

Markets at Full Speed

Women as Economic Drivers,
Fuelled by Finance



Australian Government

Department of Foreign Affairs and Trade

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About SHIFT

UNCDF's Shaping Inclusive Finance Transformations (SHIFT) is a financial market facilitation, technical assistance and funding facility for the ASEAN region. SHIFT aims to facilitate the transition of low-income people's—especially women's—use of financial services from informal mechanisms to formal, regulated and higher value services.

Partnering for a Common Purpose

SHIFT works with key stakeholders including Association of Southeast Asian Nations (ASEAN) governments, intergovernmental working groups, financial service providers to micro, small and medium enterprises, and development partners dedicated to expanding financial inclusion in the region, particularly in least developed countries.

UNCDF's SHIFT programme is jointly co-funded by UNCDF and the Australian Department of Foreign Affairs and Trade (DFAT). The Netherlands Development Finance Company (FMO) provides earmarked funding to UNCDF's Making Access Possible (MAP) programme in Cambodia.

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About UNCDF

The United Nations Capital Development Fund (UNCDF) is the UN's capital investment agency for the world's 48 Least Developed Countries (LDCs). UNCDF uses its capital mandate to help LDCs pursue inclusive growth. UNCDF uses 'smart' Official Development Assistance (ODA) to unlock and leverage public and private domestic resources; it promotes financial inclusion, including through digital finance, as a key enabler of poverty reduction and inclusive growth; and it demonstrates how localizing finance outside the capital cities can accelerate growth in local economies, promote sustainable and climate resilient infrastructure development, and empower local communities. Using capital grants, loans, and credit enhancements, UNCDF tests financial models in inclusive finance and local development finance; 'de-risks' the local investment space; and proves concept, paving the way for larger and more risk-averse investors to come in and scale up.

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Background

This paper is built on the ThinkShop: Enhancing the Role of Finance in Expanding Equal Opportunities for Women to Access, Use and Benefit from Real-Economy Markets, a January 2015 workshop organized by UNCDF, hosted by the Australian Department of Foreign Affairs and Trade (DFAT) and held in Bangkok, Thailand. It forms part of SHIFT's policy, research and advocacy agenda.

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The views expressed in this publication are those of the author(s) and do not necessarily represent those of the United Nations, including UNCDF, their Member States or their partners.

Table of Contents

Executive Summary	01
Women's economic empowerment in markets	04
Women and Markets: The issues of agency and access	07
How specific country contexts influence and shape the relationship between women and markets	13
Riding the global waves of change for women	15
What can be done? Catalysing women's economic empowerment through inclusive finance	19
A summary of SHIFT's programmes for improving women's economic empowerment	21
References	24

Abbreviations and Acronyms

ASEAN	Association of Southeast Asian Nations
DFAT	Department of Foreign Affairs and Trade
GSMA	Groupe Speciale Mobile Association
IFC	International Finance Corporation
IMF	International Monetary Fund
IOM	International Organization of Migration
MAP	Making Access Possible
OECD	Organisation for Economic Co-operation and Development
SHIFT	Shaping Inclusive Finance Transformations
SME	Small- and medium-sized enterprises
UN	United Nations
UNCDF	United Nations Capital Development Fund

Executive Summary

Harnessing women's full economic potential in markets brings socio-economic benefits not only to women, but also to their families, communities, societies and the markets themselves. Nevertheless, while there is abundant evidence and sound arguments on how equal opportunities for women in economies could provide dividends for everyone, levelling the playing field for women remains an arduous quest. In South-East Asia, the region projected to be the world's ninth largest economy and Asia's fourth largest by 2020, women must still take a backseat in driving the growth of economies.

Women in the region are often held back from establishing businesses, climbing up a career ladder or making wise purchasing decisions because they are bound by discriminatory social norms or legal barriers. Women's needs and preferences for products and services—from consumer goods to financial services—have yet to be strategically explored by markets.

This study explores the nexus between real economy markets and women's economic empowerment in South-East Asia, and the role played by financial services and institutions

in advancing women's inclusion in these markets. This report aims to synthesize the central themes and lessons captured in the study process, drawing on insights from interviews and a workshop held for experts and practitioners on a wide range of women's empowerment initiatives.

As developing countries work to expand their domestic markets by creating investment-friendly policies and regulations; establishing critical infrastructure; improving people's access to health and education; and taking advantage of new technologies, the profile and needs of women must be an explicit part of any conversation about such initiatives.

UNCDF seeks to advance women's economic empowerment by integrating women-centric strategies into initiatives meant to grow inclusive enterprises. UNCDF does this by providing innovative financing mechanisms and collaborating with financial service providers in developing countries. In South-East Asia, UNCDF will focus on policy advocacy, data and research, capital incentives and capacity development to accelerate women's economic empowerment.

Key findings

- Women help to **drive local and national economies** through their roles as **entrepreneurs, employees and consumers**. In particular, **the profile and market potential of women consumers remains mostly unexplored in South-East Asia**, even though they represent a significant market opportunity.
- Women must have a certain level of freedom and agency if they are to penetrate and fully interact with markets, and if markets are able to include them.
- A country's **legal frameworks, culture, infrastructure, economic structure and levels of inequality** determines women's agency and their ability to access markets.
- **Global changes** taking place across countries and regions, driven by such factors as **technology, demographics and climate change**, influence a country's contours.
- The ability to access financial services has a strong potential to **play a catalytic role** in advancing women's inclusion in real economy markets. As a market on its own, greater access to and better use of finance improve women's economic agency. Providing capital financial services also stimulates other markets' inclusion of women.



Strategies and initiatives to include women's market participation should address both the demand side (women's agency to optimally interact with market) and supply side (markets' ability and interest to provide equal access to women), while taking into account the opportunities and boundaries within countries, as well as anticipating the global changes for women's inclusion in markets.

- **Expand the avenues and mediums for empowerment**
Advancing women's economic empowerment does not need to be limited to direct interventions. Economic empowerment initiatives can be channelled instead through organizations and enterprises that are led or owned by women, that predominantly employ women or that have products or services that substantially benefit women.
- **Strengthen broad-based collaborations from grassroots to policy level**
As women's economic empowerment is dependent on surrounding systems and structures, it is critical that national and local governments, private sector companies and civil society organizations work together to tackle legal barriers and social norms in addition to making market improvements.
- **Aim to create an all-encompassing value web**
Finance can be used to support women's economic roles as producers, employees and consumers, as well as to facilitate women's access to better health, education and overall quality of life.
- **Include men**
Do not target only women. It is more effective to design programs that reach both men and women, taking gender-differentiated roles and opportunities into account.
- **Bank on leadership**
Promote women's leadership and championship at all levels, from the household to the international sphere.



