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Impact of Women on Nigeria's Economy



March 2020



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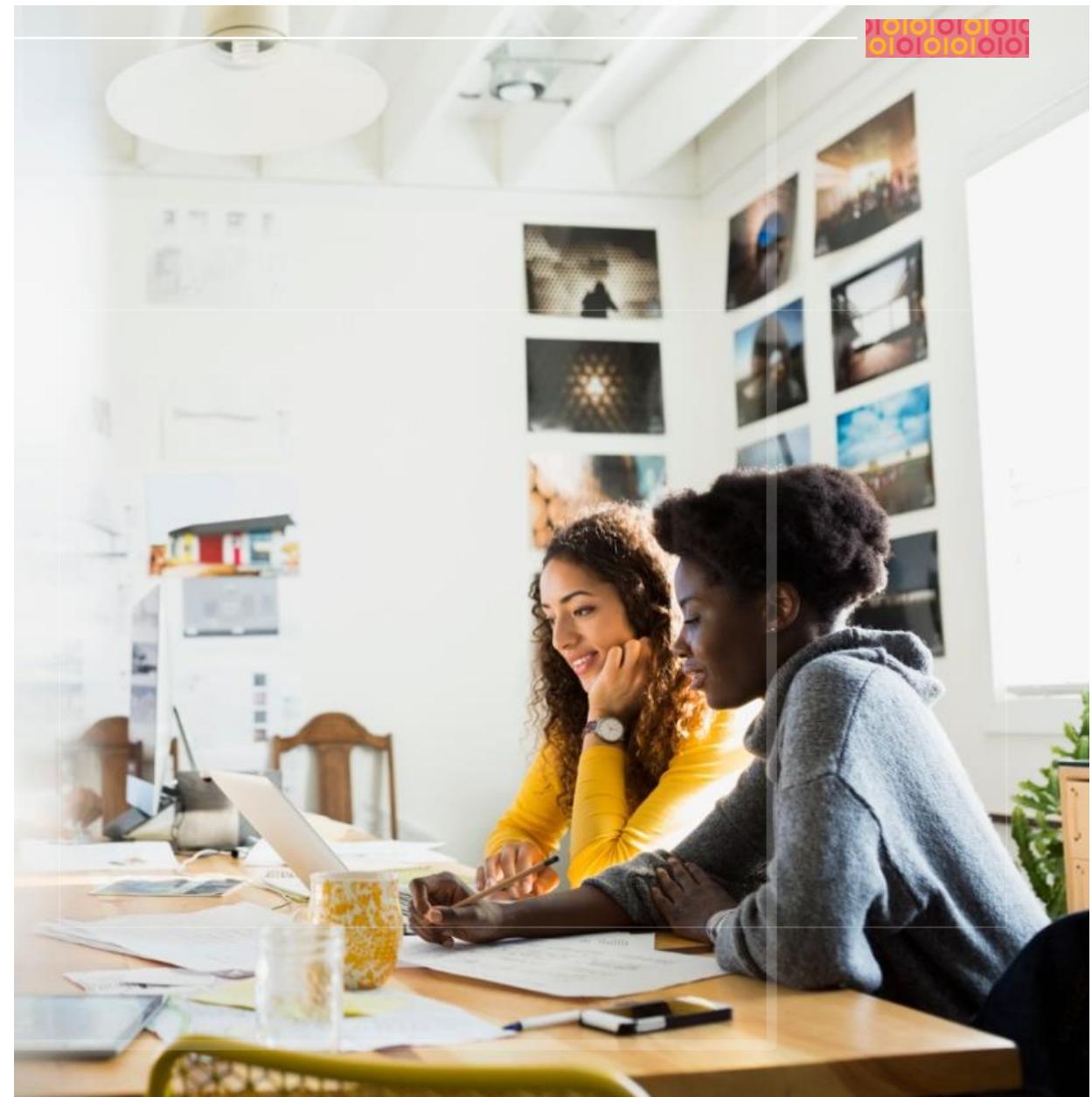
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Introduction



Introduction



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PwC presents the first of two reports highlighting the impact of women on Nigeria's economic development in March – being the Women's Month. In the first paper, we assess the impact of women to Nigeria's economic development through analysis of women's participation and representation in the private and public sectors.

In the second paper, we will explore the barriers and challenges women face in the formal services sector with emphasis on ICT, financial services and Higher Education.

Nigeria ranked 128th out of 153 countries and 27th out of 53 countries in Africa, on the World Bank's Global Gender Gap Index 2020 – which implies that the country still has a way to go to attaining gender equality and equal representation for women.

That said, the entrepreneurial spirit is strong, and Nigerian women account for 41% ownership of micro-businesses in Nigeria with 23 million female entrepreneurs operating within this segment. This places Nigeria among the highest entrepreneurship rates globally. The high-level participation of female entrepreneurs in the country is however often driven mainly by necessity, which is the norm in emerging markets where there is insufficient formal employment

Necessity-driven entrepreneurs are those who are pushed into starting businesses because they have no other source of income. Consequently, despite the high-level of female entrepreneurs relative to most countries, there are challenges and barriers in the country that limit women from scaling-up their businesses.

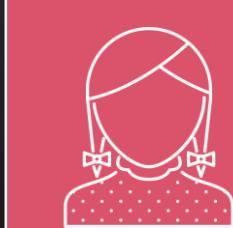
In the formal sector, very important results are emerging. At the lower levels in formal employment there is almost an even 50-50 split in the workplace between men and women. However, as both sexes climb up the corporate ladder, women begin to decline in representation on the senior leadership teams and at the board level.

As a result, women own only 20% of enterprises in the formal sector in Nigeria. Furthermore, only about 12% of Directors on corporate Boards of Directors are women.

And taken all together, at the rate Nigeria is changing on these critical dimensions, the Nigerian gender gap in the economy will only close in about 100 years!

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Assessment of women's participation and representation in private sector

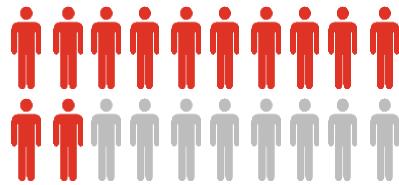


Nigeria has an almost even balance of the population between males and females. This is also the trend with respect to the labour force. However, in the micro-business space, the trend is skewed towards men...with women accounting for 41% of business ownership and 3.4% of female employment within micro-enterprises.

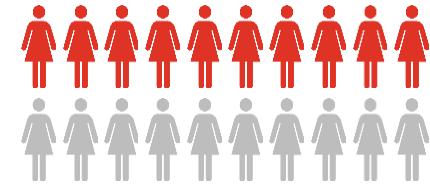
	Male (million)	Female (million)
Population	101.7	104.5
Labour force	25.6	25.1
Participation in Micro enterprise	32.5	23.0
Sole proprietor	20.7	19.6
Employment in Micro enterprise	11.8	3.4

Analysis of labour participation rates (male vs. female) in agriculture, industry and services sector

Nigeria's employment by gender, 2019

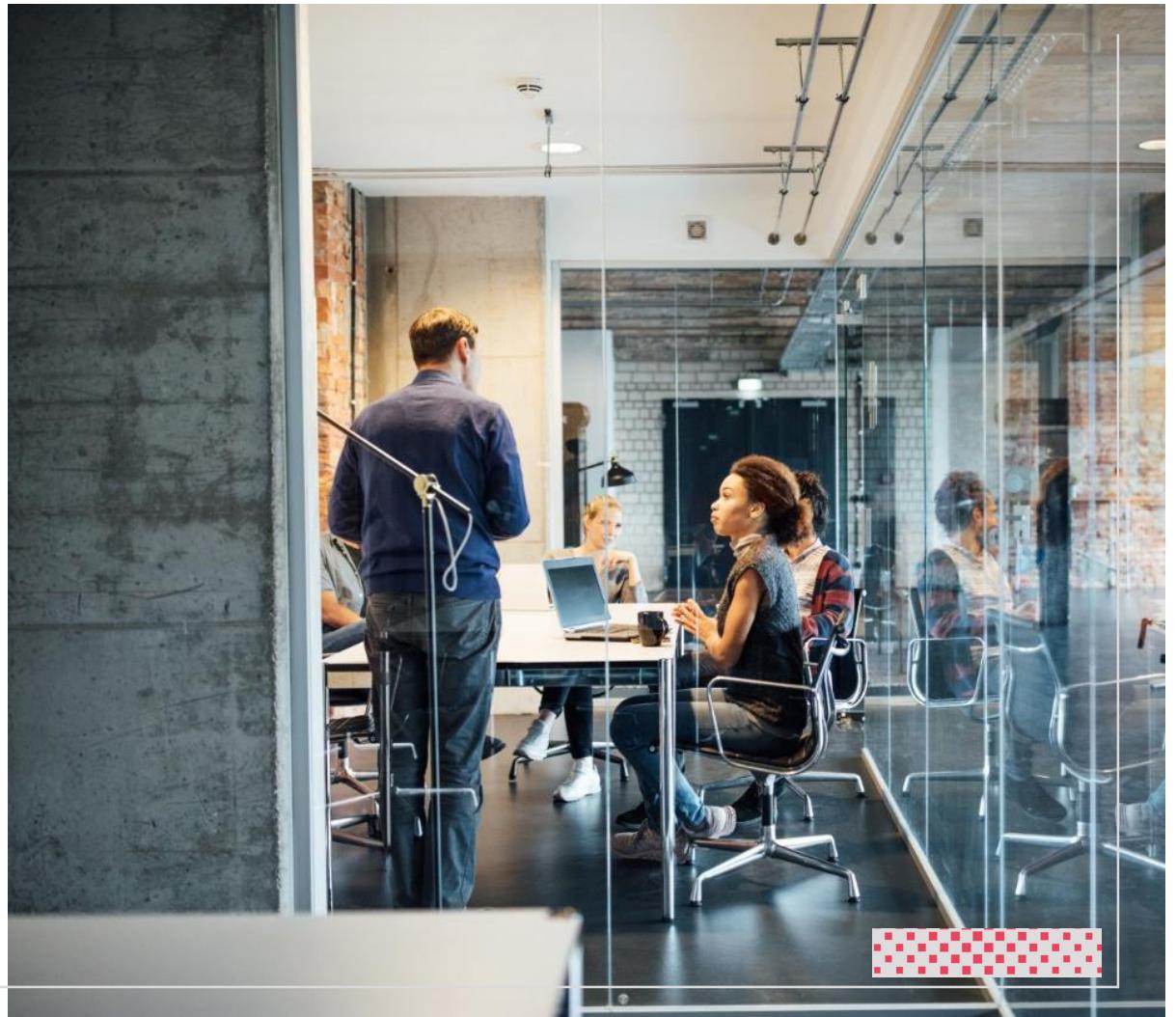


59.8%



50.5%

Over the past decade, the share of female in the total employment figure for Nigeria has marginally increased. In 2019, about 51% of females were employed among the total female labour force, compared to 59.8% of males (as a proportion of the total male labour force). The participation of females in the services-oriented sectors e.g. transport, education and medical services is a major factor driving the marginal growth of females in the active labour force.

