Creating the Conditions for Women’s Economic Empowerment: An Empirical Analysis

by

Jacquelyn Pichette

B.A. (Hons., Political Studies), Queen’s University, 2010

RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF PUBLIC POLICY

in the

School of Public Policy
Faculty of Arts and Social Sciences

© Jacquelyn Pichette 2012

SIMON FRASER UNIVERSITY

Spring 2012

All rights reserved. However, in accordance with the Copyright Act of Canada, this work may be reproduced, without authorization, under the conditions for “Fair Dealing.” Therefore, limited reproduction of this work for the purposes of private study, research, criticism, review and news reporting is likely to be in accordance with the law, particularly if cited appropriately.
Approval

Name: Jacquelyn Pichette
Degree: Master of Public Policy
Title of Capstone: Creating the Conditions for Women’s Economic Empowerment: An Empirical Analysis

Examining Committee:

Chair: Nancy Olewiler
Director, School of Public Policy, SFU

Maureen Maloney
Senior Supervisor
Professor, School of Public Policy, SFU

Jon Kesselman
Professor, School of Public Policy, SFU

John Richards
Internal Examiner
Professor, School of Public Policy, SFU

Date Defended/Approved: April 3, 2012
Declaration of Partial Copyright Licence

The author, whose copyright is declared on the title page of this work, has granted to Simon Fraser University the right to lend this thesis, project or extended essay to users of the Simon Fraser University Library, and to make partial or single copies only for such users or in response to a request from the library of any other university, or other educational institution, on its own behalf or for one of its users.

The author has further granted permission to Simon Fraser University to keep or make a digital copy for use in its circulating collection (currently available to the public at the “Institutional Repository” link of the SFU Library website <www.lib.sfu.ca> at: <http://ir.lib.sfu.ca/handle/1892/112>) and, without changing the content, to translate the thesis/project or extended essays, if technically possible, to any medium or format for the purpose of preservation of the digital work.

The author has further agreed that permission for multiple copying of this work for scholarly purposes may be granted by either the author or the Dean of Graduate Studies.

It is understood that copying or publication of this work for financial gain shall not be allowed without the author's written permission.

Permission for public performance, or limited permission for private scholarly use, of any multimedia materials forming part of this work, may have been granted by the author. This information may be found on the separately catalogued multimedia material and in the signed Partial Copyright Licence.

While licensing SFU to permit the above uses, the author retains copyright in the thesis, project or extended essays, including the right to change the work for subsequent purposes, including editing and publishing the work in whole or in part, and licensing other parties, as the author may desire.

The original Partial Copyright Licence attesting to these terms, and signed by this author, may be found in the original bound copy of this work, retained in the Simon Fraser University Archive.

Simon Fraser University Library
Burnaby, BC, Canada
STATEMENT OF ETHICS APPROVAL

The author, whose name appears on the title page of this work, has obtained, for the research described in this work, either:

(a) Human research ethics approval from the Simon Fraser University Office of Research Ethics,

or

(b) Advance approval of the animal care protocol from the University Animal Care Committee of Simon Fraser University;

or has conducted the research

(c) as a co-investigator, collaborator or research assistant in a research project approved in advance,

or

(d) as a member of a course approved in advance for minimal risk human research, by the Office of Research Ethics.

A copy of the approval letter has been filed at the Theses Office of the University Library at the time of submission of this thesis or project.

The original application for approval and letter of approval are filed with the relevant offices. Inquiries may be directed to those authorities.

Simon Fraser University Library
Simon Fraser University
Burnaby, BC, Canada

Last update: Spring 2010
Abstract

Women’s economic empowerment refers to both the process and outcome of increasing women’s access to and control over economic resources and opportunities. It is something to be valued, not only for its own sake, but also for its instrumental value in the pursuit of economic growth and development. This study seeks to address an apparent knowledge gap within the international community as to the best means of supporting women’s economic empowerment. Drawing on a unique mix of quantitative and qualitative evidence, it evaluates six sectors as options for investment of Canadian aid dollars. The study finds that the sectors representing a country’s quality and availability of: health services; water sources; and sanitation facilities, should be top priorities for financial aid intended to support women’s economic empowerment in developing nations.

Keywords: Women’s economic empowerment; women and development; sustainable economic growth; gender equality; international aid; CIDA
Dedication

To the many individuals, women and men, who have been and continue to be champions of women’s equality and empowerment.
Acknowledgements

I would first and foremost like to thank my supervisor, Maureen Maloney for her guidance and encouragement. I would also like to thank John Richards for offering his quantitative expertise, and the four individuals who participated as interviewees; the knowledge and experiences they shared increased the value of this project tremendously. Finally, to my family, friends, and fellow classmates, thank you for your support – whether explicit or implicit – as always, it made a world of difference!
# Table of Contents

Approval .......................................................................................................................... ii  
Abstract ......................................................................................................................... iii 
Dedication ....................................................................................................................... iv  
Acknowledgements ........................................................................................................ v  
Table of Contents ........................................................................................................... vi 
List of Tables ................................................................................................................... ix  
List of Figures ................................................................................................................ x  
List of Acronyms ........................................................................................................... xi  
Executive Summary ...................................................................................................... xii 

1. Introduction .............................................................................................................. 1 

2. Background ............................................................................................................... 3 
2.1. Women’s Economic Empowerment ...................................................................... 5  
2.2. Why Women’s Economic Empowerment Matters ............................................... 5  
2.3. Progress and Gaps ................................................................................................. 7 

3.1. Underlying Dynamics and Priorities for Empowerment ....................................... 9  
3.2. Measuring Progress .............................................................................................. 12 

4. Policy Problem ........................................................................................................ 13 
4.1. Research Goal ...................................................................................................... 13  
4.2. Scope .................................................................................................................... 14 

5. Methodology ........................................................................................................... 15 
5.1. Regression Analysis ............................................................................................. 15  
5.2. Case Studies: Pakistan and the Philippines ......................................................... 17  
5.2.1. Expert Interviews ............................................................................................ 18  
5.3. Extraction of Investment Implications .................................................................. 18 

6. Regression Analysis ................................................................................................ 20 
6.1. Model and Data Description ................................................................................. 20  
6.1.1. Dependent Variables ....................................................................................... 20  
6.1.2. Independent Variables ..................................................................................... 22  
6.1.2.1. Variables of Primary Interest ................................................................... 23  
6.1.2.2. Control Variables ....................................................................................... 26  
6.2. Model Limitations ................................................................................................ 27  
6.3. Discussion ............................................................................................................ 28  
6.4. Data Diagnostics .................................................................................................. 30  
6.5. Analysis ................................................................................................................. 31
List of Tables

Table 1. Regression Output ................................................................. 28
Table 2. Country Comparison .............................................................. 32
Table 3. Investment Options: Logical Mapping of Country Conditions to DAC Sectors ................................................................. 46
Table 4. Criteria and Measures ............................................................ 50
Table 5. Investment Option Evaluation Matrix ........................................ 60
Table 6. Dependent Variables: Proxies for Women’s Economic Empowerment .......... 70
Table 7. Independent Variables ........................................................... 70
Table 8. Variable Hypotheses ............................................................... 71
Table 9. Descriptive Statistics: Dependent Variables .................................. 72
Table 10. Descriptive Statistics: Independent Variables, GII Model .................... 73
Table 11. Descriptive Statistics: Independent Variables, WEIO Model .................. 73
Table 12. Correlation Matrix: GII Model Independent Variables ......................... 74
Table 13. Correlation Matrix: WEIOI Model Independent Variables ..................... 74
List of Figures

Figure 1: Gender Inequality Index Tends: Pakistan and The Philippines .................................. 18
Figure 2. Pakistan Program / Project Highlights ........................................................................ 36
Figure 3. GREAT Women Project Highlights ............................................................................. 41
Figure 4. GII Histogram ................................................................................................................. 72
Figure 5. WEOI Histogram ............................................................................................................ 72
## List of Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIDS</td>
<td>Acquired Immune Deficiency Syndrome</td>
</tr>
<tr>
<td>CEDAW</td>
<td>Convention on the Elimination of All forms of Discrimination Against Women</td>
</tr>
<tr>
<td>CIDA</td>
<td>Canadian International Development Agency</td>
</tr>
<tr>
<td>CIIP</td>
<td>Community Infrastructure Improvement Project</td>
</tr>
<tr>
<td>DAC</td>
<td>Development Assistance Committee</td>
</tr>
<tr>
<td>GII</td>
<td>Gender Inequality Index</td>
</tr>
<tr>
<td>GREAT Women</td>
<td>The Gender Responsive Economic Actions for the Transformation of Women</td>
</tr>
<tr>
<td>HIV</td>
<td>Human Immunodeficiency Virus</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>MGDs</td>
<td>Millennium Development Goals</td>
</tr>
<tr>
<td>OECD</td>
<td>Organization for Economic Co-operation and Development</td>
</tr>
<tr>
<td>PAGE</td>
<td>Programs for the Advancement of Gender Equality</td>
</tr>
<tr>
<td>PCW</td>
<td>Philippine Commission on Women</td>
</tr>
<tr>
<td>P&amp;P</td>
<td>Pathways &amp; Purstings</td>
</tr>
<tr>
<td>MSMEs</td>
<td>Micro-, Small-, and Medium-Scale Enterprises</td>
</tr>
<tr>
<td>STD</td>
<td>Sexually Transmitted Disease</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
</tr>
<tr>
<td>WEOI</td>
<td>Women’s Economic Opportunity Index</td>
</tr>
</tbody>
</table>
Executive Summary

Women’s economic empowerment refers to both the process and outcome of increasing women’s access to and control over economic resources and opportunities. It something it be valued in its own right, as an instrument of justice and equality; and for its positive impacts on economic growth rates and development outcomes. This study provides evidence-based direction for strategically investing aid dollars in support of women’s economic empowerment in developing nations. Using a mixed methodology including multivariate regressions, case studies, and logic mapping, the study identifies sectors where targeted investments have the potential to benefit marginalized women and thereby increase substantive equality. It evaluates the relative likelihood that, for each sector, targeted investments would support women’s economic empowerment and the long-term goal of sustainable development. Based on this evidence, the study makes recommendations intended to inform and promote gender-sensitive investment decisions among donor agencies.

The regression and case study methodologies used in this study reveal country conditions that are conducive to women’s economic empowerment in developing nations. These conditions are translated into investment options based on their logical relationship with the sector codes of the OECD’s Development Assistance Committee. The resulting six sectors (EDUCATION, HEALTH, POPULATION POLICIES/PROGRAMS AND REPRODUCTIVE HEALTH, WATER SUPPLY AND SANITATION, GOVERNMENT AND CIVIL SOCIETY, and WOMEN IN DEVELOPMENT) are evaluated and ranked on the basis of effectiveness, political feasibility, equity, and accountability.

The results of this evaluation suggest that sectors representing a country’s quality and availability of health services, water sources, and sanitation facilities should be top priorities for investment among donor agencies interested in supporting women’s economic empowerment. Investments that support the improvement of basic infrastructure and services related to health, water and sanitation have great potential to improve women’s wellbeing, while reducing the burdens of domestic care work, and in turn, promoting agency.
While the evidence discussed in this study points to key areas to target investments, it also illustrates that successfully empowering women in developing nations requires a multifaceted approach. Poverty and disempowerment are systemic. Supporting improvements in the quality and availability of education infrastructure and services, engaging in reproductive health and family planning efforts, facilitating the formation of women-to-women networks, and promoting gender awareness among local leadership will further contribute to improvements in women’s agency and wellbeing, and help secure more sustainable development results.
1. Introduction

In much of the developing world women are systematically excluded from the physical, financial, and intellectual resources required to effectively participate in the processes of economic growth. A lack of both access to economic opportunities and endowments, and control over economic inputs, places many women in a position of dependence, depriving them of the freedom to exercise choice and exert influence in their societies. This marginalization of women as economic actors is not only problematic from a human rights perspective; it is a barrier to achieving sustainable economic growth and development.

Recognizing the value of women’s economic empowerment, the international community has made impressive commitments to promote gender equality and women’s participation in meaningful economic activities. Unfortunately, progress with women’s economic empowerment has been slow and uneven. This is at least partially a result of an information deficit within the international community. Despite considerable work to analyze progress in addressing gender gaps, a lack of empirical research has left donor agencies without a clear understanding of the conditions that affect women’s empowerment, making it difficult to develop concrete action plans.

Addressing the apparent knowledge gap within the international community as to the best use of gender equality focused aid is imperative for achieving sustainable economic growth around the world. An improved understanding of the conditions that support women’s economic empowerment in developing nations would enable donor agencies, like the Canadian International Development Agency (CIDA), to make informed gender-sensitive investment decisions that promote the long-term goal of sustainable development. This study, therefore, seeks to contribute an evidence-based understanding of the national conditions conducive to women’s economic empowerment. It draws upon evidence derived from a mixed methodological approach, including regression analysis, expert interviews and an analysis of CIDA project assessments, to make recommendations intended to guide the investment decisions of donor agencies like CIDA.
The subject matter of this study is both topical and relevant. It is important to note, however, that systemic gender inequalities are not limited to developing countries, and their negative effects are not only felt by women. Many women in Canada and other high-income countries lack access to the resources and opportunities needed to exercise their agency, and both men and women in developing countries are disadvantaged by a lack of access to economic resources and opportunities. Indeed, it is important to recognize that both men and women are often locked into positions that limit their agency, and that certain groups of men require support to achieve economic empowerment. The purpose of this study, however, is to investigate conditions for women’s empowerment in developing countries.
2. Background

Women represent more than 40 percent of the global labour force and run the majority of micro, small and medium sized firms (World Bank 206). Collectively, however, their productivity and earnings are substantially less than that of the male population (Economist 4). By and large, women work in low-paying, low-productivity jobs (World Bank 239), and are more likely than men to be unemployed, to work on a temporary contract or in the informal sector. As entrepreneurs, women tend to generate lower sales than men (World Bank 201); in the agricultural sector, women farmers produce less than their male counterparts; and in all sectors women have less opportunity for upward mobility (World Bank 235).

These gaps in productivity and wage levels are the result of long-standing inequalities in the “gender distribution of resources” that have placed women in a disadvantaged position relative to men. Around the world, women are often locked into positions of dependence, relying on men to meet some of all of their basic needs (UN DESA 1). This is particularly true of developing nations, where a majority of women are excluded from the resources required to effectively participate in the processes of economic growth. In most African countries for example, women farmers produce lower-value products, on smaller tracts of land, with less access to capital, labour and chemical inputs than men (OECD 68).

The systemic marginalization of women as economic actors not only represents a grave injustice warranting international attention and remediation, it is also evidence of a huge misallocation and underuse of potential resources. This results in economic losses around the world. When women are excluded from economic sectors or their abilities are underused, opportunities for economic growth and development are bypassed (OECD 66). At a time when, more than ever, national economic success is contingent upon the extent to which nations are able to employ all of their available human resources to their full potential, the perpetuation of gender inequality is a huge cost to businesses, societies, and nations.