ThinkShop: Enhancing the Role of Finance in Expanding Equal Opportunities for Women to Access, Use and Benefit from Real Economy Markets

UNCDF's Regional Office for Asia and the Pacific organized a two-day ThinkShop workshop on 20-21 January, 2015, held at the Australian Embassy in collaboration with the Australian Department of Foreign Affairs and Trade (DFAT), and titled "Enhancing the Role of Finance in Expanding Equal Opportunities for Women to Access, Use and Benefit from Real-Economy Markets." The event was held as part of UNCDF's Shaping Inclusive Finance Transformations (SHIFT) programme, which aims to improve the level of financial inclusion in the Association of Southeast Asian Nations (ASEAN) region¹ by facilitating the transition of low-income² people's use of financial services from informal mechanisms to formal, regulated and higher-value services.

UNCDF invited practitioners from a range of development disciplines, and from countries that include Bangladesh, Cambodia and Haiti,

to discuss empowering women economically through financial markets specifically, and real economy markets generally.

The ThinkShop workshop was particularly important for UNCDF's SHIFT financial inclusion programme since women make up around half of the region's population, making them an integral component of ASEAN's economic growth engine. Additionally, the ThinkShop contributed to evolving UNCDF's global approaches to women's economic empowerment in least developed countries.

The discussions revolved around assessing the current state of women's economic empowerment, understanding women's empowerment or lack thereof in the market, exploring links in financial markets, exploring market inclusiveness for women and sharing pertinent stories from the field and beyond.

¹ASEAN countries include Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam.

²Meaning people who make less than US\$1.25 a day.

Women's economic empowerment in markets

Markets: Determining lives

People's livelihood and welfare are dependent on markets, hence market systems substantially dictate people's lives. The impact of markets is more keenly felt where the reach of the state is limited. Men and women interact with markets to source and to consume products and services to fulfil needs and wants. To gain the exchange power that is needed to take and consume goods and services in a market, men and women must trade in their tangible and intangible assets, thus assuming the role of producers, entrepreneurs or employees. Markets, however, are not equally favourable for everyone. Poor people, in general, are in a disadvantaged position when engaging with markets, given their lower level of education and poorer health situation, as well as their lesser social capital and smaller access to financial capital. All these factors lead to a weaker exchange.

Women in markets: A vast, untapped opportunity

In addition to the risk of being exposed to market failures, women face additional structural and normative hurdles because of their identity as women. These factors lead to an uneven playing field, from both the demand and supply sides of markets.

Legal frameworks and cultural norms often condition market behaviour and create closed markets in which women operate and interact, making their position less favourable relative to men. Demand-side shortcomings from women in markets do not incentivize the supply side to actively cater to the female population, leading to the stunted development in entry to and expansion of

markets for women. In least developed country settings, as countries battle nationwide poverty, non-existent or failing infrastructure, and high economic vulnerability, women are put in an even weaker position in executing their economic agency.

Women who are active economic agents become driving forces of economic growth through their role as producers or entrepreneurs, employees or consumers. Often, empowering women economically has led to better investments and improved socio-economic outcomes for households and societies. Countries with more equal access to employment and education for women benefit from lower rates of child mortality, as well as more thriving businesses and faster economic growth (World Bank, 2011).

Greater empowerment of women in markets is a crucial step in expanding the frontiers of all markets. Addressing the demand (usage and access) and supply (entry and expansion) issues of markets for women could offer pathways to new or additional market opportunities that could lead to the growth of economies as a whole.

Women play various economic roles as they engage with markets, and they frequently assume multiple roles simultaneously, ranging from producers and entrepreneurs to employees and consumers. Among these economic roles, the economic profile and potential of women as consumers has been the least explored, even though women consumers represent a significant market opportunity.

Women's Main Economic Roles



Women as entrepreneurs



Women-owned small- and medium-sized enterprises (SMEs) represent 30 percent to 37 percent of all in emerging markets (IFC, 2011). These 8 to 10 million women-owned SMEs have unmet financial needs of US\$260 billion to \$320 billion a year (World Bank, 2014). Women are relatively better represented in small informal businesses found in low value-added and low capital-intensive sectors, such as traditional service and retail sectors, and they tend to operate more home-based businesses. In addition, although women entrepreneurs have higher levels of education than men, women have less managerial experience and business connections when starting their business (World Bank and OECD, 2013).

Since women entrepreneurs face more limitations to where and how they can

network, it is particularly important to provide a means for them to gain social capital through building networks. This could lead to higher aspirations and better long-term planning that result in growth, improved business skills and new ideas, credibility, access to funding and emotional support.

The Asia Foundation, for example, found that women in Malaysia, the Philippines and Thailand who used established networks and associations were 24 percent more likely to plan for growth than women who did not use such resources; and 38 percent grew larger in size. The same research, however, found that a higher percentage of female business owners than male business owners in these countries never interacted with business associations (Blomqvist et al., 2014).

Women as employees



Increasing women's employment rate boosts economic performance in many ways. Employment of women on an equal basis with men provides companies with a larger talent pool, potentially increasing creativity, innovation and productivity. In advanced countries, a larger female labour force can help to counteract the effect of a shrinking workforce and mitigate the costs of an aging population (Lagarde, 2013).

A 2013 International Monetary Fund study found that despite some improvements, progress toward levelling the playing field for women has stalled (Lagarde, 2013). Globally, female labour force participation makes up only half of the male labour force. In South Asia and the Middle East and North Africa, the gaps are even more striking: while three-quarters of the male population are in the workforce, only a quarter of working-age women are represented (Ray, 2014). Inequality persists even within America. In 2015, there are fewer large companies run by women than by men named John; among chief executives of Standard & Poor's 1,500

firms, for each woman there are four men named John, Robert, William and James (Wolfer, 2015).

If women were represented equally in the workforce, it would amount to a 9 percent increase in Japan's gross domestic product (GDP); a 12 percent increase in the United Arab Emirates' GDP; and a 34 percent increase in Egypt's GDP (Alter, 2015). In 2012, the International Labour Organization (ILO) estimated that reducing the gap in employment between women and men globally could generate an additional \$1.6 trillion in output. Moreover, ActionAid calculated that unequal participation in the labour market could be costing women in developing countries potential earnings that amount to more than \$6 trillion—roughly equal to the GDP of all of Africa and the Middle East in 2013. Further exacerbating the situation, a large proportion of current female employment falls under the category of vulnerable employment, with the figure reaching up to 80 percent in South Asia (World Bank, 2012).

