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Coordinating global economic strategies to reduce the gender gap in employment, income and financial inclusion

Group of 20 (G20)



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Introduction

Gender-based disparities in employment, income, and access to financial services remain a persistent challenge in the global economy. Despite progress in education and legal frameworks in many regions, women continue to face structural barriers that limit their full participation in economic life. These gaps are evident across both developed and developing economies, affecting labour force participation, wage equality, career advancement, and access to formal financial systems.

Gender gap in employment

The gender gap in employment is reflected in lower participation rates, higher levels of informal work, and reduced job security for women. Occupational segregation and unequal access to education, training, and childcare further contribute to disparities in income, with women earning, on average, less than men for comparable work. These inequalities not only affect individual economic security but also reduce overall productivity and economic growth, as a significant portion of the global workforce remains underutilised.

Financial inclusion

Financial inclusion represents an additional dimension of economic inequality. Women are less likely to have access to bank accounts, credit, insurance, and digital financial services, particularly in low- and middle-income countries. Limited financial access restricts entrepreneurship, asset accumulation, and resilience to economic shocks. The COVID-19 pandemic and recent economic disruptions have further exposed and, in many cases, widened existing gender gaps, disproportionately affecting women's employment and income stability.

The essentiality of cooperation

Addressing these disparities requires coördinated global economic strategies that account for differing national contexts while promoting shared objectives. Policies related to labour markets, social protection, education, and financial systems play a central role in reducing gender-based inequalities. For international economic forums such as the G20, enhancing cooperation in this area is essential to support inclusive growth, reduce poverty, and strengthen long-term economic resilience. Without sustained and coördinated action, gender gaps in employment, income, and financial inclusion are likely to persist, limiting both social equity and global economic potential.

Definition of key terms

Access to credit

The ability to obtain loans or other forms of borrowed funds from formal or informal financial providers.

Financial inclusion

Access to and use of affordable, formal financial services such as savings, credit, insurance, and payment systems.

Gender gap

A measurable difference between groups based on gender, often expressed through indicators such as employment rates, income levels, or access to services.

Gender pay gap

The difference in average earnings between women and men, typically expressed as a percentage of men's earnings.

Human capital

The skills, knowledge, and experience possessed by individuals that contribute to economic productivity.

Informal employment

Work that is not regulated by formal labour laws or social protection systems.

Labour force participation rate

The proportion of the working-age population that is employed or actively seeking employment.

Occupational segregation

The concentration of different genders in specific occupations or sectors.

Social protection systems

Policies and programmes designed to provide income security and access to essential services.

Unpaid care work

Non-remunerated work involving household tasks and caregiving responsibilities.

Wage equality

The principle of equal pay for work of equal value, regardless of gender.

General Overview

Gender-based disparities in *employment*, *income*, and *financial inclusion* remain a persistent feature of the global economy. Despite improvements in education and legal equality in many regions, women continue to experience lower labour force participation, reduced earnings, and limited access to formal financial systems compared to men. These gaps are present across income levels and regions, though their scale and underlying causes vary significantly between countries.

Gender gaps in employment

Globally, women participate in the labour force at lower rates than men, and are more likely to be employed in part-time, temporary, or *informal employment*. Structural factors such as unequal access to education and training, *occupational segregation*, and the unequal distribution of *unpaid care work* contribute to these disparities. In many economies, women are overrepresented in lower-paid sectors such as agriculture, care services, and retail, while being underrepresented in higher-paying industries and leadership positions.

Economic shocks have further exposed these inequalities. During periods of crisis, including the COVID-19 pandemic, women were disproportionately affected by job losses, particularly in service-based sectors. At the same time, increased caregiving responsibilities reduced women's ability to re-enter the workforce, highlighting the interaction between labour markets and social support systems.

Income disparities and wage inequality

Income inequality between genders is reflected in the *gender pay gap*, which persists across most economies. Differences in working hours, career progression, and access to senior roles contribute to unequal earnings, alongside discrimination and limited wage transparency. In addition to wage disparities, women are less likely to accumulate assets and savings, affecting long-term financial security and retirement outcomes.

In developing economies, income gaps are often compounded by high levels of informal work, where wages are less regulated and social protections are limited. In higher-income countries, income inequality may be less pronounced but remains evident in leadership representation and lifetime earnings.

