

Economic Empowerment of Women

September 2008

Centre for Economic and Business Research
Porcelænshaven 16A
2000 Frederiksberg

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1. Introduction

The inclusion of a Millennium Development Goal oriented towards the promotion of gender equality and the empowerment of women demonstrates that gender equality is placed high on the development agenda (UN 2002). The Millennium Declaration also states that the promotion of gender equality and the empowerment of women in addition to being a goal in itself also is a means to further other development goals such as the elimination of poverty, hunger and diseases; c.f. United Nations (2000, 2005).

The view that the promotion of gender equality may accelerate development is widely shared.¹ If true, empowering women is not only about slicing the pie differently, but also about increasing the size of the pie to be distributed. In fact, a virtuous circle could then be envisioned where increased empowerment stimulates development which in turn trickles further empowerment of women etc.

In a recent paper, Duflo (2005), however, provides a more critical assessment of the pro-poor effects of empowering women. She argues that while giving power to women will indeed bring about changes in economic decision making and hence affect economic development, the changes will not be unambiguously positive for overall welfare and the development process. Duflo points out that the academic evidence underpinning the link between gender equality and empowerment and other development outcomes are (perhaps) not as robust as previously perceived.

The purpose of the present study is to therefore to critically synthesize relevant knowledge about how and when specific project level instruments and/or policy interventions work to increase gender equality and to foster economic development through increased empowerment of women.

¹ See, for example, The World Bank (2001).

Focus will be on the following three types of interventions that all have empowerment potential: Microfinance, education and legal aid.

- Microfinance is defined as the provision of financial instruments to poor individuals/groups. This type of intervention has, following the broad attention accorded to institutions like the Grameen Bank in the early 1990's, been a hyped and much used policy instrument put to serve multiple development agendas. Following the example of the pioneer institutions, microfinance interventions are often targeted towards women because of the observed inequalities in these areas and because of the expected empowerment effects; see Duflo (2005).
- Education is here defined as universal education and training, principally at the primary and secondary school level. This is, of course, a basic right and public good, which is almost unanimously perceived to have positive effects upon gender equality and empowerment. These effects are, however, perhaps not as robust as it is commonly thought, meriting the inclusion of education on the list of interventions considered in this study.
- Legal aid is defined as support to women's use of the legal system to obtain what is theirs by right. This is a relatively recent type of intervention, representing a departure from the assumption that changing the legislation in a pro-gender direction will suffice to ensure more equitable outcomes. It is consequently often motivated by women being discriminated against although the relevant laws by themselves prescribe equal treatment. Legal aid is thus to a large extent founded on a desire to empower certain groups, and it is therefore a relevant type of intervention for analyses of initiatives to empower women.

For each type of intervention, we identify and review relevant evidence of effects on empowerment as it manifests itself through changes in gender equality and/or economic development. This will allow for an improved understanding of the expected effects of different types of (empowerment) interventions in various contexts as well as their limitations.

In order to assess the overall effectiveness of the different interventions, the expected effects should be weighted against the costs. This is, however, beyond the scope of the present study. Nevertheless, the present overview will constitute an important input to the process of clarifying the gender effects of different types of interventions.

1.1 *Methodology*

The present study is based on a review of economic academic papers and reports.² The criteria for selecting the relevant studies relate to the ability of the individual study in combination with other studies to inform about general effects of different empowerment interventions.

The selection criteria are:

- **Geographical focus:** The studies should be relevant for as many developing regions as possible. Ideally, they should cover as many combinations of culture, religion and developmental status as possible. Although a focus on sub-Saharan Africa is desirable from a development perspective (as the region is the primary recipient of development assistance), Latin America and South and Southeast Asia are also represented on the list of regions covered.
- **Technical quality:** The selected studies should be methodologically sound. This implies that the studies should employ a methodology which compares a large set of individuals subjected to a well-defined programme with a large set of comparable individuals who neither directly nor indirectly have participated in the programme. Preference will accordingly be given to experimental studies, because they maximize the probability that an observed difference in empowerment indicators is indeed the result of the empowerment instrument. The initial focus on experimental evaluations follows Duflo and Kremer (2008) who advocate the use of experimental evaluations as a tool to guide development policy on which interventions are most effective. However, as pointed out by Rodrik (2008) an exclusive focus on experimental studies also has its limitations. First, the generalizability of the experimental studies to other settings can never be assured. Second, other forms of knowledge may also inform policy – despite the methodological rigour inherent in experimental settings, Rodrik (2008) argue that randomized evaluations do not “deserve monopoly rights – or even necessarily pride of place – in moving our priors on most of the important questions in development economics”. Finally, as is evident from the survey conducted here, an exclusive reliance on experimental studies will also limit the number of relevant studies as experimental designs are often costly to implement and have only become widely applied in more recent years. By implication, this survey will as a starting point identify relevant experimental studies

² Reports from the following institutions have been used: of the World Bank, the International Monetary Fund, the OECD, the International Food Policy Research Institute (IFPRI) and various UN organisations.

but will supplement this with other types of surveys and knowledge whenever relevant.

Most of the academic papers and reports which form the background material of this study are available on the internet in either public or restricted access domains (electronic scientific journals). The material has been found searching the Internet using strings such as “gender empowerment”, “microfinance”, and “economic empowerment”. In addition, the content of selected academic journals and of the homepages of main development institutions and of key researchers in the respective fields has been scanned.³

In order to structure the review of the studies, the following questions will be answered for each study:

- What is the intervention and where did it take place?
- Why can the intervention – from a theoretical point of view – be expected to affect empowerment and economic development under the given circumstances?
- What are the indicators used to describe the effects on women’s empowerment or other developmental objectives in the study?
- What were the results found? Can the results be generalised, and if so – to which groups and contexts?

Answering these questions will increase the comparability between the different studies and subsequently facilitate the discussion about the extent to which results can be generalised.

1.2 Overview

Chapter 2 provides an overview and discussion of the different concepts used in the literature on gender equality. In particular, the chapter clarifies the meaning of and relationship between the concepts of "gender equality", "participation" and different aspects of "empowerment".

Chapter 3 presents the theory and evidence relating to microfinance, education, and legal aid as empowerment instruments. It explains why and how these interventions

³ The journals scanned are: The American Economic Review, The Quarterly Journal of Economics, The Journal of Political Economy, Econometrica, World Development, Journal of International Development and World Bank Economic Review. The homepages scanned are those of the World Bank, the IMF, IFPRI and the OECD. Besides, the homepage of NBER, a main distributor of quality working papers, has been scanned.

may work to empower women and how they may be expected to affect other development outcomes.

Chapters 4-6 then synthesise the existing evidence about the effects of each of the three types of empowerment interventions. While a number of studies have been found assessing the effects of microfinance and education, the number of studies concerning legal aid is more limited. This may have to do with the more recent nature of this instrument combined with the methodological focus on studies with an experimental design.

Finally, Chapter 7 provides a summary and conclusions.

2. Concepts and definitions

A number of concepts relate to and describe the status of women and men in society. Some of the most commonly used concepts are gender equality, women's participation, and empowerment of women. The interpretations of these concepts may, however, vary between authors and applications. This section tries to clarify how these concepts and their interrelationships are understood in the present study.

2.1 *Gender Equality*

Gender equality is generally used to describe a situation: A given society at a given time can be considered more or less gender equal. It is common to distinguish between two dimensions of equality: Equality in outcomes and equality in opportunities. Equality in outcomes means that women and men enjoy the same standard of living, degree of autonomy, status and other socially valued goods, c.f. Roemer (1998). Equality in opportunities means that men and women have equal access to education, borrowing, election to legislative assemblies, labour market careers etc. Terms such as a "level playing field" are often used to describe a situation with equal opportunities.

Some differences exist among different authors and institutions in the interpretation of gender equality. For example, UNFPA describes the meaning of gender equality in the following way:⁴

"Gender equality implies a society in which women and men enjoy the same opportunities, outcomes, rights and obligations in all spheres of life. Equality between men and women exists when both sexes are able to share equally in the distribution of power and influence, have equal opportunities for financial independence through work or through setting up businesses; enjoy equal access to education and the opportunity to develop personal ambitions."

⁴ See <http://www.unfpa.org/gender/empowerment.htm> for the definition.

The OECD (1999) defines gender equality in a somewhat different way:

“Gender equality requires equal enjoyment by women and men of socially-valued goods, opportunities, resources and rewards. Gender equality does not mean that men and women become the same, but that their opportunities and life chances are equal...”

The UNFPA statement above requires that men and women enjoy the same outcomes, whereas the OECD definition only requires equal opportunities and life chances.⁵ In this study, we follow the latter definition; understanding gender equality to mean equal opportunities. Furthermore, as there is considerable empirical evidence, see, e.g. Duflo (2005), that men and women have different preferences, we should not expect equal opportunities to result in a situation with equal outcomes.

It should be recognised, however, that for measurement purposes, equality in opportunities is not a very useful definition as opportunities are hard to observe/measure. As a result, gender equality is often measured in practice by equality in outcomes. It is, however, important to bear in mind that this is an imperfect measure of gender equality as men and women because their preferences differ may choose differently even when given the same opportunities.

2.2 Women's participation

The concept of "participation" relates to who takes part in a set of society's activities and how they do it. The list of activities considered could be formal sector employment, general and local elections, legislative work, household work, etc. As a consequence, participation can be seen as a measure of equality – both in opportunities (e.g. by looking at participation in paid work) and outcomes (e.g. participation in the use of public services).

It is important to notice, however, that women's participation does not imply equality between men and women. For example, the fact that women participate in paid work does not imply that women receive or control the income which they generate. Hence, it is possible to have situations where women participate but do not achieve equality. On the other hand, it is hard to imagine that equality can exist without a minimum of participation in, for example legislative processes, c.f. e.g. Duflo (2005), Narayan (2002) and Akerkar (2001).

