Women's Economic Empowerment

Synthesis Note

Women's Economic Empowerment (WEE) is a transformative process towards gender justice, and definitions generally include access and agency as key elements.

Evidence suggests that business actions such as investing in the care economy, addressing workplace gender-based violence and having more gender-diverse leadership can lead to economic gains for firms and whole economies.

Shifting social norms can be critical for WEE programmes' success. This often requires involving men across the project cycle to help generate buy-in.

Economic growth does not automatically guarantee a higher level of gender equality; economic actors need to actively shape growth in a gender inclusive way.

Private sector development programmes are more successful overall when they integrate a gender lens in design and implementation. Programmes situate their ambitions for gender inclusion on scales such as the OECD DAC gender equality policy marker.

Looking for an even quicker introduction to this topic? Watch our 3-minute video on Women's Economic Empowerment.

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Introduction

While gender equality has an intrinsic value as a human right, it could also act as a catalyst for economic growth (Klugman & Tyson, 2016). There is a growing body of evidence supporting this; a gender-equal workforce increases productivity and profits, and economic empowerment increases women's wellbeing. There are other benefits too: women are more likely than men to use earnings for the health, education and well-being of their families (UN Women, 2019). Women, particularly indigenous women, are also often environmental stewards in their communities and so supporting women changemakers in the fight against climate change can have win-win impact on both inclusion and climate resilience and adaptation (DCED, 2024).

However, there remain challenges for WEE; social and institutional gender norms constrain women's access to formal jobs, and those who can access paid work often face precarious employment without social protection, poor salaries, and the burden of domestic and care work (Nielsen & White, 2021). Women entrepreneurs are less likely to receive investment than their men counterparts, and gender-based violence against women and girls is still pervasive globally.

This Synthesis Note explores opportunities and challenges as well as evidence on what works to promote WEE in practice.

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Defining Women's Economic Empower-ment

There is broad consensus in the literature that women are economically empowered when they have access to resources and have the power and agency to make economic decisions about those resources (e.g., Morgan et al. (2023); Sida, 2023; Eriksson, 2017; McKinsey, 2015). Access refers to the capacity of an economic actor to obtain resources such as goods, services, networks and opportunities to improve their economic position (Markel & Jones, 2014). Agency refers to the ability to control resources and income, and make decisions over their use. Combining these elements, Women's Economic Empowerment, can therefore be defined as the "transformative process that helps women and girls move from limited power, voice, and choice at home and in the economy to having the skills, resources, and opportunities needed to compete equitably in markets as well as the agency to control and benefit from economic gains" (Gates Foundation, 2023).

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The Economic and Business Case for Investing in Women

Equitable access to resources and economic opportunities enhances productivity and economic growth; there is both an economic and a business case for gender equality (World Bank, 2024; USAID, 2022; IMF, 2020; UN Women, 2018). Closing gender gaps in employment could boost GDP per capita by 20% (UN Women, 2024; World Bank, 2024), while gender equality in earnings could increase global wealth by 14% (World Bank, 2018). At the firm level, IFC (2017) showed that companies with gender-diverse boards tend to do better than those without women (e.g., higher returns on equity) and companies that have a more gender-equal workforce are better at responding to women clients' needs, and are therefore more profitable. There are many benefits for the private sector when firms invest in WEE at different levels of the value chain, from suppliers to individual community members, for example (UN Women, 2017: pp. 1):

- **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 the 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% 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.

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Constraints and Opportunities for WEE

Social and institutional norms

Many countries have laws and regulations that constrain women's access to economic opportunities. The World Bank's 2024 Women, Business and the Law reports show that women enjoy less than two thirds of the legal rights available to men, and the gaps are even wider in practice than actually written in law due to ineffective supporting frameworks. Despite some improvements, particularly in advancing legal reforms on equal pay, parental rights and workplace protections, 92 countries lack provisions mandating equal pay for work of equal value, 65 countries prohibit women from professions in traditionally male-dominated sectors such as manufacturing, energy and construction, and 183 countries do not have the sufficient laws in place that are needed to comprehensively address gender-based violence.

