1. Purpose

This guidance note has been developed to provide policy and programming guidance relating to women’s economic empowerment in Canada’s international development assistance in order to better:

- address women’s economic empowerment in department- and program-level strategies; and
- identify and design appropriate women’s economic empowerment initiatives for Canada’s international development assistance.

This is intended to be a practical document that helps to further the implementation of Canada’s international assistance thematic priorities and other applicable policies, including the departmental policy on gender equality of Foreign Affairs, Trade and Development Canada (DFATD).

2. Why is women’s economic empowerment important?

There is a growing understanding that addressing the constraints to women’s economic empowerment is fundamental to lasting, inclusive, and sustainable economic growth, poverty reduction, and food security, and to the achievement of gender equality.

What is economic empowerment?

Economic empowerment has been defined in several ways by various researchers and organizations. In simple terms, economic empowerment combines the concepts of empowerment and economic advancement.

Approaches to economic empowerment concentrate on factors that help women succeed and advance in the marketplace. This includes increasing skills and access to productive resources, improving the enabling and institutional environments, and assisting women in their ability to make and act upon decisions in order to benefit from economic growth and development.

Approaches must also recognize that economic empowerment is intertwined with social and political empowerment. Taking into account the underlying social and cultural factors that limit women’s ability to interact with and benefit from markets, such as unpaid and inequitably distributed domestic and care work, limited mobility, and the prevalence of sexual and gender-based violence, is essential if initiatives are to address the full range of constraints to women’s economic empowerment.

Achieving sustainable economic growth requires the talents, creativity, and entrepreneurial vigour of an entire population. Women comprise more than 40 percent of the global workforce, make up one third of formal business owners, and are responsible for or influence as much as 80 percent of consumer spending. But when women cannot participate equally, economies pay a cost in terms of growth and development.
According to the Food and Agriculture Organization, for instance, if women had the same access to productive resources as men, they could increase yields on their farms by 20–30 percent, raising the total agricultural output in developing countries by 2.5–4 percent. Such an increase in food production could lift 150 million people out of hunger. The World Bank also finds that if discrimination against women workers and managers was eliminated, productivity per worker would increase by between 25–40 percent. Increasing women’s economic opportunity and gender equality has been linked to higher gross domestic product growth, higher income per capita, and greater competitiveness.

The development effects of putting more money in the hands of women are also significant because women tend to spend a greater portion of their incomes on their families. Increasing women’s income and their control over family spending can lead to improvements in child nutrition, health, and education, and work to break the cycle of intergenerational poverty. As women are a majority of the poor, improving their economic circumstances can also directly reduce female poverty and improve women’s well being. Higher levels of gender equality are also associated with lower rates of poverty and food insecurity in the general population, higher standing in the Human Development Index, and less environmental degradation.

Economic empowerment is also a potent means to strengthen women’s rights and achieve gender equality. Growth and development themselves can support gender equality. As incomes grow, people are more likely to send both sons and daughters to school and less likely to have their daughters marry at an early age. Manufacturing and service sectors tend to expand in a growing economy, attracting more women into the formal labour force. Service delivery can also improve, leading to better health and education outcomes for women and men. However, this relationship is not direct or automatic. Women’s economic empowerment therefore means working to address the constraints that women face to participating in and benefiting from growth and development, and working to secure their rights.

3. The economic gender gap and the constraints to women’s economic empowerment

Despite the important reasons to support women’s economic empowerment, and the progress toward gender equality in areas such as health and education, there continues to be a significant economic gap between women and men in most parts of the world. The proportion of women in the workforce has increased steadily over the past decades, but there remain significant differences in workforce participation rates. Women are concentrated in low-productivity, low-paying employment and businesses, including as much as 43 percent of the agricultural labour force. Women receive less income for their labour than do men, and are more likely to be found in irregular, informal, and vulnerable forms of employment. The growth rates and profitability levels of businesses led by women also lag behind those of businesses led by men, and fewer women are found in positions of economic leadership.