Regional Labor Force Participation, by Gender

% of adults participating in workforce, among total adult population, ranked by deficit

	Men	Women	Deficit
Global	75%	49%	-26
South Asia	70%	23%	-47
Middle East and North Africa	70%	27%	-43
South-East Asia	82%	57%	-25
Latin America and Caribbean	76%	52%	-24
Non-European Union (EU) Europe	66%	44%	-22
Former Soviet Union	75%	59%	-16
European Union	68%	54%	-14
East Asia	78%	66%	-12
Northern America	75%	63%	-12
Sub-Saharan Africa	78%	67%	-11

Source: Gallup, 2013

Women as consumers

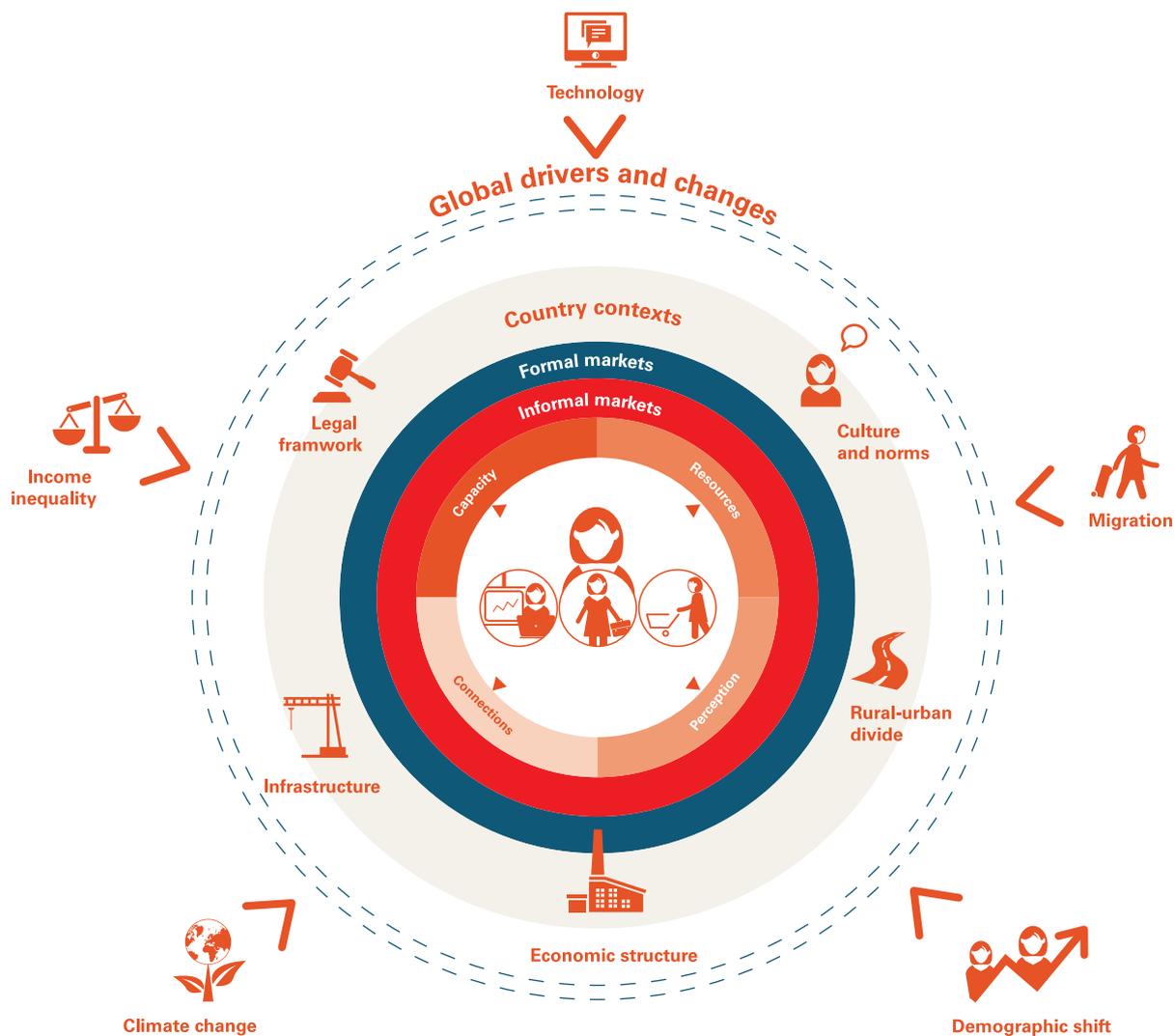


Globally, women controlled about US\$20 trillion in annual consumer spending in 2009, increasing to \$28 trillion in 2014; they were projected to have made \$5 trillion in incremental earnings within the same period (Silverstein and Sayre, *The Female Economy*, 2009). Women represent a commercial opportunity bigger than that of China and India combined.

Women want ways to save and free up their time. Yet, businesses do not often cater to these particular needs. When women find a product or a service that meets those needs, they can become 'brand apostles' (Silverstein and Sayre, *Women Want More*, 2009). Businesses that can respond to women's unmet or underserved needs can enjoy breakaway growth, customer loyalty and category dominance. Take, for example, how women are driving the growth of Internet businesses. In e-commerce, women make up 70 percent of the customer base of the Gilt Groupe site, driving 74 percent

of revenue; at Groupon, 77 percent of its customers are female. Facebook says that women are not only the majority of its users, but drive 62 percent of its activity in terms of messages, updates and comments, and 71 percent of daily fan activity (Lee, 2011).

Despite the significance of women's role as consumers, women's economic position and potential are still vastly underestimated. Female consumers are generally dissatisfied with the limited offerings in financial services, health care and consumer durables (Silverstein and Sayre, *Women Want More*, 2009). Although women control household spending decisions in most categories of consumer goods, companies continue to make poorly conceived products, offer services that take up too much of women's time and serve outdated marketing narratives that stereotype women (Silverstein and Sayre, *The Female Economy*, 2009).



