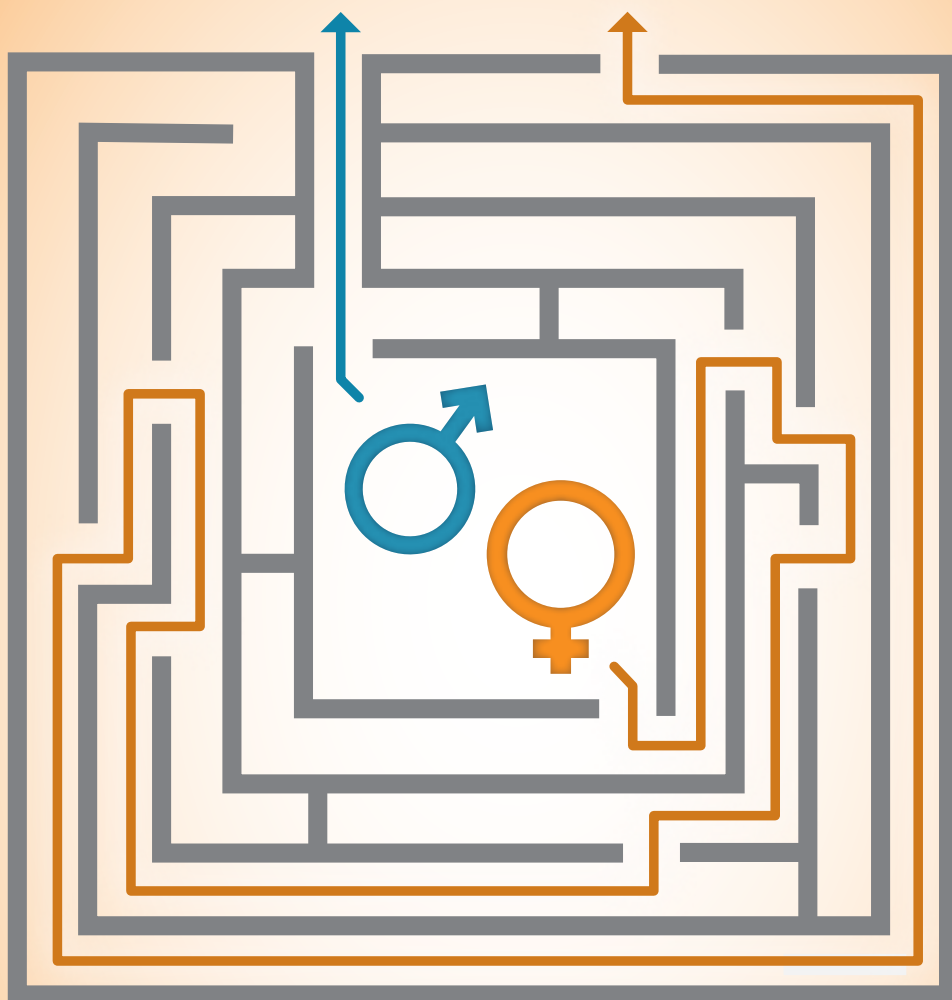


# WOMEN, BUSINESS AND THE LAW 2019



**A DECADE OF REFORM**

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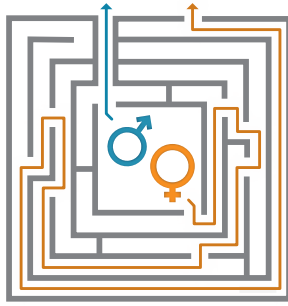
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# FOREWORD

Gender equality is a critical component of economic growth. Women are half of the world's population and we have our role to play in creating a more prosperous world. But we won't succeed in playing it if the laws are holding us back.

To develop a better understanding of how women's employment and entrepreneurship are affected by legal discrimination, *Women, Business and the Law 2019: A Decade of Reform* examines ten years of data through an index structured around the economic decisions women make as they go through their working lives. From a 25-year-old getting her first job or a mother balancing work with caring for her children, to a woman on the brink of retirement, the index explores how the economic decisions women make are affected by the law.

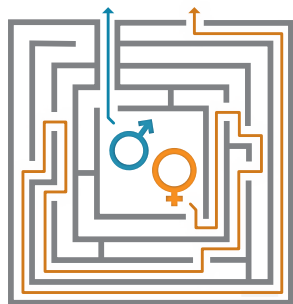
The data show there has been great progress towards legal gender equality over the past decade. In 131 economies there have been 274 reforms to laws and regulations, leading to an increase in gender equality. This includes the 35 economies that implemented laws on workplace sexual harassment, protecting nearly two billion more women than a decade ago. But the average global score is 74.71, indicating that a typical economy only gives women three-quarters the rights of men in the measured areas.

