



# ENABLING WOMEN'S ECONOMIC EMPOWERMENT:

ICRW ANALYSIS SHOWS WOMEN'S HEALTH STATUS CRUCIAL TO ECONOMIC PARTICIPATION

As efforts to define and advance women's economic empowerment gain traction in global development, evidence points to an often overlooked but essential ingredient: reproductive empowerment. A woman's reproductive years (15-49)<sup>ii</sup> tend to overlap with her years of working age (15 and above).<sup>iii</sup> As a result, pregnancy and childbearing have deep impacts on a woman's labor force participation and her economic outcomes, and vice versa. With access to comprehensive reproductive health services, women not only have better health outcomes, but also experience better economic outcomes through

greater labor force participation, greater chance of formal employment, and higher pay. This brief presents the evidence behind the under-explored relationship between women's reproductive and economic empowerment.

The International Center for Research on Women (ICRW) 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**.<sup>i</sup>

## TO WORK OR TO CARE? THE ECONOMIC IMPACT OF GLOBAL UNMET NEED FOR FAMILY PLANNING

Globally, only 50% of working-age women are in the labor force, compared to 77% of men.<sup>iv</sup> One way in which women's labor force participation is constrained is through unmet need for contraception. In developing countries around the world, 885 million women of reproductive age want to avoid a pregnancy, out of which 214 million (nearly one quarter) are not using a modern method of contraception.<sup>v</sup> In fact, women with an unmet need for modern contraception account for 84% of all unplanned pregnancies in developing countries.<sup>vi</sup> Reproductive and sexual health services could address this gap and ensure that each pregnancy is healthy and planned, with considerable benefits for women's economic participation.

With each pregnancy, many women must interrupt paid work to care for their child, a challenge men do not typically face. Globally, women spend twice as much time as men on household work and five times as much on childcare.<sup>vii</sup> If one were to consider all the unpaid and paid work together, men and women globally have little difference in the total number of hours worked, though much of women's work goes unpaid.<sup>viii</sup>



On average women are responsible for at least 2.5 times more unpaid household and care work.<sup>ix</sup>



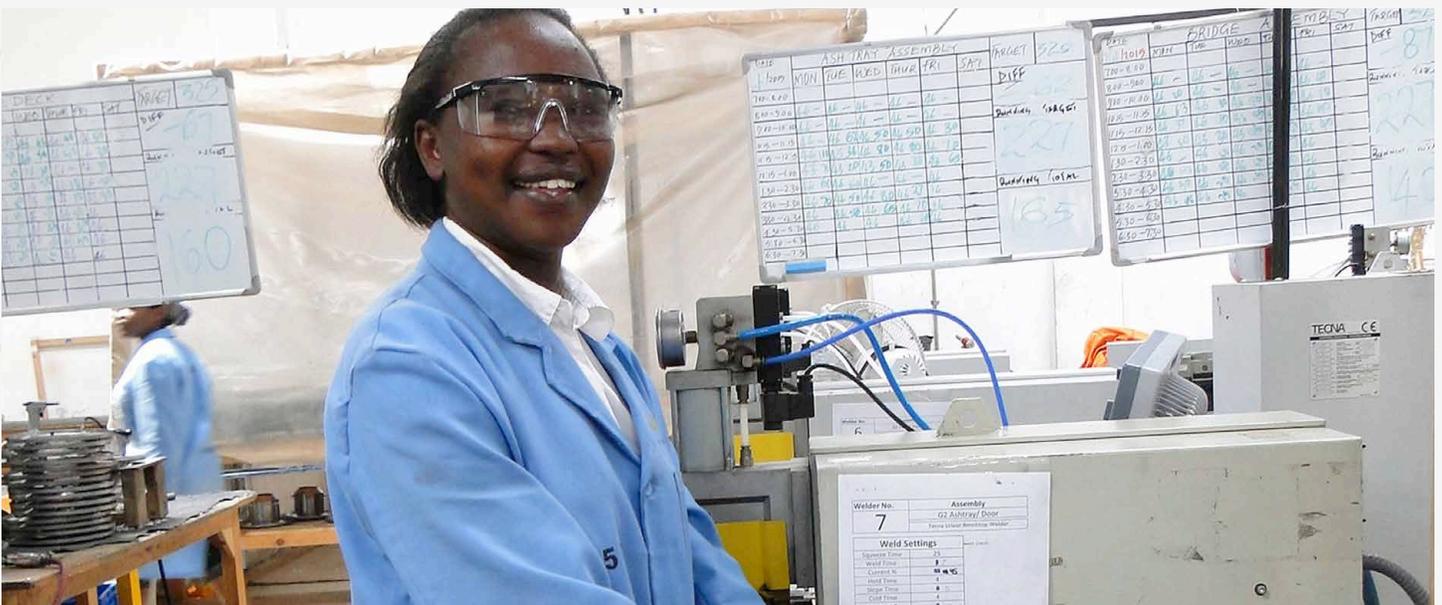
women’s labor force participation by 5 to 10 percentage points during their prime working years (age 20-44).<sup>xii</sup> Evidence from Indonesia found that having one fewer child over a period of 20 years increased the likelihood of a woman participating in the labor force by 20%.<sup>xiii</sup> This is not to suggest that economic participation is more valuable than motherhood; rather, women who want to have fewer children and work more are unable to do so without access to contraception. Without comprehensive reproductive health services, including contraceptives and safe and legal abortion, women’s economic choices will remain constrained.

## THE LINK BETWEEN UNMET NEED FOR CONTRACEPTION AND INFORMAL EMPLOYMENT

Women who take time off for pregnancy, breastfeeding, and childcare are faced with a significant amount of lost wages and lost years of work experience.<sup>x</sup> **Called the ‘motherhood pay gap,’ one study across 21 countries found on average mothers made 42% less than women without children.**<sup>xi</sup> And for those women who have no option but to continue to generate income, many find themselves working in the informal economy for low pay and with no statutory labor market protections, as we explore in the next section.