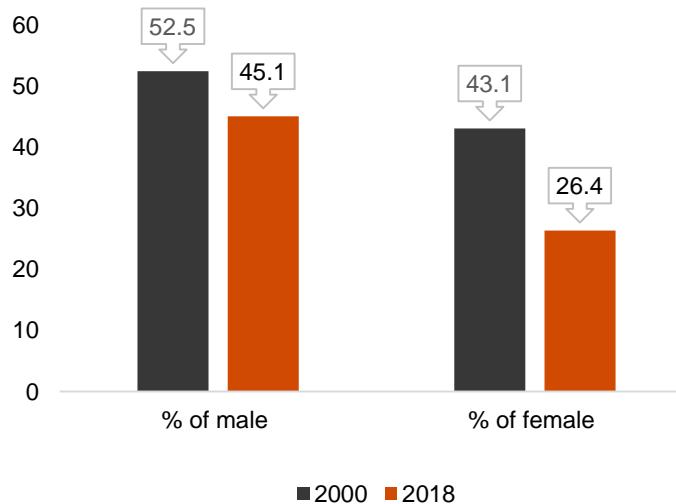


Analysis of labour participation rates (male vs. female) in agriculture, industry and services sector (2000 vs 2018)

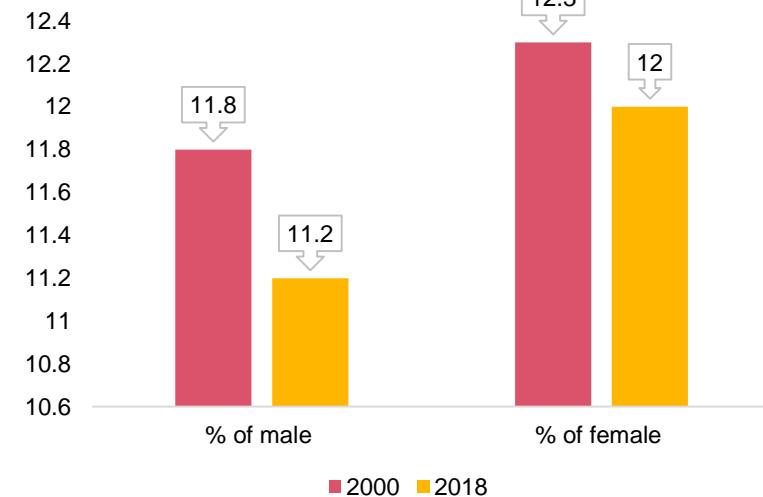
The participation of female in the agricultural and industrial sectors fell rapidly between 2000 and 2018. However, over the past two decades in the services sector, the share of female employment rose to 61.6% driven majorly by participation in areas including catering, medical services, educational services, transportation, etc.



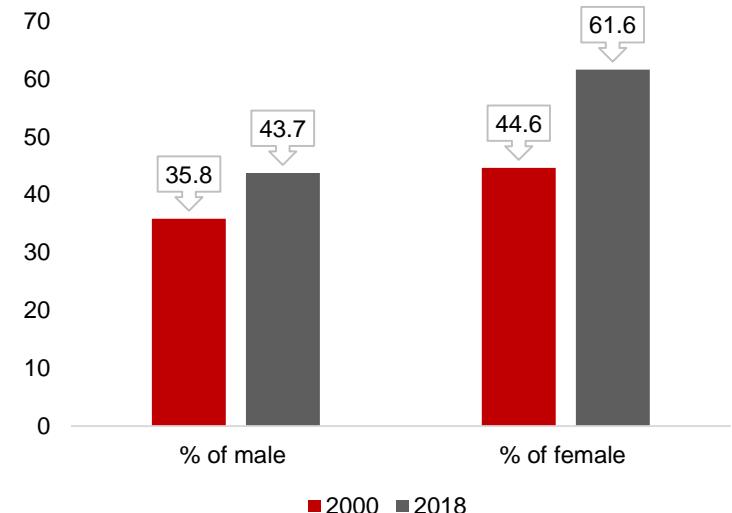
Gender employment in agricultural sector



Gender employment in industrial sector



Gender employment in services sector

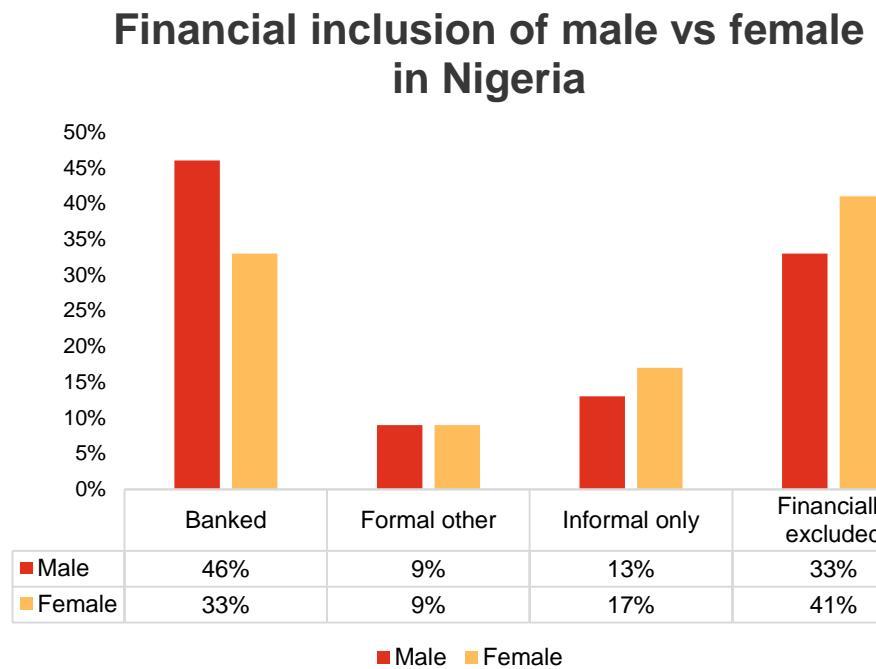


source; World Bank, PwC Analysis

source; World Bank, PwC Analysis

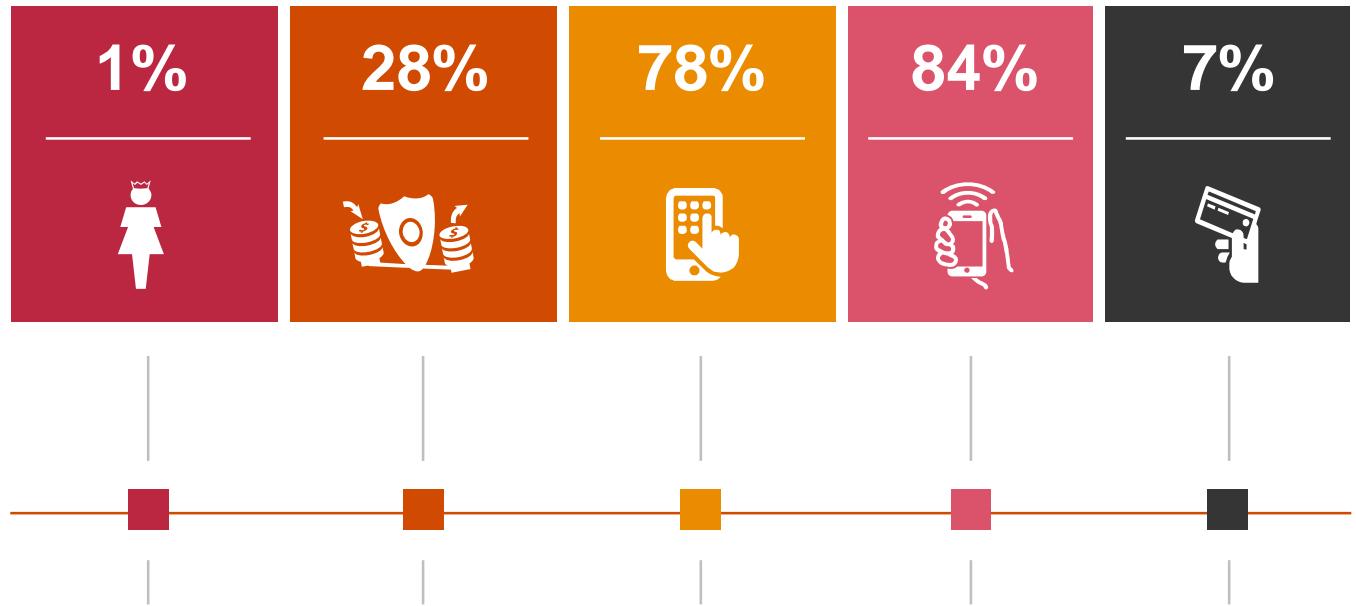
source; World Bank, PwC Analysis

Financial inclusion: Male vs. female



Source: EFinA, PwC Analysis

As at 2018, only about 59% of females were financially included, while about 67% of men were financially included. Leaving 41% of females financially excluded, while 33% of males were financially excluded. Only 33% of females have bank accounts compared to about 46% of males.



1% Of women have at least 1 insurance policy, out of the **29%** of women interested

28% of women still borrow money from relatives, and only **57%** can read English comfortably

78% of women are prepared to learn how to use new technology, **31%** are interested in mobile money

84% of women own or use a mobile phone
7% of women have used some form of electronic payment in the past 1 and a half years

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**Global Facts and Figures:
UN Women**



Benefits of Economic empowerment

- **Empowering women in the economy and closing gender gaps in the world of work are key to achieving the 2030 Agenda for Sustainable Development and achieving the Sustainable Development Goals, particularly Goal 5, to achieve gender equality, and Goal 8, to promote full and productive employment and decent work for all; also Goal 1 on ending poverty, Goal 2 on food security, Goal 3 on ensuring health and Goal 10 on reducing inequalities.**
- **When more women work, economies grow.** Women's economic empowerment boosts productivity, increases economic diversification and income equality in addition to other positive development outcomes. For example, increasing the female employment rates in OECD countries to match that of Sweden, could boost GDP by over US\$6 trillion, recognizing, however, that growth does not automatically lead to a reduction in gender-based inequality. Conversely, it is estimated that gender gaps cost the economy some 15% of GDP.
- **Increasing women's and girls' educational attainment contributes to women's economic empowerment and more inclusive economic growth.** Increased educational attainment accounts for about 50% of the economic growth in OECD countries over the past 50 years. But, for the majority of women, significant gains in education have not translated into better labour market outcomes.
- **Women are more likely to be unemployed than men.** In 2017, global unemployment rates for men and women stood at 5.5% and 6.2% respectively. This is projected to remain relatively unchanged going into 2018 and through 2021.
- **Women are over-represented in informal and vulnerable employment.** From the latest available data, the share of women in informal employment in developing countries was 4.6 percentage points higher than that of men, when including agricultural workers, and 7.8 percentage points higher when excluding them.
- **Globally, women are paid less than men.** The gender wage gap is estimated to be 23%. This means that women earn 77% of what men earn, though these figures understate the real extent of gender pay gaps, particularly in developing countries where informal self-employment is prevalent. Women also face the motherhood wage penalty, which increases as the number of children a woman has increases.
- **Women bear disproportionate responsibility for unpaid care and domestic work.** Women tend to spend around 2.5 times more time on unpaid care and domestic work than men. The amount of time devoted to unpaid care work is negatively correlated with female labour force participation.
- **Unpaid care work is essential to the functioning of the economy ,but often goes uncounted and unrecognized.** It is estimated that if women's unpaid work were assigned a monetary value, it would constitute between 10% and 39% of GDP.



