

# Gender equality as smart economics

## A World Bank Group Action Plan

### From the Vice President of PREM

Dear Colleagues,

Welcome to this first edition of *Gender Equality as Smart Economics*, the World Bank Group's Gender Action Plan (GAP) newsletter.

In recent decades, we have seen increasing investment in closing the gender gap in development, principally in the social sectors. Gender progress has been substantial in both health and education. For example, in the countries that receive interest-free credits and grants from the International Development Association (IDA), the part of the World Bank that helps the world's poorest countries, life expectancy for women has increased by 15 to 20 years since 1960. Additionally, thirty years ago, girls represented 38 percent of primary school enrollments in low-income countries. Today, the gender gap has narrowed with girls representing nearly half, 48 percent, of primary enrollments.

But worldwide, similar attention has not been given to women's economic empowerment, and this is inefficient. Economies around the world stall their own growth and bypass the chance to reduce poverty by not creating the right environment for women to enter the labor force, gain access to credit and create entrepreneurial ventures, own land, or take advantage of the infrastructure for productive purposes.

The Bank and its development partners believe that gender equality in the productive sectors is smart economics, a powerful means of poverty reduction and a path to faster development. That is why we launched *Gender Equality as Smart Economics*, the World Bank Group's Gender

(cont. on p. 2)

## Rural Land Certification in Ethiopia Empowers Women



World Bank photo/Klaus Deininger

*This Ethiopian woman and others like her who responded to a GAP-funded study almost universally point to joint titling as having improved their economic and social status.*

By Klaus W. Deininger

**T**he importance of agriculture for poverty reduction in Africa, where some 70 percent live in rural areas, has long been known and yet Africa's levels of public investment in rural areas have been scant. However, acknowledgement of rising food and commodity prices has led to the long overdue recognition of the importance Africa's rural sector. The way in which land rights are defined and can be exchanged will be critical for investment and its distributional impact. While secure and equitably distributed rights would create opportunities for benefits to be broadly

shared, the prospect of rapidly appreciating land prices could give rise to land grabs with negative social or economic impacts. This implies that rapidly securing rights by a large number of households will be of great importance.

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Action Plan. In the first edition of this newsletter, you may read more about this multi-pronged program whose goal is to trigger an increase in women's economic contributions by opening women's access to finance and other productive resources. You will find information about some of the research activities we are launching under the GAP, such as on Conditional Cash Transfers (CCTs). We also profile the study of a program of land certification, which shows that it takes a well designed program, not necessarily a complex one, to be successful.

I would like to thank all our partners for their participation in this endeavor: the governments of Australia, Canada, Denmark, Germany, Iceland, Norway, Spain, Sweden and the United Kingdom. We are grateful for German Chancellor Angela Merkel's leadership on this initiative with the G8 and EU and to German Minister Heidemarie Wieczorek-Zeul for championing this initiative in Europe. We thank the Nike Foundation for partnering with us in new territories of development, and we are very pleased to be working closely with the International Finance Corporation (IFC), the Bank's private sector arm, as well as with UNIFEM and ICRW. We also look forward to welcoming new partners along the way.

We look forward to your questions, comments and feedback on this newsletter.

**Danny Leipziger**

*Danny Leipziger is a World Bank VP and Head of the Poverty Reduction and Economic Management Network (PREM).*

## The World Bank Group Advisory Council on Women's Economic Empowerment

The World Bank-sponsored Advisory Council on Women's Economic Empowerment provides guidance on women's economic empowerment, and on the implementation of *Gender Equality as Smart Economics* and related initiatives. It is made up of high-level public and private sector representatives as well as gender and economic development experts from academia and civil society.

