

Women’s Economic Empowerment - What do we know?

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Main takeaways:

► Women’s Economic Empowerment (WEE) is a contested term; most definitions include ‘access’ and ‘agency’ as key elements. Recent research and policy papers highlight the importance of these dimensions across different aspects and levels of women’s lives.

► There is increasing evidence that business actions such as investing in care services, supporting women at various levels of the value chain or having more gender-diverse boards can lead to economic gains for firms as well as for the whole economy.

► Financial and digital inclusion initiatives represent several opportunities for WEE. Nevertheless, access and control of those opportunities are not gender-neutral and they consequently need accompanying policies if they are to have maximum beneficial impact.

► Since social norms play a fundamental role in development programmes’ success, ensuring the participation of men and women across the project cycle can constitute an important first step. Also, the use of mixed methods can help to capture women’s experiences and social norms.

Making the case

While gender equality has an intrinsic value as a human right, it could also act as a catalyst for economic growth (Klugman & Tyson, 2016). For instance, closing the education gender gap could unlock resources and contribute to diversifying skills and talent within the workforce (Eriksson, 2017). Moreover, the incorporation of women in the labour force is recognised as an important driver of national growth (Scott, 2018); McKinsey Global Institute estimates that reaching gender economic parity could add up to 26 per cent to the annual global GDP in 2025 (Woetzel *et al.*, 2015). Within this framework, this synthesis note will explore major challenges for WEE as well as evidence on what works and why.

“Empowering women remains a common denominator and a global imperative for all those who care about fairness and diversity, but also productivity and growth of societies and economies that are more inclusive”

_ Christine Lagarde, IMF, March 2019



Defining Women’s Economic Empowerment

WEE is a contested term and there is no universal definition. However, there are some elements that are present in most recent research: access and

agency (Markel & Jones, 2014; Gettliffe & Markel, 2016; Eriksson, 2017; among others). Access refers to the capacity to obtain economic resources such as goods, services, networks and opportunities to improve women's economic position (Markel & Jones, 2014). Agency relates to the ability to control resources and make decisions over their use (Golla *et al.*, 2011). Recent research and policy papers highlight the importance of these dimensions across different aspects and levels of women's lives. For instance, ODI uses a framework to identify women's enhanced access and control over resources, considering the roles of personal behaviour, institutions, culture and norms (Hunt & Samman, 2016). As Oxfam's report on Canada's Feminist Policy explains, the key for a holistic approach to WEE is to support "women in power and economic negotiations at different levels—the individual, household, community and national levels—as well as both formal and informal rules and practices" (Grantham *et al.*, 2019: pp. 12).

Women Economic Empowerment as 'Smart Economics'

The "Smart Economics" approach emphasizes that equal access to resources and economic opportunities to women enhance productivity and economic growth (Klugman & Tyson, 2016; World Bank, 2012). This implies that there is both an economic and a business case for gender equality. Reinforcing this idea, the IFC (2017) analysed firm-level data and showed that: a) companies with gender-diverse boards tend to do better than those without women (e.g.: higher returns on equity); b) gender gaps in employment imply a smaller talent pool, which also weakens the supply chain; and c) companies that have a more gender-equal workforce are better at responding to women clients' needs. Similarly, a recent report from the United Nations highlights the benefits for the private sector when investing in WEE at different levels of the value chain, from suppliers to individual community members (Drakeman, 2017: pp. 1):

- "As designers, suppliers, contractors, marketers, distributors, home workers, small producers and informal workers: sourcing from women-owned enterprises can strengthen and improve access to premium markets.
- As leaders in communities and businesses: one more woman in senior management or on a corporate board is associated with [0.08 – 0.13%] higher return on assets.
- As employees: companies in top quartile for gender diversity are 15% more likely to have financial returns above national industry means.
- As constituents and customers: women make or influence 80 percent of buying decisions and control US\$20 trillion in global spending.
- As contributors to positive public image: a commitment to women can enhance a company's reputation.
- As individual community members [...]: more than one in three private sector leaders report increased profits following efforts to empower women in emerging markets".



For those interested in specialised knowledge platforms on WEE, visit: [Growth and Economic Opportunities for Women \(GrOW\)](#), [Work Opportunities for Women \(WOW\)](#), [SEEP](#) and [DCED](#).

