



Women's Economic Empowerment: A Smart Investment for America

Issue Overview

"Women's economic empowerment" has become a buzzword in global development policy, with oft-touted benefits ranging from reduced poverty and inequality to more inclusive and sustainable economic growth. Yet the meaning of the phrase is often unclear or it is used as shorthand for increased earnings and economic status. But economic empowerment is much more than this; it is a concept that seeks greater access to economic resources and institutions but that also fosters increased agency and decision-making over these resources and institutions.



Overlooking agency and decision-making risks reducing women's economic empowerment to a concept used to motivate improved economic outcomes and far less concerned with women's ability to make choices and engage with more equality in markets and economies.

The International Center for Research on Women defines women's economic empowerment as enabling **access to the resources** that create economic growth as well as the **agency to act on and make economic decisions**.¹ Women's economic empowerment should be seen as a two-part process: economic advancement needs to bring women access to income, credit, land or other productive resources, but it must be paired with agency over these resources – the ability to make and affect decisions. True economic empowerment, then, provides not only increased economic resources for women, but also greater equality in markets. It also requires the realization of economic and social rights. These rights include the right to own and dispose of property, to have identity documents, to be educated, learn new skills, earn income and to access markets.

Smart Development, Proven Results

ICRW's evidence defines, documents and develops women's economic empowerment programs, pointing the way toward transformative impact. Our other studies show that when women generate capital, they are more likely to invest it back into their families and communities. These investments improve household food security and nutrition, education and access to health care.²

Investing in women also makes good economic sense. When at least half of the population is living beneath its economic potential, everyone loses. Economies thrive when as many people as possible are employed, gaining capital, building assets and wielding their purchasing power. Sustainable and inclusive growth requires more broad-based participation and economies where women are not able to participate fully limit their potential. Not only do local and national economies thrive when women are empowered, but those ripples are felt around the world. A McKinsey Global Institute report has found that if all women were completely on par with men in labor markets, it would add up to \$28 trillion, or 26 percent, to the annual global GDP by 2025.³

Strong economies are less indebted and require less development assistance. They are better able to meet the needs of their people and invest and grow further. Strong economies consume more imports and engage in more trade, fostering markets that generate jobs and increase exports. Strong economies are also more stable politically.

Current Investments in U.S. Foreign Assistance

The U.S. government currently invests women's economic empowerment around the world, through programs implemented by agencies such as the U.S. Agency for International Development, the State Department, the Overseas Private Investment Corporation, the Millennium Challenge Corporation and the Peace Corps. These agencies address needs such as removing the legal and regulatory barriers to women's participation in the economy, providing job skills training and small loans to foster entrepreneurship, training businesses to hire women and develop their female workforce and increasing financial literacy and inclusion.

These efforts arose in response to a growing consensus among government agencies that women's economic empowerment should be prioritized within foreign policy and assistance, although currently the U.S. Government lacks an overarching framework articulating a cohesive vision for how the United States defines economic empowerment, and what it seeks to achieve through efforts in this area. In 2016, the State Department released a department-wide strategy on women's economic empowerment based on the recognition that "advancing women's economic participation globally is critical to achieving U.S. foreign policy objectives."⁴ In 2017, the United States, in conjunction with the government of Germany and the World Bank, launched the Women Entrepreneurs Finance Initiative aimed at increasing women's access to capital to boost entrepreneurship. In the 2018, the State Department expressed its intent to support "gender equality and the advancement of the status



of women and girls with a specific focus on women's economic empowerment" in its FY2019 Congressional Budget Justification.⁵

Recommendations for U.S. Foreign Policy and Assistance

Develop a unified whole-of-government policy.

The U.S. government should build on existing efforts in women's economic empowerment by developing a coherent and unifying strategy for all agencies that articulates its foreign policy and assistance goals. Current investments that have demonstrated proof of concept should be leveraged and scaled.

Release and implement the USAID WE3 Framework.

USAID, which is responsible for implementing much of the U.S. government's programming on women's economic empowerment, has developed a comprehensive, detailed framework for how to implement effec-

tive, high-impact programs that has not yet been released. The framework is the result of collaboration between government, implementing NGOs, advocacy-focused organizations, research institutions and academia, and presents actionable definitions, measuring tools and best practices. The document should be released and implemented as soon as possible.

Ensure robust funding.

Programs that foster the economic empowerment of women around the world must continue to be a priority investment. Congress must reject cuts to the international affairs budget that would disrupt progress and growth that has been made by investments to date and dedicate specific resources toward achieving its yet-to-be-articulated goals in this area.

Prioritize quality data.

Data are critical for these efforts. The research community has been able to prove the effectiveness of women's economic empowerment precisely because of the availability of age- and sex-disaggregated data generated through U.S. development projects and programs. USAID and other agencies should continue to increase efforts that capture, synthesize and share the high-quality data that are necessary to measure, monitor and prove the effectiveness of programs.

Conduct robust gender analysis.