**Danny Leipziger**  
*Chair*  
Vice President and Head  
of Network  
PREM, World Bank

**Heidemarie Wieczorek-Zeul**  
*Honorary Co-Chair*  
Minister for Economic  
Cooperation and  
Development, Germany

**Håkon Arald  
Gulbrandsen\***  
State Secretary  
for International  
Development, Norway

**Gunilla Carlsson**  
Minister for Interna-  
tional Development  
Cooperation, Sweden

**Richard Carey**  
Director  
OECD Development

**Maria Eitel**  
President  
the Nike Foundation

**Ingibjörg Sólrún  
Gísladóttir**  
Minister for Foreign  
Affairs and External  
Trade, Iceland

**Robert Greenhill**  
President, CIDA-Canada

**Ravi Kanbur**  
Professor of Economics,  
Cornell University

**Suzanne Kindervatter**  
Vice President for  
Strategic Impact,  
InterAction

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International Division,  
UK-DFID

**Mahmoud Mohieldin**  
Minister of Investment  
and World Bank  
Governor, Egypt

**Leire Pajin**  
Secretary of State for  
International  
Cooperation, Spain

**Ulla Pedersen Tørnæs**  
Minister for Develop-  
ment Cooperation,  
Denmark

**Antoinette Sayeh**  
Minister of Finance,  
Liberia

**Miguel Székely**  
Undersecretary, Min-  
istry of Education,  
Mexico

\*Invited

### You May Request

*Gender Equality as Smart Economics*: A World Bank Group Action Plan materials, including an overview brochure and the operational plan are available in print and on the Web in English, Arabic, French, Portuguese, Russian, and Spanish. These materials are also available in English on a CD that contains a video describing successful programs that promote women's economic empowerment in Africa, Asia, Latin America and the Middle East.

For more information about *Gender Equality as Smart Economics*, contact:

**Alexandra Brunais**  
Tel: (202) 458-5039  
Fax: (202) 522-3237  
abrunais@worldbank.org

**Malcolm Ehrenpreis**  
Tel: (202) 458-5219  
Fax: (202) 522-3237  
mehrenpreis@worldbank.org



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THE WORLD BANK

Gender Equality as Smart Economics  
Poverty Reduction and Economic Management Network  
The World Bank  
1818 H Street, NW, Washington, DC 20433 USA  
[www.worldbank.org/gender](http://www.worldbank.org/gender)

This newsletter, *Gender Equality as Smart Economics* is published by the World Bank Group's Gender and Development Group twice a year, in print and on the web at [www.worldbank.org/gender](http://www.worldbank.org/gender). EDITOR: Alexandra Brunais. Please send your comments, questions or request for materials to: [abrunais@worldbank.org](mailto:abrunais@worldbank.org).



# Gender Equality as Smart Economics: *Responding to the Challenge*

By Mayra Buvinic

In early 2006, some of the World Bank's Gender and Development partners gathered in Washington DC to take stock and plan ahead. Many of the high-level participants shared a sense of lagging progress on gender equality targets. But many also recognized that good progress on health and education made the time ripe for investment in women's economic opportunity.

It was a good conference, with constructive assessments of failures, successes and possibilities. And it was at this event that we were challenged by our key partners to raise the Bank's profile in helping reach targets on gender and development. *Gender*

The first year of *Gender Equality as Smart Economics* has proved that the time was ripe for action. The demand in the World Bank for activities has been stronger than expected, as shown by the large number of submissions to our calls for proposals. Externally, donor and client countries have shown great support, both financially and vocally, including at the June 2007 summit meeting of the Group of 8 countries ("the G8"), where Presidents and Prime Ministers endorsed the Gender Action Plan. And many new partners have come on-board, also from non-governmental organizations and the private sector.

But important questions remain as the second year of implementation begins. Is the Action Plan funding



do business? Will reliable monitoring and evaluation identify workable lessons and best practice? In short: can the results be fully institutionalized in four years?

It is too early to tell with any certainty, but there are encouraging signs.

In this first Gender Action Plan newsletter, we hope to describe the reasoning behind the plan and share with you some of innovative activities underway and some emerging findings. In the next newsletter, coming out in October 2008, I hope to report more on the impact generated by *Gender Equality as Smart Economics*. In the meanwhile, you will find regular updates of our activities on our website, <http://www.worldbank.org/gender>. ☺

*Mayra Buvinic is the Sector Director for Gender and Development in the World Bank's Poverty Reduction and Economic Management Network (PREM).*

World Bank photos/Nguyen Van Huong



With her name beside her husband's on a land title certificate, this woman from a northern Vietnamese province was able to get a bank loan and start this brickmaking business. She employs some 40 daily workers, and more under contract to make bricks in lots of 1000.