In addition to formal laws, discriminatory customary laws and social norms* may further undermine women's ability to seize economic opportunities. For example, a scoping study (UK FCDO, 2017) found that customary laws most affect women's access to finance, business registration and licensing, and land titles, registration and administration. PSD programmes therefore need to consider the effects of such norms on their activities. A growing number of supporting resources is available on how do this, including guides on assessing, navigating and influencing gender norms (e.g., World Bank, 2023 and CGAP, 2021) and reviews of practitioner experience (e.g., Oxfam & SEEP, 2018). Strategies that practitioners consider effective include engaging men and communities as partners in change, working with role models and influential figures such as religious leaders 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. Careful wording choices around gender and feminist approaches can also be important in getting partners on side for successful programmes. Increasingly, words like 'feminism' and 'gender' can be seen as politically charged, so some international organisations have had success in communicating WEE in terms of economic gains for a household or family, and avoiding such charged wording altogether.

To learn more about the importance of a business enabling environment for WEE, see the DCED publications Advancing Women's Financial Inclusion through Gender-Sensitive BER, Gender-sensitive BER and Informality and With an ID in Hand, Women Have More Economic Opportunities.

The role of gender norms on WEE is explored more in ODI (2024), and ODI's ALiGN platform features resources on gender and social norms more broadly.

Financial inclusion

In 2022, the World Economic Forum reported that female-founded companies received only 2% of all venture capital investment; women-led businesses are over-scrutinised in funding processes and under-invested in, despite evidence that women entrepreneurs outperform their male counterparts (World Bank, 2024; BCG, 2018). Women represent an underutilized pool of talent as employees, entrepreneurs and business owners, and offer a huge opportunity for investors – the current unmet demand for credit from women-led SMEs in low- and middle- income countries is estimated to be US$ 1.6 trillion (SME Finance Forum, 2024). Both public and private investors are increasingly looking at gender lens investing (GLI) as a strategy to increase the flows of capital to

* As Singh, Parvez & Canepa (2018) 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)" (pp. 7).

women-led businesses (IFC, 2020). GLI is “the integration of gender analysis into new or existing investment processes for better social and financial outcomes” (2X Global, 2024). GLI involves actively investing in firms that are: led by women, promote gender equity in their practices and policies, or offer products and services that positively impact women. It also involves investors considering their own investment practices and firm dynamics by reforming their processes to include gender considerations (e.g. in sourcing, due diligence and exiting), and examining their strategy (e.g. their organisational culture, workplace environment and use of data and metrics) (GIIN, 2024).

Lack of a pipeline of investable women-led businesses to begin with is also an issue; women entrepreneurs are more restricted than men in terms of time, mobility and social norms. On average, women also have less access to basic banking services due to both formal laws and social norms, so women entrepreneurs rely on savings and micro-loans which do not allow them to make long-term investments to scale their business (World Bank, 2024). There are steps that programmes are taking to increase women’s access to finance by supporting service providers to change the types of finance that are available (e.g. different loan structures), offering digital money solutions, and making it easier for women, particularly in rural areas, to physically access lenders (e.g. by adding childcare facilities) (CGAP, 2021).

Increasing access to finance in itself is important, but as the Brookings Institute (2019) explains, to achieve transformative change with women entrepreneurs, there is a need to complement access to capital with measures to address social and psychological constraints (e.g., by providing leadership skills, networking opportunities and mentorship support).

