



**ISSUES NOTE
SIDE EVENT**

The G20 Finance Track and women: The quest for equality and women's empowerment in building a just world and a sustainable planet

**September 18th, 2024
(Virtual)**

Date: September 18th, 10:00 am (Brasília Time: UTC -3)

Duration: 2 hours

Mode: Virtual

Language: English

Audience: Deputies of the Ministries of Finance and Central Banks of G20 Finance Track member countries

In line with the agreements of the New Delhi G20 Leaders' Declaration (NDLD), member countries committed to promoting the full, equal, effective, and significant participation of women in the economy as decision-makers.¹ The crucial importance of gender equality was reaffirmed, along with the multiplier effect of investing in women's empowerment, in the United Nations' 2030 Agenda for Sustainable Development.

In the NDLD G20 member countries also agreed to create a new Working Group (WG) on Women's Empowerment, under the Sherpa Track, with the aim of supporting countries in addressing gender inequality and fostering women's empowerment across various dimensions. The Group's activities began this year under the Brazilian Presidency. In building the work agenda, the issue of women's economic autonomy was listed as one of the priorities.

The purpose of this side event is to hold the first joint activity between the Women's Empowerment Working Group of the Sherpa Track and the Finance Track, in order to establish another avenue of interaction between the tracks.² The goal is to hold a broad debate to identify the cross-cutting nature of gender equality across the themes addressed by the various Working Groups and workstreams of the Finance Track, while emphasizing the crucial importance of women's empowerment in building a just world and a sustainable planet.

This initiative is based on the need to achieve Sustainable Development Goal (SDG) 5 and the commitments set out in other treaties and conventions to which G20 countries are signatories, such as the 1995 Beijing Declaration, which includes women's economic autonomy among its commitments. Also noteworthy is the Platform for Action of the Fourth World Conference on Women, held in Beijing in 1995, a significant milestone in the promotion of gender equality. The Beijing document recognizes financial independence as an essential component of gender equality and addresses issues such as the wage gap and unequal access to employment opportunities.

1. G20 New Delhi Leaders' Declaration: <https://www.mea.gov.in/Images/CPV/G20-New-Delhi-Leaders-Declaration.pdf>

2. 1995 Beijing Declaration: <https://www.unwomen.org/en/digital-library/publications/2015/01/beijing-declaration>

This Issues Note aims to systematize data, notes, and deliverables that link the challenges related to women's empowerment to the priorities of the G20 Finance Track's Working Groups and initiatives during 2024, emphasizing the role of women in the global economy. It is subdivided into six sections:

- i. Global economy
- ii. Financial inclusion
- iii. Debt
- iv. International taxation
- v. Reform of Multilateral Development Banks (MDBs) and other international economic and financial institutions
- vi. Sustainable finance

I. GLOBAL ECONOMY

One in ten women today lives in extreme poverty (10.3%).³ According to UN Women, if current trends continue, it is estimated that by 2030 more than 340 million women and girls—about 8% of the world's female population—will still be living under extreme poverty. Additionally, at least 25% will be moderately or severely food insecure, living on just USD 2.25 per day.⁴

Gender inequality is also evident in access to social protection and paid and unpaid work.⁵ The workforce comprises only 61% of working-age women globally compared to 91% of working-age men.⁶ These figures are even more disparate in low-income countries. Women's wages are also lower than men's, with the wage gap estimated at 20%,⁷ and informal work is predominant among women. The disparities in wages and jobs between men and women result in gaps in access to social protection acquired through formal employment, such as pensions, unemployment benefits, and maternity protection. Women's access to social protection systems is 8% lower than men's (26.5% versus 34.3%).⁸ It should be noted that cuts in social spending, such as social assistance, healthcare, and education, have a more pronounced impact on women.⁹

3. UN Women, *Progress on the Sustainable Development Goals: The gender snapshot 2023*. Available at: <https://www.unwomen.org/sites/default/files/2023-09/progress-on-the-sustainable-development-goals-the-gender-snapshot-2023-en.pdf>

4. *United Nations Charter*: <https://www.oas.org/dil/port/1945%20Carta%20das%20Na%C3%A7%C3%B5es%20Unidas.pdf>

5. UN Women, *Progress on the Sustainable Development Goals: The gender snapshot 2023*: <https://www.unwomen.org/sites/default/files/2023-09/progress-on-the-sustainable-development-goals-the-gender-snapshot-2023-en.pdf>

6. Ibid.

7. International Labour Organization (ILO), *World Social Protection Report 2020–2*: https://www.ilo.org/wcmsp5/groups/public/@ed_protect/@soc_sec/documents/publication/wcms_817572.pdf

8. Idem

9. UNAIDS, *Impact of the global economic crisis on women, girls and gender equality*. Available at: https://www.unaids.org/sites/default/files/media_asset/JC2368_impact-economic-crisis-women_en_0.pdf