Women and Markets: The issues of agency and access

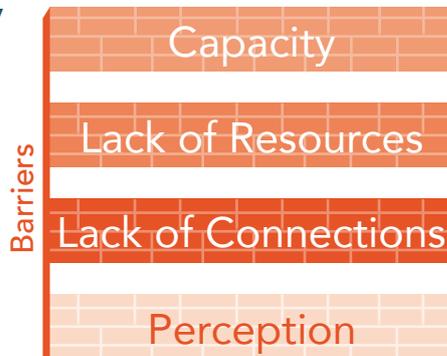
As stated previously, women face an array of barriers to accessing markets, including a lack of resources, capacity and social and political freedom.

Additionally, structural and social barriers, ranging from discriminatory legal frameworks or cultural norms to environmental issues, condition market behaviour and create 'bounded' markets within which women operate and interact. In many instances, these factors are much less favourable for women than for men.

For example, women's traditionally assigned role as a household's primary caretaker limits their time and ability to pursue economically productive activities beyond the home. Similarly, in their role as producers or entrepreneurs,

women often have to deal with issues ranging from legal discrimination in asset ownership and control to social and cultural norms that limit their opportunities to lead a business or to network. As employees in the labour markets, women, including those in developed countries, face persistent issues of gender pay gaps in their work. In many societies, a woman's socio-economic class dictates her access to career opportunities. As consumers, women often lack information on options and product features that could help them make better purchasing decisions and help drive greater market growth. Consequently, these demand side shortcomings do not incentivize the supply side to actively cater to the female population, leading to a stunted development in entry to and expansion of markets for women.

Women's agency



Market's access
for women



Structural and social barriers that range from discriminatory legal frameworks or cultural norms to environmental issues also condition market behaviour.



Type of Barrier: Capacity



Women's Agency Issues

Women have lower levels of education and skills

A long history of gender inequality in terms of health and education means that, on average, women around the world have lower levels of education and skills compared to men. While progress in this area has occurred globally, large disparities remain persistent in certain regions and countries. Only 66 percent of girls in sub-Saharan Africa completed primary school in 2012, and in three countries this figure was under 35 percent (Khokar, 2015). This shortage of capacity put women in a weaker position when engaging with markets.

Women lack time

The ability of women and girls to access productive and remunerated activities, as a route out of poverty, is often limited by their responsibility for daily, unpaid household and care activities. For poor women and girls, this burden could be even greater due to underinvestment in public infrastructure or the effect of wars and conflicts on infrastructure, leading to greater inefficiency, insecurity and lower productivity.



Market Access Issues

Limited skills and capability in understanding and designing for women's market segment

For many market actors, women remain an elusive target market. Many attempts to cater to the segment result in failure, because they come across as poorly considered, disingenuous or unaware of women's distinct needs (Ackerman-Brimberg, 2012).

Understanding women's distinct needs and incorporating them into positive market opportunities is a challenging task for many organizations, particularly as it requires a substantial moving away from how business has historically been done.



Type of Barrier: Lack of Resources

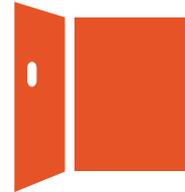


Women's Agency Issues

Women have limited ownership and control of assets

Across the world, women tend to be disadvantaged regarding ownership and control of assets due to longstanding norms or legal barriers. While women are centrally involved in agriculture and producing, they own only 1 to 2 percent of individually titled land. Women commonly access land only through their husbands, fathers, brothers or sons. In all 15 countries in sub-Saharan Africa, only the husband's family (not widows or children) inherits assets in most cases (Bird, 2010).

These constraints on women's ownership and control of assets thus limit their ability to make decisions, increase their vulnerability to falling into or further into poverty and limit their ability to access credit to invest in livelihood activities (Bird, 2010).



Market Access Issues

There is limited funding and data on including women

Markets are constantly challenged to maximize the return on investment of their resources. Without a compelling 'business case,' market actors often face constraints in allocating resources to drive efforts on including women in markets, particularly if it is a new venture for them. Lack of available gender-disaggregated data further hampers markets from tapping into women's economic potential.



Type of Barrier: Lack of Connections



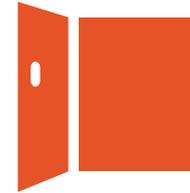
Women's Agency Issues

Women lack networking opportunities due to cultural norms

Cultural norms and traditions that restrain women's social and political mobility limit women entrepreneurs' opportunities to build social and economic capital.

Distance from information

Illiteracy, cultural constraints and immobility have all played a role in creating gender asymmetries in women's access to information. The difficulties women face, particularly in developing countries, in accessing information means many resources remain untapped, such as information about job vacancies.



Market Access Issues

Extensive effort is required to deliver goods and services to, or to employ, women

Women's greater constraints in terms of mobility as well as access to information make it more challenging and costly for markets to set up new ways to engage and transact with women.

There exists a gap between markets, sectors and stakeholders

Greater inclusion of women in market systems requires a concerted approach across sectors, particularly because the inherent challenges and barriers faced by women are complex and intertwined. However, market actors rarely address underlying structural and social barriers when working on women's economic advancement, as they shy away from addressing issues that are beyond their expertise. Successful collaborations between corporations and women's rights organizations, for example, are still a novelty due to different points of view. This translates into missed opportunities for these different stakeholders to work together on improving the economic status of women.



Type of Barrier: Perception



Women's Agency Issues

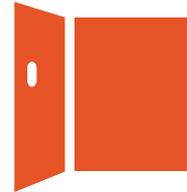
Women are often unable to recognize their own economic potential

The extent of women's economic contribution to the economy is regularly undervalued not only by society but also by women themselves. A Women's World Banking study in Latin America found a disconnect between a woman's economic contribution to the household and her perceived role. Although their financial contribution to the household economy is important, women themselves rarely perceive it as such (Women's World Banking, 2014).

Women are also often found to have less confidence, compared with men, in building businesses or accepting services like loans and business training. They believe their assets aren't good enough, or they fear that building a business will come at the cost of their contributions to the household (Women's World Banking, 2014).

Perceptions and assumptions that women are less economically productive than men create a vicious cycle, limiting investments in women's education or economic capacity.

Women are often faced with situations where they feel intimidated when interacting with markets, as many parts of market value chains are dominated by men. Men's traditional role as the breadwinner in the family could also deter women from fully exerting their economic potential from the fear of contravening norms.



Market Access Issues

Women are perceived as a riskier, less-profitable part of the population

Within markets, women are still generally perceived as being the less profitable or higher risk clients for businesses. This leads to their poor treatment or a lack of effort to carefully cater products or services to meet women clients' needs and preferences. Employers assume women are less productive due to the demands of their traditional roles, and that women employees will take maternity leave, work fewer hours in the day and take more days off to deal with household matters.