Care responsibilities

Care work is a critical foundation for societies and functioning market economies, however, most care work globally is unpaid and the unavailability or unaffordability of public or private care services affects the economic choices of primary caregivers, most of whom are women (DCED, 2022). This includes whether to enter the labour force at all and how to combine paid work with unpaid care responsibilities. More specifically, evidence suggests that unpaid care work can hinder WEE for the following reasons:

- **Time** spent caring for others is time that cannot be spent on income-generating activities (examples in WIEGO, 2016).
- The need for **multitasking**, e.g., by bringing children to work, may decrease caregiver’s productivity and income (examples in Delecourt and Fitzpatrick, 2021).
- The reduced **mobility** of unpaid carers restricts decisions around the location of businesses and access to markets (examples in Chopra & Zambelli, 2017).
- Care work limits caregivers’ **access to enterprise development services**, e.g., mentoring or skills development programmes, which are evidenced to boose income and profits (examples in Cho et al, 2013).
- The stress of balancing care work with other work can decrease **physical and mental wellbeing** (examples in Cho et al, 2013).



While unpaid care work is a key constraint for WEE, the care economy also represents a massive opportunity. 12.5 billion hours of care work* are completed for free by women and girls every day, representing at least US$ 10.8 trillion of value to the global economy every year (WOW, 2021). While this may be alleviated through shared responsibility for unpaid care work at the household level, public and private investment in the paid care economy is also a key avenue towards WEE – with the double benefit of increasing women's labour force participation and economic agency, and creating business opportunities and decent jobs in the paid sector. However, special consideration needs to be given to the accessibility, affordability and quality of services and infrastructure. For example, a 2018 Oxfam report showed that, even when the Ugandan government provided services and infrastructure, it had a minimal effect on unpaid care work because such barriers were not addressed. Businesses can also play an active role in strengthening the care economy by investing in care services for those involved in their business. For instance, in Nicaragua, the Body Shop pays an additional amount to women in their supply chains to cover unpaid care work (WOW, 2019).

For more specifically on childcare solutions that help address barriers to paid care services for women micro and small enterprises, see the DCED's report; Childcare Solutions for Women Micro and Small Enterprises (2022).

WEE and the climate crisis

The climate crisis affects everyone, everywhere, but gender inequality leaves women more exposed to negative impacts of climate change and constrains their ability to cope with and adapt to them. Women are:

- **More likely than men to be employed in climate-vulnerable sectors** like agriculture or forestry but less likely to have access to finance for climate entrepreneurship to create local solutions to the climate crisis (World Bank, 2022).
- **More likely to work in more vulnerable forms of informal work** than men because of the normative need to balance other demands on their time like care and domestic work and, in some contexts, gendered norms around mobility and transportation. Informal workers are less likely to have social protection and are therefore less resilient to crises.
- **Less likely to have land rights or ownership** (FAO [2018] estimates that women own less than 15% of land globally), and less likely to be involved in decision-making at all levels, so have less control than men over resilience and adaptation to environmental changes.

Women should also be seen as change-makers though, not just victims of climate change (DCED, 2024). Integrating a gender analysis in all 'green' programmes would help better understand context, intersectionality and power dynamics, and therefore would allow climate change responses to be better designed. WOW (2021) sets out three specific opportunities for action in WEE and climate change:

- **Addressing gender-specific constraints and barriers in climate and environmental work**. For example, by engaging with women's organisations in the design of climate-related policy and programming. Women, especially indigenous women, possess the knowledge and experience to support both gender and climate adaptation and resilience outcomes.
- **Promoting access to decent work in green sectors**. Without policy intervention to ensure green growth is inclusive, women are less likely to benefit as new jobs are created and jobs change or disappear (ILO, 2022).

* The term "care" here normally "denotes a sense of concern for the well-being of those being 'taken care of'" (IDRC, 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.).

- **Promoting access to and control over assets.** For example, securing land tenure for women so that they have equal access and control over natural assets. This can then be a stepping-stone to other economic opportunities as it increases resilience and allows women to be included in decision-making processes around land governance.

See a set of five DCED briefs published in 2024 that highlight inspiring stories of women working and innovating in green sectors, and include lessons for donors on how best to support women-led climate initiatives.

