



BRIEF

Enabling Women's Economic Empowerment: A 2020 Update

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Background

In 2018, the International Center for Research on Women released a brief summarizing available literature on the links between women's health and economic empowerment. The brief suggested that emerging efforts within U.S. foreign policy and assistance to advance women's economic empowerment would benefit from support to women's health, given the overwhelming evidence of their interdependence. Specifically, it found that access to family planning was among the most salient variables for predicting women's ability to advance economically, given the overlap of reproductive and economically productive years.ⁱ

Fast forward to 2020, when what is now known as the Women's Global Development and Prosperity (W-GDP) initiative is celebrating its first anniversary. The initiative is an interagency effort to advance women's economic empowerment (WEE) through U.S. foreign policy and assistance, led by the White House and involving 10 agencies. A number of programs have been deployed to impressive global reach with more than 12 million women having accessed W-GDP programs. These efforts include providing \$1.6 billion in U.S. Government-backed loans to 9,000 women-led businesses and supporting nearly 2 million women's participation in workforce training and development programs.

Legislation to codify the initiative has also been introduced in both chambers of Congress. And yet despite the considerable evidence of the links between women's health and their economic advancement, there is next to no mention of women's health among any of these legislative or executive efforts, even as a component of the enabling environmentⁱⁱ for women's

economic empowerment.ⁱⁱⁱ At the same time, the COVID-19 pandemic is unfolding and illustrating in starker terms than ever how deep the links between health and the economy run: as the virus wreaks havoc on global health, so too does it reduce global economic activity to a near-standstill. And for women, who already shoulder disproportionate care burdens that depress or prohibit economic participation, decades of progress increasing women's economic empowerment are threatened to be reversed.

In light of this context, this brief offers an updated analysis to reflect recent literature on the linkages between women's health and their economic participation, and, where possible, to address how the impacts of the virus are likely to play out on these two related factors. It then makes specific recommendations for changes to ongoing efforts within U.S. foreign policy that will bring these efforts in line with this evidence and increase overall impact for the women they intend to serve.



STATE OF THE EVIDENCE:

Linkages between economic opportunities and women's health

As global industry has come to a halt — putting economic and relationship strains on countless families worldwide and particularly on the economically vulnerable — women and girls' health is also put at risk. Women make up a majority of low-wage workers^{iv} and are more likely than men to work in the informal sector. This makes them more likely to be impacted by the pandemic and places them at greater risk for economic hardship.^v

Because a woman's economically productive age overlaps with her reproductive years, her ability to control her reproduction is one of the more significant health factors impacting her economic trajectory.^{vi} When women access a full range of reproductive health services and have the ability to plan and space births, they are better able to invest in their family and children, contribute to household income and economic activity, and improve their own wellness and livelihoods.^{vii}

Globally, there is a 43 percent gap in labor force participation between men and women,^{viii} but with

more equal participation there could be large gains. According to the World Bank, if women and men worked at equal rates in the workforce for equal pay and equal hours, this could lead to a global gain of US\$160 trillion. Instead, countries lose 14 percent of their wealth as a result of gender inequality. Moreover, there are multiple health and wellbeing benefits such as lower malnutrition and child mortality that would be reaped with women's equal participation in the economy.^{ix} A study in India found that nearly a third of Indian housewives wanted to work, and that if these women were brought into the labor force, it would increase India's female labor force participation rate by nearly 80 percent.^x This highlights that the gender gap is not simply a matter of choice; women face external barriers to labor force participation.

One way in which women's labor force participation is constrained is through unmet need for contraception—an issue that 214 million women in low resource countries experience. This unmet need results in 84 percent of unintended pregnancies.^{xii} With each pregnancy, many women must interrupt paid work to care for their children, a challenge men do not typically face since women spend two more hours of unpaid work per day than men.^{xiii} Studies show that women who are able to consistently use contraceptives between pregnancies are significantly more likely to participate in the formal labor force and to receive cash payments for that work.^{xiv} Women who access contraceptives also have more control over deciding when to re-enter the workforce after giving birth.^{xv} A study in Ethiopia demonstrates that the quality — that is the length of use and type of contraceptive used — has a direct impact on a woman's ability to work and receive remuneration for her work.^{xvi}





Access to contraceptives enables girls and women to stay in school or skill training programs longer,^{xvii} which is linked to increased labor force participation and greater lifetime earnings.^{xviii} Based off of the experience of the 2014 Ebola outbreak, however, we have reason to believe that access to family planning and maternal health services is likely to decrease as a result of the COVID-19 pandemic,^{xix} likely also limiting women's labor force participation, advancement and attachment. The most recent estimate from the United Nations Population Fund (UNFPA) is that COVID-19 will be associated with seven million new unplanned pregnancies around the globe,^{xx} which will disproportionately occur among low-income women.