Household responsibilities and the unequal distribution of care work, especially unpaid care work, prevent women from joining the economically active population to the same extent as men.¹⁰ Many women remain financially excluded due to inequalities in paid and unpaid work. Care work, essential for the sustainability of the global economy, is often overlooked or not formally recognized.¹¹ Compared to men, women have an additional average workload of 2.8 hours per day of domestic and unpaid care work.¹² Estimates suggest that if women's unpaid work were assigned a monetary value, it would exceed 40% of GDP in some countries.¹³

The G20 Note titled "A menu of policy measures and recommendations to address inequality pressures," produced within the framework of the Finance Track's Global Economy Working Group, presents proposals to reduce income inequality, including topics that contribute to building gender empowerment. These include: 1) Strengthening paid labor market institutions to increase women's participation in the workforce. One side effect of raising minimum wages is partially reducing the wage gap, given the greater participation of women among workers earning up to one minimum wage; 2) Tax progressivity, with a relative reduction in indirect taxes compared to direct taxes, which benefits women; and 3) Guaranteeing comprehensive social protection mechanisms for elderly and disabled people. Since women usually take care of these most vulnerable groups in their households, State-guaranteed social protection increases the possibility of women entering the workforce and taking on paid jobs beyond domestic work. Necessary measures include addressing inequalities between men and women in social protection mechanisms, ensuring equitable funding, and promoting transparency in data collection regarding expenditure and financing.

The data presented above demonstrate the linkages between the global economic scenario and gender inequalities. The proposals in the G20 Global Economy Note suggest a possible synergy between global economic development and gender equality.

II. FINANCIAL INCLUSION

In many countries, women do not have access to basic banking services, such as a bank account or credit operations. In some cases, they are even barred from signing contracts or registering a company in their own name. Data from Findex show that 57.4% of men have a bank account, compared to 51.4% of women (about 160 million women in Latin America and the Caribbean do not have a bank account).¹⁴ Access to a bank account allows women to store their money safely and build up savings, which is an entry point to accessing and using other financial services. Furthermore, access to a bank account and the ability to

10. Idem

11. UN Women, *Progress on the Sustainable Development Goals the Gender Snapshot 2023*. Available at: <https://www.unwomen.org/sites/default/files/2023-09/progress-on-the-sustainable-development-goals-the-gender-snapshot-2023-en.pdf>

12. UN Women, *Forecasting time spent in unpaid care and domestic work*. Available at: <https://www.unwomen.org/sites/default/files/2023-10/technical-brief-forecasting-time-spent-in-unpaid-care-and-domestic-work-en.pdf>

13. ILO, *Measuring unpaid domestic and care work - ILOSTAT*. Available at: <https://ilostat.ilo.org/topics/unpaid-work/measuring-unpaid-domestic-and-care-work/>

14. Azar, Lara, and Mejía. 2018. "Inclusión Financiera de las mujeres en América Latina. Situación actual y recomendaciones de política. Políticas públicas y transformación productiva": <https://scioteca.caf.com/handle/123456789/1162>

control earnings also directly influence women's participation in the workforce, just as the right to control assets affects women's bargaining power within the household. Data from a report by the Development Bank of Latin America and the Caribbean (CAF) show that men make more financial decisions than women, based on a survey conducted in four Latin American countries (Brazil, Colombia, Ecuador, and Peru). In the analyzed households, 48% of men make financial decisions on their own, compared to just 33% of women.

An important aspect to consider is the need to not only promote women's access to banking services but also to expand financial education mechanisms, which are crucial for building women's financial independence. Financial education is essential for women to manage their own and the household's finances, including avoiding excessive debt, often incurred due to credit taken on behalf of household members.

III. DEBT

The foreign debt crisis exacerbates women's economic vulnerability. Between 2019 and 2020, women lost 54 million jobs.¹⁵ In addition, fiscal austerity policies, such as debt relief measures, constantly result in the termination of social programs that could alleviate the burden of unpaid domestic and care work—tasks mostly carried out by women, up to three times more often than men.¹⁶ Without access to public policies and/or adequate public services, many women are forced to resort to informal and poorly paid jobs, or to take on debt to support their households and finance their healthcare. Girls are often taken out of school to carry out domestic work at home, and are vulnerable to early marriage and human trafficking.

In 2023, global public debt hit a record USD 97 trillion.¹⁷ The high levels of sovereign debt in low-income countries, exacerbated by the COVID-19 pandemic, deeply impact the well-being and living conditions of the population in general, and women in particular. With a large share of the State's resources being directed towards debt servicing, investments in vital areas are severely constrained. Between 2020 and 2022, 46 countries spent more on debt interest payments than on healthcare; in 15 countries, interest payments exceeded education spending. This affects 3.3 billion people in developing countries.¹⁸ In many economies, external indebtedness remains a barrier to mobilizing resources for the implementation of the 2030 Agenda, resulting in an inadequate care economy infrastructure.

