Clockwise from top right: Women build an irrigation channel in Nepal (photo: Kieran Doherty); a man walks through Canary Wharf in Tower Hamlets, London (photo: Zed Nelson); Hong Ngich Nguyen works on a fishing net, Mekong Delta, Vietnam (photo: Tessa Bunney/Oxfam); Elizabeth working at the Jamaica dump in Nairobi, Kenya (photo: Sam Tarling/Oxfam)

WOMEN AND THE 1%

How extreme economic inequality and gender inequality must be tackled together

The rise of extreme economic inequality is a serious blow to the fight against gender inequality and a threat to women's rights. Women's economic empowerment has the potential to transform many women's lives for the better and support economic growth. However, unless the causes of extreme economic inequality are urgently addressed, the majority of the benefits of women-driven growth will accrue to those already at the top of the economy. The same forces that drive this economic inequality – political capture and market fundamentalism – are also driving greater gender inequality. By addressing these, through accountable and democratic institutions, decent work, progressive taxation and universal public services, we can win the twin struggles against gender and economic inequalities and make the world a fairer, better place.

SUMMARY: WOMEN AND THE 1%

The gap between the rich and poor is more extreme than ever before and is continuing to rise. This is a serious blow to the fight against gender inequality, and a threat to women's rights. In 2015 the gap widened so much that the richest one percent now own more wealth than the rest of world put together. Earlier this year, Oxfam revealed that 62 individuals own as much wealth as the poorest 3.6 billion people.[1] This figure is down from 388 individuals as recently as 2010, an indicator of the alarming pace at which the gap is growing.[2] The richest people in the world are overwhelmingly men, while women are more likely to be poor than men. This extreme economic inequality has been acknowledged by the International Monetary Fund (IMF), World Bank and the World Economic Forum as bad for growth, for reducing poverty and for social cohesion. The IMF has also demonstrated that countries with higher income inequality also tend to be countries that have higher gender inequality.[3]

Recently, many leading figures have championed greater participation of women in the global economy. Evidence shows that women's economic empowerment is important for both achieving women's rights and broader development goals. Currently, women make up half of the world's working population, but generate just 37 percent of global GDP.[4] It has been calculated that if gender gaps in the economy were closed by countries, an additional $12 trillion could be added to global GDP by 2025.[5]

It is clear that women participating more equally in the economy would drive global economic growth and contribute to women's economic empowerment. However, Oxfam has shown how in recent decades the majority of those who have benefited from economic growth have been those already at the top end of the income distribution. The top one percent of earners in fact receives more than the bottom 50 percent put together. At the same time the poorest, the majority of whom are women, are failing to see equal rewards. Indeed in many cases women's low paid labour facilitates greater profits for others. Without also challenging the structural causes of this economic inequality, women – particularly the poorest women – will fail to fairly benefit from growth, even where they are driving it.

This paper firstly argues that unless the causes of extreme economic inequality are urgently addressed, the main beneficiaries of women's economic empowerment will be the richest, the majority of whom are men.

Oxfam's research has also highlighted two drivers of the rise in extreme economic inequality: the capture of the economy and political and economic power by elites, and the pursuit of a set of policies which focus on liberalization, privatization and a reduction in the role of the government in favour of the market.[6] George Soros has famously called these policies 'market fundamentalism'.

Secondly, this paper will argue that the two processes that drive extreme concentration of wealth, political capture and market fundamentalism, are also standing in the way of gender equality and women's rights, and particularly those of women in developing countries.

Evidence shows that women's rights and gender equality do not automatically improve as a result of economic growth. In order for this to happen, specific actions must be taken which make growth more inclusive for all and redistribute the gains to women.[7] Current trends show that there is a systematic failure to do this. Calls from leading figures for women's economic empowerment have focused on supporting individual women's participation in existing economic opportunities. There has been a great deal less focus on changing the economy itself to ensure that growth fairly benefits women.[8] This is a serious blind spot and risks undermining these good intentions.

The current economic system, pursued over recent decades, has failed to create enough decent jobs and has undermined the safety nets of social protection for the majority of workers, particularly in developing countries. As the share of economic growth going to workers has been falling, women have been disadvantaged furthest by being concentrated in low-paid jobs and making up the majority of workers without formal labour rights. In Asia and Africa, for example, 75 percent of women's work is in the informal sector, without access to benefits such as sick pay, maternity leave or pensions.[9]

Simultaneously, the power of governments to raise revenue has been eroded by unfair international and national tax rules derived from the same economic system, undermining the redistributive power that tax can have. Tax exemptions and tax breaks favour the well off, predominantly men, while indirect taxes like VAT which have been actively promoted by the IMF fall disproportionately on the poorest, and on women in particular. When governments cannot raise enough revenue to pay for essential public services such as education and healthcare because the richest are not paying their fair share of tax, it is women and girls who are the first to lose out on these services and fill in the gaps with unpaid care work.

