



Promoting Gender Equality in the Private Sector— the Gender Equity Model in Mexico

Gender Entrepreneurship Markets

The economic participation of women—their presence in the workforce in quantitative terms—is important not only for lowering the disproportionate levels of poverty among women, but also as an important step toward raising household income and encouraging economic development in countries as a whole.

- World Economic Forum¹

Issue — Gender Inequality Limits Business Growth

Inequality between men and women in the labor force remains pervasive. Women earn only 73% of male wages in developing countries and are markedly underrepresented in management compared to their overall share of employment.² Yet there is increasing evidence that a business enabling environment that incorporates the needs of both women and men improves the bottom line, strengthens the corporate image, and is good for business growth. The Gender Equity Model (MEG), a process towards certification in Mexico, is a public-private partnership between the Mexican government and private companies interested in promoting gender equality. The program offers lessons on creative, innovative approaches to address this important issue and improve the business enabling environment for the benefit of all.

A Best Practice Solution — the MEG Process in Mexico

Mexico has made substantial progress in recent years in reducing gender gaps in education, reducing the maternal mortality rate, and increasing women's participation in the labor force.³ Yet much remains to be done. Women in Mexico still represent only 35% of the labor force. They carry out most domestic tasks and engage in activities for which they do not receive any income. Even when employed, women tend to be concentrated in low-income activities.⁴ Mexican women today receive 15 to 30% less income than men in comparable positions.⁵ This uneven participation of women in the labor force hinders progress on gender equality and harms the business environment.

Generosidad, the Mexico Gender Equity Project, which operated from 2001 until 2005, addressed these gender inequalities by helping build public capacity, pilot community-based initiatives on gender, and increase gender awareness. The World Bank financed the project through a \$3.03 million Learning and Innovation Loan. A particularly innovative aspect of *Generosidad* was its awareness raising component, which set up the MEG to recognize progress on gender equity in private firms, public entities, and non-governmental organizations (NGOs). Prepared in cooperation with the Mexican government's National Women's Institute and through consultation with private and public sector leaders, the academia and NGOs, MEG covered four areas:

1. recruitment,
2. career advancement,
3. training, and
4. sexual harassment.

The aim was for the participating firms to foster equal opportunity practices for the benefit of both women and men.



The program was voluntary and dynamic. It did not require a participation fee from the companies and had no strategy to target particular firms or industries. In the first round there was a public call for participation and the project's team approached businesses. Since the project did not have much funding for dissemination, conducting outreach and awareness activities was a challenge. Yet there was considerable interest among firms and demand quickly outpaced supply.

The process began with a self-assessment and identification of strengths and weaknesses, followed by a training program and support to overcome limitations and institutionalize best practices. Four independent certification firms were hired to assess and evaluate the companies. Once a firm completed the process, it received the gender equity seal. The monitoring continues on a yearly basis, for a period of three years to ensure sustainability.

Since the firms could define their own goals and steps on incorporating gender equality measures, participation was not costly for them. The project provided training and paid the certification firms around US\$500 for each participating firm. Thirty percent of participating firms were international organizations such as Wal-Mart, Manpower, Kraft, or Motorola, which tended to already have the capacity to incorporate the needed measures. For firms that are careful to maintain a brand reputation, MEG served to strengthen the corporate image. MEG firms have placed the seal on their published materials and are using the certification to show their commitment to diversity. For example, Wal-Mart which has been the subject of the largest gender discrimination class action lawsuit in the United States, has used its participation in the Certification process to demonstrate its commitment to gender equality.

The recognition awarded to us by the National Women's Institute as a company committed to the Gender Equality model is a source of great pride and it motivates us to ratify said commitment.

- Wal-Mart Mexico, 2003 Annual Report

Interim Results

- To date, 42 firms with around 170,000 employees have completed the process and obtained the seal, and 550 persons have received training on how to implement gender equity action.
- Gender committees and women's networks have been launched in & between certified firms.
- Firms report a better labor atmosphere including better communication between management and labor and a more motivated workforce.
- Most firms have incorporated gender equity into recruitment. There are verbal reports from participating firms that some women have been promoted and are in management positions.
- The success of the program and continued interest among the private sector and Mexican women's groups are the basis for turning the MEG into a regular government program.

Lessons Learned and Suggestions for Improvement

- The certification program offers an opportunity to improve the work environment and better understand the labor trends.
- A more strategic approach might be needed to target particular industries or sectors with significant gender issues, to achieve high impact and visibility.
- Future programs might want to consider instituting fee-based participation for firms.
- Initial feedback indicates that some firms used this more as a branding exercise than a real impetus for positive change.
- More extensive PR campaigns can help raise greater awareness.
- The lessons learned and instruments designed under the Gender Equity LIL can be used for replicating this model in other countries.

Recognizing that aspiring businesswomen are often prevented from realizing their economic potential because of gender inequality, IFC launched the **Gender-Entrepreneurship-Markets (GEM)** initiative in December 2004. The program aims to mainstream gender issues into all dimensions of IFC's work, while at the same time helping to better leverage the untapped potential of women as well as men in emerging markets. If you would like more information on IFC GEM's work, please visit our website at: <http://www.ifc.org/GEM> or contact:

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¹ World Economic Forum. 2005. *Women's Empowerment: Measuring the Global Gender Gap*. Geneva.

² World Bank. 2001. *Engendering development through gender equality in rights, resources, and voice*. NY: Oxford University Press; International Labor Office. 2004. *Global Employment Trends for Women 2004*. Geneva.

³ World Bank Latin America & the Caribbean Region.

⁴ <<http://Inweb18.worldbank.org/LAC/LAC.nsf/ECADocByUnid/2F965096C5FE2D7C85256E68005C40E8?Opendocument>>

⁵ Ibid.

⁶ La Cronica de Hoy. December 9, 2004, p. 35.