



PDF II

Policy Development Facility Phase II

Promoting gender equality will boost Nigeria's economy

Gender inequality is a macroeconomic constraint in Nigeria

Women in Nigeria face a formidable array of barriers. These include lack of access to finance, land and assets, due in part to the tradition of patrilineal inheritance. Women's share of the labour force now stands at 43%, up from 33% in the 1990s. However, women are still marginalised when it comes to higher value income-generating activities, political representation and decision making. Women are held back by missed educational opportunities, child marriage, unpaid household and care responsibilities, high levels of violence and discriminatory legal frameworks.

PDF II commissioned a desk review of research examining the links between women's participation in economic activity and economic growth, and how this is relevant to Nigeria. The findings reveal that although Nigeria's economic growth rate averaged about 7% between 2010 and 2015 (and is again positive following a recession in 2016), the benefits of this growth have not been shared by the majority, who still live below the poverty line. A shift to focusing on inclusive economic growth would benefit Nigeria's economy at the same time as promoting pro-poor development. Gender equality and women's empowerment are thus central to Nigeria's prospects for sustainable economic growth, and the desk review recommends next steps.

Full report: Asubiaro-Dada, O. 2019. Inclusive growth: impact of women's participation on Nigeria's macroeconomic performance. A literature review. Report submitted to Policy Development Facility II (PDF). <https://www.pdfnigeria.org/igwpreport> (17 Jan 2020).

These are significant failings: Nigeria ranks 133 out of 149 countries in the World Economic Forum's Gender Gap Index. Furthermore, a growing body of research shows that these types of constraints translate into substantial macroeconomic losses in terms of growth, income equality and economic diversification.

How gender equality boosts inclusive economic growth

Reducing gender inequality to the level of its regional peers would boost Nigeria's economy by more than 1.25%.

Gender equality is associated with more equal income distribution and significant economic gains including economic diversification, more profitable firms, higher GDP and faster economic growth. Eradicating gender inequality completely could add up to US\$ 28 trillion to global GDP.

Increasing women's involvement in the work force boosts economic growth in specific ways, because women bring complementary skills and perspectives to the workplace, raising productivity and boosting wages for everyone.



These include different attitudes towards risk and collaboration. For example, gender-balanced corporate boards perform better, especially in the high-tech manufacturing and knowledge-intensive services. Banks with more women board members have thicker capital buffers, a lower proportion of non-performing loans and greater resistance to stress. Increased gender diversity on the boards of banking supervision agencies is associated with greater financial stability.

As women's incomes increase, so do tax revenues. As women's household decision-making power improves, more of the family's money is spent on health and education or set aside as savings. Increased gender equality is also associated with a shift in public spending decisions in favour of health and education, leading to a healthier and more economically productive society.

“What women are asking for is an equal representation to be part of effective solution providers to the challenges of our country because we are capable.”

Mrs Temitope Iluyemi, Director, Governmental Relationships Africa, Procter & Gamble

- The difference in lifetime earnings between men and women has reduced global wealth by US\$ 160 trillion.
- Fewer than one in six Nigerian firms had female participation in their ownership or top management, women accounted for less than 6% of seats in parliament, and only about one in ten ministerial positions were held by women.
- Nigeria loses US\$ 7.6 billion annually as a result of its high rates of child marriage.

“If Nigeria is to develop and become the Nigeria of our dreams then we need to include every single member of our economy. That means those with disabilities, youth and women.”

Dr Titilola Akindeinde, Programme Manager, PDF II

Recommendations for inclusive economic growth in Nigeria

Nigeria is a highly unequal society. However, this also means there are significant opportunities to boost inclusive economic growth. Enhancing the advancement of women through multiple fronts is an economic priority.

The desk review recognises the Nigerian Economic Summit Group's framework to ensure inclusive economic growth. It also sets out more than 40 recommendations across sectors, including:

- Creating incentives for all girls to complete primary and secondary school education, prioritising innovation and technical skills.
- Criminalising and otherwise discouraging harmful traditional practices against women and children, and providing incentives to families to delay marriages for girls, in order to support girls' education, lower adolescent fertility rates, and improve girls' and women's health.
- Providing governmental support to help challenge the prevailing culture of sexual and gender-based violence and human rights abuses against women and girls, including by promoting nationwide adoption of the Violence Against Persons (Prohibition) Act and establishing dedicated family courts.
- Developing rural economies, including by investing in rural economic infrastructure (e.g. rural roads and power grids) and by incentivising banks to open rural and semi-rural branches.
- Actively promoting women's engagement in economic activities, including through locally based financial literacy programmes designed in collaboration with the Nigerian Women Farmers' Association and market women associations.
- Reviewing and amending all laws and policies that discriminate against women.
- Dismantling institutional and structural barriers to gender exclusion, including by enabling the implementation of the National Gender Policy as an accountability tool, and supporting states to develop and implement contextually relevant gender and social inclusion policies.
- Engaging women in formal and informal decision-making processes, including by amending the Electoral Act to ensure political parties' candidate lists include at least 40% women.



About us

Policy Development Facility Phase II (PDF II), funded with UK aid from the UK government, is a flexible, rapid-response facility set up to support Champions of Change in implementing economic and social policies that lead to poverty reduction in Nigeria. Its goal is to provide Champions of Change with improved capacity and evidence to enable them to pursue vital economic and social reforms.