Intuitively, financial gains could translate into wider development benefits: more money available within the household might imply less economic distress for women as well as more investments in children's education and health. However, Klasen (2017), ILO (2016), Kabeer & Natali (2013) and Duflo (2012), among others, found that correlations between economic outcomes and gender equality are not straightforward. In particular, economic growth does not always translate into enhancing women's wellbeing. Often, this is due to the nature of women's work as well as household-level constraints over the management of resources, as further explored in the next section. There is therefore a

need for “concerted, targeted efforts that prioritise women’s needs and preferences and recognise their heterogeneity” (Hunt & Samman, 2016: pp. 7). Or as Klasen said “the win-win case, thus, is contingent, and dependent on accompanying policies and agency” (2017: pp. 20). Regarding the last point, it is important to develop analysis that consider how women’s experiences vary according to their age, sexuality, race, class, among other aspects (Grantham *et al.*, 2019).

Constraints and opportunities for WEE

1. Unpaid care¹ and domestic work burdens

Women are over-represented within the informal economy. Those who can access paid work often face precarious employment, poor salaries, and the burden of domestic and care work (Sengupta & Sachdeva, 2017). The issue of unpaid care work is being recognised by SDG 5 and its target 5.4. This target states that it needs to be addressed through “the provision of public services, infrastructure and social protection policies, and the promotion of shared responsibility within the household and the family, as nationally appropriate”. Current research presents evidence on the importance of making visible the economic contribution of unpaid care work:

- A randomised study in poor urban settings in Nairobi (Kenya) showed that subsidised child care can have a significant impact in women’s prospect of getting and maintaining a job. Women who were provided subsidised child care were 8.5% more likely to be employed than

those who did not use the care service (Clark *et al.*, 2017).

- Analysing data from a Turkish firm of about 800 employees, the IMF found that the average cost of childcare is less than the cost to the company otherwise of higher staff turnover if no childcare is provided. In another case, a small enterprise invests “\$258,000 a year on childcare for its employees but saves more than \$800,000 as a result of lower women’s turnover” (Gammage *et al.*, 2019: pp. 23).
- A report from OECD showed that measuring unpaid care work with time-use data “reveals the share it represents of countries’ GDP, for example, 14% in South Africa and Canada, 23% in Argentina, France and New Zealand, and 33% in China” (Ferrant & Thim, 2019: pp. 4).

Gendered social norms and expectations are a relevant factor when understanding time spent in domestic and care work. For example, the OECD’S report (Ferrant & Thim, 2019) analysed time-use data from Ethiopia, Peru, Bangladesh and South Africa, and showed that primary education does not necessarily have a significant correlation with the time women spend on domestic chores; only higher education does. Also, even if economic development contributes to a reduction in unpaid care work, it does not guarantee an equal redistribution of domestic tasks between women and men in the household.

Research on domestic work burdens in China, India, Kenya, Nepal, Rwanda, Tanzania and Vietnam, showed that initiatives “to increase women’s opportunities to earn income are typically hampered by inadequate provision for child care, leading to increased economic stress and longer work days” (Folbre, 2018: pp. 3). The study strengthens the case for the use of mixed-methods analysis to grasp women’s own experiences and gendered social norms. It also emphasises the need for changes in public policies to better address unpaid care

¹ The term “care” normally “denotes a sense of concern for the well-being of those being ‘taken care of’” (Folbre, 2018: 6). Due to entrenched gendered roles that understand women as care providers, women tend to undertake the bulk of this task. As Folbre explains “most of this work has traditionally been excluded from economic analysis because it lies outside the formal and informal market economy” (*Ibid.*).

demands (i.e.: public care provision and investment in social infrastructure). However, an [Oxfam report](#) (2018) in Uganda, among its observations, noted that even where the government provided services and infrastructure, it had a minimal effect on unpaid care work. Aspects such as quantity, affordability and quality also need to be considered in order to make services and infrastructure accessible to the poorest households.

