

DEVELOPMENT THEME SERIES

WOMEN'S ECONOMIC EMPOWERMENT

The Enterprise Challenge Fund (ECF) for Pacific and South East Asia is a A\$20.5 million AusAID-led Australian Government initiative. It gives businesses in ECF participating countries a competitive opportunity to obtain grants for help in commercialising business projects. To date A\$11.5 million in grants has gone to 22 business projects across eight countries: Cambodia, Laos, Philippines, East Timor, Vanuatu, Papua New Guinea, Fiji and Solomon Islands. The key rationale of the grants is to have a sustainable impact on poverty through employment, income generation and access to goods and services.



Millennium Development Goal 3

Enact and implement equal economic rights for all



Background

Challenge funds contribute towards economic inclusion, that is, the process of overcoming barriers to men and women participating in or contributing fully to the economic system. These barriers can include a lack of awareness and understanding, accessibility to products and services, and confidence in the system at large. Lessons from the Australian Government's Enterprise Challenge Fund (ECF) suggest that challenge funds can also promote gender equality, and in particular, empower women economically.

This summary document has been developed from a paper by Kate Nethercott, Amanda Jupp and Marianne Jago-Bassingthwaight for the Enterprise Challenge Fund exploring how the pilot program contributed to improved economic development and women's empowerment outcomes.

The paper offers some observations for the international development policy and practice communities and for the private sector. It

encourages a more targeted focus on women's economic empowerment through private sector development partnerships, not least through a greater mutual allocation of funds, and design effort.

The full paper can be found at www.enterprisechallengefund.org

Policy context – women's economic empowerment and economic growth

Significant links between improving women's economic empowerment and overall economic growth are well-recognised in the international development practice and research communities. Economic empowerment means ensuring women have the opportunity to participate in, contribute to and benefit from growth, as well as negotiate respectful treatment. Higher female income and bargaining power also tend to catalyse improved outcomes in children's education, health and nutrition, which lead to poverty reduction in the long term. The Australian Aid Program has recognised the importance of women's economic empowerment, describing it in the 2011 AusAID Gender Equality Strategy as one of four pillars around which its work on gender equality and women's empowerment has been structured. It is also explicitly linked to economic growth in the 2012 AusAID private sector development strategy, Sustainable economic development: private sector development, which notes, "underpinning

Australia's support for private sector growth is a focus on improving women's economic empowerment". Future challenge fund designs should include this important policy reference.

Gender in design and implementation of the Enterprise Challenge Fund

Women's economic empowerment and the promotion of gender equality were not among fund objectives. However, the design incorporated gender equality in a number of areas supporting the integration of gender throughout the ECF. As a guiding principle, the program sought to "ensure that women as well as men are able to benefit" from the program. Although quite general, this guidance gave the ECF management team scope to promote gender equality (and somewhat obliquely, women's economic empowerment) at the outreach and selection, implementation and evaluation stages. Staff could engage with potential bidders around gender equality as a development effectiveness concern, require proposals to consider project effects on gender equality, and measure program impacts on male and female beneficiaries. These entry points ultimately had significant bearing on the integration of gender into the targeting of opportunities and the collection of project data. In some cases they also positively impacted the economic empowerment of women.

Promising practice from ECF case studies – how the private sector can impact on women's economic empowerment

ECF reporting demonstrates that to date, 22,139 women, or 51% of total beneficiaries, have economically benefited from ECF projects. Benefits included increased access to employment, access to supply chains to sell agricultural inputs and reduced cost of living through access to goods and services such as microinsurance, electricity and agricultural inputs.

These case studies and those discussed in the full paper demonstrate women's economic advancement. They also show that specifically targeted women's employment initiatives have yielded the most encouraging results in increasing women's participation in economic activities. Importantly, businesses made this decision for commercial reasons.

Contributing to economic advancement

- **Focus on roles where women excel** – The factory at *Mainland Holdings* (Papua New Guinea) processes vanilla for export and employs a majority of female workers for vanilla curing. The women mainly work on-call, with greater hours during peak season. They earn K2.30 (A\$1) per hour and on average work three months of the year, or 25% full-time equivalent. This equates to income at around 50% of the national poverty line.