⁵This corresponds to the definition employed by Danida where gender equality (according to Danida 2008) means “that all human beings are free to develop their personal abilities and make choices without limitations set by strict gender roles.”

2.3 Empowerment of women

The concept of women's empowerment (by some authors referred to as "gender empowerment") has also been described differently by different authors. A key factor in all definitions, however, is that gender empowerment relates to the ability of women to manage their lives.

While empowerment has been described as both a state and a process in the literature, see, e.g., World Bank Institute (2007), we shall follow Duflo (2005) and Kabeer (2005) in stressing that empowerment is a process, which leads towards a state in which women are empowered. That is, empowerment involves an *improvement* in women's ability to manage their own lives. This is obtained through increased access to key resources and activities, as stressed by Duflo (2005):

"...gender empowerment [is] defined as improving the ability of women to access the constituents of development – in particular health, education, earnings opportunities, rights, and political participation."

This understanding of women's empowerment gives a direct link between empowerment and equality of opportunities. The process of empowering women will improve their ability to manage their lives, i.e. it improves their access to education, access to formal sector employment, access to entrepreneurship, access to finance, control over fertility etc. This improved ability to manage their own lives entails an expansion of women's opportunities in the direction of equal opportunities in comparison with men. This is illustrated in the upper part of Figure 2.1 below.

Before we turn to a more detailed discussion of the different aspects of empowerment, let us briefly summarise how we understand the concepts discussed above:

- Gender equality refers to a state in which men and women have equal opportunities, which does not imply equality of outcomes in all spheres of life.
- Women's participation refers to women's share and role in various activities in society.
- Empowerment is the process of increasing women's ability to manage their own lives through increased access to key resources and activities.

2.4 Aspects of Empowerment

As stressed above, the process of empowerment is about improving women's ability to manage their own live through increased access to key resources and activities. This

may involve a wide range of aspects, which can be grouped in different ways, c.f. e.g. UNFPA, Mayoux (2000) and World Bank Institute (2007).⁶

A general feature of the empowerment aspects discussed in the literature is that they involve:

- Access to and control of various material and non-material resources.
- Participation in and power over various market and non-market processes and activities at different levels in society.

In the following, we furthermore distinguish between three groups of empowerment aspects: Political empowerment, economic empowerment, and social/legal empowerment.⁷

Political empowerment: All the classifications reviewed in the preparation of this study include women's political empowerment as a key aspect of empowerment. Political empowerment is defined as increasing the participation of women in legislative assemblies, their decision power in these assemblies, the ability of women to publicly voice their opinions and to affect the composition of legislative assemblies. An example of political empowerment could be to ensure women's suffrage.

Economic empowerment: Another aspect of empowerment which is also part of all the classifications reviewed relates to women's economic opportunities. Key aspects of this type of empowerment are women's access to formal sector employment, self employment, borrowing, saving and access to and control of economic resources. Examples of economic empowerment would be an increase in women's control of household resources or an increase in women's access to borrowing in the financial markets.⁸

Legal/social empowerment: A third group of aspects, which is often (but not always) present in the classifications of empowerment reviewed, relates to women's roles as social actors in the community and in the household. Key aspects in this group are legal rights, status and norms.⁹ Two examples of legal empowerment are: (i) the removal of legislation which constrains women from divorce, and (ii) assistance directed at in-

⁶ See <http://www.unfpa.org/gender/empowerment.htm> for UNFPA's dimensions.

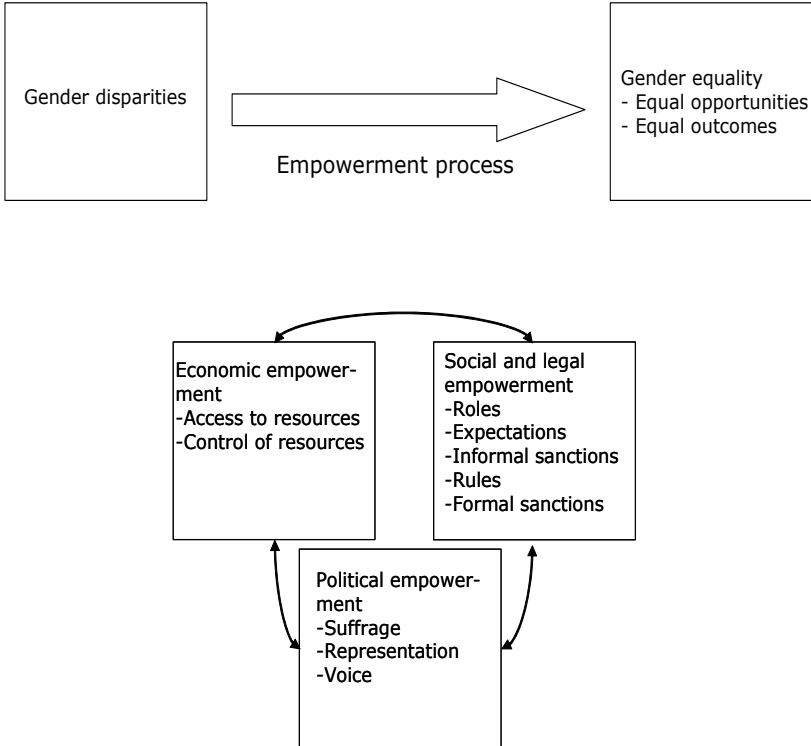
⁷ A fourth category of empowerment aspects, which is commonly referred to, encompasses women's educational situation. Key aspects in the group are women's access to education and their educational attainment. UNFPA refers to this category as educational empowerment. In the following, educational empowerment will not be considered as a separate empowerment dimension, because we believe that the essence of educational empowerment is encompassed by a combination of economic, social and legal and political empowerment.

⁸ A household is understood here as a group of people who share a home and a pool of resources. Often some household members will have a common ancestor

⁹ Mayoux (2000) and World Bank Institute (2007) both work with this category.

forming women of their legal rights. Norms are in this report¹⁰ defined as rules of conduct or expectations for the behaviour of members of society. This implies a potentially close relationship between norms and laws as laws can be influenced by norms and vice versa. Likewise, failure to comply with norms is also associated with sanctions. Thus, an example of social empowerment is the change of social norms that prevent women from working in the formal labour market.

Figure 2.1 Empowerment



Economic, political, and legal/social empowerment are interlinked as illustrated in Figure 2.1. For example, a woman’s economic empowerment depends on her position/power in the household as this determines her control over household resources. This in turn may depend on how empowered women are socially and legally, e.g., their right to divorce, the possible informal sanctions from the rest of the community if they leave their households and/or the social acceptance of women working in situations where their husbands deny them access to the income generated by the women themselves.

¹⁰This is obviously a more operational definition, disregarding the potentially very complex relationship between formal vs. informal, tacit vs. explicit and beliefs vs. behavior.

Similarly, social norms may also be affected by women's economic empowerment through their participation in the formal economy. As women to an increasing extent earn their own income in the formal economy, it can become more difficult to uphold social sanctions against the women who work for a wage.

Another example is the interplay between women's political empowerment and economic empowerment: There is some evidence that women's suffrage has led to an increased focus on redistribution of income – which has led to economic empowerment of women, as women have lower average incomes, c.f. Stotsky (2006). There may also be an important feedback mechanism from economic empowerment to political empowerment: The access to and control of women to an increased amount of economic resources enhances their abilities to act collectively, e.g. in women's rights organizations, as described by Mayoux (2000).

Finally, there may be a relationship between women's political empowerment and their legal/social empowerment, c.f. Mayoux (2000): Women in legislative assemblies may be less likely to pass laws which oppress other women, and the legal empowerment may in turn affect the social norms. Likewise, Chattopadhyay and Duflo (2004) in a study of Indian village councils subject to affirmative action regulation find that women leaders prioritise resources in a manner that is more beneficial to women. Furthermore, Mayoux (2000) also speculate that women's social and legal empowerment affects the informal and formal acceptance of women's political activities in society and hence also women's political empowerment.

Thus, there is a close relationship between the three groups of empowerment aspects. As a consequence, a given policy intervention to stimulate empowerment can be difficult to classify under one of the headings.

In the following, we shall consider the empowerment potential of three types of interventions: Microfinance, education and legal aid. The first two of these are examples of instruments/interventions that most likely will give rise to mainly economic empowerment, while the last one – legal aid – can foster legal/social empowerment but also economic empowerment by strengthening women's de facto rights to economic resources.

The process of empowerment can, of course, also take place without government intervention. Economic growth and development may lead to women participating more actively in the labour market as it happened in the Western World in the 1960s. This is an example of economic empowerment without (explicit) government intervention.

3. How can interventions empower women?

Before turning to the review of the evidence concerning the three interventions it will be useful to briefly consider theories and evidence that might assist the understanding of how and why microfinance, education, and legal aid interventions can result in women's empowerment. In addition, the derived effects from empowerment to other development outcomes and targets are also briefly considered.

When considering how interventions can empower women, it is useful to distinguish between two situations.

First, consider the case where the woman is the sole decision maker. That is, she has a given set of resources under her control and decides for herself what to do with these. This is, e.g., the case of a woman living alone or together with individuals (e.g. small children) that do not challenge her decisions and control over the resources. Increasing, e.g., the woman's education or access to loans in this case directly increases the resources under her control and hence empower her.

If, on the other hand, the woman is not the sole decision maker, but instead is part of a household where other individuals may challenge her control over resources and try to influence the decisions made, things get more complicated. In Section 3.1, we take a look at the economic theories that might guide our understanding of the potential empowerment effects in this case.¹¹

Note that a household may be either a "standard" Western type household (husband, wife and children) or an extended household with possibly several generations and more distant relatives involved. For ease of exposition, many of the arguments in Sec-

¹¹Note that the first case, where the woman is the sole decision maker, can be considered a limiting case of this – more general – scenario.

tion 3.1 are presented assuming a standard household structure, but they can, in principle, also be of use when analysing extended households.

