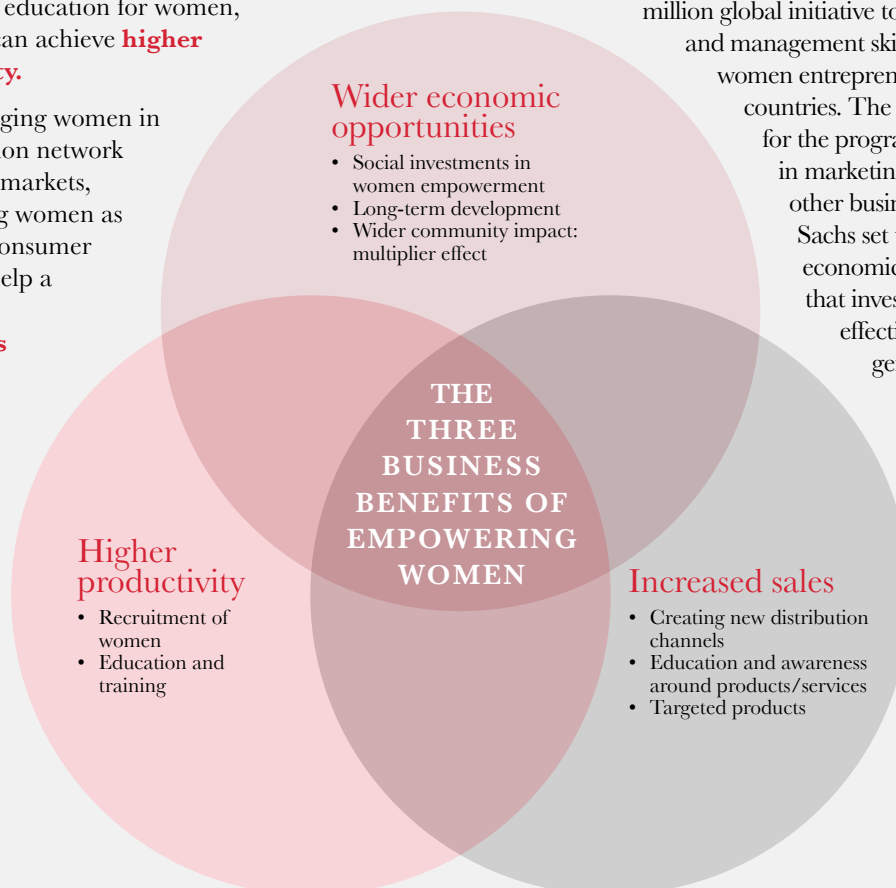
- 1) Firstly, investing in women spreads **economic opportunities**, creating stronger communities and, as a result, a broader base of consumers and potential employees.
- 2) Secondly, by increasing the number of women across the value chain, and by investing in training and education for women, a company can achieve **higher productivity**.
- 3) Finally, engaging women in the distribution network in emerging markets, and targeting women as a potential consumer group, can help a company to **increase its sales**.

### Business benefit 1: Wider economic opportunities

Despite an overall low level of corporate focus on women's empowerment in emerging markets, in-depth research and interviews with multinationals across a range of industry sectors revealed some pioneering examples. Leading companies have realised that investing in the empowerment of women can spread economic opportunities on a wider scale, creating stronger communities. This, in turn, creates opportunities for the private sector to pursue growth and profitability.

In 2008, the investment bank **Goldman Sachs** launched the programme '**10 000 Women**', investing in female empowerment. The programme is a five year, \$100 million global initiative to teach business and management skills to 10,000

women entrepreneurs in developing countries. The women selected for the programme are trained in marketing, accounting, and other business skills. Goldman Sachs set up the initiative for economic reasons, recognising that investing in women is an effective way to reduce gender disparity and drive economic growth.



This view is shared by the sport gear company **Nike** who, through its foundation, offers innovative programmes addressing the needs of adolescent girls in developing markets. The Foundation's 'Girl Effect' project was launched in 2008 in partnership with other organisations and foundations. It supports a range of programmes directed to girls' basic needs and financial opportunities. In addition, its aim is to promote the issue on the international agenda and mobilize resources. It comprises "...a communications platform that describes how the 600 million girls in the developing world have the power to transform their societies."



*"When a girl gains educational and economic opportunities, the benefits ripple beyond her – to her brothers, her sisters, her parents, her community, her future children and grandchildren."*

Nike Foundation

### **Business benefit 2: Higher productivity**

Many companies are increasingly realising the benefits of providing resources, education and training to women across the value chain, as a way to increase productivity and quality. This might be upstream, downstream and within the business, including employees, suppliers and business partners.