Businesses can play an active role in strengthening the care economy. For instance, in Nicaragua, the Body Shop pays an additional amount to women in their supply chains to cover unpaid care work ([GrOW, 2018](#)). This not only resulted in increased agency but also impacted in some aspects of women's wellbeing (see also [Butler, 2014](#)). As the reports from the OECD and the IMF emphasised, making the costs and opportunities for care services more visible contributes to change attitudes towards investing in them.

2. Social and institutional norms

Understanding social norms² is fundamental to ensure programmes' success. Evidence from Kenya shows, for instance, that climate change adaptation strategies are closely related to gender roles and responsibilities ([Ngigi et al., 2017](#)). Women tend to focus on the adoption of crop-related strategies, while men tend to focus on livestock and agro-forestry strategies. The study suggests that policy interventions understand the reality on-the-ground in order to have better results. In a similar line of thought, [ILO \(2017\)](#) reflected on their interventions in Uganda. They learned that, even if women receive the same loans and training that men receive, there are no impacts on WEE. This happens due to

gendered responsibilities and control of finances within the household.

Gendered roles have always been recognised as a factor that could undermine women's ability to seize economic opportunities. A recent study from Oxfam/SEEP gathered practitioners to share their experiences and challenges in trying to shift social norms. Among the strategies that practitioners considered effective, they mentioned: engaging couples and communities as partners in change; working with role models and champions to challenge prevailing norms; increasing the visibility of women in the market and promoting them to leadership roles; and using creative channels of communication to reinforce messages that challenge both empirical and normative expectations ([Singh et al., 2018: pp. 15-17](#)). Regarding the latter, SEEP has recently developed a webinar that presented different good practices and lessons from promising edutainment (education-entertainment) initiatives in Kenya, Pakistan, and the Dominican Republic. Similar projects in Cambodia, oriented at improving financial literacy, have also shown good results ([Crawford et al., 2018](#)).

The regulatory framework can also limit the participation of women within the economy. A study from the [World Bank \(2018\)](#) showed that, despite some improvement, 104 countries still have laws that limit women's access to jobs, 59 countries do not have laws against sexual harassment, and 18 countries still allow husbands to decide whether they would like their wives to work or not. In terms of customary laws' impact on women's entrepreneurial activities, a scoping study from DFID's [Business Environment Reform Facility \(BERF\)](#) found that the most impacted areas are: access to finance; business registration and licensing; and land titles, registration and administration. To know more about business environment reform (BER) and gender, check the following DCED publications: [Advancing Women's](#)

² As [Singh, Parvez & Canepa](#) explain, a social norm "is (or is constructed by) a shared expectation or informal rule based on one's beliefs about what others do (descriptive norms), and by one's beliefs about what others think one should do (normative expectations or injunctive norms)" (*Ibid.*: pp. 7).

Financial Inclusion through Gender-Sensitive BER and Gender-sensitive BER and informality.

3. *Financial and economic inclusion*

Women face more barriers to access paid work compared to men; when they do participate, they normally work fewer hours and have lower salaries. A joint study from [IFC & Accenture \(2018\)](#), analysing Uber drivers and users from the Arab Republic of Egypt, India, Indonesia, Mexico, South Africa, and the United Kingdom, outlines the potential benefits for WEE of the sharing economy, particularly the ride-hailing economy. The study argues that ride-hailing boosts women's income and economic opportunities, for instance by providing a flexible work schedule as well as the possibility to combine this job with other entrepreneurial activities. There are also plenty of opportunities for WEE associated with ICTs. A study from [FAO \(2018\)](#), in line with SDG's [target 5.B](#), explains the opportunities for closing the gender gap through ICTs in rural areas. Based on different case studies, this report highlights the benefits of mobile finance and mobile and e-learning programmes to increase agricultural productivity.

In terms of women's earnings and productivity, a joint report by the United Nations and the Exxon Mobile Foundations³ analysed evidence on more than one-hundred programmes' evaluations on the effectiveness of certain WEE interventions ([Buvinic & O'Donnell, 2016](#)). Some ratings and explanations are transcribed below:

- Individual savings accounts: 'proven' for all women with the exception of very poor women, for which savings need to be bundled with other interventions to be effective (pp. 5).
- Business Management Training: 'promising', high-quality business management training of

³ This report reviews the findings of the United Nations Foundation and the Exxon Mobile Foundation [Roadmap Report](#) from 2013. Find out more about the initiative [here](#).

reasonable duration can have positive economic outcomes for poor women entrepreneurs (pp. 12).