Globalization and the spread of information and communication technologies have changed the economic landscape and what is needed to remain competitive. By increasing the
demand for skilled workers around the world, recent trends have created an imperative for national governments and private businesses alike to address gender inequalities. Especially in developing economies working to transition from primarily agricultural to industrial production, there is a growing need to reverse the inequities that have traditionally inhibited the economic participation of women (OECD 64).

This increasing economic imperative (in addition to a human rights imperative) has not gone unnoticed within the international community. Indeed, there has been a growing commitment to address gender inequalities in developing nations. The adoption of Millennium Development Goals (MDGs) 3 and 5 and the Convention on the Elimination of All forms of Discrimination Against Women (CEDAW) are examples of expressed intent to address gender inequalities. In terms of financial commitments, the latest report on OECD-DAC members spending indicates that an average of USD 4.6 billion, or one-fifth of total bilateral aid, was marked as targeting gender equality as a principal or significant objective in the year 2007-2008 (OECD-DAC 3).2

Gender equality has entered the international community’s agenda, and for good reason. Now, intent on addressing inequalities and improving development outcomes as efficiently and effectively as possible, donor agencies have begun directing their attention, even more specifically, towards women’s economic empowerment. The following sections will illustrate what this means, and why it is the case.

1 The third MDG is to promote gender equality and empower women while the fifth is to improve maternal health.
2 In an attempt to track progress on meeting international commitments and reducing gender inequalities, the Development Assistance Committee (DAC) of the OECD developed the “gender equality policy marker” which is applied by bilateral agencies to aid targeting gender equality and women’s empowerment. The marker identifies activities that have gender equality as a principle or significant objective and/or result (UN DESA 22).
2.1. Women’s Economic Empowerment

Women’s economic empowerment is best understood as the capacity of women “to participate in, contribute to and benefit from growth processes in ways which recognise the value of their contributions, respect their dignity and make it possible to negotiate a fairer distribution of the benefits of growth” (OECD-DAC, GENDERNET 6). At its heart, economic empowerment hinges on having access to economic opportunities and endowments, and control over economic inputs such as land and financial resources. It is about achieving greater wellbeing and agency, or the freedom and ability to choose one’s own courses of action (Sida 6) to exert influence in society (OECD-DAC, GENDERNET 6).

The concept of women’s economic empowerment refers to both a process and an outcome. Indeed, the essential elements of empowerment - agency and wellbeing - are both intimately connected and mutually reinforcing. Amartya Sen explains,

The active agency of women cannot, in any serious way, ignore the urgency of rectifying many inequalities that blight the wellbeing of women and subject them to unequal treatment; thus the agency role must be concerned with women’s wellbeing also. Similarly, coming from the other end, any practical attempt at enhancing the wellbeing of women cannot but draw on the agency of women themselves in bringing about such a change. So the wellbeing aspect and the agency aspect of women’s [empowerment] inevitably have a substantial intersection. (190)

Supporting women’s economic empowerment, therefore, requires a systematic approach that involves promoting access to and control over both human and capital resources, to arrive at (mutually reinforcing) improvements in women’s wellbeing and agency.

2.2. Why Women’s Economic Empowerment Matters

The current disparity in the levels of economic empowerment across genders is problematic, both because it constitutes a violation of basic human rights, and because it acts as a barrier to achieving sustainable economic growth and the realization of all MDGs. Indeed, women’s economic empowerment is valuable in its own right as an instrument of justice and equality, but also for its positive impact on economic growth rates, development outcomes, and political institutions.
The World Bank Group calls women’s economic empowerment “nothing more than smart economics” (World Bank Group 2). Increasing women’s economic empowerment through enhanced access to economic opportunities and control over economic resources has demonstrably significant impacts on growth. When given access to the same standard of productive inputs, women are proven to be as productive as men (World Bank 204). Agricultural output, for instance, would increase by 2.5 to 4 percent if women framers in developing countries had similar access to agricultural inputs that male farmers have (World Bank 237). If women were able to overcome barriers to working in certain occupations, developing countries could see reductions in the productivity gap between male and female workers by one-third to one-half, and output per worker increase by up to 25 percent (World Bank 5). Particularly in countries with sizeable export industries, where demand for skilled labour for which men and women are equally well suited is high, gender discrimination can hinder productivity and have negative effects on competitiveness and growth.

Gender equality also has positive synergies with poverty reduction, education, and child mortality (UNDP 14). When women gain control over household income and access to economic endowments such as education, there are proven benefits to developing societies as a whole (World Bank 237). Children in particular stand to benefit from women’s economic empowerment, as women typically invest a higher proportion of their earnings in their families than men do (OECD-DAC, GENDERNET 6), and women’s education has been linked to higher immunization rates and improvements in educational attainment among children (World Bank 5). Reducing women’s share of household and care work by encouraging men to take a more active role in attending to children has similar impacts on the health and education of future generations, and has been proven to reduce societal violence and improve both women’s and men’s own mental health (Sida 15).

Finally, women’s economic empowerment matters for the quality of social institutions. When women are empowered, they can use their collective agency to shape social institutions and norms in ways that benefit everyone in their societies. In many developed countries, women’s participation in economic and political activities has worked to reshape social views on family life and what is appropriate, and has lead to the development of more family-friendly labour legislation (World Bank 6). Women’s empowerment in developed countries has also increased the prominence of important issues like child mortality and violence against women. These kinds of advances feed back into the further empowerment of women by increasing
women’s agency, enabling them to build endowments, and in turn, shape access to economic opportunities and resources (World Bank 55).

2.3. Progress and Gaps

Huge progress has been made in the past quarter century in the area of gender equality and women’s empowerment. Both male and female life expectancy at birth have increased dramatically in developing countries, with women now outliving men in every region of the world (World Bank 8). Two-thirds of all countries have reached gender-parity with primary education enrolments, and across the globe, more women than men now attend universities. The world has also seen the average age of marriage trending upward, and fertility rates declining (World Bank 200). As an effect of these things, women’s labour force participation rates have also increased; women now represent more than 40 percent of the global labour force (World Bank 9).

Despite considerable gains and impressive commitments, progress with women’s empowerment has been slow and uneven. In regions like South Asia and Sub-Saharan Africa, gender gaps in primary education enrolment and labour force participation rates remain to the disadvantage of women and girls (World Bank 9). Globally, women still lag behind men in terms of earnings, productivity, and the strength of their voices in society. Employment segregation based on gender stereotypes (men as rational and women as emotional) is still pervasive and limits women’s economic opportunities by restricting them to specific sectors and occupations. In almost all regions of the world, occupational segregation means that women are more likely than men to work in low-productivity jobs, for low wages, with fewer prospects for promotion (OECD 65). Women are also more likely than men to work in the services and agricultural sectors (UN DESA 29). As farmers, women generally operate smaller plots of land and grow less remunerative crops. Women entrepreneurs are generally less productive than their male counterparts (World Bank 16), and are more highly concentrated in the informal economy, where they have no access to social security or protection, and have limited potential to organize to negotiate fair prices and wages (UN DESA 28). Women are also significantly less likely than men to occupy positions with authority, influence or decision making power in any sector -even in traditionally female dominated ones (UN DESA 29). This is also true of governmental bodies across the world. As of 2010 women accounted for just 19 percent of parliamentarians.
worldwide – a statistic which significantly hinders women’s ability to affect and influence policy (World Bank, Development Indicators 27).

In some regions of the world, women lack access to the most fundamental resources and opportunities needed to achieve a decent standard of living. Many women, for example, do not have access to sanitary water and toilet facilities (UN Water), and face discrimination that limits their access to essential services such as health and education (CIDA Pakistan 10). Indeed, women in certain parts of the world are treated as second-class citizens; they are denied the necessities to achieve a minimum standard of wellbeing, depriving them of the opportunity to exercise agency, even in the most basic sense.
3. **Supporting Women’s Economic Empowerment: Existing Theory and Evidence**

Targeted investment and policy action on the part of international aid agencies and national governments can address significant gaps in gender equality and help economically empower women. Ensuring that investments are targeted effectively to achieve sustainable results, however, requires an understanding of the dynamics that underlie existing gender disparities. Indeed, in order to be effective, policies and resources need to target the *determinants* of women’s empowerment, rather than the desired outcomes (World Bank 23). Promoting women’s economic empowerment in developing nations is, therefore, first and foremost a process of identifying the determining underlying conditions.

To help with the identification of the factors that underlie and affect women’s equality and empowerment, this section looks at recent work done to explore trends and potential strategies in the area of women’s economic empowerment. It reviews the contributions made by reputable international organizations like the UNDP, IMF and World Bank, to gain a better understanding of how aid policies and interventions can, and do, support advancements in women’s economic empowerment. This process also reveals important areas where more investigation and information is needed.

3.1. **Underlying Dynamics and Priorities for Empowerment**

Not surprisingly, gender equality tends to increase along with average incomes (World Bank 48). Higher average household incomes are often accompanied by improved delivery of public services, which reduce constraints on time and spending and improve wellbeing. Parents with higher incomes are able to send more (or all) of their children to school and attend to their
families’ health needs, without discriminating on the basis of gender. Higher incomes also constitute a higher return on human capital investments like education, and thereby strengthen incentives and lower constraints for investing in women and girls.³

The observed connection between economic growth and gender equality, does not however, suggest that gender biases automatically disappear with rising incomes. Some aspects of inequality are so deeply established in social structures that they have proven resilient in the context of economic growth. Indeed, gender inequality persists across the globe, in countries of all income levels. Moreover, there is evidence that suggests in some situations economic growth can actually hinder gender equality and women’s empowerment. In countries moving out of poverty, into middle-income status, a rise in overall income is associated with an increase in overall income inequality (IMF 31). This unequal distribution of the benefits of growth, although unlikely to have any adverse affect on women’s incomes in absolute terms, stands to negatively affect the agency and social status of certain groups of women. Economic growth, therefore, is not the solution to women’s disempowerment.

Addressing the underlying causes of women’s marginalization as economic actors requires targeted interventions, even in the face of rising incomes. To help address the factors that underlie women’s disempowerment, organizations like the World Bank, the UNDP, and various national donor agencies including the Swedish International Development Cooperation Agency, have developed priorities for financial support. The UNDP, for instance, calls on donor agencies to use their resources to: “expand women’s economic opportunity; strengthen their legal status and rights; and ensure their voice, inclusion and participation” (UNDP iv). The World Bank’s World Development Report 2012, on Gender Equality builds upon the work of organizations like the UNDP and identifies three very similar priorities: lifting time constraints; increasing access to productive inputs; and correcting market and institutional failures (201). Both of these sets of priorities are indicative of what the international community perceives to be the dynamics that underlie gender inequalities.

³ The returns to investing in education are higher in a society with higher incomes, making it less appealing to have girls stay at home to help with housework.
One important factor highlighted by both the UNDP and the World Bank priorities is the extent to which women face time constraints including the burden of household work. Women in developing countries spend considerable time caring for children, older persons and the sick, as well as preparing food, and collecting fuelwood and water. This is often in addition to economic activities such as small-scale food production, cash crop cultivation, livestock care and home gardening. These responsibilities increase levels of stress and physical exhaustion among women, and constitute significant individual and social opportunity costs\(^4\) (UN DESA 9). Easing the burden of household and care work that traditionally prevents many women from participating in market activities might involve, for instance: improving access to resources that increase women’s productivity in the home and have the potential to alleviate women’s time burdens (e.g. household water and electricity) (OECD 70); improving access to childcare; or encouraging men to take responsibility for a larger share of household and care work.

The UNDP and World Bank priorities also emphasize the importance of supporting women’s ability to acquire physical and intellectual endowments. Productive inputs such as credit and land can provide access to markets and enable women to take advantage of more and better economic opportunities. Importantly, access to productive resources, as well as the ability to mobilize those resources can be affected by other relevant factors such as the quality and strength of women’s legal status and rights. The prevalence of market failures can also have a huge impact on the kinds of opportunities that women face. Market failures, or misinformation and discrimination that affects economic outcomes and institutions,\(^5\) can perpetuate gender biases against both men and women (World Bank 100). Finally, the extent to which women are able to have their interests represented and heard can affect their level of access to and control over endowments, and is therefore an important factor underlying their economic empowerment.

---

\(^4\) Women could be engaging in more productive activities that would be of more benefit to themselves (income) and their communities (GDP).

\(^5\) Institutions refer to the structures and rules (formal and informal) that govern how agents act within an economy.
In summary, existing international priorities for women’s economic empowerment emphasize the importance of building the endowments of individual women, and transforming institutions to create economic opportunities and expand access to economic resources among women. They suggest that empowering women to participate as economic actors on par with men is not only a process of building their capital (human and physical); it is also a process of addressing both the formal laws and informal norms which call for women to take on a disproportionate share of household work, and assign a lower value to the abilities and activities typically associated with women. These priorities and their rationale provide a solid foundation for further research and analysis.

3.2. Measuring Progress

Several established indices rank countries on the basis of gender equality and women’s empowerment. The UNDP’s Gender-related Development Index (GDI) measures inequality in human development between men and women within countries. Its measurement is based on disparities in life expectancy, knowledge, and standard of living (UNDP HDR). The Gender Empowerment Measure (GEM), also calculated by the UNDP, ranks countries based on women’s agency; defined by political participation and decision making power, economic participation and decision-making, and power over economic resources (UNDP HDR). In 2010, the UNDP introduced the Gender Inequality Index (GII), which built and improved upon the methodologies used to calculate the GDI and GEM, and combines elements of both indices. It reflects women’s reproductive health status, their voice and participation in society, and labour market participation relative to men’s. Finally, the Economist Intelligence Unit constructed a pilot Women’s Economic Opportunity Index (WEOI), which is the first attempt to compare countries on the basis of economic opportunities for women, going beyond gender gaps, and including an assessment of criteria like national business environments.
4. Policy Problem

Despite the work already done on the topic, more analysis is required to guide investment decisions. Due in large part to a lack of sex-disaggregated data, relatively little empirical research has been conducted on the topic of women’s economic empowerment. While the priorities outlined in the previous section can help guide investments at a general level, and the aforementioned indices are important tools for identifying progress and gaps, neither offers evidence-based direction for strategically investing aid dollars in support of women’s economic empowerment.

This lack of empirical research has left donor agencies and developing country governments without a clear understanding of the factors and conditions that have the biggest impacts on women’s economic empowerment. Indeed, the World Bank recognizes a knowledge gap within the international community as to the best use of gender equality focused aid, stating that “more careful work is needed, especially microeconomic analysis, to highlight channels for policy to reduce gender gaps and increase economic growth” (48), and the Economist’s professed goal of creating the pilot index was to “spur debate [and research] on the drivers of, and constraints on, women’s economic opportunity” (6). Empirical evidence relating to this topic would better equip policy makers to analyze gender inequalities and the circumstances that give rise to them. This, in turn, would help create a place for relevant issues related to persistent and systemic gender inequalities on the policy agenda, and encourage investment decisions that empower women to participate in their local economies and negotiate a fairer distribution of resources.

