GROWTH AND ECONOMIC OPPORTUNITIES FOR WOMEN

LITERATURE REVIEW TO INFORM THE DFID-IDRC-HEWLETT FOUNDATION RESEARCH PROGRAM ON WOMEN’S ECONOMIC EMPOWERMENT, GENDER EQUALITY AND GROWTH IN LOW INCOME COUNTRIES

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The pursuit of gender equality is a critical objective, and one that is globally shared, as manifested in the Millennium Development Goals (MDGs), and for example in World Development Report 2012 and by the World Economic Forum. Moreover, there is growing recognition among policy makers, donor agencies and practitioners that women's marginalisation can stifle poverty reduction, productivity, competitiveness, and growth, thus calling for a better understanding of the barriers that limit women’s access to productive opportunities.

A new research program, supported by DFID UK, IDRC Canada, and The Hewlett Foundation will examine when and how women’s economic empowerment fosters – and can foster – economic growth, and how economic growth, supported by a set of well-designed policies and actions, can benefit women, particularly poor women. It will explore the constraints and decisions women face as workers, entrepreneurs, and care givers; women’s preferences and choices, and whether women’s decisions can be attributed to choices, preferences, and/or constraints; and the institutions, policies, and practices that can promote positive change. It will promote a variety of research methodologies, integrate different disciplinary approaches, and systematically summarise existing evidence to ensure the best possible insights into these barriers and relationships.

The research program will focus on women’s engagement in labour markets and as entrepreneurs, and the terms of that engagement – key channels for empowerment. This will provide solid empirical evidence on the extent to which and why women are disadvantaged in terms of participation in and benefit from economic growth, and what sorts of interventions can best address these in various contexts. Answering these questions requires an understanding of, and multi-disciplinary approaches to analyse women’s preferences, the factors that affect their choices, and the constraints they face.

Definitions of women’s economic empowerment

Both DFID and IDRC have working definitions of women’s economic empowerment, which this program will draw on. Applicants and grantees will be asked to specify working definitions for their research project.

IDRC’s definition draws on that of the OECD: “Capacity of women to participate in, contribute to and benefit from growth processes in ways that recognise the value of their contribution, respect their dignity and make it possible to negotiate a fairer distribution of the benefits of growth” (OECD DAC Gender Equality Network, 2011, Kabeer 2012, Eyben et al. 2008). This is directly in line with IDRC’s working definition of inclusive growth, which emphasises growth that ensures economic opportunities for all segments of the population, with a special emphasis on the poor, particularly women and young people who are most likely to be marginalised.

DFID’s definition is as follows: “Economic empowerment is a process that increases people’s access to and control over economic resources and opportunities including jobs, financial services, property and other productive assets (from which one can generate an
income), skills development and market information” (DFID, 2012, Starter Pack on economic empowerment of women and girls).

To understand women’s economic roles, it is crucial to consider the inter-relationship between activities in wage employment, as entrepreneurs and managers of assets on a continuum of survival to entrepreneurial activities, and in terms of childcare and other household responsibilities.

This literature review summarises a substantial part of the existing literature in the field, in various disciplines. Section 1 briefly discusses the global evidence on existing gender disparities in employment, wages, business opportunities, and the care economy. Sections 2, 3 and 4 describe the existing knowledge in the themes that are central to this program – constraints to women’s economic empowerment, and the links between economic empowerment and growth – followed by the research gaps and questions we have identified.

1 Changing Women’s Roles, Continued Disparities

In the last two decades, there has been much progress in gender equality. In most developing countries MDGs show narrowing gaps, with rapid increases in girls’ primary school enrollment, and significant increases in female life expectancy. Significant gains have also been made globally with respect to women’s economic participation, although there are variations in nature and degree. Despite the progress, gender gaps remain. Women continue to be disadvantaged in terms of labour market outcomes and sustainable livelihood options. World Economic Forum data indicates that while health and education gaps are closing, only 59 per cent of the economic outcomes gap has closed. Women are disproportionally engaged in vulnerable forms of informal employment, earn substantially less, and their economic contribution has largely remained under-valued. This section discusses various elements of women’s participation, illustrating that gender continues to remain a form of ‘durable inequality’, cutting across other dimensions of socio-economic stratification, but also evolving over time.

First, globally, female labour force participation rates have increased, from 50 per cent in 1980 to 52 per cent in 2008, while rates for men continue to be higher but declined from 82 to 78

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1 This draws on Kabeer (2012); www.soas.ac.uk/development/events/26jan2012-womens-economic-empowerment-labour-markets-entrepreneurship-and-inclusive-growth-towards-a.html; Campos (2012), DFID (2013), and extensive discussion among the partners in this program.