Conversely, women's ability to choose where and when they work, and under what conditions, is intimately linked to reproductive empowerment and the choice about the timing, spacing, and number of births.^{xxi} When women contribute a majority of the household income, they have substantially higher decision-making power around household expenditures, particularly food, shelter, and health spending.^{xxii} If women's labor force participation is compromised either from loss of access to reproductive control or job loss due to economic recession, their household and community decision-making power is greatly reduced. This loss of decision-making may further keep women from spending limited income on family planning needs.

As economic hardship increases, families may also turn to child early and forced marriages (CEFM),

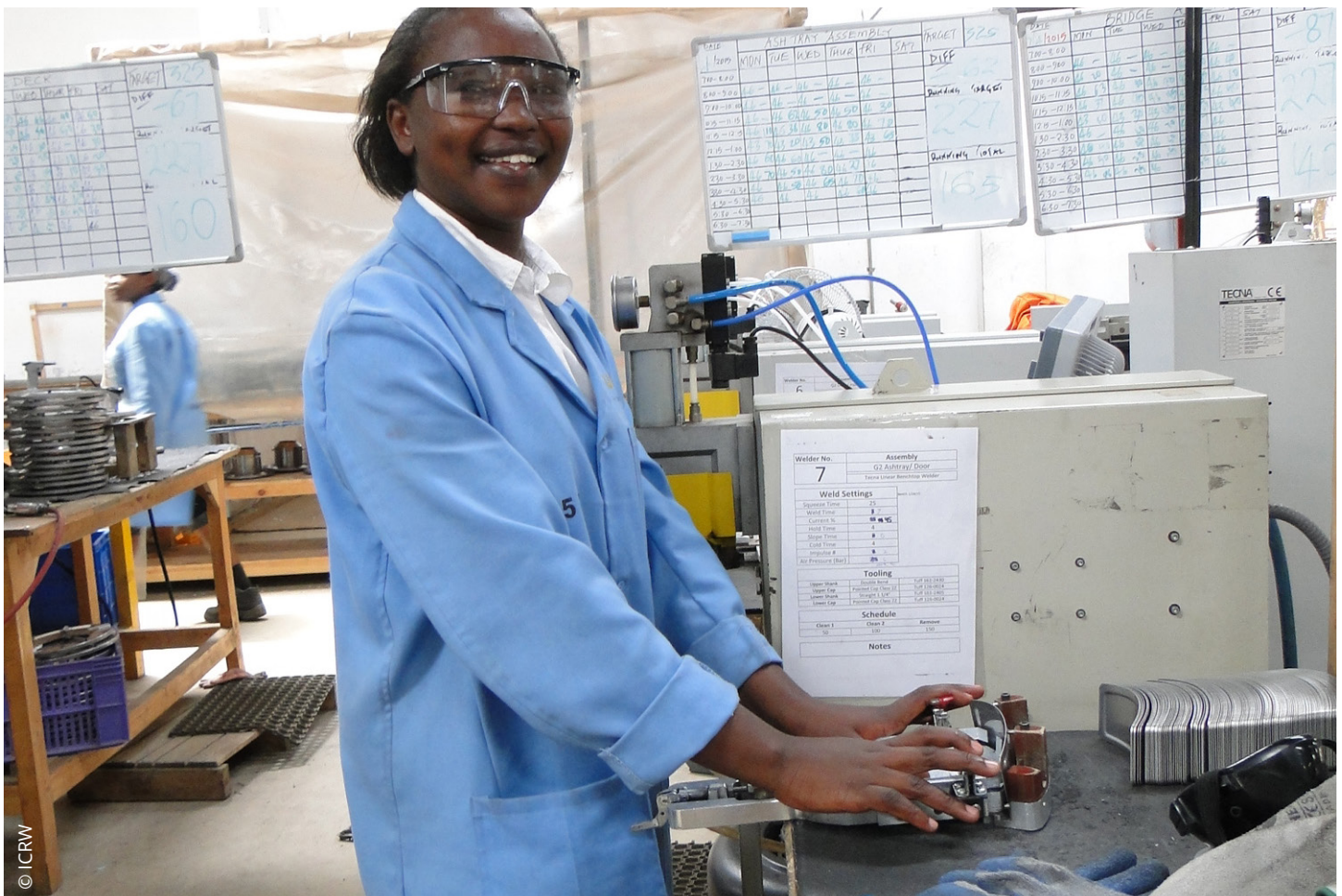
which in turn increase risk for dangerous adolescent pregnancies.^{xxiii} In addition to CEFM, risks for gender-based violence (including sexual and reproductive coercion) increase during economic recessions and major crises, in part because women have reduced decision-making power when they have lower income. All this is especially concerning because access to family planning and prenatal health services is likely decreasing as a result of the COVID-19 pandemic at the very time women are becoming more exposed to sexual and reproductive coercion and risk as a result of the economic downturn.