Recent research by the UN Food and Agricultural Organisation (FAO) argues that if women had the same access as men to agricultural resources, production on women's farms in developing countries would increase by 20-30 percent.

By looking to raise the number of women amongst employees, suppliers and business partners across the value chain, companies expand their pool for hiring. This allows

them to choose among the most qualified people, as opposed to choosing from a less diverse pool. Evidence shows that when it comes to problem solving and innovation, diverse groups tend to significantly outperform homogenous groups.

Since almost 75 percent of the American retailer **Wal-Mart's** employees are women, the company has a strong interest in harnessing the benefits of women's empowerment across its value chain. Working alongside CARE, an NGO, Wal-Mart has launched several pilot programmes to teach literacy and workplace skills in the developing world. In India, for example, it provides training to female cashew farmers, helping them to progress from low-level pickers to high-end processors. The business case is clear: the company expects increased productivity, higher quality, and greater diversity in its supply chain as a result.

**Lonmin**, the world's third largest primary platinum producer, has made the commitment to increase the number of female employees at its mines. In 2007, the company together with International Finance Corporation (IFC) launched the programme 'Women in Mining'. The programme was set up to address the socio-economic conditions faced by women in mining communities, such as high rates of unemployment, loss of agricultural land for farming, marginalisation and increased health risks. Since 2007, the programme has managed to increase the number of women in the workforce by 52 percent.

### **Business benefit 3: Increased sales**

A number of companies are engaging women in their distribution networks as a way to increase sales and reach previously inaccessible areas such as rural and slum areas. In addition, a company can benefit from local networks to access challenging markets, as well as insights into customer preferences, in particular when targeting female markets. In many developing countries, women have strong and broad social networks and are trusted members of the community.

**Unilever** provide a good example of a company who has a strong track record on using its distribution network to spread local economic opportunity and increase sales. In 2000, Unilever launched **Project Shakti** in India, with the objective of 'helping women, creating entrepreneurs'. Project Shakti is run by Hindustan Unilever (Unilever's business in India) in partnership with NGOs, banks and the government. The initiative arose from the business need to reach the millions of potential consumers in remote villages where there are weak retail distribution networks and little advertising coverage. Hence, Unilever invited women across India to become direct-to-consumer sales distributors for a range of low-cost products. In addition, Unilever provided training opportunities in sales, bookkeeping and other skills. By the end of 2010, Project Shakti had 45,000 woman entrepreneurs selling products to approximately three million consumers in 100,000 villages spread across 15 states in India. Through the initiative, Unilever doubled the number of rural households that it reached, gaining access to new market segments in hard to reach areas. Similar projects are taking place in Vietnam, Bangladesh and Sri Lanka.

A report published in November 2011 by the **Cherie Blair Foundation**, a British organisation focusing on women's entrepreneurship, looks at how multinational mobile network operators include women in the mobile value chain in developing markets. The study reveals a number of insights on the business benefits for companies to engage women in their distribution networks. For example, women have a strong track record as sales agents and have, in many cases, proven to be very good brand ambassadors, facilitating brand awareness at a grass root level. In addition, in countries where gender disparity is high, engaging women as sales agents is a good way to access untapped female markets. Finally, the findings showed that women, in some cases, had better customer service skills in comparison to male vendors.

**Vodafone's 'Al Johara Initiative'**, launched in 2010, engages all-female networks to access women markets in Qatar. In Qatar society, women are usually restricted in their movement, and in their communication and interaction with men, making it difficult for a mobile network operator to access female markets. Through the Al Johara initiative, women sell Vodafone products and services to friends, families and communities. The women earn an income whilst developing new business skills. From a business point of view, the results of the initiative

look promising and the women have reached 100 percent of their sales target. Vodafone is expecting to break even on the initiative in 2012.

As the spending power of women increases they represent a growth opportunity for companies in many markets. A recent report by **Deloitte** recognises that women constitute "the largest emerging market the world has ever seen". Some companies are exploring ways to increase product sales in developing countries by actively targeting women in their consumer education campaigns. For example, **Procter & Gamble's 'Always Protecting Futures Programme'** delivers puberty education and sanitary products to girls in Africa who would otherwise miss school because of lack of access to basic sanitary protection. Since 2006, the programme has worked with eight partners in 17 countries, reaching more than 80,000 girls in developing countries.

Other companies aim to adapt products and services to respond to the needs of women in developing markets. **Standard Chartered Bank** has focused on markets where women have traditionally been underserved by financial institutions and has tailored products based on local needs. For example, Standard Chartered now operates all-female branches in India and Sri Lanka. Furthermore, approximately 80 percent of the users of the bank's microfinance portfolio are women.