IV. INTERNATIONAL TAXATION

The current international taxation system contributes to rising inequalities between nations and between men and women. Illicit financial flows impact gender relations due to tax evasion and avoidance. Global billionaires, the vast majority of whom are men, have effective tax rates ranging from zero to 0.5% of their wealth, due to the frequent use of shell

15. UN Women: <https://news.un.org/en/story/2021/09/1100082>

16. Ibid.

17. UNCTAD, *A world of debt: a growing burden to global prosperity (Report 2024)*: <https://unctad.org/publication/world-of-debt>

18. Ibid.

companies to avoid taxes. In 2022, approximately USD 1 trillion in profits were transferred to tax havens, accounting for 35% of all profits recorded by multinational companies outside their home countries.¹⁹ Revenues that should be raised from the fair taxation of these financial flows could be earmarked as essential resources to invest in education, healthcare, and infrastructure, which profoundly impact women's living conditions.

The difficulty in ensuring progressivity in domestic tax systems is largely due to the lower taxation of capital income compared to labor income. It is also exacerbated by the low level of international tax cooperation, as it is easy for the richest people to evade and avoid tax systems. These factors reinforce gender inequality, as men generally represent the largest share of income and asset holders on whom lower effective tax rates are levied due to these distortions.

Women pay relatively more indirect taxes. First, because products for women's exclusive use or related to care work, such as those associated with physiology (e.g., sanitary pads) or human reproduction (e.g., IUDs and birth control pills), or care work (e.g., diapers) are generally not considered essential. Therefore, they are taxed at higher rates compared to goods that are considered essential and even other non-essential goods, reinforcing gender bias given the differences in consumption patterns between men and women. Second, because indirect taxes are regressive by nature and disproportionately impact the poorest people in society, among whom women are overrepresented.

Indirect taxation plays a greater role in the tax burden of developing countries, as their economies are less formalized—their consumption tax base is greater than their income tax base. This discrepancy means that women in developing countries are disproportionately affected by the regressivity of consumption taxation.

In this way, taxation distortions contribute to increasing the gender gap, deepening imbalances such as recurrent poverty among women, less access to opportunities, and the low social mobility of this group, especially among women from the Global South. Tax systems must be remodeled to effectively fulfil their role as a redistributive instrument. Domestic tax systems and international cooperation must be carefully reconsidered and designed in light of new realities and social dynamics, bearing in mind that gender inequality is reinforced by the low progressivity of tax systems worldwide.

V. VREFORM OF MULTILATERAL DEVELOPMENT BANKS (MDBS) AND OTHER INTERNATIONAL ECONOMIC AND FINANCIAL INSTITUTIONS

Gender inequality in management positions at Multilateral Development Banks (MDBs) and other international economic and financial institutions (IFIs) is evident. Women dominate administrative support positions (70%) but are significantly underrepresented in management and senior management positions (35%)—no MDB or IFI has achieved gender parity at these levels. The situation is especially dire in senior management and

19. EU Tax Observatory. *Global tax evasion – Report 2024*: <https://www.taxobservatory.eu/publication/global-tax-evasion-report-2024/>

board positions, with the percentage of women ranging from 6% to 40%, depending on the institution. At the World Bank, female representation in senior management positions dropped from 44% in 2022 to 22% in 2023. Although MDBs and other IFIs have achieved or exceeded gender parity at non-managerial, professional levels, women still face difficulties in promotion to management positions. Although there has been progress in female representation in management and high management positions, gains remain fragile and inconsistent.²⁰

According to the International Monetary Fund (IMF),²¹ between 2014 and 2024 the percentage of female advisors and senior advisors—the lowest positions in their institutional hierarchy—increased from 19% to 27%, and from 30% to 36%, respectively. Since 1984, the total number of women on IMF boards has not exceeded eight positions. The total share of women on IFI boards in 2024 is: 13% at the IMF, 16% at the World Bank, and 11% at the BIS.

Progress has been made in MDBs and other IFIs in terms of recognizing gender equality as a crucial element of economic development. There is growing importance placed on diversity and the inclusion of women in the guidelines and development credit lines at MDBs, including through support pillars for programs aimed at women's empowerment.