Financial inclusion and access to economic resources

Access to formal financial services is a key component of economic participation. However, women are less likely than men to have access to bank accounts, *access to credit*, insurance, and digital financial tools. Barriers include lower income levels, lack of collateral, limited financial literacy, and legal or administrative obstacles. In some regions, social norms further restrict women's interaction with financial institutions.

Limited financial inclusion can constrain entrepreneurship and small business development, particularly among women in rural or underserved areas. It also reduces economic resilience, as individuals without savings or insurance are more vulnerable to financial shocks.

The role of global economic coordination

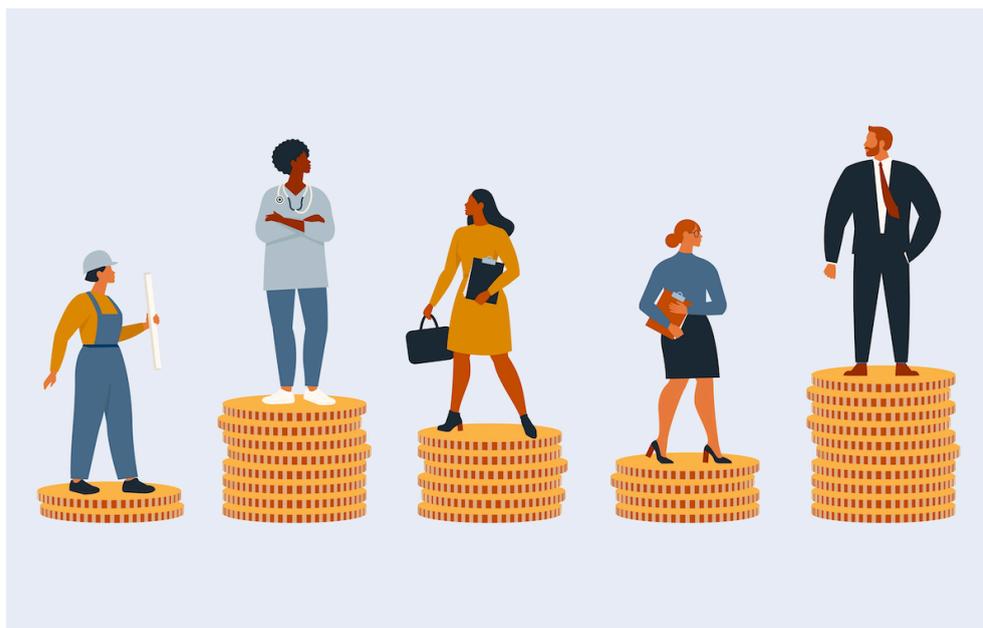
Efforts to reduce gender-based economic disparities increasingly involve coordinated strategies across labour markets, financial systems, and *social protection systems*. International cooperation allows for the exchange of policy approaches, data, and best practices, while recognising national differences in economic structure and development levels.

However, challenges remain in aligning global objectives with domestic priorities. Some states emphasise market-based solutions, while others prioritise state intervention through regulation and public investment. Balancing flexibility with accountability remains a central issue in coordinating global economic strategies.

Implications for economic growth and resilience

Persistent gender gaps in employment, income, and financial inclusion have broader implications for economic growth and stability. Underutilisation of *human capital* can limit productivity, innovation, and long-term development. Conversely, reducing these gaps has been associated with increased labour supply, improved household welfare, and greater economic resilience.

Addressing gender-based economic inequalities therefore remains a multidimensional challenge, requiring sustained policy attention, effective coordination, and consideration of diverse national contexts.



Major parties involved

India

India plays a significant role in discussions on reducing the global gender gap in employment and income due to its large population, rapidly growing economy, and persistent gender disparities. Despite strong economic growth and advancements in technology and education, India continues to face low female labor force participation compared to global averages. Cultural norms, unequal access to education and healthcare, informal employment, and unpaid care work disproportionately affect women's economic participation. The Indian government has introduced initiatives such as Beti Bachao, Beti Padhao, Stand-Up India, and expanded financial inclusion programs like Jan Dhan Yojana to increase women's access to banking and entrepreneurship. Internationally, India supports cooperation that respects national sovereignty and development priorities, emphasizing capacity-building, digital financial inclusion, and skill development rather than binding economic mandates. India has an interest in global coordination that provides financial support, technology transfer, and policy flexibility to help developing economies close gender gaps without hindering growth.