2 Kabeer (1998 and 2003), and Dercon and Singh (2011) emphasise heterogeneity in gender bias.

3 Various global indicators on gender disparities are now available, which all provide slightly different pictures, but none contradict the general picture (Van Staveren, [2013], reviews and compares the most important ones). Wekwete (2012) summarises gender gaps in Africa.

4 Hausmann et al (2012, p.14), data refer to 2009-10; the World Economic Forum data demonstrate this for its aggregate economic empowerment index; the gap in the index of political empowerment was even larger; also Bandiera and Natraj (2013).

Regional and cross-country differences in female labour force participation rates continue to be very large: there are just 35 to 42 women per 100 men in the labour force in South Asia and the Middle East and North Africa (MENA) region, compared to 70-79 in East Asia, Latin America and sub-Saharan Africa.\(^7\)

Second, more women than men are unemployed.\(^8\) Their unemployment rates were higher than those of men in 113 out of 152 countries for which data is available. Women are far more likely than men to be in vulnerable employment worldwide: in North Africa 55 per cent versus 32 per cent, the Middle East 42 per cent versus 27 per cent and sub-Saharan Africa nearly 85 per cent versus 70 per cent. During the 2008 crisis, while several social groups were hit, women accounted for almost two-thirds of the job losses (with variations across countries), despite the fact women comprise less than one-third of the actual labour force. In South Asia, for example, adult women accounted for 60 per cent of the region’s unemployment, while they comprised less than 22 per cent of the labour force.

Third, women have been moving out of agriculture and into services and manufacturing, although at a different pace in different regions.\(^9\) Agriculture continues to account for 70 per cent of women’s employment in South Asia compared to 40 per cent of men’s; in sub-Saharan Africa agriculture forms 60 per cent of both male and female employment. Much of the global rise in female employment has been in the service sector, accounting for 47 per cent of female and 40 per cent of male employment in 2008. Manufacturing accounted for just 16 per cent of female employment globally in 2008 compared to 26 per cent of men’s.

Fourth, migration can have varied impact on women. For example, differences in female labour force participation among migrants can continue to reflect the differences in the country of origin. But migration can also be a positive force for gender equality. For example, in Mozambique, women left behind as a result of male migration to South African mines in the south of the country acquired increasing responsibilities and workloads in agriculture. Many migrated to local urban centres to take up new opportunities in the cashew industry.\(^10\)

Fifth, the movement out of agriculture has not necessarily signified a movement into the kind of ‘decent work and productive employment’ highlighted within MDG1.\(^11\) A large proportion of working women are working as unpaid labour in family enterprises with no access to an income of their own.\(^12\) Women continue to be concentrated in occupations with lower pay,
worse prospects for advancement, and poorer working conditions. Evidence from a wide range of developing countries shows widespread entry by women into work on a temporary, casual, seasonal or part-time basis, often in home-based activities or subcontracted by intermediaries as part of global value chains. Working women are disproportionally engaged in the informal economy. The informal economy is heterogeneous and stratified, and there is a close association between the quality of jobs and gender – with men dominating the upper echelons of the hierarchy and women over-represented in the lower echelons – along with other markers of social inequality, like caste, ethnicity, race, and legal status.

Sixth, gender disparities in earnings are common and persistent. According to ILO’s global estimates, women’s earnings fell short of men’s by 23 per cent in 2008-09. This was an improvement from the shortfall of 26 per cent in 1995, but at this rate it would take 75 years to achieve the principle of equal pay for work of equal value. In Latin America, women’s earnings in the informal economy were about 53 per cent of men’s in 1998. Case studies show gender gaps in earnings in, for example, North East rural Ghana, rural Benin, Costa Rica, and Egypt.

Seventh, there is growing evidence on gender differences in entrepreneurship, measured in standard economic variables, as well as subjective variables, including motivation to start an enterprise, and ‘entrepreneurial personality’ (attitudes to risk, trust, locus of control), which are predictors of the likelihood of success. A study from Zimbabwe showed that nearly 4 out of 5 women engaged in off-farm enterprise were brewing beer while men were smiths, brick-makers, and builders, and men’s annual income that was at least 7 times that of women. Regional data for Africa indicates that women are concentrated in services and traditionally lower value-added production sectors such as garments and food processing, and are less likely to be registered than men. While some own-account activities performed by women can be characterized as empowering, the majority of these tend to be close to the survival end of the scale. In East Africa, for example, female-run enterprises tend to be undercapitalized and have poorer access to

