Findings

When societies become more equal, economies become more resilient. Besides being the right thing to do, gender equality makes economic sense. The World Bank estimates that, globally, differences between men’s and women’s total expected lifetime earnings is $172.3 trillion, equivalent to twice the world gross domestic product (GDP) (Wodon et al. 2020). As such, adopting laws that strengthen women’s rights and opportunities is an essential first step toward a more resilient and inclusive world. *Women, Business and the Law 2022* measures global progress toward gender equality in 190 economies by identifying the laws and regulations that restrict and incentivize women’s economic participation. Whether a 25-year-old starting her first job, a mother balancing work with caring for her children, or a woman on the verge of retirement, the eight indicators show the ways in which laws affect women throughout their working lives (figure ES.1).

The *Women, Business and the Law* index measures explicit discrimination in the law, legal rights, and the provision of certain benefits, areas in which reforms can bolster women’s labor force participation. Governments can use this framework to identify barriers to women’s success, remove them, and boost economic inclusion. Amid development challenges that disproportionately affect women, including the ongoing COVID-19 pandemic, a legal environment that supports their work is more important than ever. Yet all over the world, discriminatory laws are exacerbating the effects of an already difficult period.
Billions of women still do not have the same legal rights as men. The global average Women, Business and the Law score is 76.5 out of 100, indicating that a typical woman has just three-quarters of the rights of men in the areas measured (map ES.1). While the average score is half a point higher than in 2020, nearly 2.4 billion women of working age worldwide still are not afforded equal economic opportunities. Just 12 economies score 100, indicating that women are on equal legal standing with men across all areas. The most persistent gaps remain in the areas of Pay and Parenthood, demonstrating that many economies have yet to remove restrictions or introduce the good-practice legal rights and benefits identified. Among regions, the Organisation for Economic Co-operation and Development (OECD) high-income region, Europe and Central Asia, and Latin America and the Caribbean have the highest average scores. The Middle East and North Africa has the lowest average score of 53.0. Nevertheless, in every region there are governments implementing good-practice laws and those that still have room to improve.

Reform is critical for women’s empowerment. Women continue to face major challenges that threaten to widen gender gaps and entrench existing inequalities. They earn less than men for the same work and face a greater risk of violence in their homes. Coupled with the pandemic’s ongoing nature, the global community is at risk of reversing the progress that has been made to bring women into the workforce. Women’s economic rights should be strengthened so that they can have equal access to public support programs and digital technologies, such as mobile phones, computers, and the internet, which can help them to start new businesses, discover new markets, and find better jobs.

Fortunately, over the past year, 23 governments sought to address this inequality, introducing legal reforms to ensure women’s empowerment and protect not only their people but also their economies. Of the 39 laws that changed because of these reforms, 10 were enacted in the Middle East and North Africa. Despite its low scores, the region advanced the most as a result of these efforts, with 25 percent of economies implementing at least one reform. Economies in Europe and Central Asia also passed reforms, despite having scores above the global average, with 17 percent changing
at least one law to improve gender equality. Additionally, many reforms occurred in Western and Central Africa. Gabon stands out, undertaking comprehensive reforms to its civil code and enacting a law to eliminate violence against women, which affected 9 of the 15 data points for which the country previously recorded a “no” answer across five indicators: Mobility, Workplace, Marriage, Entrepreneurship, and Assets. The Parenthood indicator, with positive changes in eight data points in eight economies, recorded the highest number of reforms, followed by Workplace and Pay (table ES.1).

Strong laws lead to stronger economies. Women, Business and the Law 2022 builds on the evidence that reform toward gender equality is critical for women’s employment and entrepreneurship (World Bank 2020, 2021). Women earn only two-thirds of men’s expected lifetime income; therefore, reducing the inequalities in economic opportunity that could close this gap may lead to enormous benefits for the world (Wodon et al. 2020). Discriminatory practices not only hold women back, but also impede firms’ productivity, as they are associated with lower levels of sales and labor productivity (Hyland, Islam, and Muzi 2020). In fact, the good-practice laws captured by the index are strongly associated with women’s increased economic empowerment. Additionally, evidence is emerging that a more equal legal environment is associated with a higher share of female entrepreneurs.¹ The presence of domestic violence legislation is also associated with a women-to-men mortality ratio that is 2.3 percent lower than the mean value (Amin, Islam, and Lopez-Claros 2021).

However, while reforms in the areas covered by Women, Business and the Law are associated with a range of positive outcomes for women, they are not a silver
bullet for women’s inclusion. Legal reform will improve women’s lives only if laws are implemented properly and if the wider ecosphere is supportive of them. Laws will not achieve their intended effects if they are in strong conflict with prevailing social norms. However, changing norms and laws can be mutually reinforcing, with legal reforms often acting as a magnet to draw social norms in the same direction over time.

