Women’s economic empowerment and inclusive growth: labour markets and enterprise development

Professor Naila Kabeer
School of Oriental and African Studies, UK
Contents

Foreword .................................................................................................................................................. 3

1. Introduction gender, empowerment and inclusive growth ................................................................. 4
2. Conceptualising women’s empowerment .......................................................................................... 5
3. Conceptualising women’s economic empowerment ......................................................................... 7
4. Gender inequalities in the labour market: theoretical approaches and an analytical framework .......................................................................................................................... 10
5. Gender inequalities in paid and unpaid work: empirical patterns and trends ............................... 14
6. Choice without options: The distress sale of labour .................................................................... 18
7. Suppression of choice: Constraints on women’s labour market options ..................................... 21
8. From survival to accumulation: women’s empowerment and enterprise development .................. 24
9. From exploitative to ‘decent work’: women’s empowerment and wage labour ......................... 32
10. Making markets fairer for women: some policy options ............................................................... 38
11. Conclusion ...................................................................................................................................... 50

References .............................................................................................................................................. 54
Foreword

IDRC commissioned Professor Naila Kabeer to review existing research on women’s economic empowerment, with a view to inform a global new research initiative for DFID and IDRC. This paper was discussed at an international expert meeting at SOAS, London, January 26-27.

The review concludes that there is strong evidence that gender equality can promote economic growth. Women’s access to employment and education opportunities reduces the likelihood of household poverty, and resources in women’s hands have a range of positive outcomes for human capital and capabilities within the household.

However, the converse relationship – that economic growth promotes gender equality – is less strong. Indeed, some of the fastest growing developing countries show the least signs of progress on basic gender equality outcomes. Formal regular waged work has the greatest transformative potential for women, but this potential has remained limited because of the lack of creation of decent jobs, and because of segmentation of labour markets.

The paper suggests a research agenda that focus on constraints and choices that determine gendered patterns of labor market outcomes, both in terms of labor force participation as well as the segmented nature of the occupational structure. How do labour markets play out in different contexts and what are the precise barriers and blockages to women’s mobility to better jobs or transition to higher value added enterprises? What changes are likely to ease the constraints on women’s labor market options? And what forms of collective action around gender issues can drive positive change, at transnational, national and local levels?

This paper will be an invaluable input for future research programming, and we are very grateful to Naila Kabeer for her dedication in writing this paper, as well as organizing the expert meeting. We are also very grateful to staff of SOAS for making the workshop happen, as well as to all the participants for their inputs and contributions. Within DFID and IDRC, this project was led in excellent manner by Katie Chapman and Francisco Cos-Montiel.

Arjan de Haan
IDRC

Nigel Miller
DFID
1. **Introduction: gender, empowerment and inclusive growth**

This paper was commissioned by DFID and IDRC with a view to locating the growing concern with women’s economic empowerment within its growth research programmes. Inclusive growth, as defined by IDRC, is growth which ensures opportunities for all sections of the population, with a special emphasis on the poor, particularly women and young people, who are most likely to be marginalised. Central to both IDRC’s and DFID’s agenda is a concern with decent jobs and the promotion of small and medium enterprise.

That there is both an instrumental and an intrinsic rationale for such an explicit focus on women within such an agenda is suggested by recent research suggesting an asymmetry in the two-way relationship between gender equality and economic growth (see, for instance, WDR 2012). A detailed review of the evidence helps to spell this out (Kabeer and Natali, forthcoming). This evidence suggests that there is fairly strong empirical support for the claim that gender equality has a positive impact on economic growth. The relationship is most consistent with regard to education (the most widely studied) and employment (less frequently studied), holding for a variety of different countries and across differing time periods over the past half century.

While gender inequality in wages (least frequently studied) in contexts of high female education appears to be conducive to growth in early stages of export-oriented industrialization, its viability as a profit-maximising strategy starts to decline once labour markets tighten and surplus female labour starts to dry up (Seguino, 2000; Mitra-Kahn and Mitra-Kahn, forthcoming).

These largely positive macro-level findings are supported by a wealth of micro-level evidence to suggest that not only does women’s access to employment and education opportunities reduce the likelihood of household poverty but resources in women’s hands have a range of positive outcomes for human capital and capabilities within the household (see, for instance, overview of this evidence in Quisumbing, 2003; WDR 2012; Kabeer, 2003; Dwyer and Bruce, 1988). Such findings suggest a strong instrumental rationale for ensuring women’s participation in processes of growth: it will contribute to the inclusiveness of growth, not merely because women constitute 50% of the world’s population, but also because women’s access to economic resources improves distributional dynamics within the household.

Evidence on the converse relationship - that economic growth promotes gender equality - is far more mixed and indeed some of the fastest growing developing countries show the least signs of progress on basic gender equality outcomes. However, while economic growth on its own is not always sufficient to promote gender equality, the outcomes of growth appear to be far more positive where it is accompanied by an expansion in women’s employment and education. This
suggests that the processes of growth may have to be accompanied by public action to remove gender-related barriers to education and employment\(^1\).

Both sets of findings thus highlight the importance of women’s access to economic resources, on the hand, in contributing to growth and on the other, in ensuring the gender equity of growth outcomes. They explain some of the current interest in the economic dimensions of gender equality within the development community, encapsulated by the concept of women’s economic empowerment. They also provide the point of departure for this paper.

The paper has a number of aims. First it will examine how empowerment has been conceptualised in the field of gender and development as well as the emergence of an explicit concern with women’s economic empowerment. The concern with women’s economic empowerment takes us very directly into the domain of labour markets and livelihoods through which most women gain access to economic resources.

Secondly, it examines alternative theoretical approaches to labour market gender inequalities, teasing out some of the overlaps between these approaches but also their differences. These alternative approaches can be seen as helping to frame a future research agenda since they represent different ways of understanding how women’s economic empowerment is likely to play out empirically.

Thirdly, it reviews some of the empirical literature on gender and labour markets in order to draw out what they tell us about the blockages and barriers to women’s progress within the economy and about policies and programmes that can help to overcome them. Given IDRC’s programmatic concerns, the main focus here will be on women’s waged labour and off-farm enterprise. Finally, it identifies key research questions that could form the basis of a programme of policy-oriented research on women’s economic empowerment.

2. Conceptualising women’s empowerment

While concerns with women’s empowerment have their roots in grassroots mobilisations of various kinds, feminist scholars helped to move these concerns onto the gender and development agenda\(^2\). Their contributions drew attention to the unequal power relations which blocked women’s capacity to participate in, and help to influence, development processes and highlighted the nature of the changes that might serve to promote this capacity at both individual and collective level. There were a number of features that distinguished these early contributions.

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\(^1\) Education and employment are the measures of economic resources most often available for macro-level analysis. Micro-level analysis has pointed to the relevance of a range of other resources that might have similar impacts, including finance, land and housing.

First of all, there was a focus on women’s subjectivity and consciousness (‘the power within’) as a critical aspect of the processes of change. Secondly, they emphasized the importance of valued resources (material, human as well as social) to women’s capacity to exercise greater control over key aspects of their lives and to participate in the wider societies (‘the power to’). Thirdly, these contributions attached a great deal of significance to the need for women to come together collectively as women, both to acquire a shared understanding of the institutionalized (rather than individual and idiosyncratic) nature of the injustices they faced and to act collectively to tackle these injustices, a challenge beyond the capacity of uncoordinated individual action. Processes of empowerment were seen to have a strong collective dimension (‘the power with’).

Finally, these contributions recognised that women did not form a homogenous group. Gender inequalities intersected with other forms of socio-economic inequality, including class, caste, race, ethnicity, location and so on, frequently exacerbating the injustices associated with them. The widely used distinction between women’s practical gender needs and strategic gender interests partly helped to capture some of the differences and commonalities between women within a given context (Molyneux, 1985). Women’s practical gender needs reflected the roles and responsibilities associated with their position within the socio-economic hierarchy, and hence varied considerably across context, class, race and so on. Strategic gender interests, on the other hand, were based on a deductive analysis of the structures of women’s subordination and held out the promise of a transformative feminist politics based on shared experiences of oppression.

As gender equality concerns began to enter the mainstream of development policy, there were various attempts to conceptualise women’s empowerment in ways that spoke to the mainstream policy discourse. My own contribution to these attempts sought to translate feminist insights into a policy-oriented analytical framework. It defined women’s empowerment as the processes through which women gained the capacity for exercising strategic forms of agency in relation to their own lives as well as in relation to the larger structures of constraint that positioned them as subordinate to men (1999; 2001). A later version of this definition sought to link change at the level of individuals with the more collective forms of agency needed to bring about sustained structural change:

..the conceptualisation of empowerment that informs this (research) touches on many different aspects of change in women’s lives, each important in themselves, but also in their inter-relationships with other aspects. It touches on women’s sense of self-worth and social identity; their willingness and ability to question their subordinate status and identity; their capacity to exercise strategic control over their own lives and to renegotiate their relationships with others who matter to them; and their ability to participate on equal terms with men in reshaping the societies in which they live in ways that contribute to a more just and democratic distribution of power and possibilities (Kabeer, 2008 p. 27)

The conceptualisation of women’s empowerment in terms of agency proved influential in policy circles, although with varying degrees of attention to broader structures which constrained
women’s agency\textsuperscript{3}. Writing for the World Bank, Alsop and Heinsohn (2005) described individuals and groups as empowered when ‘they possess the capacity to make effective choices: that is, to translate these choices into desired actions and outcomes’ (p. 6). A more recent formulation in the WDR 2012 offered a broader notion of agency which included control over resources, decision-making, freedom of movement, freedom from the risk of violence and a voice and influence in collective decision-making processes.

The Inter-American Development Bank (2010) defined women’s empowerment in terms of ‘expanding the rights, resources, and capacity of women to make decisions and act independently in social, economic, and political spheres’ (p. 3). The UN (2001) defined women’s empowerment in terms of five components: ‘women’s sense of self-worth; their right to have and determine choices; their right to have access to opportunities and resources; their right to have the power to control their own lives, both within and outside the home; and their ability to influence the direction of social change to create a more just social and economic order, nationally and internationally’.

3. Conceptualising women’s economic empowerment

While it can be seen that definitions of women’s empowerment have, from the outset, encompassed an economic dimension, this dimension has become increasingly visible within the international policy discourse in recent years. The Beijing Platform for Action spoke of the need to promote women’s economic independence, including employment, and ‘ensuring equal access for all women... to productive resources, opportunities and public services’. The Millennium Development Goals on gender equality and women’s empowerment adopted an increase in women’s share of non-agricultural employment as one of its indicators of women’s empowerment. ‘Full and productive employment and decent work for all, including for women and young people’ were later added as a target in relation to the overarching MDG on halving extreme poverty. While neither of these documents attempted to define women’s economic empowerment, their formulation paved the way for a greater equation between women’s economic empowerment and their access to productive resources, including paid work.

Given the dominance of economic thinking within the World Bank, it is not surprising it was one of the first agencies to explicitly adopt the language of women’s economic empowerment: ‘Economic empowerment is about making markets work for women (at the policy level) and empowering women to compete in markets (at the agency level)’ (World Bank 2006: p.4). From the point of view of gender advocates within the Bank, this definition, with its clear focus on economic sectors (specified as land, labour, product and financial markets), had the advantage of giving gender issues more traction institutionally (p. 3).

\textsuperscript{3} See for instance Malhotra et al., 2002; Alsop and Heinsohn, 2005; WDR, 2012; see also Kabeer, 2010a and 2010b.
An ICRW publication made the case that ‘economically empowering women is essential both to realise women’s rights and to achieve broader development goals such as economic growth, poverty reduction, health, education and welfare’ (Golla et al., 2011). According to its authors, ‘a woman is economically empowered when she has both the ability to succeed and advance economically and the power to make and act on economic decisions’.

UNDP (2008) sought to extend the five components outlined in the UN Task Force definition quoted earlier to the economic sphere ‘where women’s economic empowerment can be achieved by targeting initiatives to expanding women’s economic opportunity; strengthen their legal status and rights; and ensure their voice, inclusion and participation in economic decision-making’ (p. 9). The OECD-DAC Network on Gender Equality defined women’s economic empowerment as their ‘capacity to participate in, contribute to and benefit from growth processes in ways that recognise the value of their contributions, respect their dignity and make it possible to negotiate a fairer distribution of the benefits of growth’ (OECD, 2011 p. 6).

Finally a paper by SIDA on women’s economic empowerment defined it as ‘the process which increases women’s real power over economic decisions that influence their lives and priorities in society. Women’s economic empowerment can be achieved through equal access to and control over critical economic resources and opportunities, and the elimination of structural gender inequalities in the labour market including a better sharing of unpaid care work’ (Tornqvist and Schmitz, 2009:p. 9).

There are clear overlaps in these various efforts to conceptualise women’s economic empowerment, with agency, choice and decision-making in relation to markets featuring as a common theme but there are also some important differences. First of all, there are differences in the extent to which economic empowerment is seen primarily as an end in itself or a means to other development goals. Secondly, there are differences in whether empowerment is defined in purely economic terms (as in the World Bank and ICRW definitions) or whether there is scope for spill-over effects in other domains of women’s lives. And finally, there are differences in the role allocated to market forces in the achievement of women’s economic empowerment. The World Bank definition suggests that it is primarily about improving women’s competitiveness in the market. SIDA sees it as including, but going beyond, the focus on markets to considering the structural causes of gender inequalities in access to, and control over, key economic resources and in the distribution of unpaid, as well as paid, work: in other words, fairer competition.

In relation to this last point, I would like to return to OECD-DAC definition of women’s economic empowerment which quotes from an earlier paper which I co-authored (Eyben et al 2008). The paper was commissioned to explore the organisation’s pro-poor growth strategy from an empowerment perspective. The OECD-DAC’s definition of pro-poor growth was growth which ‘enhanced the ability of poor women and men to participate in, contribute to and benefit from growth’ (2006 p. 11). Our elaboration of this definition was an attempt to draw attention to the importance of the terms on which poor women – and men – engaged with market forces. The significance we attached to the terms of engagement – and our emphasis on the importance of
recognition, dignity and transformative agency – reflected our view that purely market-generated growth could not, on its own, generate these outcomes.

This view was based on an emerging literature on the role of market forces in perpetuating – rather than mitigating – inequality. As the OECD report recognized, while economic growth has long been seen as an important route to poverty reduction, there was increasing recognition that patterns of growth mattered as much as pace. Recent studies have shown that inequalities, particularly in the distribution of assets, influenced growth outcomes. The higher the initial level of inequalities in the distribution of education, land or capital, the less likely it was that a particular growth path would lead to declines in poverty (Alesina and Rodrik, 1994; Birdsall and Londono, 1997 and 1998; Persson and Tabbelini, 1994; Deininger et al. 1998; Deininger and Olinto, 2000; Li et al. 1998).