*equality as Smart Economics*, a four-year action plan, emerged as the World Bank Group's response to the challenge.

activities that yield quantifiable results? Will the evidence it generates lead to sustainable improvements in the way the World Bank and others

## Land Certification in Ethiopia, *cont. from p. 1*

Despite evidence of productivity and equity-advantages from female land ownership, women's ability to own land and exercise their land rights is affected by legal impediments and gaps in implementation. In many countries, laws for female land ownership remain weak. Even where equal access to land is enshrined in law or constitution, the reality on the ground may differ widely, partly due to women's lack of awareness of their rights. Unless remedied, efforts to secure land rights may not only cement pre-existing gender inequalities but also forgo large economic benefits associated with female land ownership.

To explore whether it is possible to secure land rights at the necessary

survey, the study explores issues of process, impact, and sustainability to draw conclusions for Ethiopia as well as other African countries.

The study finds that the operation's massive scale did not bias the process against participation by the poor or by women. Assistance of elders in conflict resolution led to a 95 percent rate of success. The legal requirement of issuing certificates jointly in the name of husband and spouse was found very widely applied when space to include both spouses' pictures on the certificate was provided (but less in cases where pictures were not required). More than 80 percent of respondents indicated that certification reduced conflicts, encouraged

Despite the positive results, and even though survey evidence about respondents' willingness to pay for service provision is a good sign for the potential sustainability of the process, there are three threats to the long-term sustainability of certification impacts. First, with limited attention to updating and maintenance of certificates, the information collected at great cost could become irrelevant. Second, the focus on individually owned land and the ad hoc treatment of common property resources does in many cases leave the latter open to encroachment and over-exploitation. Finally, legal provisions, even with regard to land leasing, are ambiguous, highly restrictive, and poorly understood by the population.

World Bank photo/Klaus Deininger



*The legal requirement of issuing jointly titled land certificates was most widely applied when there was space on the certificate for small photos of both husband and wife.*

scale and speed in a way that empowers women instead of disenfranchising them, a World Bank Group Gender Action Plan-funded study examined land certification in Ethiopia where, in a Government-sponsored effort, about 20 million land use certificates (to some 6 million households) were issued in less than two years through a highly participatory process. Based on a large and nationally representative household

them to plant trees and rent out land, and improved their perceived possibility of getting compensation in case of land conversion. More importantly, from a gender perspective, women respondents with joint certificates almost universally pointed to this having improved their economic and social status. Despite the short time since certificate issuance, the study finds a significant positive impact on land-related investment.

The study suggests that, without resolution of these issues, economic, environmental, and social benefits from land certification will remain far below potential, and draws on global experience to recommend ways of addressing them. Even though the Ethiopian Government had traditionally considered land policy to be too sensitive for outside involvement, the evidence provided, together with bilateral donors' support to piloting new approaches, has been instrumental in developing ways of responding to some of these concerns and set in motion a debate on remaining policy issues. This allowed inclusion of a sizeable land certification component in a US\$30 million Sustainable Land Management project by the Bank, to be approved in May 2008, and prompted a number of bilateral donors to provide additional support to policy and institutional development that would address remaining shortcomings, move towards full national coverage, and thus ensure the sustainability of what has already been accomplished. ☺

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*Klaus W. Deininger is Lead Economist in the World Bank's Development Economics Network Development Research Group (DECGR).*





Josephine Okot believes that Uganda is capable of modernizing its own agriculture, so with access to commercial bank loans, she started Victoria Seeds, a company that produces and distributes high-quality seeds for high-yield maize and beans.

## The International Finance Corporation's Gender Entrepreneurship Markets Program

**T**hrough investments, advisory services and policy work, the International Finance Corporation's (IFC) Gender Entrepreneurship Markets (GEM) Program is working to increase women's full participation in the private sector. The program's activities, which enhance women's access to finance, address gender-based barriers in the business environment, and add value to investment projects, are also aligned with *Gender Equality as Smart Economics: A World Bank Group Action Plan (GAP)*.