13 Anker, Malkas and Korten (2003), Zammit (2010). The ILO classifies both own account work and unwaged family labour as ‘vulnerable’ work, offering little or no remuneration, characterised by uncertainty and outside the remit of legal and social protection.
14 Zammit (2010). The rise in female labour force participation has occurred at a time when employment more generally is becoming more precarious and insecure; it is unlikely that their increased labour force participation will lead to an increase in their share of formal employment.
17 ILO (2011). Estimates often fail to capture wage inequalities in the informal (and agricultural) economy where most working women are located and where earning gaps are usually larger (Chen et al. 2005).
18 Barrientos, (2002). In Vietnam, men earned nearly 50% more than women in informal employment despite there being no significant difference in working hours, education and seniority (Cling et al 2011).
19 Whitehead (2009), Chen (2008), Avirgan et.al. (2005).
20 Emran (2007). Data on female entrepreneurship is available from the Global Entrepreneurship Monitor (2010), which since 1990 has globally surveyed the entrepreneurial attitudes, activities and aspirations. Coverage of this instrument is continuously expanded, including – with IDRC support – in Africa.
21 Croson and Gneezy (2009) and Eckstein and Lifshitz (2011) on the role of preferences, and van de Walle (2011: 5) on the difficulty of disentangling these from constraints.
23 Hallward-Driemeier (2011) reports a gender gap in labour productivity on average of 6 per cent, but the impact of gender-related constraints on productivity appears larger in the informal sector.
machinery, fertilizer, extension information, and credit. Moreover, laws, regulations, and customs restrict women’s ability to manage property, conduct business, or travel without their husbands’ consent.\textsuperscript{24}

Eighth, \textit{various forms of technology have contributed to improving women’s links to markets and services}. There is an emerging literature on the impact of mobile phones on poverty and livelihoods. In rural labour markets in South Africa, characterised by low wages and high rates of under- and unemployment and high job search costs, expansion of mobile phone coverage was associated with a 15 per cent increase in employment and diversification out of agriculture, mostly for women.\textsuperscript{25}

Finally, \textit{women’s increasing entry into paid work has not been accompanied by a commensurate change in the gender division of unpaid labour in the care economy}. By and large, women remain responsible for a great deal of the unpaid work that ensures the survival and care of their families over time.\textsuperscript{26} Such unpaid work encompasses the care of children, the elderly, and the sick; domestic activities such as preparation of food and collection of fuel and water along with expenditure saving activities such as food production, livestock care, homestead farming and so on.\textsuperscript{27} As women tend to retain responsibility for these activities even if they take up paid employment, they tend to work longer hours each day than working men, giving rise to the phenomenon of ‘time poverty’, which is likely to have an impact on the type of market activity women tend to or can gravitate towards.

The resilience of the gender division of unpaid domestic labour introduces considerable variations in women’s labour force participation over their life course, with much lower rates of participation in their reproductive years. This introduces life course variations in the kinds of work women do. Review of the empirical literature from a variety of different contexts indicates that women with young children are more likely to be self-employed, often in household-based activities, than single women or women without children.\textsuperscript{28} This pattern is likely to depend on income status. Research shows that better-off women in salaried forms of work that provide maternity leave and child care support can also afford to pay for help with child care and domestic chores and are more likely to have access to time-saving infrastructure (electricity, running water, sanitation).\textsuperscript{29} Very poor women with children, particularly those who are household heads and primary earners, take up waged work (either because it offers higher returns than the forms of self-employment available to them or because they lack start-up capital, skills

\textsuperscript{24} Namatovu (2012). Also see Emran al. (2007), Fafchamps et. al. (2011) and Hallward-Driemeier (2011).

\textsuperscript{25} For instance, Klonner and Nolen (2008). Technological development often implies changes in gendered patterns of labour demand, and skill upgrading and other measures may be needed to ensure equal opportunities (see footnote 46 below).

\textsuperscript{26} UNRISD (2005), Folbre (2012) with a focus on Africa, and emphasising we know little about the interaction between the unpaid care sector and the market economy.

\textsuperscript{27} It is estimated that an African woman’s average work day lasts 50\% longer than that of a man (APF-OECD 2007).

\textsuperscript{28} Kabeer (2008).and Maloney (2004) suggest that women opt for informal work because it accommodates their household chores.

\textsuperscript{29} Research by UNRISD into unpaid care work found that it declined with rising levels of household income (Budlender, 2008).
and networks to run their own enterprise) and have to manage child care responsibilities in ways that can have adverse consequences for themselves and their children.  

2 CONSTRAINTS TO WOMEN’S ECONOMIC PARTICIPATION, AND POLICIES

To understand women’s economic empowerment, and interventions to reduce gender-based constraints and enhance more equal participation, it is critical to analyse the multi-dimensionality of these constraints. These can exist in three spheres.  

First, women’s position in the household is impacted by a myriad of factors. These may include, varying in different contexts, and often over-lapping: rights to property; inheritance and divorce; access to family planning and child care; social and cultural norms related to childhood and paid and unpaid care work; social and cultural norms related to work; value placed on girls’ education; intra-household dynamics and bargaining power; and burdens of unpaid productive or care work.  