Consequently, while markets of various kinds continue to occupy centre stage in current strategies for economic growth, the OECD-DAC report accepted the need for specific policies to increase people’s access to markets in land, labor and capital and for investments in basic social services, social protection and infrastructure. However, merely increasing access to markets does not necessarily address the terms on which poor women and men enter different market arenas or their ability to negotiate a fairer deal for themselves. Market forces cannot on their own dissolve the ‘durable inequalities’ in rules, norms, assets and choices that perpetuate the historically established disadvantages of certain social groups (World Bank, 2006). Rather, in the absence of offsetting forces, they tend to reproduce these deep-seated structural inequalities, rewarding the powerful and penalizing the weak.

Those who enter the market without assets, the world’s poor, must rely on their physical labor to meet their daily needs. They are seldom in a position to negotiate the price of their labor or opt for leisure if they do not receive their asking price. They rarely generate a sufficient surplus from their labor efforts to invest in land or capital nor do they have the mental security and peace of mind to take the risks necessary to break out of what the WDR, 2006 termed ‘inequality traps’. Those with considerable assets at their disposal, on the other hand, are not only better able to determine the price at which they will engage in market transactions and to take advantage of any new opportunities that may emerge, they are also in a position to close off such opportunities to less fortunate groups.

Market inequalities reproduce themselves because they are manifestations of underlying inequalities of power. Those with power are better able to frame ‘the rules of the game’ to protect their own privilege. Or, in many cases, to ignore the rules of the game they themselves have framed. As an example of the former, Nyamu-Musembi (2005) notes that there has been far more attention to the rights of capital than the rights of labor in the World Bank’s efforts to improve the rule of law in the African context – and certainly very little attention to the rights of women.

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4 Hampel-Milagrosa notes that the World Bank’s Doing Business Reports, which rank countries according to how conducive their regulatory framework is for doing business, have been strongly criticized for using indicators that...
And as an example of the latter, Kanbur (2009) points out that it is not the existence of regulations alone that distinguishes the formal and informal economy in much of the developing world but the extent to which these regulations are actually enforced. A large body of literature testifies to the fact that labor regulations are among those most frequently violated.

Historically established inequalities in resources and opportunities persist into the present because they are reinforced by the actions of those who hold power within a society. The evidence that will be discussed in later sections of the paper relating to deeply entrenched gender stratification of economic structures, continued gender inequalities in access to paid work and the over-representation of working women in lower-paid, casual, part-time, irregular market activities testifies to the durability of gender as a form of disadvantage, notwithstanding the fact that many women in many different countries have benefited from economic growth and some have made their way into the higher echelons of economic decision-making (Anker et al., 2003).

4. Gender inequalities in the labour market: theoretical approaches and an analytical framework

Theoretical approaches to gender inequalities in labour market outcomes can be broadly divided into those which focus on individual choice and those which focus on structural constraint. Over time, there has been some convergence between these approaches as social norms and other structural constraints have been incorporated into choice-theoretic frameworks and greater attention is paid to issues of agency within structuralist explanations - but the differences remain.

Individual choice is, of course, at the heart of neo-classical economics and is reflected in early work on gender and labour markets. One strand of work explained gender-differentiated labour market outcomes in terms of gender differential investments in human capital endowments, reflecting women’s role in biological reproduction and weaker attachment to the labour market (Polachek, 1981). Another set of explanations suggested that gender inequalities in labour market outcomes reflected a ‘taste for discrimination’ on the part of individual employers but that such taste were viable only as long as markets were not competitive (Becker, 1971). A third set of explanations focused on ‘statistical discrimination’, suggesting that, given imperfect information, employers used aggregate group characteristics, such as group averages in education, to make judgements about the suitability of all members of that group for particular jobs. This meant individuals belonging to different social groups could be treated very differently even if they were identical in every other way (Arrow, 1973).

reward countries that discount the function of regulation in protecting labor and promoting social welfare. Most harmful for women, she notes, is the ‘Social contributions and labor taxes’ indicator that rewards countries that have the lowest mandatory employer contributions to non-wage employee benefits such as health care, unemployment insurance and maternity leave.
Neo-classical economic contributions to labour market analysis largely rely on econometric approaches to model how providers and suppliers of labour made decisions in the face of market forces. Their work has helped to identify and measure gender discrimination but it has not provided an understanding of the processes that give rise to it. For feminist economists, as Figart (2005) puts it, gender is much more than a dummy variable. By way of example, she notes that the use of the unexplained residual of the gender wage gap, after controlling for gender differences in education, experience, skills, size of firm and other likely influences on wages, is commonly taken as a measure of gender discrimination. Some economists believe that the residual could converge to zero if the model was correctly specified. However, as Figart points out, decreasing the size of the residual by adding further explanatory variables does not necessarily imply a reduction in gender discrimination. It merely shifts our attention to processes of discrimination other than direct wage discrimination, processes that operate through inequalities in access to, and control over, valued resources and through the very different structure of opportunities/rewards facing men and women.

There has been considerable work by feminist economists in developed country contexts into the processes of labour market discrimination, offering insights that can be extended to other contexts as well. Bergmann’s ‘crowding’ hypothesis (1974) suggested that women and blacks were historically confined - by social stereotyping or employer discrimination – to a narrow range of occupation. An earlier version of the crowding hypothesis by Edgeworth (1922) had focused on the collective action of unions in excluding women from ‘men’s work’, causing an oversupply of women and the reduction of their wages. Whatever the mechanisms, ‘crowding’ insulated privileged groups of workers from competition from the rest of the workforce for the more desirable jobs in the economy.

Treiman and Hartmann (1981) were among the first to demonstrate that the percentage of an occupation that was female was negatively associated with wages earned in that occupation. Phillips and Taylor (1980) drew on empirical evidence to suggest that definitions of skill in the workplace was often based on the identity of the person carrying out the jobs rather than on the technical demands of the job: women’s work was typically designated as ‘inferior’, not because their labour was regarded as inferior but because they were regarded as inferior bearers of labour.

For feminist economists, therefore, gender inequality in the market place could not be explained away in terms of choices on the part of individual men and women regarding the use of their time or the ignorance and prejudice of employers. Rather it was structured into market forces by discriminatory practices inherited from the past as well as by the bargaining power exercised in the present by powerful market actors pursuing their own self-interest. Employers and workers might be engaged in a struggle over wages and working conditions but they also benefited from the exclusion of particular groups. Employers had an interest in exploiting gender divisions within the work force as a means of weakening class solidarity or ensuring that some of the workforce could be treated as a ‘reserve army’ of labour, to be drawn in or expelled as the business cycle required. Organised male workers were able to use collective action to constitute themselves as the core
work force, with access to permanent jobs, a ‘family wage’ and social security, by creating barriers to competition from weaker sections of the workforce, including women.

Feminist economists acknowledge that individuals and groups make choices and exercise agency, but suggest that they do so within the limits imposed by the structural distribution of rules, norms, assets and identities between different in their society. Gender disadvantage in the labor market is a product of these ‘structures of constraint’ (Folbre, 1994) which operate over the life course of men and women from different social groups. While these constraints take different forms in different contexts, they can be captured for analytical purposes by a stylized categorization which helps to highlight their institutional, rather than purely individual, character. Drawing on Whitehead’s distinction between relationships that are ‘intrinsically’ gendered and those that are ‘bearers of gender’, I have found it useful to distinguish between different categories of structural constraint (Kabeer, 2008).

I have used the idea of gender-specific constraints to refer to the customary norms, beliefs and values that characterize social relationships of family and kinship which are ‘intrinsically gendered’ (Whitehead, 1979). These norms, beliefs and values define the dominant models of masculinity and femininity in different societies and allocate men and women, boys and girls to different roles and responsibilities on the basis of these definitions, generally assigning a lower value to those aptitudes, abilities and activities conventionally defined as ‘feminine’ relative to those conventionally defined as ‘masculine’. They thus define constraints which apply to women and men by virtue of their gender.

These constraints contribute to the gendered pattern of labor market outcomes observed in different regions of the world. Men’s higher labor force participation relative to women in most regions of the world reflects the breadwinning responsibilities ascribed to them in most cultures. Women’s labor force participation, on the other hand, varies considerably across the world. While most societies ascribe primary responsibility for unpaid work within the domestic domain to women and girls, they vary considerably in their expectations of women’s economic contributions. In some regions, women are expected to share in breadwinning responsibilities and may have their own farms and enterprises. In others, not only are they expected to specialize in unpaid domestic work, but there are strong cultural restrictions on their mobility in the public domain. Such restrictions contribute to the much lower rates of female labor force participation in MENA region and South Asia.

There are other constraints that apply to the kind of work men and women can do within the productive sphere. For instance, there are long standing taboos about women touching the plough in South Asia which serves to restrict such work to men. In West Africa, where women have long been active as farmers in their own right, there are frequent references in the literature to ‘male’ and ‘female crops’ – although what constitutes a male crop or a female crop may vary considerably.
The norms, values and practices associated with the intrinsically gendered relations of family, kinship and community are further reinforced through a second category of ‘imposed’ gender constraints which are associated with the public domains of states and markets. Unlike the relations of family and kinship, the institutions of states and markets are purportedly impersonal. They become ‘bearers of gender’ (Whitehead, 1979) when they reflect and reproduce preconceived notions about masculinity and femininity as routine aspects of their rules, procedures and practices.

For instance, many countries in the world have statutory laws which explicitly discriminate against women. In their review of data from 141 countries in the world, the World Bank/IFC (2011) found widespread evidence of legal differences between men and women which differentiated their incentives or capacity to engaged in waged work or to set up their own businesses. These restrictions ranged from the less frequently reported ones of needing husband’s permission to start a business to the more frequently reported ones that differentiate access to, and control over, land and other property.

Along with formalized gender discrimination, attitudes and behavior on the part of actors in the public arena can further curtail women’s capacity to take advantage of economic opportunities. Anker and Hein (1985) point out that many employers expressed a preference for male workers on the grounds that women were seen to have a weaker attachment to the labor market, with higher rates of absenteeism and turnover. For some jobs, however, particularly in highly competitive, labor-intensive export sectors, the preference was for female labor because they made less trouble (Kabeer, 2000) or because they could be paid less on the grounds that they were secondary earners or merely earning pin money (‘working for lipstick’ Joekes, 1985).

Hampel-Milagrosa (2011) reports examples of woman entrepreneurs in Ghana who were denied business by male customers and purchasing agents on grounds of their gender. And in India, Chhachhi and Pittin (1996) described how male workers within a factory they studied rejected the demands of women workers for company transport to and from work as being irrelevant to the ‘real’ issue of wages – despite the fact that the women’s demands reflected the very real sexual harassment they faced on public transport.

Gender-related constraints, both intrinsic and imposed, thus underpin many of the gender inequalities we observe in relation to labour market processes and outcomes, including persistence in the gender segregation of jobs. They may operate invisibly and routinely through institutionalized forms of discrimination or more overtly through the actions of powerful individuals and groups. In addition they may operate as feed-back mechanisms that represent rational responses to pre-existing constraints.

For instance, customs and laws cannot be held directly responsible for the fact that women farmers received only 3% of contracts issued by agro-processing firms for growing snow peas and broccoli, the most important export crops in the Central Guatemala (WDR 2012); that less than 10% of women farmers benefited from the smallholder contract-farming schemes in the Kenyan
FFV export sector (Dolan 2001); and that contract-farming schemes in China issued contracts exclusively to men (Eaton and Shepherd, 2001). Instead, as Dolan (2001) points out, companies pursued such behaviour because of their need to secure access to land and labor for a guaranteed supply of primary produce: women do not generally have statutory rights over land nor do they exercise the same authority over family labor as their husbands or brothers.

Equally there is nothing in custom or law that requires girls to be given less education than boys but if women face poorer job prospects in the labor market relative to men, it is understandable that parents will invest more resources in their sons’ health and education than their daughters’ particularly among poorer households with severe resource constraints. Feedback mechanisms thus reinforce and perpetuate gender inequality over time.

There are two final points to make with regard to the structural analysis of gender inequality. The first relates to the fact that gender is not the only form of inequality in a society. Many of the disadvantages faced by women from low income or socially marginalized households in their struggle to make a living are shared by men from such households but gender generally (but not always) intensifies class and other forms of disadvantage in ways that will be touched on in the paper.

And secondly, while the institutionalized nature of gender disadvantage discussed in this section is intended to emphasize its resilience in the face of change, it is not immutable. Public policies and public actions have made many inroads into long-standing gender inequalities of various kinds. Indeed, they have helped to close – and in some contexts reverse – the gender gap in education noted earlier. The discussion later in the paper of possible policies and actions that can help to promote women’s economic empowerment is premised on the recognition that change is possible.

5. Gender inequalities in paid and unpaid work: empirical patterns and trends

A brief empirical description of the gender distribution of both paid and unpaid work will help to flesh out the claim that gender remains one of the more durable forms of disadvantage in the economy but also that it is not immutable. In fact, as far as female labor force participation rates are concerned, the story in recent times has been one of change. Globally they have increased from 50.2% in 1980 to 51.7% in 2008 (ILO, 2010: p X). Men continue to have higher rates but a decline from 82 to 77.7% during this period led to a reduction in the gender gap in labor force participation rates from 32 to 26 percentage points. The persistence of constraints on women’s mobility in the public domain probably explains why there were just 35 to 42 women per 100 men in the labor force in South Asia and the MENA region, where these restrictions are strong, compared to 70-79 in East Asia, Latin America and Sub-Saharan Africa where they are weaker (ILO, 2008).

Women have been moving out of agriculture and into services and manufacturing - although at a different pace in different regions and generally more slowly than men. Globally, agricultural
employment declined from 43% of women’s employment in 1999 to 37% in 2008; its share of male employment declined from 39% to 33%. It continues to account for 70% of women’s employment in South Asia compared to 40% of male and around 61% of both male and female employment in SSA. Much of the rise in female employment has been in the service sector which accounted for 41% of female employment (compared to 37% of male) in 1999 and 47% (compared to just 40% of male) in 2008. Manufacturing accounted for just 16% of female employment globally in 2008 compared to 26% of male.

However, the movement out of agriculture has not necessarily signified a movement into the kind of ‘decent work and productive employment’ highlighted by MDG1. First of all, many more women than men are unemployed: their unemployment rates were higher than those of men in 113 out of 152 countries for which there is available data (ILO, 2010). Secondly, the rise in female labor force participation has led to only a modest decline in the horizontal segregation by gender of the occupational structure viz. the distribution of men and women across occupations and very little change in vertical segregation. Women continue to be concentrated to a greater extent that men in occupations with lower pay, worse prospects for advancement and poorer working conditions (Anker et al. 2003).