Many laws and regulations continue to prevent women from entering the workforce or starting a business; discrimination that can have lasting effects on women's economic inclusion and labor force participation. Economies that failed to implement reforms towards gender equality over the past ten years, for example, saw a smaller increase in the percentage of women working overall and in the percentage of women working relative to men.

We know that achieving gender equality requires more than just changes to laws. The laws need to be meaningfully implemented - and this requires sustained political will, leadership from women and men across societies, and changes to ingrained cultural norms and attitudes. But by measuring progress over time and providing policymakers with a starting point for reform, *Women, Business and the Law* makes an important contribution to expanding equality of opportunity for women.

Ultimately, the data shows us that laws can be tools that empower women rather than that hold us back from achieving our potential. By making the economic case, we encourage governments to guarantee the full and equal participation of women. After all, the world is better off when it draws upon the talents of all its people.

Kristalina Georgieva  
Interim President, World Bank Group  
Chief Executive Officer, IBRD/IDA



# **WOMEN, BUSINESS AND THE LAW 2019: A DECADE OF REFORM**

At 25 years old, many women are just starting their careers. The decisions they make affect their economic security, career growth and work-life balance. This challenging period is only made more difficult in economies where legal environments do not support a woman's decision to work.

For instance, a woman cannot effectively look for a job or go on an interview if she cannot leave her home without permission. Even if she can go on an interview, will an employer be willing to hire her? If she is hired, will she need to quit if she gets married or has children? If not, will she have to move to a lower paying job because she must balance work with caring for her family?

And what if the law does not allow her to manage her own assets, affecting her ability to start a business? At the end of her career, she may have to retire earlier than a man, giving her a longer retirement but a smaller pension because she worked for fewer years with lower pay.

*Women, Business and the Law 2019: A Decade of Reform* examines these questions by building a timeseries measuring gender discrimination across 187 economies over the past ten years.<sup>1</sup>

With the understanding that women's access to employment and entrepreneurial activity is related to many factors, this study focuses on how women must navigate discriminatory laws and regulations at every point in their careers, limiting their equality of opportunity.

To gain new insight into how women's employment and entrepreneurship choices are affected by legal gender discrimination, this study examines ten years of *Women, Business and the Law* data through an index structured around the economic decisions women make as they go through different stages of their working lives.

This perspective yields interesting results. Six economies—Belgium, Denmark, France, Latvia, Luxembourg and Sweden—score 100 in the *Women, Business and the Law* index, meaning they give women and men equal legal rights in the measured areas. A decade ago none of these economies scored 100, indicating they all reformed over the past ten years.

France had the biggest improvement among the top performers, going from a score of 91.88 in the index ten years ago to 100 now by implementing a domestic violence law, providing criminal penalties for workplace sexual harassment and introducing paid parental leave.

The average global score is 74.71, indicating that a typical economy gives women only three-fourths the legal rights of men in the measured areas. However, the average score in the Middle East and North Africa is 47.37, meaning the typical economy in that region gives women less than half the legal rights of men in the measured areas.

Another way to interpret this information is the average economy does not give women equality of opportunity in approximately nine of the 35 data points examined in the index. And in the Middle East and North Africa the average economy does not give women equality of opportunity in approximately 17 of the 35 data points examined.

But there has been significant progress over the past decade. Ten years ago, the global average score was 70.06. Since then, 131 economies have made 274 reforms to laws and regulations increasing gender equality in the areas measured in the index. These reforms led to a 4.65 point increase in the average global score. Another way to interpret this improvement is that on average, two of the 35 data points measured in the index reformed. These reforms include the 35 economies that introduced laws protecting women from sexual harassment at work, protecting nearly two billion more women than a decade ago.

Sub-Saharan Africa had the most reforms promoting gender equality. Six of the top reforming economies are in Sub-Saharan Africa: the Democratic Republic of Congo, Guinea, Malawi, Mauritius, São Tomé and Príncipe and Zambia. The remaining three top reformers are in East Asia and the Pacific, Latin America and the Caribbean and South Asia respectively: Samoa, Bolivia and Maldives.