Second, in the wider society and economy, women’s work may be constrained by discriminatory legal and regulatory barriers, limited access to financial and physical assets and market information, fewer social networks and business connections, limited access to education and skills development, and weaker bargaining power in labour markets. Along with formalized gender discrimination, attitudes and behavior on the part of actors in the public arena can further curtail women’s capacity to take advantage of economic opportunities. Research shows, for example, that employers can express preferences for male workers on the grounds that women were seen to have a weaker attachment to the labour market, with higher rates of absenteeism and turnover, or preferences for women (particularly in highly competitive, labour-intensive export sectors) because they made less trouble, or because they could be paid less on the grounds that they were secondary earners or merely ‘working for lipstick’.  

Third, preferences and individual choice can be influenced by psychological attributes, such as altruism, reciprocity and flexibility. Attitudes to competition, risk taking and aversion, motivation, etc., may vary between men and women (as well as across groups of women), though the literature provides different views on whether these differences are caused by choice or by gender-related norms and constraints, and whether it is possible to disentangle the two.  

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30 Kabeer (2012).
31 The background paper by Kabeer (2012) describes these in detail, and this was further elaborated at the DFID-IDRC technical workshop, January 2012. For constraints in Africa, and note on data, see Doss (2012).
33 See above footnotes 27,28,29.
34 For example, World Bank (2011) found widespread evidence of legal differences between men and women which differentiated their incentives or capacity to engaged in waged work or to set up their own businesses; also Demirguc-Kunt et al. (2013).
36 Croson and Gneezy (2009), and Eckstein and Lifshitz (2011) on preferences; Rahim and Tavares (2012) on male attitudes; Field et al. (2010) on traditional institutions in India.
37 For example, de Mel et al. (2009); see footnote 22 above.
There is limited knowledge about which interventions work best to remove the barriers, in what contexts they work best, and for whom. What works in one setting, does not necessarily work elsewhere or with a different group of women and girls, interventions need to be tested out in several contexts to inform investments elsewhere, and new interventions need piloting with robust evaluations. Available evidence provides some pointers, but the picture is far from being clear:

- There is some evidence on the effectiveness of jobs and skills training for women from Latin America, particularly when paired with childcare provision and transport.
- Evidence is mixed on the impact of business training for female owned/managed businesses. Some studies indicate an overall positive impact only when business training is accompanied by other initiatives such as access to credit. Other studies find that such interventions may be more effective for new owners than for existing businesses.\(^\text{38}\)
- Evidence is mixed on how to assist women's transitions to wage employment.
- There is a small but growing literature on the gender gap in access to financial services. Little is known about how to remove credit constraints for women entrepreneurs, or how to address multiple constraints such as women’s bargaining power in the home, alongside lifting credit constraints, to increase profits.
- Research in Ethiopia showed that reforms of family law (eg. giving women authority to work outside the home without permission from their spouses) was associated with an increase in women’s share in paid work in Ethiopia.\(^\text{39}\)
- Interventions that help reduce women's time in home production can have a positive impact. For example, an electrification program in South Africa led to a 9.5% increase in female employment, but had no change in male employment.\(^\text{40}\)

**Research priority 1: exploring constraints in low-income contexts**

Evidence on why female labour force participation tends to be lower than men’s, and why women are over-represented in some sectors or in self-employment, remains limited. While studies suggest that women opt for informal work because it accommodated their household chores, more information is required to understand the determinants of the local structure of opportunities, the relative returns to wage and self-employment, and specific attributes and preferences of women and their households, and how these factors vary across countries and regions.

Wage labour opportunities vary from ‘bad’ jobs (poorly paid, highly exploitative, demeaning) to ‘good jobs’, characterised by formality of contract, decent working conditions, regularity of pay, social and legal protection. The empowerment potential of wage labour is likely to be closely associated with these characteristics, but there is little evidence on the barriers and options for women to access better opportunities. Restrictions on women’s mobility in the public domain severely limit functioning of labour markets. Gender-related constraints on women’s ability to take up waged labour, and greater costs of job search, may increase transaction costs of their wage labour to such an extent that the market for female labour becomes irrelevant to certain households.

\(^{38}\) de Mel, McKenzie and C Woodruff (2012).
\(^{39}\) Hallward-Driemeier and Gajigo (2011).
\(^{40}\) Dinkelman (2010); also Agénor and O Canuto (2013),
Research on gender differences in agricultural productivity indicates how inequities in access to agricultural inputs and technology negatively impact on women's productivity. But much less is known about productivity differences in the non-agricultural sector. The limited evidence that we have suggests that constraints women face in developing business are complex and often not easily recorded. Similarly, while it is known that women’s enterprises are predominantly located at the survival-oriented informal end of the enterprise spectrum, there is very little evidence of active choice, and what could be done to promote their transition to the growth-oriented and more formal end. This is not only a question about what differentiates male and female entrepreneurs, but also about the heterogeneity amongst female entrepreneurs. Where women’s entrepreneurial activities are dictated by considerations other than profitability, chances of accumulation are likely to be limited, and better understanding of the entrepreneurial skills, the requisite social connections, and legal and familial barriers, are all needed.