Thirdly, the rise in female labor force participation has been occurring at a time when employment more generally is becoming more precarious and insecure. While working women have always been disproportionately represented in informal employment, these recent trends mean that there is far less likelihood that their increased labor force participation will lead to an increase in their share of formal employment. Evidence from a wide range of developing countries show widespread and increasing entry of women into work on a temporary, casual, seasonal or part time basis, often in home-based activities or subcontracted by intermediaries as part of global value chains (Zammit, 2010). In addition, a large proportion of working women are working as unpaid labor in family farms and enterprises with no access to an income of their own.

The informal economy is highly heterogeneous but also highly stratified. According to Chen (2008), informal employers rank at the top of the informal hierarchy, followed by informal employees, own account operators and casual wage workers with predominantly home-based pieceworkers at the bottom. There is a close association between the quality of jobs and gender – with men dominating the upper echelons of the hierarchy and women over-represented in the lower echelons - along with other markers of social inequality - caste, ethnicity, race, legal status and so on.

Fourth, the persistence of women’s disadvantage in the labor market is also evident in the gender disparity in earnings. According to ILO estimates, women’s earnings fell short of men’s by 22.9% in 2008-09, an improvement from the shortfall of 26.2% in 1995. While this is a positive trend, the pace of progress means that it would take more than 75 years to achieve the principle of equal pay for work of equal value (ILO, 2011).
Moreover, such estimates generally fail to capture wage inequalities in the informal economy where most working women are located and where earning gaps appear to be larger (Chen et al. 2005; Avirgan et al., 2005). In Latin America, women’s earnings in the informal economy were about 53 per cent of men’s in 1998 (Barrientos, 2002). Women agricultural wage laborers were paid between a third to a half of male rates for a day’s work in North East Ghana while the Benin poverty assessment reported rural women being paid about half as much as men ‘because the work given to them is considered less arduous’ (Whitehead, 2009: p. 49) In Costa Rica, women’s hourly earnings varied from 85 percent of men’s earnings in the formal sector to 57 per cent in domestic wage labor (Chen et al., 2005). In Vietnam, men earned nearly 50% more than women in informal employment despite there being no significant difference in working hours, education and seniority (Cling et al. 2011). In Egypt, women’s wages in formal employment as a percentage of male’s rose 70% in 1988 to 86% in 1998 but in informal employment, it declined from 82% to 53% (Avirgan et al., 2005).

A final indicator of the persistence of gender disadvantage is evidence that women’s increasing entry into paid work has not been accompanied by a commensurate change in the gender division of unpaid labor in the domestic economy. By and large, women remain responsible for a great deal of the unpaid work that that ensure the survival and care of their families over time. Such unpaid work encompasses the care of children, the elderly and the sick; domestic activities such as preparation of food and collection of fuel and water along with expenditure saving activities such as food production, livestock care, homestead farming and so on. The available evidence overwhelmingly suggests that women tend to retain responsibility for these activities even if they take up paid employment. As a result, working women tend to work longer hours each day than working men, giving rise to the phenomenon of ‘time poverty’.

The resilience of the gender division of unpaid domestic labor introduces considerable variations in women’s labor force participation over their life course, with much lower rates of participation in their reproductive years. It also introduces life course variations in the kinds of work that women do. One generalization that appears to be emerging from a review of the empirical literature from a variety of different contexts is that women with young children are more likely to be self-employed, often in household-based activity, than single women or women without children (Kabeer, 2008). There appear to be two main exceptions to this generalization which embody the intersection between class and gender at two ends of the income distribution.

The first exception relates to better-off women with children. They are more likely to be found in salaried forms of work which provide maternity leave and child care support, they can better afford to pay for help with child care and domestic chores and they are more likely to have access to time-saving infrastructure (electricity, running water, sanitation). This is supported by recent research by UNRISD into unpaid care work which found that it declined with rising levels of household income (Budlender, 2008).

The second exception relates to very poor women with children, particularly those who are household heads and hence primary earners. Such women take up waged work either because it
offers higher returns than the forms of self employment available to them or because they lack start-up capital, skills and networks to run their own enterprise. These women have to manage their child care responsibilities in ways that can often have adverse consequences for themselves and their children: taking young children to work with them, leaving them in the care of older female siblings (whose education thereby suffers) or leaving them at home unattended.

Evidence of the persistence of gender inequalities in relation to labor market outcomes raises a number of important questions in relation to women’s empowerment. First of all, given the resilience of the gender division of unpaid labor, and women’s continuing responsibility for this work, can we assume that all women will want to undertake paid work with the greater work burdens that this will involve? And secondly, given the poor quality jobs that the majority of working women have access to, can we assume that paid work for women is necessarily empowering?

In terms of the first question, our basic premise is captured by the following quote from the ILO (2008): While one should not assume that all women want to work, it is safe to say that women want to be given the same freedom as men to choose work if they want to; and if they choose to work, they should have the same chance of finding decent jobs as men (p.2). In other words, we assume that all women should have the freedom to work if they want to and their choice of work should not be determined by their gender.

The second question is a matter for empirical investigation. However, the findings from the ‘empowering work’ theme of the Pathways of Women’s Empowerment research programme provide a useful entry point into this discussion. The aim of this theme was to explore the empowerment potential of different kinds of work by women in Ghana, Egypt and Bangladesh (Kabeer et al. 2011; Assad et al, 2010; Darkwah and Tskiata, 2010; see also Kabeer, 2011 for synthesis of findings). In keeping with the wide ranging definition of empowerment adopted for the research (and cited earlier), the indicators used to measure empowerment included women’s perception of themselves and how they were viewed by others in the family and community; their capacity for personal agency and voice in household decision-making, their knowledge of their rights and their participation in community life and politics.

All three studies found that women who in paid work generally reported more positive impacts in relation to a range of empowerment indicators than economically inactive women. In other words, women’s paid work appeared to constitute an economic pathway to changes in their lives that went beyond the economic domain. As the Bangladesh study pointed out, the mechanisms through which change took place in that context were obviously material, but also cognitive, relational and behavioural.

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At the same time, all three studies also found that the nature of the work in question determined the strength and consistency of impact. In all three contexts, formal/semi-formal employment appeared most consistently empowering in terms of the indicators chosen. Such work was largely generated by the public sector and to a lesser extent private firms and NGOs. Formal jobs generally offered higher wages but more importantly, they offered stability of employment, some measure of social security and social acceptability. They also appear to be less characterised by gender discrimination than most other sectors of the economy: Sholkamy and Assad (forthcoming) refer to the Egyptian state as the only genuine equal opportunity in the country. However, public sector jobs not only made up a minority of women’s jobs in all three countries (largest in Egypt where the state guaranteed public employment to all men and women with university education), but was also shrinking in all of them without a commensurate increase in women’s access to formal private employment.

While various forms of informal work were less consistently positive in their impact, the greater likelihood of positive impacts associated with outside paid work in Bangladesh and Egypt relative to work within the home and off-farm self-employment in Ghana relative to informal waged work and farm-based work did point to the importance of work that allowed women to keep some control over their own incomes and that brought them into the public domain. This supports a large number of studies that have shown that economic activity within the confines of family relations, particularly unpaid productive work in farm and family enterprises hold out the weakest transformative potential for women’s lives.

The finding that formal/semi-formal paid work offers the most promising pathway to women’s empowerment clearly presents a conundrum for the empowerment agenda. Such work, particularly in the public sector, is shrinking in most parts of the world. It is therefore unlikely that the vast majority of women – and men – currently in the informal economy can hope to enjoy formal conditions of work in the near (or increasingly distant) future. The challenge therefore is to extend some of the positive aspects of formal work – recognition, regularity of wages, social protection, voice and organisation – to work carried out in the informal economy. In the next sections of the paper, we consider this challenge in relation to the kinds of work in which women are currently engaged.

6. **Choice without options: The distress sale of labour**

We start our discussion by exploring the factors that lead women to take up paid work. We can probably assume that most men undertake economic activity in response to their socially-ascribed roles as breadwinners. To that extent, they have little choice about the matter, but there is no evidence to suggest that they would rather stay at home and specialize in unpaid care work (although many might willingly opt for leisure).
For women, on the other hand, their socially ascribed responsibilities for unpaid care work and domestic chores is likely to constitute an important consideration as to whether they take up paid work and the kind of paid work they take up. Given their domestic workloads, we cannot assume that all women will want to work. At the same time, if paid work holds out the possibility of greater agency, why don’t more women work? In this and the next section, we discuss the importance of disentangling choice and constraint in attempting to explain gendered patterns of labour force participation.

It is clear that poverty is a major factor driving women’s labour force participation rates. While there is some regional variation in the economic activity rates of women from more affluent households, women from poorer households in most regions are either economically active or seeking to become so. In cultures like South Asia where there are strict norms of female seclusion, there is in fact a strong association between household poverty and women’s labour force participation (Bennett, 1992; Das, 2006; Srivastava and Srivastava, 2009; Sathar and Desai, 1996 for Pakistan; Hossain and Sen, 1991; Bridges et al 2011) for Bangladesh). Indeed, in India, women from lower caste and tribal groups have ‘always’ worked.

In other regions, the link between women’s labour force participation and household poverty is not so clear. In Latin America, despite the role of economic crisis in pushing women into the labour market, there is, if anything, a positive association between female labour force participation and household income (Sedlacek et al, 1993). The association between gender and household poverty shows up instead in employment rates (Espino and Azar, 2006). In post-apartheid Africa, male unemployment among poorer households has led to rising labour force participation by women but, given the dearth of economic opportunities, also increasing rates of unemployment (Casale and Posel, 2004). We can therefore assume that some of the female work force is working out of necessity, as a routine aspect of their daily struggle for survival.

Their numbers are swelled during periods of crisis as households seek to compensate for the impact on their incomes through mobilising additional workers, very often women and children who were not in work before. Bhalotra and Umana-Aponte (2010) have drawn on micro-data from 154 DHSSs from 63 developing countries between 1986 and 2006 to study the impact of fluctuations in per capita GDP on women’s current employment status at the time of the survey. They find evidence of a strong counter-cyclical pattern in Asia and Latin America, with less educated women dominating the ‘added worker’ effect, supporting the ‘distress sale’ interpretation of their entry into paid work. The employment of married women and women with at least one child under five was also more sensitive to the business cycle, evidence of their secondary workers status. Most of these women had not been working before and most went into self-employment, presumably in the informal economy. The added worker effect was weaker among women from wealthier households or with husbands who had at least secondary education. Weaker cyclicality was displayed by more educated women, suggesting steadier labour market attachment.

In contrast to other regions, women’s employment patterns were significantly pro-cyclical in SSA: this pattern was strongest among women who are currently married, have well-educated husbands
and are in the upper income quartiles. It was weaker among poorer rural women and women with young children. The authors concluded that to the extent that income pooling was not the norm in African households, African women tend to behave like primary workers. Their pro-cyclical pattern reflected the loss of paid jobs in recessions, only some of which was compensated by a rise in self-employment.

Other studies also support the idea that women’s labour force participation rises in response to economic distress. For instance, studies from Argentina by Cerrutti (2000) and Mexico by Parrada and Zenteno (2001) respectively found evidence of a gender-specific added worker effect, particularly among poorer households, and households with unstable male employment in the case of Argentina. Posadas and Sinha (2010) used Indonesian data to document an added worker effect, largely made up of wives in response to shock to husbands’ earnings during the 1997/98 financial crisis. 41% of the women went into self employment while 23% were in private wage employment. They found that the effect persisted for several year after the crisis (panel data was available between 1993 and 2007): between 87-94% of added workers remained in work. Each additional year in the labour market reduced the probability of women leaving the labour market by 1.5 percentage points 6.

While quantitative evidence has been able to pick up the ‘added worker’ effect in explaining women’s entry into the labour market, qualitative research suggests that part of the rise in female labour force participation may be a response to long-term processes of impoverishment rather than confined to economic shocks. Reviewing the African literature, Whitehead (2009) states that ‘falling and/or insecure incomes from farming have pushed many women and men into own-account activities in rural economies as part of diversification strategies’ where limited access to start-up capital and other resources combine with gender biases in the market to cluster women in low-entry, low return activities’ (p. 48). In Latin America too, Deere (2009) points out that neoliberal restructuring and the growth of rural poverty rates has led to increasing numbers of rural households seeking off farm employment in both own account and waged work. She notes the greater trend for women relative to men to diversify into ‘safety net’ or ‘last resort’ non-agricultural activities to keep their households from destitution: these are low-productivity, low remunerated activities.

The labour-intensive nature of distress-driven activities, their reliance on returns to labour rather than skills or assets has led a number of authors to discuss them under the rubric of ‘labour markets’ using the term in a wider sense than commonly used in mainstream economics (Whitehead, 2005; Chen et al., 2005). This helps to emphasize the economic continuities and discontinuities in the income generating possibilities facing the poor as well as the similarities in the economic factors that influence their entry into these activities.

6 The persistence of the added worker effect is an interesting finding which, as the authors point out, needs further investigation. It may be that shocks have a more lasting effect than assumed in the literature or it may be that once women have overcome barriers to their labour market participation, they opt to stay on.
In summary, evidence of the kind discussed in this section suggests that there is a sizeable segment of economically active women at any one time who are working to meet the daily survival needs of their families, to offset the impact of idiosyncratic or generalized shocks or to cope with intensified processes of impoverishment. They may be married women with children, women with low levels of education but above all, they are women from poorer households. The supply of labour by these women is not only least likely to reflect an active choice on their part, it is also least likely to be into forms of work that could be considered empowering.

7. **Suppression of choice: Constraints on women’s labour market options**

While household distress may have forced many women into paid work, there are also factors at play that prevent other women from working or restrict the kinds of work they do. Women’s socially ascribed responsibilities for various forms of unpaid work within the home clearly play a role in explaining their lower rates of labour force participation relative to men. They also explain their greater concentration in forms of work that are compatible with discharging these responsibilities but carry poorer remuneration: part-time, casual, irregular, seasonal and often home-based.

For some authors, these patterns are construed in terms of choice on the part of women. For instance, Maloney (2004) takes the fact that the majority of women in his review of the literature on informal work said that they had opted for informal work because it accommodated their household chores as clear evidence of choice. In a recent handbook on women-owned enterprises, Welter and Andersson (2007) claim that ‘the sectors women generally prefer for starting a business are mostly characterized by high turbulence rates, thus providing relatively few opportunities for rapid business growth’ (p. 9: my italics).

