The World Bank

THE WORLD BANK AND GENDER EQUALITY

AT A GLANCE:
Women’s and girls’ education and health levels have improved in most poor countries.
- In low-income countries, over 37 million girls have been enrolled in primary school since 1995, improving girls’ enrollment rate from 80% of boys’ enrollment rate in 1995 to 88% in 2005.
- By 2004, two thirds of 181 countries with primary schooling data achieved gender parity in enrollment, and the gender completion gap narrowed to 5% from 15% in 1991.
- Since 1970, average life expectancy for women increased by 15 to 20 years in developing countries.

But progress is lagging on improving women’s economic opportunities. In low-income countries today, women consistently trail men in formal labor force participation, access to credit, entrepreneurship rates, income levels, and inheritance and ownership rights.
- In low-income countries the female labor force shrunk from 53% in 1980 to 49% in 2005, while men’s employment rate remained steady at 86%.
- In 2005, women’s share in nonagricultural wage employment was only about 30% in low-income countries. For 20 countries in Sub-Saharan Africa, South Asia, and the Middle East and North Africa, it was below 20%.
- Women in Africa receive less than 10% of all credit going to small farmers and 1% of the total credit to the agricultural sector, while they make up a majority of agricultural workers.

This is neither fair nor smart economics. Life chances should not be pre-ordained at birth. But restricting economic opportunity for women is also bad economics: under-investing in women limits economic growth and slows down poverty reduction. Countries with greater gender equality tend to have lower poverty rates. Evidence links increases in women’s productivity and earnings to lower household poverty. Indian states with higher female labor force participation are precisely those with faster economic growth, which lifts people out of poverty. In Sierra Leone, lack of adequate actions to address women’s anemia is estimated to result in agricultural productivity losses of almost US$100 million over the next five years. In Brazil, the survival probability of a child increases by about 20 percent when income is in the hands of the mother.

In labor markets, there are good examples of the benefits women, industries, and economies draw from women’s participation in the labor force. In 1978, Bangladesh’s garment sector contributed only US$1 million to the total export revenue. By mid-2006, the annual export income from this industry, where an estimated 83% of workers are women, was close to US$8 billion and made up 75% of the total foreign exchange earned by the country annually.

In agriculture, a study in Ghana shows that women’s right to the land they work impacts productivity: workers who face insecure land rights fallow their plots less, leading to significantly lower yields. Researchers estimate that agricultural output could increase by a third with land titling.

When credit is provided directly to a woman, it has a significant effect on consumption expenditure, children’s schooling, and her labor supply. On average, an additional 100 taka of credit, provided to a
woman in Bangladesh, increases per capita household consumption expenditure by 18 taka, compared to 11 taka when given to a man. Moreover, studies show that it is also good business: repayment rates are higher for women in all regions of the world.

**Gender Equality as Smart Economics – a World Bank Group Action Plan**

To help increase women’s economic opportunities, and to speed implementation of its 2001 Gender Mainstreaming Strategy, the World Bank Group in 2007 launched *Gender Equality as Smart Economics*—a four-year Gender Action Plan (GAP). Mirroring global development indicators on women and girls, more than 90% of World Bank lending for health and education in the past two years incorporated gender issues in its design, compared to 69% of projects in the sectors of finance, agriculture, private sector development and infrastructure. The GAP therefore focuses on four key markets: land, labor, agriculture, and finance, and on infrastructure.

In February 2007, GAP activities kicked off at a conference opened by Germany’s Chancellor Angela Merkel, who strongly endorsed the World Bank action plan. Subsequently, the Presidents and Prime Ministers of the Group of Eight leading industrialized nations (“the G8”) endorsed the GAP at their annual meeting in June 2007. It also received unanimous support from Finance Ministers during the April 2007 Development Committee meeting. With resources from the Bank’s own funds and donor contributions, pledges to the GAP total US$38.5 million to date. Key donor partners in the implementation of the plan include the governments of Australia, Canada, Denmark, Germany, Iceland, Norway, Spain, Sweden, Italy, the United Kingdom and the Nike Foundation.