To date, IFC's Gender Program has committed US\$41 million to be on-lend to women entrepreneurs in Africa, trained over 500 women in business skills, contributed to re-drafting of laws in Uganda and Kenya, and worked with two clients in the mining industry to implement gender inclusive strategies.

In order to promote women's access to finance, GEM helps banks better serve the women's market by providing financing for on-lending to female entrepreneurs, by analyzing the local women's market, advising on appropriate financial products and collateral options, and by training employees and female borrowers. For example, in 2007, IFC set up a US\$5 million credit line with Exim Bank in Tanzania that has already resulted in US\$3.7 million loaned to 51 small and medium enterprises (SMEs) and US\$1 million to Sero Lease, a woman-owned micro-leasing company.

"Lending to women entrepreneurs is part of our five-year plan to explore new areas of growth," explains S. M. J. Mwambenja, Exim Bank's Managing Director. GAP funds were used to support GEM workshops with Sero Lease and Exim Bank clients on topics such as bankable business plans and access to markets.

Moreover, IFC's Gender program completed Gender and Growth Assessments (GGAs) for Ghana and Tanzania in 2007 along the lines of a model established in Kenya and Uganda. The work, which also feeds into the development of methodological guidelines for use by World Bank Group colleagues, clients, and partners, helps governments understand the gender dimensions of business reform and growth and assess the barriers that women face in doing business.

"The business case for integrating gender issues into our work is clear and compelling. In partnering with the private sector, we are working toward the international community's third Millennium Development Goal, which is to promote gender equality and empower women," notes Rachel Kyte, Director of IFC's Environment and Social Development Department. 

To learn more about the IFC's Gender Entrepreneurship Markets, visit [www.ifc.org/gender](http://www.ifc.org/gender)

## The Doing Business Gender Project:

### Business Friendly Regulations Lead to Higher Share of Female Entrepreneurs and Women in the Labor Force

**A**cross the world and even within single countries, differences in business regulations and their enforcement can vary greatly. The World Bank Group's *Doing Business* project provides objective measures to evaluate the ease of starting and running a business across ten indicators in 178 countries, including registering property, obtaining credit, trading across borders and paying taxes. *Doing Business* is a joint World Bank and International Finance Corporation (IFC) program.

and also will provide data for the 2009 and 2010 *Doing Business* annual reports.

With support from Vital Voices, a non-governmental organization that identifies and trains women leaders, the *Doing Business Gender Project* is identifying laws and regulations that discriminate against women, compiling a database of relevant laws that governments can use as reform tools and singling out reforms that have delivered the biggest benefits for

World Bank photo/Caroline Suzman



*Years ago, Alice Karugaba started a small business in Uganda making breakfast rolls and employing a few young bicycle deliverymen. Later she opened a small grocery shop. With commercial bank loans and business training, she grew her enterprises into Nina Interiors, a successful home furnishings business in downtown Kampala.*

Recently, World Bank Group President Robert B. Zoellick endorsed donor requests for the *Doing Business* project to undertake a two year research program on reforms that improve business opportunities for women. The *Doing Business Gender Project* (October 2007-2009) is being managed as a collaborative partnership between the World Bank Group Gender Action Plan (GAP) and the *Doing Business* Team. Output from the project will include a stand alone report—"Doing Business: Opportunities for Women,"

women. The project also intends to publish case studies on women entrepreneurs that describe the reasons for their success and the main obstacles they face in expanding their businesses. This list will be published on the *Doing Business* website. ☺

*For more information, please contact Amanda Ellis, Lead Gender Specialist and Doing Business Gender Manager at [aellis@worldbank.org](mailto:aellis@worldbank.org) or visit <http://www.doingbusiness.org/features/women.aspx>*