This economic gender gap is a result of various, often deep-rooted constraints that women face in taking advantage of market opportunities. Women, particularly those working in agriculture and living in rural areas, have difficulty in obtaining the same specialized knowledge and skills as men; accessing equivalent business and financial services, inputs, and technologies; and linking up with profitable markets. Women also face institutional constraints such as biased legal environments that limit women’s ability to own or control assets and productive resources, or to engage in paid work. Women’s circumstances, and the barriers they face, are often not adequately reflected or addressed in government policy and actions, in part due to weak institutional capacity, including a lack of sex-disaggregated information and data. More broadly, women’s lack of decision-making power limits their ability to make or act upon choices about their own livelihoods or to influence community decisions that affect their livelihoods.
Underlying these constraints are discriminatory social and cultural attitudes and their manifestations that can significantly affect women’s engagement with the economy and in productive activities. Most prominent are attitudes that view women’s primary role as being in the domestic sphere, resulting in women performing the large majority of care work. This work is often neither paid nor counted, but nevertheless contributes to local and national economies and limits the time and energy that women have to devote to paid work. Where women are engaged in paid work they are often socialized into traditional or marginal sectors and jobs. Cultural norms can also severely restrict women’s mobility in the public domain or lead to acceptance of violence against women, acting as a strong deterrent to women’s autonomy.

These deeper issues can act to fundamentally limit women’s economic empowerment. The Organisation for Economic Co-operation and Development (OECD), for instance, has found that discriminatory family code and restricted civil liberties for women bear a strong relationship with poorer employment outcomes for women.

At the same time, it must be recognized that all women will experience these constraints differently and to varying degrees in various contexts. Some women may face few constraints to economic empowerment. The poorest women, women in remote communities, or those living in fragile or conflict-affected contexts, on the other hand, can experience significant constraints that are compounded by illiteracy, exclusion, deep isolation, or vulnerability to exploitation.

Women can and do succeed despite an uneven playing field. And as women take on a more prominent role in the economy, they change the perception of their roles, gain a better bargaining position within their societies and their families, and can better make and influence decisions. Greater investments are also made in the next generation of girls. Empowerment can then bring about greater empowerment.

4. International actions and commitments on women’s economic empowerment

Governments, donors, civil society organizations, and businesses around the world are increasing their focus on women’s economic empowerment. In 2011, leaders at the Asia-Pacific Economic Cooperation (APEC) Women and the Economy Summit pledged to take actions “to realize the full potential of women, integrate them more fully into APEC economies, harness their talents, remove barriers that restrict women’s full economic participation, and maximize their contributions toward economic growth.”

The World Bank successfully drew global attention to issues surrounding women’s economic empowerment in its 2012 World Development Report: Gender Equality and Development. As well, organizations such as UN Women, the International Labour Organization, the OECD, and the United Nations Development Programme are supporting research and programming targeting women and work. The Food and Agriculture Organization also highlighted the role of women in their report The state of food and agriculture 2010–2011 – Women in agriculture: Closing the gender gap for development. Donors, including Sweden, the United States, and the United Kingdom, have developed approaches to women in the economy. The private sector has also looked at ways in which to support women’s participation in their leadership, workforce, and supply or distribution networks, including through the Women’s Empowerment Principles of the UN Global Compact and UN Women.

These recent commitments are based on broader commitments to women’s rights and gender equality that provide a standard and guidance for women’s economic empowerment approaches. The international community, including Canada, has signed on to the Beijing Declaration and Platform for Action, the Convention on the Elimination of all forms of Discrimination Against Women, and various ILO conventions on workers’ rights and protections, including on discrimination in employment and occupation, among others.
The importance of women’s economic empowerment for Canada’s development assistance was emphasized at the global Conference on Women’s Economic Empowerment hosted jointly by Canada and UN Women in Ottawa in October 2011. In the conference’s statement of action, Canada, in line with its Aid Effectiveness Agenda, committed to:

- partner with like-minded organizations, such as UN Women and the World Bank, to help break down barriers impeding women’s economic empowerment;
- increase access to education and training opportunities, including demand-driven skills, for women and girls to enable them to take advantage of economic opportunities;
- improve the productivity of smallholder farmers, particularly women, to increase access to food and achieve food security;
- emphasize women’s economic empowerment by targeting initiatives that increase women’s economic opportunities, strengthen their economic leadership, and advance the rights of women worldwide;
- work to establish equitable business and employment laws, standards and regulations, including addressing issues of access to property and land titles; and
- increase women’s access to financial services, markets, and information on how to increase productivity, including working more closely with the private sector.