3.1 *Inside the household*

When women form part of a household, relying on household income will not do the trick as individual well-being may vary considerably within the household. Duflo (2005) summarises the evidence emerging from a number of household surveys by noting that the intra-household allocation of access to resources like nutrition, medical care and education tends to have a strong bias against women (and girls) whenever the household experiences a crisis. One of the stark implications of this tendency to discriminate against women in times of crisis is the estimated 150 million missing women. The majority of these have, according to Duflo (2005), died as the result of cumulative neglect of and discrimination against women and girls. The fact that the intra-household discrimination against women tend to be worse under extreme circumstances do, however, also imply that an overall increase in household income¹² can disproportionately benefit women.

Noting the unequal distribution of resources within the household leads to a discussion of the factors that affect this. In this context, the fact that a large share of the work performed by women is unpaid (e.g. collecting firewood and water) and/or intangible and not recognised (e.g. parenting and caring for sick household members) is of key importance. The activities undertaken by women in the almost invisible “care economy” imply that women contribute less to household funds and/or are time poor. This constrains women’s access to and control over household resources. Even in the case where women contribute to overall household income (by working on the family farm or outside the household) they may not have control over a proportional (let alone) fair share of total household resources.

One approach used by economists to understand the intra-household allocation of resources is to use the so-called cooperative bargaining models (c.f. Lundberg and Pollak, 1996) that can encompass the two extremes (the dictatorship and the completely equal distribution of resources) and the (most likely more frequent) intermediary allocations of distributional power. The key assumptions of the bargaining models are:

- Household members bargain over the allocation of goods, services, tasks and responsibilities. As noted by Dasgupta (1993), these negotiations are unlikely to be

¹² An increase in household income will potentially reduce both the variability of income and the period(s) in which household income drops below its minimum consumption requirement

as explicit as bargaining between managements and unions. Rather it should be seen as a representation of the co-operative mechanisms at work within the household.

- The bargaining power of the respective parties depends on what they will do if an agreement cannot be reached. This could, for example, mean that the household members decide individually about what to do with the resources they generate/control. However, it could also involve a resort to domestic violence¹³ for the men, whilst a possible option for women could be to leave the household altogether.

Obviously, this admittedly simple economic modelling framework cannot be considered to be a full description of household decision making, but it captures some central elements of it. First, household members may have different and conflicting preferences over the use of household resources. Second, the intra-household decision making process may go through different phases, where some phases are characterized by a dialogue over how to use the sum of all household resources, some phases are characterized by the household members keeping to themselves some of the resources and making unilateral contributions, and yet other phases may concern the splitting of resources in relation to a break-up of the household.

Please note that leaving the “intra household negotiation” does not need to imply breaking up marriage. In some cultures, divorce is not allowed, leaving women very few options outside the household. As a result, tensions over the division of household resources can exist and be long-lived in marriage. Anderson and Baland (2002) note that:

“[b]ased on such empirical evidence, Folbre (1986), Sen (1990) and others have concluded that ... the household in developing countries is better modelled as conflictual”.

These conflicts can take the form of spouses keeping resources to themselves and providing for the household in the form of contributions.

Two key implications of the bargaining model approach to household allocation of resources are:

- If women control a large share of household income, they also substantially influence the way household resources are used.

¹³Please note, that the term cooperative bargaining may appear inappropriate in a context that includes one party potentially resorting to physical violence. The term cooperative is, however, coined in the game theoretic literature referring to an altogether different (and much more theoretical) situation.

- If the outside option of the women improves (e.g. through the passing of legislation allowing a divorce or an improvement in the labour market opportunities of women), the intra-household allocation of resources to women may improve without the women actively using the new option. This is essentially due to the improvement of the women's outside option, resulting in a more pro-women outcome inside the household.

In summary, any assessment of intervention outcomes must disaggregate outcomes to the individual level and have to take possible intra-household conflicting preferences and discrimination into account. By implication, all interventions targeting women are based on an assumption that women have some power over household resources – otherwise the husband/dictator would take possession/control of all resources once they were brought into the household.

Furthermore, the use of the bargaining model approach highlights a need to consider how an intervention affects the alternatives and opportunities available to women. In addition, the fact that an improvement in women's options outside the household may result in an intra-household positive development even if women do not make active use of these new opportunities indicate that impact evaluations may underestimate the total effect of the intervention.

3.2 *A closer look at the three intervention areas*

Based on the considerations above and to facilitate the discussion later in this study, a more detailed description is now given of how the interventions considered in this paper may be expected to empower women, and how we may observe that in the economic outcomes.

Microfinance

The potential empowerment implications can be can be directly related to the theoretical arguments above. Most microfinance interventions are essentially directed at increasing the amount of resources under women's control. The premise for microfinance interventions is often a situation where women's access and control of external resources differ from that of men. This could be due to:

- Social and legal aspects: This includes the Moslem purdah which has been considered to be a barrier to women's access to traditional credit in the Moslem world, c.f. Aghion and Morduch (2005). Another example is related to women's

access to land, which may depend on the goodwill of male relatives and/or be poorly protected by the existing legislation, c.f. Allendorf (2007).

- Economic aspects: This could be if traditional moneylenders have more difficulty assessing the credit-worthiness of women than of men, because they have more difficulty monitoring the activities of women or because women are poorer and can provide less collateral than men.

The above mentioned problems in combination with the implicit assumption that women has sufficient intra-household autonomy to retain control of additional resources provided implies that microfinance interventions has the potential to empower women by circumventing existing inequalities.

In terms of the observed empowerment effects that can be expected to follow from microfinance interventions, de Aghion and Morduch (2005) mention the potential for: increasing labour market and home-based production opportunities for women, enhanced skill acquisition by women, and increased savings reducing household vulnerability to income shocks. This can in turn lead to improvements in gender equality over both the medium term (by raising the income generating capacity of the current generation of women) and the long term (through the potential improvements in child (girl) health and education).

Education

Educational interventions likewise have the potential to strengthen women's earnings possibilities and control of resources both inside and outside the household. However, as pointed out by Duflo (2005), the apparently strong results about the (positive) relationship between education and women's empowerment in general fail to take account of the potentially severe selection biases that exist when looking at the effects of education. First, the women who manage to get an education (in an often difficult context) will in many cases be gifted and very motivated, which could explain their subsequent superior performance. Second, the educated women may be able to choose their husband, ensuring that he is more open to, for example, a more equitable household allocation of resources. Both potential problems of selection indicate that the observed results cannot be applied to the entire population.

Looking at the different aspects of empowerment, educational interventions may assist women in circumventing the following hurdles:

- Social and legal empowerment: In some areas it may be less socially accepted for girls to attend school in which case parents would opt to send boys to schools regardless of perceived ability of the children.
- Economic empowerment: Sending children to school incurs both direct costs (e.g. school fees and uniforms) and indirect costs (foregone income from child labour) to the household. As a result, household will in many cases opt to send only boys to school. Further, if an economy does not yet have a labour market for (more) educated women, the economic incentive for parents (thinking about securing their old age through child remunerations) will be to educate boys and keep the girls at home.

As indicated by the above-mentioned aspects, the decision to send or not send children to school will depend on a variety of factors – not all of which will change even if the educational intervention involves free or subsidised education. It is consequently interesting to see whether an increase in the supply of educational opportunities (not directly addressing the factors that effect demand for educated women/girls) has an empowerment effect.

In terms of the observed empowerment effects of educational interventions they resemble those that follow from microfinance interventions except that the time perspective will be longer. Educational attainment will thus in the medium to long term expand the labour market production opportunities of women, augment their human capital and in turn improve the outlook for the next generation through an expected positive effect on child (girl) health and education.

Legal aid

Whilst microfinance and education interventions can be characterised as directed towards economic empowerment (albeit with potentially important effects on social and legal empowerment), legal aid interventions are more directly related to social and legal empowerment.

Because the situation of women outside the household may effect the bargaining position of women within the household, increased knowledge and use of measures which, for example, strengthen women's legal position in the settlement of divorce can empower women in intra household negotiations. In practice, however, rights need to be supported by norms. If social norms regarding the treatment of divorced women are in conflict with women's legal rights, the presence of social sanctions means that it will still be costly for women to claim their right in the event of divorce.

It is possible that changes in laws will affect norms, because laws send a signal to the population of what is socially acceptable. Nonetheless, in the short term there is likely to be a role to play for interventions which work directly with norms, or which assist women in using existing legislation, or which supports and strengthens women who have been subject to social sanctions after divorce. The expected observable effects of legal aid will thus most likely be long term and difficult to measure (possibly related to intra-household allocations and well-being).

In the following three chapters we review existing studies of the three types of interventions and their empowerment effects. As argued above, the observable effects on women's empowerment will often be indirect as they represent (expected) derived effects of empowerment. Such indicators include children's schooling, male and female labour supply, per capita earnings and expenditure, self-employment, children's health, and women's educational level. More direct indicators of empowerment effects include women's non-land assets, use of contraceptives and women's general control over fertility, land and women's self-perceived control of own lives. However, these are often difficult to observe or poorly measured.

4. Studies of microfinance interventions

This chapter surveys a range of microfinance interventions. In this context it should be noted that microfinance encompasses many potential financial instruments. This survey does not purport to present a complete toolbox of instruments, but only to present the instruments analyzed in some selected studies of high technical quality and of relevance to the current study.

4.1 *De Aghion and Morduch (2005)*

De Aghion and Morduch (2005) present a survey¹⁴ of microfinance which includes a survey of the effects of microfinance on women's economic empowerment.