To addressing the above critical knowledge gaps, this program will explore, in different low-income contexts:

- the forms of employment and entrepreneurship that are empowering for women, increase their productivity, and close earnings gaps;
- the constraints and choices that position women on a continuum of self-employment, wage employment and entrepreneurship;
- the near-universal gendered silo of paid and unpaid care work, where innovation regarding care, including childcare, has been very limited;
- constraints that relate to women’s position in the household, wider society and economy, which influence individual choices;
- under-researched Interventions for women’s economic empowerment, including to: free up women’s time by reducing women’s burden of childcare and other unpaid work (e.g. work-place childcare; time-saving technology; IT), increase the quality and fairness of women’s work in the informal economy, increase women’s access to finance (e.g. credit information), close gender gaps in access to assets and inputs (e.g., land and ownership rights), increase women’s productivity in the non-agricultural sector, help small women-run businesses increase their profits, and discrimination in labour markets (e.g. labour laws and regulations; affirmative action for training placements; female networks).

3 DOES AND CAN GROWTH PROMOTE GENDER EQUALITY?

Women’s ability to benefit economically from the gains of growth does not always occur automatically, even as countries grow richer. Women may not be able to take up new economic opportunities to the same extent as men. As Esther Duflo argues, continuous policy commitment to equality for its own sake may be needed to bring about equality between men and women. Evidence on the question whether economic growth promotes gender equality remains inconclusive.41

In some countries, historical studies have identified circumstances where gender equality in wages has improved. In South Korea and Taiwan, economic growth that was accompanied by

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increasing levels of female education relative to male, an increase in women’s share of professional/technical jobs and, in the case of South Korea, increasing rates of female labor force participation relative to male all contributed to a decline in the gender wage gap. This was partly offset in the case of Taiwan by greater ease of capital mobility and its impact on women’s bargaining power in export industries. In addition, while both countries had passed legislation favoring workers, Taiwan’s protective legislation for female workers served to make them more costly, unlike South Korea’s minimum wage legislation.\textsuperscript{42} Equal opportunity legislation also helped close the gender wage gap in South Korea.

While economic theory predicts that economic growth would make it less necessary to discriminate, some fast-growing developing countries show the least signs of progress in gender equality in terms of labour force participation and in wage disparities between men and women. China’s economic transformation over the past three decades has created new economic opportunities for men and women, but also new challenges such as: pressure on women in playing dual roles as caregivers and income-earners (more challenging when workplaces are away from home); cutbacks in government and employer support for child care and elder care even while care provision continues to be seen as women’s responsibility; and insufficient policy attention to the provision of care and its effects on gender equality.\textsuperscript{43} While China’s female labour force participation rate has remained high, women were more likely than men to be laid off in the process of restructuring of State-Owned Enterprises, less likely to be re-employed, and have become increasingly concentrated in lower-paid and informal jobs. Gender gaps in earnings in urban China have widened considerably,\textsuperscript{44} and others earn considerably less than childless women in the private sector.\textsuperscript{45}

Similarly, despite significant economic achievements in Brazil in reducing poverty and income inequality, and tremendous gains in female education, gender disparities between the economic lives of women and men remains high. Whilst female labour force participation rose by 20 percentage points over 20 years, gender gaps in access to formal employment and market income still persist. The proportion of women with formal jobs increased from 42% in 1999 to 49% in 2009, but it is still lower than that of employed men (53% in 2009). In 2008, women’s wages were 84% of men’s and the gap increases at higher levels of education: among those with 12 or more years of schooling, women earned merely 58% of men’s salaries. The unemployment rate for females consistently exceeds that of males by an average of 4–5 percentage points; the gap is up to twice as high for those aged 15–24. Brazilian women, even those working full-time, continue to bear the brunt of time allocated to family chores (25 hours per week compared to men’s 10 hours per week).\textsuperscript{46}

In sub-Saharan Africa, poor women and girls often miss out on the benefits of growth in fast-growing economies. Women are almost two times more likely to be in the informal sector and

\textsuperscript{42} Kabeer and Natali, (2013).
\textsuperscript{43} Cook and Dong (2011); Berik, Dong and Summerfield (2007).
\textsuperscript{44} Zhang et al. (2008).
\textsuperscript{45} Jia and Dong (2012).
\textsuperscript{46} Agénor and Canuto (2013); their models suggest that public policies related to infrastructure (to free up women’s time) and explicit policies to reduce disparities in the labour market will be key to reduce gender gaps and through this promote economic growth.
about two times less likely to be in the public and private wage employment. In several countries, it appears that formalizing enterprises brings greater benefits to men. Whilst the structures of the economies, drivers of growth and therefore the potential economic opportunities for women and men are very different from Brazil and China, similar constraints around social norms, lack of inputs and assets, discriminatory regulations also prevent growth translating into better gender equality.