Canada and UN Women also jointly agreed to develop the online “Knowledge Gateway for Women’s Economic Empowerment” to increase the availability of applied research and knowledge for entrepreneurs, practitioners, and policy thinkers from around the world. The knowledge gateway is to become a one-stop service providing the most up-to-date information, technical resources, and best practices on business and economic opportunities.

5. A framework for effective programming in women’s economic empowerment

Building on Canada’s commitments to women’s economic empowerment and the existing international development assistance policies, this section establishes a framework for the types of programming actions that can support women’s economic empowerment. This framework takes its primary direction from, and helps provide further definition to, Canada’s Sustainable Economic Growth (SEG) Strategy, while drawing on elements of Canada’s Food Security Strategy, and Children and Youth Strategy. It also integrates the crosscutting themes of gender equality, environmental sustainability, and democratic governance.

The SEG Strategy stresses the importance of building economic foundations that empower women in areas such as labour regulations and economic decision making; supports efforts to establish, nurture, and grow viable women-led microbusinesses and small and medium-sized enterprises; and provides labour market demand-driven skills and knowledge to women so that they can take effective advantage of economic opportunities. Both the SEG Strategy and the Food Security Strategy recognize the importance of natural resource management and agriculture to sustainable growth and the important role that women play in agricultural production and the reduction of rural poverty. The Food Security Strategy places an emphasis on smallholder women farmers, recognizing the pivotal role they play in the rural economy and household-level nutrition.
The Children and Youth Strategy recognizes that focusing on girls’ education, health, and safety, and providing youth with basic skills and learning opportunities, lays the foundation for future empowerment and gives them the tools they need to succeed as adults.

The framework also draws significant guidance from the departmental policy on gender equality, which focuses on promoting women’s equal participation with men as decision makers, supporting the realization of women’s and girls’ rights, and reducing gender inequalities in access to and control over development resources and benefits.

Following from this policy direction, international development assistance programming in women’s economic empowerment can work toward three interrelated and mutually supportive objectives:

- **Enable the institutional framework** by assisting countries to establish and implement laws, policies, and institutions that support women’s economic empowerment, economic security, and rights;
- **Increase women’s economic opportunities** by supporting women to secure decent work, successfully establish and grow their businesses or increase their agricultural productivity and earnings; and
- **Strengthen women’s agency** by building women’s ability to identify and act on economic opportunities, define, influence, and make economic decisions; and challenge social and cultural norms.

The scope and direction of programming chosen from among these objectives is always context-specific. As such, rigorous economic and gender analyses should be used to help identify the specific challenges, constraints, opportunities, and risks associated with women’s economic empowerment to inform an initiative’s activities and expected results.

Where particularly deep-rooted constraints exist relating to broader issues such as women’s mobility or violence against women, initiatives may need to address these constraints as part of their activities and/or through risk-mitigation strategies. Targeted stand-alone gender equality initiatives may also be required to address these constraints more directly in order to achieve a program’s SEG and women’s economic empowerment objectives. Such initiatives might include support for enforcing of laws regarding violence against women or strengthening the capacity of women’s organizations to hold governments accountable for agreed commitments with respect to women’s rights.

When considering and designing initiatives, DFATD should seek out and build on innovative partnerships with the private sector, civil society, governments, and other donors to leverage specialized knowledge and resources, broaden the reach of women’s economic empowerment results, and mitigate against potential risks. Efforts should, in particular, be made to reach out to women and women’s organizations in order to seek mutual benefit from their participation in DFATD-supported initiatives.

### 5.1. Enable the institutional framework

The institutional framework, including laws and the policies and operations of a country’s formal institutions, has an impact on women’s engagement in the economy. Paid employment and asset ownership, particularly land, are important means by which women can gain autonomy and security, but in many countries, the institutional framework does not fully acknowledge or facilitate the work that women do, or women’s ability to secure assets, inputs, and services, and otherwise benefit from economic activity.
5.1.1. Legal frameworks

Legal frameworks define and secure women’s and men’s rights as citizens and economic actors. A majority of countries, however, still maintain legal differences on the basis of gender, affecting women’s ability to exercise their rights and benefit fully from economic assets or activities. Due to their different roles and responsibilities, laws and regulations may also affect women differently than men, and where laws do support gender equality, their effectiveness can be undermined by uneven enforcement, women’s inability to take advantage of legal protections, or discriminatory informal and customary laws and practices.