4.1. Research Goal

The primary goal of this study is to contribute to existing knowledge on the topic of women’s economic empowerment, and enable donor agencies, particularly the Canadian International Development Agency (CIDA), to make informed gender-sensitive investment
decisions that promote the long-term goal of sustainable development. More immediately, the objectives of this study are to determine the country variables which impact women’s economic empowerment, and to translate this information into investment implications for CIDA. The hope is to provide an understanding of the conditions that are most conducive to women’s economic empowerment, so as to help Canadian policy makers decide where and how to target aid dollars most effectively.

4.2. **Scope**

This analysis is intended to provide scope for strategically investing aid dollars in support of women’s economic empowerment. While the study does identify sectors worthy of investment, it does not go into detail specifying the form that these investments should take. Specifically, it does not look at the effectiveness of specific interventions, although this is an important area for future research and analysis.
5. Methodology

The goal of this study is to contribute to the development of concrete action plans that support a more equitable distribution of resources and the long-term goal of sustainable development. With a view to meeting this goal, two objectives are specified for this study, namely: to identify country conditions that are conducive to women’s economic empowerment in developing nations; and, flowing from the identification of relevant country conditions, to determine some of the policy implications for international aid organizations seeking to promote and support women’s economic empowerment.

The first objective is realized using a mixed methodological approach including regression and case study analyses. This mixed methodology provides concrete quantitative evidence as well as a nuanced understanding of barriers and opportunities associated with women’s economic empowerment in the specific cultural contexts of two developing countries. An analysis of two multivariate regressions helps to illustrate the strength and directionality of the quantitative relationship between conditions in developing countries on the one hand, and levels of women’s economic empowerment on the other. Case studies allow for the identification of country-specific conditions conducive to women’s economic empowerment that were not included in the regressions – due to factors such as a lack of adequate, reliable data. They also support the effective use of quantitative evidence.

To realize the second objective, determining policy implications, country conditions are translated into investment options based on their logical relationship with the sectors codes of the OECD’s Development Assistance Committee (DAC). A set of relevant criteria and measures is then used to evaluate these options and make recommendations for investment.

5.1. Regression Analysis

Regression analysis is a useful method of evaluating alternative theories with quantitative evidence. A multivariate regression explains movements in the dependent variable,
in this case women’s economic empowerment, as a function of movements in multiple independent variables (Studenmund 6). If the regression is a reasonable representation of the underlying dynamics, the estimated coefficient of each independent variable indicates the incremental effect, based on functional form, of a change in the variable in question. Importantly, while the regression estimates the effect of one variable, it also takes into account the movements of all other independent variables; “the result is quite similar to what we would obtain if we were capable of conducting controlled laboratory experiments in which only one variable at a time was changed” (Studenmund 14). This technique, which can provide reliable estimates based upon real world observations, allows for a quantitative estimation of the economic relationship between national conditions in developing countries and women’s economic empowerment.

This study relies upon two econometric models and uses ordinary least squares multivariate regressions. Both of the models included in this analysis use cross-sectional data, meaning all observations are from roughly the same year and represent different countries from that same time frame. In each model, independent variables representing country conditions are regressed on one of two proxies for women’s economic empowerment, the Gender Inequality Index (GII) and the Women’s Economic Opportunity Index (WEOI). All observations included in the models represent countries classified by the World Bank as being low- or lower-middle income.

Using multivariate regressions to analyze the factors that affect women’s economic empowerment in developing countries is a useful exercise to gain insight into the dynamics that underlie gender gaps, and in turn, inform and assess the allocation of Canadian aid dollars. It should be noted, however, that no matter how statistically significant the results are found to be, regression analysis cannot prove causality. Judgements regarding causality need to be

---

6 Most observations are from the year 2008, and some represent averages of years between 2005 and 2008.

7 The World Bank classifies countries as being low income if they have a gross national income per capita of $1,005 or less, and lower-middle income if they have a gross national income per capita between $1,006 and $3,975 (worldbank.org).
balanced with existing theory and common sense (Studenmund 7), and ideally, qualitative evidence.

5.2. Case Studies: Pakistan and the Philippines

Case studies of Pakistan and the Philippines, involving expert interviews and an analysis of CIDA project assessments, complement the quantitative component of this study. The qualitative information illustrates the effect of country conditions, not captured by either model in the regression analysis section. The case studies also provide insights relevant to the successful implementation of development projects.

The two countries chosen for analysis represent respectively the low- and lower-middle income groups included in the sample of countries analysed in the quantitative component of the study. Indeed, Pakistan and the Philippines provide an interesting contrast in terms of their economic size and strength, and social and cultural differences. They shed light on the different challenges and opportunities for gender equality and women’s economic empowerment that can arise in different contexts.

The two countries are also at different levels of progress in terms of women’s economic empowerment, and therefore provide unique insights into the kinds of opportunities and challenges that might arise at different stages along the path towards gender equality. As the gender inequality index curves in Figure 1 illustrate, both countries have seen a general improvement in gender equality over the past 15 years. The Philippines, however, has consistently achieved a lower inequality score than Pakistan, suggesting it has fared better in terms of gender equality and women’s empowerment.
Figure 1: Gender Inequality Index Tends: Pakistan and The Philippines

Note. The GII ranges from 0 to 1, where 0 indicates equality across genders, and 1 indicates “women fare as poorly as possible in all measures” (undp.org). The Y axis was inverted to demonstrate that countries with lower scores fare better in terms of gender equality. The average here represents the average of all 194 countries included in the GII.

5.2.1. **Expert Interviews**

Interviews conducted with three CIDA programmers and policy analysts and one project manager from the Philippine Commission on Women explore existing efforts to support women’s economic empowerment in both Pakistan and the Philippines. They also provide an understanding of important challenges and opportunities for future progress in these countries. The interviews were semi-structured, meaning they were conducted in a flexible, conversational style. Each of the interview participants had experience working on CIDA projects and/or policies related to women’s economic empowerment in either Pakistan or the Philippines.

5.3. **Extraction of Investment Implications**

Drawing upon the quantitative and qualitative analyses outlined above, the final sections of this study translate relevant country conditions into practical investment options. The options correspond to the system of sector classification developed by the Development Assistance...
Committee (DAC) of the Organization for Economic Co-operation and Development (OECD) to track aid flows and measure the relative shares of total aid allocated to different sectors.

Donor agencies across the OECD select standardized DAC sector codes according to explicit criteria to identify the specific area of the recipient country’s economic or social structure that any transfer of aid is intended to support; areas include but are not limited to health, energy and agriculture (OECD-DCD-DAC). The codes relate to the sector targeted by investments, not the means used to deliver the aid. An agricultural education program, for instance, would be coded under agriculture, and not under education (CIDA Sector Coding Guide). Creating investment options that correspond to the DAC sector codes allows for the development of recommendations which correspond to standardized practices used by donor agencies across the OECD.

Once created, the investment options are evaluated and ranked using a set of criteria and measures (described in section 8). Investment implications are drawn from the evaluation process and used to make informed recommendations to support women’s economic empowerment.
6. Regression Analysis

This section uses a multivariate regression technique to analyze two econometric models. The aim is to provide a quantitative estimation of the type and strength of relationship between women's economic empowerment and various national conditions.

6.1. Model and Data Description

Existing evidence, theory and logic were used to construct the two econometric models examined in this section of the study. The implicit functions (below) employ relevant proxies for women's economic empowerment. The dependent variable in the first function refers to the Gender Inequality Index (GII) score. The dependent variable acting as a proxy for women’s economic empowerment in the second function is the Women’s Economic Opportunity Index (WEOI) score. These variables, as well as the independent variables used in these functions, are described in detail in the following section.

\[
\text{GII score} = f(\text{RIGHTS, FERTILITY, HEALTHEXPN, GDP, EDUCEXPN, SANITATION, CEDAW})
\]

\[
\text{WEOI score} = f(\text{PROPREP, MORTALITYU5, HEALTHEXPN, GDP, WATER})
\]

6.1.1. Dependent Variables

The Human Development Report’s GII reflects women’s disadvantages in three dimensions – reproductive health, empowerment and the labour market. The index draws upon measures including: maternal mortality ratio; adolescent fertility rate; the share of parliamentary seats held by women; educational attainment levels; as well as women’s participation in the work force (undp.org). Each of the dimensions included in the index is indicative of some aspect of the level of equality in access to economic resources and opportunities across genders. The GII ranges from 0 to 1, where 0 indicates complete equality across genders, suggesting that women are empowered to access economic resources and opportunities at a level that is
comparable to men. At the other end of the spectrum, 1 indicates “women fare as poorly as possible in all measures” (undp.org). Given that a decline in the GII indicates a lowering of inequality, this study will seek to discover those country conditions that contribute negatively to the GII.

The average GII score for the sample used in this study\(^8\) is 0.52, and observations range from the highest score for inequality, 0.77, in Yemen, to the lowest (and therefore best) score of 0.27 in Vietnam. As illustrated in Appendix A, the distribution of GII scores is bell shaped, indicating a normal distribution, with a slight negative skew. Normality can nonetheless be assumed given a skewness value of between -1 and 1. Although the distribution is slightly platykurtic,\(^9\) given the bell shape of the distribution and acceptable level of skewness, for the purposes of this analysis the dependent variable GII score will be treated as though it is normally distributed.

The second dependent variable is the Economist Intelligence Unit’s WEOI. This index ranks countries according to an assessment of “the laws, regulations, practices, and attitudes that affect women workers and entrepreneurs” (eiu.com). The index was constructed using 26 indicators, grouped into the categories of: Labour policy and practice; Access to finance; Education and training; Women’s legal and social status; and the General business environment (Economist Intelligence Unit 10). The index is said to “break new ground” because it focuses “specifically on a country-by-country comparison of economic opportunities for women, going beyond a measurement of gender gaps” (Economist Intelligence Unit 6). The focus of this index is much narrower than that of the GII, as it concentrates on the labour market aspect of gender inequality; but it is broader in the sense that it captures the level of control that women have over economic resources and opportunities, in addition to their level of access (which is the essential focus of the GII). Countries receive an overall score based on the 26 indicators, ranging from 0 to 100, where 100 is the most favourable. This study therefore seeks to identify country conditions that contribute positively to the WEOI.

\(^8\) The sample includes only low income and lower-middle income countries  
\(^9\) The kurtosis value is 2.44
WEOI scores for the sample of countries used in the second model average 40.9. The scores ranged from a low of 14.49 in Sudan to the highest score of 59.72 in Tunisia. Like the GII distribution, the distribution of WEOI scores is bell shaped, indicating a normal distribution. Observations are slightly skewed to the right of the mean, but again, the skewness value falls between -1 and 1, meaning that normality can be assumed. Similar to the way that GII scores are distributed, the WEOI distribution is slightly platykurtic.\textsuperscript{10} However, given the other indications of normality, this variable will also be treated as being normally distributed.

6.1.2. \textbf{Independent Variables}

This study looks at 10 independent variables, 8 of which are of primary interest, and 2 are control variables. Control variables have a known correlation and probable relationship with the dependent variable(s). They are included to balance out (control for) their likely effect, and therefore gain a more accurate understanding of the relationship between the variables of primary interest and the dependent variable. In each model, independent variables are included or left out depending on the variables captured in the calculation of the dependent variable.\textsuperscript{11} For instance, PROPREP or the proportion of seats held by women in national parliaments, is included in the WEOI model but not the GII model, because the proportion of seats held by women in national parliaments is already factored into the calculation of the GII. The independent variables used in either or both models are described in the next section, beginning with the variables of primary interest.

The data for the independent variables employed in this study are taken from the World Bank. They represent the year 2008 or an average of the surrounding years. The World Bank provides open access to an online catalogue of datasets including databases, pre-formatted tables and reports as part of its Open Data Initiative. The World Bank data used for this project are deemed to be strong enough to provide reliable measures of levels and trends, and they are

\textsuperscript{10} The kurtosis value is 3.35

\textsuperscript{11} It makes sense that there would be some overlap in the selection of dependent and independent variables, as women’s economic empowerment is both a process and an outcome.
reported in a way that adheres to international standards (World Bank, Development Indicators xxii).

6.1.2.1. Variables of Primary Interest

The variables of primary interest used in this study are: the percentage of the population with reasonable access to an improved water source (WATER), the percentage of the population with adequate access to sanitation facilities (SANITATION), public and private health expenditure (HEALTHEXPN), public expenditure on education (EDUCEXPN), the proportion of seats held by women in national parliaments (PROPREP), the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders (RIGHTS), the under-5 mortality rate (MORTALITYU5), and the fertility rate (FERTILITY).

WATER is included in the WEOI model to represent the World Bank indicator Improved Water Source, or the percentage of the population with “reasonable access to an adequate amount of water from an improved source, such as household connection, public standpipe, borehole, protected well or spring, and rainwater collection”\(^\text{12}\). SANITATION is included in the GII model. It represents the World Bank indicator Improved Sanitation Facilities, which is the percentage of the population with “at least adequate access to excreta disposal facilities that can effectively prevent human, animal, and insect contact with excreta”\(^\text{13}\) (worldbank.org). Both of these variables are expected to have a positive impact on women’s economic empowerment. Improved access to water can contribute to a reduction in the time, health and care-giving burdens that are predominantly felt by women. Water can also be employed in a productive capacity for agricultural purposes, resulting in increased income. In addition, access to both water and sanitation facilities “increase privacy and reduce risk to women and girls of sexual harassment / assault”\(^\text{14}\) (UN Water and IANWGE 2). Adequate sanitation facilities can also avoid

\(^{12}\) Unimproved sources include vendors, tanker trucks, and unprotected wells and springs. Reasonable access is defined as the availability of at least 20 liters a person a day from a source within one kilometer of dwelling.

\(^{13}\) Improved facilities range from simple but protected pit latrines to flush toilets with a sewerage connection. To be effective, facilities must be correctly constructed and properly maintained.

\(^{14}\) Women are put at risk of harassment and assault when they lack access to appropriate sanitary facilities, and are required to gather water.
water-borne diseases, such as diarrhoea, cholera, typhoid and several parasitic infections (UN Water and IANWGE 5).

HEALTHEXPN, used in both models, refers to the natural log of the World Bank indicator Total Health Expenditure. The indicator refers to the sum of public and private health expenditure, as a percentage of GDP, and covers the provision of various health services, including nutrition activities (worldbank.org). Higher health expenditures are expected to improve the quality and availability of health services, leading to improvements in women’s health, and the health of their families. Increases in health expenditure are therefore expected to build human capital among women (and men), and reduce the burden of domestic labour by decreasing the amount of time that women spend meeting the health needs of their families. The natural log is used to account for diminishing marginal returns; increases in health expenditure are expected to contribute to increases in women’s economic empowerment at a decreasing rate.