- **Ethiopia** remains one of the poorest countries in the world, but the economy has registered impressive growth, averaging over 7% during the past decade. Booming construction and service sectors have tended to focus growth in the urban centres, while high-potential rural areas have benefitted from improved agricultural productivity, higher prices, infrastructure and access to markets. Women have not gained from the growth opportunities: they are under-represented in the formal private sector, are concentrated in informal micro and small enterprises with lower returns, and account for only 23% of formally registered micro and small enterprises. Women are less likely to get credit, loan amounts are smaller, and women find it more difficult to mobilise collateral for business loans. Women constitute between 30-47% of micro-finance institution clients, lower than the average for Africa of 63.5%. The Government is making progress on gender equality in education, including technical and vocational education. How this will translate into equality in employment opportunities remains to be seen.

- In **Mozambique**, with economic growth and increased demand for cash crops, especially tobacco, men are gaining more than women from new market opportunities. Male smallholders are generally favoured over female household heads in contract farming arrangements to supply to agri-processing companies. A larger proportion of the female workforce (89%) is still dependent on low returns, subsistence agriculture, compared to 77% of the male. Most women work on smallholdings with very limited access to credit, tools, seeds, extension services, irrigation facilities, means of transport, access to roads and other infrastructure. Low returns to women’s agricultural efforts also reflect the disproportionate amount of time that women have to spend on domestic tasks and care of the family.

- **Zambia** has experienced over a decade of strong economic growth driven by mineral wealth, and was recently reclassified as a lower-middle income country. But extreme poverty rates remain high, especially among female-headed households (57% in 2006) compared to male-headed households (49%). Women are more likely to be poor because they lack access to employment, technical and vocational education and training, productive resources such as land, credit and technology. Overall, female labour market participation at 60% is lower than for men at 79%. Women are less likely to be employed in the formal sector than men (6% compared with 15%), and in the informal sector women have lower levels of start-up capital. Women are less likely to have access to banking services and only 20% of statutory land is owned by women.

- Whilst data problems hinder the analysis of employment patterns in **Nigeria**, it is evident that female participation is lower than male participation in all parts of the country except the South West. Of the women reporting participation in the labour force, the majority

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47 Arbache, Kolev and Filipiak (2010).
48 Solomon, quoted in DFID XXXX
49 World Bank (2011) reports that 30% of MFI clients are women; Tsegay and Tsega (2010) report 47%.
50 DFID and CIDA (2009).
are self-employed followed by those working in agriculture, both sectors with lower returns than either government or private employment. Wage discrimination against women is marked in the self-employed sector. Women are disadvantaged in access to government and especially private sector employment, although once they are working there, they face less wage discrimination.

Debates continue about impacts of globalisation and market liberalisation, competition, changes in technology and work processes, whether surges of growth increase demand for women’s labour and what the gendered impact of contractions in labour markets are. While export-oriented labour-intensive production in countries such as Bangladesh and China has created many job opportunities for poor women, the demand for female labour may change, notably if the economy requires higher skill levels. More capital intensive form of exports, including of oil and other mineral resources, create fewer jobs, particularly for women.

Whilst growth has led to more women working outside the home in almost all countries, this increased participation has not translated into equal employment opportunities (including safety in some contexts) or equal earnings for men and women. Women are clustered into selected sectors of the economy, with little change over time. Women are more likely than men to engage in low-productivity activities. They are also more likely to be in wage or unpaid family employment or work in the informal wage sector. In agriculture, women operate smaller plots of land, farm less remunerative crops and have lower yields. As entrepreneurs, they tend to manage smaller firms and concentrate in less-profitable sectors. And in formal employment, they concentrate in “female” occupations and sectors.

In history, major changes for women have often come during or after significant and sustained economic changes, but have often involved purposeful action to tackle gender constraints as well. As economic roles change for women and men, changes in gender relations and reductions in gender–based constraints can follow. As women gain employment and education, women’s bargaining power in the home and workplace is likely to improve. The World Values Survey suggests that an increase in women’s share of employment over time, and in economic growth, can lead to the weakening of restrictive gender stereotypes. However, this is not always the case. Barriers that women face often decrease only with a time lag. Social attitudes are only slow to change. In some cases, gendered constraints may actually be reinforced under rapid socio-economic change: for example, urbanisation can lead to reduced women’s mobility outside the household.