The high number of top reformers from Sub-Saharan Africa is in part due to the large number of economies in the region, but also demonstrates the significant room for improvement these economies had from their baseline. In fact, Sub-Saharan Africa had the third highest increase in the index's average regional score, moving from 64.04 to 69.63 over ten years, an increase of 5.59 points.

South Asia had the biggest improvement in average regional score, moving from 50 to 58.36, an increase of 8.36 points. This was followed by East Asia and the Pacific, which went from 64.80 to 70.73, an increase of 5.93 points.

Most top reformers introduced sexual harassment laws or mandated nondiscrimination in access to credit. One-third of the top reforming economies removed job restrictions on night work or on certain job types.

Reforming economies tend to perform better than non-reformers in other measures of gender equality. The economies that reformed under the *Women, Business and the Law* index also tended to experience bigger increases in the percentage of women working overall, and in the percentage of women working relative to men.

## A New Way to Look at the Data

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*Women, Business and the Law 2019: A Decade of Reform* employs eight indicators that are structured around women's interactions with the law as they begin, progress through and end their careers. This way of looking at the data helps align different areas of law with the economic decisions women make at various stages of their working lives.

The eight indicators are Going Places, Starting a Job, Getting Paid, Getting Married, Having Children, Running a Business, Managing Assets and Getting a Pension (figure 1).

The Having Children indicator, for example, includes laws around maternity, paternity and parental leave, which are likely to influence women’s economic decision making when thinking about starting a family. Policymakers interested in keeping women from dropping out of the labor force after they have children can look at their economy’s scores in this indicator as a starting point for reform.

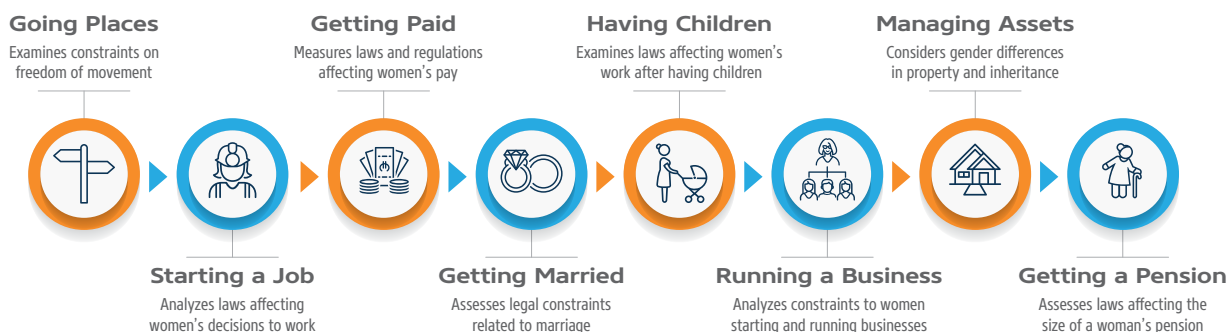
For *Women, Business and the Law 2019: A Decade of Reform’s* examination of the data, 35 questions are scored across the eight indicators in the index (table 1). While many questions are consistent with previous cycles of *Women, Business and the Law*, some questions have been combined or reformulated, three new questions have been added and the data has been recalculated for the ten-year panel.<sup>2</sup> More information on the construction of the panel, the methodology and the scoring for each question can be found in the Data Notes, available on the *Women, Business and the Law* website at <http://wbl.worldbank.org>.

This methodological approach builds on the experience of the *Doing Business* project in developing objective indicators of impediments to entrepreneurship and employment, by applying a gender lens to business environment constraints.

Examining the data for one economy illustrates how the scoring in the index works. Bolivia gets a score of 100 in four indicators: Going Places, Getting Married, Running a Business and Managing Assets, as no legal constraints were found in the areas measured.

In Starting a Job, Bolivia scores 75 because the law does not mandate nondiscrimination in employment based on gender, meaning it misses one of the four data points. In Getting Paid, it scores 50 because women cannot work the same night hours as men and they cannot work in jobs deemed hazardous, arduous or morally inappropriate in the same way as men. Bolivia scores 60 in Having Children because paid maternity leave is less than 14 weeks and there is no paid parental leave. Finally, in Getting a Pension, it scores 75 because the ages at which men and women can retire and receive full pension benefits are unequal.

**FIGURE 1 THE INDICATORS MEASURE HOW LAWS AFFECT WOMEN THROUGHOUT THEIR WORKING LIVES**



Source: *Women, Business and the Law* team.