EDUCEXPN is included in the GII model and represents the natural log of the World Bank’s Total Public Spending on Education indicator. It captures current and capital public expenditure on education, and includes government spending on educational institutions (both public and private), educational administration as well as subsidies for private entities (students, households, and other private entities) (worldbank.org). Higher levels of expenditure are expected to have a positive influence on women’s economic empowerment by improving the availability and quality of education. Data points for this variable represent the average from 2005 to 2008 due to a limited number of observations for the year 2008. Again, the natural log is used to account for diminishing marginal returns.

With regards to these two variables (EDUCEXPN and HEALTHEXPN), it should be noted that spending alone is an imperfect indication of quality and availability. For instance, one country may spend more on education than another, but less effectively and efficiently. It also fails to capture things like rural and urban variations. This should be kept in mind when interpreting the results of this evaluation, as they relate to these variables.

PROPREP is the Proportion of Seats Held by Women in National Parliaments. This variable is included in the WEOI model to represent the percentage of seats in a single or lower chamber held by women. RIGHTS, used in the GII model, is the Strength of Legal Rights Index
Score, which measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending. The strength of legal rights index ranges from 0 to 10, with higher scores indicating a stronger legal rights framework (worldbank.org). Both of these variables are expected to have a positive effect on women’s economic empowerment. Increasing the voice and participation of women in the political arena is instrumental to advancing issues of importance for women on national agendas (OECD 5); and strengthening the legal rights framework can reduce barriers women (and men) face in accessing the credit, banking and financial services and facilities they need to fully develop and employ their productive assets, land or business.

MORTALITYU5 is the Mortality Rate, Under-5, also taken from the World Bank. It represents the probability per 1,000 that a newborn baby will die before reaching age five, if subject to current, national age-specific mortality rates (worldbank.org). This variable is expected to have a negative relationship with women’s economic empowerment, as a lower under-5 mortality rate is an indication of higher quality health care, lower fertility rates\(^{15}\), and more spending power among women\(^{16}\). This variable is included in the WEOI model.

Finally, FERTILITY, used in the GII regression, represents the World Bank indicator Fertility rate, total (births per woman). This variable indicates “the number of children that would be born to a woman if she were to live to the end of her childbearing years and bear children in accordance with current age-specific fertility rates” (worldbank.org). Lower fertility rates are associated with higher educational attainment, later marriage, and increases in women’s labour force participation. They also contribute to a decline in deaths associated with maternal mortality (World Bank 11). Fertility rates are, therefore, expected to have a negative relationship with women’s economic empowerment.

\(^{15}\) “Higher rates of child survival are a precursor to the demographic transition to lower fertility rates” (UN Water and IANWGE 2)

\(^{16}\) As mentioned in the background section, women are more likely to spend money on the health and wellbeing of their children (e.g. get them vaccinated) than are men with similar incomes.
6.1.2.2. Control Variables

The control variables used in this study are GDP and CEDAW.

The variable GDP is included to control for the observed effect of economic growth (described in Section 3). It represents the natural log of the World Bank indicator GDP Per Capita (Current International $), which is gross domestic product, converted into international dollars using purchasing power parity rates, divided by midyear population\(^\text{17}\) (worldbank.org). Similar to education and health expenditure, GDP is used in natural log form to account for diminishing marginal returns.

Finally, the CEDAW variable was constructed to represent a country’s level of explicit dedication to promoting gender equality. It refers to a country’s commitment to the Convention on the Elimination of All Forms of Discrimination Against Women; a UN convention that commits member states to ending discrimination against women within their national institutions. The convention “provides the basis for realizing equity between women and men through ensuring women’s equal access to, and equal opportunities in, political and public life, as well as education, health and employment” (un.org). To create this variable, countries were given a score from 0-3, where 0 indicates that the country has not ratified or acceded to the convention, and 3 indicates that the country has ratified or acceded, without reservations, and is party to the optional protocol.\(^\text{18}\) Assuming that a country’s score is reflective of whether cultural norms or institutions are in conflict with the conventions basic principles, this variable can be used (to some extent) to control for inequality in the way that variables like health and education expenditures affect women and men.

\(^{17}\) GDP is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in current U.S. dollars.

\(^{18}\) The scores reflect a country’s current status. Some countries, such as Mongolia, have withdrawn reservations originally made, and are therefore scored as having no reservations.
6.2. Model Limitations

It is important to note that factors relating to the specification of the models and the data employed in this study limit the reliability of the results analysed in this report.

In terms of specification, neither model includes a variable that accurately represents cultural norms and beliefs. Cultural norms and beliefs can create what have been referred to as “structures of constraint” (UN 5). Indeed, norms often define the rules that govern social relations within a society, assigning certain roles and responsibilities to different groups of people, and placing different values on those roles and responsibilities. In many societies, structures of constraint place women in a subordinate position to men, reducing their access to and control over resources, making this a very relevant variable for this analysis. Including a variable on cultural norms and beliefs would certainly have improved the explanatory power of the models.

Another issue of specification arises from the nature of the proxies used to indicate women’s economic empowerment levels. Both proxies take into account relevant aspects of economic empowerment, and using the two in concert helps to account for shortcomings in either one. However, there is some important information that neither captures. For instance, neither index incorporates information on incomes, or unpaid work by women. A more ideal index would capture rates of compensation, as well as the loss of leisure time and increased stress levels and physical exhaustion associated with reproductive care and household work. The indices also fail to incorporate gender-based violence or women’s participation rates in community level organizations. All of these factors are relevant indicators of women’s agency and empowerment.

There are also issues with the data used in the study. Despite efforts to standardize the collection and presentation of data, the World Bank cautions that full comparability and reliability cannot be assured. The 2011 World Development Indicators notes:

Although the CEDAW variable is included to account for the effects of cultural beliefs and norms, it is a very rough and limited estimate.
Statistical systems in many developing economies are still weak; statistical methods, coverage, practices, and definitions differ widely; and cross-country and inter-temporal comparisons involve complex technical conceptual problems that cannot be resolved unequivocally. Data coverage may not be complete because of special circumstances affecting the collection and reporting of data, such as problems stemming from conflicts. (World Bank, Development Indicators xxii)

In accordance with the recommendations of the World Bank, the data that this research project draws upon is used to reflect on trends and major differences across economies, rather than offering precise quantitative measures of those differences. All of the data was taken from the same edition of World Bank Indicators, as regularly updated methodologies and revisions to historical series mean that the different versions may not be consistent.

6.3. Discussion

Table 1 summarizes the estimated models. The coefficients are largely consistent with the theory and expectations outlined earlier.

Table 1. Regression Output

<table>
<thead>
<tr>
<th></th>
<th>GII Regression</th>
<th>WEOI Index</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Coefficient</strong></td>
<td><strong>Coefficient</strong></td>
<td></td>
</tr>
<tr>
<td>SANITATION</td>
<td>-0.002*</td>
<td>NA</td>
</tr>
<tr>
<td>WATER</td>
<td>NA</td>
<td>0.16****</td>
</tr>
<tr>
<td>MORTALITYU5</td>
<td>NA</td>
<td>-0.039</td>
</tr>
<tr>
<td>FERTILITY</td>
<td>0.051*</td>
<td>NA</td>
</tr>
<tr>
<td>HEALTHEXP</td>
<td>-0.039**</td>
<td>4.769**</td>
</tr>
<tr>
<td>EDUCEXP</td>
<td>-0.005</td>
<td>NA</td>
</tr>
<tr>
<td>PROPREP</td>
<td>NA</td>
<td>0.166</td>
</tr>
<tr>
<td>RIGHTS</td>
<td>-0.002</td>
<td>NA</td>
</tr>
<tr>
<td>GDP</td>
<td>0.039***</td>
<td>0.001****</td>
</tr>
<tr>
<td>CEDAW</td>
<td>0.22</td>
<td>NA</td>
</tr>
<tr>
<td><strong>Adjusted R-Squared</strong></td>
<td><strong>Adjusted R-Squared</strong></td>
<td></td>
</tr>
<tr>
<td>0.69</td>
<td>0.55</td>
<td></td>
</tr>
</tbody>
</table>

* Note. * significant at 1%, ** significant at 5%, *** significant at 10%, **** significant at 15%
The GII regression output indicates that, holding constant the other variables: a one unit increase in the strength of legal rights is associated with a 0.002 unit increase in gender inequality; a one unit increase in the fertility rate is associated with a 0.05 unit increase in gender inequality; a one percent increase in public health expenditure is associated with a 0.038 unit reduction in gender inequality; a one percent increase in education expenditure is associated with a 0.005 unit decrease in gender inequality; a one unit improvement in quality and availability of sanitation facilities is associated with a 0.002 unit decrease in gender inequality; and a one unit improvement in a country’s CEDAW score is associated with a 0.015 unit decrease in gender inequality. The estimated GII function also suggests that a one percent increase in GDP is associated with a 0.039 unit increase in gender inequality. Although this last result is counter-intuitive, it may have to do with an increase in income inequality observed to accompany economic growth. This explanation is explored further in the analysis section.

The adjusted R-squared value for this model is 0.69, meaning that the regression accounts for 69 percent of the variance in the dependent variable. This is quite high for a cross-sectional data set (Studenmund 51), and indicates that the model is a good fit for the sample data. The GII model is significant at the 1 percent level, as per the F-Test for model significance.

The second regression suggests that, holding constant the other variables: a one unit increase in the proportion of female representatives in national parliaments is associated with a 0.166 unit increase in women’s economic opportunity; a one unit increase in the under-five mortality rate is associated with a 0.039 unit decrease in women’s economic opportunity; a one percent increase in public health expenditure is associated with a 4.769 unit increase in the dependent variable; a one percent increase in GDP is associated with a 0.001 unit increase in women’s economic opportunity; and finally, a one unit increase in the level of quality and availability of water is associated with a 0.16 unit increase in women’s economic opportunity.

The adjusted R-squared value for this model is 0.55 indicating that the regression accounts for 55 percent of the variance in the dependent variable, and is therefore a reasonably

---

20 Refer back to Section 3.1 for an explanation.
good fit for the sample data. The F-Test for model significance indicates that this regression is also significant at the 1 percent level.

6.4. Data Diagnostics

A correlation matrix of the independent variables used in the GII model suggests that there are strong correlations among the independent variables SANITATION, GDP and FERTILITY. This suggests that adequate access to excreta disposal facilities from an improved source may be (positively) related to GDP and (negatively) related to fertility rates. A variance inflation factor test, however, suggests that there are no issues of multicollinearity. In addition, a Breusch-Godfrey test reveals no serial correlation between the variables, and the results of a White test suggest that there is no heteroskedasticity.

Another correlation matrix, created using the independent variables included in the WEOI model, suggests that there are strong correlations between the independent variable WATER and the variables GDP and MORTALITYU5. This indicates that access to water from an improved source may be (positively) related to GDP and (negatively) related to under-5 mortality rates. Once again, however, a variance inflation factor test suggests that there are no issues of multicollinearity and a Breausch-Godfrey test reveals no serial correlation between the variables. The results of a White test suggest that there is no heteroskedasticity.

Indeed, none of the aforementioned relationships jeopardize the explanatory power of either model. They do, however, suggest that there are significant positive synergies between economic growth, the quality and availability of water sources and sanitation facilities, and health indicators including reproductive health.

21 See Appendix A.
6.5. Analysis

The models estimated in this study suggest that availability and quality of health care facilities and services, including family planning, and of water sources and sanitation facilities, are highly associated with women’s economic empowerment. That is to say, the variables representing these conditions\textsuperscript{22} were shown to have positive relationships with one of or both of the dependent variables. These relationships were significant at the 1, 5 and 10 percent levels.

The models also suggest that, as expected, providing financial support for education, improving women’s representation in national parliaments, and strengthening legal rights are all likely to support and lead to advances in levels of women’s economic empowerment. These relationships, however, were not as significant as the three aforementioned ones.

The results of both regressions provide conflicting evidence regarding the effect of GDP growth. The WEOI model suggests that GDP is, albeit very weakly, positively related to women’s economic empowerment. The GII model, on the other hand, suggests that higher GDP is associated with lower levels of gender equality, and this finding is significant at the 10 percent level. This latter result suggests that GDP growth, in low and lower-middle income countries, may have an adverse effect on women’s economic empowerment. Although this finding is somewhat counter-intuitive, it is not entirely unexpected. Indeed, as explained in Section 3.1, there is mixed evidence regarding the effects of economic growth on equality, especially during the transition from low-income to middle-income status. While gender equality is generally understood to increase in tune with GDP (World Bank\textsuperscript{48}), it is also true that economic growth does not affect all groups equally. This is particularly true of middle-income countries experiencing the transition out of poverty (IMF\textsuperscript{37}).\textsuperscript{23} As income inequality increases, the sources of disempowerment that women face could certainly be exacerbated.

\textsuperscript{22} FERTILITY, HEALTHEXP, SANITATION, WATER

\textsuperscript{23} The report attributes growth in inequality in the face of overall economic growth to factors such as: technological change, which “favours those with higher skills and exacerbates the skills gap… reducing the demand for lower-skill activities and returns on capital”; access to education; share of sectoral employment, such as agriculture\textsuperscript{22} (47); and the strength of financial institutions (48)
Finally, while the models and data discussed in this study point to key areas to target investments, they also illustrate that there is no single factor that plays a chief role in supporting women’s economic empowerment. Indeed, the data for the sample of countries used in both models illustrate how weaknesses in one national condition are often, to some extent, balanced out by strengths in another. For instance, while Pakistan fares quite well in terms of the percentage of its population with access to improved water sources, less than 50 percent of its population has access to quality sanitation facilities, and its under-5 mortality rate is quite high (indicating a high fertility rate and poor health care). It is also interesting to note that no country had particularly impressive or discouraging scores across all of the independent variables.

**Table 2. Country Comparison**

<table>
<thead>
<tr>
<th>Country</th>
<th>GII Score</th>
<th>WEOI Score</th>
<th>Access to improved water (% of pop)</th>
<th>Access to improved sanitation (% of pop.)</th>
<th>Public spending on education (% of GDP)</th>
<th>Strength of legal rights (0=weak 10=strong)</th>
<th>Under 5 mortality rate (per 1,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pakistan</td>
<td>0.6</td>
<td>29.88</td>
<td>90</td>
<td>45</td>
<td>2.67</td>
<td>6</td>
<td>89.1</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>0.6</td>
<td>32.58</td>
<td>80</td>
<td>53</td>
<td>5.51</td>
<td>7</td>
<td>55.2</td>
</tr>
<tr>
<td>Philippines</td>
<td>0.4</td>
<td>50.37</td>
<td>91</td>
<td>76</td>
<td>2.67</td>
<td>3</td>
<td>33.5</td>
</tr>
<tr>
<td>Ukraine</td>
<td>0.3</td>
<td>53.74</td>
<td>98</td>
<td>95</td>
<td>5.85</td>
<td>9</td>
<td>15.5</td>
</tr>
</tbody>
</table>
7. Case Studies

Thus far, the quantitative component of this study has shed light on some of the dynamics that underlie women’s economic empowerment at a global level. It has not, however, provided a nuanced understanding of realities on the ground in individual nations or regions. Limited by the quality and availability of data, the regression analysis also failed to incorporate some relevant variables, most notably a variable representing culture.