WEE, violence and fragility

Disasters and conflict impact women and men differently; women and girls are exposed to higher rates of gender-based violence (GBV) and are more often displaced, while men and boys are more often forcibly recruited into armed forces and constitute the majority of casualties caused by small arms (Klugman & Quek, 2018). A gender lens is important when designing and delivering assistance in the humanitarian-development-peace nexus, so that programming reflects the ways that different genders experience crises.

In fragile and conflict-affected situations, the private sector is likely to have declined, and be constrained by scarcity of resources and labour. Yet, the private sector still provides an important route out of poverty. Women's access to the market and participation in economic activities generally increases in times of conflict, however, this shift is normally associated with low-quality and informal jobs. Evidence also suggests that there is a return to traditional gender roles post-conflict (WOW, 2018). Forced displacement as a result of crises, and migration in general, can accelerate WEE by exposing women and men to less or different gendered social norms (DCED, 2019). However, depending on the context and political or legal backgrounds, this could also involve new risks and challenges (e.g., GBV in refugee camps, or discrimination in seeking asylum in eventual host countries if displacement is international).

Even in non-conflict times, 35% of women globally have experienced GBV (World Bank, 2019) and there are more deaths related to sexual and gender-based violence than as a direct consequence of state-based armed conflicts (Oxfam, 2019). In an economic sense, GBV can cost up to 3.7% of GDP from lost productivity, more than double most governments' spending on education (Sida, 2023); the threat of GBV at work affects women's active participation in the workforce.

/5 Measuring WEE

Commitment of PSD programmes' contribution to women's empowerment is often defined using a gender equity continuum.* Such a continuum ranges from harmful gender inequity practices to programming that actively tackles the root causes of gender inequality. Many agencies have developed their own gender equity continuums, or use the OECD Development Assistance Committee (DAC) gender equality policy marker system, a tool to record aid activities that target gender equality as a policy objective which scores programmes from zero to two.

Whether programmes 'do no harm' or achieve transformative WEE outcomes, measuring the impact of development programmes on WEE needs to be considered in programme design from the outset. In 2014, the DCED developed Guidelines for Practitioners to Measure WEE in Private Sector Development, which is structured in line with the DCED Standard for Results Measurement. It tells us that many agencies conduct intersectional gender analyses when designing PSD programmes, which provide information on the differences in the needs, participation rates, access to

* See the WEE Gateway on the DCED website for an example of a gender continuum.

resources, control of assets, etc. between different genders. A gender analysis is not only useful for programme design, but the information gathered at this stage can then serve as a baseline for monitoring results over the course of the programme.

Measuring 'agency' is more complex than measuring 'access' (MDF, 2019). Based on a 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 includes indicators on non-financial benefits for women, reflecting the importance of measuring 'softer' results such as wellbeing. Oxfam (2017) has also produced a methodological framework that can be adapted to individual contexts to support evaluators and practitioners needs when measuring WEE. Considering WEE as a process that enhances women's power, the framework explores changes at personal, relational and environmental levels.

The ILO-ITC EU Gender Resource Package has more practical information on gender analyses, and integrating gender more broadly.

/6 Conclusions

Analysing and monitoring how people of different genders experience the world, and designing PSD programmes with this in mind, makes for more effective and sustainable programmes. There is a clear case for both specific focus on women's economic empowerment in PSD and for gender mainstreaming in all PSD programmes yet (in 2021-22) gender equality was a policy objective in less than half of programmes funded bilaterally by OECD-DAC members and only 4% of that funding went to programmes with principal objectives related to gender equality (OECD, 2024). The main topics discussed in this note show that there are many constraints to achieving WEE, but that there are also huge opportunities for economies and societies in addressing these constraints.

For links to more resources on this topic see the DCED's Women's Economic Empowerment Knowledge webpage. For more on understanding how to implement WEE in practice, see the DCED's WEE Gateway.

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