Benefits of Economic empowerment

- **Women are still less likely to have access to social protection.** Gender inequalities in employment and job quality result in gender gaps in access to social protection acquired through employment, such as pensions, unemployment benefits or maternity protection. Globally, an estimated nearly 40% women in wage employment do not have access to social protection.
- **Women are less likely than men to have access to financial institutions or have a bank account.** While 65% of men report having an account at a formal financial institution, only 58% of women do worldwide.
- **The digital divide remains a gendered one:** most of the 3.9 billion people who are offline are in rural areas, poorer, less educated and tend to be women and girls.
- **Women are less likely to be entrepreneurs and face more disadvantages starting businesses:** In 40% of economies, women's early stage entrepreneurial activity is half or less than half of that of men's.
- **Violence and harassment in the world of work affects women regardless of age, location, income or social status.** The economic costs – a reflection of the human and social costs – to the global economy of discriminatory social institutions and violence against women is estimated to be approximately US\$12 trillion annually.



- **Almost a third of women's employment globally is in agriculture, including forestry and fishing**, but this may exclude self-employed and unpaid family workers. Yet, differences across countries and regions are striking. Agriculture remains the most important employment sector for women in low-income and lower-middle-income countries.
- **Women farmers have significantly less access to, control over, and ownership of land and other productive assets compared to their male counterparts.** Land is perhaps the most important economic asset; women account for only 12.8% of agricultural landholders in the world.
- **Women and girls suffer most from the dearth of safely managed water and sanitation.** Women and girls are responsible for water collection in 80% of households without access to water on premises. Menstrual hygiene management is difficult in the absence of water, soap and gender-responsive sanitation facilities, whether at home, school or work.
- **Women and girls are more likely to carry the burden of energy poverty and experience the adverse effects of lack of safe, reliable, affordable and clean energy.** Indoor air pollution from using combustible fuels for household energy caused 4.3 million deaths in 2012, with women and girls accounting for 6 out of every 10 deaths.
- **Environmental degradation and climate change have disproportionate impacts on women and children.** Globally, women are 14 times more likely than men to die during a disaster.

Facts and Figures: Economic Empowerment



Click to view

<https://www.unwomen.org/en/what-we-do/economic-empowerment/facts-and-figures#notes>

Women migrant workers

- Women constitute approximately half of the 258 million migrants who live and work outside their countries of birth. Migrant women and girls outnumber men and boys in all regions except Africa and Asia; in some countries of Asia, men migrants outnumber women by about three to one.
- Despite gender inequalities in the labour market and gender wage gaps globally, women migrant workers were responsible for sending half of the estimated \$601 billion in remittances worldwide in 2016.
- Research has shown that women migrant workers are often more likely than men to remit on a regular basis owing to women's stronger links to family members and self-insurance motives underlining the link between a woman's gendered caregiving role in the household and her increasing propensity to remit.
- Although many migrant women are highly skilled and well-educated, they face challenges in accessing foreign labour markets. Indeed, many migrant women participate in low-skilled and precarious jobs characterized by low wages, poor working conditions, limited labour and social protections, and exposure to physical and sexual violence.
- Women migrant workers are often concentrated in informal, low paid and unregulated work. Of the estimated 11.5 million international migrant domestic workers (in 2013), approximately 73.4% were women.

Facts and Figures: Economic Empowerment



Click to view

<https://www.unwomen.org/en/what-we-do/economic-empowerment/facts-and-figures#notes>



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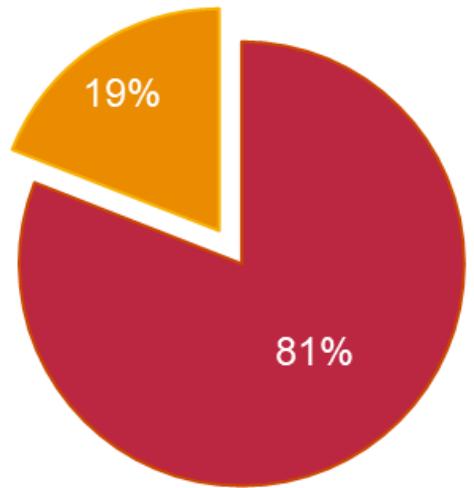


Assessment of women's participation and representation in private sector



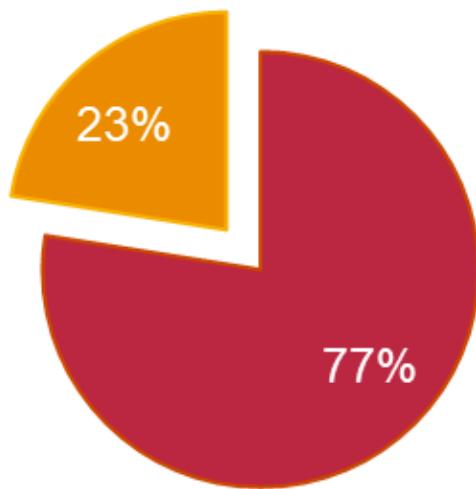
Assessment of women's participation and representation in private sector

Board of Directors
(Male vs Female)



■ M ■ F

Management
Team (Male vs
Female)



■ M ■ F



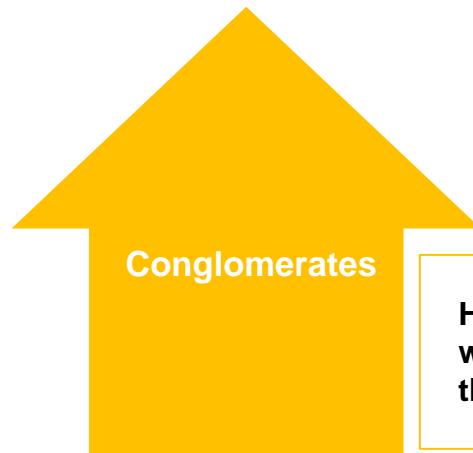
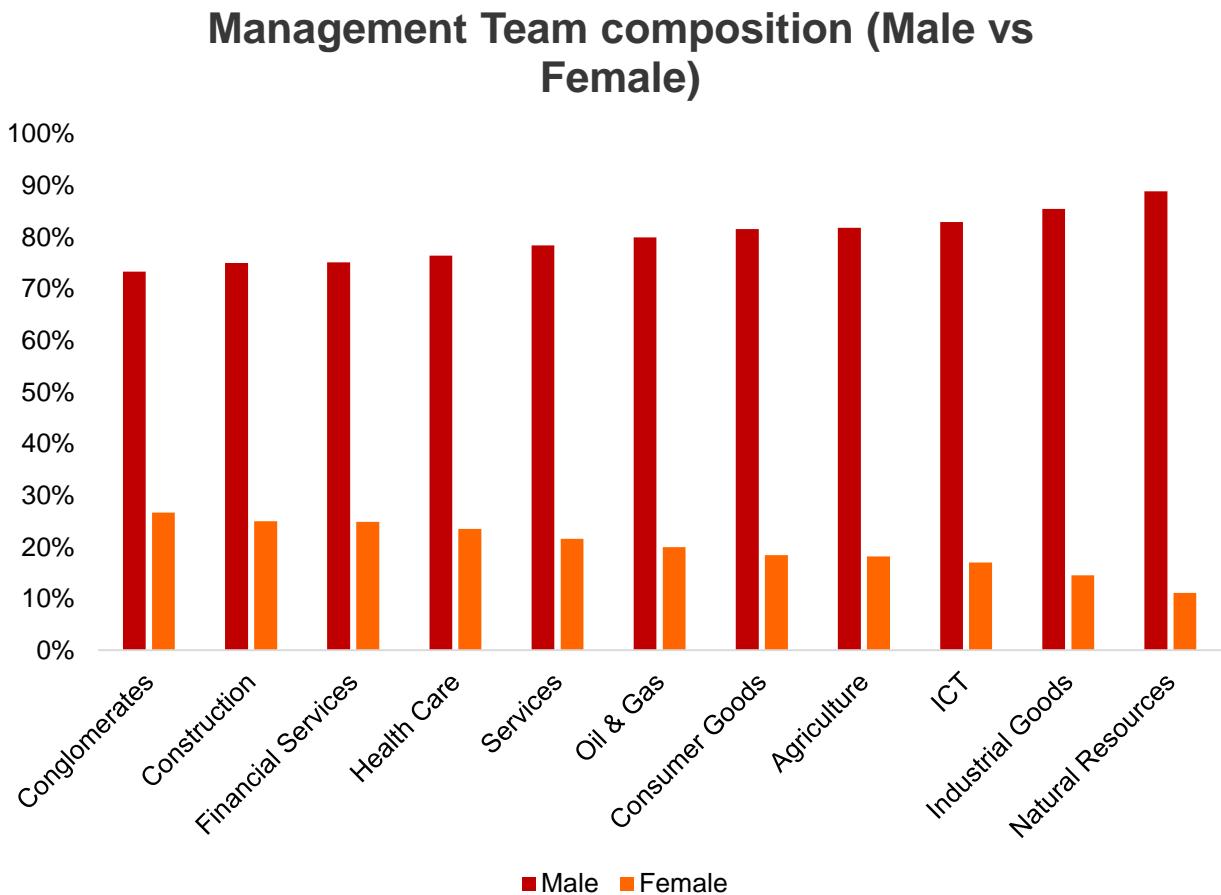
- Female board members made up 19% of the total board composition across the various sectors listed on the Stock Exchange. Among the 11 sectors analysed, the Construction, Industrial goods & Consumer goods sectors had the highest representation of female board members with 24%, 22% and 20% respectively.
- In absolute terms, the financial services sector accounted for the highest number of female board members (81 in total) compared to the other sectors.



- Female management team members made up 23% of the total board member composition across the various sectors listed on the Stock Exchange.
- The Conglomerate, Financial Services and Construction sectors had the largest composition of female board members with 27%, 25% and 25% respectively..