Markets often practice 'gender washing'

There is an assumption that many of the world's products and services, ranging from mobile to financial services, can be gender neutral—that there are not distinct behaviours or preferences that set women apart in interacting with markets and that little tweaks will go a long way. This leads to a practice called 'gender washing.'

'Gender washing' has two defining traits: a failure to acknowledge women's distinct needs and a belief that marketing to women simply means offering a "female" version of men's products (Darroch, 2014). In reality, women exercise different behaviours from men and have different preferences on offerings, particularly regarding services. For example, women may not be attracted to features that appeal to men, and make decisions differently, often consulting friends or family members before trying a new service (Bernard, 2015). A product designed for women will often attract men, but the converse is usually not true (Women's World Banking, 2014).

How specific country contexts influence and shape the relationship between women and markets

Policies and legal framework



In many countries, national laws still remain key barriers to women's full participation in economic activities, whether in getting jobs or starting businesses. Discriminatory rules bar women from certain jobs, restrict access to capital for women-owned firms and limit women's capacity to make legal decisions. Almost 90 percent of the 143 economies analysed by the World Bank report *Women, Business, and the Law 2014* have at least one law that restricts women's economic opportunities. Moreover, in 15 economies husbands can refuse to let their wives work and accept job offers (World Bank, 2013).

A country's macroeconomic policy framework sets the pace at which

women's economic empowerment can progress at a national level. It is important to advocate for the right policies to create conditions for advancing women's economic empowerment. Policies encouraging women to join and remain in the labour force are associated with less income inequality (World Bank, 2013). In 1993, the Government of Peru implemented a new constitution that guaranteed equal opportunities for men and women to work. Customary law (traditional rules of practice) was invalidated if it contradicted these rights. Subsequently, women's labour force participation increased by 15 percent within five years (Lagarde, 2015).

Prevailing cultural norms

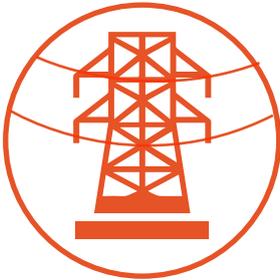


In many countries, particularly in developing countries, culture dictates men's and women's places in a society. Societal perceptions and discrimination also restrict women's upward mobility and opportunities for advancement. For example, in paternalistic or machismo cultures where men are considered the head of the family, women are often assumed to lack leadership or management abilities, or it may be considered culturally inappropriate for them to exhibit such qualities (Semavi, 2011). Often, cultural norms around gender that are actually harmful to

women, such as acceptance of domestic violence against women, affect women's ability to participate in markets.

Challenging discriminatory cultures and social norms within countries should be sensitive to long-standing practices. Grassroots initiatives play an important role to ensure that macro-level interventions are properly integrated locally. There is also a need to challenge assumptions that cultural changes are achieved only over generations since including women in markets will often quickly accelerate the process.

Infrastructure readiness



The state of a country's infrastructure heavily determines women's abilities to engage in economic activities. In low-income countries, where basic infrastructure such as water, sanitation, energy and transportation are deficient, it is harder for women to be economically productive when they are spending long

hours in tedious and labour-intensive work tending to their families.

Investments in infrastructure and time-saving technologies are essential to alleviate women's poverty in many developing countries.

Levels of urban-rural divide



Rural-urban disparities in a country's economic and social development have long been a cause of concern for policymakers. Development that disproportionately benefits urban societies would significantly limit opportunities for rural societies, particularly for rural women. For example, when job opportunities are concentrated in cities and rural men shift to urban employment, women tend to bear the burden of taking over farming activities while having to maintain their household responsibilities. The rural poor, the majority

of them women, mostly have access only to inefficient sources of energy; as a result, rural women are disproportionately less likely to access clean, efficient, reliable, safe and affordable energy service options (Gill et al., 2010). In addition, women in urban areas tend to have better access to health and education services than women living in rural areas.

Policy solutions must take into account these gender disparities between rural and urban populations, especially in countries where the divide is significant.

Changing of economic structure



Poor women are often the most vulnerable when a country undergoes an economic transformation. For example, land conversion that takes place when a country shifts the

majority of its citizens' livelihoods from agricultural to industrial activities affects women the most as they tend to get left behind with limited opportunities to initiate alternative activities.

Riding the global waves of change for women

Major cultural, demographic and economic changes in the world bring both opportunities for and risks to women's economic empowerment. Domestic and international migration, demographic transition, the proliferation of new technologies, significant changes to the economic structures of countries and entire regions and improvements in human development indicators are strongly influencing the economic growth trajectory of countries and societies. All of this makes the inclusion of women in markets even more critical.



Income inequality

Inequality between and within countries has been rising. Oxfam reported that since 2010, the richest 1 percent in the world has been increasing its share of total global wealth. Eighty individual billionaires now own the same wealth as the bottom half of the world's population (Hardoon, 2015). In 2012, 71 percent of the world's population lived in countries where income inequality is increasing (KPMG, 2014).

Income inequality compounds the issues faced by those at the bottom of the pyramid in participating in the economy and in accessing education and health services. This leads to stunted productivity and growth, as opportunities are concentrated on those with more capital. Rising income inequality within countries also harms social cohesion and security.

Evidence suggests a strong link between gender equity and economic equality. In countries with more equitable wage structures, women enjoy a narrower gender pay gap and higher level of labour participation (Clinton Foundation

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Technology

The proliferation of technology substantially impacts the ability of women to fulfill their needs. The ubiquity of Internet and mobile phones is minimizing information asymmetry and the constraints of physical mobility for women, while the use of new products and technologies, ranging from vacuum cleaners to solar lights, free up more time for women to be engaged in economically productive activities. Greater access to technology helps women to improve their economic participation, digital citizenship, access to jobs and health care and more. When women in the developing world go online, 30 percent use the connection to earn additional income, 45 percent use it to search for jobs and 80 percent use it to improve their education (Geier et al., 2014). Technology also presents women with business opportunities within the market sector itself.

In spite of the potential benefits of technology, women's access to and use of technology is still lagging compared with that of men. Women on average are 14 percent less likely

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Migration

Almost 60 percent of the world's population will reside in cities by 2030, an increase from 50 percent in 2013. Eighty percent of all urban growth over the next two decades will take place in Africa and Asia.