The following case studies complement the quantitative aspect of this analysis, and provide a snapshot of some of the circumstances that can arise in individual nations. The two countries selected for analysis, Pakistan and the Philippines, are at different stages of economic development and at different levels of progress in terms of women's economic empowerment. They provide an interesting contrast and offer insight into the kinds of opportunities and challenges that might arise in the pursuit of women’s economic empowerment in different developing country contexts.

Both case studies are primarily informed by interviews conducted with 3 CIDA employees (programmers and policy analysts) and one project manager from the Philippine Commission on Women (PCW). The interviewees were not asked to comment on the results of the regression analysis, as the regression and case study methodologies were conducted simultaneously. Instead, they were asked to comment on opportunities and challenges for women’s economic empowerment, generally, in either the Philippines or Pakistan. Their responses turned out to be extremely valuable in that they addressed conditions not included as independent variables in the regression analysis - either because the conditions were not measurable, or because there was insufficient reliable data available for the relevant time frame. The interviewees also provided insights relevant to the successful implementation of projects. Indeed, the information included in this section highlights relevant variables, not included in the regression analysis, and offers guidance to ensure the efficacy of investments. It also points to the importance of qualitative methodologies.
7.1. Pakistan

Pakistan is a parliamentary democracy located in South Asia, and classified by the World Bank as low-income. The country is comprised of four provinces and four federal territories, all of which vary tremendously in terms of their geographies and populations. Pakistan has experienced rapid population growth in recent years; currently approximating 180 million, its population is expected to exceed 260 million by 2030 (The British Council). The majority of the Pakistani population resides in rural areas and is employed in the agricultural sector (CIDA Pakistan).

Although Pakistan has achieved impressive economic growth and an expansion of its middle class, overall, Pakistan's per capita GDP remains low and more than 20 percent of the population continues to live on less than $1.25 a day (“Pakistan”, cida.gc.ca). Correspondingly, development indicators for Pakistan are low. For instance, the country ranks 145th out of the 187 countries on the UNDP’s Human Development Index.

By and large, women in Pakistan are considered second-class citizens. Pakistan ranks 115th out of 146 countries on the Gender Inequality Index, and 108th out of 113 countries on the Women’s Economic Opportunity Index. In all regions of the country, women face structural disadvantages that stem from discrimination (CIDA Pakistan), including problems accessing basic public services such as those related to justice, health, and education. Most women also lack access to economic opportunities, are excluded from political participation (CIDA Pakistan), and in many cases, are confined to their own homes (MEDA).

Recognizing that the situation of women in Pakistan is a serious one, CIDA has been working to support gender equality in Pakistan for over 25 years (CIDA Pakistan). Pakistan is

---

24 Democracy was restored in 2009, following 9 years of military rule (British Council 1).
25 In July and August of 2010, Pakistan’s economic hardships were amplified, as severe flooding covered one-fifth of country’s total land area. The floods had a devastating affect on the population, particularly the poorest. They placed many development projects on hold while international aid agencies focused their resources on disaster relief (MEDA).
26 Pakistan's GII score is 0.6
27 Pakistan's WEOI score is 29
one of CIDA’s 20 countries of focus, and a significant amount of the aid CIDA allocates to Pakistan is used to support women’s economic empowerment (“Pakistan”, cida.gc.ca). This section will examine some of the opportunities and challenges that have been brought to light through CIDA’s involvement in the promotion of women’s economic empowerment in Pakistan, with reference to expert interviews and CIDA project assessments.

The interviews were conducted with a Development Officer, and Senior Program Officer / Analyst, both working within CIDA’s Pakistan Program. The majority of the information gathered from the interviewees and project assessments, relates to three CIDA-funded projects and programs: Programs for the Advancement of Gender Equality (CIDA Pakistan); Community Infrastructure Improvement Project (CIIP); and Pathways and Purstrings (P&P), one of the sub-projects funded through PAGE. They are described in detail in Figure 2.
7.1.1. **Opportunities and Challenges for Women’s Economic Empowerment in Pakistan**

Several distinct challenges for women’s economic empowerment in Pakistan were brought to light during this analysis. All of them relate to what was described by both interviewees and all three project assessments as being the greatest challenge: existing social structures and cultural norms.
Especially in the more conservative areas of Pakistan, the caste system and traditions of male dominance create expectations as to what is, and what is not, socially acceptable for particular groups of women. Indeed, in communities where religious and cultural traditions are particularly entrenched, women are sometimes treated as mere “commodities to serve the interests of male family members” (CIDA Pakistan 20). These circumstances have important implications for progress with women’s agency. Speaking about the CIIP, for instance, a CIDA Development Officer recounted how some participants reported not being allowed -by their husbands or fathers- to even look out the windows of their homes prior to the project. These restrictions on women’s agency and mobility feed into other serious challenges for progress with women’s empowerment, such as Pakistan’s exceptionally low female literacy levels; a problem raised by both interviewees. The CIDA Development Officer also noted challenges posed by the caste system. She explained how during the recruitment process for the CIIP, many landowners had to be convinced to allow women to leave their fields to participate in the project.

The interviews and project assessments also highlighted opportunities to challenge existing structures and norms and secure positive outcomes for women. Principal among these opportunities is the mobilization and engagement of community members, particularly men. The Senior Program Officer interviewed spoke of the need to involve men in the implementation, monitoring and evaluation processes of women-focussed development projects. This view was echoed by the PAGE program assessment, which describes men as the primary “gatekeepers” of women’s rights (CIDA Pakistan 32), and calls their involvement ”key to ensuring access to women, securing consensus for project activities, facilitating implementation, and –in the long term- addressing underlying causes of gender inequality” (CIDA Pakistan 36). To illustrate, the PAGE assessment describes a women’s rights awareness project that overcame social opposition by engaging men. As part of the project, male family members were paid to accompany women participants to rights-awareness sessions. This not only improved participation rates among women, it also raised men’s awareness of important issues related to women’s rights, and in turn, promoted their acceptance of the project and its longer-term goals (CIDA Pakistan 24). The PAGE program assessment also notes the positive effect of sensitizing

---

28 Agency refers to the freedom and ability to choose one’s own courses of action and exert influence.
religious and political leaders, and other influential community members on gender issues (CIDA Pakistan 21).

Women-to-women networks constitute another opportunity to challenge social norms and promote women’s empowerment. Networks and community organizations can be important venues for sharing knowledge, improving productivity, and developing a collective voice. They can also open the door to better representation of women’s interests within society. This was something the CIDA Development Officer touched on during her interview. She described how networks can create space for women to nominate champions and can lead to women’s leadership and the visibility at the local level. She spoke of the need for development projects to “allow women to represent themselves, and build the skills needed to represent themselves – whether it be in their own families, as producers, or in their communities - and these things can [eventually] lead to representation at the next level”. She expressed that something as basic as increasing women’s interactions and visibility in public spaces, say as labourers or merchants, can initiate a process of substantial cultural change.

Above all, this analysis revealed that working with cultures to gain community acceptance can support progress with women’s economic empowerment. The P&P project, for instance, used strategic entry points in the form of culturally acceptable activities to create business opportunities for women. From these opportunities, women participants gained freedom of mobility and communication. Being in public and networking had the effect of increasing women’s visibility, and this in turn facilitated the development of their collective voice and agency.

7.2. The Philippines

The Philippines is a representative democracy located in Southeast Asia. Although technically it comprises more than 7,000 islands in the Pacific Ocean, the majority of the

29 She did not suggest that women’s representation in national government bodies was unimportant, but rather that women in Pakistan’s high-level government structures are (currently) very restricted in what they can do.
population is concentrated on just 11 of them (Asian Development Bank et. al. 1). The Filipino population is very diverse, representing over 100 different linguistic, ethnic and cultural groups (National Commission on the Role of Filipino Women 12). Currently, the population is estimated at just over 93 million, and with the highest birthrate in the Asian region, this number is expected to continue climbing (BBC.com).

The Philippines is classified by the World Bank as a lower-middle income country. It has achieved impressive economic growth in recent years and is seen to have one of the best performing economies in Southeast Asia. The effects of this growth, however, have not been felt evenly. Significant regional, social and economic disparities characterize the islands. Indeed, despite impressive overall economic growth, millions of Filipinos live in persistent poverty (BBC.com), and the country currently ranks only 112th out of 187 countries on the Human Development Index. The Philippines also has a large and growing foreign debt (State.gov), which compromises both economic growth and government sponsored anti-poverty programs.

In terms of gender and development, the Philippines ranks 75th out of 146 on the GII,30 and 63rd out of 113 on the WEOI.31 This relatively high standing for a lower-middle income country reflects the country’s impressive steps to integrate gender and development objectives into government plans and priorities, including gender mainstreaming at the national and local levels. The Philippines’ Government Framework Plan for Women prioritizes women’s economic empowerment, women’s human rights, and gender responsive governance; it is meant to guide gender plans developed by national agencies, which receive a minimum of 5 percent of the Government’s national and local government unit budgets (Asian Development Bank et. al. xix). Despite this apparently favourable policy context, “the implementation of [gender development] policies remains patchy and slow” (Asian Development Bank et. al. xiii). Women’s participation in the labour force continues to lag behind that of men’s (Asian Development Bank 8) and women workers often report gender-based discrimination in various forms (Asian Development Bank et. al. xv).

30 The Philippines GII score is 0.4
31 The Philippines WEOI score is 50.4
The Gender Responsive Economic Actions for the Transformation of Women (GREAT Women) Project is a CIDA-supported project, led primarily by the PCW, which aims to address persistent gender-related development issues in the Philippines. It is a governance and capacity project, with a particular focus on micro-enterprises. The following section will assess the challenges and opportunities for women’s economic empowerment in the Philippines that have come to light during the implementation of this project, which is described in detail below in Figure 3.

Consistent with the methodology employed during the Pakistan case study, two interviews and an analysis of project assessments from the GREAT Women Project were conducted to ascertain the nature of the conditions affecting women’s economic empowerment in the Philippines. The interviews were conducted with a CIDA Program Analyst working within the CIDA Philippines and South Pacific Division, and a Project Manager for the GREAT Women Project, working with the PCW.
7.2.1. **Opportunities and Challenges for Women’s Economic Empowerment in the Philippines**

This analysis revealed important opportunities and challenges for women’s economic empowerment in the Philippines. Many of these relate to the design and implementation of Philippines’ policy framework for gender equality, which includes the Magna Carta for Women.

The Philippines’ Magna Carta for Women, adopted in 2009, spells out and protects essential rights, such as protection from violence, and requires all levels of government to adopt a gender mainstreaming strategy (pcw.gov.ph). In this sense, the Philippines has developed a solid basis from which to expand and improve upon opportunities for women’s economic empowerment. Unfortunately, the Magna Carta and the gender mainstreaming it stipulates are not yet being implemented as comprehensively and consistently as intended.
The Project Manager of GREAT Women predicted that if policies and programs were to live up to the Magna Carta and employ gender mainstreaming in their design, implementation, monitoring and evaluation, the Philippines would have the ideal foundation for supporting women’s economic empowerment. Unfortunately, she explained that many government agencies still do not recognize or understand relevant gender issues addressed in the Magna Carta, and although there are real champions of gender and development in most government agencies, these individuals rarely have a meaningful influence on the operations of their organizations. The GREAT Women Project Manager also described how the successful implementation of the Magna Carta has been limited by the availability of sex-disaggregated data. She expressed concern that a lack of relevant data currently limits the program planning and design capacities of national and local government offices. Enhanced data collection and a concerted effort to raise gender awareness, particularly at the top and middle management levels would, she thinks, contribute to the evolution of the Philippines’ policy framework to better support women’s economic empowerment.

In addition to improving the availability and uptake of information related to gender issues, this analysis highlighted women’s networks and organizations as opportunities for progress with empowerment. In her interview, a CIDA Program Analyst explained that there is a real need to help Filipino women acquire the skills and self-confidence to negotiate fairer wages, establish prices for their products, and improve their productive capacity. Networking opportunities, she suggested, stand to address these needs. When women entrepreneurs selling similar products in the same or proximate markets “cluster” together, she said, they become empowered to: voice their needs as entrepreneurs; negotiate to build the value of their product; and increase their visibility and access to markets. She provided an example of this starting to happen in “common service facilities and production sites” in the Philippines. These areas, provided by government or non-government organizations to women entrepreneurs in a community, offer access to the space and capital needed to produce a high quality product. At the same time, common service facilities and production sites enable networking and knowledge sharing as women work together on their products. Essentially, they act as an arena for women entrepreneurs to coordinate and develop their agency as economic actors.

To guarantee that opportunities for women’s economic empowerment are taken advantage of, and benefits to women are maximized, this analysis also highlighted the need for policies and programmes to reflect careful consideration of all possible consequences – positive
and negative. Indeed, unexpected negative consequences can jeopardize the success of policies and programmes, and even reverse gains in women’s empowerment. Microfinance programs discussed by The GREAT Women Project Manager help to illustrate this point. Microfinance institutions provide the bulk of loans that finance women’s microenterprises in the Philippines. Being unregulated, though, these institutions and their practices can pose risks for women entrepreneurs including those related to forced savings, high lending rates, and inflated service charges. Violence against women is another example of unanticipated negative consequences. The CIDA Program Analyst explained that there are regions of the country where increases in women’s income and agency have been perceived as threatening by their husbands and this has lead to increases in domestic violence. These examples illustrate how opportunities and challenges for empowerment can be two sides of the same coin. Risks should be anticipated and minimized as much as possible in order to achieve optimal results.

7.3. Analysis

The situation of women in both Pakistan and the Philippines is complex, and this study has only skimmed the surface in either country. Nonetheless, important insights can be drawn, to supplement the quantitative analysis of gender inequality.

To begin with, these cases illustrate the need to understand the cultural and historical context of a country before implementing a project. Empirical evidence may reveal, for instance, that lowering fertility rates is a precondition for women’s economic empowerment. Programmes aimed at achieving this condition are unlikely to be successful, however, if they are not implemented with regard for the cultural context. This point was highlighted in the Pakistan case study, where interviews and program assessments emphasized the value of working with a culture in the interest of progress. Creating the conditions for women’s economic empowerment in circumstances where cultural norms are deeply entrenched, such as Pakistan, requires working with those norms and engaging community members, men and women, as much as possible. This kind of engagement can facilitate women’s participation in projects and programs, and can also inform men of the benefits of women’s empowerment. It might also help avoid increases in domestic violence that one interviewee described occurring in the Philippines. In both countries, experience also points to the need to sensitize and raise awareness of gender
issues among leadership – be it political or religious leaders, or high-level government officials – to help disseminate awareness of gender issues and ensure smooth project implementation.

