

Women Will Rule the World

Men were the main victims of the recession. The recovery will be female.

by [Jessica Bennett](/authors/jessica-bennett.html) and [Jesse Ellison](/authors/jesse-ellison.html)
July 06, 2010



Reuben Singh / Reuben Singh

Rajni Bector, 67, a food specialist and one of the first female entrepreneurs in Ludhiana, Punjab India.

When historians write about the great recession of 2007–08, they may very well have a new name for it: the Mancession. It's a term already being bandied about in the popular media as business writers chronicle the sad tales of the main victims of the recession: men. They were disproportionately represented in the industries hit hardest during the downturn, including financial services, manufacturing, and construction, and their higher salaries often put them first in the line of fire. Men are the victims of two thirds of the 11 million jobs lost since the recession began in 2007; in August 2009, when U.S. male unemployment stood at 11 percent (versus 8.3 for women), it was the largest unemployment gender gap in the postwar era. Those numbers have improved, a bit—new unemployment figures show men at 9.9 percent and women at 7.8—but not enough to stop Larry Summers, the president's top economic adviser, from speculating recently, that “when the economy recovers, five years from now, one in six men who are 25 to 54 will not be working.”



Robert Nickelsberg / Getty Images

Click to view a gallery of secure jobs for the next decade.

If they are lucky, they'll have wives who can take care of them. American women are already the breadwinners or co-breadwinners in two thirds of American households; in the European Union, women filled 75 percent of the 8 million new jobs created since 2000. Even with the pay gap factored into the equation, economists predict that by 2024, the average woman in the U.S. and a number of rich European countries will outearn the average man. And she'll be spending that money: as a new book on female economic power, *Influence* (<http://www.amazon.com/exec/obidos/ASIN/1401341020/?tag=nswk-20>), points out, American women are responsible for 83 percent of all consumer purchases; they hold 89 percent of U.S. bank accounts, 51 percent of all personal wealth, and are worth more than \$5 trillion in consumer spending power—larger than the entire Japanese economy. On a global level, women are the biggest emerging market in the history of the planet—more than twice the size of India and China combined. It's a seismic change, and by all indications it will continue: of the 15 job categories expected to grow the most in the next decade, all but two are filled primarily by women.

It's not hard to imagine that such a drastic shift has forced multinational corporations to take note—and ensure their products and services appeal to female consumers. But there are more important implications as well, like the reality that, because it's women, not men, who are starting businesses on their own, it will be women, not men, who will one day employ a majority of workers. As with most trends involving female empowerment, the shift has begun in the U.S., and is emanating outward. Between 1997 and 2002, female-led firms grew by nearly 20 percent, while overall firms grew by just 7 percent; by 2005, women represented more than a third of people involved in entrepreneurial activity, and the number of women-owned firms continues to grow at twice the rate of all U.S. firms. Indeed, it's not a leap to say that female entrepreneurship may help revive the fortunes of the middle class in the developed world.

In the United States, nearly all net job creation since 1980 has been generated by firms operating for fewer than five years—and that number is only likely to rise as more multinationals send their new jobs to countries with cheaper labor. “Any economist will tell you, the job creation [we] need to fuel any kind of middle class is not going to come from corporations, it's going to come from small businesses,” says Harvard business professor Nancy Koehn. “With that in mind, what we need to start thinking about is how we capitalize on this [vast network] of women entrepreneurs. How do we nurture them? How do we fund them? How do we use [this] national asset?”

It's a question that policymakers all over the world are beginning to ask themselves. Nowhere is this need for talent more clear than in high-growth developing nations, most notably the BRIC countries (Brazil, Russia, India, and China), where economic and business growth is dramatically outpacing the production of talented employees, particularly at the higher ends of the food chain. Here, the rise of female economic power will be a transformative growth engine, in large part because education levels among women have vastly improved from where they were even 10 years ago. It's a well-known fact that in the United States, women outnumber men in the attainment of college degrees (by 20 percent), as well as graduate and law diplomas; 72 percent of high-school valedictorians were women last year. But it's less well known that the same is true in many developing nations. In Brazil, the United Arab Emirates, and Russia, the vast majority of college graduates are female. In Russia, for example, 86 percent of women ages 18 to 23 are enrolled in tertiary education. Improving education for women can have a dramatic impact on economies: the Women's Learning Partnership estimates that for every year beyond fourth grade girls attend school, a country's wages rise by 20 percent, and the child-mortality rate dips by 10 percent. And when the average education level of a country's adult female population increases by one year, the share of women in the workforce increases by nearly 1 percent.

Educated BRIC women have already begun to gain workforce traction: they make up between 30 percent and 50 percent of BRIC workers as a whole, and in three of the four BRIC nations, female labor-force participation rose from 2007 to 2008. There's every reason to believe the trend will only speed up. As the authors of a new Center for Work-Life Policy (CWLP) study on female talent in emerging markets note, the women in developing nations are more likely to describe themselves as ambitious than the men are. Eighty-five percent of women in India and 92 percent in the UAE consider themselves "very ambitious"; in Brazil, India, China, and the UAE, at least 75 percent of women aspire to hold a top job (compare these figures with the mere 36 percent of U.S. women who consider themselves very ambitious). Certainly, the need for greater economic parity drives some of this (in poor countries, the gender wage gap is still quite large). But experts also believe the legacy of communism may have provided a surprisingly beneficial lesson to today's capitalists: as one Chinese HR leader told researchers, "communism has always emphasized that women can and should do whatever men can do... We often find female candidates to be as competitive, if not more so, than their male counterparts."