Migrant women represent 48 percent of all international migrants today and they are finding jobs in multiple sectors and disciplines or starting their own businesses. The proportion of female to male migrants significantly varies by country and can be as high as 70 to 80 percent in some cases. Whereas men have historically migrated to industrialized economies for both manual labour and technical or professional jobs, female workers today are migrating to countries with strong service-based economies where they will have greater opportunity (Western Union, 2015).

With the increasing feminization of migration, labour mobility is also impacting gender equality within the household and the broader society (Bester, Saunders and Hougaard, 2015).

Migrant women contribute to the economic development of their

cont. on page 16



and Bill and Melinda Gates Foundation, 2015). In this sense, growing income inequality could become a major drawback for women's economic advancements.



to own a mobile phone than men (Santosham and Lindsey, 2015). An average of 23 percent fewer women than men have Internet access in the developing world (Clinton Foundation and the Bill and Melinda Gates Foundation, 2015).

Financial and other structural barriers deter women from using, renting or purchasing technologies that could help them advance economically. Groupe Speciale Mobile Association (GSMA), a global private sector organization representing the interests of mobile providers, noted that cost, security, service delivery, technical literacy and social norms are barriers to women using and accessing mobile phones. Women also use mobile services differently than men because their daily patterns and preferences differ, implying that a one-size-fits-all approach to mobile services can discourage women from using them (Santosham and Lindsey, 2015). Despite the fact that most low-income women in developing countries are primarily employed in agriculture, technological innovations in that field have been designed specifically for men. As a result, women continue to use traditional, more labour-intensive methods, undermining their agricultural productivity (Gill et al., 2010).



countries of destination through their competencies and skills, and to that of their countries of origin through their remittances and their increased experience when they return to those countries.

Remittances play a big role in the income of households and countries. Remittances are now nearly three times the size of official development assistance and exceed the foreign exchange reserves in at least 14 developing countries. Excluding China, remittances significantly exceeded foreign direct investment flows to developing countries in 2013 (World Bank, 2014). They can therefore be an important driver of growth (Bester, Saunders and Hougaard, 2015). According to the International Organization of Migration (IOM) female migrants send approximately the same total amount of remittances as their male counterparts, and what women send is a higher proportion of their income, even though they generally earn less. Both men and women primarily send remittances to women (about two-thirds of recipients are women), reinforcing the important role these women play as financial decision makers in the household.



The global rise of income inequality could compound pre-existing inequalities faced by women in accessing economic opportunities; thus it is important to identify and bridge these gaps caused by unequal growth.



The gender divide in technology needs to be narrowed so that technology can help unlock women's economic opportunities:

- Focus on technologies that can bring rapid and substantial benefits to women in developing countries.
- Put women's needs and preferences at the centre of technology design and deployment (Bester, Saunders and Hougaard, 2015).



Increased labour mobility for women requires sound infrastructure, platforms and channels so they can connect back to the homes they left as they integrate into their new environment, thus capitalizing on potential economic and social gains.



Demographic shifts

Many developing countries will be experiencing a ‘youth explosion’ in the coming years. Currently, 90 percent of the global youth population resides in developing countries (KPMG, 2014).

Youth in developing countries will play an increasingly central role in driving economies, particularly if countries can successfully reap so-called ‘demographic dividends,’ a term that refers to the accelerated economic growth that results from a rapid decline in a country’s fertility and the subsequent change in the population age structure. With fewer births each year, a country’s working-age population grows larger relative to the young dependent population (Population Reference Bureau, 2013).

Demographic dividends, however, can be fully harnessed only when countries successfully integrate younger citizens into the workforce. Youth unemployment has already become a major concern globally. In 2012, 15 to 24 year-olds made up 40 percent of the total unemployed population (Bond for International Development, 2015).

Improving the well-being of girls is the first key step to reaping the demographic dividend. A rapid decline in birth number can be achieved only through family planning, improving rates of child survival and educating girls. Secondary education helps girls delay marriage and their first pregnancy and opens up new opportunities for women beyond their traditional roles in the home (Population Reference Bureau, 2013).

While most nations protect girls’ access to primary education, few protect girls’ rights to attain secondary-level schooling. Cost is also a significant barrier to girls’ education. Though nearly all countries have made primary school free, a quarter of countries still charge tuition for secondary school (Clinton Foundation and the Bill and Melinda Gates Foundation, 2015).



Human capital investments (secondary education, improved health) for girls are key to reaping a demographic dividend that leads to the acceleration of economic growth.



Climate change and resource pressure

Human-induced climate change is leading to environmental disruptions around the world, which cause food and water insecurity and disasters like droughts, floods and devastating cyclones.

People seriously affected by climate change are expected to more than double by 2030, and lives lost every year are expected to increase by at least two thirds to about 500,000 per year, which is equal to those who die annually of breast cancer. Over 90 percent of people affected by climate change will be in developing countries, of whom a disproportionate number will be children, women and the elderly (Global Humanitarian Forum, 2009).

Disasters might not discriminate, but their effects are felt the hardest by women. Today, the majority of the world’s poor are women. Poor women are more likely to be malnourished and less educated, factors that only exacerbate their vulnerability in a disaster. After a disaster, women become vulnerable to violence, trafficking and forced marriage due to the breakdown of societal mechanisms, distress and lawlessness. For example, during the 2011 drought in the Horn of Africa, families began marrying off their daughters in a rush to obtain dowries to ensure their survival (Lacson, 2015).

At the same time, women take on more roles and responsibilities in the wake of a disaster. The notion of women as the primary caregivers in society often becomes accentuated in a disaster situation. Women often find themselves becoming the head of their household if the previous head perished in the disaster.

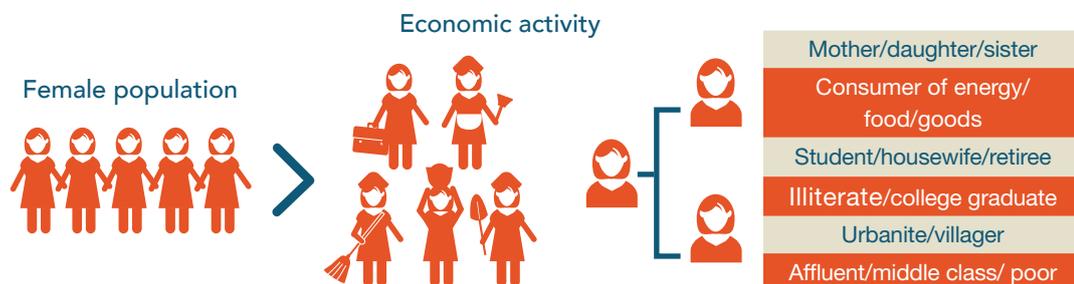


Ensure infrastructure and systems are favourable for women in adapting to and reducing the risks of climate change.