Thus, growth policies may need to be accompanied by specific measures to ensure women’s economic empowerment. Expansions in employment may not, on their own, overcome the

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54 Gaddis and Klasen (2011) reject the feminization U hypothesis and demonstrate that level differences across countries in female labour force participation are very large, and that most of the changes are driven by sectoral change rather than growth itself. See Klasen and Pieters (2012) with respect to India’s economic boom.
55 Seguino and Were (2012, Table 3) calculate employment elasticities for oil, mineral and non-oil non-mineral economies in Africa.
56 Seguino and Lovinski (2009)
various gender-related constraints that have curtailed women’s capacity to take advantage of existing employment opportunities on fairer terms. Greater attention to employment-centred growth strategies, as promoted in World Development Report 2013, may help create a hospitable macro-economic environment for achieving the empowerment of women.\textsuperscript{57} Macro-economic policies, including monetary policies and inflation targeting, can have gendered effects. Specific measures, macro- and micro-policies, may be needed to remove gender-related barriers to employment and entrepreneurship, to reduce the time burden of unpaid work, and ensure full development of women’s as well as men’s capabilities.\textsuperscript{58}

**Research Priority 2: impact of patterns of growth on women’s economic empowerment**

Evidence on the question whether economic growth promotes gender equality, thus, shows a mixed picture. Indeed, some of the fastest growing developing countries show the least signs of progress on basic gender equality outcomes. While economic growth on its own is not always sufficient to promote gender equality, the outcomes of growth appear to be far more positive when they are accompanied by an expansion in women’s employment and education.

- We need more data on African labour markets and the nature, extent and root causes of gender disparities, particularly gender wage gaps.
- We need more country-specific studies to understand when and how growth delivers sustained economic benefits for women and girls, in which circumstances does it increase or close gender gaps in wages. How do the conditions before growth starts, the pattern of growth, and the pace of growth affect gender equality?
- When and why substantial economic change can breed substantial social changes which shift social norms, change women’s bargaining power and remove or exacerbate gender discrimination, and how to promote the positive changes and minimise the negative.
- In contexts of economic setbacks where labour markets are contracting, what is the evidence that the benefits of social change endure.
- We need more country-specific research to identify the tailored policy measures that can help translate economic growth more consistently into gender equality and economic gains for women and girls, (e.g., agricultural markets for the poor, labour market policies, childcare policies, property rights reforms, credit access).

This aspect of the research program will explore the reverse linkage of that highlighted in theme 2: the impact that patterns of growth have and can have on women’s economic empowerment, including with respect to competition, liberalisation, and technological change, as well as impact on women’s role in the care economy. This will test hypotheses that surges of growth increase demand for women’s labour, that surges of growth produce social change, and explore the question of whether and how demand for women's labour and social change endure after a growth surge.

\textsuperscript{57} Demand deficits in the labour market has been identified as a factor in explaining the widespread absence of educated women from labour market in South Asia, their concentration in self-employment in Ghana, their unsuccessful search for full time jobs in Honduras (Kabeer 2012).

\textsuperscript{58} World Bank (2011a, 2012a); Seguino and Were (2012).
4 Do economic gender disparities have broader impacts?

Gender disparities, such as the ones described above in section 2, can have negative impacts beyond the individual experience. Gender inequalities can impose costs on welfare, productivity, efficiency, and (hence) economic progress. For example, gender disparities in education can reduce productivity growth, disparities in access to assets can limit women’s economic investments, and as mentioned above their labour market participation can be constrained by various factors.

There is evidence that gender equality can promote economic growth. Cross-country studies indicate that greater gender equality is – or can be – associated with higher GNP, income growth, and balance of payments. The World Bank estimated that if countries in South Asia, Sub-Saharan Africa, and the Middle East and North Africa had started with the gender gap in average years of schooling that East Asia had in 1960 and had closed that gender gap at the rate achieved by East Asia from 1960 to 1992, their income per capita could have grown by 0.5-0.9 percentage point more than their actual growth rates.

Some evidence demonstrates that resources in women’s hands can enhance production and productivity, promote human capital and capabilities within the household, and thus benefit the economy as a whole, both in the short and the long term. Increasing female labour force participation can, in certain contexts, speed up economic growth:

- Eliminating barriers that prevent women from working in certain occupations or sectors, for example, could reduce the productivity gap between male and female workers by one-third to one-half, and increase output per worker by up to 25 per cent.
- Research in Burkina Faso showed that household farm production would increase if women had the same access to inputs as men.
- Giving married women greater security over land in Rwanda had a positive impact on their productive investments in soil and water conservation.
- In Burundi, if primary school dropouts (27% of girls) had completed primary school before going to work, they would have generated lifetime income equivalent to nearly 25% of Burundi’s annual GDP. If the 88% of girls who were not able to complete secondary school had been able to do so, their additional lifetime productivity would increase GDP by more than two thirds of their annual GDP.