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## THE ROLE OF PARTNERSHIPS

The majority of cases analysed in the study show that, in order for companies to successfully address women's empowerment in emerging markets, the role of partnerships is crucial. Many companies run their initiatives in partnership with NGOs, think tanks, government agencies or in a network form. The partnership model allows the company to get access to specific expertise and networks, and it can also give credibility to the specific initiative and the company brand.

For example, **Goldman Sachs** operates its '10 000 women' programme through a network of more than 75 academic and non-profit institutions. Recognising that Goldman Sachs would have difficulties independently identifying local needs, the partnerships help develop locally relevant education and training. The selected students are then offered mentoring support by partner institutions, local businesses as well as Goldman Sachs employees.

**Wal-mart** partners with **CARE**, an international NGO, drawing on their gender expertise to successfully carry out training and education across the supply chain. **CARE** makes clear that the partnership with Wal-mart goes beyond the significant financial support: "We are working together to make change on a global level. Wal-Mart has enormous potential to transform women's lives in the emerging markets in which it operates."



Another innovative partnership is the **GSMA mWomen programme**. This global public-private partnership between the mobile industry and the international development community focuses on developing mobile phone services to empower women. Currently, 300 million fewer women than men own mobile devices in developing countries. The GSMA mWomen programme aims to reduce the mobile phone gender gap by 50 percent over three years. The programme is currently leveraging the mobile

channel to provide value added services in health, education and banking. Last year, a 'BoP (Base of the Pyramid) Apps Challenge' was held. The event brought to light some innovative mobile applications that targeted the needs of women in developing countries, including the 'NextDrop' application providing information about the location of water.



## THE WAY FORWARD

While the issue of gender equality has for a long time formed an integral part of the international development agenda, the area has gained attention as companies and investors start to realise the business benefits of women's empowerment. Nonetheless, the issue remains a relatively new area for companies and there are a number of challenges that businesses face in addressing it. These include an overall low level of understanding of gender issues and socio-economic conditions in emerging markets, limited funding to invest in programmes and initiatives, and a lack of senior level buy-in to the issues.

Nevertheless, the business case for women's empowerment remains strong, as it can generate wealthier communities – hence a broader base of consumers and employees, and more efficient value chains. In addition, engaging women in distribution networks, and specifically targeting women as a consumer group, are ways to increase sales. In light of the social, economic and business benefits of addressing gender equality in emerging markets, companies should take a strategic approach to the issue in a number of ways:

- (i) **Map gender disparity in key emerging markets**, both at country level and at a local business operations level. This could involve insights into the role of women in the country, cultural norms, women's rights, and women's role in business and politics.
- (ii) **Gather data and insights on women across the value chain**. As the gender gap differs between markets, the data should be interpreted according to its context. Key questions should go beyond the number

of women involved across the value chain and salary levels, and give a detailed picture of the socio-economic environment for women, such as their education levels and access to financial services.

- (iii) **Deliver social investment programmes** focusing on women's empowerment in key markets. These programmes should be closely linked to the core business strategy. This could involve education of women in relevant business skills in local markets, with a perspective of increasing the pool of local hiring.
- (iv) **Invest in education and training** for female employees, suppliers and business partners across the value chain. Carry out assessments to identify areas where training could be beneficial to increase quality and productivity.
- (v) **Identify opportunities across the value chain** where women could be further involved as direct employees, suppliers and business partners. This could include the distribution, production or manufacturing functions.
- (vi) **Build partnerships** with organisations such as academia, NGOs and foundations specialising in women's empowerment.

Companies with significant footprints in developing markets have much to gain from assessing the opportunities in these recommendations. The long term rewards include more productive labour forces, improved quality and productivity in the global value chain, and an expanded customer base. As the World Bank puts it: *“gender equality is smart economics”*.

## ABOUT CORPORATE CITIZENSHIP

Corporate Citizenship is a specialist global corporate responsibility and sustainability consultancy. We believe our clients will achieve greater, long-term, sustainable success if they are also creating beneficial change for business and society.

From offices in London and New York, we help our clients make the smart choices that will enable them to survive and thrive in an increasingly challenging business environment. Corporate Citizenship promotes the idea that companies can be a force for good.

We advise a global client list on: strategy, reporting & assurance, stakeholder engagement, management of environmental and social risks, community investment, supply chain and economic impact. Our longstanding clients include Unilever, Pearson, Go Ahead, Centrica, Diageo, Lafarge, HSBC, and Vodafone.

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