Key findings

- Expand the avenues and mediums for empowerment**
 Advancing women's economic empowerment does not need to be limited to direct interventions for women. Economic empowerment initiatives can be channelled through organizations and enterprises that are women-led or women-owned, that predominantly employ women or whose products or services substantially benefit women.
- Strengthen broad-based collaborations from the grassroots to policy level**
 Acknowledging the dependency of women's economic empowerment on surrounding systems and structures, as well as effectively collaborating between national and local governments, the private sector and civil society organizations, is needed to ensure legal barriers and social norms are properly addressed alongside market improvements.
- Aim to create an all-encompassing value web**
 Use finance to support women's economic roles as producers, employees and consumers, as well as to facilitate women's access to better health, education and overall quality of life.
- Include men**
 Do not target women exclusively. Men's support is critical to ensuring an enabling environment for women. Moreover, efforts to economically empower women should aim to benefit the broader society as well.
- Bank on leadership**
 Promote women's leadership and championship at all levels, from the household to the international sphere.

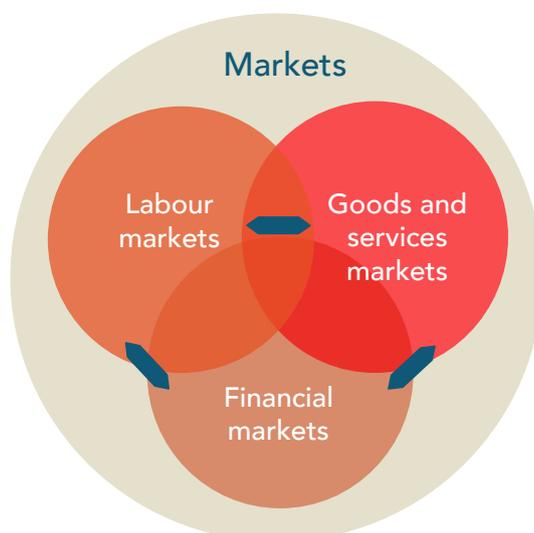
Beware of generalizations: Women play diverse and dynamic roles



The need exists to design market approaches and interventions that understand women, particularly poor ones. Within that category, women may have different needs and experience different vulnerabilities when interacting with markets.

For example, women in 'survival mode' could be largely engaged in hand-to-mouth economic activities, while micro-entrepreneurs are facing difficulties in taking out bigger loans for their businesses.

What can be done? Catalysing women's economic empowerment through inclusive finance



Improving women's access to financial services can lead to their greater involvement in real economy markets

Financial markets are enablers for real economy markets as they provide the needed capital to fuel growth and drive innovation. In this sense, financial markets have the potential to improve the status of women as entrepreneurs, employees and consumers.

While gender inequality still exists in accessing financial services, many proven solutions show that women's financial empowerment is central to improving the socio-economic conditions of societies, underlining the importance of financial inclusion for women's overall agency. Beyond ensuring greater access to and better use of financial services for women, there is also a need to leverage finance to create pathways for women's empowerment in other markets. Improved access to financial services can also be used to improve the health, education and quality of life for women.

The enterprise development approach for women's economic empowerment

UNCDF, through its past and current initiatives in advancing inclusive finance and building inclusive markets, recognizes the importance

of including women to achieve the greatest impact. UNCDF seeks to identify the opportunities provided by finance to improve women's inclusion in real economy markets.

In particular, UNCDF works on initiatives that provide financing to enterprises that are owned or managed by women, predominantly employ women or else produce goods and services that substantially benefit women. This way, it hopes to accelerate the inclusion of greater numbers of women in real economy markets.

UNCDF embraces an integrated approach to develop markets for women. In addition to working with financial providers, UNCDF collaborates with policymakers, private sector actors, development partners and civil society organizations to accelerate market growth in developing countries and to ensure that the benefits are being shared by women, particularly those at the bottom of the pyramid. Additionally, UNCDF seeks to demonstrate women's leadership and the success of women-centred enterprises.

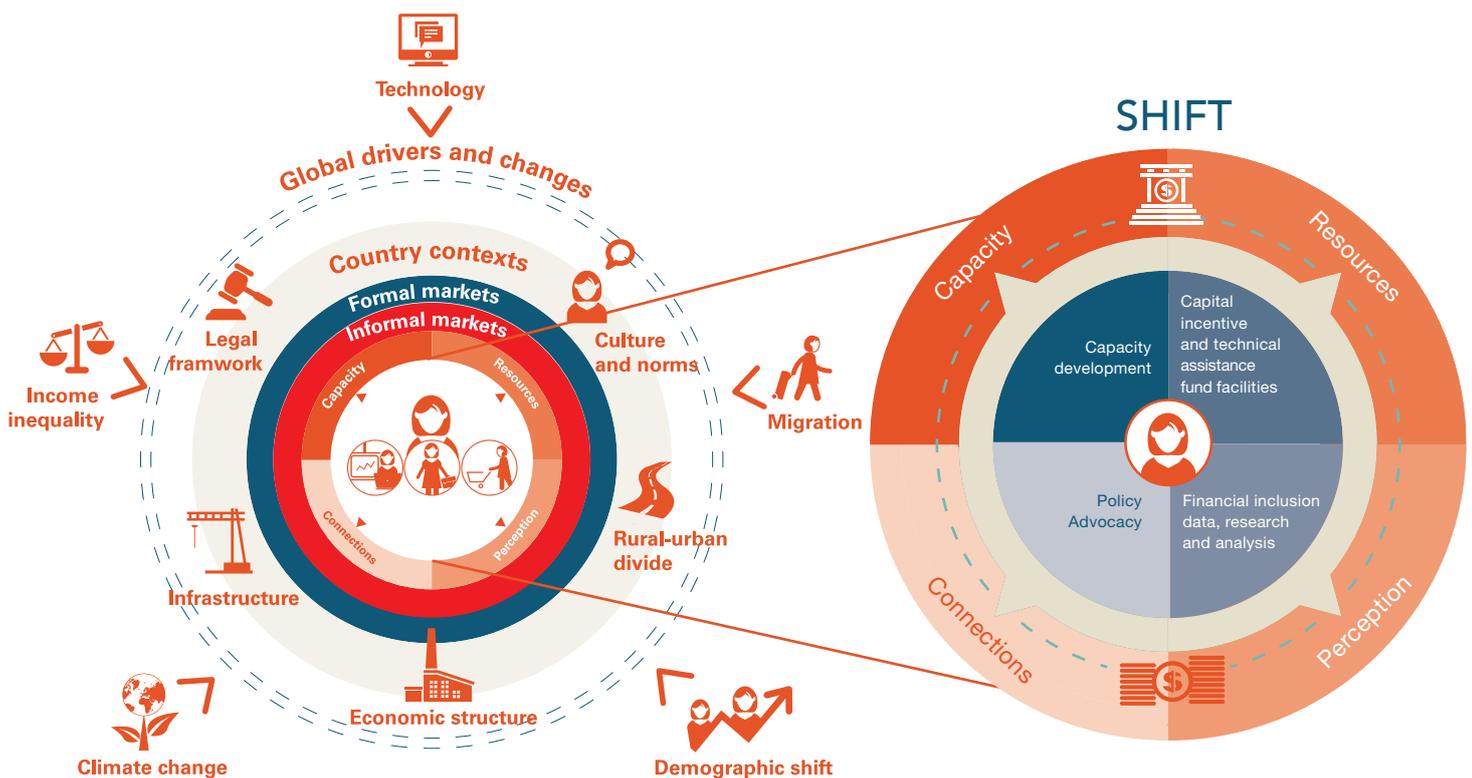
The designations employed and the presentation of material on this map do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations or UNCDF concerning the legal status of any country, territory, city or area or its authorities, or concerning the delimitation of its frontiers or boundaries.