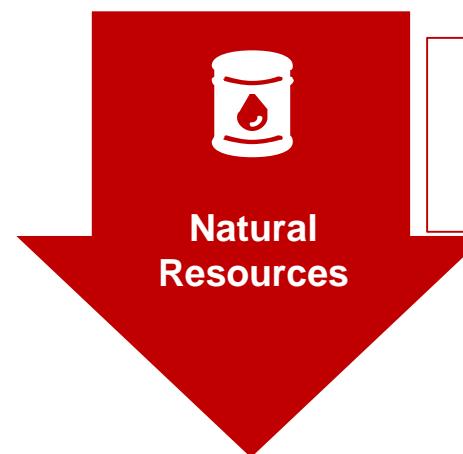
Source: NSE

Assessment of women's participation and representation in private sector



Conglomerates

Highest representation
with 27% of women on
the management team



Natural
Resources

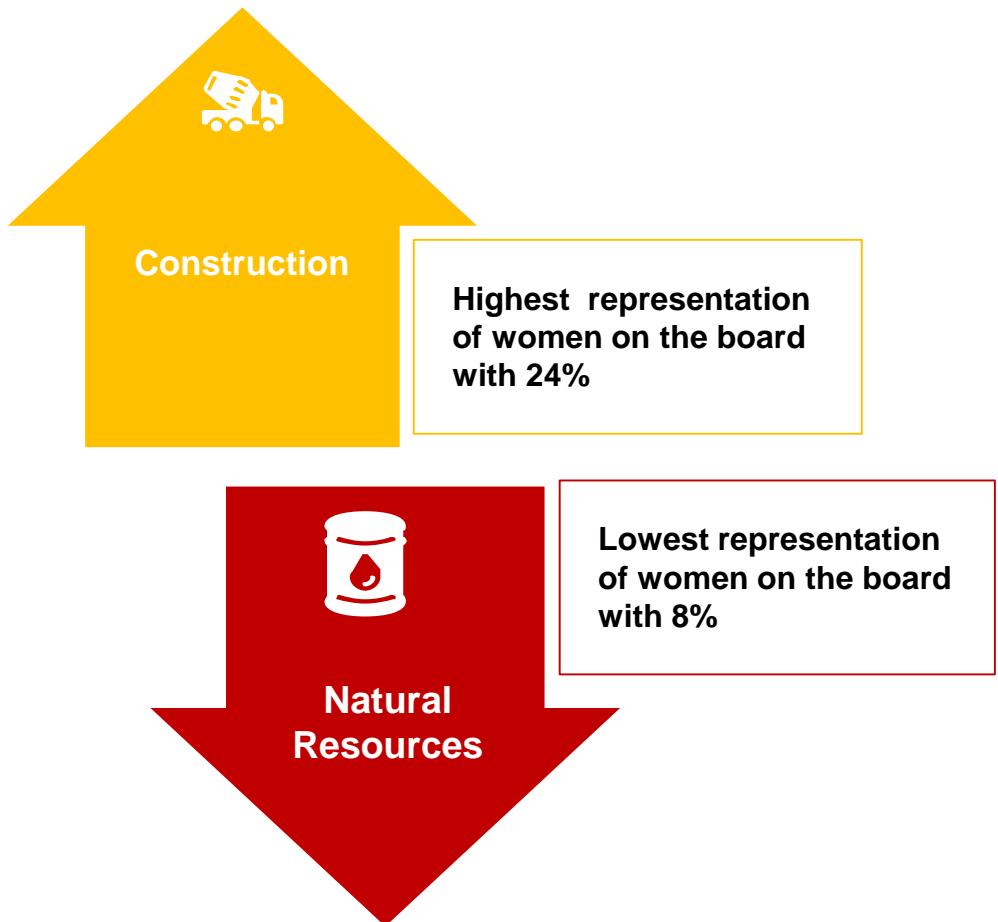
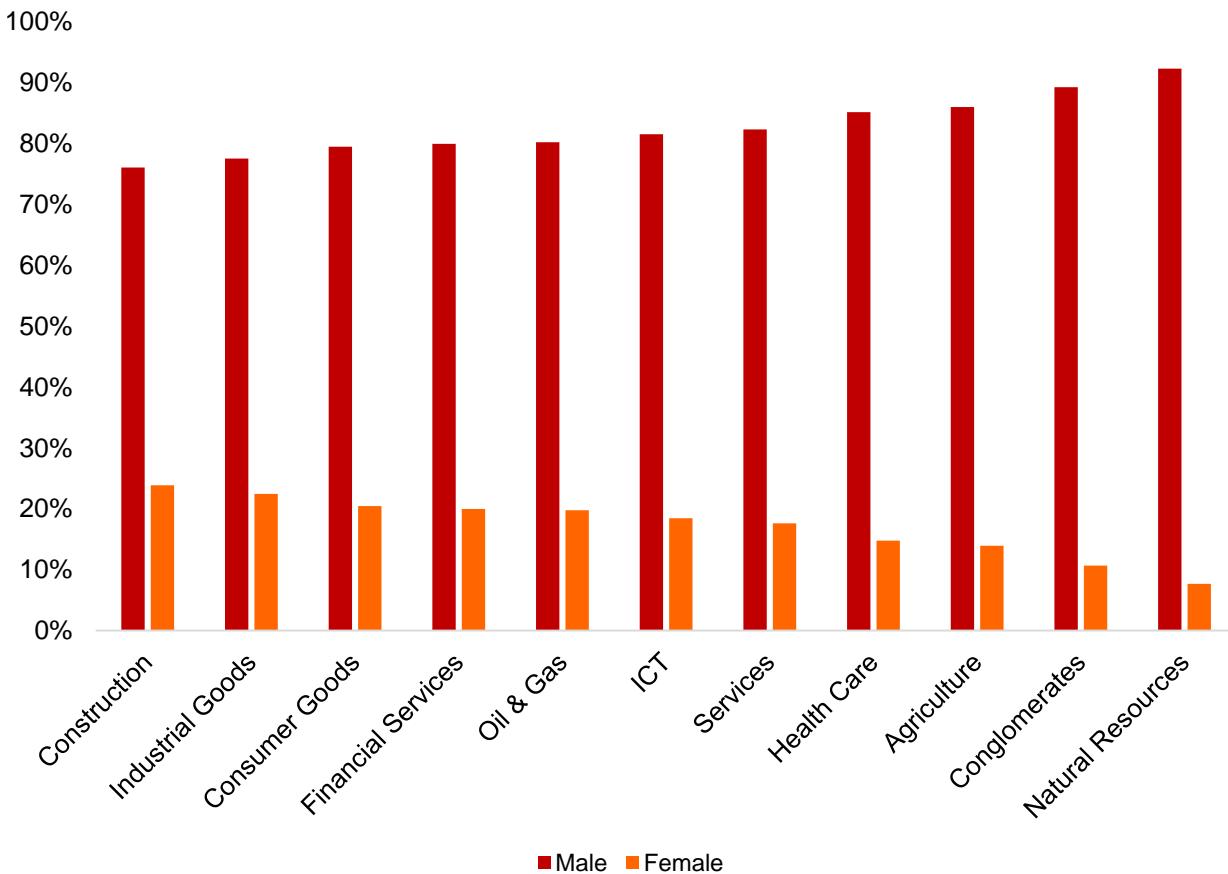
Lowest representation
with 11% of women on
the management team

Source: NSE

Assessment of women's participation and representation in private sector

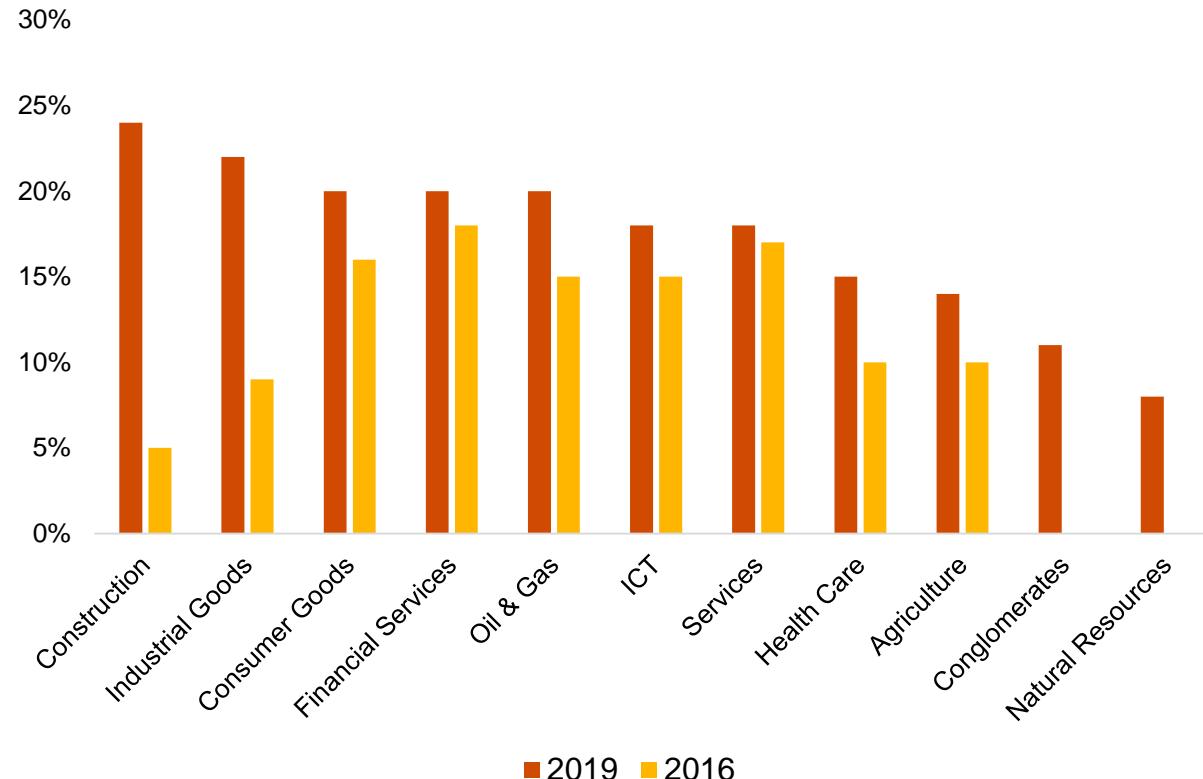


Board Composition (Male vs Female)



Assessment of women's participation and representation in private sector

% Representation of women on the board (2019 vs 2016)



Across all the sectors, the representation of women increased from 2016 to 2019

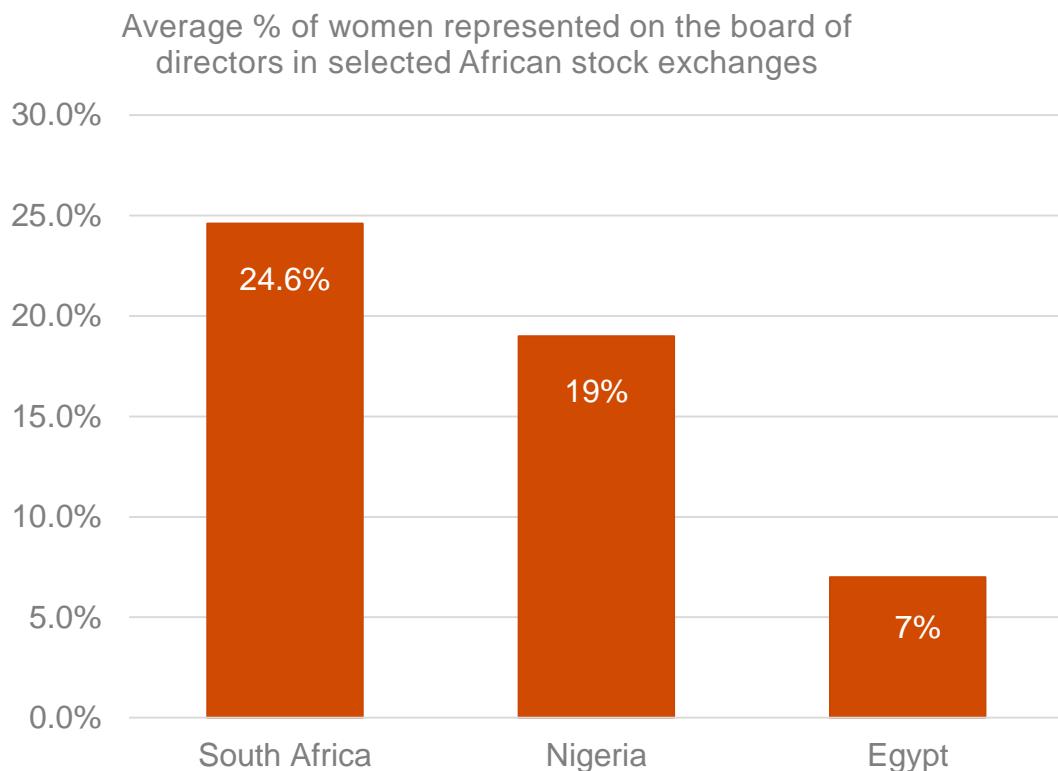


The largest increase of 19% was in the construction sector, from 5% in 2016 to 24% in 2019.