## Did You Know?

1. There is compelling evidence that agricultural productivity in sub-Saharan Africa could be raised by as much as 20 percent, simply by reallocating existing agricultural inputs more equally between men and women.
2. A study in Ghana shows that women's rights to the land they work can impact productivity significantly. Agricultural workers facing insecure land rights are less likely to leave their plots fallow, leading to significantly lower yields. The authors estimate the loss to be one-third of total output.
3. When credit is provided directly to the woman, it has a significant effect on consumption expenditure, children's schooling, and her labor supply. At the mean, an additional 100 taka of credit provided in Bangladesh to the woman increases per capita household consumption expenditure by 18 taka, while it increases 11 taka when given to the man.
4. In 1978, Bangladesh's garment sector contributed US\$1 million to the total export revenue. By mid-2006, the annual export income from this industry, where an estimated 83 percent of workers are women, was close to US\$8 billion and made up 75 percent of the total foreign exchange earned by the country annually.
5. Studies in the 1990s indicate that women in sub-Saharan Africa transport more on their heads in volume than is transported in vehicles. Time spent by an average household on domestic transport activities can range up to almost 1500 hours per year (1,490 hours), which translates into a daily input per woman of 2 hours and 20 minutes.

1. Udry, 1996; Udry et al, 1995; Viswanath, Khandker, Mason and Swamy, 1996; Saito et al. 1994
2. Goldstein, M., C. Udry, "Addressing Unequal Economic Opportunities: A Case Study of Land Tenure in Ghana," (World Bank: 2006)
3. Khandker, Shahidur R., and M. Pitt. "The Impact of Group-Based Credit Programs on Poor Households in Bangladesh: Does the Gender of Participants Matter?" (1998)
4. Statistics from the Bangladesh Garment Manufacturers and Exporters Association
5. Barwell, Ian (1996) Transport and the Village: Findings from African Village Level Travel and Transport Surveys and Related Studies, World Bank Discussion Paper No. 344, Africa Region Series, World Bank; Malmberg-Calvo, Christina (1994) Case study on the Role of Women in Rural Transport: Access of Women to Domestic Facilities, SSATP Working Paper No. 11, Technical Department, Africa Region, World Bank





Danny Leipziger, World Bank Vice President, PREM (left); Angela Merkel, Federal Chancellor of Germany (center); and Heidemarie Wieczorek-Zeul, Germany's Federal Minister for Economic Cooperation and Development, launched Gender Equality as Smart Economics, the Bank's Gender Action Plan, in Europe last February. In June, the plan won the G8's endorsement.

## The G8 Endorses the World Bank Group's Gender Action Plan

In February 2007, a high-level conference titled “Women’s Economic Empowerment as Smart Economics: A Dialogue on Policy Options” served as a kick-off for the World Bank Group’s Gender Action Plan (GAP)—*Gender Equality as Smart Economics*.

Germany’s Chancellor Angela Merkel opened the conference by strongly endorsing the GAP and indicated that she would use Germany’s chairmanship of the Group of Eight leading industrialized nations (“the G8”) as well its EU Presidency to keep the issue of women’s economic empowerment front and center. She stressed the economic importance of women’s better integration in the formal workforce, as well as its legal legitimacy.


Earlier, at the World Bank’s annual meetings in Singapore, Germany’s Federal Minister for Economic Cooperation and Development, Heidemarie Wieczorek-Zeul, agreed to champion the World Bank Group’s economic empowerment initiative in Europe. At the high-level conference in Germany, Minister Wieczorek-Zeul made clear that succeeding in this initiative is essential to meeting the world’s poverty reduction and development goals.

“As a Minister and as champion of the World Bank’s

Gender Action Plan, I want to forge new partnerships, achieve progress on women’s economic and political empowerment, and thus make it possible for us to reach the Millennium Development Goals. Without progress on gender equality, we will not be able to halve extreme poverty.”

Following the European launch of *Gender Equality as Smart Economics*, the Presidents and Prime Ministers of the G8 endorsed the GAP at their annual meeting in June 2007, emphasizing the economic empowerment of women as a contribution to sustainable economic growth and responsible government:

*The G8 emphasizes the importance of the political and economic empowerment of women as a contribution to sustainable growth and responsible government. We are promoting the World Bank’s Gender Action Plan and welcome this and further initiatives supporting our African partners’ efforts to foster the economic empowerment of women such as those taken by the United Nations.” G8 Summit 2007 Communiqué.*

Key donor partners in the implementation of the action plan include Australia, Canada, Denmark, Germany, Iceland, Norway, Spain, Sweden and the United Kingdom. 