Another important point raised during this analysis, is the need to facilitate the formation of women-to-women networks or “clusters”. The interviews and project assessments reveal that, depending on the context, women’s networks and organizations can help women share knowledge, improve their products, develop a collective voice, and even select a champion to represent their needs. The common service facilities mentioned in the Philippines case study are an exemplary method of facilitating networking while also providing access to capital needed to create and enhance women’s products. These cases also suggest that creating business and networking opportunities, and encouraging women’s visibility in public spaces can help normalize their community involvement and facilitate their mobility.

Lastly, these cases illustrate that development projects can and do have hugely positive impacts, but attention needs to be paid to the possibility of negative outcomes – direct or indirect- . In the Philippines, for instance, women were given access to both productive inputs and markets, but they then struggled to meet demand and / or repay the high lending rates charged by unregulated institutions. Moreover, some women faced -sometimes violent-resistance to their successes at home. Clearly, there is a need for careful planning and consideration of possible and likely consequences of any development project.

To summarize, an analysis of the these two case studies identified relevant conditions not included in the quantitative analysis section, and provided useful information to help guide the implementation of development projects. In terms of omitted variables, the cases highlight the impact that levels of engagement and familiarity with issues of gender inequality among community members, including men and recognized leadership, can have on women’s economic empowerment. They also identify the existence of women-to-women networking or “clustering” opportunities as an important condition for consideration in this study. Finally, these case studies illustrate the importance of working with culture; and planning for the possibility of negative, unintended consequences to guarantee the realization of positive outcomes from development projects.
8. **Investment Options**

So far, this study has identified some of the conditions that foster and facilitate women’s economic empowerment in developing nations, using both quantitative and qualitative methodologies. The remaining sections of this study attempt to translate these findings into investment implications for international aid organizations.

8.1. **Logic Mapping**

Each of the conditions analysed during the quantitative and qualitative components of this study can be logically mapped to a DAC sector which identifies the specific area of a recipient country’s economic or social structure the investment is intended to support. The process of mapping conditions conducive to women’s economic empowerment to DAC sectors enables the development of investment options that correspond to standardized practices used by donor agencies across the OECD. This process is described in detail in Appendix B, and the results are summarized in Table 3.

With the exception of one, all of the country conditions assessed in this study were mapped to a single DAC sector. The variable MORTALITYU5, included in section 6 to represent the under-5 mortality rate, is the one exception. This condition is logically associated with both the HEALTH and POPULATION POLICIES/PROGRAMMES AND REPRODUCTIVE HEALTH sectors. Lower fertility rates and improved health services are highly associated with lower child mortality, so while this variable does not appear in Table 3, its effects are being taken into account.
### Table 3. Investment Options: Logical Mapping of Country Conditions to DAC Sectors

<table>
<thead>
<tr>
<th>Country Condition(s)</th>
<th>OECD-DAC Sector</th>
<th>Code(s)(^{32})</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality and availability of education services</td>
<td>EDUCATION(^{33})</td>
<td>110 -114</td>
</tr>
<tr>
<td>Quality and availability of healthcare services</td>
<td>HEALTH(^{34})</td>
<td>120-123</td>
</tr>
<tr>
<td>Fertility rate</td>
<td>POPULATION POLICIES/PROGRAMMES AND REPRODUCTIVE HEALTH</td>
<td>130</td>
</tr>
<tr>
<td>Quality and availability of sanitation facilities and water sources</td>
<td>WATER SUPPLY AND SANITATION</td>
<td>140</td>
</tr>
<tr>
<td>Strength of legal rights and opportunity (for women) to organize and represent themselves</td>
<td>GOVERNMENT AND CIVIL SOCIETY</td>
<td>151</td>
</tr>
<tr>
<td>Women’s visibility in public roles, availability and quality of women’s networks and awareness of gender issues</td>
<td>WOMEN IN DEVELOPMENT(^{35})</td>
<td>420</td>
</tr>
</tbody>
</table>

It is important to bear in mind that the logic mapping process conducted here was not perfect. None of the conditions analysed in this study directly correspond to any of the DAC sectors, meaning there is room for error in the prioritization of investment. For instance, the variables EDUCEXPN and HEALTHEXPN represent public spending on health and education, respectively. Spending alone is an imperfect indication of quality and availability; one country

---

\(^{32}\) This is the DAC 5 Code, or the first three digits of the code. It refers to the DAC5 sector or category.

\(^{33}\) Includes: Education, level unspecified; Basic education; and Secondary education

\(^{34}\) Includes: Health, general; and Basic Health

\(^{35}\) This code is included in some lists of OECD-DAC Codes but not others, e.g. it is listed in AusAID’s version of DAC Code descriptions (2011), but not the list of CSR purpose codes (2010) available on the OECD website.
may spend more on education than another, but less effectively and efficiently. While the following exercise will certainly provide evidence-based findings, rooted in a comprehensive methodological process, it cannot be assumed to provide perfect information regarding the merits of investing in any of the sectors specified.
9. Framework for Analysis

The DAC sectors included in Table 3 are all logically connected to country conditions shown to have a relationship with women’s economic empowerment. Donor agencies seeking to create the conditions for women’s economic empowerment would therefore be justified in targeting their investment towards any of these sectors. Of course, like all public entities operating with limited resources, international aid agencies should be strategic in their use of finances. Indeed, while all of the sectors (EDUCATION, HEALTH, POPULATION POLICIES/PROGRAMS AND REPRODUCTIVE HEALTH, WATER SUPPLY AND SANITATION, GOVERNMENT AND CIVIL SOCIETY, and WOMEN IN DEVELOPMENT) are worthy of investment, thorough consideration of the merits of investing in each is a necessary step towards the development of a sound strategy for supporting women’s economic empowerment.

This section sets out a systematic framework for analysing the six sectors listed above as distinct options for investment. The framework reflects the study’s goals, and draws upon a relevant set of evaluation criteria and measures.

9.1. Goals and Objectives

The goal of this study is to enable donor agencies to make informed gender-sensitive investment decisions that promote the long-term goal of sustainable development. More immediately, this study seeks to identify investments, feasible for CIDA, with the potential to improve women’s access to and control over economic resources. With a view to meeting these goals, the criteria and measures outlined below are used to evaluate the aforementioned investment options.


9.2. Criteria and Measures

Four criteria are used to evaluate the potential for each investment option (outlined in the previous section) to, commensurate with CIDA’s mandate, support women’s economic empowerment and the long-term goal of sustainable development. The criteria: effectiveness, political feasibility, equity, and accountability; were selected because they are relevant, measurable, and can be used to assess policies at a general, cross-country level. Each criterion is measured using a scale of high, medium and low. Investments receiving a rank of “high” get a score of 3 for that criterion, investments that rank “medium” receive a score of 2, and investments ranked “low” receive a score of 1. The total score is used to rank investment options. Table 4 summarizes the criteria and measures used for analysis.

While they are not included as criteria for analysis in this study, it is also important for donor agencies to consider the efficiency and viability of investments on an individual country or regional basis. Efficiency, or the size of the investment required to affect change, is an important consideration that should precede any use of public funds. Viability, being the likelihood that aid dollars could realistically be targeted to significantly affect the relevant country condition, is equally important. Indeed, aid agencies should carefully consider whether the investment could significantly improve the intended condition in the short, medium and long terms in a cost-effective way before moving forward. Unfortunately, it was not practical to include these criteria in this study, which takes a more general, cross-country, perspective.
### Table 4. Criteria and Measures

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Definition</th>
<th>Measurement</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Effectiveness</strong></td>
<td>The extent to which investments in the targeted sector are expected to support women's economic empowerment; as indicated by the strength of the relationship between the sector and the observed level of empowerment, and / or the views of experts interviewed.</td>
<td>Improvements in the sector were shown to have a positive relationship with women’s economic empowerment, significant at the 10% level or below(^{36}), or (if it was not included as a variable in the regression analysis) the investment was endorsed by the all of the interviewees.</td>
<td>High (3)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Improvements in the sector were shown to have a positive relationship with women’s economic empowerment that, although not significant, was endorsed by 3 or 4 interviewees. Or (if it was not included as a variable in the regression analysis) 2 or 3 interviewees endorsed the investment.</td>
<td>Medium (2)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Improvements in the sector were not shown to have a significant positive relationship with women’s economic empowerment and did not receive endorsement by 3 or 4 of the interviewees. Or (if it was not included as a variable in the regression analysis) 1 or no interviewee endorsed the investment.</td>
<td>Low (1)</td>
</tr>
<tr>
<td><strong>Political Feasibility</strong></td>
<td>The level of acceptance and support for the investment expected among major stakeholders - including the Government of Canada, and foreign country governments.</td>
<td>Investments to the sector are unlikely to be contentious, domestically or in recipient countries</td>
<td>High (3)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Investments to the sector are likely to spur political resistance either domestically or in recipient countries.</td>
<td>Medium (2)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Investments to the sector are likely to spur political resistance, both domestically and in recipient countries.</td>
<td>Low (1)</td>
</tr>
</tbody>
</table>

\(^{36}\) If a variable is included in both regressions, or if the sector is a composite of two variables (i.e. Water and sanitation) the average of the two significance scores is taken into account.
### Equity

<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>High (3)</td>
<td>The extent to which the investment stands to improve the lives of all members of the community in which the investment is made (men and women) in the short to medium term.</td>
<td>Most members of the community – irrespective of age, race, or gender - are likely to benefit from investments to the sector.</td>
</tr>
<tr>
<td>Medium (2)</td>
<td>Investments to the sector are expected to disproportionately or exclusively benefit women, irrespective of race or age.</td>
<td></td>
</tr>
<tr>
<td>Low (1)</td>
<td>Only a small subset of the population (e.g. women of a particular age group or with a particular skill set) is likely to benefit from investments to the sector.</td>
<td></td>
</tr>
</tbody>
</table>

### Accountability

<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>High (3)</td>
<td>Ability to measure the outcomes (intermediate and ultimate) and justify the investment to stakeholders</td>
<td>An investment to the sector would deliver positive outcomes that can clearly and easily be causally linked to the investment, are quantifiable, and can be directly measured in the short to medium term.</td>
</tr>
<tr>
<td>Medium (2)</td>
<td>An investment to the sector would deliver positive outcomes that can, with some difficulty, be demonstrated to have a causal relationship with the investment, and can be indirectly measured in the short to medium term.</td>
<td></td>
</tr>
<tr>
<td>Low (1)</td>
<td>An investment to the sector would deliver positive outcomes that are difficult to prove as being causally linked to the investment, and are equally difficult to measure, in any way, in the short to medium term.</td>
<td></td>
</tr>
</tbody>
</table>

#### 9.2.1. Effectiveness

The effectiveness criterion reflects the extent to which investments targeting a given sector are expected to support women’s economic empowerment. The level of effectiveness is high, medium, or low.

---

37 Although the immediate goal of this study is to make recommendations that empower women, the ultimate goal is to support sustainable economic development. Improving the well being of all members of the community, including women, is in line with achieving this goal.

38 Any investments supporting the economic empowerment of women are expected to improve the lives of most members of the community in the long term; women’s economic empowerment is associated with improved development outcomes.
deduced from the directionality and significance of the relationship between the sector for investment and empowerment levels, discovered during the regression analysis section of this study; and / or the views of experts interviewed.

The regressions in Section 6 explain movements in the dependent variable, women’s economic empowerment, as a function of movements in multiple independent variables, representing country conditions. Assuming they are a reasonable representation of the underlying dynamics\(^{39}\), the estimated coefficients of each independent variable indicates the incremental effect, of a change in a specified country condition, on the dependent variable. The significance level indicates the probability that the relationship between the dependent and independent variables, represented by coefficients, is unlikely to have occurred by chance. The lower the significance level, the higher the probability that the coefficient reflects a true relationship between the dependent and independent variable (Studenmund 563).\(^{40}\)

With this understanding of the underlying dynamics, the relationship between two variables can be assessed with consideration of both the coefficients and the significance levels. The coefficients and significance levels are therefore referenced to evaluate the effectiveness of investments that target the sectors corresponding to the country conditions included in the regressions. Investments are ranked as highly effective if improvements in the condition corresponding to the sector are shown to have a positive relationship with women’s economic empowerment, significant at the 10% level or below. They are ranked as medium if the relationship between improvements in the condition corresponding to the sector and women’s economic empowerment was not significant, but 3 or 4 interviewees endorsed the investment. Finally, investments are ranked “low” in terms of effectiveness if improvements in the sector are not shown to have a positive relationship with women’s economic empowerment that is significant and less than 3 of the interviewees endorsed the investment.

\(^{39}\) Which the R-Squared values suggest they are.

\(^{40}\) The significance level is indicated by the P-value, or the probability of obtaining a test statistic at least as extreme as the observed, assuming the null-hypothesis (that the variable is not related to women’s economic empowerment) is true. A low P-value indicates a lower probability that the null-hypothesis is true, and therefore, a higher probability that they relationship is statistically significant.
Some sectors, not captured in the regression analysis section, were brought up as worthy of investment in the case study analysis section of this study. The effectiveness of investing in these sectors is assessed with consideration of the views expressed during the expert interviews. The corresponding investment options are ranked as highly effective if endorsed by the all of the interviewees; medium if endorsed by 2 or 3 interviewees; and low if 1 or no interviewee endorsed the investment.

9.2.2. Political Feasibility

All investments that support women’s economic empowerment in developing nations are arguably good. Different stakeholder groups, however, are likely to view some investments more positively than others. Indeed some stakeholders may be fundamentally opposed to the nature of a particular investment. Depending on the stakeholder, their views could jeopardize the realization of the investment’s goals and objectives.\(^1\) The political feasibility criterion, therefore, assesses the level of acceptance and support for the investment expected among stakeholders, including the Government of Canada, and foreign country governments. The assessment includes consideration of the Government of Canada’s stated priorities, and careful consideration of the potential for investments to conflict with various cultures and traditions, broadly speaking. An investment is ranked “high” if it is unlikely to be contentious, domestically or in recipient countries. A ranking of “medium” is applied if the investment is likely to spur political resistance either domestically or in recipient countries, and “low” is applied if the investment is likely to spur political resistance, both domestically and in recipient countries.

9.2.3. Equity

Although the negative effects of poverty are often intensified by gender, both men and women in developing countries are disadvantaged by a lack of access to economic resources and opportunities. An ideal investment would not only support the empowerment of women, it would also contribute to the improved wellbeing of all members in the community being targeted.

\(^{41}\) Domestically, funding could be cut-off. In recipient countries opposition forces could interfere with activities.
The equity criterion reflects this understanding; it evaluates the propensity of an investment to improve the lives of all members of the community (men and women) in which it is made. Investment options are ranked “high” if most members of the community—irrespective of age, race, or gender—are likely to benefit from the investment. They are ranked “medium” if the investment is expected to disproportionally or exclusively benefit women, irrespective of race or age. Finally, investment are ranked “low” if only a small subset of the population (e.g. women of a particular age group or with a particular skill set) is likely to benefit from the investment.