Decreases in access to family planning are concerning because both maternal and infant mortality go up when pregnancies are unplanned,^{xxiv, xxv} as well as during recessions^{xxvi} and after disasters.^{xxvii} In addition to the tragic loss of life, increased maternal mortality could result in worse outcomes for older children and loss of household income, which could result in children being pulled from school earlier.^{xxviii} Shoring up systems for access to family planning and maternal healthcare is critical to prevent increases in maternal and infant mortality.

This is especially necessary where delivery systems are already weak, such as where transportation to health clinics is difficult. These difficulties will be especially felt by women with disabilities, members of underserved ethnic or religious minority groups, and migrants and refugees who struggle to obtain sufficient access to healthcare during the best of times.^{xxix}

The COVID-19 crisis will disproportionately impact women, creating a sharper link between economic and reproductive empowerment. While men are at greater risk of dying from the virus, at least in Western countries, women and girls face unique risks from its social impacts. Women face additional care burdens and make up a majority of frontline health workers (including the lowest-trained and worst-paid positions). Women also face greater risk for loss of access and agency in decision making for sexual and reproductive health and rights, and an increase in gender-based violence due to increased domestic stressors such as isolation, financial instability and increased alcohol consumption.^{xxx} As health care systems become

overburdened and seeking care becomes dangerous, the risk for maternal mortality rises, more so when contraception is unavailable or unaffordable in a struggling global economy. Meanwhile, women's economic activities are more unstable than men's and they are more likely to shoulder the responsibility of additional care work that accompanies stay at home and social distancing orders, which may mean that they are the ones who will bear the burden of economic recession. Economic and reproductive empowerment is critical to ensuring women are adequately protected from the impacts of this pandemic, so that past gains made toward gender equity are not lost and progress continues even in times of crisis.



Recommendations for U.S. Foreign Policy and Assistance

Research makes it clear that women's health is a critical enabler of their economic empowerment, and that their access to full sexual and reproductive health and rights^{xxxi} is one of the most important factors necessary for them to reach their full economic potential.

Absent this, COVID-19 will be the shock of the century, widening global gender gaps and leaving women, girls, and other marginalized groups even further behind, with the programs intended to help them having marginal impact.

1. Immediately incorporate women's health as a critical component of the Women's Global Development and Prosperity Initiative (W-GDP) Pillar 3 efforts to address the enabling environment for women's economic empowerment, both in the executive initiative and introduced bills.

The Women's Global Development and Prosperity Initiative provides an important infusion of political will and financial resources to address the issue of women's economic empowerment. Its emphasis on the enabling environment is a particularly welcome undertaking to address the gendered social and economic structures that present obstacles to women's economic empowerment around the globe. However, the exclusion of health among these executive and legislative efforts is a troubling omission that ignores the overwhelming evidence, both existing and that which is emerging in the onslaught of the Coronavirus, that health is an essential ingredient to women's economic empowerment. The Development Finance Corporation (DFC)'s focus in this area should be replicated across other implementing agencies and reflected in statutory guidance on the enabling environment, which was updated by Presidential Memorandum in December to include issues such as gender-based violence and unpaid care work.

If the W-GDP initiative and its authorizing bills are able to achieve their fullest impact in terms of improving the lives of the women they are intended to benefit, an explicit focus on women's health in general — and their reproductive health in particular — which is closely



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associated with their full economic participation — must be immediately incorporated into the 3rd pillar efforts to foster an enabling environment for women's economic empowerment. This action is paramount in the time of COVID-19.