Many women need to work in order to earn additional income to keep the family afloat, and it can be a challenge to balance care and work burdens. Where adequate and affordable childcare is not available, women must be creative and find ways to simultaneously care for their children and earn an income. This often means that women resort to employment in the informal economy or pursue self-employment, and entrepreneurship.<sup>xiv</sup> The informal economy comprises many low income jobs and activities without labor rights, social protections and entitlements; it typically means unskilled work in unsafe conditions, with unstable earnings.<sup>xv</sup>

Studies confirm that **improved reproductive health is intrinsically linked with higher labor force participation for women.** One broad study of 97 countries estimated that each additional child reduced





ICRW used data from the World Bank's World Development Indicators to illustrate the correlation between informal employment and the unmet need for contraceptives globally. The data show a clear positive relationship: **In countries with a greater unmet need for family planning, a greater proportion of women are working informally, meaning that their labor rights are precarious, and they may have an unpredictable and erratic income flow.**<sup>xvi</sup> A study from Colombia found that women who had access to family planning as teenagers were 7% more likely to work in the formal economy as adults compared to those who did not have access to family planning.<sup>xvii</sup>

While entrepreneurship in the informal economy may provide extra income and limited economic security for a household, it is often a stop-gap measure to reconcile income needs and care responsibilities, rather than a preferred option among other compelling alternatives.

## A COMPREHENSIVE APPROACH TO WOMEN'S ECONOMIC EMPOWERMENT: GOOD FOR WOMEN, AND FOR ECONOMIES

Strengthening women's voice and agency is an essential component of their empowerment. By increasing women's labor force participation, reproductive health services can open new income streams for women and increase their ownership of household assets and agency within household and community decision-making. Econometric modeling of data from Nigeria found that when women contribute a majority of the household income, they gain substantial decision-making power around household expenditures, particularly food, shelter, and health spending.<sup>xviii</sup> This shows that when women earn and are able to control these earnings, they choose to invest in the wellbeing of their family.<sup>xix</sup>

Across the globe there are women who want to work but are constrained by care responsibilities. Tapping into this repressed labor supply could mean huge gains in national GDPs. According to the World Bank, if women and men worked at equal rates in the workforce for equal pay and equal hours, this could lead to a global gain of \$160 trillion (USD). Instead, **countries lose 14% of their wealth as a result of gender inequality.** Moreover there are multiple health and wellbeing benefits such as lower malnutrition and child mortality that would be reaped with women's equal participation in the economy.<sup>xx</sup> International Labour Organization (ILO) data from 2012 indicate that 865 million women globally have the potential to contribute more to their national economies and that 94% of these women live in developing economies.<sup>xxi</sup> If female labor force participation were brought up to the same levels of men for each country, GDP would rise by 5% in the United

States, 9% in Japan, 12% in the United Arab Emirates, and 34% in Egypt.<sup>xxii</sup> Another study in India found that nearly a third of Indian housewives wanted to work, and that if only these women were brought into the labor force, it would increase India's female labor force participation rate by nearly 80%.<sup>xxiii</sup> Furthermore, higher female labor force participation rates could mitigate the effects of aging populations and shrinking workforces around the globe.<sup>xxiv</sup>

Women's economic empowerment is an essential ingredient for more stable and prosperous societies. Supporting women's economic empowerment by making comprehensive reproductive health services fully available to them will enable the world's governments and U.N. agencies to achieve their collective commitment to the Sustainable Development Goals.





## RECOMMENDATIONS FOR U.S FOREIGN POLICY AND ASSISTANCE

There are direct and proven links between women's reproductive and economic empowerment. The United States — long a global leader in support for the former and an increasingly visible player in the latter — would do well to advance a comprehensive vision of empowerment in its foreign policy and assistance. In order to do so, the U.S. government should:

- ◆ Develop a comprehensive, whole-of-government strategy for women's economic empowerment. The U.S. government should bring together, streamline and build on existing efforts to advance women's economic empowerment in a single, unifying approach that articulates clear and common goals shared across agencies and departments, and then articulate what each agency will do toward those goals based on its individual mandate and expertise. The strategy should understand and articulate the enabling environment required to achieve women's economic empowerment, including the linkages between women's economic empowerment and their health, including reproductive health, and collect data to monitor and evaluate its effectiveness once implemented.
- ◆ Conduct robust gender analyses across all programming within U.S. agencies that work in international development and trade. Gender analyses must be conducted to ensure our development and trade assistance is not gender-blind and takes a comprehensive view of women's empowerment, from their economic advancement to their enjoyment of health and rights more broadly.
- ◆ Increase funding for family planning in foreign assistance. The United States has yet to fund international family planning and reproductive health at the level it committed to at the 1994 Cairo conference that would represent its fair share to meet global need. That investment would currently be \$1.5 billion, yet U.S. spending in this area for FY17 was \$607.5 million.<sup>xxv</sup> This number comes amidst the Administration's suggestion that that line item be zeroed out altogether. Considering international family planning assistance is one of the most effective interventions to ensure women's economic participation, advancement and empowerment, the United States Congress should, at the very least, maintain the current funding level of \$607.5 million if not increase it to its original commitment of \$1.5 billion.
- ◆ Repeal the Protecting Life in Global Health Assistance Policy, also known as the Global Gag Rule, which places unfair restrictions on U.S. family planning commodities and health systems in the Global South, and which evidence has shown leads to increased rates of abortion and unplanned pregnancy, which is at cross purposes with efforts to promote women's economic empowerment.<sup>xxvi</sup>



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