9.2.4. Accountability

Accountability and transparency are priorities for the current Government of Canada. CIDA, like all Canadian government agencies, is expected to measure performance and demonstrate how Canadian tax dollars are being used to achieve results. This means documenting the causal or logical relationship between the Canadian aid dollars invested, development activities undertaken, and outcomes achieved by any and all CIDA-funded policies, programs, and initiatives. Documenting results not only supports accountability to Canadians, it also enables learning, therein providing an opportunity for development projects to be built upon or modified to achieve improvements.

---

42 This criterion is concerned with formal equality as opposed to substantive equality; the rationale being that there would be no differentiation between the sectors, and no value added, by including substantive equality as a criterion for evaluation. Each variable included in this study was selected or highlighted because investments in support of the condition they represent could be designed to increase substantive equality. That is, investments could be designed to disproportionately benefit marginalized women—and therefore increase overall equality. Although the immediate goal of this study is to make recommendations that empower women, the ultimate goal is to support sustainable economic development. Improving the well being of all members of the community, including women (i.e. promoting formal equality) is in line with achieving this goal. Indeed, if an investment intended to benefit women, or the most marginalized of women, also has positive short term and medium term benefits for other groups of people in developing countries (who are also marginalized!), then that can only increase the value of the investment.
Investment options are evaluated in terms of how well they and their outcomes (immediate, intermediate and ultimate\textsuperscript{43}) lend themselves to being measured and justified to stakeholders, while staying in line with departmental objectives and in compliance with government policy and procedure. An investment ranks “high” in terms of accountability if it delivers positive outcomes that are quantifiable and can be \textit{directly} measured in the short, medium and long terms. An investment ranks “medium” if it delivers positive outcomes that can be indirectly measured in the short, medium and long terms. Finally, an investment ranks “low” if its positive outcomes are difficult to measure, in any way, in the short, medium, and long terms.

It is important to bear in mind that the ultimate outcome being sought – women’s economic empowerment- is difficult to directly measure and attribute to any particular investment. This exercise of evaluating investments in terms of accountability, therefore provides more weight to the immediate and intermediate terms.

\textsuperscript{43}Intermediate outcomes occur in the medium term. They are “usually achieved by the end of a project/ program and usually occur at the change of behaviour/ practice level among beneficiaries”. Ultimate outcomes “usually represent the raison d’être of an organization, policy, program, or initiative, and takes the form of a sustainable change of state among beneficiaries”\textsuperscript{(CIDA 2008 RBM Policy Statement)}
10. Evaluation of Investment Options

This section evaluates the investment options outlined in section 7, namely, the DAC sectors: EDUCATION, HEALTH, POPULATION POLICIES/PROGRAMS AND REPRODUCTIVE HEALTH, WATER SUPPLY AND SANITATION, GOVERNMENT AND CIVIL SOCIETY, and WOMEN IN DEVELOPMENT. Each investment option is scored according to the criteria and measures described above, and then ranked on the basis of their cumulative scores. The order should reflect the relative likelihood that, for each sector, targeted investments would support women’s economic empowerment and the long-term goal of sustainable development.

10.1. EDUCATION

EDUCATION received a cumulative score of 10, placing it in the 3rd order of priority for investment.

The variable representing this sector in the regression analysis was not found to have a relationship with the dependent variable, significant at the 10 percent level or below. This result, however, likely has to do with the nature of the variable used; if the regression analysis were to have incorporated a variable representing quality of education or cohort completion rates at primary or secondary level, as opposed to public spending, the variable might have had a more significant positive effect on the economic empowerment of women. Unfortunately sufficient data for these variables was not available. Still, despite receiving a low rank in the quantitative component of the analysis, education was endorsed as an essential investment by each of the interviewees. Taking all of this into account, investments targeting the DAC sector EDUCATION rank “medium” on effectiveness.

In terms of feasibility and equity, this investment option ranks “high”. Education is a known precursor for development and economic growth. The rationale for targeting investments toward the EDUCATION sector is likely to be easily understood and accepted, domestically and in recipient countries, meaning political resistance would be minimal. Meanwhile, males and
females from pre-school age to adult ages have the potential to benefit from investments to this sector in the short and medium terms. Investment in the EDUCATION sector can therefore be said to treat most members of the community equitably.

Finally, this option ranks “medium” on accountability. There are certainly quantifiable and measurable immediate outcomes such as enrolment rates and completion rates. On the other hand, measuring the quality of education and the extent to which investments to this sector have contributed to learning and the development of relevant and life skills can only be measured indirectly, with some difficulty.

10.2. HEALTH

The cumulative score for this option is 12, making HEALTH a top priority for investment.

To begin with, investments to this sector rank “high” in terms of effectiveness. Variables corresponding to this sector were included in both models employed regression analysis; the average significance level across the two was below 5 percent. Likewise, this investment option ranks “high” on political feasibility and equity: the rationale behind investing in the HEALTH sector is easily understood and therefore unlikely to be contentious; and all members of a community stand to benefit from increased availability and quality of health services expected to result from these investments. Finally, investments to this sector can be demonstrably and causally linked to most positive outcomes. Most health outcomes, such as improved immunization rates, reductions in transmissions of communicable diseases, and lower maternal and child mortality rates are quantifiable and directly measurable.
10.3. POPULATION POLICIES/ PROGRAMMES AND REPRODUCTIVE HEALTH

This investment option has a cumulative score of 9, placing it in the 4th order of priority for investment.

The regression analysis indicates that investments in this sector are highly effective\textsuperscript{44}. In contrast, political feasibility for this option is low; family planning policies and programmes, and many interventions having to do with reproductive health are likely to be contentious, at least to some extent, domestically as well as in recipient countries. In terms of equity, this option is ranked “medium”; investments targeting this sector will disproportionately benefit women, but not a particular group of women. Indeed, in many developing countries, high fertility rates and other issues associated with reproductive health cut across age\textsuperscript{45} and race. Finally, this investment option ranks “high” on accountability. Fertility rates, maternal morbidity and child mortality rates, as well as STD and HIV/ AIDS infection rates are all directly measurable, and reductions can be causally linked to interventions that would be included within this sector.

10.4. WATER SUPPLY AND SANITATION

The cumulative score for this option is 12, placing it alongside HEALTH as a top priority for investment.

Investments targeting this sector rank “high” across all of the criteria. The average significance level across the variables representing quality and availability of both water and sanitation was below 10 percent. Investments to improve infrastructure related to water and sanitation are unlikely to be contentious, domestically or in recipient countries, and access to the benefits of such investments would not accrue to one gender, age, or race more so than any

\textsuperscript{44} The relationship between lower fertility rates and women’s economic empowerment was significant at the 1 percent level.

\textsuperscript{45} Adolescent and adult fertility rates are both problematic in many developing countries
other. Finally, the outcomes of investments to this sector (e.g. wells and toilets) are quantifiable and traceable to the investment.

10.5. GOVERNMENT AND CIVIL SOCIETY

The cumulative score for this sector for investment is 8.

Taking into account the low significance of the variable RIGHTS, as well as the endorsement by all interviewees of the facilitation of women’s networking and organizing opportunities, this option ranks “medium” on effectiveness. The investment option ranks “medium” on political feasibility as well. While investments in this sector (e.g. investments to combat corruption, bribery, and money-laundering; support for media and free flow of information, NGOs, and human rights – might all be viewed as intrusive) are likely to receive support domestically, they may not be well received by developing country governments. Most members of the community in which an investment to this sector is made are likely to benefit, so the option ranks “high” on equity. The outcomes of investments to this sector, such as the strength of rights frameworks, or the ability of individuals to organize, are not directly measurable, nor are they clearly attributable to the investments. Consequently this options ranks “low” on accountability.

10.6. WOMEN IN DEVELOPMENT

The cumulative score for this investment option is also 8.

The effectiveness of investing in this sector ranks “high” as per unanimous interviewee support for raising awareness of gender issues, particularly among political leaders, and facilitating the formation of women-to-women networks. The option ranks “medium” in terms of political feasibility, as there is potential for minimal resistance in recipient countries to investments that explicitly seek to empower women, especially in areas where discriminatory cultural norms are particularly prevalent and/or entrenched. Investments to this sector disproportionately benefit women, though the sector as a whole does not refer to any specific group of women. This option therefore ranks “medium” on equity. Like the GOVERNMENT AND CIVIL SOCIETY sector, the outcomes of investments in this sector, such as increased agency or
improved levels of gender awareness amongst leadership, are not directly measurable, nor are they clearly attributable to the investments. Thus, this option ranks “low” on accountability.

**Table 5. Investment Option Evaluation Matrix**

<table>
<thead>
<tr>
<th>Category</th>
<th>Effectiveness</th>
<th>Political Feasibility</th>
<th>Equity</th>
<th>Accountability</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>EDUCATION</td>
<td>Medium (2)</td>
<td>High (3)</td>
<td>High (3)</td>
<td>Medium (2)</td>
<td>10</td>
</tr>
<tr>
<td>HEALTH</td>
<td>High (3)</td>
<td>High (3)</td>
<td>High (3)</td>
<td>High (3)</td>
<td>12</td>
</tr>
<tr>
<td>POPULATION POLICIES &amp; REPRODUCTIVE HEALTH</td>
<td>High (3)</td>
<td>Low (1)</td>
<td>Medium (2)</td>
<td>High (3)</td>
<td>9</td>
</tr>
<tr>
<td>WATER SUPPLY &amp; SANITATION</td>
<td>High (3)</td>
<td>High (3)</td>
<td>High (3)</td>
<td>High (3)</td>
<td>12</td>
</tr>
<tr>
<td>GOVERNMENT &amp; CIVIL SOCIETY</td>
<td>Medium (2)</td>
<td>Medium (2)</td>
<td>High (3)</td>
<td>Low (1)</td>
<td>8</td>
</tr>
<tr>
<td>WOMEN IN DEVELOPMENT</td>
<td>High (3)</td>
<td>Medium (2)</td>
<td>Medium (2)</td>
<td>Low (1)</td>
<td>8</td>
</tr>
</tbody>
</table>
11. Investment Implications

Investments that support women’s economic empowerment are not only valuable in their own right as instruments of justice and equality, they also have positive effects across a range of development indicators. Each of the sectors evaluated here are positively related to women’s empowerment, and are therefore worthy of investment. The unfortunate reality, however, is that the resources of development agencies such as CIDA are limited, and this necessitates the strategic prioritization of investments. Indeed, donor agencies should select investment options with a view to meeting their goals and objectives as efficiently and effectively as possible. For CIDA, investments should also be selected with the objective of demonstrating that Canadian tax dollars are being used, in accordance with Canadian values, to contribute to the achievement of development results.

Six investment options were evaluated and ranked with the aim of informing the strategic investment of Canadian aid dollars in support of women’s economic empowerment. The results of the evaluation suggest that the sectors WATER SUPPLY AND SANITATION and HEALTH should be top priorities for investment. Both of these investment options received the highest possible ranking, as they proved to be effective, politically feasible, supportive of equality, and in line with the Canada’s current accountability framework. Investments that support the improvement of basic infrastructure and services related to health, water and sanitation have great potential to improve women’s wellbeing, while reducing the burdens of domestic care work, and in turn, promoting agency. Improving access to water sources, sanitation facilities, and health care will benefit society as a whole, but will particularly benefit women by reducing their time, health, and care-giving burdens – enhancing their well-being and agency.

Not surprisingly, EDUCATION also ranked high as a priority for investment, and was closely followed by the sector POPULATION POLICIES/ PROGRAMMES AND REPRODUCTIVE health. The later proved to be one of the most effective investment options, but received a lower score due to the potential for political resistance, both domestically and in developing nations. Finally, the sectors GOVERNMENT AND CIVIL SOCIETY and WOMEN IN
DEVELOPMENT received the lowest rank in this evaluation, largely due to the problems they posed in terms of accountability for results.

Poverty and disempowerment are systemic. Successfully empowering women in developing nations requires a multifaceted approach. The analysis presented here suggests that a successful approach should include attention to basic infrastructure such as water and sanitation, and improving the quality and availability of health services. Still, supporting improvements in the availability and quality of education, engaging in reproductive health and family planning efforts, facilitating the formation of women-to-women networks, and promoting gender awareness will further contribute to improvements in women’s agency and wellbeing, and help secure more sustainable results.
12. Conclusion

Women’s economic empowerment refers to both the process and outcome of increasing women’s access to and control over economic resources and opportunities. It is something to be valued for its own sake, but also for its instrumental value in the pursuit of economic growth and development. Indeed, women’s empowerment contributes positively to national productivity and growth, and supports the realization of all of the Millennium Development goals.

Recognizing the value of supporting women’s participation in economic activities, key players in the international community have begun making commitments to support women’s economic empowerment. Unfortunately, in spite of impressive efforts to address gender inequalities, women in all regions of the world continue to be marginalized as economic actors relative to men. In developing countries especially, women are systemically excluded from the physical, financial, and intellectual resources required for meaningful participation in the processes of economic growth. International aid agencies can help address these gaps by ensuring aid dollars are targeted effectively. In order to formulate concrete and effective action plans, however, donor agencies must first develop an understanding of the dynamics that underlie existing gender disparities.

This study sought to help address an apparent knowledge gap within the international community as to the best use of gender-equality focussed aid. It employed a mixed methodological approach to develop and evaluate six investment options, each with the potential to promote a more equitable distribution of resources and opportunities in developing countries. The study found that the sectors representing a country’s quality and availability of health services, water sources, and sanitation facilities should be top priorities for investment among donor agencies interested in supporting women’s economic empowerment in developing nations. Investments that support improved health services and enhanced quality of water and sanitation facilities stand to reduce the time and care-giving burdens felt by many women, thereby improving their wellbeing, and in turn, increasing their productivity and agency.
The study also found that there are positive synergies between women’s economic empowerment and investments that improve the quality and availability of education, lower fertility rates, raise awareness and sensitize leadership of gender issues, and improve women’s abilities to network and represent themselves. The sectors representing these conditions should, therefore, be considered worthy of investment. Indeed, while the evidence discussed in this study points to key areas to target investments, it also illustrates that there is no single factor which plays a chief role in supporting women’s economic empowerment. Poverty and disempowerment are systemic. Successfully empowering women in developing nations requires a multifaceted approach.