In the fields, ECF-funded extension workers are making an impact on growers and changing the way vanilla is grown. In particular, extension workers have focused training on women to pollinate the vanilla plants, noting their skill in detailed work.

- **Improved access to labour saving equipment means more women can physically participate** – *Nature's Way* (Fiji) operates a factory heat-treating fruit and vegetables for the export market in Fiji. Traditionally women were employed in office positions, as the factory floor work was heavy and packing and grading was done manually. Through the ECF grant, the company purchased automated packing and grading equipment to improve factory processing. This reduced the weight of loads and allowed more women to be employed in factory floor positions. Five out of ten employees at *Nature's Way* are women, compared with none five years ago. They are earning F\$5,000–6,000 per year (A\$2,700–3,250) equating to two times the national poverty line. *Nature's Way* was encouraged to consider the impact of women through regular reporting on business outcomes, including disaggregated data for men and women in employment and supply of product to the factory.

- **Increased access to education** – *Bright Hope Institute* (Cambodia) allows students to study in the local area. *Bright Hope* targeted poor students and provided scholarships to 316 disadvantaged students, 62% of whom were female. Women could also live in dormitory accommodation constructed with the support of ECF funds. (Men are able to find accommodation in local Buddhist wats.) More women now graduate from the institute and are able to earn on average two times their families' earnings per month. Ten recent graduates said they were all sending additional funds back to their villages and two women indicated these funds were supporting brothers and sisters to study.

Contributing to power and agency

- **Increased self-efficacy and ability to make decisions** – *Future Forests* (Fiji) employs women in the nursery operation to maintain teak seedlings. They earn around F\$150 (A\$80) per week, which is 100% higher than the national poverty line for Fiji. During field visits, women indicated that this income has made them feel proud and increased their confidence. They were using the additional funds to purchase better food, look after family members and increase savings. The women also found that the skills they learned in the nursery made them more productive in their home gardens.
- **Providing greater financial independence** – *SAMIC Microfinance* (Cambodia) offers loans to poor and low-income Cambodians to establish and improve small businesses and households. 80% of *SAMIC's* 11,718 clients are female. "If I had money, I would not need to borrow" one client said. There are no options for saving money in the village, and no banks or village savings funds. All her assets are invested in a small roadside shop. It sells smallgoods and beer to families living in the village, many of whom work long shifts at the garment factories in the province.

Originally the woman used a loan to set up the roadside stall with a cooler box. With a second loan, she is investing in more stock, and will begin pig-raising in the dry season to supplement her income. She is also building a toilet for the house which she shares with her husband and two pre-school aged children.

SAMIC offers a microinsurance product that insures loans and lives of clients. For 1.5% of the loan value (~US\$6 for an average loan), the client's family is protected from any debt in the event of death or disability of the client and the value of any repaid loan is provided to family members as well. Up to 94% of clients have taken this out. The woman said that her husband encouraged her to take out loan protection – his salary is only US\$25 per month so he could not pay back her second loan alone.



10 Lessons for Private Sector Development

The results of the review and ECF regular reporting on the private sector, when considered against policy and good practice literature, offer some additional promising lessons. The review points out 10 lessons may be relevant for donors planning to work with the private sector, and for the private sector engaging in partnerships with communities.

1. Highlight the business case for women's economic empowerment
2. Work with companies that already show a social and ethical understanding of the importance of gender equality
3. The private sector has niche potential to support women's economic empowerment
4. The public sector has niche potential to influence the private sector – careful management of the application process matters
5. Monitoring and evaluation frameworks need to explicitly address women's economic empowerment
6. Targeting sectors where women's participation is higher *and* is lacking in resources
7. Consideration of the context in different societies
8. Donor policy supportive of women's economic empowerment is important – but needs to extend to program design *and* budget allocation
9. Motivated staff (public and private sector) can make a difference
10. Gender inclusion or mainstreaming efforts are not enough to ensure a targeted focus on women's economic empowerment