International Monetary Fund (IMF)

The International Monetary Fund (IMF) is a key global financial institution involved in addressing gender inequality due to its role in macroeconomic stability and policy advice. Over the past decade, the IMF has increasingly recognized that gender gaps in employment and income negatively impact economic growth, productivity, and fiscal sustainability. The IMF promotes gender-responsive fiscal policies, such as investing in childcare, education, and healthcare, as well as labor market reforms to increase female workforce participation. Through country surveillance, research, and technical assistance, the IMF encourages member states to integrate gender considerations into national economic strategies. However, the IMF balances gender-focused reforms with its broader mandate of financial stability, often facing criticism that austerity measures can disproportionately affect women. As a major party, the IMF supports global coordination that links gender equality with economic resilience while emphasizing evidence-based, economically justified reforms.

Organisation for Economic Co-operation and Development (OECD)

The OECD represents primarily high-income and developed economies and plays an influential role in setting global policy standards and best practices. It has been a strong advocate for gender equality in employment, wages, and financial inclusion, emphasizing that closing gender gaps is essential for sustainable economic growth. The OECD conducts extensive research on wage gaps, unpaid care work, and barriers to women's labor force participation, providing policy recommendations such as paid parental leave, affordable childcare, and equal pay legislation. It also promotes gender budgeting and data collection to measure progress effectively. While the OECD supports coordinated global economic strategies, its approaches often reflect the institutional capacity and economic conditions of developed nations, which may not always be directly applicable to developing countries. Nevertheless, the OECD remains a key party in facilitating dialogue, sharing best practices, and shaping international norms on gender-inclusive economic policies.

UN Women

UN Women is the primary United Nations body dedicated to gender equality and the empowerment of women, making it central to efforts to reduce the global gender gap in employment, income, and financial inclusion. It advocates for women's economic rights as a core component of sustainable development, particularly under the framework of the Sustainable Development Goals (SDGs), especially SDG 5 and SDG 8. UN Women works closely with governments, civil society, and international financial institutions to promote gender-responsive economic policies, legal reforms, and inclusive labor markets. It emphasizes the importance of addressing structural inequalities such as unpaid care work, discriminatory laws, and limited access to credit. Unlike financial institutions, UN Women prioritizes human rights and social justice over purely economic efficiency. It strongly supports coordinated global strategies that ensure women's voices are included in decision-making and that economic growth benefits all genders equitably.

World Bank

The World Bank is a major international financial institution focused on poverty reduction and development, with a growing emphasis on gender equality as a driver of economic progress. It recognizes that gender gaps in employment and financial inclusion limit productivity and slow economic development, particularly in low- and middle-income countries. The World Bank supports projects that expand women's access to education, job opportunities, entrepreneurship, and financial services, often through loans, grants, and technical assistance. Initiatives such as the Women, Business and the Law index highlight legal barriers to women's economic participation and encourage reform. While supportive of global coordination, the World Bank emphasizes country-specific solutions tailored to local economic and social conditions. Its interest lies in integrating gender equality into development strategies while ensuring economic efficiency, measurable outcomes, and long-term sustainability.

Timeline of events

1945 June 26th

The United Nations is established, laying the foundation for international cooperation on human rights and gender equality.

1979 December 18th

The UN General Assembly adopts the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), creating a global legal framework for women's economic rights.

1995 September 15th

The Beijing Declaration and Platform for Action is adopted, identifying women's economic participation and equal pay as critical areas for global action.

2000 September 8th

The Millennium Development Goals (MDGs) are adopted, including targets related to gender equality and women's access to employment and income.

2010 July 2nd

UN Women is established to coordinate UN efforts on gender equality and women's economic empowerment.

2015 September 25th

The UN adopts the Sustainable Development Goals (SDGs), including SDG 5 (Gender Equality) and SDG 8 (Decent Work and Economic Growth), linking gender equality to global economic strategies.

2018 March 2nd

The World Bank expands its Women, Business and the Law initiative, highlighting legal barriers to women's employment and financial inclusion worldwide.

2020 April 1st

The COVID-19 pandemic disproportionately affects women's employment and income, intensifying global calls for coordinated gender-responsive economic recovery strategies.

2021 July 14th

The IMF formally integrates gender considerations into macroeconomic policy advice, emphasizing women's labor force participation as a driver of economic stability.

2023 March 8th

UN agencies and international financial institutions reaffirm commitments to gender-responsive budgeting and inclusive labor markets on International Women's Day.

Relevant UN treaties and events

Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW):

UN treaty establishing legally binding obligations on states to eliminate discrimination against women, including in employment, income, and access to financial resources, 18 December 1979.

