Why is women's economic empowerment important for development?

In the past decades, the health and education levels of women and girls in developing countries have improved a great deal--in many cases they are catching up to men and boys. But no such progress has been seen in economic opportunity: women continue to consistently trail men in formal labor force participation, access to credit, entrepreneurship rates, income levels, and inheritance and ownership rights. This is neither fair nor smart economics: Under-investing in women limits development, slows down poverty reduction and economic growth.

A host of studies suggest that putting earnings in women's hands is the intelligent thing to do to speed up development and the process of overcoming poverty. Women usually reinvest a much higher portion in their families and communities than men, spreading wealth beyond themselves. This could be one reason why countries with greater gender equality tend to have lower poverty rates.

For example, studies show that when income is in the hands of the mother, the survival probability of a child increases by about 20 percent in Brazil, and in Kenya, a child will be about 17 percent taller, because mothers will invest more of their income in health and nutrition. In sub-Saharan Africa, agricultural productivity could be raised by as much as 20 percent by allocating a bigger share of agricultural input to women.

This time of economic crisis poses particular risks for women and girls: When economies start to crumble, women are often the first to suffer. The jobs and incomes lost disproportionately affect women; mothers can no longer find credit through micro-finance institutions and are pushed from the informal sector into subsistence work; girls are more likely to be withdrawn from school to lend a hand at finding more resources for the household; and when families have to tighten their belts, girls are more likely to be become malnourished.

The World Bank identified 33 developing countries where women and girls in poor households are particularly vulnerable to the effects of the global economic and food crises. Fifteen of these, mostly in Sub-Saharan Africa, are likely to see a particularly dangerous mix for women and girls, with slowing economic growth, fewer girls in school, and higher levels of infant and child mortality. The World Bank now projects an additional 200,000 to 400,000 infant deaths per year between 2009 and 2015 if the crisis persists.

It is imperative to continue to protect girls and women through this crisis to avoid a reversal of the past decades' gains and build the human capital of the next generation. But women in developing countries are not only vulnerable or victims: if provided opportunity, they can be important agents of change and recovery. Investing in women is a smart way to mitigate the negative effects of the crisis and help rebuild the economies of the world:

In its response to the crisis, the World Bank is looking to safeguard long-term investments in the social sectors so that gains in schooling, health and social protection are not reversed while also supporting women's earnings through better access to agricultural inputs and credit lines amongst a host of measures.

As a start, the World Bank Group has earmarked all the money left under the Gender Action Plan this year, some $3 million, to ensure that women are beneficiaries of the World Bank crisis response. While this is still a drop in the bucket, it has laid the foundation for quickly integrating women's empowerment into the Bank's larger efforts to address the economic crisis.

To learn more about the Bank's response to the crisis, visit Financial Crisis: What the World Bank is Doing and Food Crisis: What the Bank is Doing