Interventions considered

The survey encompasses 20 studies which either:

- Assess the effects of different programmes related to microfinance on a range of empowerment indicators, or
- Analyze differences in behaviour between women and men, which are relevant to the expected effects of microfinance

The interventions in the review can be grouped according to their scope, ranging from pure micro credit to a combination of micro credit and educational and awareness-building activities. Three of the large Bangladeshi programmes included in the survey¹⁵,

¹⁴ Appendix B contains a table which summarizes the studies reviewed in the gender chapter of de Aghion and Morduch (2005) with respect to the programmes analyzed, the locations analyzed, the data and methods used and the overall conclusions reached.

¹⁵ Grameen Bank, Bangladesh Rural Advancement Committee (BRAC) and Bangladesh Rural Development Board RD-12 programme

for example, involve both credit and non-credit services such as training for skill development, literacy, bank rules, investment strategies, health etc.

The above mentioned three Bangladeshi programmes all target the rural poor, where poverty is defined by households having less than a minimum amount of land. A fourth Bangladeshi programme analyzed in the review by de Aghion and Morduch (2005) is the Small Enterprise Development Programme (SEDP). This programme targets a wealthier group of individuals with entrepreneurial experience, loans are larger, and loans are given on an individual basis.

Locations of the interventions

The interventions considered in de Aghion and Morduch (2005) are located mainly in Bangladesh, Latin America and Africa. See Appendix B for details.

Reason for the expected effect

The expected empowerment effects will, of course, vary with the local context. In Bangladesh where local traditions limit women's mobility and economic activities, the interventions will offer opportunities for economic empowerment to women who previously have had very few options. The African contexts differ from country to country, but a broad generalization is that in Cameroun, Zimbabwe, Zambia, South Africa, Kenya and Uganda, women play a prominent role in agricultural production and informal sector marketing, whereas there are more restrictions on women's outward activities in Sudan, Chad, Ethiopia and Eritrea. In Latin America the rationale for microfinance as an empowerment tool is that women are more frequently constrained in their access to credit than men are, because women are poorer – a rationale which may be equally meaningful for Bangladesh and the Moslem African countries.

Results

Their overall conclusion is that microfinance has the potential to empower women in the household. De Aghion and Morduch (2005) also present evidence that women tend to spend a resulting increase in their income on improving children's health and education to a larger extent than men do. This is an indication that broadening and strengthening the financial market opportunities available to women could be instrumental towards improving child health and education.

There is not convincing evidence, however, that microfinance has any effect on the social norms which affect women's access to and control of resources. De Aghion and Morduch (2005) to a large extent base this conclusion on the included studies by Pitt

and Khandker (1998) and Hashemi et al. (1996). Both are methodologically strong papers, which utilize relatively rich sets of data with many observations and which cover many aspects which influence individuals' behaviour. In addition, both of these studies attempt to deal with the potential problems related to participants in microfinance programmes could be different (more entrepreneurial, more skilled, etc.) from non-participants. Pitt and Khandker (1998) use a so-called difference-in-difference approach, exploiting that eligibility is determined by an exogenous wealth criterion. This allows them to compare the difference between eligible and non-eligible individuals in programme villages to the difference between (would-be) eligible and non-eligible individuals in non-programme villages, hence (hopefully) isolating the effect of the programme on the eligible individuals. Hashemi et al. (1996) consider whether participants and non-participants are different – but only utilize a relatively small set of observable characteristics, and thereby they do not address the key question of whether participants and non-participants differ on non-observable factors. Hence, an unresolved selection problem may still affect the conclusion of Hashemi et al. (1996).

Nonetheless, de Aghion and Morduch still find that it is defensible to generalize the effects of microfinance to contexts similar to the Bangladeshi context for the wealth strata currently targeted by Grameen Bank, BRAC and Bangladesh Rural Development Board.

Furthermore, evidence from Mexico and Brazil also reviewed by de Aghion and Morduch (2005) indicates that giving women increased levels of income – possibly contingent on sending children to school – also empowers women. The study by Skoufias and McClafferty (2001), for example, indicate that targeting benefits to women increases children's schooling and health, and gives women a feeling of greater control over household economic decisions. This study is also interesting because it compares a treatment and a control group over time, using a reasonably detailed set of socio-economic factors to make the treatment and control groups more comparable. Furthermore, the study has a quasi-experimental nature, which serves to reduce potential problems of participating women being systematically different from non-participating women, potentially limiting the general relevance of the results.

De Aghion and Morduch (2005) also review the studies by Thomas (1990, 1994) who finds that increases in income in the hands of Brazilian women lead to more improvement in family health and in girls' education than increases in income in the hands of men. This evidence combined with the reasonable assumption that for poor, credit-constrained women improved access to credit can be expected to increase income and

thus also women's empowerment, children's schooling and health, and give women a feeling of greater control over household economic resources.

On balance, the evidence presented in de Aghion and Morduch (2005) indicates that microfinance appears to have an empowering effect on women as well as other positive developmental effects in contexts as diverse as Bangladesh, Brazil and Mexico. It is moreover reasonable to expect that expansion of the existing programmes in Bangladesh and Mexico to more users, which are similar to the current users on a range of observable characteristics, can be effective to empower women and achieve other developmental objectives.

4.2 *Pitt and Khandker (1998)*

In the following, we consider the previously mentioned study by Pitt and Khandker (1998) in more detail.¹⁶

Interventions considered

Pitt and Khandker (1998) analyse the effect of participation in three microfinance programmes in Bangladesh (Grameen Bank, Bangladesh Rural Advancement Committee and Bangladesh Rural Development Board's Rural Development RD-12 programme). All three programmes target landless rural poor (those who own less than ½ acre of land). The programmes provide production loans to individuals who participate in groups of five women, and the groups are self-selected – not formed by the bank.

A key feature of the programmes is that they use peer monitoring as a substitute for collateral. This means that if a member of the group defaults on a loan, the entire group becomes ineligible for future loans. The programmes thus build on the assumption that small tightly-knit societies have strong informal monitoring mechanisms that can be used to support lending arrangements, c.f. Banerjee and Newman (1998). Another key feature of the loans is that they are coupled with other non-credit services in the form of training for literacy, skill development, bank rules, investment strategies, health etc.

Locations of the interventions

Bangladesh.

¹⁶Pitt and Khandker (1998) is considered in detail because it has been an influential study – chiefly due to the fact that it was among the first attempts to use statistical methods to generate a truly accurate assessment of the impact of microfinance.

Reason for the expected effects

The Bangladeshi context is favourable for group based microfinance arrangements: home production aimed at selling goods in the market is one of the few socially acceptable market activities of women, and home production often involves a minor capital investment e.g. in a loom. The problem which the microfinance programmes aims to overcome is that many households are so poor that even such a minor investment is incompatible with maintaining the minimum necessary consumption level and that women have limited access to credit (see below). Hence, there is a potential for substantial positive effects on women's economic empowerment by opening a credit channel directed towards women who want to set up home production.

The limited access to credit is in part due to women only having limited access to the formal labour market. In addition, men often take the role of moneylender whilst the predominant Moslem purdah limits women's access to this form of contact between a single female borrower and male lender. Furthermore, even if a woman does approach one of the existing sources of credit, the above mentioned limited access to the formal labour market makes it difficult for lenders to monitor the activities of the woman. As a result, the group based credit arrangement has great potential to work in the context of Bangladesh. Not only does the group based programme create a new monitoring mechanism well suited for an underdeveloped credit market, it also directly facilitates women's participation in credit markets. By implication, the study seeks to evaluate effects of a programme that works within the constraints imposed by existing norms rather than challenging them.

Indicators used

Development: Children's schooling and per capital household expenditure. These indicators also indirectly indicate effects on women's empowerment.

Women's empowerment: female labour supply and women's non-land assets

Results

The method employed by Pitt and Khandker (1998) was to conduct a survey in 87 villages of which some participated in a microfinance programme and others did not. Participation in the microfinance programmes is voluntary which raises the question of whether the results are immune to statistical problems of self-selection, meaning that those who gain most from the programmes choose to participate. This implies that when participants are compared to non-participants, one cannot generalize and say that the programme would have benefitted the non-participants equally much.

Pitt and Khandker (1998) address the selection problem by using the wealth based eligibility criterion as explained above. However, this way of addressing the selection problem is not ideal. If the programmes are perceived to be very beneficial, individuals will, for example, have an incentive to obscure/hide land ownership in order to be eligible. There is moreover the question of how the villages were selected to be covered by the microfinance programmes – this problem is not resolved either.

Accepting the attempts made to correct for potential selection bias, Pitt and Khandker (1998) find that participation in the microfinance programme had a positive and statistically significant effect on development indicators such as children's schooling and per capital expenditure as well as on empowerment indicators such as female labour supply and women's non-land assets. These results were corroborated by Khandker (2005). The possibility of generalizing the results of Pitt and Khandker (1998) was discussed in connection with the de Aghion and Morduch (2005) review above.

4.3 *Hermes et al. (2005)*

Hermes et al (2005) study two microfinance programmes similar to those studied in Pitt and Khandker (1998). The programmes under review are group lending programmes in Eritrea, targeting both urban and rural borrowers. Compared to the programmes studied by Pitt and Khandker (1998), the leaders of the Eritrean borrower-groups play an extended role. They can, for example, enact sanctions against borrowers who do not meet their repayment obligations. In addition, the study focuses more on the effects and implications of the monitoring and sanctions mechanisms available rather than on the empowerment effects of the entire programme per se.

Interventions considered

The interventions are similar to the interventions considered in Pitt and Khandker (1998), albeit with a small variation as described below.

Location of the interventions

The authors collected data from 102 borrower groups (352 individuals) in Eritrea in 2000.

Reason for the expected effects

Eritrea's financial system is underdeveloped, and small scale entrepreneurs and individuals without collateral have difficulty borrowing. The authors furthermore hypothesize that group lending will allow for loans to poor individuals, because of the peer group monitoring and social sanctions associated with repudiating on one's debt. The

group leader plays an important role in disciplining the borrower group. Finally, Eritrea has both Moslem and Christian communities, and it is interesting to test whether there are differences between the behaviour of these two groups with respect to repayment behaviour in group based lending.