Such findings suggest a strong instrumental rationale for ensuring women’s participation in economic growth. But achieving these gains will not occur automatically, even as countries get richer: multiple and sometimes reinforcing barriers to gender equality can get in the way and declines in quality of caregiving for children may weaken future human capital.

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60 World Bank (2012a)
61 Cuberes and Teignier Bausé (2011); Hurst et al. (2011).
62 Quoted in DFID (2013).
The debate on the gender-growth impact remains fierce, pathways are diverse and different gender equalities may have different impacts. For example gender inequality in earnings in East Asia’s export-oriented manufacturing may have helped growth, investment and exports in the short-term, but not in the long-term.

**Research Priority 3: summarising evidence on empowerment-growth links**

Thus, there is fairly strong empirical support for the claim that gender equality can have a positive impact on economic growth. The relationship is most consistent with regard to education (the most widely studied) and employment (less frequently studied) but is far from conclusive and may be context-specific. While there is evidence about the links between gender equality and economic growth, the relationship is complex and not uniform. There is a need to further investigate how these relationships play out in various contexts and the factors that shape this.

We need to better understand the different pathways through which empowering women and the more equal participation of women can improve efficiency, productivity and competitiveness, raise average incomes, and improve conditions for sustained growth. In particular, the less-researched area of the impact of gender disparities in labour market outcomes (eg. wage gaps) on economic growth. We need to further investigate how these pathways operate in various contexts, over different time periods, and the factors that shape these. We need more country case studies using data that are set in historical and local context. Such evidence can be critical for the design of effective policies.

**Conclusion: Promoting Research Uptake**

This review has summarised a substantial part of existing literature on women’s economic empowerment, and is intended to inform the new research program Women’s Economic Empowerment and Growth. While it has not covered all the literature, we are confident that it has identified major research priorities, on constraints to women’s economic empowerment, and on the links between women’s economic empowerment and growth.

We believe that a global research, which will bring together researchers from different countries and academic disciplines, which will produce high-quality evidence, has the potential to inform policy and practice to promote empowerment. Currently, there is significant global commitment to address gender inequality, including as countries and companies realise that holding women

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63 Dollar and Gati (1999); Seguino, quoted in Campos (2012); Kabeer and Natali (2013); Seguino and Were (2012) discuss this with respect to Africa’s relatively low growth in the long run; Bandiera and Natraj (2013) emphasise that evidence from cross-country studies is of limited use for the design of policy.

64 Schober and Winter-Ebmer (2011).

65 Research under this theme will systematically summarise existing evidence on the pathways through which women’s economic empowerment contributes to economic growth and inclusive growth, and provide insight into the hypothesis that more equal economic participation of women would not only enhance their well-being, but also improve efficiency, productivity, competitiveness, incomes, and conditions for growth.
back reduces their competitiveness and potential for growth,\textsuperscript{66} and this program aims to galvanise that interest and commitment.

However, the potential for research to inform policy and practice needs to be enhanced by specific measures for research uptake, notably, by ensuring research questions are relevant through engagement with policy makers and other potential users, and by communicating research effectively and synthesising research for different audiences.\textsuperscript{67}

Growth and Economic Opportunities for Women Research Framework

**Gender based constraints & choices**
- Constraints on women’s position in the household
- Constraints on women in the wider society and economy, including paid and unpaid (child) care work
- Factors influencing individual choice & agency

**Economic participation**
More equal and/or greater participation of women in definable sectors of the labour market, including wage work, profitable farming activities, profitable self-employment/enterprise activities

**Growth**
Removal of constraints on economic participation creates a larger supply of workers and more potential growth – either higher growth rates or a shift to a higher level of average incomes/output. Possibly improves conditions for transformational surge of growth

**Hypothesis 1a:** Interventions to reduce gender-based constraints and increase women’s choice and agency in households, markets, institutions and society lead to more equal participation of women in definable sectors of the labour market including self-employment/enterprise

**Hypothesis 1b:** (Ignoring the cause of the change), changes in gender-based constraints and choices cause more equal participation of women in definable sectors of the labour market including self-employment/enterprise

**Hypothesis 2:** Women’s economic empowerment contributes to economic growth: more equal participation of women in definable economic spheres improves efficiency, competitiveness, productivity, and measurably raises average incomes and/or raises long-run growth and/or improves conditions for a surge in growth (women’s economic empowerment as pathway to inclusive growth)

**Hypothesis 3a:** Economic growth promotes gender equality and women’s economic participation independent of gender-based constraints, as evidenced by increased women’s economic participation (not necessarily more equal with men’s)

**Hypotheses 3b:** Surges of growth produce social change (possibly linked to changing work patterns for women and men), resulting in modified or decreased gender-based constraints

**Surges of growth**
When these start, there is increased labour demand, potentially including greater demand for women’s labour. Transformational surges create new opportunities for economic participation where gender constraints may not apply. Transformational growth can produce social change which modifies gender-based constraints
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