This stress on choice and preferences as the sole explanation for women’s labour market choices needs to be problematized. There are grounds to argue that a choice-theoretic explanation does not fully capture the various factors that give rise to gendered patterns of labour force participation. As we noted earlier, some countries impose legal restrictions on women’s capacity to make choices, requiring them to seek their husbands’ permission before they start an enterprise or take up other forms of paid work. In other contexts, custom rather than law invests dominant household members, usually men, with the authority to determine how women use their time. A study of female labor supply decision-making among Bangladeshi households in London and Dhaka reported both on women who were forbidden to take up paid work outside the home by their husbands and in-laws as well as the prolonged negotiations through which other women obtained permission to do such work from their husbands and parents (Kabeer, 2000).

In both Mozambique and Tanzania, research has shown how husbands and fathers prevent women from engaging in outside paid work, particularly forms of paid work where they were likely to come into contact with other men (Oya, 2010). In Mexico, women confirmed that husbands were
openly against or at best dubious about having spouses work outside the home: ‘The need to ask ‘permission’ to work and abide by the husband’s opinion was a serious issue for young and middle-aged women’ (Appendini, 2010 p. 134)

Constraints apply in less explicit ways as well – as part of the socially ascribed obligations associated with household gender relations. In West Africa, where there is a long established tradition of women cultivating their own fields, Dey Abbas (1997) found that women’s obligations to work on their husbands’ fields meant that they were often unable to give sufficient or timely labor to their own fields and enterprises. In rural Tanzania, while men identified transport, marketing constraints and lack of credit as the main reasons for their lack of success in expanding agricultural production, women mentioned the time needed to look after their families, food preparation and the work on their husbands’ gardens (Fontana with Paciello, 2010).

Ghosh (2009) reports that successive National Sample Surveys in India report increasing proportions of women say that they perform unpaid domestic work out of compulsion rather than choice. According to Das (2006), over 93% of women currently not in the labour force give this response. Of these, 65% say it is because there is no other member of the household who will take on these duties. Around a third of these women would like to be employed, around 25% in regular full-time work and around 70% in regular part-time work. The percentages wanting regular full time work were higher for women with post-primary education.

Das suggests that the absence of regular, salaried jobs may be one reason why education does not lead to an increase in female labor force participation in the Indian context. The alternative, particularly in rural areas, is unpaid work on family farms and enterprises or poorly paid in petty vending, domestic service or manual wage labor, none of them likely to appeal to educated women. She concludes that ‘macro level gender inequality, as measured by wage discrimination and barriers to entry into preferred jobs are a disincentive to women entering the labor force’ (p. 13).

In urban Brazil, the absence of support for their child care responsibilities was found to restrict the capacity of women to look for work outside the home as well as reducing the income earned by those who did (Deutsch, 1998). Two thirds of the mothers who were not already working full time said that they would either seek outside employment or increase the number of hours they worked outside the home if child care services were made available. Strong correlations were found between utilization of full-time child care outside the house and formal sector occupation.

Brickell’s study (2011) in Cambodia offers some qualitative insights into why women’s primary responsibilities for unpaid domestic work remains intact even when they take up paid work. She found that men justified their refusal to help out working wives within the home by invoking Khmer notions of masculinity. Women accepted the status quo partly in order to avoid conflict with their husbands with the attendant possibility of marital breakdown, and partly they knew that if they did not do it, nobody else would. Brickell concluded that the Cambodian women she
interviewed continued to do the housework, not out of positive feelings about their roles but rather ‘from a coercive situation of paternal irresponsibility’ (p. 1362).

One other study that questions the element of choice entailed in women’s concentration in atypical work comes from Honduras and explores how men and women evaluated full and part time jobs. As Lopez-Boo et al (2010) point out, if individuals were making optimal choices, they would choose to work full or part time according to their preferences and those working full time would, other things being equal, be as satisfied with their jobs as those working part time and the economically inactive. However, individuals might be operating within various constraints which forced them to accept or remain in less desirable jobs. Comparing job satisfaction, as a measure of welfare at work, across gender and categories of work provided an insight into gender differences in preferences as well as in constraints (p. 1545).

They found a significant gender differential in the relationship between job satisfaction and type of work. Unlike results for some European countries, they found women working full time (more than 30 hours a week) reported greater satisfaction in their work than those working part time. The association between full time work and job satisfaction was even stronger for men. Furthermore, contrary to the view that women prefer part time jobs which allow them to combine work and family, married women with children reported higher levels of satisfaction with full time work compared to single women or married women without children. The likelihood that full time work was valued for its larger contribution to household income was reinforced by the finding that poor women valued full time work more than non-poor women. Many of these poorer women worked in small firms in the informal economy where working conditions tend to be worse than full time jobs in large firms: yet those in full time jobs expressed greater job satisfaction than did women in full time jobs in large firms. Given their poverty, part time jobs clearly carried too high an income penalty. The study concluded that ‘many women are labour supply constrained, working part-time not by choice but rather because of lack of more work’. (p. 1567).

In summary, such evidence, scattered as it is, suggests that while there may be a gendered pattern to labour market behaviour, we cannot make generalizations about why women work and the factors determining the kind of work they do. Women’s decisions are likely to reflect different degrees of choice and constraint, depending not only on individual and household characteristics, such as age, education, wealth, husband’s education and so on but also according to the acceptability of work within the local culture as well as the amount and kinds of work available. What seems to be a reasonable generalisation to draw from our discussion is that empowerment potential of work is likely to be greater, the more the decision to work and category of work is the result of active choice on the part of women. We explore this proposition in relation to the two categories of work that form the main focus of this paper.
8. From survival to accumulation: women’s empowerment and enterprise development

According to ILO data (2008), the majority of women in developing countries are classified either as own account workers or as unpaid but contributing family workers. Own account work makes up 47% of female employment in SSA (compared to 48% of male employment), 18% in the Middle East (compared to 23% of male), 26% in Latin America (compared to 30%) and 25% in South Asia (compared to 56%). Gender differentials are far more marked in relation to unpaid family work: it accounts for 35% of female employment in SSA compared to 18% of male employment; 25% in Middle East compared to 5% for men; 7% in Latin America compared to 4% of male; and 59% of South Asia compared to 18% of male.

Very few self-employed workers are classified as employees, and even fewer women workers: globally, 3.4% of men and 1.8% of women were in this category. Percentages varied regionally with higher percentages reported for women in North Africa (3.2%), Latin America (2.7%) and SSA (2.8%) and lowest percentages reported in South Asia (0.3%).

The ILO classifies both own account work and unwaged family labour as ‘vulnerable’ work, offering little or no remuneration, characterised by risk and uncertainty and outside the remit of legal and social protection. For women in particular, participation as unwaged family labour does little to challenge their subordinate position within the family or expand their social networks beyond it. We therefore turn to women’s own account work and ask whether, and under what circumstances, it holds out the possibility of empowerment.

The available evidence suggests that while many own-account activities performed by women are distress-driven and characterised by high levels of self-exploitation, not all forms of female self-employment fall into the ‘vulnerable work’ category. If self-employment is thought of in terms of a continuum, with survival-oriented income-generation at one end and accumulation-oriented enterprise at the other, we would locate the majority of self-employed women closer to the survival end but would find that some of them, varying percentages in different regions, are to be found closer to the other end.

The important research questions in relation to women’s enterprise relate to finding out what explains their predominance at the survival-oriented informal end of the enterprise spectrum, where there is very little evidence of active choice, and what could be done to promote their transition to the growth oriented and more formal end. This is not only a question about what differentiates male and female entrepreneurs but also a question about what differentiates female entrepreneurs at different points of the continuum.

The enterprise literature seeking to address these questions have focused on various standard economic variables, but also includes various subjective variables, including motivation to start enterprise, considered an important factor in predicting its future trajectory, as well as various
psychological measures of ‘the entrepreneurial personality’ (attitudes to risk, trust, locus of control etc) which are likely to predict likelihood of success.

The first general finding that comes out of this literature is that gender stratifies entrepreneurial activity along all points of the continuum, including both survival and accumulation ends. For instance, a study from Zimbabwe in the 1990s found that nearly 4 out of 5 women engaged in off farm enterprise were brewing beer while men were smiths, brick-makers and builders: men earned an annual income that was at least 7 times higher than that earned by women (Scott, 1995). Gender stratification also characterizes trade in the same commodity. In Tanzania, Bryceson (1993) found that the wholesale and intermediary trade in maize was almost exclusively the preserve of men. Women made up around 20% of intermediaries in her sample and 25% of wholesalers. Women were predominantly retailers, trading in smaller quantities than men.

More aggregated analysis of enterprise data from a number of SSA countries by Hallward-Driemier (2011) offers a more aggregated picture of gender segmentation. She found that women were concentrated within services and traditionally lower value added production sectors such as garments and food processing. They were also less likely to be registered. Men are more likely to be in metals and other manufacturing activities.

Using value added per worker as a measure of performance, she reports a gender gap in labor productivity of 6 per cent. However, once controls for entrepreneurs’ education, size of enterprise and line of business had been introduced, the gap in productivity shrank, virtually disappearing among more formal enterprises. While Hallward-Driener concludes that it is women’s small share of formal enterprises that accounts for productivity differences rather than gender per se, we noted earlier that this does not dispense with a gender analysis: we still need to understand why women have such a small share of formal enterprises. However, an important implication of her research is that the impact of gender-related constraints on productivity appears to be larger at the informal, survivalist end of the continuum than at the formal, growth oriented end.

Kantor’s (2005) study of women home-based micro-entrepreneurs in the garment sector urban India provides some useful insights into differences at the poorer end of the enterprise spectrum. She investigated the determinants of value-addition in these enterprises and of women’s control over their own earnings. She distinguished between own-account entrepreneurs managed their own enterprises, dependent home-based workers who relied on intermediaries to provide their inputs and sell their outputs and a mixed group who relied on intermediaries for their inputs but sold their own outputs.

She found that training and years of experience proved more important than formal education as forms of human capital that added value to the enterprise. Other positive factors were value of enterprise capital, access to family and hired labor and ability to sell to markets outside the city. Mixed status entrepreneurs and those with diversity of skills reported higher value added than own account or dependent entrepreneurs and those sewing one kind of garment.
However, women’s ability to control enterprise earnings did not appear to have a consistent relationship either to the magnitude of earnings or its share of household income. Instead, it was women in own account work rather than those in the dependent or mixed categories who reported the greatest likelihood of control over their earnings. This reinforces the findings from the Pathways research that independent forms of paid work held out a greater promise of empowerment than work carried out entirely within the confines of the household.

Studies from Vietnam offer insights into gender differentials at different points of the enterprise continuum. Women in Vietnam are estimated to manage around 30% of its approximately 3 million non-agricultural household businesses and around 24% of the 113,352 incorporated enterprises (Rodgers and Menon, 2010). Analysis of the VHLSS 2008 using a sample of 2569 non-agricultural household businesses found that male-operated enterprises were more likely to be licensed than female operated ones, particularly in urban areas, were more likely to employ paid workers, were as likely as female to work from home but of the remainder, female operated enterprises were more likely to be located in markets while male operated enterprises were distributed between markets, shops/permanent sites, markets and non-permanent sites (Rodgers and Menon, 2010). Finally male operated enterprises reported considerably higher mean monthly revenue. However, the difference between the median earnings of the two was considerably lower, suggesting that a relatively few male household enterprises reported much higher mean monthly revenues while the rest generated similar monthly earnings as female enterprises 7. It is likely that the higher earning male enterprises were licensed so that the differential in earnings was picking up differentials in size and formality.

An analysis of five surveys of licensed small and medium enterprises in Vietnam that were carried out between 1997 and 2009 also picked up on gender differentials but offered a rather different picture (Bjerge and Rand, 2011). It found that while male and female owned enterprises were equally likely to resort to formal bank loans, female entrepreneurs were more likely to get credit through Social Policy Banks, using housing as collateral while men got their loans from the state owned commercial banks using land as since they were most likely to be named on newly distributed land title certificates. It also found that while male owned enterprises showed higher innovative capacity, capital utilization rates, net profit and short term growth rates were higher for females.

Econometric estimates suggested that size and innovative capacity mattered for firm survival and growth, but that gender of owner made no difference. However, female entrepreneurs earned significantly higher net profits than men, controlling firm size, age of firm, net assets, levels of technology and owner’s education and innovative capacity had been controlled for. Worth noting is that male-owned enterprise reported a higher wage share and workers got a higher share of

7 For instance, male operated enterprises in urban areas reported mean monthly revenues of 14,728 VND while female operated ones reported 6,923 VND. Median monthly revenues were 3904 and 2415 respectively.
value-added. The share of wage costs was lower in female enterprises because they were more likely to employ female workers who could be paid less.

The other finding from this study related to the factors predicting the likelihood enterprise registration. The probability of registration increased with size and annual value-added generated, but decreased with the number of employees, presumably to avoid social security costs. Enterprises with professional premises were more likely to register than those with no fixed premises. The better educated were more likely to register as were men compared to women. Finally those that had set up their businesses to achieve greater independence or in line with the family tradition were more likely to register than those who had set up as a default option or a sideline activity.

The question of motivation in setting up enterprises appears to be an important factor in differentiating enterprises in other contexts as well. A study of non-agricultural enterprises in Ghana by Heintz and Pickbourne (2011) found that men and women who described enterprise as their primary activity differed in a number of ways from those who described it as a diversification strategy, with agricultural work most often reported as their primary activity. The former were more likely to live in urban areas, where agriculture was not an option and wage opportunities were limited, particularly for those who did not have English language literacy. They were also more likely to have secondary education although tertiary education reduced the likelihood of specialization – presumably in favor of better paid wage employment. In addition, they found that access to electricity and running water made a significant contribution to the likelihood of specialization, particularly for women, reaffirming the importance of domestic infrastructure in easing women’s work loads noted earlier.

While Hampel-Milagrosa’s study (2011) of 303 Ghanaian entrepreneurs does not distinguish between specialists and diversifiers, her selection procedure suggests that they are likely to be specialists. She finds no evidence of gender difference in motivations given for becoming an entrepreneur among this group, with the need for employment or income featuring most frequently among both men and women.

Some gender differences were evident in attitudes to business. Women and men were equally likely to describe themselves as motivated to succeed in their businesses, but women were somewhat less likely than men to describe themselves as wanting employment and financial independence, being open to innovation or interested in increasing their productivity and considerably less likely to want their work to fit their family life or to believe that registering their business would benefit them.

Greater gender differences were in evidence in relation to family life. Women were much more likely than men to say that they performed the majority of household tasks and more likely to be willing to give up their businesses if their family required more attention. The difficulties of work life balance also featured much more strongly in women’s perceptions: 52% of men said they found it easy to achieve a balance compared to 32% of women while just 8% said they found it
‘very difficult’ compared to 21% of women. Men were generally able to work longer hours at their enterprises than women: 39% said they worked more than 12 hours a day compared to 25% of women.