Indicators used

Empowerment and development: Misuse of loans – see explanation below.

Results

Hermes et al. (2005) formulates an empirical model in which the number of abuses of a loan per individual (using the loan for non-intended purposes) depends on different indicators of social ties between the individual and the other members of the group.

The authors find that group members misuse the obtained credit less if they have social ties prior to joining the group credit scheme and if peer monitoring is strong in the sense that they live close to each other and the group leader has visited them during the process of the programme. This improves access to credit for women, because lenders will have greater confidence that female borrowers repay their debt. The increased access to credit empowers women. These results hold both for the Eritrean Christian and Moslem communities.

It is, however, possible to identify several potential selection problems associated with the study. First of all, participation in the programme is voluntary; hence those who choose to participate may be those who have the greatest expected gain in terms of the value of the loan obtained. It is unclear what this potential problem implies for the estimated effect of social ties, but it may involve a serious bias. Second, group leaders may choose to visit only those whose misuse of credit can be affected by a visit, and hence the effect of the monitoring activities may be overestimated.

In summary, there is a relatively strong theoretical case for expecting social ties and monitoring to be effective ways to fight misuse of credit and hence to support well-functioning credit markets in developing countries. The theoretical case is presented in Banerjee and Newman (1998) among others. The empirical evidence of Hermes et al. (2005) is suggestive of this effect, but the fact that group leaders choose who to monitor implies that those monitored may be exactly those individuals for whom monitoring works. Thus, it is not clear that monitoring will work for other micro-borrowers than those monitored in the analyses of Hermes et al. (2005).

4.4 *Coleman (2006)*

Microfinance programmes in Thailand appear to empower women, though the evidence so far indicates that the design of such programmes is crucial for the effect found. Coleman (2006) analyse two Thai microfinance programmes.

Interventions considered

Two programmes run by the Rural Friends Association and by the Foundation for Integrated Agricultural Management. The programmes target poor women in Northeast Thailand and are based on group lending, where borrowers form groups of 20-60 women. If a group does not fulfil its collective repayment obligation, then all group members are denied future credit.

Following the formation of a group the programme offers a sequence of loans, where the size of the maximum possible loan per member increases per round such that a member is entitled to borrow an amount equal to the previous loan plus her accumulated savings at the village bank. There is a cap on the maximum loan size that can be obtained in the entire loan cycle. The group both borrows from the programme and from its members' savings.

Groups are most often formed through contact from the programme organizers to the village leadership, which then takes charge of forming village borrowing groups or village banks. The village banks are managed by a committee of a president, vice president, treasurer and other officers. The committee decide on eligibility for loans, allocation of loans and day-to-day decisions.

Location of the interventions

Thailand.

Reason for the expected effects

Group lending utilize a set of social monitoring and sanctioning instruments which are not available to conventional lenders, hence group lending would be expected to benefit poorer individuals (and hence women, disproportionately) that are excluded from formal credit outlets due to (perceived) difficulties observing their repayment ability and - activities.

Indicators used

The indicators used include: women's wealth, income, productive expenses and labour time.

Results

Coleman (2006) found evidence that the Thai programmes considered had an effect on the economic empowerment of the women who managed the village bank. The empowerment gains were indicated by managing women experiencing greater wealth, savings, income, productive expenses and labour time. On the other hand, the rank-and-file members – which tended to be poorer – did not experience significant effects from participation in the programme.

There is, however, as reported by Coleman (2006) several indications of flaws in the design of the programmes. There was, for example, evidence that the managing women directed a disproportionately large share of loans to themselves by various tricks. Some of the low interest bearing debt obtained by the village bank was then re-lent to non-group members at higher rates of interest. Furthermore, the borrower group was selected by the management among the wealthier and more credit-worthy women.¹⁷

The survey is based on 444 households, of which some of them had not had access to the programme, because they were not placed in a village encompassed by the programme. The study attempts to solve potential problems of self-selection and endogenous programme placement by controlling for a range of observable characteristics of borrowers and non-borrowers.

The method of using observable characteristics to resolve potential problems of selection requires a rich set of information on the factors or “covariates” which determine participation in a programme and the role played by the individual participants as managers or rank and file members. It is unfortunately unclear whether the set of factors included in Coleman (2006) satisfactorily solves the selection problem. Most of the factors included in Coleman (2006) are indicator variables stating e.g. whether a participant has secondary schooling or not. This implies that the households surveyed are collected into a relatively small number of socio-economic groups. While it facilitates the estimation of significant effects, it also raises doubts about whether the selection into the programme and the effects of the programme are empirically well-modelled.

The results by Coleman (2006) thus point to the importance of programme design as a determinant of how the potential gains from participating in a microfinance pro-

¹⁷In this context it is noteworthy that the programmes were supposed to follow the group lending methodology pioneered by the Foundation for International Community Assistance, indicating that the mentioned considerations and reservations could be relevant for a broader group of microfinance programmes.

gramme are distributed among the participants although the magnitude of the estimated effects may not be precisely estimated in Coleman (2006).

4.5 *Ashraf et al. (2006)*

Ashraf et al (2006) is a recent experimental study of a financial instrument which may have important empowerment effects. The study considers the introduction of a commitment savings product, which limits individuals' immediate access to their savings. The product can potentially empower women, because it helps them to guard their savings from other household members (e.g. their husbands) possible urges to use savings for non-planned expenditures and impulsive purchases. It will in short strengthen women's control of household resources.

Interventions considered

The intervention considered was an experimental commitment savings product called SEED. More specifically, SEED (Save, Earn, Enjoy, Deposits) was an experimental commitment savings product implemented with a small rural bank in the Philippines. Opening a SEED account individuals restricted their rights to withdraw funds until an explicit goal was reached. The clients could choose between accumulating funds until a special date where the family was expecting large expenditures (e.g. school intuition fees or a particular celebration) or until a special amount of money (e.g. expenses to a new roof) was amassed.

The latter option of having a specified amount as goal it is expected to generate a stronger incentive to keep depositing after the initial deposit, since the money otherwise could never be accessed. The individuals could freely select which goal they preferred, however once a goal was chosen it could not be changed. 202 SEED accounts were opened in total (140 with a date-goal and 62 with an amount-goal).

Other than providing the above mentioned commitment mechanism the SEED account did not offer any other benefits. The interest rate on the SEED accounts was the same as the interest rate paid on a normal savings account (4 per cent per annum). In addition to representing an interesting approach to further household incentives to save as well as a way of safeguarding savings, the evaluation of SEED is also of specific interest because a randomized control experiment was used to evaluate the impact on the clients' savings level.

Location of the interventions

The Philippines.

Reason for the expected effects

In the Philippines there is a tradition for the women being responsible for household finances, and hence they have a greater need than men for financial instruments which can help them protect household savings from other household members desire to assume control over their savings. Women may thus be more inclined to use microfinance products which protect their savings.

Ashraf et al. (2006) consider a household survey of 1,777 individuals which are or have been clients of the bank which offered the experimental savings product. The authors use panel data information on the development of the savings of the participants and non-participants.

Indicators used

Take up of commitment savings product and total savings.

Results

The study found that the commitment savings product was taken up on a significant scale by experiment participants, and that the savings of participants increased significantly.

The study of Ashraf et al. (2006) is methodologically strong. The experimental setup implies that it is reasonable to expect that the increase in savings can be attributed to the programme. These results indicate that interventions which help empower women economically (gives them power to manage household resources) can aid in the build-up of household savings in the Philippines (and in similar contexts). Strictly speaking it is uncertain what the welfare consequences are of the increased savings, but it can be argued that savings are a prerequisite for investment and hence also for development, and therefore that the programme can further economic development in the Philippines and in similar contexts.

4.6 *Summary of evidence*

To summarize the evidence concerning empowerment effects of microfinance, there is evidence across different cultural settings that microfinance can both provide economic empowerment of women and to some extent also assist the process of social and legal empowerment. The effects occur for different designs of the microfinance programmes, but with varying degrees of effectiveness.

The studies reviewed all make substantial efforts at constructing methodologically sound evaluations. Nevertheless, possible selection biases still persist, implying that the above-mentioned positive effects upon empowerment may not be fully attributable to the microfinance interventions. Although the attempts to correct for selection bias may appear highly academical the practical implications are both real and potentially significant. If a significant proportion of microfinance effects can be attributed to (unobserved) characteristics of the participants and/or programme placement effects this will have implications for the ongoing attempts to “roll-out” microfinance. In short, this is because it will not be possible to duplicate the pilot results when scaling up the programmes. The extent to which this is the case is, as indicated by this review, not yet resolved.

The role of donor agencies and other governmental and non-governmental support organizations is difficult to assess on the basis of existing evidence. On balance, donors play a significant role in the microfinance landscape, as many microfinance institutions around the developing world are financed and run by donors, c.f. de Aghion and Morduch (2005). At present, the available literature does, however, not allow for the identification of factors which make the individual microfinance arrangements successful, as de Aghion and Morduch (2005) state:

“... How does the emphasis on gender affect the design of microfinance institutions? Should financial services be bundled with the provision of complementary inputs and training by NGOs, governments, and/or donor agencies? How should the lending contract or savings devices be modified to increase women’s opportunities within the household and the broader community? ... These are all ‘frontier’ issues, and will no doubt be revisited regularly”.

The evidence concerning the empowerment effects of microfinance is strongest in Bangladesh, where women’s limited mobility paradoxically acts both as a limiting factor on empowerment and at the same time facilitates the operation of microfinance, because it facilitates the monitoring of borrowers. Most likely this also reflects that the Bangladeshi women move from having virtually no credit option to having one and that this represents a much greater relative change in opportunities than a situation where microfinance is but one among many options.