To ensure legal frameworks do not discriminate against women and effectively support women’s economic empowerment, programming can work to:

• eliminate gender differentiation in legal systems that limit women’s ability to access public institutions, including the justice system; travel independently; sign contracts; or assume responsibilities within households and the economy;
• support the reform of laws and regulations that limit women’s ability to work and to access, own and control land, property, inheritance, and other economic assets and productive resources; and
• promote better application and adherence to legal rights and protections supporting women’s economic empowerment as defined in national and international legal obligations.

5.1.2. Public institutions

Women tend to be concentrated in fewer economic sectors than men and face different constraints to participating in formal and informal employment. Public economic management, including government policy, plans, spending, and services, is rarely gender neutral as actions can affect women differently than men. Gender mainstreaming and applying a gender lens to public economic policy at all levels of government, informed by sex-disaggregated data, can help promote gender equality and avoid worsening existing gender differences.

To ensure that women and men are considered equally in government action and that economic policies and investments take women’s circumstances into account, programming can work to:

• integrate a gender lens into government policies, budgeting, and resource allocation including taxation, program spending, and social protection, and support gender equality impact assessments or audits;
• integrate gender equality considerations into labour, industrial, trade and investment, and infrastructure policies and programs;
• increase the collection, analysis and use of sex-disaggregated data to inform economic policy making;
• strengthen the institutional capacity of government agencies for economic development and women’s affairs to address women’s economic empowerment; and
• support natural disaster preparation and recovery measures that integrate or target women.
Gender and Aid for Trade

A growing body of literature on the gender-specific impacts of trade liberalization elaborates on how changes in consumption patterns (related to changes in prices of goods and services), wages, and government revenues can affect women and men differently, with implications for economic growth and poverty reduction.

Policies that extend opportunities to both women and men living in poverty to access the benefits of trade, and that include mitigating measures to offset the costs of adjustment, will improve the poverty-reduction potential of Aid for Trade initiatives.

CIDA. Gender and aid for trade: A primer and guide for practitioners. 2009

5.1.3. Business-enabling environment

Regulations and government services can fail to address the needs of women-led businesses, discouraging the move from the informal to the formal system and limiting employment creation and productivity. For instance, greater time and mobility constraints mean that women will have more difficulty completing onerous registration processes. Women are also more likely to face discrimination (such as being queue-jumped or asked for a bribe) and harassment when interacting with the bureaucracy for licensing and permitting. While recognizing that the bulk of jobs in developing countries are informal, ensuring that business-enabling environments are responsive to both women- and men-led businesses encourages greater levels of formality and supports business growth.

To make business environments more efficient and responsive to both women- and men-led businesses, programming can work to:

- decrease gender bias in processes necessary to start and expand a business, including formal registration, licensing, and permitting;
- increase women’s ability to operate a business, including managing administrative burdens and taxation; and
- improve women’s access to commercial dispute-resolution processes and improve the responsiveness of commercial justice to women-led businesses, including in the informal sector.

5.1.4. Worker protection

Increasing numbers of women have entered urban and rural employment over the past decades and their total share of the workforce has increased. Employment is an important means by which women can gain autonomy and security, but paid work does not necessarily lead to empowerment. Women are the majority in vulnerable employment and face wage gaps, sexual harassment, and discrimination in hiring, promotion and retention. Ensuring protections for women workers in both the formal and informal sectors, working directly with the private sector and civil society as well as through legal systems, is essential to ensure decent work and realize women’s rights as workers.
To support women’s participation in paid employment under better working conditions and protections, programming can work to:

- reform and enforce laws, and work with the private sector and government on policies to address equal pay for work of equal value, sexual harassment, and workplace discrimination;
- improve the status, protection, and benefits associated with both regular and irregular work arrangements, such as casual, temporary, seasonal, contract, part-time, and migrant work, where women are concentrated; and
- improve health and safety measures in sectors where women are concentrated, including agriculture, manufacturing sectors such as garments and textiles, the informal economy, home-based work, and migrant work.

