Gender Equality: the missing link in the supply chain

by Anna Faith

Companies of all sizes are well positioned to promote gender equality and empower women, whether by focusing on their talent in the workplace, their purchasing policies and practices, or their consumers in communities and society at large.

They spend trillions of dollars every year acquiring goods and services, which give them the power to dramatically influence the degree to which suppliers and supply chains to the same extent as men?

CHAINS TO THE SAME EXTENT AS MEN?

Simple, it is not a level playing field. Two key challenges are:

- Women spend more time caring for children, the sick and elderly. In fact, in Italy, the uneven burden of family responsibilities, along with lack of affordable childcare are key barriers for women entrepreneurs since it reduces their chances of growing professional networks [4].

- Women have limited access to capital (credit, loans and equity) and therefore tend to set up businesses in sectors with lower barriers to entry such as health, cleaning, personal and beauty services. Small and less attractive to investors or lenders [5] they start off with less capital. Yet, companies starting with higher levels of capital show better performance in terms of assets, revenue, profitability and survival.

A few countries, such as Kenya and South Africa, have leveraged the power of gender-responsive procurement as a tool to promote socio-economic objectives. Companies could do the same.

Research illustrates gender-responsive procurement practices’ positive impact on profitability and return on investment. Indeed, it can help companies expand their global markets, build resilience, reduce the risks posed by having only a few suppliers, and cut costs by generating competition.

Companies are increasingly understanding the value of gender-responsive procurement: One large multinational has attributed US$4 billion of increased revenue to its engagement of women suppliers [6]. Others have made billion-dollar commitments to spend more with women-owned businesses over the next three years [7].

WHAT CAN BE DONE?

UN Women encourages companies to implement the seven Women’s Empowerment Principles [8], including practicing gender-responsive procurement through some distinct steps [9].

PRIORITY: Make it a company priority to increase spend with women’s businesses; establish a baseline; and set annual targets.

NEW SUPPLIERS: Nurture women’s business networks; invite potential suppliers to competitive bid opportunities; and develop rosters and shortlists of relevant women-owned businesses.

PROCESS: Simplify and streamline the tendering and contract processes to ensure that smaller companies, such as those owned by women, have a chance; limit contract sizes and encourage women-owned businesses to submit joint proposals. Pay promptly – cash flow is a critical issue. Develop a database of women-owned businesses, Corporate Guide to Gender-Responsive Procurement.

ABOUT WE EMPOWER

The Promoting the Economic Empowerment of Women at Work through Responsible Business Conduct in G7 Countries (WE EMPOWER) programme is funded by the European Union (EU) and implemented by UN Women and the International Labour Organization.

WE EMPOWER convenes stakeholder dialogues in G7 countries and the EU markets to exchange knowldge, experiences, good practices and lessons learned. WE EMPOWER also encourages firms of all sizes and in all industries to sign the Women’s Empowerment Principles and to galvanize their shareholders and stakeholders to drive change for gender equality. Signatories have become role models for attracting talent, entering new markets, serving their communities, while measurably improving the bottom line. See more at: www.empowerwomen.org/projects

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Access the WE EMPOWER e-Learning platform: Learn and do better next time. WEEMPOWER offers free online courses and resources to help women-owned businesses/suppliers. The Promoting the Economic Empowerment of Women at Work through Responsible Business Conduct in G7 Countries (WE EMPOWER) programme is funded by the European Union (EU) and implemented by UN Women and the International Labour Organization.

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