5. Studies of education interventions

Education can be expected to empower women because it raises the market or opportunity value of women's work. This can in turn improve women's alternatives to relying on other household members, which improves her position within the household. This can be defined as economic empowerment, because it increases women's access to and control over resources. Furthermore, education empowers women in general, as it increases their knowledge, their self-esteem and their ability to navigate the world. This can subsequently affect several other developmental aspects such as e.g. the health and nutrition household members, the education of the children within the household and the political participation of the women themselves.

This chapter surveys a range of educational interventions. A distinguishing feature of almost all interventions found is that they were not explicitly designed to forward women's or girl's education, rather were they aiming to raise education in general. This makes sense as education is as a universal right and as the situation of girls (and subsequently women) is likely to improve if boys become more educated than their fathers.¹⁸ However, as a result, the search of the literature has not resulted in many academic papers of evaluations of programmes using education as an instrument for economic empowerment.

5.1 *Breierova and Duflo (2004)*

Breierova and Duflo (2004) analyze the effects of a large scale expansion of the educational system in Indonesia in the 1970s. The period was in Indonesia characterised by a rapid and large scale expansion of the educational system. More specifically, an average

¹⁸ Although few most likely would contest the underlying idea, no study has attempted to look at whether gender equality and empowerment improves through the increased education of boys.

of two primary schools was built per 1,000 children with varying intensity across the Indonesian regions from 1973 to 1974.

Intervention considered:

The school construction programme considered by Breierova and Duflo (2004) targeted children who had not previously been enrolled in school. The programme attempted to target the resources with the greatest need for new school. Accordingly, resources were distributed such that the number of new schools in a region was proportional to the number of children of primary school age who were not already enrolled in a primary school.

The infrastructural expansion was moreover combined with an effort to educate more teachers. There is no report of the programme targeting girls or boys in particular.

Location of the interventions considered

Indonesia.

Reason for the expected effects

The situation in Indonesia at the time of the programme was characterized by a low enrolment rate in primary school among children. In 1973 only 69 per cent of children aged 7-12 years were enrolled at a primary school. Girls' enrolment rate was lower than that of boys. Indonesia was, however, experiencing a period of rapidly increasing oil revenues and the government decided to spend some of these on improving the educational system.

The hypothesis of Breierova and Duflo (2004) is that women's educational attainment is hampered by lack of access to education – among other things. In short, the women are supply constrained. By implication, improving school capacity will advance women's educational attainment.

Indicators used

Graduation rates from primary school, age of marriage.

Results

Breierova and Duflo (2004) estimate that the programme resulted in an increase in the number of years of education of 0.15 for the first generation of women to benefit from the programme, and of 0.26 for their husbands. The programme also resulted in an increase in the probability that a woman graduated from primary school by 3.5 per cent and an increase in the probability that her husband graduated from primary school by

2.6 per cent. Breierova and Duflo (2004) also find evidence of social empowerment effects as the educational programme led to an increase in the age of marriage of women.

The study by Breierova and Duflo (2004) estimate the effect of the school expansion by utilizing the sequential roll-out of the school construction programme. As mentioned above regions with a high number of children of primary school age which had not been enrolled in primary school were given higher priority in the sense that schools were built first in these regions. By taking into account that the different regions benefited from the expansion at different points in time enables Breierova and Duflo (2004) to better identify and isolate the sources of the effects observed. This makes it possible to compare the outcomes of children in different regions and ascribe relative differences in outcomes to the school construction project. By implication, the results obtained are relatively credible.

Overall, the analysis confirms the initial hypothesis. Households appear to be supply constrained when it comes to the education of girls. It would thus appear that a major barrier for primary school participation was the lack of access to schooling, and the programme purported to reduce this barrier.

5.2 *Behrman et al. (2001)*

Behrman et al (2001) is an evaluation of the effects of the education-contingent transfer on a range of educational outcomes, evaluated for both boys and girls. The programme considers the Mexican programme PROGRESA/Oportunidades.

Interventions considered

Mexico's PROGRESA/Oportunidades programme is a large scale and large scope programme which intends to reduce the opportunity costs of sending children to school. As in many developing countries, the labour of children in Mexico has significant value to the households, and hence sending children to school involves a relatively persistent reduction in household income.

PROGRESA/Oportunidades introduced a range of poverty-reducing instruments, among which one was a cash transfer to poor families contingent on the school attendance of the children. The programme provided aid to approximately 10 per cent of all families living in Mexico. The money transfers offered to poor households where children regularly attend school are greater for children in secondary school and girls. Both groups which tend to have lower school attendance in Mexico. The total income transfer received through the programme can be up to 20 per cent of household income.

Location of the interventions

Mexico.

Reason for the expected effects

Poor families having to choose between sending children to work or to school are often tempted to do the former because the families are in need of money and do not have the possibility of waiting for schooling to pay off in the form of higher future earnings. By giving poor families a subsidy to sending their children to school will increase the amount of schooling obtained by children of poor families. This is because the alternative of sending them to school becomes relatively more attractive, and the share of poor families which send their children to school can be expected to increase. Girls from poor families have significantly lower rates of secondary schooling than boys from poor families; as a result the subsidy given to girls for entering secondary school is higher than the corresponding subsidy for boys entering secondary school. Again, the underlying hypothesis is that it is relatively more costly for poor families to educate their girls beyond primary schooling, and that an increased subsidy therefore is necessary to tilt the scale in favour of education.

Indicators used

School attainment in primary and secondary school.

Results

Behrman et al (2001) find that PROGRESA/Oportunidades led to a general increase in the schooling attainment of the participating children. The effects on primary school attainment were similar for boys and girls, but the effects on secondary school attainment were larger for boys in spite of the extra subsidy given to girls' school attendance.

This does not, however, mean that PROGRESA does not provide economic empowerment to women: increases in education generally lead to higher market income, which increases the ability of women to support themselves, and lessens their dependence on men. This increases their influence on how household resources are divided. The paper cannot, however, explain why the effects of subsidies to secondary schooling are less for girls than for boys.

The roll out of PROGRESA/Oportunidades was unique. When project managers realised that the planned national coverage would be constrained by a shortage of funds and skilled staff it was decided to make the most of the situation in terms of evaluating the programme. As a result, the initial phase of PROGRESA/Oportunidades was con-

ducted as a random experiment, in which 506 villages were randomly assigned to either take part in the programme or serve as part of the control group. From a methodological point of view this is a strong evaluation for at least two reasons:

1. The random assignment of the programme ensures that the direction of causality runs from programme participation to higher schooling attainment, and is not the result of selection bias
2. The fact that the experiment was carried out before the programme grew to encompass a large fraction of Mexico's poor ensures that the evaluation does not suffer from problems with general equilibrium effects.

As a result, the conclusion that an extension of PROGRESA/Oportunidades to include more poor families with relatively similar socio-economic characteristics will increase the schooling attainment of their children is robust.

5.3 *Duflo et al. (2007)*

A final study to be mentioned here is the study by Duflo et al. (2007).

Interventions considered

This study evaluates a number of experiments:

- An increase in the resources to schools enabling them to hire a teacher locally for first grade pupils.
- A reallocation of pupils from civil service teachers to locally hired teachers (who are cheaper to hire but have similar qualifications).
- An increase in the power of schools to monitor and train teachers.

Location of the interventions considered

Kenya.

Reason for the expected effect

Developing countries are currently improving access to schooling dramatically in an attempt to meet the Millennium Development Goals. This has led to an increase in pupil-teacher ratios, prompting increased discussions of how to use the available teacher resources most effectively. Several developing countries have, for example, been opting for a model where teachers are hired locally on short term contracts, because it is cheaper to hire locally than centrally. The question, however, is what this means to the quality of education and whether this will affect girls different than boys?

The current study focuses on an area in western Kenya where the average class size in first grade was 83 pupils. In Kenya there is a difference between centrally hired teachers, who are hired through the Ministry of Education Science and Technology Teacher Service Commission. The latter teachers have civil servant protection and receive higher wages and benefits. This implies that there is an excess supply of teachers who want to be hired through this route. Locally hired teachers do not have these benefits and privileges. Locally and centrally hired teachers, however, have the same academic qualifications.

Indicators used

Test scores, pupils' attendance, dropout rates, grade promotion rates.

Results

The findings of the paper can be summarized as follows

- Contract teachers tended to be present for teaching more than civil service teachers.
- Pupils taught by contract teachers learned more than similar pupils taught by civil service teachers
- Teachers are more likely to be present and teaching in classes divided by initial achievements than in randomly assigned classes. This suggests that teachers are more likely to be present when they feel they can make a difference.

The results on the improved performance by pupils hold for both girls and boys with no evidence presented of different effects between boys and girls.

5.4 Summary of evidence

In summary, there is some evidence across different development contexts that an increase in the supply of education can enhance the empowerment of women.

This can be taken to corroborate the observation made by Deaton (1997) that poor households do not reduce consumption of adult goods less for a newborn girl than for a newborn boy when the household is **not** in a state of crisis. It would in other words appear that gender based differential treatment and discrimination is worse under extreme circumstances in times of hunger or illness. When household income increase (through the availability of subsidized public schooling and/or a subsidy for sending children to school) women and girls will benefit.

Looking specifically at education, this chapter has presented strong evidence from Indonesia, Mexico and Kenya that indicates that improved access to schooling serves to empower women. Most of the evidence concerns the primary school level. The only evidence regarding participation in secondary schooling comes from Mexico and points to difficulties in increasing the participation in secondary schooling among poor Mexican girls. However, taken together the evidence presented here indicates that access to education empowers women and enhances development in different contexts.

6. Studies of legal aid interventions

Legal aid to women is, as mentioned, previously a relatively new empowerment instrument. It is motivated by large, observed discrepancies between de jure and de facto when it comes to gender equality. There is in other words strong evidence that women are in practice discriminated against in the enforcement of law, though the laws by themselves do not imply discrimination.