Hampel-Milagrosa also reports on the factors relating to the probability of enterprise formalization in Ghana. For both male and female entrepreneurs, net profits, ownership of land and positive perceptions of the business environment proved important. There are intuitively plausible reasons why these factors might encourage registration and the latter two have obvious policy implications. Land in particular, with its connotations of access to credit and stable business location, echoes the results from Vietnam.

It should be noted that, despite efforts to improve Ghana’s business environment, over 50% of men and 60% women had not perceived any improvement. Of those that did, men were most likely to mention land and property registration while women mentioned business registration. The significance that women attached to registration procedures was also reinforced by the fact that ‘trust in the Registrar General’ had a positive impact for women but none for men. Higher educational attainment increased the likelihood of women registering – perhaps through its impact on their self confidence - but had no impact on men.

One other point made by the study echoes Das in relation to India. Hampel-Milagrosa suggests that lack of formal job opportunities was making it difficult for those with university education, particularly women, to find work; this may explain why many of them set up their own enterprise. The other factor militating against their entry into formal waged employment was Ghana’s labor laws which required employers to shoulder the costs of maternity leave. She notes that in the view taken by the Doing Business report, Ghanaian women could benefit from relaxation of labour legislation and the consequent reduction of maternity costs to employers. The alternative, she suggests, would be to transfer the costs to the social security system so that women did not have to face a motherhood penalty.

As we noted earlier, there is evidence to suggest that gender differentials in constraints and capacity might be greater at the survival end of the spectrum compared to the accumulation end. This is given further support by two studies using randomized control trials in Sri Lanka and Ghana to explore how male and female entrepreneurs respond to the provision of transfers of various kinds. De Mel et al (2009) surveyed 405 low-capital micro-entrepreneurs, both male and female, in Sri Lanka periodically between 2006-2008 to examine the impact of transfers, half of which were provided as cash and half as equipment or working capital as specified by the entrepreneurs. Two thirds of the grants were $100 and a third was $200: this represented about 50% and 100% of the base line median capital stock. The study found that monthly profits increased by around 9% of the grant amount in question in male owned enterprises but did not increase at all in female-owned ones. While male owners invested between 60-100% of their transfers in their enterprises, depending on the size of transfer, female entrepreneurs failed to invest any of the smaller grant in their enterprises. However, while they did invest as much or more of the larger grant than men, they failed to realize any return.
The study explored and rejected a number of possible explanations for these gender differentials in returns: gender differences in household wealth, number of wage earners (a proxy for liquidity), years of education, scores on the Digit-span recall test (a measure of short-term processing power), various measures of entrepreneurial ability (eg. achievement motivation, trust, locus of control, passion for work, entrepreneurial self-efficacy) and risk aversion.

Instead, two explanations appeared to be most plausible. One related to intra-household relations and the extent to which women had supportive husbands. The other related to the marked gender segmentation of enterprise activities evident in the sample. The authors note that sample enterprises could be divided between business activities that were entirely or predominantly male (eg. repairs), activities that were entirely or predominantly female (lace making) and some that were mixed (retail trade and bamboo). Only 2% of women worked in sectors that were less than 40% female while only 7% of men worked in sectors with more than 55% female owners. Both investment levels and returns decreased steadily as percentage of female owners in the sector increased. For women receiving the larger transfer, post-transfer investment levels and profits both increased if they were located in mixed sectors but fell in female dominated sectors such as coir and lace. For men, investment levels and returns increased to a greater extent in male-dominated compared to mixed industries.

It is likely that the proportion of females in a sector was a proxy for various gender-related norms and constraints of the kind discussed earlier. The gender-stereotyping of activities was evident for instance in the fact that only 10% of their respondents considered repairing bicycles to be a socially acceptable activity for females while none considered lace making acceptable for males. There was also evidence of restrictions on women’s physical mobility: 74% of female owners operated out of their homes compared to 52% of male while 48% of female owners reported that all their customers were within 1 km. of their business compared to 30% of male owners.

One of the limitations of the study was its focus on the survival end of the enterprise continuum. Hence it had little to say about the relevance of gender differences for enterprise returns at the accumulation end of the spectrum. It would also have been useful to have had a better understanding of what distinguished women who opted into mixed sectors with those who remained in female-dominated sectors.

A later experiment along the same lines carried out in Ghana did include different sized enterprises and offered some interesting insights into this question (Fafchamps, 2011). The Ghana study covered 793 microenterprises, selected on the criteria that none had paid employees. One group of entrepreneurs was given a cash transfer worth 150 Ghanaian cedis, a second group was given the equivalent in equipment, materials and inventories of their choice while the rest formed a control group.

The study found that while cash grants did not increase profits for female-owned firms, in-kind grants did increase their profits, but only for largest 40% of firms as measured by initial profits and capital stock. Those running survival-oriented businesses saw no gains from access to additional
capital. Returns for males obtained, regardless of size of the firm. Cash grants were associated with smaller overall increase in profits. The effect was insignificant for women and inconclusive for men but similar to the impact of in-kind transfers.

The study interpreted the results as suggesting that women entrepreneurs were better able to resist internal or external pressure to divert transfers when it came in the form of inventories or equipment rather than cash, but only after they had achieved a certain size. This was supported by the finding that women, particularly those with lower initial profits, spent most of their cash transfers on payments in cash or kind to non-household members. There was also higher positive impact on household expenditure for those getting cash transfers, especially among women with low initial profits. Women with higher initial profits spent more of the cash transfer on investment but did not report a significant increase in profit. While males receiving cash grants also reported higher household expenditure, it was not significant.

The study explored a variety of possible explanations for these differences in impact between low and high profit women. One set of explanations related to attitudes and practices around savings. This proved to be important but only in explaining variations in impact among women with high initial profits. Other possible explanations including bargaining power within the household and external pressure to share the transfers did not prove significant.

Instead, the main difference between the two groups appeared to be the initial scale of their enterprise in terms of profits, capital stock and volume of sales rather than industry, type of business or activity. In fact, many had larger profits than the average male owned firms in the sample. They were more educated, came from richer households, were more likely to keep accounts, to have taken out a formal loan and been in business somewhat longer than the low profit group. They were also more likely to say that they had chosen the sector for its earning potential rather than because it had low capital requirements. The low profit women were more likely to report subsistence levels income and express greater pessimism about their future prospects.

One theme running through a number of the quantitative studies on women’s enterprise is that once gender differentials in enterprise characteristics are taken into account, they do not face any further gender-related obstacles in growing their enterprises (Bardasi, Blackden and Guzman, 2007). This is also one of the conclusions put forward by Hallward-Driemeier (2011) on the basis of her quantitative findings. However, as she points out, her qualitative interviews told a different story, highlighting gender differences in obstacles, ‘not only in kind but also in degree’. She noted that the ‘gifts’ sought by suppliers, moneylenders or officials from women traders often went beyond the financial to the sexual. Dolan (1997) has also noted that Kenyan women who acted as brokers in the marketing of French beans often used sexual services as part of the transaction: ‘that women should resort to exploiting their “body capital” in this way, given their unfavorable access to capital and labor market opportunities, has been one of the less well-documented aspects of livelihood strategies in the region’ (Whitehead and Kabeer, 2001 p. 23).
Other examples of the gender-related obstacles that block women’s progress up the business ladder but are also less easy to capture through quantitative methodologies come from South Africa. Here the post-apartheid government passed the Black Economic Empowerment Act which, among other things, seeks to increase the extent to which black women own and manage existing and new enterprises, and their access to economic activities, infrastructure and skills training.

Despite this evidence of official commitment, the consensus of business women surveyed in a recent study, including the larger women’s investment groups that have done well, is that ‘BEE is mainly a men’s game, with women treated as minor partners, or add-ons’. The study found that ‘corruption, old boys’ networks, patronizing procurement officials, difficult-to-come-by performance guarantees, a lack of working capital and especially the lack of measureable targets’ were frequently cited reasons why women lagged behind in preferential procurement opportunities. Out of 10 institutions surveyed by the study, only 2 included a gender breakdown on BEE procurement spending while statistics that were reported for women only ranged between just 2-5% (Naidoo, Hilton and Melzer, 2006: p. 6)

In summary, a number of generalizations can be made on the basis of the discussion in this section. First of all, the overall view that women’s enterprises grow more slowly and generate lower profits than men’s enterprises is largely accurate but we need a more nuanced account that takes account of important differences between women’s enterprises. Certainly many more women’s enterprises appear to be at the smaller-scale, survivalist end of the enterprise spectrum but at the accumulation end, gender differences appear to diminish. It may be that only those with entrepreneurial skills and the requisite social connections make it to the accumulation end or it may that those at the accumulation end start out favourably endowed so that their gender does not constitute such a major disadvantage.

Secondly, while gender differentials in productivity may disappear once controls for enterprise characteristics such as size, formality, capital stock etc have been introduced, this does not render a gender analysis irrelevant. As we have argued, it merely shifts the focus of the analysis to the factors which help to account for gender differences in enterprise characteristics and location. Possible explanations are likely to include the greater difficulties women face in separating out their business and family decisions and balancing their work and family responsibilities; restrictions on their time and mobility; the various forms of discrimination they face in accessing the resources they need to grow their businesses and lack of education which may translate into greater lack of self confidence, knowledge of legal provisions and so on. What we can take away from the studies discussed here is that business competence does not appear to be innately gendered.

Thirdly, the evidence suggests that self-employment may be a default option for many women. As Emran et al (2007) have pointed out, the concentration of so many poor women in survivalist forms of self employment, and their inability to grow their enterprises, frequently reflects a variety of missing and imperfect markets, with missing or imperfect labour markets likely to be most
salient. Where there are severe restrictions on women’s mobility in the public domain, labour markets for women are, to all intents and purposes, non-existent. Alternatively, gender-related constraints on women’s ability to take up waged labour, along with greater costs of job search, may increase transaction costs of their wage labour to such an extent that the market for female labour becomes irrelevant to certain households.

Where women’s entrepreneurial activities are dictated by considerations other than the profitability of their enterprise, the chances of transition to the accumulation end of the spectrum are likely to be difficult, if not impossible (Emran et al op cit). Not all of them will have the necessary entrepreneurial ability, their priorities may lie in ensuring their family’s survival and welfare, they may find it difficult to hire and manage labour, to exercise the requisite degree of mobility. The failure of microfinance to benefit very poor women has underscored the difficulties they face as entrepreneurs and possible discontinuities in the transition to higher-value end of the enterprise spectrum.

The microfinance literature has thrown up two alternative responses to this possibility which are of relevance to this paper. The first is that very poor women might benefit from different forms of support to the moderately poor who have made more of a success of their access to microcredit. The savings led self-help group approach adopted by PRADAN and other NGOs in India is one example of such an approach. It combines a stress on group savings as a means of strengthening financial management skills and as the first step on the ladder into more productive and diversified livelihoods. Another example is BRAC’s Targeting the Ultra Poor programs and its spinoff in the Char Livelihoods program in Bangladesh which combines the transfer of productive assets with intensive mentoring.

An alternative response is that very poor women may be better off in reasonably paid wage labour. There is some scattered evidence to support this. As we noted earlier, very poor women, particular household heads, tend to opt for wage work and in Honduras, those in full time waged work expressed greater satisfaction with their jobs than those in more flexible part time work. A study by Dolan (2004) in Uganda found that while less than 10% of female household heads worked in wage labour compared to 40% of male heads, their employment put them in the middle-income tercile compared to those in self employment who were in the lowest tercile. There is also evidence from Vietnam that many of the informal enterprises that closed over the period of the recent crisis did not close for reasons of business failure but because better paid waged jobs (Cling et al, 2011). We turn therefore to the literature on waged employment and its potential for women’s empowerment.

9. From exploitative to ‘decent work’: women’s empowerment and wage labour

The findings cited earlier suggested that it was formal, largely public sector, employment that held out the greater potential to transform women’s lives. However, public sector employment has
been declining steadily over the last 30 years, a result of economic liberalisation, privatization of state enterprise and service provision and labour market deregulation. There has been an increasing informalization of jobs through processes of subcontracting, replacing formal labour with informal, downgrading contractual obligations and so on. This means not only that there is less formal employment around but that merely working for a formal enterprise does not necessarily guarantee formal employment conditions.

Wage labour opportunities, like entrepreneurial activities, can be located on a continuum encompassing ‘bad’ jobs at one end of the spectrum (poorly paid, highly exploitative and often demeaning work) and ‘good jobs’ at the other, characterised by formality of contract, decent working conditions, regularity of pay along with social and legal protection. The empowerment potential of wage labour is likely to be closely associated with its location on this continuum.

Casual unskilled agricultural labour, domestic work, largely associated with women and characterised by personalised relations of servitude, sex work which carries exposure to violence and vulnerability to HIV-AIDS, work on construction sites, often associated with bonded labour in South Asia, petty vendors working for other traders are among the forms of work that feature frequently at the ‘bad’ end of the spectrum.

Casual and unskilled agricultural wage labour appears to be among the worst paid jobs available to workers in much of the developing world. As Lanjouw put it, ‘agricultural wage labour, particularly casual, daily wage employment, is seen in many places as an occupation of last resort. Remuneration is typically low, the work is physically demanding, employment is prone to significant seasonal variation and it can be associated with a lack of social status’ (2007, p. 57).

In the Indian context, women from the scheduled castes have the highest probability of working as casual agricultural wage labour. Younger and less educated women are also more likely to work as casual labour, while household wealth and young children decreased the likelihood. As men increasingly migrate out of the agricultural sector in response to rising landlessness and the possibility of better jobs in the off farm sector, it is largely women who make up an increasing proportion of agricultural wage labour. However, the wage gap has remained largely unchanged.

Das (2006) found that casual female wage workers earned half the wages of casual male workers, controlling for differences in their individual characteristics. In Bangladesh, Bridges et al. (2011) found that women from extremely poor households were most likely to be in paid work and that both men and women from poor households were concentrated in daily wage labor.

In sub-Saharan Africa, certain forms of casual agricultural wage labour have been identified as least desirable on both subjective and objective grounds: ‘the fact that performing casual and manual wage work for neighbours in rural areas is often seen as a last resort and distress-driven job …reflects the stigmas associated with this type of jobs in comparison with equally horrible jobs that are performed on workers’ own land’ (Oya, 2010, p. 27).
Studies from the African context suggest that women often predominate in casual agricultural wage labour, generally women from very poor households, often household heads with children to support. In Malawi, the main diversification strategy out of farming is ganyu work, casual piece rate arrangements paid for in cash or kind and undertaken for neighbours and relative but also on estates (Whitehead, 2009). Returns are low, with women earning generally less than men, and wages driven down further when the demand for labour or overall food supplies are low.