# World Bank to Review the Potential of Conditional Cash Transfers to Bridge Gender Gaps

By Nistha Sinha

As part of the World Bank Group's Gender Action Plan (GAP), a team of Bank economists is exploring the use of Conditional Cash Transfer (CCT) programs in the hope that findings will open the way for new applications of CCTs to boost women's and girls' progress in the social and economic sectors. This research program was kicked off at a workshop held in May 2007, organized in collaboration with the GAP and the Development Impact Evaluation (DIME). The workshop brought together CCT experts from the World Bank, the Inter American Development Bank, The International Food Policy Research Institute and the Population Council.

Viewed as one of the most significant innovations in social assistance in recent years, CCTs aim to reduce poverty and increase human capital investments by disbursing monies to individuals under the condition that they fulfill certain actions. So far, impact evaluations have shown that CCTs are effective in substantially increasing households' use of schools and health services, and evidence suggests enormous potential for bridging gender gaps through giving families financial incentives to invest in their girls.

The Bank team will draw on the lessons



Some cash transfers are paid directly to girls conditioned upon their enrollment in secondary school and remaining unmarried until age 18.

learned from existing poverty-targeted CCTs as well as a few gender-targeted CCTs to get girls into secondary schools. For example, Mexico's *Oportunidades* program pays higher cash transfers to mothers for girls' enrollment while Bangladesh' *Female Secondary School Stipend* program gives money directly to girls conditioned upon their enrollment in secondary school and remaining unmarried till age 18. In Cambodia and Pakistan, scholarship programs give families cash transfers provided their daughter enrolls in secondary school. All four programs have raised girls' enrollment in secondary school.

A program that will be evaluated in the future is India's *Apni Beti, Apna Dhan* ("Our daughter, Our wealth") underway in the northern state of Haryana, which seeks to address multiple disadvantages faced by girls through a cash transfer to the mother for the birth of a daughter and a cash transfer (in government securities) to the girl that is conditional on delaying marriage beyond age 18, with a bonus if the girl attains either eight years or five years of schooling.

Through these analyses, the team will assess how CCTs can be designed in low-income settings with limited institutional capacity and poor availability of services to address multiple dimensions of female disadvantage, from schooling to employment to access to reproductive health services. The team then aims to present policy suggestions and to pilot-test innovative gender-targeted CCTs. An impact evaluation will gauge their success: If they deliver results, it could open the way for even wider applications of CCTs in both social and economic sectors. ☺

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Nistha Sinha is an Economist in the World Bank's Poverty Reduction and Economic Management Network (PREM).

## In Brief

### New Gender Statistics

The revised and updated *GenderStats*, the World Bank's electronic database on gender statistics, was launched in February 2008. *GenderStats* provides the most recent sex-disaggregated statistics and gender relevant data on population, health, education, employment, political participation, and programs and policies for most countries in the world. Users have an option of saving data in Excel (or other spreadsheet software) and customizing it. They also can create their own tables using the data query feature. To access *GenderStats*, please visit [www.worldbank.org/gender](http://www.worldbank.org/gender)

### Research and Impact Evaluations

In December 2007, targeting the research action area of *Gender Equality as Smart Economics*: a World Bank Group Action Plan, the Gender and Development Group sent out a *Call for Research and Impact Evaluation Proposals* to Bank Group staff members. Thirty four expressions of interest were selected out of 76 in the first stage of the selection process; 21 are for impact evaluation and 14 are for research. The grant awards will be announced on March 25, 2008. For this call, the GAP will fund research proposals that seek to improve understanding of barriers to women's participation in key markets and the impact of these barriers on women's productivity, earnings, type of work, and household outcomes; or that study the relationship between gender equality and poverty reduction/economic growth for specific countries. The impact evaluations sought will measure the impact of World Bank Group projects on the economic empowerment of women