[Click to view a timeline of women's rights at work.](#)

The debate over women in the workforce is still fresh and exciting in the developing world. In the United States, and the West more generally, we've reached what Rosalind Hudnell, the head of

diversity and inclusion at the Intel Corporation, calls a state of “gender fatigue.” “Like this is an old issue; we’re done,” she says. Meanwhile, in emerging markets—countries like China, India, and Brazil—Hudnell is seeing an awakening. When, 18 months ago, the company’s Chinese offices organized networking groups for their female employees, the result was as explosive as the nation’s economic growth. “Two years ago, if you’d [told me] that my fastest-growing focus will be women in China, I would have said, ‘Yeah, right,?’” Hudnell says.

With the state of the economy as it is, corporations are starting to realize that women may be their best hope. Firms like Intel spend increasing time and money mentoring female employees because they consider it a key competitive edge in the global talent wars. Many studies show that companies with more women on their boards do better financially than those with less. A recent McKinsey survey determined that, of companies who’d made efforts to empower women in emerging markets, 34 percent reported increased profits, and another 38 percent said they expected to see profit as a direct result of those efforts. There have been many theories as to why women improve business. Recent research from the London Business School suggests that productivity levels go up when men and women work together in tandem—in part because gender parity counters the idea of group-think. Whatever the reason, there is clearly a business case for workplace equality—and the effects have the potential to transform national economies that are struggling.

The World Economic Forum has estimated that closing the remaining employment gender gap in the United States would increase U.S. GDP by up to 9 percent; in BRIC countries, as well as the N-11 nations (Bangladesh, Egypt, Indonesia, Iran, Mexico, Nigeria, Pakistan, the Philippines, South Korea, Turkey, and Vietnam), the Center for Work-Life Policy estimates that utilizing women could push per capita income up by 14 percent by 2020, and 20 percent by 2030. “Study after study,” says the White House director of public engagement, Christina Tchen, “shows that increasing education levels and prosperity of women and girls has been able to contribute to social stability and economic progress.” In developing countries, the social effects of female economic empowerment are particularly evident, since women reinvest 90 percent of their income into community and family, compared with 30 to 40 percent reinvested by men.

It’s clear that challenges remain—not just at home, but around the world. Women in the U.S. may be working more, and in greater numbers, but women are still just 3 percent of Fortune 500 CEOs, and make 77 cents on the dollar. Even as women rise in power, gender discrimination is still prevalent in the developing world, with more than a quarter of men and women in Brazil, India, China, and the UAE saying they believe that women are treated unfairly at work. (In India, the figure is 45 percent.) There are also cultural constraints that limit women’s upward mobility: in China and Russia, for example, extreme jobs (requiring 71 and 73 hours of work a week, respectively) are a challenge to everyday life, especially child rearing. Societal disapproval of women traveling alone often caps female careers—as higher-level positions require more frequent travel—and in many countries, like India and Brazil, women simply feel unsafe getting to and from work.

That said, women in these countries also have unexpected advantages. Extended families, for example, mean they often have to grapple less with issues of child care, and feel less fraught over work/life balances than their Western peers. This unsung freedom of the developing world could help shift the standard workplace culture that was shaped mainly by white, Western males. “You can’t possibly be a highly productive, competitive country unless you engage your full workforce,” says Laura Liswood, a senior adviser at Goldman Sachs. “There is a real possibility that these [new] companies will leapfrog over the cultural norms and structure [currently in place in Western

nations]. They almost have a blank slate.” Moreover, while gender issues can seem both divisive and passé in the West (CWLP found that American women care much more about them than men), in BRIC nations, it’s both women and men who believe women suffer from workplace sexism. Discrimination in these nations is more overt, but there’s also a greater willingness to acknowledge it, according to the center’s research.

But the most important shifts won’t be the result of well-meaning inclusion programs run by bosses of either gender. They will be the result of the economic facts that favor women, particularly in the world’s most vibrant markets. “The growth rate in Brazil last quarter was 9 percent, and 60 percent of college grads in Brazil were women,” says CWLP’s Sylvia Ann Hewlett. “Put those two numbers together, and guess what? You might have a revolution.”

Certainly, history would support it. In the 1880s and 1890s, American women poured into factories, hospitals, and retail stores, typically to work as factory hands or clerks, expanding women’s sense of their own power. It was, then, no coincidence that women earned the right to vote not long after, says Harvard’s Koehn, a historian. The same connection can be drawn from women workers during WWII, who, by 1945, made up almost 30 percent of the workforce. In India, as more women have started working in call centers and back-office businesses, they’ve begun living—for the first time in history, in large numbers—on their own. This time around, perhaps the revolution will simply be the way we think about workplace culture. “I think women are really going to shake up the workplace over the next 15 years,” says Koehn. “This is just the beginning of a tsunami of change—and it’s far bigger than any single organization.” Or any single nation. If we’ve just come through a “mancession,” then the recovery, it seems, will be feminized.