Weaving women's economic empowerment into UNCDF's Shaping Inclusive Finance Transformations (SHIFT) programme

Currently, governments in the South-East Asia region are placing women's inclusion in finance and markets at the centre of discussions on improving women's economic empowerment. As the chair of the Association of Southeast Asian Nations (ASEAN) in 2014, the Government of Myanmar articulated the need to systematically enhance women's economic empowerment at the 'ASEAN Financial Inclusion Conference: Enhancing Access to Finance for Unbanked People in the ASEAN Region,' held in Yangon, Myanmar on 29-30, October 2014. The Conference's outcome document included a recommendation for special measures to assist women in accessing and using financial

services. Such measures would be part of an ASEAN-wide campaign to make economic growth more equitable and stable as the region works toward greater financial integration between its member countries.

Noting this commitment and interest from the ASEAN nations, UNCDF SHIFT aims to provide a space for further discussion and work on women's economic empowerment in South-East Asia. By providing capacity development, policy advocacy, capital, technical assistance funds, and financial inclusion data and research, SHIFT is working to overcome barriers to women's economic empowerment and the growth of markets.



A summary of SHIFT's programmes for improving women's economic empowerment



Capacity Building

Initiatives to enhance women's agency

Initiatives to enhance women's access to markets

Capacity development

- Support and advocate financial literacy programmes through women-centric enterprises.
- Develop a hub for business development services for women entrepreneurs.

- Support the development of financial products and services tailored to the needs and profiles of women clients; gender sensitivity training to reinforce the business case for serving women through leadership-building, peer-to-peer learning platforms and design incentives.
- Design formal systems of reinforcement, including key performance indicators.

Policy advocacy

- Support the building of social capital for women through business networking and mentoring opportunities.
- Provide business development services to women entrepreneurs.
- Support civil society organizations in advocating for government policies and incentives across ASEAN that help women find time to start and run businesses, such as maternity leave and childcare infrastructure.

Capital incentive and technical assistance

- Invest in the development and use of technology, infrastructure and innovations that allow women to save time and money, open employment and education opportunities, improve access to quality-of-life enhancing products and services and improve access to information by developing efficient and effective channels.

Data, research and analysis

- Developing and implementing data indexes or standards that allow for a better understanding of women's economic behaviour across ASEAN.
- Support financial service providers to begin collecting sex-disaggregated data. Capturing this information will provide a better understanding of women clients and their needs.



Resources

Capacity development

Initiatives to enhance women's agency

- Support and advocate for a financial literacy programme.
- Create a hub for business development services for women.

Initiatives to enhance women's access to markets

- Support the development of financial products and service offerings that take into account the needs and profile of women.

Policy advocacy

- Advocate for regulations and practices on asset ownership that do not discriminate against women in ASEAN countries.

- Advocate for financial sector regulations that encourage business practices and provide incentives for including women in real economy markets.

Capital incentive and technical assistance

- Crowd-in product/service/marketing development for women by using capital financing for grants, loans and credit enhancement to de-risk and 'prove concept' so that others gain confidence to make investments.
- Invest in infrastructure such as transportation and telecommunications systems and energy generation and distribution channels; these will pull in greater private investment by lowering the costs of doing business, particularly those aimed at benefitting women in rural areas.

Data, research and analysis

- Collect sex-disaggregated statistics and indicators; design and deploy qualitative and quantitative analysis to better understand women's financial usage behaviours and their surrounding contexts.

- Collect sex-disaggregated statistics and indicators related to women's financial behaviour to build a compelling business case for women's market inclusion.



Making Connections

Capacity development

Initiatives to enhance women's agency

- Support and advocate for a financial literacy programme.
- Create a hub for business development services for women.
- Invest in the facilitation of networking and mentorship/ championship of women.

Initiatives to enhance women's access to markets

- Facilitate knowledge exchanges and collaborations between actors in the women's market.

Policy advocacy

- Support the building of social capital for women through business and mentoring.
- Provide business development services and market linkages.

- Advocate for financial sector regulations that encourage business practices and provide incentives for including women in real economy markets.



Perceptions

Capacity development

- Promote 'champions' for women and create a space for successful women and men to serve as role models and mentors, while also advocating for the increased participation of women across all sectors.

- Support the development of financial products and services tailored to the needs and profiles of women clients; gender sensitivity training to reinforce the business case for serving women through leadership-building, peer-to-peer learning platforms and design incentives.

Policy advocacy

- Conduct gender-specific market analysis and gather evidence on women's economic potential as a way to shift cultural perceptions.

Data, research and analysis

- Conduct gender-specific market analysis and gather evidence on women's economic potential as a way to shift cultural perceptions.

- Conduct gender-specific market analysis and gather evidence on women's economic potential as a way to shift cultural perceptions.

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