Overall, the growth of women on boards increased by 41% from 160 in 2016 to 226 in 2019.

Assessment of women's participation and representation in private sector

African countries are taking small strides to achieve gender equality in the boardroom, as the average across African countries for representation of women on the board of directors is 25%. South Africa has the highest percentage of women on its board of directors, due to policies in place for companies to achieve a certain target of women on boards.





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**Assessment of women's
participation in public sector**



Impact of Women's participation in politics...

Excerpt by María Fernanda Espinosa Garcés, the President of the United Nations General Assembly for the 73rd session



**María Fernanda
Espinosa**

Ecuadorian politician and diplomat. She was the President of the United Nations General Assembly for the 73rd session

Underrepresentation of women in political life contributes to exacerbating inequality. If half of the population is excluded, sustainable development is just a thought.

If elected, women are more likely to speak, advocate, symbolize, and act on behalf of women and children compared to their male counterparts. It follows that female politicians are better equipped to represent the interests of female voters because they, at least to some extent, share the same experiences.

Women in government are committed to a more equal distribution of valuable societal resources (e.g. income, education, and wealth).

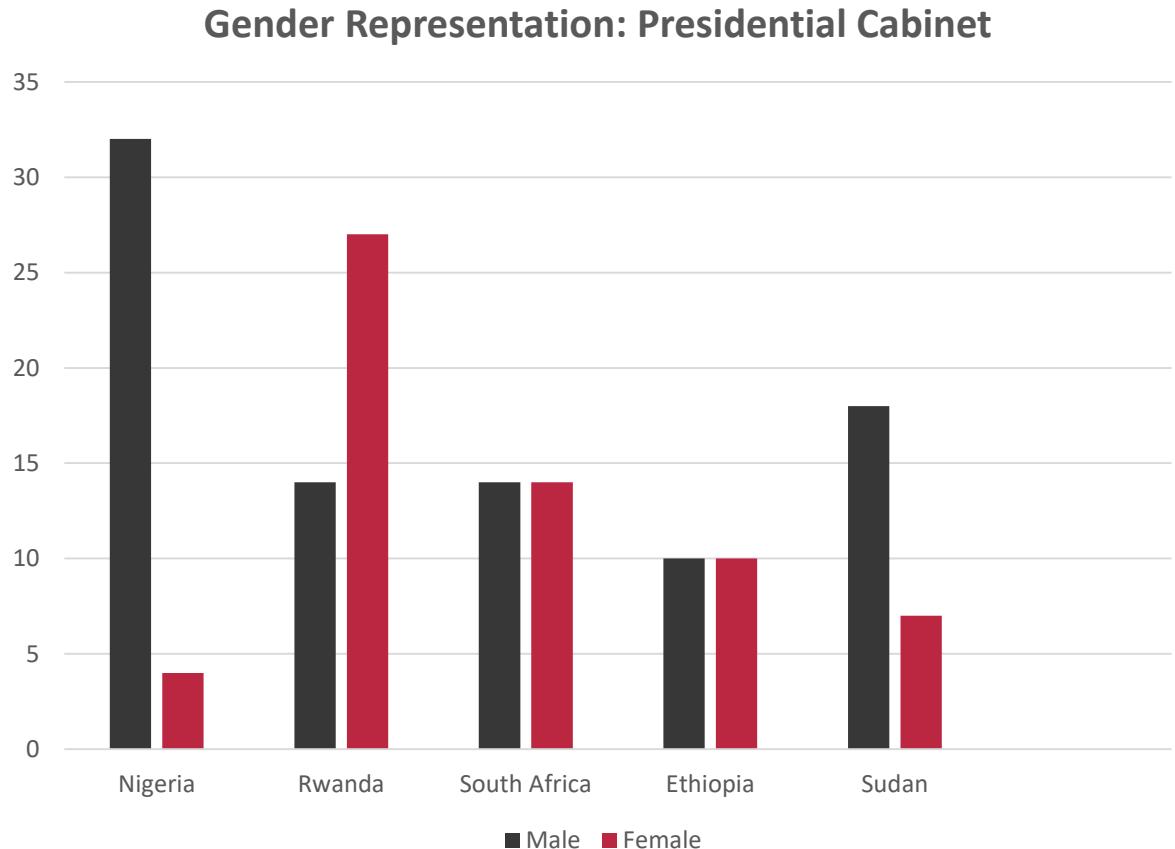
Research has shown that women in government tend to work in more collaborative and bipartisan ways and employ a more democratic leadership style compared to men's more autocratic style. Women are also more effective at building coalitions and reaching consensus.*

According to the World Economic Forum, electing more women in government not only promotes gender equality and strengthens democratic institutions but also makes real and substantive contributions to government spending and population health.*

* Not part of the speech excerpts given by the President...

Gender Representation: Presidential cabinet

Benchmarking Nigeria against 4 selected countries in Africa...Nigeria has the lowest representation of women on the Executive cabinet...



Women account for only 11% of the Ministers on the Presidential cabinet



Women account for 65% of Rwanda's Presidential cabinet



In South Africa, women represent 50% of Ministers on the President's cabinet



In Ethiopia, the women represent 50% of Ministers on the cabinet



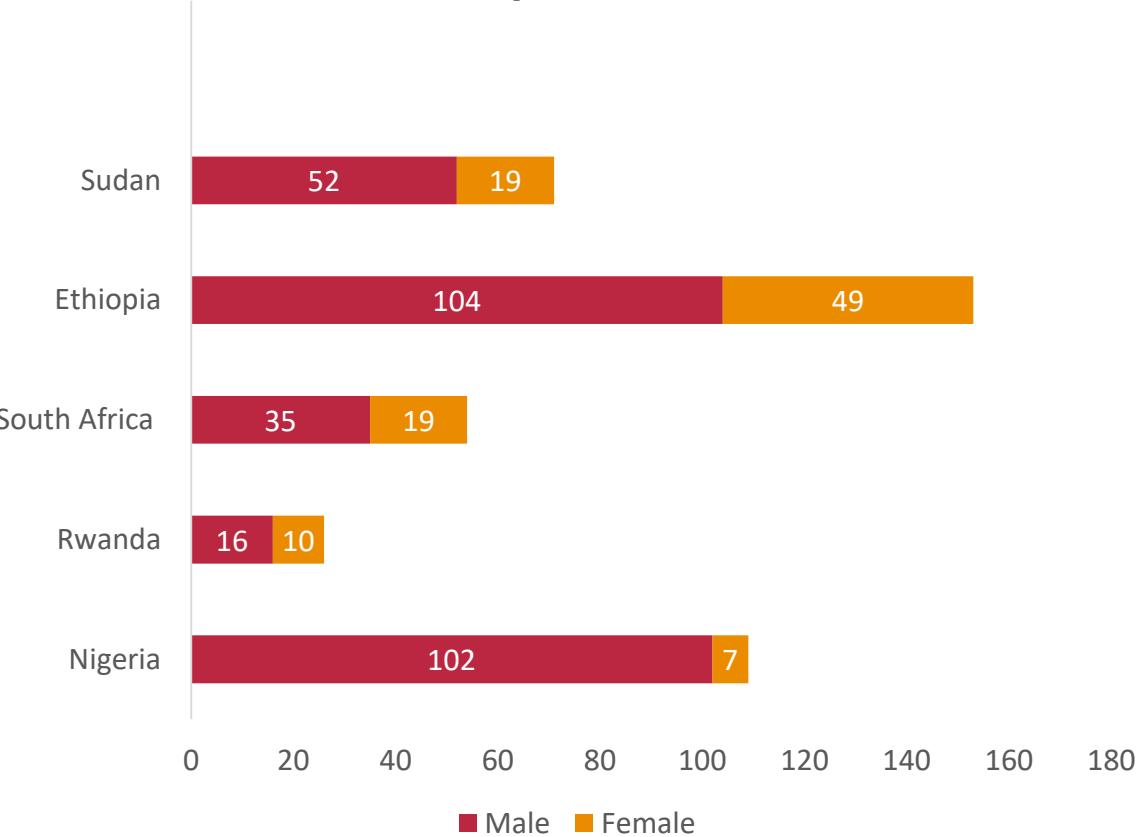
Women account for 28% of the total Ministers in Sudan's executive cabinet



Gender Representation: National Assembly (Senate)

Benchmarking Nigeria against 4 selected countries in Africa...Nigeria has the lowest representation of women in the Senate...

Gender Representation: Senate



Women account for roughly 6% of the Senators on the National Assembly in Nigeria



Women represent 38% of the Senators in Sudan's National Assembly



In South Africa, women represent 35% of the Senate



Women represent 32% of the Senators in Ethiopia's National Assembly

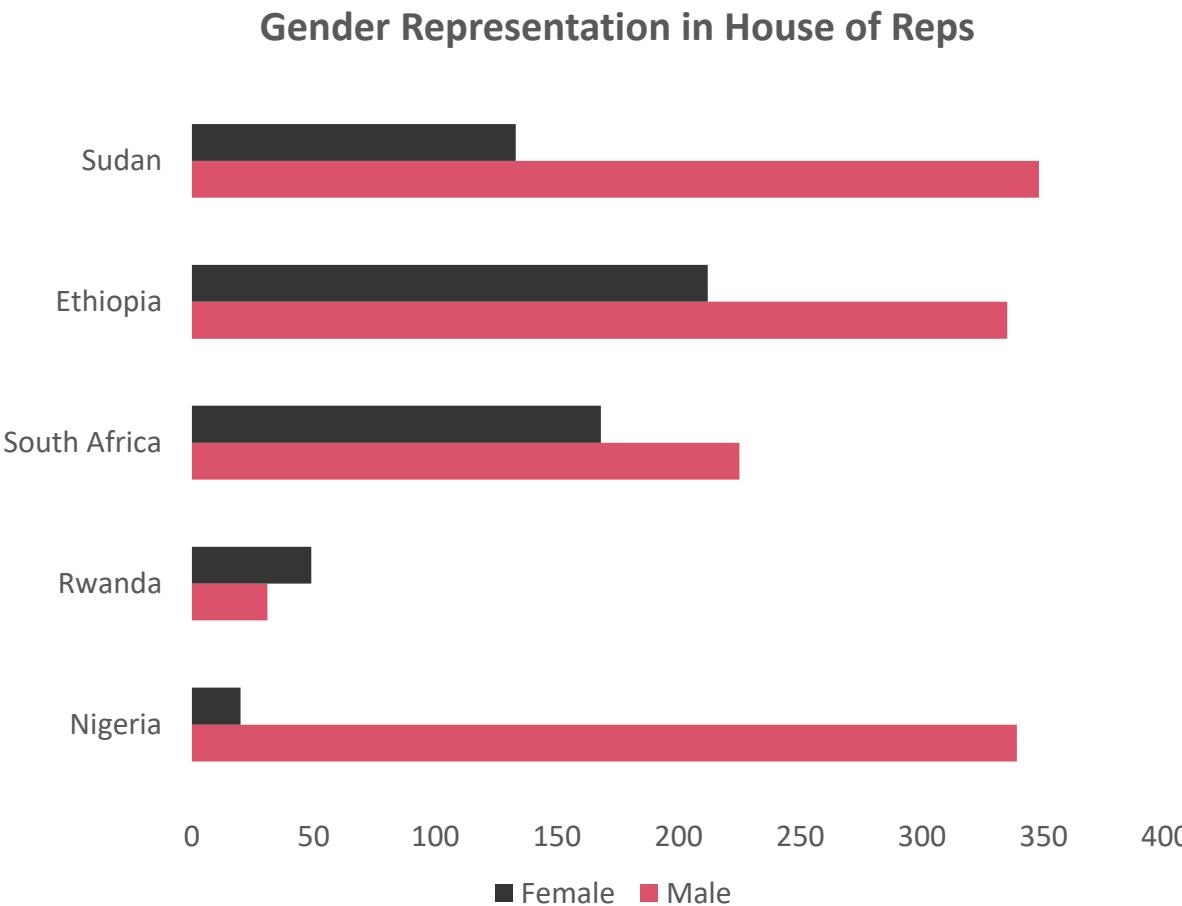


The Sudan Upper House has about 27% of female Senators



Gender Representation: National Assembly (House of Reps)

Benchmarking Nigeria against 4 selected countries – Nigeria has the lowest representation of women in the Lower House...