Gender analyses must be conducted to ensure our development and trade assistance is not gender blind. All U.S. agencies that work in international development and trade should conduct these analyses across all of programs. This can help identify gaps and blockages in the systems that impact women's economic opportunities or have unintended consequences that undermine women's livelihoods and wellbeing.

Any efforts to improve the economic standing of women must avoid instrumentalism by working to break down the many gendered barriers that stand between women and economic opportunity. This includes advancing their economic and social rights to learn and to earn, to save and to invest and to own property and to access markets. Programs should target women of all ages and ethnicities as well as women that are rural, poor, displaced, living with disabilities or otherwise marginalized. Programs should also address violence and exploitation, inability to access healthcare and quality education, women's time poverty⁶ and the burden of unpaid care work. These programs should seek to dismantle practices that prevent the full realization of women's land and property rights and transform restrictive social norms that limit women's decision-making power and agency.

Recommended ICRW Resources on Women's Economic Empowerment

"Understanding and Measuring Women's Economic Empowerment: Definition, framework and indicators"
<https://www.icrw.org/wp-content/uploads/2016/10/Understanding-measuring-womens-economic-empowerment.pdf>

"The Business Case for Women's Economic Empowerment: An integrated approach" <https://www.icrw.org/wp-content/uploads/2016/10/The-Business-Case-for-Womens-Economic-Empowerment.pdf>
"Building Effective Women's Economic Empowerment Strategies: Sector-specific opportunities and the case for collaboration"
https://www.icrw.org/wp-content/uploads/2016/10/BSR_ICRW_Building_Effective_Womens_Economic_Empowerment_Strategies-.pdf

"Women and Social Enterprises: How gender integration can boost entrepreneurial solutions to poverty"
<https://www.icrw.org/wp-content/uploads/2016/10/Acumen-Report.pdf>

"Sexual Violence, Work and Financial Precarity"
<https://www.icrw.org/wp-content/uploads/2016/11/Gender-Stat-Sexual-Violence-Work-and-Financial-Precarity.pdf>

"Enhancing Women's Entrepreneurship in Kenya"
<https://www.icrw.org/wp-content/uploads/2016/10/IPA.pdf>

"How to Recognize, Reduce and Redistribute Unpaid Work and Care"
<http://hlp-wee.unwomen.org/-/media/hlp%20wee/attachments/reports-toolkits/hlp-wee-toolkit-driver-3-en.pdf?la=en>

"Evidence and Guidance on Women's Wage Employment"
<https://www.marketlinks.org/library/evidence-and-guidance-womens-wage-employment>



References

1 Golla, Anne Marie; Malhotra, Anju; Nanda, Priya; Mehra, Rekha. "Understanding and Measuring Women's Economic Empowerment: Definition, Framework and Indicators" International Center for Research on Women, 2011.

2 Selvaggio, Kathleen; Mehra, Rekha; Sharma Fox, Ritu; Rao Gupta, Geeta. "Value Added: Women and US Foreign Assistance for the 21st Century" International Center for Research on Women. Women Thrive Worldwide, 2008.

3 Woetzel, Jonathan; Madgavkar, Anu; Ellingrud, Kweilin; Labaye, Eric; Devillard, Sandrine; Kutcher, Eric; Manyika, James; Dobbs, Richard; and Krishnan, Mekala; "The power of parity: How advancing women's equality can add \$12 trillion to global growth" McKinsey Global Institute, September 2015.

4 "U.S. State Department Strategy for Women's Economic Empowerment" pg. 2, June 14, 2016. Available: <https://www.state.gov/s/gwi/priorities/econ/258463.htm>.

5 "Congressional Budget Justification, Fiscal Year 2019 – Department of State, Foreign Operations and Related Programs" p.98, February 12, 2018. Available: https://www.usaid.gov/sites/default/files/documents/1868/FY_2019_CBJ.pdf.

6 Time poverty is frequently defined as when an individual works so much time in both paid and unpaid work that they don't have sufficient time for sleep and personal maintenance. Time poverty can affect an individual's wellbeing and health and limits their ability to invest in education or take leisure. For more, see: "Balancing the Burden? Desk Review of Women's Time Poverty and Infrastructure in Asia and the Pacific", Asian Development Bank, 2015.



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Mission & Vision

Anchored in the principle of human dignity, ICRW advances gender equity, inclusion and the alleviation of poverty worldwide. To this end, ICRW works with non-profit, government and private sector partners to conduct research, develop and guide strategy and build capacity to promote evidence-based policies, programs and practices.

About Us

The International Center for Research on Women (ICRW) is a global research institute with headquarters in Washington, D.C. and regional offices in New Delhi, India and Kampala, Uganda. Since our founding more than 30 years ago, ICRW's work has expanded understanding of women's economic contributions, as well as the hurdles that prevent them from being successful. Our efforts focus on how gender affects economic development efforts related to assets and property rights, as well as employment, enterprise development and financial services. We strive to increase women's ownership, use and control of assets and property. We work to empower women as economic agents and better their ability to access markets on competitive and equitable terms. And with our partners, ICRW aims to integrate gender perspectives into program and institution activities. We believe such an approach improves the likelihood that efforts to strengthen women economically are successful.