Within the framework of Brazil's Presidency of the G20, in July 2024 the Finance Ministers and Central Bank Governors (FMCBG) invited the MDBs to continue improving their operations and incentive structures to increase their financing capacity and maximize their impact on development, including through greater geographical and female representation. In this regard, the Ministers and Governors stated that they "look forward to the submission of the G20 Roadmap for Bigger, Better, and More Effective MDBs at the 4th FMCBG Meeting as a key outcome under the Brazilian G20 Presidency," recognizing the "ongoing work in the International Financial Architecture Working Group (IFAWG) to assess regional and female representation practices in IFIs."²²

Discussions around the Roadmap have highlighted the need to increase female representation in management and board positions at MDBs, as well as among their staff. They have also underscored the importance of coordinated actions, financing large-scale programs to support gender equality, and integrating gendered perspectives into MDB operations.

20. Kandpal et al. "Gender Equality at IFIs: Promote as I Say, Not as I Do?" Center for Global Development, November 27th, 2024: <https://www.cgdev.org/blog/gender-equality-ifis-promote-i-say-not-i-do>

21. IMF. "Gender and Diversity in the IMF Executive Board." Document disseminated during the 2024 Spring Meetings: <https://www.imf.org/en/Publications/Policy-Papers/Issues/2024/05/29/Gender-Diversity-in-The-Executive-Board-2024-Report-to-The-Board-Of-Governors-549649>

22. Communiqué - Third G20 Finance Ministers and Central Bank Governors Meeting: <https://www.g20.org/pt-br/documentos/documentos-resultantes-da-3a-reuniao-de-ministros-de-financas-e-presidentes-de-bancos-centrais-do-g20-rio-de-janeiro-25-e-26-de-julho-de-2024>

VI. SUSTAINABLE FINANCE

Climate change, economic and financial crises, strongly and disproportionately impact women's lives and work. Women and children are generally the most vulnerable groups to such hardships, largely due to unequal access to resources, opportunities, and political decision-making spaces. Women's vulnerability to climate change results from their limited access to and control over land and public goods, their exclusion from the decision-making process, and their greater likelihood of living in poverty.²³

The global population of forcibly displaced women and girls is now at record levels. Extreme climate events, such as droughts and floods, deeply affect women. Of the 191 countries and regions where 3.7 billion women live—94% of the world's female population—108

face high or very high exposure to floods. Countries and regions where 1.5 billion women and girls live—37.2% of the world's female population—face high or very high exposure to droughts.²⁴ The world was never on track to achieve gender equality by 2030, and current trends have pushed it even further away from that goal. A gendered perspective in the adaptation and mitigation of climate events aims to recognize and address economic, social, and cultural inequalities. In this sense, it is crucial for green and climate funds to incorporate perspectives to reduce inequalities between men and women and include just transition plans. Additionally, building resilient and cross-border infrastructure to protect and improve women's lives is important.

Women are the protagonists of territorial actions aimed at combating the worsening climate crisis and its effects on populations and territories. However, they are underrepresented in global spaces of power and decision-making related to these issues. In this context, G20 member countries have the opportunity to address this inequality and contribute to ensuring women's participation in spaces of power and decision-making on just transition.

SUMMARY

Building women's economic empowerment is a crucial step towards including women and girls in the economy and achieving gender equality. When more women participate in the paid labor market, economies tend to grow. The economic empowerment of women and girls fosters greater economic diversification and contributes to greater income equality. It is important to ensure women's access to the paid labor market and to credit for small- and medium-sized businesses. Greater investment is needed in policies and services aimed at work-life balance and supporting households with care needs. This includes recognizing the economic value of unpaid work, investing in access to quality and affordable childcare, implementing parental leave schemes, and offering flexible working hours for mothers and fathers.

23. UN Women. 2023. "Feminist Climate Justice: a framework for Action": <https://www.unwomen.org/en/digital-library/publications/2023/11/feminist-climate-justice-a-framework-for-action>

24. United Nations Development Programme (UNDP), United Nations Entity for Gender Equality and the Empowerment of Women (UN Women). 2023. "The paths to equal: Twin indices on women's empowerment and gender equality": <https://hdr.undp.org/content/paths-equal>

Access to basic financial services is vital for women's economic security and autonomy. Equal pay for equal work is crucial to achieving gender equality and women's empowerment. It is important to have credit lines directed at women entrepreneurs and to ensure women's financial inclusion, as well as to foster their financial education.

Women's economic empowerment is a structural part of the SDGs, linked to building a just world and a sustainable planet—the motto of the Brazilian G20 Presidency.

Questions for debate:

1. Is gender inequality reflected in the discussions and priorities of each Working Group and Task Force of the G20 Finance Track?
 - a. Highlight how this theme has emerged in debates throughout the year, as well as in the reports and deliverables prepared by each group.
2. How can the G20 Finance Track contribute to strengthening this debate?
3. Which policies and measures can be recommended to combat inequalities and reduce the financial disparity between men and women, ensuring women's empowerment?

Outcomes/outputs:

1. Event report featuring comments and suggestions for delegates representing the member countries of the G20 Finance Track.
 2. Chair's summary.
-