**Agriculture: Rural Land for Women in Ethiopia**

A GAP-funded study in Ethiopia examined a program that issued 20 million land use certificates to about 6 million households, finding that merely by providing space for both spouses’ pictures on the certificate, women’s registration for land ownership jointly with men increased significantly. What’s more: Almost all women respondents with joint certificates reported having improved their economic and social status. Over 80% of respondents indicated that the certification reduced conflicts and encouraged them to plant trees and rent out land. Evidence of this positive impact and cost-effectiveness influenced a decision to support a US$30m nationwide program that scaled up land-registration and certification throughout the country.

In April 2008, World Bank President Robert B. Zoellick committed the World Bank to new measures to boost women’s empowerment: By 2010, at least half of the Bank’s rural and agricultural projects, expected to total US$800 million, will address a gender concern; the World Bank Group’s private sector arm, the International Finance Corporation, will channel at least US$100 million toward women entrepreneurs by 2012; the International Development Association (IDA) will increase investments for gender equality; and innovative engagements with foundations and the private sector will help boost women’s economic empowerment.

Here are some illustrative examples of activities in the sectors targeted by the plan:

**Finance:** In Tanzania and Senegal, the GAP complements the IFC’s Gender Entrepreneurship Markets’ (GEM) work in establishing lines of credit for female bankers and entrepreneurs. GAP funds train staff of commercial banks to better serve their women customers and women entrepreneurs to enhance financial literacy and management skills. In Tanzania, an IFC credit line of $5 million with Exim Bank resulted in loans to 10 SMEs and to Sero Lease, a woman-owned micro-leasing company, with an outreach to 30,000 women.

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**Economic Empowerment of Adolescent Girls in Liberia**

Based on the belief that adolescent girls and young women can break the patterns of poverty, a three-way partnership between the Government of Liberia, the Nike Foundation, and the World Bank Group proposes a new model of skills training for young women aged 16-24 in Liberia. The US$3 million project aims to promote the entry of adolescent girls into employment by providing skills training linked to labor market demands. If successful, the project will be replicated in more countries.
**Labor Market:** A labor market study in Macedonia, where employment rates are low, found that traditional norms often prevent women from the Albanian, Turkish and Roma minorities from joining the labor market. The study recommends a set of measures to increase women’s participation, including the creation of training programs that match labor market demands and the implementation of flexible forms of employment like part-time jobs. The study is part of the Macedonia Labor Market Assessment for the Government of Macedonia and will be a resource for the implementation of future labor market reforms.

**Infrastructure, Transport:** The Guerrero Decentralized Rural Transport for Territorial Development Project in rural Mexico aims to meet the needs of poor women left behind and living in remote areas that have seen massive male migration. The project mainstreams gender by incorporating explicit incentives for women’s participation in the preparation and implementation of project components.

**Infrastructure, Energy:** In Lao PDR, the House Wiring Assistance Program was designed to enable poor rural households, which are disproportionately female-headed, to access electricity. The project offers these households a concessionary credit of US$80 to cover the high cost of connecting to the electricity grid. Once connected, households will spend approximately US$1 per month for electricity, compared to the approximately US$3 per month they are now estimated to pay for energy in the form of car batteries, diesel fuel, candles, etc. These energy expenditure savings are expected to allow households to repay the connection cost in three years.

To learn more about the World Bank’s Gender and Development work, please visit: http://www.worldbank.org/gender

**Publications:**

- Gender Equality as Smart Economics – a World Bank Group Action Plan
  http://www.worldbank.org/gender

- Improving Women's Lives: World Bank Actions Since Beijing

- Engendering Development – Through Gender Equality in Rights, Resources and Voice

- World Bank Gender Mainstreaming Strategy

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