In Nigeria, the House of Representatives comprises 359 seats with women accounting for only 6% of the total number of elected representatives



In Rwanda, the Lower house comprises 80 seats with women representing 61% of the total elected representatives



South Africa's House of Representatives holds 393 seats with women accounting for about 43%



Ethiopia accounts for 547 seats in the Lower House with 39% of elected female representatives



In Sudan, the Lower House comprises 488 seats with 28% of women represented



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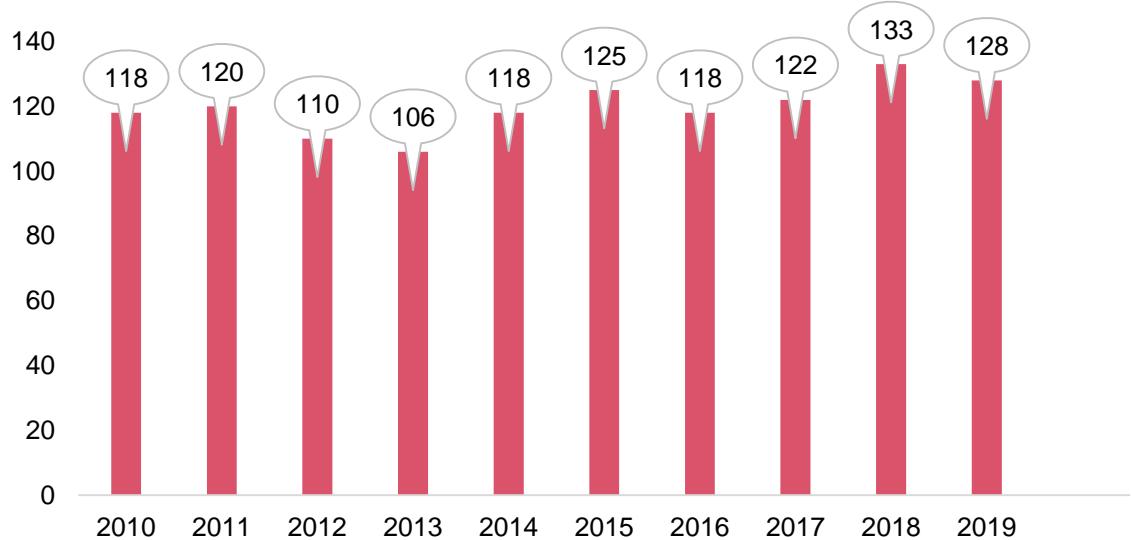


Assessment of Nigeria on
gender gap index



Assessment of Nigeria on gender gap index

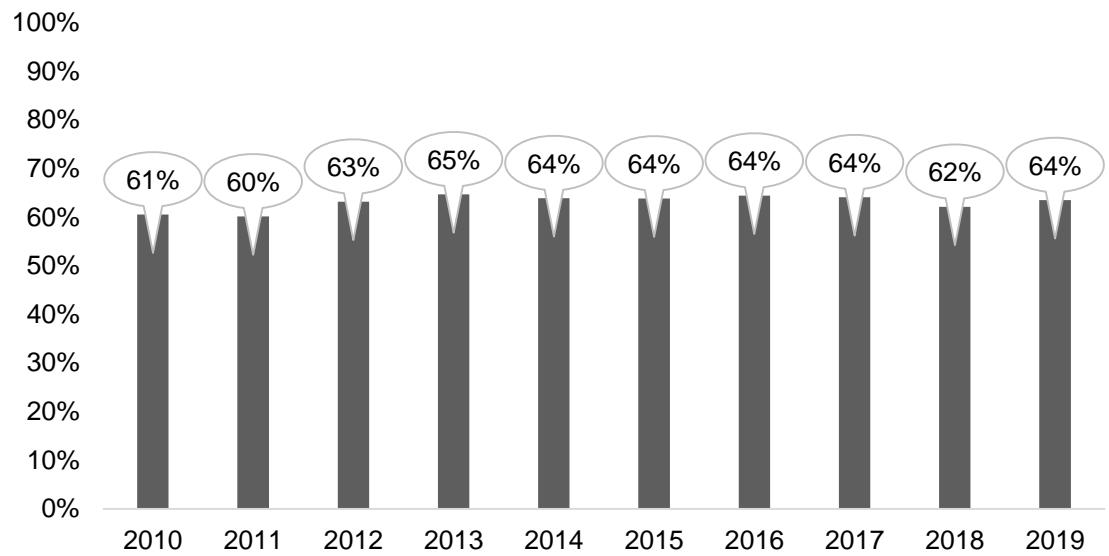
Nigeria's gender gap index (rank)



Source: World Economic Forum; PwC Analysis

Nigeria has remained within the 100th and 130th position out of 153 countries, over the last 10 years (2010 – 2019), reflecting low level of gender equality compared to peers. By 2019, the country ranked 128th in the world and 27th in Africa out of 153 countries (and 53 in Africa) surveyed. It is expected that the overall global gender gap will close in 99.5 years.

Nigeria's gender equality score



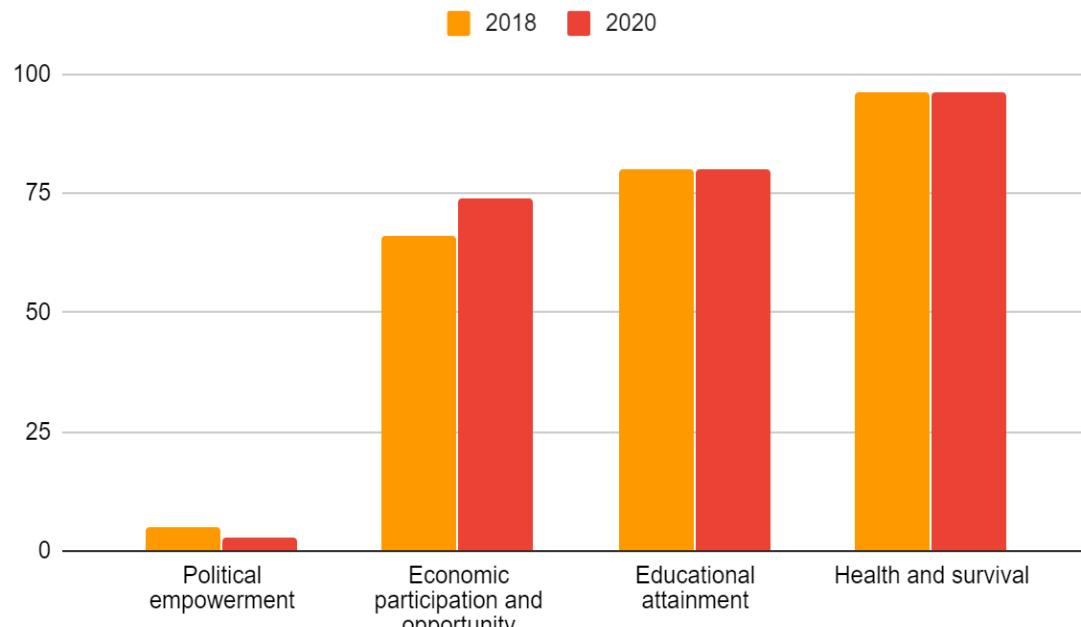
Source: World Economic Forum; PwC Analysis
Rank; out of 100%

On average, the country has not improved in closing the gender equality gap and has remained within the 60 to 63% score-line for the last decade. Furthermore, the country ranked below peers such as Brazil (69%), India (66%), China (67%) and Mexico (75%). However, Nigeria has had varied performance across the various sub-indexes: education, economic opportunity, politics and health. While, Nigeria has done well in bridging the gender gap in economic participation and opportunity; the country's performance in political empowerment has been very low – only 3% of the gender gap has been closed in this area. .

Nigeria vs. top 4 in Africa on global gender gap index...

Nigeria ranks 128th out of 153 countries on the global gender gap index...

Global Gender Gap Index

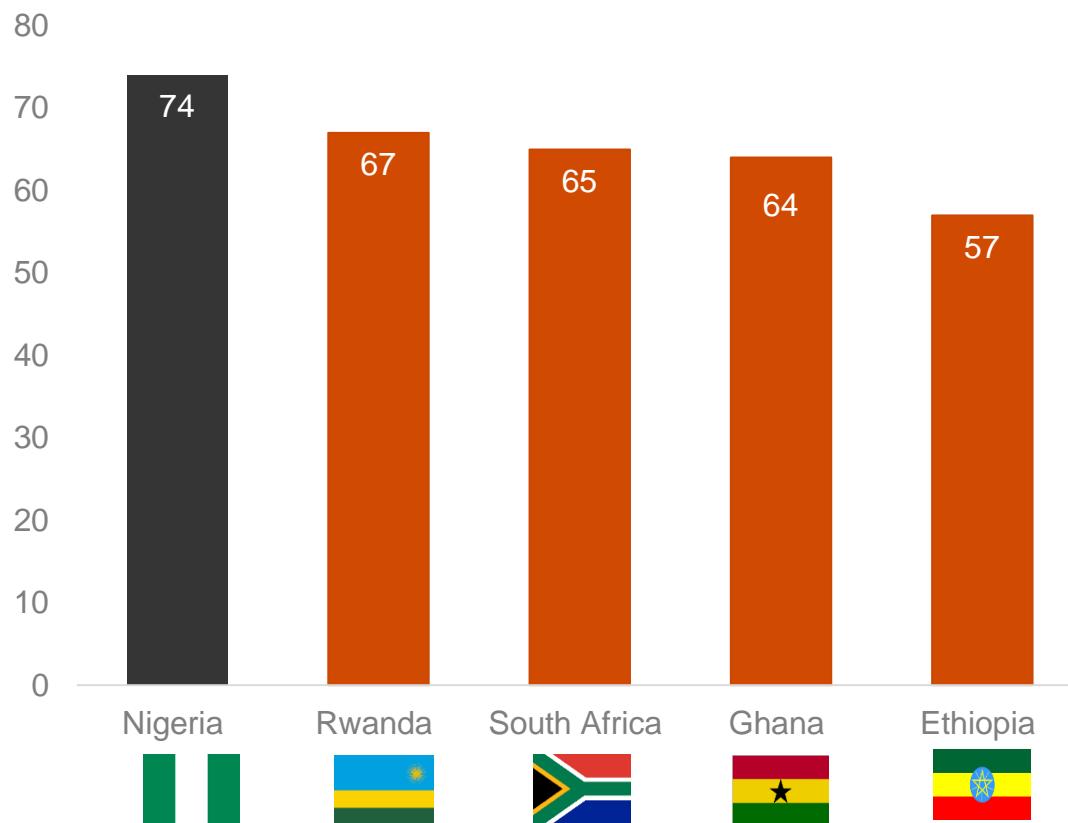


Nigeria	Rank 2018	Rank 2020
Economic participation and opportunity	79 th	38 th
Educational attainment	140 th	145 th
Health and survival	132 nd	135 th
Political empowerment	139 th	146 th

Nigeria vs. top 4 in Africa on Economic participation and opportunity...