Beijing Declaration and Platform for Action:

Global policy framework committing UN Member States to advance women's economic participation, equal pay, and access to economic resources through coordinated international action, 15 September 1995.

A/RES/64/289; System-wide Coherence:

General Assembly resolution establishing UN Women to coordinate UN efforts on gender equality and women's economic empowerment across the UN system, 2 July 2010.

A/RES/69/313; Addis Ababa Action Agenda:

General Assembly resolution emphasizing gender equality and women's financial inclusion as central pillars of sustainable development and international financing strategies, 27 July 2015.

A/RES/70/1; Transforming our World: the 2030 Agenda for Sustainable Development:

General Assembly resolution adopting the Sustainable Development Goals, including SDG 5 and SDG 8, linking gender equality to global employment and economic growth strategies, 25 September 2015.

Previous attempts to solve the issue

Gender-Responsive Budgeting – UN Women and National Governments

UN Women has supported countries in adopting gender-responsive budgeting to ensure public spending addresses gender inequalities in employment and income. Governments such as Mexico and Rwanda have integrated gender perspectives into national budgets to fund childcare, education, and women's employment programs. While this approach improves policy targeting, its effectiveness depends on political commitment and reliable gender-disaggregated data.

Legal Reforms on Workplace Equality – World Bank–Supported Efforts

Through initiatives such as Women, Business and the Law, the World Bank has encouraged countries to remove legal barriers limiting women's employment, pay, and access to financial services. Several states have reformed labor laws and property rights as a result. However, legal changes alone have not fully translated into economic equality due to weak enforcement and persistent informal discrimination.

Expansion of Childcare and Parental Leave – OECD Countries

Many OECD member states have expanded publicly funded childcare and parental leave to support women's participation in the labor market. Countries such as Sweden and Norway have seen reduced employment gaps as a result. These policies have proven effective but require significant public investment, making them difficult to implement in lower-income economies.

Financial Inclusion Initiatives – Developing Countries

Developing countries such as India and Kenya have implemented digital banking and microfinance programs aimed at increasing women's access to financial services. These initiatives have improved account ownership and access to credit for women. Despite progress, barriers such as limited financial literacy and unequal control over resources remain.

Gender Mainstreaming in Macroeconomic Policy – International Monetary Fund (IMF)

The IMF has attempted to address gender gaps by incorporating gender analysis into economic surveillance and policy recommendations. It promotes investments in education, healthcare, and labor market reforms to boost female employment. However, critics argue that some IMF-supported fiscal adjustment programs can undermine social spending essential for reducing gender inequality.

Possible solutions

Coordinated Gender-Responsive Economic Frameworks

Member States, in cooperation with UN Women, the IMF, and the World Bank, could adopt a coordinated global framework encouraging gender-responsive economic policies. This would include integrating gender analysis into national budgets, labor market reforms, and economic recovery plans. While participation would remain voluntary, international guidelines and benchmarking could promote accountability and best practices. Debate may arise over the balance between global coordination and national sovereignty, as well as the feasibility for developing countries with limited institutional capacity.

Expansion of Affordable Childcare and Care Economy Investment

Governments could prioritize investment in affordable childcare, eldercare, and parental leave systems to reduce the unpaid care burden that disproportionately affects women. International financial institutions could support these efforts through concessional financing and technical assistance. Supporters argue this directly increases women's labor force participation, while critics may question fiscal sustainability and the role of the state in care provision.

Strengthening Legal and Institutional Frameworks for Equal Pay and Employment

States could strengthen and enforce laws addressing equal pay, workplace discrimination, and access to employment across sectors. International organizations could assist by providing legal reform guidance and monitoring mechanisms. While legal reform is widely supported, debate exists over enforcement challenges, particularly in informal economies and in states with limited regulatory capacity.

Enhancing Women's Financial Inclusion Through Digital and Formal Banking Systems

Global coordination could focus on expanding women's access to financial services through digital banking, microfinance, and financial literacy programs. Partnerships between governments, development banks, and the private sector could help reduce barriers to credit and entrepreneurship. Concerns may arise regarding digital divides, data privacy, and unequal access to technology in low-income or rural areas.

Linking Gender Equality Targets to International Financing and Development Aid

International donors and financial institutions could incentivize progress on gender equality by linking development aid and financing to measurable improvements in women's employment and income. Proponents argue this increases accountability and accelerates reform, while opponents caution that conditionality may unfairly pressure developing countries or overlook local contexts.