What appears to be emerging as ‘better’ forms of wage work for women in the face of shrinking public sector employment are private sector jobs at the larger-scale end of production. They do not belong at the ‘decent work’ end of the spectrum in the sense of being fully formal and protected – ‘equal opportunity employers’ of the kind described by Sholkamy - but they represent an improvement on what is otherwise available. This is illustrated for instance in the attempt by Sender et al (2007) to classify rural local wage employment in Mozambique into ‘good’ and ‘bad’ jobs. As they point out, this was not a strict dichotomy: none of the jobs offered security of tenure and those in ‘good’ jobs had to often resort to some days of ‘bad’. Nevertheless there were important differences.

‘Good’ jobs offered monthly salary, regularity of income, along with the greater possibility of compensation for overtime, housing, meals, and, in some cases, union representation. ‘Bad’ jobs offered casual wage labour for less than 15 days a month and were often paid in kind. The worst jobs were in domestic service where the pay was less than the minimum wage. The study found that ‘good’ jobs tended to be associated with larger-scale, technologically dynamic and productive employers (large plantations, sometimes foreign-owned) featuring greater crop specialisation and with strong links to the global markets while the ‘bad’ jobs were generally associated with smaller, resource-poor employers (small-scale farmers and traders).

Most of the women in the study were in the ‘bad’ jobs, casual agricultural wage work and domestic service, barely earning enough to live on. However, divorced and separated women, particularly those with some education, were able to access better jobs in female-intensive agribusiness (eg. tobacco). The authors were not able to establish whether it was greater freedom of these women from patriarchal control at home that led to positive labour market outcomes or whether their access to better jobs allowed them to leave unsatisfactory marriages.

In their study of high value horticultural export supply chains in Senegal, focusing in particular on green beans and tomatoes, the main crops, Maertens and Swinnen (2008) suggest the empowerment potential of women’s work in these chains depended on whether they participated through contract farming or wage labour. As we noted earlier, women farmers are largely excluded from contracts with agro-industrial firms: in the bean sector in Senegal, one out of 59 contracted bean farmers was a woman. Interviews with the French bean companies suggested that they were strongly biased towards men in selecting contracted suppliers for some of the reasons touched on earlier – in Senegal, an additional factor was women’s lack of claims to irrigation water and infrastructure, crucial for bean production in the region. Women therefore participated in contract farming as unwaged family labour, often diverting their efforts from family food
production and often providing the primary source of labour for contract farming. However, it was men who deal with contracting firms and receive the income derived from contract farming.

By contrast, there was less bias in favour of men in employment generated by modern supply chains. Marteens notes that women made up 90% of agro-industrial employees in the bean sector in Senegal and 60% in the tomato sector. In other African countries, women make up around 50 to 75% of employees but just 35% in Zambia. Women appeared to benefit more directly from such work because they were themselves the ‘contracted party’. Wages earned in the bean sector made up around one-third of household income for those households involved in agro-industrial employment and 85% of this income was earned by women. 45% of the income derived from the tomato export sector was earned by women. They were far more likely to control the proceeds to their labour in the latter case.

In Latin America, Deere (2009) has pointed out that the cut-flower industry in Colombia, Ecuador and Mexico offered examples of high-tech production processes that favoured female labour and offered year round employment. She noted that most studies suggest that packing house jobs were among the best available to women and preferable to working in the field. The gender wage gap in these industries appears to have gradually diminished and is certainly lower than elsewhere in these economies.

Efforts to compare different kinds of waged work outside of agriculture reveals the same absence of a strict dichotomy between ‘good’ and ‘bad’ jobs, but again find better jobs in the larger enterprises. In Bangladesh, Kabeer and Mahmud (2004) compared different forms of paid work carried out by women within and outside the export garment sector. They found that women working in the large scale, mainly foreign-owned factories in the country’s specifically demarcated export processing zones earned the highest monthly wages in the sample, were more likely to have permanent status, to be given paid and maternity leave along with child care and transport facilities and medical care. These were, however, women with higher levels of education and came from wealthier households than the rest of the sample. Women working in domestically owned export factories had fewer benefits but were nevertheless better off than other categories of wage workers. Women in the export sector more generally were more likely to earn on a regular basis and to report increased income in the past year than other categories of wage workers.

In Vietnam, where export garment factories were owned both by the state and foreign capital, labour standards were generally much higher than Bangladesh (Kabeer and Van Anh, 2006) They were also much higher in the state sector, both state owned garment factories and other state employees, and in the private export garment sector than other forms of private waged employment. However, wages were higher in private waged work outside the garment sector and hours of work were shorter. The closest approximation to ‘decent work’ in this sample was reported by state employees outside the garment industry.

The relatively higher wages and better working conditions that characterise the jobs generated by larger scale units in the export sector compared to elsewhere in the economy, their status as
‘better’, though not necessarily ‘good’ jobs, explains the pull that they exert for young women who migrate in large numbers from the countryside in China, Bangladesh, Vietnam, Indonesia, Chile and Mexico where the only options available to them might be unwaged family labour or poorly paid agricultural wage labour.

Whether jobs generated by global value chains are empowering or not is the subject of considerable controversy. On the one hand, there are studies to suggest that in many contexts, they have played a positive role in expanding women’s employment prospects, increasing their bargaining power at home and enabling them to escape the power of local monopsonies to impose far worse working conditions. The primary reason why these larger scale export-oriented jobs have paid better wages and often better benefits than local jobs is not necessarily because they are ‘nicer’ but because they tend to be more productive, particularly when they are owned by foreign multinationals (Oya, 2010) And as foreign owned companies and multinationals, they are also more likely to be on the radar of journalists, human rights activists and NGOs who put them under constant pressure (Oya, 2010; Deere, 2009). As Maartens and Swinnen note, daily wage rates in the tomato agro-industry in Senegal, which was controlled by one multinational company certified by the Ethical Trading Initiative, were 20-30% higher compared to the bean export industry where no explicit standards were used.

At the same time, modern supply chains remain ‘bearers of gender’, doing little to challenge the gender segregation of occupations and future prospects. Dolan and Sorby (2003) note the use of dual employment strategies by employers in agri-processing supply chains, a means of downloading risk onto more vulnerable workers: this entails a core of skilled permanent workers and a floating periphery of relatively unskilled workers on flexible contracts. The permanent jobs tend to be predominantly male while women (in some cases along with men) are more likely to be crowded into more vulnerable forms of employment (casual, temporary and seasonal). As Dejardin (2009) points out, the quality of wages and working conditions tends to be poorest in the lower levels of the supply chain or in firms nearer the periphery of production systems and hence for workers employed by subcontractors and micro-enterprises and home-based workers rather than employed directly by MNEs.

Another aspect of employment relations as bearers of gender is the worrying pattern that has emerged in South Korea and a number of other countries (need refs) that as countries move into higher value added stage of production, characterised by greater capital-intensity, a process of ‘de-feminisation’ appears to take place as women lose out to men. While this pattern has been documented for a number of countries, there is very little research into why it happens.

In summary, the discussion in this section suggests that wage labour can be as much a product of distress as many forms of self-employment. Indeed, it could be argued that at the poorer end of the labour market, where men and women rely almost entirely on the utilization of their physical labour power, there is not a great deal of difference between self-employed and wage labour activities. They are likely to be found in various poorly paid and casual forms of work, often
fluctuating between a variety of different kinds of activities, making it difficult to classify them as either wage labour or self-employed.\(^8\)

However, there is likely to be some point in the continuums of wage labour and enterprise when their interests are likely to diverge. Successful women entrepreneurs are likely to reach a stage when they start to hire in labour. It is most likely that they will hire in female labour and from that point of view, generate employment for women waged workers. However, it cannot be taken for granted that they will make better employers than men. Indeed, in so far as they remain at the smaller and more informal end of the spectrum, they may offer poorer wages and working conditions.

From the point of view of women workers at the poorer end of the wage earning spectrum, the priority will be to find pathways to better jobs. It is highly unlikely that they will make an overnight transition to the ‘decent jobs’ end of the spectrum. A more likely positive scenario is movement into forms of work that represent an improvement on their previous situation. However, positive transitions of a more sustained kind face at least two major challenges.

First of all, there are individual-level constraints and deficits that block such transition. Along with the restrictions on their use of time and labour, which many working women face, education appears to have a particular relevance to the transition to better paid jobs, particularly in the formal economy where it frequently serves as a form of credential rather than a proxy for productivity. Barrientos (2002) suggests that one reason why women seem to be more concentrated in informal employment in Latin America is that they face few penalties for their lack of education. Educational qualifications are less important for self employment than waged employment, particularly formal waged employment.

Using data from 14 countries in Latin America, SSA, Asia and Central Europe, Winters et al (2008) found a positive relation between education and participation in rural wage labour markets as well as a positive relation between education and higher productivity wage employment, suggesting that the educated were using wage labour as a pathway out of poverty. The impact of education on labour force participation was greater for women, with each additional year leading to a larger increment in female relative to male participation.

There is also a more structural challenge. Improvements in the employability of individual women will not compensate for overall dearth of decent employment opportunities. As we noted, the overall dearth of formal employment opportunities appears to be one of the factors keeping educated women out of the labour market in India and channelling many of them into self employment in Ghana. At the other end of the labour market as well, the crowding of women into a limited range of jobs exacerbates the general lack of wage labour opportunities for the poor.

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\(^8\) Indeed, as Shah found in her ethnographic study of Mumbai, many women came in the mornings to labour hiring points in the city to seek work on construction sites, failing which, they turned to sex work.
There are also localised employment deficits that are likely to hit women harder than men. Particularly in rural areas, where widespread poverty is combined with highly fragmented labour markets and localised labour surpluses, employers exercise considerable monopsony power and use an array of tactics to manipulate the gender and ethnic composition of their work force, drawing on poor migrant labour where this is available to keep the workforce divided \(^9\) (Oya, 2010).

The absence of infrastructure, particularly road and transport networks, also contributes to the spatial fragmentation of markets, so that wages and working conditions may vary between villages, reflecting local power structures rather than market forces. The study by Winters et al (2008) found that strong infrastructure and proximity to urban areas promoted access to high productivity waged work. Infrastructure deficits are likely to have a far more severe impact on female than male earning opportunities because of the greater constraints on women’s physical mobility.

In other words, inasmuch as women’s restricted labour market options lowers their reservations wage and undermines their inability to bargain for fairer returns to their labour, measures are needed to increase both overall employment opportunities as well as their employability if they are to make a transition into better forms of employment or to be in a position to negotiate fairer returns to their labour in their existing jobs.

10. Making markets fairer for women: some policy options

The discussion in this paper has highlighted individual and structural constraints on women’s capacity to take up paid work and the resilience of the gender segmented structure of labour markets as constituting two major barriers to women’s economic empowerment. As a number of authors have suggested, lack of sufficient labour demand has contributed to high – and growing – levels of unemployment and underemployment as increasing numbers of people take up part-time, irregular, casual and temporary forms of work or simply fail to find work at all. The literature reviewed for this paper has also made references to demand deficits in the labour market as a factor in explaining the widespread absence of educated women from labour market in South Asia, their concentration in self employment in Ghana, their unsuccessful search for full time jobs in Honduras.

Razavi et al (forthcoming) provide a detailed discussion of how different aspects of the current macroeconomic policies – including the deregulation of markets, deflationary monetary and fiscal

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\(^9\) Johnston (2007) notes how the horticultural farmers in South Africa employ migrant female workers from Lesotho because they were more willing than South African worker to work at ‘acceptable’ pay rates or as one farm manager put it, ‘they worked harder and were willing to work for less’. At the same time, as she points out, these women had limited options for employment either in Lesotho or other parts of South Africa, they come from poorer areas of Lesotho, there is an absence of male earnings in their households but they have to support large numbers of children. To that extent, they displayed the qualities attributed to them.
policies, the downsizing of public sector employment and service provision – have brought about the increasing ‘feminization’ of the labour force at a time of increasing informalisation.

As a number of authors have argued, an expansion of economic opportunities through demand side interventions, including greater attention to employment-centred growth strategies, would create a hospitable macro-economic environment for achieving the empowerment of women. More dynamic economies and tighter labour markets can be seen as a critical precondition for the overall and sustained improvement in women’s bargaining power, both at the collective level in the economy and at an individual level within the household.

However, an overall expansion in employment will not, on its own, overcome the various gender-related constraints that have curtailed women’s capacity to take advantage of existing employment opportunities on fairer terms. In the rest of this section, we provide a brief and selective discussion of examples of interventions that appear to have made a difference in this regard. Such examples are clearly important from a policy perspective but they also have strong analytical value when they work because they help us to understand what aspects of the gendered structures of constraints these have acted on and how processes of change have played out.

**The regulatory environment**

We noted at the outset that the resilience of gender-related constraints on women’s labour market choices partly reflected the fact that formal regulations frequently reproduced and reinforced the gender-specific constraints rooted in the inherently gendered relations of family and kinship. New possibilities open up when states opt to take measures to offset, rather than reinforce, these informal constraints. One example of this comes from Ethiopia where Hallward-Driemeier and Gajigo (2011) have studied the impact of recent reform to the family law in Ethiopia. The Revised Family Code gives women the authority to administer common marital property and to work outside the home without needing permission from her spouse. It also increases the age of marriage and gives a large role to courts rather than traditional arbiters in such family matters as divorce.

The study found that the reform had a strong effect in increasing women’s share in paid work, in increasing access to occupations that are non-home based, in year-round employment that had higher educational requirements and hence were likely to be of better quality. These impacts were particularly strong for younger unmarried women, suggesting that the increase in age of marriage may have helped to delay marriage and allowed women a greater opportunity to engage in paid work.

Other studies have noted the positive impact of a supportive legal environment on women’s land rights. Deere and Leon (2001) have pointed out how CEDAW played a major role in promoting a large number of Latin American countries to reform inheritance laws in favour of gender equality which in turn appears to have had a concrete impact in improving women’s ownership of land.
The effect of securing property rights for women has been documented in a number of contexts. In Vietnam where the land law was changed in 2000 to allow joint titles, women have seen a steady expansion in their land entitlements. According to a World Bank study (2008), both men and women agreed that being given either sole or joint title to land (representing around 38% of existing land certificates) had allowed women to increase their business activity. Following the community land registration process in Ethiopia, female households heads in the Tigray region, according to Denininger et al. (2007), were more likely to rent out their land because tenure security had increased their confidence in doing so.

The regulatory environment can constrain or enable women’s economic agency in other ways as well. For instance, in the DRC, where women need their husband’s consent to start a business, women run only 18% of small businesses, while in neighboring Rwanda, where no such regulations exist, more than 41% of small businesses are run by women (World Bank/FAO/IFAD, 2009). Indeed the WB/IFC report finds a broad correlation globally the extent of legal gender differentiation and the extent to which women work, own or run businesses.