Nigeria ranks 128th out of 153 countries on the global gender gap index...

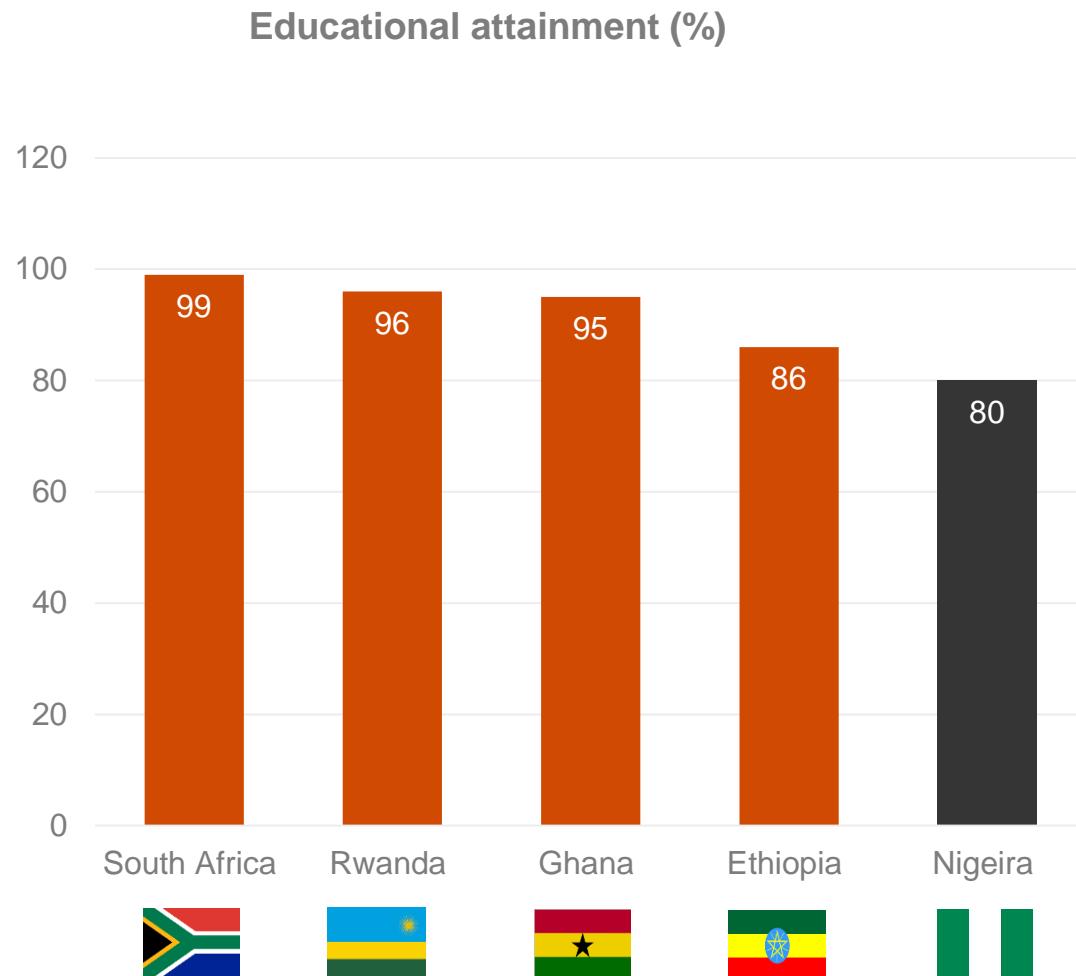
Economic participation and opportunity: Score of selected African countries



Nigeria ranked 11th in SSA and 38th globally on the economic participation and opportunity sub-index of the global gender gap index. According to the World Economic Forum (WEF), Nigerian women represent 65% of skilled professionals, but account for only 30% of senior corporate leadership positions. Nigeria ranked 1st on the professional and technical workers sub-index, having more women than men with a ratio of 1.83 to 1.

Country	Global Rank
Nigeria	38 th
Rwanda	79 th
South Africa	92 nd
Ghana	94 th
Ethiopia	125 th

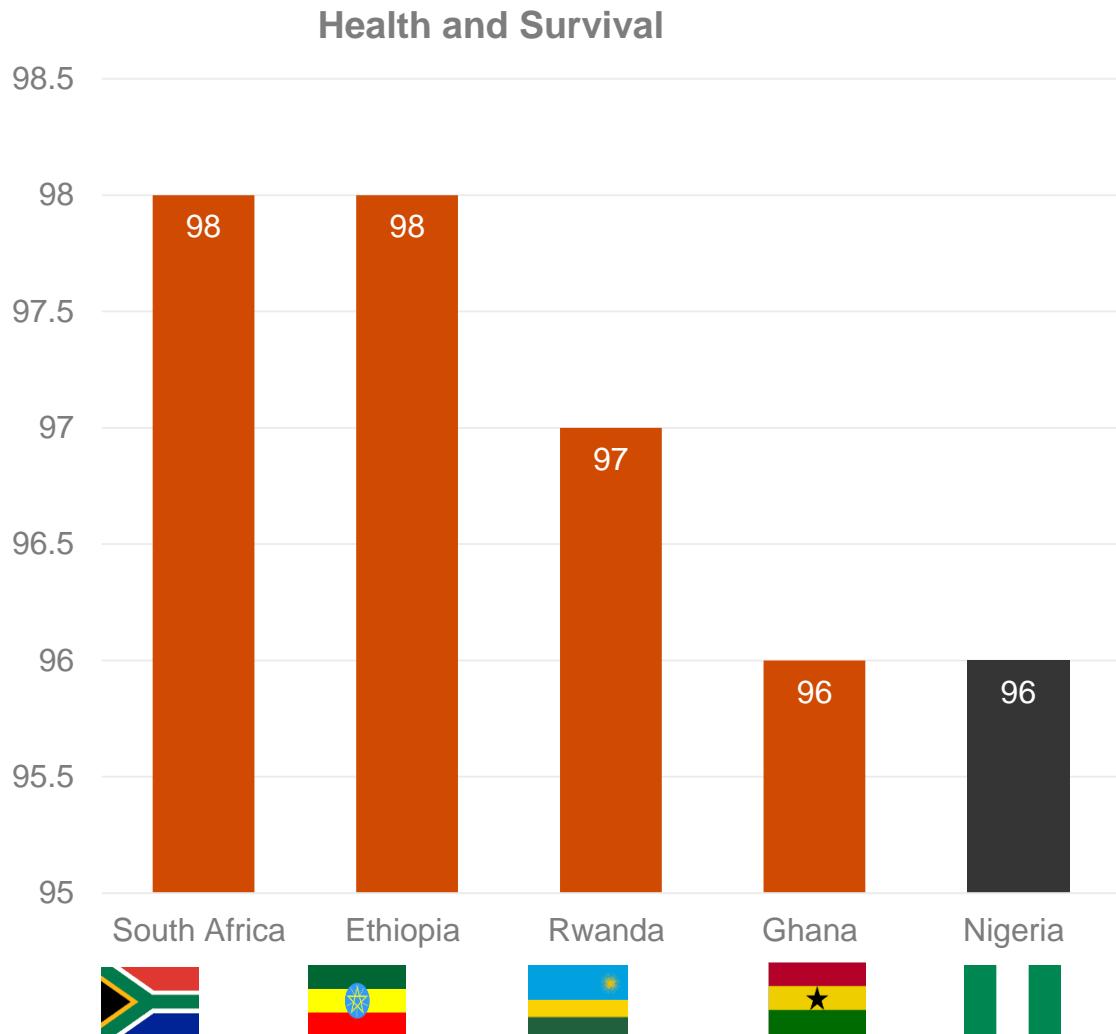
Nigeria vs. top 4 in Africa on Educational attainment...



Nigeria's educational attainment for women is low with female literacy rate at 53%, compared with men at 71%. There is also a gender gap in school enrolment rate with more male pupils being enrolled than females. Yet, some African countries have attained equal or almost equal enrolment of both sexes in schools. Nigeria falls below South Africa, Rwanda, Ghana and Ethiopia on this index.

Country	Global Rank
South Africa	67 th
Rwanda	114 th
Ghana	119 th
Ethiopia	140 th
Nigeria	145 th

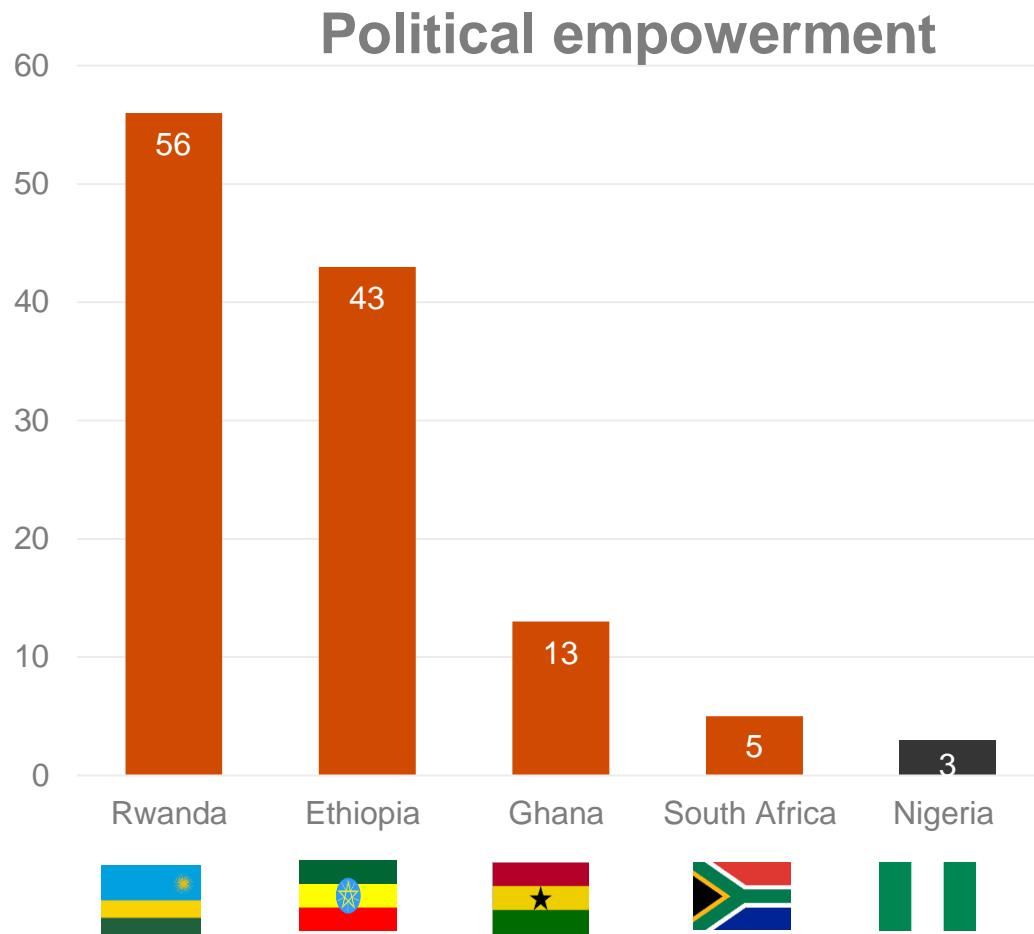
Nigeria vs. top 4 in Africa on Health and Survival...