5.2. Increase women’s economic opportunities

Reducing the barriers that women face to participating in the workforce and increasing their productivity and earnings gives them a greater chance of succeeding as wage workers, farmers, or entrepreneurs. Differences in women’s use of time and access to and control over resources and markets limit women’s earning ability, as does their segregation into lower-paying jobs. A lack of market-driven skills and knowledge also acts as a barrier to women’s earning ability. Addressing these imbalances can encourage women to join the workforce and increase their income, status, and well-being through higher-value jobs and more profitable businesses. Reaching out to the poorest women is also essential to support their participation in economic activities.

5.2.1. Women’s business development

Supporting women entrepreneurs, including farmers, can create more sustainable incomes for the large proportion of women who are self-employed and running their own businesses and farms. Providing inclusive and innovative services and resources, including to microentrepreneurs and smallholder farmers in the formal and informal sectors, can improve the viability and profitability of women’s enterprises. Links to markets, knowledge of value chains and technical standards, financial services, and access to technology can help move women-led enterprises into more value-added products and sectors and allow them to take better advantage of market opportunities.

To support the productivity and profitability of women’s businesses, including farms, programming can work to:

- provide women with entrepreneurial, managerial, and operational training and support to start, run, and grow their businesses;
- target women-led businesses and farms with development and extension services in areas such as agricultural practices and natural resource management, marketing, production standards, value-chain entry points, and links to markets and buyers;
- improve access to financial services for women entrepreneurs, including farmers, especially in rural areas, including lending, savings, insurance, and leasing; and
- provide women entrepreneurs, including farmers, with greater access to appropriate technologies, equipment and inputs, such as information and communications technology, machinery, seeds, and fertilizer that can increase their productivity, output, and market access.
Women in agriculture

There are about 500 million small-scale farms worldwide that support more than two billion individuals—one third of humanity. In many developing countries, particularly in Africa and Asia, small-scale farmers, the majority of whom are women, produce 80 percent of the food consumed. These small, family-based farms have tremendous potential to make agriculture a key driver for both sustainable economic growth and poverty reduction.

*Canada’s Food Security Strategy. 2009*

Gender and extractive industries

Extractive industries can bring many positive development impacts to the communities involved, but also have the potential to create or exacerbate vulnerabilities within these communities. Benefits and risks are often evaluated and measured at the community level with little examination of the various impacts on men and women. In fact, evidence suggests that a gender bias exists in the distribution of risks and benefits in extractive industries projects: benefits accrue to men in the form of employment and compensation, while the costs, such as family and social disruption, and environmental degradation, fall most heavily on women.

*World Bank. *Mainstreaming Gender into Extractive Industries Projects: Guidance Note for Task Team Leaders. 2009*

5.2.2. Education, training, and labour market links

Education and training provide the basis for labour force skills and knowledge. Although women and girls are achieving higher levels of education, women are still more likely than men to be illiterate, and are often channelled into education streams that lead to low-growth, low-status, and low-paying employment. The gender gap in education also remains acute in rural areas. Education and skills training, including technical, vocational, and agricultural training and extension services, can provide women with the knowledge needed to engage in higher-value and emerging jobs and sectors while breaking down occupational segregation.

To support women, female youth in particular, to develop knowledge and skills and participate in paid employment and in higher-value work, programming can work to:

- increase access to technical and vocational training, including in non-traditional, higher-value, and emerging sectors;
- make education and training delivery more responsive to women, adapt curriculums to avoid gender stereotyping, and provide young women and men with information on the jobs and earnings associated with various educational choices;
- build women’s life skills, basic literacy and numeracy, and financial literacy; and
- create links between education and training programs and employment opportunities to facilitate the transition from education to work.
Skills for Employment

DFATD’s guidelines on Skills for Employment (SFE) identify a number of ways in which programs can be made more welcoming to women:

- employ female instructors and support staff;
- facilitate access to child care services;
- reduce the distance to training program sites;
- support older women who are re-entering the labour market or who have not completed basic education;
- schedule non-formal SFE programs in consultation with women trainees;
- use culturally appropriate teaching methodologies;
- provide segregated and protected dormitories, and adequate sanitary facilities; and,
- clearly articulate what constitutes sexual harassment and violence, ensure that staff are trained to prevent it, and ensure strict reporting and response mechanisms.