**New areas of research.** Women, Business and the Law continues to pursue its substantial research agenda by exploring new topics that are fundamental to the effort to close persistent gender gaps in women’s economic inclusion. This edition presents preliminary findings and analysis of pilot data collected on the provision of childcare and the implementation of the law. Women, Business and the Law welcomes feedback on these areas of study and expects to refine these measures for further research.
Toward available, affordable, and quality childcare services

Childcare matters for women’s economic participation. Women bear a disproportionate burden of unpaid care at home, and this unequal distribution of responsibilities compromises their capacity to access and retain jobs (OECD 2019; UN Women 2015). The COVID-19 crisis has only heightened the importance of aligning childcare policies more closely with the needs of working parents and, in particular, working mothers. To fill gaps in the knowledge around the overall design and effectiveness of childcare policies and inform their successful implementation, *Women, Business and the Law* 2022 presents a new conceptual framework for measuring the legal environment affecting the provision of childcare services. This pilot exercise examines laws and regulations in 95 economies with regard to three pillars: availability, affordability, and quality.

The enactment of policies to make childcare available, affordable, and of decent quality is a priority due to its potential to achieve better outcomes for women, children, and the economy as a whole (figure ES.2). In support of this goal, this project maps and explores current legal and regulatory measures that have been adopted to ensure or strengthen the availability, affordability, and quality of childcare without endorsing a specific approach to policy design. It is mindful that legal frameworks differ in their institutional arrangements, delivery schemes, and general application.

Insights from pilot data. The availability and regulation of different types of childcare services vary widely across regions. The public provision of childcare is regulated in nearly all economies in the OECD high-income region and Europe and Central Asia. Conversely, many economies in the Middle East and North Africa and South Asia regulate childcare services provided by the private sector or by employers only. Of the 55 economies where the public sector provides childcare, about 80 percent do not mandate free provision; parents must pay a fee that may be conditioned on a set of criteria—for example, income or number of children. Many economies, however, provide financial support to parents that may be conditioned on household income or parental employment status. With regard to quality, mandated parameters such as teacher-to-child ratios, maximum group size, licensing, inspections, and reporting vary across economies, with no clear pattern among regions (figure ES.3).

**FIGURE ES.2 | THE THREE PILLARS OF CHILDCARE SERVICES**

| **Availability** | Expands access to childcare through diverse types of provision |
| **Affordability** | Promotes uptake of childcare services, especially for low-income or vulnerable families |
| **Quality** | Ensures a safer environment for children, contributes to healthier nutrition and school readiness, and promotes uptake |

Source: *Women, Business and Law* team.
**Next steps.** Targeting access to affordable and quality childcare services can have far-reaching positive impacts, not only for women as active participants in the labor market, but also for child development and economic growth. Although no international legal standards have been established for regulations on childcare, governments may support a wide range of options to meet the needs of working mothers and families. *Women, Business and the Law* will continue exploring such legal frameworks to inform the design of childcare policy and present good practices to governments and policy makers. The team aims to expand the pilot exercise to 190 economies and present scored indicators for inclusion in the legal index in subsequent years.

**Measuring the legal environment in practice**

**Implementation and enforcement are critical barriers to gender equality.** Gaps between laws on the books and actual practice restrict the full realization of women’s rights and opportunities all over the world. To present a fuller picture of the legal environment for women, *Women, Business and the Law* introduces a new conceptual framework for measuring the implementation gap (figure ES.4). The pilot exercise was conducted in 25 economies, examining both the supportive frameworks that create an enabling environment for working women and the expert opinions of progress made toward gender equality of individuals on the ground.

**Supportive frameworks for primary legislation.** The measures of implementation examined include the enforcement of rights through equal access to justice, safety regulations, online access, and clear guidelines. On average, the pilot economies have
only half of the supportive frameworks measured, indicating a substantial gap between the passage of laws and their implementation, and all have room to strengthen the legal environment for women employees and entrepreneurs in practice. Even in areas with strong foundational legislation, implementation and enforcement of laws are lacking.

**Expert opinions of laws in practice.** Expert opinions were also collected to gain a broader understanding of gender equality on the ground and provide comparisons with the legal index. The Middle East and North Africa is the only region where expert opinions indicated more gender equality in practice than the legal index implies. The legal index exceeded expert opinions in all other regions and across all indicators, with Workplace showing the largest disparity between laws and expert opinions of gender equality. Several respondents identified specific gaps in implementation of the law, even among economies scoring above average on the legal index (table ES.2).

**Moving forward.** While only preliminary, the results confirm that laws alone are not enough to improve gender equality, indicating that these gaps should be explored further. This set of measures provides a starting point for continued focus on this work and eventual inclusion in the index. By improving these measures in subsequent years, *Women, Business and the Law* hopes to deliver a fully developed framework that will allow more women to enforce their rights, boosting economic inclusion and labor force participation worldwide.
Note


References