With respect to health and survival, Nigeria ranked 135th globally with score of 96%. The country was also below South Africa (first in the world) Ethiopia, Rwanda and Ghana on the index. In Nigeria, women's life expectancy is slightly lower than men. For instance, maternal mortality is still a major risk for women of childbearing age in Nigeria.

Country	Global Rank
South Africa	1 st
Ethiopia	63 rd
Rwanda	90 th
Ghana	121 st
Nigeria	135th

Nigeria vs. top 4 in Africa on Health and Survival...



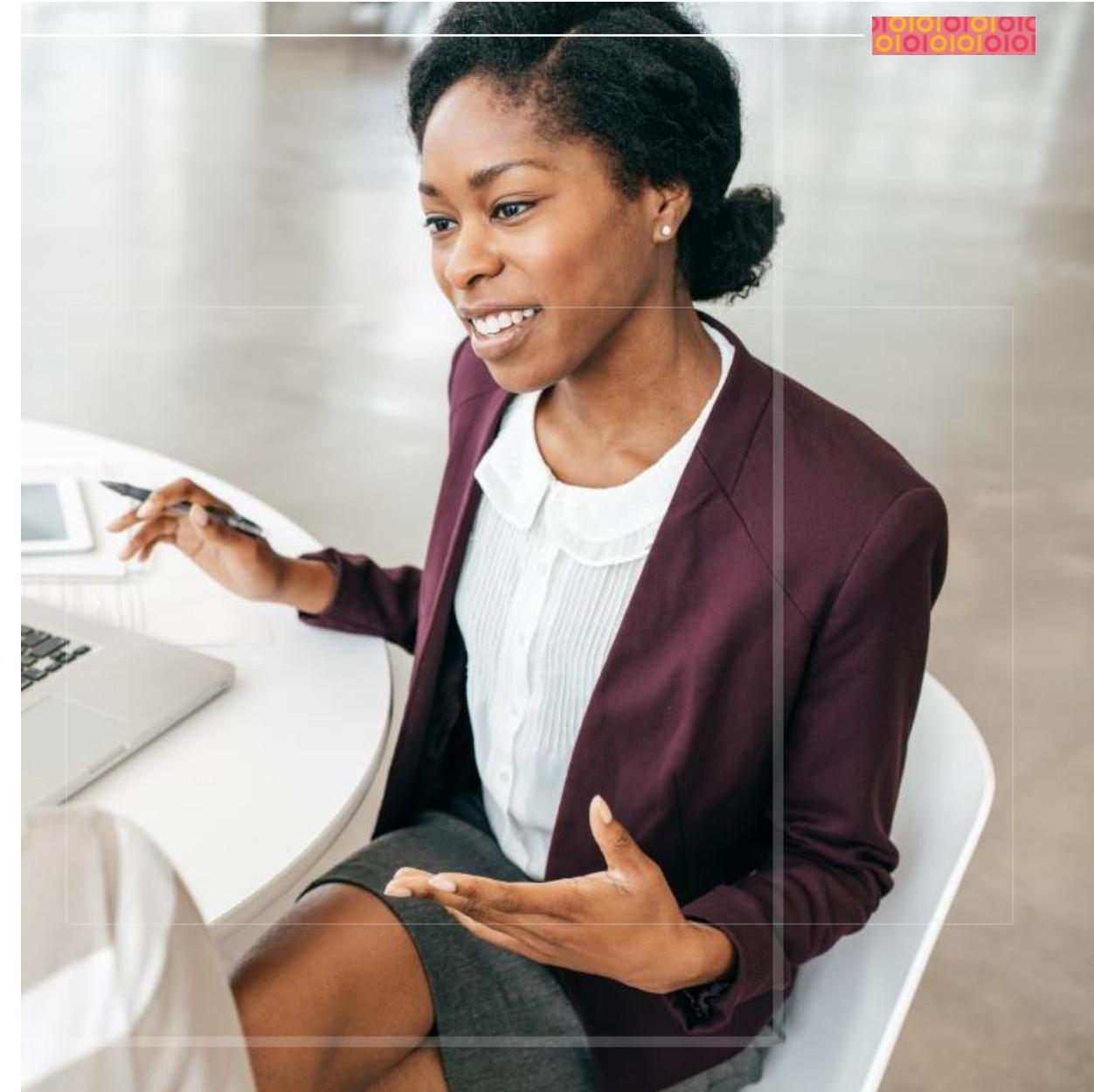
Nigeria ranked 146th and scored only 3% on the political empowerment index – with only 11% representation on the Presidential cabinet and less than 6% in Parliament. Political empowerment for women is very low in Nigeria with the country significantly behind its counterparts including Rwanda, South Africa, Ethiopia and Ghana.

Country	Global Rank
Rwanda	4 th
South Africa	10 th
Ethiopia	16 th
Ghana	107 th
Nigeria	146 th



6

Assessment of gender-mandated regulations in Nigeria



Gender-mandated regulations in Nigeria



Central Bank of Nigeria

- CBN regulations mandate a minimum of 30% of females on boards of Nigerian commercial banks.
- MSMEs development fund guideline mandates that 60% of the loans be given to women.
- Also, the national financial inclusion strategy recommends increasing female staff of microfinance banks to 30%

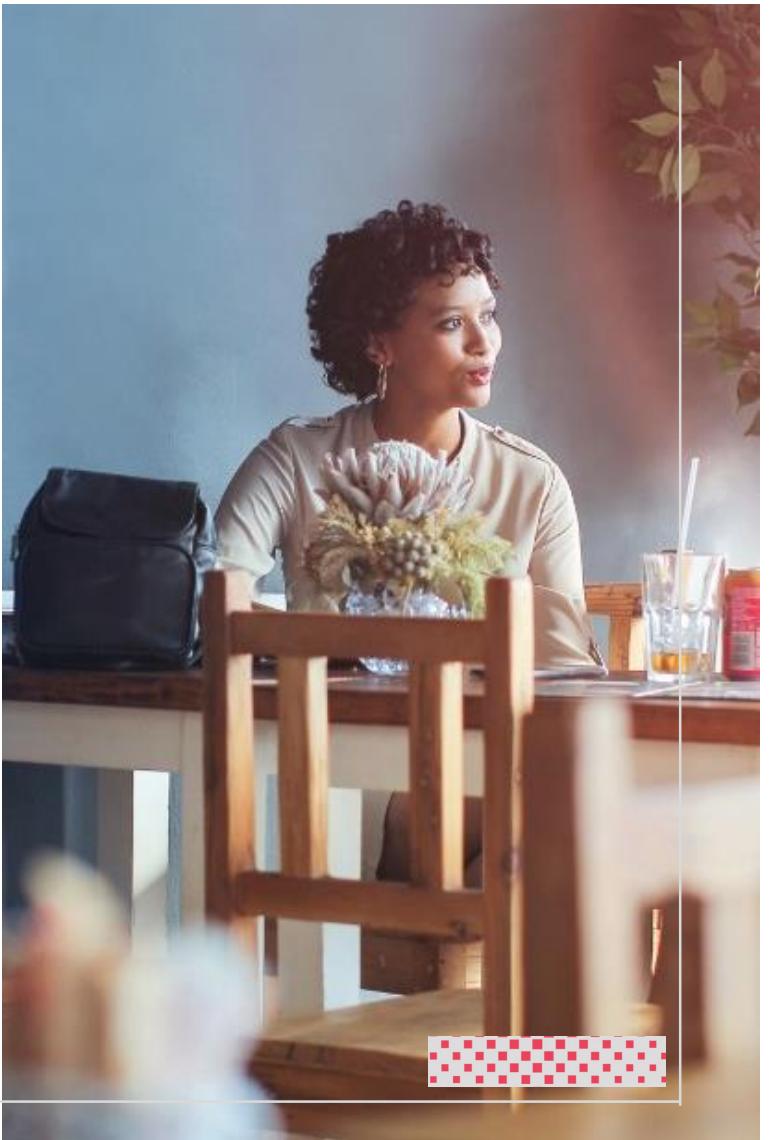


Security exchange commission



Financial Reporting Council

- The SEC Code only recommends that publicly listed companies consider gender when selecting board members but does not have any specific gender-based rule or regulation.
- The Nigerian Code of Corporate Governance (CCG) by the FRC encourages corporate boards to set diversity goals and be mindful of them when filling board vacancies.

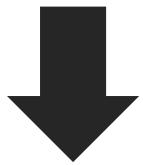


Is Nigeria doing well on the gender-mandated regulations?

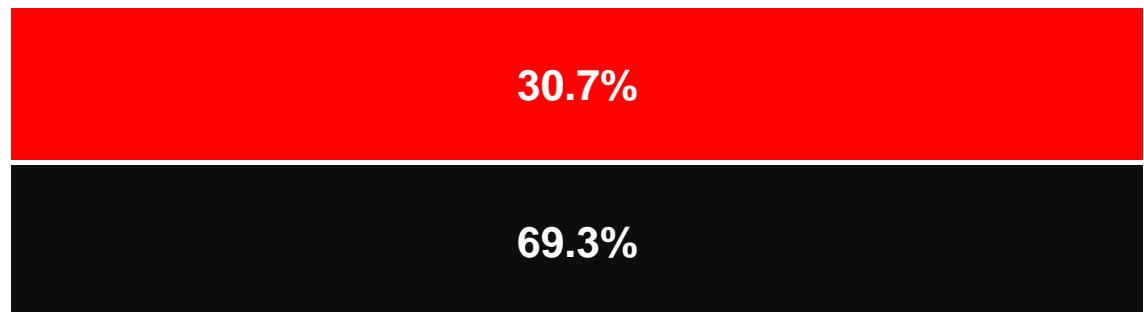
Firms with female top managers in some selected countries in Africa (%firms)



In Africa there are little or no regulations on gender matters. Although the number of female participation is improving over time, it is slow. In Nigeria where there is a CBN mandated regulation for banking industry stating that there should be at least 30% of women on the board of regulation, there is no enforcement of such regulations as only 30.7% of banks adhere the instruction



The number of commercial banks that **have met** the Central Bank of Nigeria regulation for 30% of women representation



The number of commercial banks that **have not met** the Central Bank of Nigeria regulation for 30% of women representation

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