CIDA. Skills for Employment: CIDA Guidelines. 2010

5.2.3. Unpaid work

Women and girls continue to perform the large majority of domestic and care work, requiring significant levels of time and energy, as well work supporting family farms. Time poverty is a major reason why women have a greater presence in the informal economy, leading them to choose home-based work, work that does not require travel, part-time or flexible work, or self-employment where they can choose their own hours. Although these strategies allow women to balance the “double burden” of household and paid work, they also lead to lower incomes and opportunities over women’s lifetimes. Relieving and accommodating women’s care work, and the time and mobility constraints it creates, are essential to giving women greater market opportunities.

To reduce or accommodate the unpaid domestic and care work that women perform, programming can work to:

- improve domestic, transportation and other types of infrastructure, such as roads, sanitation, water, and electricity to reduce the time needed to complete household tasks;
- support the provision of child care generally, as well as that linked to education and employment; and
- encourage the redistribution of unpaid domestic and care work among women and men and across governments, the private sector, communities, and households.

5.3. Strengthen women’s agency

Agency is the ability to recognize and make choices, and to turn those choices into tangible results. Agency is key to economic empowerment as it allows women to make and influence decisions, challenge social and cultural norms, and change the underlying factors that affect their ability to succeed. Agency is essential for women to take part in economic activities, and to assert themselves in the marketplace and within societal and family decision making. For the marginalized and poorest, agency is essential to support their greater inclusion in the economy.
5.3.1. Social capital, leadership and decision making

Subtle—but important—constraints to agency relate to a lack of social capital essential for navigating the productive economy. For instance, women can experience a lack of self-confidence because of systemic lifelong discrimination and lack of appropriate role models. Women have fewer networks upon which to draw, fewer women are found in leadership positions and women often have less say in both public and family economic decisions that shape their lives. Women can also be the poorest, most marginalized members of a population. For these women, day-to-day survival needs and isolation limit their ability to secure even the most basic resources or take advantage of simple opportunities.

To strengthen women’s leadership, support networks, and ability to make and influence decisions, programming can work to:

- link women through community and business networks, associations, cooperatives, and organizations, including women’s organizations, and build their capacity to serve women and represent women’s interests;
- establish mentoring and leadership programs to build women’s confidence in both public and family life and strengthen their ability to negotiate; and
- support women’s representation in corporate boards; entrepreneur, farmer, and worker associations; and community and other organizations.

5.3.2. Public engagement

Cultural and social attitudes lie at the core of many barriers to women’s economic empowerment by creating expectations around the “natural” spheres of work for men and women and fostering gender discrimination. Stereotypes of men as the principal breadwinners, for example, can limit the choices women have, such as to enter the workforce, or to choose vocations that are typically pursued by men. Engaging the public, and men in particular, to create support for women’s rights, and to break down gender stereotypes surrounding domestic and paid work can change social attitudes and challenge the status quo.

To address the underlying social and cultural factors that limit women’s economic empowerment, programming can work to:

- promote understanding of women’s rights, economic rights in particular;
- engage the public, communities, organizations, businesses, and families on issues of gender stereotypes and discrimination surrounding women and work;
- engage men as participants in, and supporters of, women’s economic empowerment.

6. Follow-up

This guidance note provides DFATD officials with guidance to further the department’s work and results on women’s economic empowerment in its international assistance planning and programming. This guidance will be updated periodically, as required, to reflect new evidence, results, and lessons in this rapidly evolving area of international development.
Key references

DFATD documents

Gender and Aid for Trade: A Primer and Guide for Practitioners, 2011.

External documents

Reports and research

Food and Agriculture Organization. State of Food and Agriculture 2010-11: Women in Agriculture; Closing the Gender Gap for Development.
Guidelines and tools


ILO. Women’s Entrepreneurship Development Programme. Tool Table


Websites

Donor Committee for Enterprise Development. Women’s Entrepreneurship Development

Gender in Agriculture Web Portal

International Finance Corporation. Women in Business Program

International Labour Organization. Bureau for Gender Equality

International Labour Organization. Women’s Entrepreneurship Development

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Gender and extractive industries resources and tools


Strongman, John. Empowering Women through EITI, 2010. (EITI blog)

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