And as the economic elite's influence on decision making has grown, it is less likely that policies and investments prioritize economic and gender equality, and governments can often make choices which have a negative impact on both of these. In India, a study showed that female-led councils had a 62 percent higher number of drinking water projects than male-led ones.

The privatization of public services and lack of investment in the care economy are further examples of this, decreasing women's and girls' access to services, reducing their employment opportunities and increasing the share of care that they provide unpaid. In rural Pakistan, the poorest children are four times less likely to be enrolled in a private school than the richest children. And of these children, the poorest girls are even further disadvantaged, being 31 percent less likely to be enrolled in private school than the poorest boys. Unfortunately, and despite their strong commitment to reducing gender inequality, the World Bank and some donors continue to support policies and projects that further entrench both economic and gender inequality, including private education and private healthcare.

This situation is not inevitable. Governments and development actors can implement policies which reduce economic inequality and support gender equality and women's rights. As well as challenging the social norms which consistently discriminate against women across society, it requires governments to make investments in public services such as universal free education, healthcare and social protection that reduce economic and gender inequality and vulnerability to poverty. A progressive and fair tax system will be essential to these. It also requires the creation of jobs that pay a living wage, the reduction of gender inequalities in work and the recognition, reduction and redistribution of women's heavy and unequal responsibility for unpaid care work.

It is clear, therefore, that the rapid rise in extreme economic inequality is a serious threat to the fight for gender equality. It is also clear that majority of the benefits of more involvement of women in the global economy will accrue to those already at the top, unless economic inequality is also tackled at the same time. The same forces that drive economic inequality – political capture and market fundamentalism – are also driving greater gender inequality. By addressing these, through accountable and democratic institutions, decent work, progressive taxation and universal public services, we can begin to win the twin struggles against gender and economic inequalities and make the world a fairer, better place.

RECOMMENDATIONS

Governments and international institutions should:

- **End women's economic inequality** by implementing economic policies and legislation to close the economic inequality gap for women. All legal restrictions to gender equality including women's equality in the economy should be removed. Policies should promote equal pay and decent work. Gender inequalities in access to credit, equal inheritance and land rights must be addressed through both removing legal barriers and changing negative social norms.
- **End gender inequality and uphold women's rights** by implementing policies and measures to promote women's political participation, ending violence against women and addressing the negative social attitudes that fuel gender discrimination.

- **Recognize, reduce and redistribute unpaid care work** by collecting better data on the provision of care; investing in physical and social infrastructure that supports care; supporting child and elderly care and paid family and medical leave, flexible working hours, and paid parental leave; and challenging the social norms that delegate unpaid care work mainly to women.
- **Systematically analyse proposed economic policies for their impact on girls and women** by improving data in national and local accounting systems – including the household level – to monitor and assess their impact (for example on the distribution of unpaid care work).
- **Keep the influence of powerful elites in check and promote women's influence and decision making:** prioritize gender budgeting to assess the impact of spending decisions on women and girls, and allocate spending in ways that promote gender equality; include women's rights groups in policy making spaces. Address gender inequality in representation and leadership.
- **Pay workers a living wage and close the gap with executive rewards:** increase minimum wages towards living wages, ensure transparency on pay ratios and protect workers' rights to unionize and strike.
- **Share the tax burden fairly to level the playing field** by shifting the tax burden away from labour and consumption and towards wealth, capital and income from these assets; ensuring transparency on tax incentives; and through implementing national wealth taxes. World leaders must agree a global approach to end the era of tax havens.
- **Use progressive public spending to tackle inequality:** prioritize policies, practices and spending that increase financing for free public health and education to fight poverty and inequality at the national level. Refrain from implementing unproven and unworkable market reforms to public health and education systems, and expand public sector rather than private sector delivery of essential services.
- **Support women's agency through autonomous organizing:** Set legal standards protecting the rights of all workers to unionize and strike, and rescind all laws that go against those rights. Support and strengthen women's movements and rights organizations including through the provision of funding where appropriate.

Corporations should agree to:

- **End the gender pay gap** and push other corporations to do the same. Publish the wages paid in their supply chains and the number of workers who receive a living wage.
- Ensure access to **decent and safe employment opportunities for women**, non-discrimination in the workplace and women's right to organize. Build **freedom of association and collective bargaining** into human rights due diligence.
- **Recognize the contribution of unpaid care work, and help reduce the burden of unpaid care work that is disproportionately borne by women**.

- **Support women's leadership**, for example by sourcing from women-led producer organizations, supporting women to move into higher-paid roles and ensuring women occupy managerial positions.
- **Analyse and report on their performance on gender equality**, for example through the Global Reporting Initiative's Sustainability Reporting Guidelines and the UN Women's Empowerment Principles. Track and disclose roles played by women in their operations and supply chain.
- **End the practice of using their political influence to erode wage floors and worker protections,** uphold worker rights in the workplace, and value workers as a vital stakeholder in corporate decision making.

NOTES

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