- Demand-driven job services: 'proven' for increasing the economic opportunities of young women, provided that the programs level the playing field for women in training and working environments (pp. 21).
- Cash transfers: 'proven' for conditional cash transfers and the 'promising' unconditional cash transfers on young women's educational and economic outcomes, but only if specific conditions are met (pp. 25).
- Land rights: 'proven,' but adding the qualifier 'with complementary interventions addressing additional constraints defined by the context of women's work in agriculture.' (pp. 29).

One of the main conclusions was that, even if there are interventions that have robust evidence on their ability to boost women's productivity and income, there are normally bundled to additional conditions (qualifiers) that might need to be in place. This again relates to structural barriers that limit access and agency, yet, these are not always evident. For instance, the Brookings Institute ([Siba, 2019](#)) explains that to achieve transformative change with women entrepreneurs, there is a need to move beyond access to financial and human capital (traditional skills development) and to address social and psychological constraints (e.g.: by providing leadership skills).

4. *WEE in contexts of conflict and forced displacement*

While women face the challenges associated with poverty, discriminatory social norms and violence everywhere, this situation is worse in conflict-affected environments. For example, women are more likely to experience displacement and interrupt their studies than men ([Klugman & Quek, 2018](#)). In terms of women's access to the market and

participation in economic activities, [Work Opportunities for Women \(WOW\)](#) states that they seem to increase in times of conflict. Nevertheless, this boost in less-traditional gender roles is normally associated with informal economic activities as well as low-quality jobs. In these contexts, such limitations are exacerbated by the lack of infrastructure and the rise in unemployment, associated with the decline in private sector activities. Likewise, there may be markets in which women play relevant roles but, due to social norms, those roles are not visible; this is for instance the case in women's economic participation in Liberia's rubber sector ([Sida, 2018](#)). Particularly studying women's financial inclusion in such settings, Klugman & Quek explore the opportunities associated with the expansion of financial services by technological innovations such as digitised government social payments or mobile finance.

Regarding forced displacement and migration, a recent [DCED study](#) found that forced displacement, and migration in general, can accelerate WEE by exposing women and men to less gendered social norms. Alternatively, depending on the political and legal backgrounds, this could also involve new risks and challenges (e.g.: gender based violence or discrimination). Another conclusion is that programmes in contexts of migration and forced displacement are usually focused on enhancing the supply side of the labour market (for instance through entrepreneurship and skills development). Yet, this may be disconnected from the needs on the demand side.

Measuring impact on WEE

Measuring the impact of development programmes on a contested term such as WEE is challenging. In 2014, the DCED developed [Guidelines for Practitioners to measure WEE in Private Sector Development](#). More recently, [Oxfam \(2017\)](#) has been working on a methodological framework that can be

adapted to individual contexts in order to support evaluators' and practitioners' needs when measuring WEE. Considering WEE as a process that enhances women power, the framework explores changes at personal, relational and environmental levels. In terms of corporate interventions, [IPSOS \(2018\)](#) has also designed a framework to measure WEE which goes beyond economic indicators and focuses on a broader understanding of women's empowerment.

Measuring 'agency' could be more complex than measuring 'access' ([Ryan et al., 2018](#)). Based on their six-year learning process from their interventions in Fiji, Timor-Leste, Papua New Guinea, Pakistan and Sri Lanka, MDF has developed a framework to measure impact on agency. The framework also pays attention to non-financial benefits for women which might not affect traditional targets of WEE programmes but are very important for their wellbeing. Since WEE interventions' success can be affected by local social norms, there is a need to measure changes in behaviours and attitudes. Based on the lessons learned from Itad's experience with the [Voices for Change \(V4C\)](#) programme, it is more useful to utilise mixed research methods (quantitative and qualitative) and participatory mechanisms that include both women and men. Accordingly, they have developed an 'empirical and normative matrix' and an 'action and attitude matrix' ([Liesner, 2017](#)).

For more resources on WEE, visit the [DCED Knowledge page](#). Find more evidence on specific themes in the [DCED Special Feature on WEE](#).



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