These are all examples of regulations that are explicitly gender specific. There are also examples of apparently gender neutral regulations which nevertheless appear to hit women harder. As we noted earlier, women entrepreneurs in Ghana identified registration procedures as a major hindrance to formalizing their businesses. In the light of the greater demands on women’s time and their lower levels of education, this may be an area where overly-complex bureaucratic procedures may impose a greater cost on women.

This is supported by the findings of a number of studies. It was found that a pilot project in Entebbe, Uganda to simplify business start-up procedures not only led to a rapid increase in business registrations but also the increase in first time business owners was 33% higher for women than men (World Bank/FAO/IFAD, 2009). In Vietnam, there was a considerable expansion in the share of female owned enterprises from around 20% in the 1990s to around one in every three in 2009 (Bijerge and Rand, 2011). The expansion appeared to date from the passage of the Enterprise Law 2000 which had, among other things, radically simplified registration procedures so that new enterprises could be registered within an average of 7 days as opposed to 90.

Finally, the question of labour laws is likely to have particular relevance for those in waged work. Both the content of labour laws, and their enforcement, will determine what their impact is. Some of the early protectionist legislation which banned women from night work and from certain hazardous industries had the effect of curtailing their employment options (Anker and Hein, 1985). As Rodgers (1999) has argued, there is no reason why hazardous forms of work should be considered acceptable for men.

Attempts to protect women may end up hurting them in other ways as well. Hampel-Milagrosa suggested that in the Ghana context, formal employers tend to discriminate against women because they are required to pay all maternity leave benefits. In Taiwan, Seguino (2000b) found
that one of the factors which explained the widening of the gender wage gap was the adoption of a Labour Standards Act in 1984 which served to make female labour more expensive relative to male since it required employers to bear the cost of maternity leave. In South Korea, by contrast, she found that the adoption of minimum wage legislation in South Korea, adopted in 1984 but not enforced till 1990, appeared to be one factor in explaining the declining gender wage gap in the country in the 1990s.

The minimum wage has featured as an important demand for workers at the poorer end of the wage distribution because it sets a floor to exploitation as well as signalling the minimum worth of their labour (Elson, 1999). In India, a recent study has been found that women workers hardly ever use the Equal Remuneration Act to make their demands. However large numbers of workers in the informal economy had fought – won – struggles for better pay under the Minimum Wages Act (ISST, 2011). It appeared that many preferred to use minimum wage legislation, partly because they find it easier to argue for and partly it is less likely to generate gender conflicts within the home.

Debates over the minimum wage relate to whether or not it increases unemployment or not. While this is likely to depend on local labour market conditions, one generalisation that emerges from the empirical literature is that it is least likely to reduce employment in occupations where monopsony power allows employers to pay workers highly exploitative wages or wages well below their marginal. In such situations, the kind of incremental change that minimum wages normally entail is unlikely to lead to the layoff of workers. It is worth noting that a study of the impact of minimum wage legislation in South Africa found little evidence of a negative employment response on domestic workers, and while hours of work had gone down, earnings had gone up (Hertz, 2004).

**Voluntary regulation**

As noted earlier, many governments do not enforce their own laws, and labour laws are among the ones most widely violated (Kanbur, 2009). The weak enforcement of labour laws in contexts where producers and suppliers in global value chains are located has given rise to efforts to promote corporate social responsibility through the use of voluntary codes of conduct, many promoted through joint efforts of trade unions, NGOs, labour rights activists and consumer and environmental pressure groups. Many of those concerned with labour issues are focused on consumer goods industries in which women make up a sizeable proportion of the work force, including garments, footwear and retailing. The aim of these codes is to hold multinational companies accountable for the basic labour standard of all their workers, regardless of where they are located (see review by Zammit, 2010).

Some codes have been developed by and for individual companies, some apply to particular groups of companies across sectors, such as the Ethical Trade Initiative, and some to a whole sector such as the FIFA code of labour practice concerned with football production. The

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10 Personal communication, Ratna Sudarshan
effectiveness of these codes in bringing about improvements in wages and working conditions has been very varied. In some sectors, such as non-traditional agricultural exports, codes have had some effect in the growing and packaging ends of the value chain. Women working as seasonal pickers and packers in horticulture, fruit and flower industries benefited from these initiatives, particularly those working in larger facilities supplying retail multinationals. Codes have also been successful in traditional agriculture in certain contexts – the banana plantations operated by big transnational brands in Central America (Pearson, 2007). There have also been mixed outcomes in the manufacturing sector, with the greatest successes reported in contexts where organisations representing workers’ interests have been involved in the construction of codes which meet the gendered priorities of women workers (Pearson, 2007).

Elsewhere the impact has often been cosmetic: an evaluation of ETI by Barrientos and Smith (2007), for instance, found apart from limited action in the area of health and safety, there had been little change in labour practices in a variety of different sectors in a variety of different countries. In addition, questions have been raised about the legitimacy of buyer firms imposing higher labour standards, with attendant increase in costs, on their suppliers while simultaneously lowering the unit prices they paid their suppliers (Bulut and Lane, 2010; Mahmud and Kabeer, 2006).

Codes appear to be most effective where there are favourable market conditions so that both the lead multinational enterprise and the export market is flourishing; where there is relatively good national legal and regulatory environments where implementing the code reinforces a culture of compliance with national standards; an engaged institutional framework with corporate staff interacting with trade unions and NGOs; collaborative partnerships between buyers and sellers; and relatively transparent supply chain and industry/chain structures with closer relations between suppliers and MNE ie shorter supply chains (Dejardin, 2009).

What has been less widely researched are the possible wider impact of some of these voluntary initiatives. Assessing the efficacy of voluntary codes in meeting the needs of women workers, Pearson and Seyfang (2001) argued that their ‘enclave and contingent’ characteristics deterred them from having any generalised impact. Their ‘enclave’ aspect referred to the fact that they applied only to women working in global value chains, a minority of the female work force in their countries. And there were contingent in that they applied only as long as the worker held the job: despite the fact that many of these codes embodied basic labour rights, they were not guaranteed beyond the duration of particular employment.

However, there is piecemeal evidence that efforts to improve labour standards may have impacts beyond the enclave. One example of this comes from Cambodia. Between 1999 and 2004, the United States–Cambodia textile agreement (UCTA) allowed Cambodia to expand exports to the US market if it demonstrated an improvement in working conditions in the factories. Thus in place of the punitive provisions that characterise most labour clauses in trade agreements, this agreement offered an incentive to pay greater attention to labour issues. Conditions in the factories were to be monitored by the ILO under the Better Factories Cambodia programme.
Factories which registered with the BFC were allowed by government decree to use or purchase quotas to export to the USA. The BFC also carried out capacity building with government officials, union leaders and factory managers. In addition, the Labour Dispute Resolution Project established an Arbitration Council to deal with labour disputes. Using various source of information, including interviews with workers’ representatives, Shea et al (2010) found evidence of improvements, particularly with regard to health and safety. The key remaining problems were involuntary overtime and lack of child care facilities.

In addition, De Caprio (2011) suggests that the processes involved in implementing the UCTA led to a greater sense of entitlement among workers about their labour rights, a sense that had been missing before, there was a proliferation of trade unions and an increase in labour activism by garment workers. She also suggest that there may have been social spill-over effects in terms of union activity outside the garment industry. Since a greater willingness on the part of workers to stand up for their rights is an important means of ensuring that their rights are not violated, such spill-over effects can have lasting political consequences.

While the political impacts of efforts to introduce and implement codes of conduct have not been studied in any detail in most contexts, there is evidence for it elsewhere. Certainly in Bangladesh, prolonged controversies about working conditions in the Bangladesh garment industry, the proliferation of codes of conduct and the emergence of new kinds of unions geared to the interests of women workers appears to have given women workers in the garment industry a greater awareness of their rights than women working elsewhere in the economy. It has also led to the emergence of new kinds of unions that are more geared to the rights of women workers – something that was also been made possible by the restoration of democracy in the country. An on-going movement for an increase in the minimum wage is indicative of a new willingness to protest on the part of women workers: this has led to a doubling of the wage and the provision of subsidized food grains to factory workers to protect against rising prices (Hossain, 2012) . What is also noteworthy in the Bangladesh context is the growing consciousness on the part of the government about the consequences of poor labour standards on its international image (Mahmud and Kabeer, 2006).

**Education, skills and training**

We have noted strong evidence that education, particularly post primary education, been a positive effect on women’s labour force participation and, in many cases, on job opportunities. There is already a great deal of policy focus on education although some concerns about the quality of education and the need to go beyond primary education. What has had less attention is the potential of vocational and technical education for increasing women’s productivity and employability. Yet the available data suggests that in most contexts, women have fewer training opportunities than men and that the training they do acquire reinforces a gender stereotyped distribution of skills.

Some of the discrimination in question is indirect. For instance, the findings of the World Business Environment Survey that the likelihood of in-firm training increased with firm size would
automatically rule out the large majority of the female wage labor force located in medium, small and micro enterprises. Firms have also been found to actively discriminate against women in the kind of training they provide (Ariga and Brunello, 2002). Public training institutes reproduce the gender biases of the wider economy, channelling men and women into gender stereotyped training opportunities, as evidence from South Korea and Vietnam shows (Seguino, 1997; Kabeer et al., 2007).

The impact of training has also found to be weak. Using data from Taiwan, Rodgers et al. (2006) find that while college education increased earnings for both women and men, only men earned a premium as a result of vocational training. Women did not fare as well as men in informal training schemes in Ghana.

Monk, Sandefur and Teal (2008) compared the impact on income earnings of those who had participated in these schemes with non-participants. They found that the schemes made more of an impact on male relative to female earnings, although it made a greater difference to the likelihood of women finding a job. Women’s lower returns may have reflected the fact that they were channelled into less productive forms of training. The study reported that women were almost exclusively in tailoring or hairdressing while men were trained as mechanics, carpenters and metal workers, also craft workers and tailors.

At the same time, carefully designed training can make a significant difference. Evaluations of a number of IADB funded job training programs for young people from disadvantaged backgrounds in Latin America report that, in general, women and younger cohorts were more most likely to benefit in terms of increased likelihood of employment (Ibarran and Shady, 2008). In many cases, the availability of training allowed women to move from unpaid domestic work into paid employment. The evaluation of the program in Colombia reported some of the strongest impacts. It found that training increased the likelihood of employment and that, conditional on finding employment, participation increased the likelihood of formal sector work and of jobs with written contracts. These results were largely driven by women. The equivalent impacts were small and insignificant for men. The strongest findings came from Colombia which reported that along with a greater likelihood of employment for women, training increased their wage and salary earnings by 18% and their formal earnings by 31%.

Training can also have other more intangible impacts on women’s empowerment. A study of the impacts reported by women organized into self-help groups by PRADAN, a livelihoods focused NGO working in the poorest states of India, found that while membership of SHGs had a number of important livelihood impacts, it was only those members who had additionally attended PRADAN’s training courses, which promoted their capacity for longer-term planning as well as providing practical skills, who reported the greatest impact on intra-household relations and participation in the community (Kabeer and Noponen, 2004). In Afghanistan, legal literacy combined with livelihood training provided to women by Women for Women International was found not only to increase their knowledge of their rights but also their willingness to take up paid work outside the house.
Infrastructure and technology

A significant aspect of women’s disadvantage in relation to the labour market relates to the constraints on their mobility in the public domain. This reflects the demands on their time from their domestic and care responsibilities as well as safety and ease of movement outside the home. As we noted earlier, remoteness and isolation is likely to have a much more severe impact on female than male earning opportunities because of the greater constraints on their physical mobility. Conversely, we find that women’s ability to take advantage of labour market opportunities may be enhanced to a greater extent than that of men by expansion of public infrastructure in rural locations.

In Bangladesh, where there are severe constraints on women’s mobility, a major road development project was found to have a large and significant impact on the labour supply of families within the project area: it increased male labour supply by 49% and female by 51% (Khandker et al 2006). In Peru, a road improvement project that consulted with local women and focuses on rehabilitating local roads reported increased mobility on the part of women (77%), greater safety in travel (67%) and improvements in income generation (43%). Improved connectivity allowed women to travel further to sell their agricultural products, deliver their babies in the health centre and participate in community meetings (World Bank 2007).

Domestic infrastructure can help to ease women’s time constraints. We noted the importance of electricity and running water for women’s ability to engage in enterprise as a primary activity in Ghana. Change here is likely to have worked through easing the burden on women’s domestic responsibilities and increasing their physical mobility. A study of household electrification in rural South Africa found both large increases in electrical lighting and cooking, reductions in wood fuelled cooking, and a significant 13.5% expansion in female employment but not in male (Dinkelman, 2010). This expansion came mainly from women in middle-poor households, and was larger for women in their thirties and forties who were likely to have fewer child care responsibilities. It would thus appear to have reduced women’s domestic, but not necessarily child care responsibilities.

Various forms of technology have also contributed to improving women’s links to the markets and services. There is an emerging literature on the impact of mobile phones on poverty and livelihoods which suggests that it may be an important route for such change. For instance, Klonner and Nolen (2008) note that rural labour markets in South Africa are, like elsewhere on the subcontinent, characterised by low wages and high rates of under- and unemployment and high job search costs. Controlling for the endogenous placement of mobile phone towers, they found that the introduction of mobile phone coverage in rural areas was associated with a 15% increase in employment, with most of the effect due to increased employment by women. They attributed it to reduced costs of job search. They also found a significant shift away from agriculture into self employment and waged employment.
Gender aware social protection

There has been growing attention to the expansion of social protection provision in response to the new risk and vulnerabilities, the negative side of the coin to the generation of new opportunities that have accompanied globalization. An important aspect of this response has been to extend social protection to workers in the informal economy who were previously excluded by social security measures tied to formal employment. Evaluations of some of these programs suggest that they can have important gender-specific impacts on women’s livelihoods even if this was not their intended objective. They thus highlight some of the unexpected ways in which social provision can address pre-existing constraints on women’s economic agency.

For instance, cash transfer programs intended to promote investment in children’s welfare are often targeted to women because of their primary role as carers. In a number of contexts, these have been found to promote women’s economic activity by easing resource constraints. Cash transfers in Mexico have been associated with increased investment in productive assets that could be controlled by women while in Brazil, the guarantee of a regular monthly stipend eased their access to credit and also allowed them to return to education. In South Africa, female recipients of the Old Age Pension were not only more likely to invest in the welfare of their grandchildren, particularly granddaughters, than male recipients but they also used it to the costs of job search for their daughters, many of whom migrated to towns to look for work.