Legal aid can be expected to empower women by directly increasing their access to and control of the resources to which they have a legal claim. There is much evidence that women receive smaller bequests than men do c.f. e.g. Deere and Leon (2003) for the Latin American case or Quisumbing et al (2004) for the case of Ghana.

There is only little evidence of the empowerment effects of legal aid, but some indirect evidence does exist.

6.1 *Allendorf (2007)*

Allendorf (2007) analyzes the relationship between land ownership and empowerment for women in Nepal.

Interventions considered

It is a cross-section analysis and considers data from 2001, which means that it is impossible to address whether change in empowerment has occurred. This implies that the paper does not consider interventions, but only looks at the relationship between indicators of empowerment and landownership of women.

Location considered

Nepal.

Reason for the expected effects

Access and control of assets are key sources of empowerment for women. This implies that increased landownership among women can be expected to enhance their empowerment, as it increases their ability to make decisions concerning their own lives and their households. Some reasons are given why increased landownership and empowerment of women might be good for the overall welfare in Nepal. Most importantly, women who own land are found to be willing to allocate resources to their kids compared to men.

Indicators used

The indicators used are based on questions posed to participating women of who has the final say on i) the women's own health care, ii) making large household purchases, iii) making household purchases for daily needs, iv) visits to family, friends and relatives. The participating women are all working in the agricultural sector, are all currently married and are residing with their husbands.¹⁹

Results

Allendorf (2007) finds that there is a positive association between women who own land and their empowerment in terms of greater decision power regarding the use of their household's resources. Furthermore Allendorf (2007) finds that the health of children whose mother own land are better than the children of comparable non-land owning women.

The method employed in Allendorf (2007) is to compare self-reported indicators of empowerment for women who own land with the same indicators measured for women who do not own land. The comparisons are made using simple cross-tabulations and multivariate analysis, where the average levels of the empowerment indicators are compared for landowning and non-landowning women.

The method in Allendorf (2007) suffers from an inability to address the potential reverse causation problem. Because it is a cross-sectional analysis, it is impossible to conclude on which direction the causality goes. You cannot distinguish whether women gain empowerment if they own land, or women who are already empowered are more

¹⁹ Thereby all female headed household (e.g. widows) are eliminated from the dataset, as they by default would have the final say within the household.

likely to own land. Of course the theoretically causal order may also work in both directions (empowered women own land and therefore gain further empowerment). However, Allendorf (2007) finds a positive association between women who own land and their empowerment even when controlling for several other socio-economic factors.

6.2 *Rodriguez (2000)*

Rodriguez (2000) reviews a legal aid programme in Ecuador running from 1998 to the beginning of 2000.

Interventions considered

The project reviewed by Rodriguez gave NGOs the opportunity to set up legal services for women in Ecuador's two largest cities. In addition, other services such as psychological consultations, medical examinations for use in court and shelter referrals for women who had suffered domestic abuse were offered.

Location of the interventions

Ecuador.

Reason for the expected effects

Rated according to per capita income Ecuador is placed at the lower to middle end of the scale income in Latin America. A very unequal income distribution, however, means that there is high level of poverty and vast geographic differences within the country. Ecuadorian women face economic and institutional impediments in accessing courts and legal services. This is in part because women lack financial resources, and in part because the people employed in courts and government services are not trained on gender issues. The Constitution as well as details in the legislation in principle secures women equal treatment and equal rights, but there is a wide gap between the actual law and its' enforcement.

Furthermore, women in Ecuador are poorer on average than men, according to the Ecuador Poverty Report (World Bank, November 1995). Hence, there is reason to believe that legal aid directed at women may be effective, as it can be expected to remove some barriers for access to the legal system. Legal aid directed at women can be expected to be more effective than legal aid directed at men, because women are poorer and more disempowered, in relation to the legal system, than men.

Indicators used

Number of persons receiving legal aid. This is obviously a problematic indicator as it says little of the quality of the assistance given or the effects derived from it. It is, however, the only indicator available. However, as one client put it: *“The NGO lawyers are not corrupt and they are not going to let anyone corrupt them.”* Another client said: *“In many instances they are better than private attorneys because they have a mystique of service and they fight a lot for our rights”*. This might suggest that being enrolled in legal aid is in fact beneficial for the clients. If this is the case the number of persons receiving legal aid might be an acceptable indicator of how well the program is doing. However if the NGO’s goal only is in terms of how many persons receiving legal aid, it might take their focus away from other important issues (e.g. promoting legal change).

Results

The projects met their goals in terms of the number of women and children helped as more than 50,000 persons (approx. 14,000 women and their children) benefited from the project. The beneficiaries were almost evenly distributed between legal aid and supplementary services.

Among the qualitative results of the project are a perceived, greater awareness of domestic violence towards women and a better understanding of their rights. As one client said, *“What I like is that we users make the decisions on the cases.”* It is also worth noticing that the program has made judges aware of international laws, and made it common to use these laws in practice. Furthermore, the organizations behind the projects have succeeded in incorporating gender perspectives in new development plans. It also clear that the women receive legal aid is more successful in court than those who have not received legal aid (e.g. was the child support obtained 20-50 % higher than the average adjudicated).

The study of Rodriguez (2000) does, however, suffer from severe methodological problems, as it does not attempt to deal with the question of what would have happened to the persons helped if they had not received any help. In addition, no attempts have been made to control for selection bias amongst participants or programme placement effects. All of which are key challenges in measuring the effect of legal aid on women’s empowerment. Considering this problem, it is difficult to assess whether the programme had an effect on women’s empowerment.

6.3 *Summary of evidence*

It has been difficult to find evidence on the empowerment effects of legal aid programmes. The study which has been found does indicate that legal aid can promote the empowerment of women. However, the strength of the evidence is limited by potential problems resulting from the participation in the programmes being potentially self-selected, meaning that those who stand to benefit most are also most likely to choose to participate. This does not reduce the value of the programme, but it implies that the general effect of providing legal aid is probably less than the effect found in the evaluations.

7. Conclusion

The purpose of the present study has been to critically review and synthesize relevant knowledge about how and when specific project level instruments and/or policy interventions work to empower women and thereby increase gender equality and spur economic development. Focus has been on three types of interventions with empowerment potential: Microfinance, education and legal aid.

In the first part of the study focus was on clarifying the meaning of and relationship between the different concepts used in the relevant literature. While some confusion has been caused by a different use of concepts by different authors/institutions, we argued that gender equality should be understood as a state in which men and women have equal opportunities, which does not imply equality of outcomes. Empowerment, on the other hand, is the process of increasing women's ability to manage their own lives through increased access to key resources and activities. Hence, empowerment is a process leading to a state of equal opportunities between the sexes, i.e. gender equality.

The literature talks about different aspects of empowerment, such as economic, political and legal/social empowerment. While a theoretical distinction can be made (and has been made in this study) between these aspects, one may question whether it is useful to maintain this distinction for practical purposes, as the different empowerment aspects are closely connected and interdependent. As a consequence, a given policy intervention may also be difficult to classify under just one of these headings.

The second part of the study reviewed evaluations of the three types of interventions. Focus was on experimental or quasi-experimental studies that deal explicitly with the problem of finding appropriate comparison groups. We found that although different types of selection biases may still persist, there seems to be considerable evidence that

supply-side interventions in the areas of microfinance and education can lead to empowerment of women. Note that while the microfinance interventions considered are often targeted specifically towards women, the interventions in the area of education are typically not gender specific. Still, they have been found to empower women. The evidence concerning legal aid interventions is, however, much more limited.

Hence, merely increasing the availability of microfinance (to women) and the supply of education (more generally) is found to empower women and enhance development in different contexts. In the area of microfinance, the effects occur for different designs of the microfinance programmes, although with varying degrees of effectiveness. At present, however, the available literature does not allow for the identification of factors which make the individual microfinance arrangements successful.

From a policy point of view, the main impediment seems to be that very few studies attempt to weigh the effects found against the costs. Interventions to empower women are associated with a number of potential costs and gains, which should be appropriately compared to determine the overall effectiveness of an intervention.

First, the intervention/programme in itself is costly to implement. Taking this into account should be feasible, as donor agencies generally keep information of the costs of different programmes. Second, distributional costs of a programme should be taken into account. Targeting resources towards women may implicitly direct them away from alternative (and perhaps more efficient) uses. Third, all the gains should be appropriately measured. This will be much more difficult as the majority of the gains from women's empowerment do not materialize themselves in the form of easily measurable variables. Some of the potential benefits could, as argued in chapter 3.1, accrue to women who do not even participate in the programme but still experience a positive spill-over effect as their options outside the household improve.

In sum, further work on which specific microfinance and educational programmes are most cost-effective are required before any conclusions regarding the appropriateness of the different interventions can be made.

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Appendix A: Terms of reference

Danida File: 104.A.1.e.83.

09-01-2008

Terms of Reference

Evaluation Study

Economic empowerment of women

Background

The Danish Government has decided to make a special effort to promote MDG 3 on gender equality and women's empowerment. The overall purpose is to increase the international political focus on MDG 3 and ensure increased investment in gender equality and women's economic empowerment. The underlying assumption is that increased gender equality - apart from being an objective in its own right – is a means by which to promote other important development objectives such as poverty reduction. The economic arguments being 1) that women's control over resources at the household level increases the well-being of the whole family and 2) that discrimination based on gender implies an inefficient allocation of human resources in society. The Danish campaign will focus on both dimensions and try to devise policy options at both policy level and how to involve the private sector.

There is considerable empirical evidence that policies targeted towards women have different effects/impact than policies targeted towards men or towards both sexes. Some of the most well-known examples are the many micro-credit programmes where initiatives targeted towards women have often been found to be associated with higher repayment rates. Other studies have found that targeting aid or resources towards women has larger impacts on children's health and education than resources targeted towards men.

