Companies whose social investments focus on women in developing economies help not only the recipients but also themselves.

Irina A. Nikolic and Lynn Taliento
Few companies make social investments specifically aimed at empowering women in developing economies, but we believe that supporting this goal is good business and good practice for all companies. In the course of our work, we’ve uncovered a startlingly wide range of ways in which private-sector companies can offer sizable economic benefits not only to women and their societies but also to the companies themselves. The benefits to businesses come from enlarging their markets, improving the quality or size of their current and potential workforce (for instance, by attracting talent globally), and maintaining or improving their reputations.

Women in developing economies are hampered by many of the same concerns that face women in other countries, but they also deal with a number of additional barriers to economic security. In some cases, these problems are straightforward—girls getting less food and education than boys, for example. In others, they are as complicated as the difficulty women in many countries have in keeping control over money they may earn (because of regulations or long-standing cultural traditions that prevent them from having secure access to bank accounts), owning property, or acquiring loans.

Women’s unfulfilled potential significantly hinders economic growth. One recent study, for example, estimates that lower education and employment rates for women and girls are responsible for as much as a 1.6 percentage point difference in annual GDP growth between South Asia and East Asia. On the other hand, educated, income-earning women are especially powerful catalysts for development because they tend to invest more of their money in their families’ health, education, and well-being than men do.

Nevertheless, only 19 percent of the respondents to a recent McKinsey Quarterly survey said that their companies had invested in economic-development activities specifically aimed at women in developing markets. Yet 83 percent said that economic growth there was at least somewhat important to their companies’ success over the next ten years. (Read more in the accompanying survey results, “Rethinking how companies address social issues: McKinsey Global Survey results,” on mckinseyquarterly.com.)

Companies whose social investments do focus on women in developing economies, the survey and our other research show, benefit not only women and their societies but also themselves. Among survey respondents, 34 percent say that such investments have already improved profits, and a further 38 percent expect them to do so.

Even more notably, our research shows that private-sector companies can create such benefits with a much broader range of measures than most executives believe. Promoting

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¹Our full report, The business of empowering women, is available free of charge on sso.mckinsey.com.

literacy, for example, offers a straightforward link to improved workforce productivity—but so, it turns out, does providing antiretroviral drugs to workers’ families. Anglo American, a mining company, extends HIV antiretroviral benefits to dependents (mostly women and children) of its employees in Africa. It has benefited from increased worker loyalty—retention rates are up—and from fewer missed workdays by employees who would otherwise need to care for sick family members. Furthermore, the communities Anglo American is serving now see lower infant mortality rates and healthier children.

Hindustan Lever’s Shakti program, meanwhile, tapped into the significant potential of empowering women to reach markets the company couldn’t otherwise. Launched in 2000, the program offers microcredit grants that enable rural women to become direct-to-home distributors of Hindustan Lever products. This new sales force has significantly boosted sales of the company’s products in rural villages, a market that is otherwise dauntingly expensive to reach. By the end of 2008, the Shakti network had grown to include more than 45,000 saleswomen covering more than 100,000 villages and more than three million homes in India.3

Private-sector programs can also give companies longer-term or more intangible rewards, such as maintaining a positive brand image or creating a more educated workforce or wealthier consumers. In India, Standard Chartered recently partnered with the International Federation of Netball Associations to build a program designed to use the sport to develop the life skills and self-esteem of girls between 14 and 16 years of age from families earning less than $2 a day. Piloted in Mumbai and Delhi, and currently being significantly expanded, the program includes an additional direct economic-empowerment component: a loan fund to help girls achieve their professional goals.4

Private-sector companies, we’ve found, can make development investments in programs that help girls and women throughout their lives—from infancy through education, preparation for work, support in the workplace, and ensuring financial security. For each stage of women’s lives, we’ve distilled a set of high-impact actions, which range from offering prenatal care and infant vaccinations to providing onsite bank accounts ensuring that female employees control their income and retirement savings. Companies don’t have to go it alone: successful ones, we’ve seen, design and implement their investments collaboratively with the women they’re trying to help, nongovernmental organizations with relevant experience, and other companies with similar interests. They can create real benefits for everyone by creatively combining an interest in empowering women in developing markets with a strategic assessment of where doing so can help meet corporate goals.


We invite you to share your experiences. Has your company acted to empower women economically? Are you the beneficiary of an economic-empowerment program? What results have you seen?

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