An important recent evaluation by Gonzalez de la Rocha (2008) documents how a social protection transfer intended to promote occupational mobility has made significant progress towards this goal. She finds that the sons, but particularly the daughters who participated in Mexico’s Progresa/Oportunidades have moved to a higher position in the occupational hierarchy compared to their parents. Her study compared ‘graduates’ of the program with a control group of non-beneficiaries. Based on the occupations reported in her sample areas, she drew up a hierarchy of 8 occupational categories based on qualifications required and the formality of employment. Agricultural day labourers were at the very bottom of the hierarchy while professionals were at the top.

Around 80% of both indigenous men and women in her sample who had not participated in the CCT were concentrated in the bottom three occupations of the hierarchy. Indigenous men and women who had participated were much more likely to be found in the middle 4-5 categories (36 and 39% respectively) and in categories 6-7 (7 and 14% respectively). A much higher percentage of mestizo women beneficiaries had made it into the top 6-7 categories (19% compared to 4%). None of her sample however had made it into the top category. It would appear that the programme had assisted upward mobility for all its beneficiaries but that women have benefited disproportionately.

India’s National Employment Guarantee Scheme is an example of an intervention that sought to directly increase the demand for wage labor among poorer households. It has been extremely successful in attracting women, exceeding the minimum quota requirement, testifying to the strong demand for work among women (Sudarshan, 2011). However, female participation has been
uneven across states. It is highest where there has been active government and civil society engagement and lower in states where there is a weak tradition of female wage labor or poorly functioning states. Where the program has been successful, it has had a knock-on effect on agricultural wages, thus raising returns to the most poorly paid activity in the economy.

In Argentina, the Plan Jefas which was put in place in the aftermath of the 2001 economic crisis sought to target unemployed household heads with responsibility for supporting children under 18 or caring for a disabled child or pregnant spouse (Tabbush, 2009). It offered monthly payments in return for 20 hours of paid work per week. Contrary to expectations, the overwhelming majority who responded were women most of whom had been economically inactive before. The response was indicative of a high latent demand for paid work, even if it was part time. With the recovery in the economy, male participants have been able to exit into the formal labour market at a faster rate than women but these rates converged by 2006. Qualitative research suggested that female participants strongly valued the acquisition of new skills and the increased probability of finding formal employment (Tcherneva and Wray, 2007 cited in Razavi et al).

Evaluations of public works programs have shown that women tend to participate in greater numbers for certain forms of work – relating to environment and care work – than in others. South Africa’s Expanded Public Works Program now includes social service delivery in its definition of public work, an important innovation, given the urgent need for care for the large numbers of HIV-AIDS patients. Women predominate in these projects but unfortunately are paid lower wages than those offered in traditional public works.

**Addressing women’s care responsibilities.**

As this paper has emphasized, women’s care responsibilities are among the most pervasive of the constraints that curtail women’s ability to participate in the labour market – as well as their ability to participate in the public life of their community more generally. These constraints are sometimes eased through indirect routes. In India, one of the impacts of the Mid-Day Meal Scheme which provided cooked lunches for school children, was to free up working women from the need to feed their children in the afternoon. This was particularly relevant for widowed mothers who were most likely to be working outside the home (Dreze and Goyal, 2003). In Argentina, large-scale construction of pre-primary school facilities was found to lead not only to an increase in pre-primary school participation among children aged 3-5, but it also significantly increased the likelihood of employment among women with young children (Berlinski and Galiani, 2005).

While the provision of child care support is obviously of most immediate relevance to wage workers, it can also serve to promote the labor market options of a much wider range of women, including self employment women and women who are not at work. For instance, Johnson notes that in Colombia, Opportunity International, a microfinance organisation, found that child care was a major constraint on the capacity of women entrepreneurs to expand the profitability of their enterprises (Johnson, 2005). They set up child care facilities as co-operative initiatives with
women selected by their groups and trained by a specialist NGO; payment can be in the form of fees or voluntary labor.

There is remarkably little research from developing country contexts into the kinds of child care arrangements that would most benefit working mothers and how these could be financed. While there are examples of such arrangements, such as Mobile Creches in India which has been providing basic support to women on construction sites for several decades, little is known about who uses it and how they would have managed otherwise.

One of the few studies on the impact of child care comes from Guetemala city (Hallman et al. 2002). Here the government sponsored a subsidised child care program for working women from low-income urban households. The Hogares Communitares Program was designed to reduce poverty in urban areas by providing alternative child care for working parents, particularly single mothers. The assumption was that their higher rates of unemployment and fewer working hours relative to male household heads partly reflected the incompatibility between hours worked, work location and availability of child care.

An evaluation of the program found that working mothers who used the program were generally less educated, owned fewer assets and lived in poorer housing than other working mothers in the same locality and were more likely to be single. However, they were more likely to be working factories and to earn a higher income. It is likely that because the program provided reliable child care for 12 hours a day, it was of particular benefit to those who needed regular employment and could thereby earn enough money to offset some of the costs of child care.

**Organisation and voice**

Finally, women’s capacity for collective voice and action has emerged as having a vital role to play in addressing the multiplicity of constraints that underpin their disadvantaged position in the labour market. It can have direct economic payoffs, allowing women to realize economies of scale to their productive efforts and contributing to more sustainable livelihoods (Agarwal, 1994; Pandolfelli et al. 2008). For women entrepreneurs, having social networks of their own can help to counter some of the old boys’ networks that have served to marginalise them in the past or to compensate for gender-specific deficits in family-related networks. 11 In South Asia, savings-led group organisations, like the self help groups organised by CYSD in Orissa and the landless groups organised by Nijera Kori in Bangladesh, have not only made significant progress in the economic domain – indeed NK was found to be strong economic impacts on the lives of its members that larger and better known microfinance organisations - but they have also engaged in various forms of protest around land rights, violence against women, government corruption and so on (Kabeer et. Al, 2009).

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11 In their study of African enterprises, Aterido and Hallward-Driemeier (2009) found that the current performance of male enterprises was higher among those who had an entrepreneurial father but not necessarily an entrepreneurial mother. For women entrepreneurs, the entrepreneurship of parents had no impact.
Trade unions have had a historical role in representing and advancing workers’ interests in the formal economy, but with the growing informality of work, they have experienced a steady erosion in their membership. While they have responded by increasingly recruiting among informal workers, including women workers, new forms of organizing have also emerged which are more responsive to the needs and interests of working women.

One genre of these emerging forms is the ‘new unionism’ which came about as a response to the growing presence of women workers in the export economy. Although the enterprises in which these workers are located may be officially classified as formal, we have seen how the majority of their work force is employed under highly informal conditions, lacking written contracts, social security and legal protection. The new unions organize their activities around women’s multiple roles as workers, mothers and women, addressing practical gender concerns such as safety of travel at night and support for child care along with the more traditional trade union concerns such as wages and working conditions.

Within the informal economy, the Self Employed Women’s Association which pioneered a hybrid form of organisation, combining the collective bargaining role of unions with the developmental role of co-operatives, is among the largest (over 1 million members) and best known, it has provided a model for other organisations that have sprung up in India and elsewhere to organise waste pickers, domestic servants, sex workers, street vendors and others who had been excluded from formal trade union membership.

The organisational capacity of working women, whether they are self employed or wage workers, may be the missing ingredient that can help to transform women’s access to paid work into an economic pathway to empowerment and citizenship. While many organise around issues that are particular to their sector, it is frequently to the state that they make their demands, a strategy that enhances their identity, not only as workers but as citizens. The importance attached to legal rights in the training provided by these organisations, their resort to the law rather than to strike tactics, may provide them with a pathway towards more formal status. Certainly the waste pickers union in India lobbied to get the municipal government to issue them with identity cards and extend the right to basic social security bringing them into the formal arena. There are many examples of how collective action by working women, and on behalf of working women, have served to promote some of the measures discussed in this section: reformulating codes of conduct to address women’s practical and strategic gender interests; designing affordable child care for working women from low income households; lobbying the state to extend social protection, including the minimum wage, to women workers in the informal economy; provision of training and skills development around a broad agenda of livelihoods, life skills and legal rights that help women workers overcome their lack of formal education, gain self confidence and recognize the value of their own contributions. For vulnerable and disenfranchised workers, in particular, the capacity for collective action remains as relevant to their empowerment as it was in the early years of feminist theorising about this issue.
11. Conclusion

The aim of this paper was to explore women’s economic empowerment in relation to inclusive growth through a focus on women’s employment. The rationale for this focus was derived from a growing body of evidence that suggests that, along with education, women’s employment appeared to have a positive impact on growth as well as to help to translate economic growth into greater gender equality variously defined. And of course, there is considerable micro-level data to suggest that they contribute to women’s capacity to exercise choice and agency in key areas of their lives.

Not all forms of economic activity are equally empowering: studies suggest that formal regular waged work has the greatest transformative potential although paid work outside the domestic domain can also have positive impacts on women’s lives. What such findings suggest is the need for not just more, but also better jobs for women. However, this is likely to constitute a major challenge for a number of reasons.

First of all, there has been a steady contraction in the availability of formal employment in most regions of the world. This is unlikely to be reversed unless there is greater attention to employment generation in current macro-economic policies and limits placed on the steady deregulation of labor markets.

Secondly, labor markets are not impersonal arenas for the purchase and sale of labor, along economic textbook lines, but stratified by power relations along class, gender, racial and ethnic lines. Women’s lower levels of labor force participation relative to men, and their concentration in the poorest segments of highly gender segmented labor markets reflect the intersection of the gender-specific constraints reflecting the rules, norms, roles and responsibilities of the intrinsically gendered relations of family and kinship with the ‘imposed’ constraints embodied in the rules and norms of the purportedly gender neutral institutions of states, markets and civil society as well as the attitudes and behavior of different institutional actors.

In other words, even if more jobs became available as a result of greater attention to employment-centered growth, the persistence of gender disadvantage in the labor market would curtail women’s capacity to access them on equal terms to men. The economic empowerment of women thus requires a better understanding of how these constraints play out in different socio-economic contexts and what can be done to transform them. These questions are explored in the paper through a more detailed review of the literature relating to two categories of work: enterprise and wage employment. For each category, the paper attempts to understand the factors that differentiate those in poor quality versions of employment from those in better quality versions.

The review of the enterprise literature suggests that gender inequalities in capacity and returns appear to be more marked at the survival end of the spectrum than at the growth-oriented end. The most important factor dampening returns to women’s enterprises and their capacity to grow
appears to be their concentration in a few overcrowded women-specific segments of the occupational structure.

The motivations that brought women into enterprise activity appear to differ between the more and less successful entrepreneurs. The former were more likely to treat enterprise as their primary activity and to have chosen it for its earning potential while the later were more likely to treat it as sideline activity, an attempt at diversification, or because it had low capital requirements.

The question of motivation is relevant because it helps to distinguish women who took up enterprise as a default option and those who active chose it and are likely to flourish. We suggested that there may not be a great deal of difference among women in wage labor and self employment at the survival/bad jobs end of the labor market continuum as neither were making an active choice about their work. It may be that those in survivalist enterprise would have opted for reasonably well paid waged work were it available while those in ‘bad’ wage jobs might have preferred to take up entrepreneurial activities if they had the start-up capital and the market access.

However, conflicts of interests may emerge between the more successful women entrepreneurs and women in waged work. While the latter are more likely to hire women and hence generate jobs, they are not necessarily better (or worse) employers than men. In as much as most ‘good’ waged jobs appear to be associated with larger enterprises, often owned by men, it will the availability of good jobs that will matter to women in waged work, rather than the gender of the employer.

With the shrinking of formal public sector employment, a major source of secure work with decent working conditions for women, there are fewer unambiguously good jobs around. By and large, their best options appear to be in large scale, modern enterprises often associated with global value chains. These appear to offer higher pay and better working conditions, not necessarily because they are more virtuous in their outlook but because they are under greater public scrutiny from a variety of actors including NGOs, trade unions, consumer groups and so on. However, for all their size and modernity, these enterprises remain ‘bearers of gender’, organizing the vertical and horizontal division of labor along markedly gendered lines.

For both women in waged work and those managing their own enterprises, therefore, the key challenge is to overcome the gender segmentation of the labor market, the confinement of women to a limited number of segments and their over-representation in activities that pay less, have poorer working conditions and little scope for advancement.

The gender segregation of the labor market reflects a variety of gender-related inequalities in women’s capacity for choice and agency. They reflect gender-specific constraints within the domain of family and kinship, such as the imposition of male preferences on women’s use of their time, women’s obligations to work on men’s farms and enterprises, the assignment of primary responsibility for domestic and care work to women, social norms about acceptable activities for men and women; restrictions on their mobility in the public domain, customary laws which give
women little or no rights over property. They also reflect imposed constraints in the public domain: gender discriminatory laws and policies together with the attitudes and behavior of more powerful actors, including employers, state officials, trade unionists, traders and co-workers. Gender discrimination of various less visible kinds – demands for sexual favors, old boys’ networks and so on – tend to get excluded from the more quantitative studies.

And finally, we noted that gender intensified many of the constraints associated with poverty and other forms of inequality. Women tended to have less education and training, poorer access to credit, were less likely to own property of their own, were harder hit by complex business registration procedures, were more likely to be excluded from business networks and suffered more in the absence of infrastructure and utilities.

We concluded by exploring various measures that were selected because they appeared to address, directly or indirectly, the most widely encountered constraints that served to reproduce women’s disadvantage in the labor market. Many of these have been shown to be successful but research is needed to understand under what circumstances and through what causal mechanisms such change takes place.

The discussion in the paper suggests a broad research agenda organized around questions of constraint and choice in explaining gendered patterns of labor market outcomes, both in terms of labor force participation as well as the segmented nature of the occupational structure. To what extent can we attribute women’s decision to enter the labor market and the kinds of employment they take up as a matter of choice and to what extent does it reflect various visible and invisible constraints on their capacity for choice? What does mainstream neo classical economics contribute by way of a satisfactory explanation of gender inequality in labor market outcomes and what does a feminist economics approach contribute?

One set of detailed set of research questions relate to how labor markets play out in different contexts and what the precise barriers and blockages to women’s mobility to better jobs or transition to higher value added enterprises. How do these barriers and blockages vary according to cultural contexts or differently endowed economies or different social policy regimes? There is very little empirical research on how ‘real’ labor markets work in low-income country contexts where missing and imperfect markets may be the norm rather than the exception.

A second set of detailed research questions relate to forms of change that are likely to ease the constraints on women’s labor market options. These may be unintended – the building of roads, the setting up of mobile phone towers, the simplification of business registration procedures – or they may be purposive measure to address gender-related constraints. How does positive change occur and what can be learnt from this to inform future efforts to bring about change?

A third set of detailed research questions deals specifically with the various forms of collective action around gender issues that have driven change at the macro and micro levels. What forms of transnational networks, national and local organizations have been most successful in addressing
not only in addressing women’s interests as workers, women and citizens in national and international policy regimes but have also contributed to making national and international markets work better for women.
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56


59


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