There may be several explanations as to why we observe these differences. First, women may have other preferences than men leading to different behaviour in response to the different programmes. Secondly, women may face other barriers (constraints) or have other resources than men causing responses to differ across sexes. For

example, the different responses by men and women to micro-credit initiatives may simply reflect that men have more easy access to other sources of credit. The Evaluation Department of Danida publishes a series of Evaluation Studies, which contain syntheses of evaluations and other studies of a specific topic. As there is a vast literature analysing economic empowerment of women, an Evaluation Study within the area of economic empowerment of women requires that a sample of relevant evaluations and studies are identified.

This Evaluation Study deals with the economic empowerment of women and not on empowerment in general. The study will have a particular focus on household level and on a selected number of interventions. It is envisaged, that this Evaluation Study will be followed by a second Study, which a particular focus on “bottlenecks” and “strategies” in relation to the empowerment of women and on macroeconomic implications of the empowerment of women.

Objectives

Thus, the Evaluation Study will have an economic focus at household level and will have three objectives:

- First, to review main concepts used in relation to the topic
- Second, to screen relevant evaluations and other studies and to suggest a sample of evaluations and studies to be reviewed in more detail in the Evaluation Study. In addition, a number of interventions (institutions and policy measures).
- Third, to synthesise the results of the selected evaluations and analyses

Outputs

An Evaluation Study of no more than 30 pages (annexes excluded). The Evaluation Study will be published by the Evaluation Department of Danida on the Internet.

Scope of work

a. Concepts

Several analyses discuss and make an attempt to define the central concepts like “empowerment” and “economic empowerment”. This part of the study will be based on a review of relevant literature briefly discuss (i) the relation between “empowerment” and other related concepts like “participation”; (ii) different dimensions of the

“empowerment”; (iii) different elements of “economic empowerment”; (iv) different levels of “economic empowerment”, for instance household level, community level, global level.

b. Literature review and identification of evaluations and studies to be covered in the Evaluation Study

Based on (a) and probably additional criteria a literature review will be conducted. After consultation with the reference group a selected number of evaluations and studies will be selected. In addition, it will be decided which types interventions (policy and institutional measures) will be given particular attention.

c. Women and economic behaviour

This part will, based on (a) and (b) above make a synthesis of the main conclusions and results in the selected number of evaluations and studies. There will be focus at the household level and microeconomic evidence, and the synthesis will distinguish between different intervention strategies. The synthesis will include both empirical evidence documenting different responses by men and women to various policy initiatives/interventions. This will lead to a summary and discussion of the possible theoretical explanations behind the different responses by men and women.

Staffing

The Evaluation Study will be prepared by CEBR, Copenhagen Business School.

Management, timing and reporting

The Evaluation Study will be managed by the Evaluation Department of Danida, and a reference group will be established with representatives from relevant departments of Danida. It is envisaged that the reference group will meet with the consultants after each phase of the Evaluation Study (a, b, c (draft Evaluation Study))

A draft Evaluation Study will be submitted to the Evaluation Department of Danida not later than March 25, 2008, and a final Evaluation Study not later than two weeks after comments to the draft Evaluation Study have been received from the Evaluation Department of Danida.

The Evaluation Study will follow the format for Evaluation Studies developed by the Evaluation Department.

Appendix B: Studies considered by de Aghion and Morduch

Study	Programs	Location	Hypothesis	Data	Method	Conclusion
Hashemi et al. (1996)	Grameen Bank and BRAC	Bangladesh	Moslem “purdah” inhibits women’s economic activity. Microfinance can help empower women.	Survey of 1,300 women. Treatment groups were members of Grameen Bank (284), BRAC (232), non-members who have chosen not to join Grameen Bank or BRAC (315), and individuals who lived in villages without Grameen Bank or BRAC, but would have been eligible (394).	Cross section estimation of differences in levels of empowerment indicators.	Grameen Bank and BRAC positively affected women’s empowerment as measured by mobility, economic security, ability to make small purchases, ability to make larger purchases, involvement in major household decisions, relative freedom from domination within the family, political and legal awareness, and involvement in political campaigning and protests.
Kabeer (2001)	Small Enterprise Development Project	Bangladesh	Moslem “purdah” inhibits women’s economic activity. Microfinance can help empower women.	Survey of 770 lenders in the project.	Participants’ self-evaluation (before-after) of effect	The effect of micro credit varies in different evaluations due to differences in context.
Kevane and Wydick (2001)	FUNDAP - a program under ACCION.	Guatemala	Women prefer to allocate earnings to improve housing or their children’s education instead of reinvesting profits in enterprise expansion.	Survey of 342 entrepreneurs of which 260 were FUNDAP borrowers and 82 were a control group.	Cross section estimation	For women in childbearing years, there appears to be a constraint on the amount of employment generated through microfinance. For women in other ages, there is no trade-off between employment growth and children’s welfare.
Khandker et al. (1995)	Grameen Bank and BRAC	Bangladesh	No hypothesis given. The paper aims to ana-	Panel data from Grameen Bank on	Various methods ranging from	Female members are better at serving debt than male members are: fewer

Study	Programs	Location	Hypothesis	Data	Method	Conclusion
			lyze whether Grameen Bank is viable.	members and branches.	simple comparisons of means in a panel data setting to fixed effects estimation.	female borrowers have difficulty repaying debt. Grameen Bank has effect on general wage level in villages where it is present.
Khandker (2005)	Grameen Bank, BRAC and Bangladesh Rural Development Board's Rural Development RD-12	Bangladesh	Moslem "purdah" inhibits women's economic activity. Microfinance can help empower women.	9,215 observations from survey data on inhabitants in Bangladeshi villages.	Fixed effect estimation.	Microfinance given to women reduces poverty among poor households.
Mayoux (1999)	Cameroun Gatsby Trust, Mbonweh Women's Development Association and BERD-SCO	Cameroun	Arguments presented both for and against empowerment effect of microfinance	Case studies, interview based effect evaluations	Participants' self-evaluation (before-after) of effect	There are indications that there is a need to explicitly incorporate empowerment strategies rather than just access to finance.
Pitt and Khandker (1998)	Grameen Bank, BRAC and Bangladesh Rural Development Board's Rural Development RD-12	Bangladesh	Moslem "purdah" inhibits women's economic activity. Microfinance can help empower women.	9,215 observations from survey data on inhabitants in Bangladeshi villages.	Cross section estimation.	Credit provided to women increases women's non-land assets and female labour supply more than credit provided to men.
Rahman (1999)	Grameen Bank	Bangladesh	Peer pressure and institutional coercion on women in relation to micro finance can disempower women.	Survey of 295 households, 154 Grameen Bank members and 12 bank workers.	Participants' self-evaluation (before-after) of effect	The expansion of the credit program and the exercise of social collateral contribute to the escalation of violence in the village studied.
Schuler et al. (1997)	Grameen Bank and BRAC	Bangladesh	Micro credit programs reduce women's economic dependence on	As for Hashemi et al. (1996)	Cross section estimation of differences in	Grameen Bank and BRAC contribute to increasing use of contraceptives. The effect increases with the duration

Study	Programs	Location	Hypothesis	Data	Method	Conclusion
			men, strengthen their positions within their families, draw them into the public sphere and expose them to new ideas. This decreases the demand for children, increases the demand for family planning services and reduces the social costs of fertility regulation.		levels of contraceptive use.	of the participation in microfinance programs.
Skoufias and McClafferty (2001)	Oportunidades/Progresá (This is not a micro-finance program. It gives benefits directly to mothers)	Mexico	Specific program design of Oportunidades is assumed to work: 1) benefits are given directly to mothers, who are assumed to prioritize health and education of children higher. 2) Recipients are required to make their children attend school (higher benefits were given to girls in secondary school). 3) Recipients of nutritional aid are monitored.	Survey of 24,000 households	Difference-in-differences estimation, where participants who live in communities covered by Oportunidades are compared to non-participants which live in communities which are not covered by Oportunidades, before and after receiving support	Education: Oportunidades increased enrolment, particularly among girls, at the secondary level (0.8 years extra education). Health: children's incidence of illness is reduced 12 per cent and adults experience 19 per cent less illness days. Nutrition: incidence of stunting was reduced. Women's status was improved, women receiving benefits reported that they had greater control over household economic decisions.
Thomas (1990)	No specific program is considered. The study concerns intra-	Brazil	The common preference model is tested: do parents agree on how to use household eco-	A random sample of 55,000 Brazilian households.	Cross section analysis of whether increasing income results in the same	Mothers have a greater preference for improving family health than fathers do.

Study	Programs	Location	Hypothesis	Data	Method	Conclusion
	household allocation and not in particular microfinance.		conomic resources?		increase in calorie intake and child health for increases in mothers' and fathers' income.	
Thomas (1994)	No specific program is considered. The study concerns intra-household allocation and not in particular microfinance.	Brazil, Ghana and United States	The common preference model is tested: do parents agree on how to use household economic resources?	Sample of 990 children from Living Standards Survey, Ghana Sample of 4,704 children from National Survey of Youth, USA. Sample of 15,442 children from Household Expenditure Survey, Brazil. Sample of 1,306 children from Demographic and Health Survey, Brazil.	Difference-in-differences analysis of whether increases in income affect child health and nutritional status differently for the father and mother and depending on the gender of the child.	There are differences in the allocation of household resources depending on the gender of the child and the differences depend on the gender of the parent.
Udry (1996)	No specific program is considered. The study concerns intra-household allocation and not in particular microfinance.	Burkina Faso	It is tested whether household resources are efficiently allocated to household members: Is the input use identical for plots farmed by men and by women.	Survey of 150 Burkina Faso households followed over four years, 1981-1985.	Fixed effects estimation of the determinants of agricultural production, where gender effects are taken into account.	Plots cultivated by men and women yield different output due to different inputs delivered by men and women.