Specifically, W-GDP's Pillar 3 programs should include the provision of access to healthcare, especially unmet need for family planning, as one of the priority enabling environment factors they seek to address. Program monitoring and evaluation efforts should track impacts of these services on women's economic participation, advancement, attachment and earnings. Importantly, this work should not come at the expense of other health efforts but must be in addition to ongoing family planning and health programming and funding.

2. The next iterations of COVID-19 supplemental funding must ensure there is funding for both the long-term and short-term impacts to reproductive health and women's economic empowerment, including providing exemptions on restrictions for U.S. assistance to support key partners in addressing key health issues.

The United States should immediately reinstate its relationship with the World Health Organization (WHO) and restore and unfreeze funding to the WHO — including funding to the Human Reproduction Program, which had been discontinued due to ideological opposition to support for global family planning programs prior to the COVID-19 crisis. Funding for the COVID-19 response should be exempted from the harmful Global Gag Rule (also known as Protecting Life in Global Health Assistance or the Mexico City Policy) and include a humanitarian exemption to allow UNFPA to be eligible for emergency supplemental funding.

3. End the Protecting Life in Global Health Assistance Policy, which is at odds with overwhelming evidence on the importance of women's full access to reproductive healthcare and their ability to thrive as economic actors.

Having acknowledged the deep interconnection between women's health and their economic empowerment, the next step that logically follows is to repeal the Protecting Life in Global Health Assistance Policy, commonly known as the Global Gag Rule (GGR). Since 2017, the GGR has resulted in a loss of 54 awards and an estimated \$150 million in global health funding.^{xxxii} The policy reduces the impact of foreign assistance generally and the efficacy of women's empowerment programs specifically.

4. The annual budget and appropriations processes need to ensure U.S. foreign assistance programs intended to address the intertwined issues of health and women's economic empowerment receive full and consistent funding.

◆ Fully fund the U.S.'s proportional contribution for meeting the global unmet need for modern contraception at \$1.66 billion, or at a minimum of \$1.03 billion^{xxxiii} to allow a five year gradual increase to meet the need. Current funding levels are only \$607.5 million.^{xxxiv}

- ◆ Overall support for programming to advance gender equality is similarly lagging. General support for gender equality should at a minimum be restored to prior levels of at least \$1.9 billion:
 - Fiscal Year 2021's request of about \$875 million^{xxxv} was a billion dollars less than the request in 2014 — \$1.9 billion^{xxxvi} — even though the global gender gap has not gotten significantly better, and there is a Presidential Initiative to address Women's Economic Empowerment that one would hope would have resulted in increased funding.
 - The above figures represent a drastically smaller dollar figure than is reported to the Organisation for Economic Cooperation and Development (OECD) for gender equality funding — \$5.67 billion in 2018.^{xxxvii} It is critical that no matter how the numbers are counted this work is scaled up not scaled down.
 - Since gender equality issues overlap with all of the work funded by the International Affairs Budget, there should be adequate funding so that 100 percent of projects funded from the International Affairs Budgets can robustly address gender dynamics within every project and program. While the Women's Entrepreneurship and Economic Empowerment Act of 2018 mandates these efforts for USAID, there is a need for similar measures across all agencies, and funding to ensure successful implementation.
- ◆ Fully fund the International Affairs Budget at \$60 billion. It funds the majority of foreign policy programs that tackle critical issues globally — issues like health, education and economic support that also impact women. Without full funding for the International Affairs budget, the full range of issues that inhibit women's economic empowerment would not be addressed.

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- ⁱⁱThe enabling environment for women's economic empowerment includes the legal, regulatory, policy, and social and gender norms that promote or restrict women's voice, choices, and agency as economic actors. This includes but is not limited to living free of violence and exploitation; achieving the highest possible standard of health and wellbeing, including access to the full range of health services; enjoying full political, legal and human rights; accessing formal and non-formal education; unfettered access to land and property rights; and the enjoyment of all fundamental labor rights.
- ⁱⁱⁱA noteworthy exception to this rule is the promising practice of the U.S. Development Finance Corporation's 2x initiative, which provides financing for health projects globally and has signed a memorandum of understanding to mobilize financing for the MOMs (Maternal Outcomes Matters) Alliance to help ensure more women have healthy pregnancies and safe deliveries.
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