The study also provided insights relevant to the development and implementation of projects and programmes, in any sector. It highlighted the importance of taking cultural and historical contexts into account. In circumstances where cultural norms are deeply entrenched, such as Pakistan, projects should work with cultural norms and engage community members, men and women, as much as possible. In addition, the study pointed to the need for decision makers to plan for the possibility of negative, unintended consequences so as to ensure the realization of positive outcomes. Finally, this study underscored the need for members of the international community to continue researching and investigating this topic. Gathering quality sex-disaggregated data is an essential first step to better understanding the relationship between various national conditions and women’s economic empowerment, and in turn, deciding where and how to target international aid most effectively.
Works Cited


Appendix A.
### Variable Definitions

#### Table 6. Dependent Variables: Proxies for Women’s Economic Empowerment

<table>
<thead>
<tr>
<th>Variable</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>GII Score</td>
<td>Gender Inequality Index Score. Reflects the level of gender equality in a country across the dimensions of reproductive health, empowerment and the labour market. Scores range from 0 to 1, where 0 indicates equality across genders.</td>
</tr>
<tr>
<td>WEOI Score</td>
<td>Women’s Economic Opportunity Index Score. Signifies the quality of a country's economic environment from the perspective of women entrepreneurs. The composite score reflects the categories: labour policy and practice; access to finance; education and training; women’s legal status and rights; and the general business environment. Scores range from 0 to 100, where 100 is the most favourable.</td>
</tr>
</tbody>
</table>

#### Table 7. Independent Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>SANITATION</td>
<td>The percentage of the national population with adequate access to excreta disposal facilities that can effectively prevent human, animal, and insect contact with excreta.</td>
</tr>
<tr>
<td>WATER</td>
<td>The percentage of the national population with reasonable access to an adequate amount of water from an improved source (e.g. household connection, public standpipe, borehole, protected well or spring, and rainwater collection).</td>
</tr>
<tr>
<td>MORTALITYU5</td>
<td>The under-5 mortality rate, or, probability per 1,000 that a newborn will die before reaching age 5.</td>
</tr>
<tr>
<td>FERTILITY</td>
<td>Total births expected per woman.</td>
</tr>
<tr>
<td>HEALTHEXPN</td>
<td>The natural log of the sum of public and private health expenditure, as a percentage of total GDP.</td>
</tr>
<tr>
<td>EDUCEXPN</td>
<td>The natural log of the sum of current and capital public expenditure on education.</td>
</tr>
<tr>
<td>PROPREP</td>
<td>The proportion of seats held by women in national parliaments.</td>
</tr>
<tr>
<td>RIGHTS</td>
<td>Score on the World Bank’s Strength of Legal Rights Index, which measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders.</td>
</tr>
<tr>
<td>GDP</td>
<td>The natural log of gross domestic product, converted into international dollars using purchasing power parity rates, and divided by the midyear population.</td>
</tr>
<tr>
<td>CEDAW</td>
<td>Commitment level to the Convention on the Elimination of All Forms of Discrimination Against Women. Countries received a point for being party to the convention, an additional point for having no reservations, and a final point for being party to the optional protocol. Points were summed to provide a total score out of 3 for each country.</td>
</tr>
</tbody>
</table>
## Hypotheses

**Table 8. Variable Hypotheses**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Expected Sign, GII</th>
<th>Expected Sign, WEOI</th>
<th>Hypothesis⁴⁶</th>
</tr>
</thead>
<tbody>
<tr>
<td>SANITATION</td>
<td>Negative (-)</td>
<td>NA</td>
<td>H₀: β ≤ 0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Hₐ: β &gt; 0</td>
</tr>
<tr>
<td>WATER</td>
<td>NA</td>
<td>Positive (+)</td>
<td>H₀: β ≤ 0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Hₐ: β &gt; 0</td>
</tr>
<tr>
<td>MORTALITYU5</td>
<td>NA</td>
<td>Negative (-)</td>
<td>H₀: β ≥ 0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Hₐ: β &lt; 0</td>
</tr>
<tr>
<td>FERTILITY</td>
<td>Positive (+)</td>
<td>NA</td>
<td>H₀: β &gt; 0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Hₐ: β &lt; 0</td>
</tr>
<tr>
<td>HEALTHEXPN</td>
<td>Negative (-)</td>
<td>Positive (+)</td>
<td>H₀: β ≤ 0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Hₐ: β &gt; 0</td>
</tr>
<tr>
<td>EDUCEXPN</td>
<td>Negative (-)</td>
<td>NA</td>
<td>H₀: β ≤ 0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Hₐ: β &gt; 0</td>
</tr>
<tr>
<td>PROPREP</td>
<td>NA</td>
<td>Positive (+)</td>
<td>H₀: β ≤ 0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Hₐ: β &gt; 0</td>
</tr>
<tr>
<td>RIGHTS</td>
<td>Negative (-)</td>
<td>NA</td>
<td>H₀: β ≤ 0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Hₐ: β &gt; 0</td>
</tr>
<tr>
<td>GDP</td>
<td>Negative (-)</td>
<td>Positive (+)</td>
<td>H₀: β ≤ 0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Hₐ: β &gt; 0</td>
</tr>
<tr>
<td>CEDAW</td>
<td>Negative (-)</td>
<td>NA</td>
<td>H₀: β ≤ 0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Hₐ: β &gt; 0</td>
</tr>
</tbody>
</table>

⁴⁶ β > 0 The variable has a positive, or no, statistically significant effect on women’s economic empowerment

β ≥ 0 The variable has a statistically significant positive effect on women’s economic empowerment

β ≤ 0 has a negative, or no, statistically significant effect on women’s economic empowerment

β < 0 The variable has a statistically significant negative effect on women’s economic empowerment
Descriptive Statistics

Table 9. Descriptive Statistics: Dependent Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Median</th>
<th>Maximum</th>
<th>Minimum</th>
<th>Standard Deviation</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>WEOI Score</td>
<td>40.90</td>
<td>42.35</td>
<td>59.72</td>
<td>14.49</td>
<td>9.56</td>
<td>-0.53</td>
<td>3.36</td>
</tr>
<tr>
<td>GII Score</td>
<td>0.52</td>
<td>0.54</td>
<td>0.77</td>
<td>0.27</td>
<td>0.12</td>
<td>-0.38</td>
<td>2.45</td>
</tr>
</tbody>
</table>

Figure 4. GII Histogram

![GII Histogram](image)

Figure 5. WEOI Histogram

![WEOI Histogram](image)
Table 10. Descriptive Statistics: Independent Variables, GLM Model

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Median</th>
<th>Maximum</th>
<th>Minimum</th>
<th>Standard Deviation</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>SANITATION</td>
<td>54.38</td>
<td>52.00</td>
<td>98.00</td>
<td>9.00</td>
<td>28.66</td>
<td>0.04</td>
<td>1.69</td>
</tr>
<tr>
<td>FERTILITY</td>
<td>3.68</td>
<td>3.41</td>
<td>7.12</td>
<td>1.39</td>
<td>1.49</td>
<td>0.42</td>
<td>2.17</td>
</tr>
<tr>
<td>HEALTHEXPN</td>
<td>2.74</td>
<td>2.65</td>
<td>8.38</td>
<td>0.70</td>
<td>1.62</td>
<td>1.30</td>
<td>5.11</td>
</tr>
<tr>
<td>EDUCEXPN</td>
<td>4.66</td>
<td>4.00</td>
<td>14.23</td>
<td>1.64</td>
<td>2.17</td>
<td>1.95</td>
<td>9.19</td>
</tr>
<tr>
<td>RIGHTS</td>
<td>4.85</td>
<td>4.00</td>
<td>10.00</td>
<td>1.00</td>
<td>2.40</td>
<td>0.36</td>
<td>1.91</td>
</tr>
<tr>
<td>GDP</td>
<td>3035.17</td>
<td>2228.99</td>
<td>8150.13</td>
<td>386.07</td>
<td>2150.48</td>
<td>0.86</td>
<td>2.69</td>
</tr>
<tr>
<td>CEDAW</td>
<td>2.28</td>
<td>2.00</td>
<td>3.00</td>
<td>0.00</td>
<td>0.852</td>
<td>-0.98</td>
<td>3.20</td>
</tr>
</tbody>
</table>

Table 11. Descriptive Statistics: Independent Variables, WEIO Model

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Median</th>
<th>Maximum</th>
<th>Minimum</th>
<th>Standard Deviation</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>WATER</td>
<td>79.08</td>
<td>84.00</td>
<td>99.00</td>
<td>38.00</td>
<td>15.46</td>
<td>-0.69</td>
<td>2.51</td>
</tr>
<tr>
<td>MORTALITYU5</td>
<td>65.61</td>
<td>54.71</td>
<td>168.70</td>
<td>14.10</td>
<td>46.35</td>
<td>0.60</td>
<td>2.10</td>
</tr>
<tr>
<td>HEALTHEXPN</td>
<td>2.38</td>
<td>2.18</td>
<td>5.89</td>
<td>0.70</td>
<td>1.20</td>
<td>0.93</td>
<td>3.70</td>
</tr>
<tr>
<td>PROPREP</td>
<td>14.92</td>
<td>13.52</td>
<td>30.40</td>
<td>0.30</td>
<td>7.55</td>
<td>0.25</td>
<td>2.23</td>
</tr>
<tr>
<td>GDP</td>
<td>3439.93</td>
<td>2680.57</td>
<td>8250.16</td>
<td>842.43</td>
<td>2177.64</td>
<td>0.82</td>
<td>2.60</td>
</tr>
</tbody>
</table>
Data Diagnostics

Table 12. Correlation Matrix: GII Model Independent Variables

<table>
<thead>
<tr>
<th></th>
<th>SANITATION</th>
<th>RIGHTS</th>
<th>FERTILITY</th>
<th>HEALTHEXP</th>
<th>GDP</th>
<th>EDUCEXP</th>
<th>CEDAW</th>
</tr>
</thead>
<tbody>
<tr>
<td>SANITATION</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RIGHTS</td>
<td>0.0513</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FERTILITY</td>
<td>-0.655</td>
<td>-0.174</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HEALTHEXP</td>
<td>0.174</td>
<td>0.076</td>
<td>-0.085</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GDP</td>
<td>0.745</td>
<td>0.093</td>
<td>-0.731</td>
<td>0.039</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EDUCEXP</td>
<td>-0.018</td>
<td>-0.065</td>
<td>-0.033</td>
<td>0.408</td>
<td>0.070</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>CEDAW</td>
<td>-0.089</td>
<td>-0.170</td>
<td>-0.168</td>
<td>0.052</td>
<td>-0.173</td>
<td>-0.115</td>
<td>1.000</td>
</tr>
</tbody>
</table>

Table 13. Correlation Matrix: WEOI Model Independent Variables

<table>
<thead>
<tr>
<th></th>
<th>WATER</th>
<th>PROPREP</th>
<th>MORTALITYU5</th>
<th>HEALTHEXP</th>
<th>GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>WATER</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PROPREP</td>
<td>-0.161</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MORTALITYU5</td>
<td>-0.715</td>
<td>0.078</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HEALTHEXP</td>
<td>0.248</td>
<td>0.0525</td>
<td>-0.215</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>GDP</td>
<td>0.715</td>
<td>-0.088</td>
<td>-0.752</td>
<td>-0.307</td>
<td>1.000</td>
</tr>
</tbody>
</table>
Appendix B.
Logic Mapping Process and Results

A logic mapping process was used to create investment options. This involved listing and defining the country conditions assessed in the study, and connecting them to a DAC sector and sector code, based on similarities between each condition and the scope of each sector.

The independent variables EDUCEXPN and HEALTHEXPN were included in the quantitative element of this analysis to represent the quality and availability of a country’s education and health services. Investment options representing these conditions were created by mapping, public spending on education to the DAC sector EDUCATION, corresponding to codes 110 through 114, and public spending on health to the DAC sector HEALTH, corresponding to codes 120 to 123. Codes 110 to 114 capture education policy and administrative management, teacher training, instruction at all levels (early childhood, primary, secondary, vocational, and post-secondary), as well as educational facilities. Codes 120 to 123 cover assistance to hospitals, clinics, and other medical services, health-related education and training, public health policy and administration, and health infrastructure.

The number of children that a woman is expected to give birth to over the course of her lifetime, or the fertility rate, was represented by the variable FERTILITY in section 6. To create an investment option, this variable was mapped to the sector POPULATION POLICIES/PROGRAMMES AND REPRODUCTIVE HEALTH, corresponding to the code 130. This sector covers all activities in the field of family planning, including the promotion of reproductive health and family planning service, and population research.

The variables WATER and SANTITATION were included in section 6 to represent the availability and quality of water sources and sanitation facilities respectively. The conditions represented by both of these variables were mapped to the sector WATER SUPPLY AND SANITATION and corresponding code 140. This sector captures investments that support water supply and use, as well as the development of sanitation facilities and water resources.

A fourth investment option was created using a combination of: the variable RIGHTS, representing strength of legal rights; and the ability for women to organize and represent themselves, brought up in the case study interviews and represented by the variable PROPREP in section 6. These variables were mapped to the sector GOVERNMENT AND CIVIL SOCIETY,
which corresponds to the code 150 and covers investments intended to strengthen administrative apparatuses and government planning capabilities, as well as investments to support good governance and civil society. It includes economic management and legal and judicial development. While this sector does not explicitly capture women’s abilities to network and represent themselves, it has to do with creating the conditions that enable them to do so (OECD DAC).

Women’s visibility in public roles, women’s networks and gender awareness are all conditions, not captured by the models in section 6, but explored in detail in section 7. To create a final investment option representing these conditions, they are mapped to the sector WOMEN IN DEVELOPMENT, coded 420. This sector covers activities concerned with women’s advancement that are not captured by other sectors, such as the promotion of women in development networks, conferences and seminars (AusAID).

The variable MORTALITYU5, representing the under-5 mortality rate, is logically associated with both the HEALTH and POPULATION POLICIES/PROGRAMMES AND REPRODUCTIVE HEALTH sectors. Lower fertility rates and improved health services are highly associated with lower child mortality. Investments coded 120-123, and 130, will therefore support reductions in under-5 mortality rates as well.
CIDA

CIDA is Canada’s lead agency for the administration of foreign aid and development assistance. Its mission is to “lead Canada's international effort to help people living in poverty”, and it seeks to achieve this mission by “managing Canada's support and resources effectively and accountably to achieve meaningful, sustainable results” (“About CIDA”, cida.gc.ca). The agency’s success is measured in terms of its contribution to the achievement of the MDGs, and therein, the reduction of poverty and creation of a better and safer world.

To ensure efficiency and effectiveness in its aid programming, CIDA has selected 20 countries of focus, and developed three key thematic priorities. Although it also contributes significantly to other countries and multilateral organizations, CIDA concentrates the bulk of its bilateral aid in its focus countries. The thematic priorities: Increasing Food Security; Securing the Future of Children and Youth; and Stimulating Sustainable Economic Growth, form the basis of the agency’s policy development and help give its activities a clear focus. They are supported by the cross-cutting themes of environmental sustainability, equality between men and women, and good governance, which are integrated into policy and programming (guided by the thematic priorities) to ensure effective international development results. This study will support CIDA’s cross-cutting theme of equality between men and women.

The 20 countries of focus, grouped by region, are: Bolivia; Colombia; Haiti; Honduras; Peru; and the Caribbean regional program which serves 11 Island states and 3 continental ones; Afghanistan; Bangladesh; Indonesia; Pakistan; Vietnam; Ukraine; West Bank and Gaza; Ethiopia; Ghana; Mali; Mozambique; Senegal; Sudan; and Tanzania.