

Empowering, educating women critical to African development

The advancement of women in business improves bottom-line performance and strengthens corporate culture, said Graça Machel, which ultimately drives GDP and socioeconomic development.



Graça Machel, with (left to right) Trialogue MD Nick Rockey and Trialogue directors Cathy Duff and Vusi Khoza.

Machel, founder of the Graça Machel Trust, was delivering the keynote address at the Trialogue Business in Society Conference in Johannesburg on Tuesday, 16 May 2017. The two-day annual event aims to strengthen collaborative partnerships between business, civil society and government.

Machel told delegates, “Women must be allowed to assume positions where they can unleash their transformational power in business and society. There’s still an enduring view that women have a collateral and auxiliary role, rather than reflecting the 52% of the society which they make up.”

She referred to the *Women Matter Africa* McKinsey Global Institute report, which found that African companies with a greater share of women on their boards of directors and executive committees perform better than their male-dominated counterparts.

Specifically, the earnings before interest and taxes (EBIT) margin of companies with at least 25% of women on their boards was on average 20% higher than the industry average.

\$12tn potential for global GDP

The report also found that \$12tn could be added to global GDP by 2025 simply by advancing women’s equality. Machel said, “I’m no mathematician, but the calculation is simple: without women participating in the formal economy, our economies do not grow to the extent they could or need to grow. There are untold benefits for our continent should we really begin to seriously invest in our female employees and women entrepreneurs.

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However, she says, when women don’t earn to their potential, development suffers and that hamstrings GDP, which in turn hinders social development. “There is a growing body of evidence which demonstrates that when women do not reach their full economic potential, the economies of their countries suffer.”

The first step towards placing women on an equal footing to men, she says, is to address disparities in remuneration: women still earn around 10% less than their male counterparts. Beyond that, adds Machel, is the challenge faced by many women in work-life balance. Information technology presents a powerful opportunity through accelerating women’s’ career trajectories by enabling telecommuting and remote access, for example.

Profound social shift

In societies with high percentages of female participation in the economy, the more influence women hold in the workplace and the more authority their voices hold, the more esteem and respect women tend to be given as a collective beyond the boardroom as well. When women’s contributions are recognised and valued from an economic perspective, a profound social shift and elevation of their status often transpires as a result.

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Machel also referred to her own experiences in forming a collective of women farmers in Qunu, in the Eastern Cape, so that they could grow and supply produce to local retail chains.

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