ACCELERATING WOMEN’S ECONOMIC EMPOWERMENT IN INDIA

Executive Summary of Roundtable Discussion
April 9, 2018
**Background and motivation:**

In 2015, the United Nations adopted ‘Inclusive and Sustainable Growth’ as a 2030 Sustainable Development Growth priority. Gender equality and women’s economic empowerment (WEE) are central to this vision, with the UN Development Programme stating that “ending all forms of discrimination against women and girls is not only a basic human right, but is also crucial to accelerating sustainable development.” When women participate and add to the economy, it improves standards for everyone. Recent research suggests that if women are enabled to participate in the economy on par with men, India can increase its GDP by up to 60% by 2025. In line with this, the Government of India’s Ministry of Finance has formally recognised the importance of these goals, with the 2018 Annual Economic Survey of India carrying a dedicated gender chapter to highlight the centrality of gender equality as a policy priority.

However, when we measure progress over the years, it is sobering to observe that India’s ranking in the Global Gender Gap index has fallen from 87 in 2016 to 108 in 2017, largely due to declines in political empowerment and economic participation. Women’s Labour Force Participation rates have fallen especially far, creating additional cause for concern. Further, over 90% of women in India are employed in the informal sector where they have few rights or legal safeguards.

Much research is attempting to explain these disappointing statistics. In 2016, the United Nations’ General Secretary set up a High Level Panel on Women’s Economic Empowerment (UNHLP), with the objective of making action-oriented recommendations on how to improve economic outcomes for women, promoting women’s leadership in driving economic growth, and galvanizing political will power. The Self-Employed Women’s Association (SEWA) and the International Innovation Corps (IIC) at the University of Chicago were inspired to adapt the insights from the panel to the Indian context and use them as a starting point for the development of actions that can help empower Indian women.

To this end, SEWA and IIC jointly hosted a roundtable discussion in April 2018, to consider emerging findings and deliberate on the questions that follow. The discussion brought together civil society, philanthropists, researchers, and international organizations, to discuss key questions pertinent to women’s economic empowerment. Key insights and questions that emerged from the discussion are highlighted in the following report, which is divided into four sections - the first two sections seek to introduce the problem and define the goals, while the third and fourth sections discuss the challenges and potential solutions. The underlying objective in putting together this report is to define the set of problems we need to collectively address, and to spur research and action to address the gaps in our current knowledge.

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1 McKinsey Global Institute
2 World Economic Forum
3 UNHLP on Women’s Economic Empowerment
I. When we speak about women’s economic empowerment in India, which women are we talking about?

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<th>Context</th>
<th>Insights from the panel</th>
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<td>The UNHLP identifies four key areas of work in which women are actively engaged:</td>
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![Figure 1 Source: UNHLP on WEE](image)

1. The informal economy
95% of women in India are employed in the informal economy. This includes women from both rural and urban areas. The informal economy includes informal enterprises and women who are employed but not protected in the formal sector.

2. Women-owned enterprises
10-14% of all enterprises in India are majority-owned and controlled by women. They contribute to ~3% of India’s industrial output.

3. Formal economy
Women comprise ~15% of India’s total formal sector employees. These are essentially salaried and self-employed women whose employment is regulated by labor laws and is covered by social security. Additionally, women’s employment in the formal sector tends to be concentrated in low-productivity industries.

4. Agriculture
Agriculture includes farmers, farmer cooperatives, and women laborers. Women are 40% of India's agricultural workforce. In rural India, 85% of women are agricultural workers or small farmers.

Using the UNHLP framework as a launchpad for further deliberations, the panel emphasized focusing on India’s bottom of the pyramid (BoP) population, and added layers and nuances to the four categories, specifically adding an Indian perspective.

Micro-enterprises and agriculture
98% of the enterprises owned by women in India are micro-enterprises. The overall impact of this trend on GDP is yet to be analyzed, but it is an important category of work for women in India. Further, with the feminization of agriculture, an increasing number of women are now part of the agricultural workforce. However, their work often goes unrecognized and a large wage gap exists. This calls for active intervention at both macro and household-levels.

Migrant women-workers
In the last few decades, there has been a substantial shift in that young women have been moving to urban areas for work or marriage, and have hence become active employment seekers. However, there has been no accompanying shift in the supply of adequate work opportunities for these women or in the sociocultural attitudes towards women’s role in the economy or the household. As a consequence, women continuously exit and re-enter labour markets, which in turn exacerbates wage gaps.

The emerging “gig economy”
The advance of technology has resulted in an influx of jobs for women that don’t necessarily require full time engagement or mobility. This expansion of the digital space is impacting and complicating the idea of economic empowerment, and should be reviewed thoroughly.

First-generation learners
The education revolution in India is helping create a large army of first generation female learners, and building their sense of agency and identity can lay the path of economic empowerment for generations to come.
II. What does economic empowerment mean for these women?

There is no uniform definition of ‘women’s economic empowerment’, but one may refer to definitions from multiple organizations. For instance, the definition used by UNHLP is presented below:

**UNHLP:** “A woman’s ability to succeed and advance economically, and to make an act on economic decisions...[toward] a world where women have their rights recognized and are empowered to be free and equal participants in a robust, inclusive and sustainable global economy.”

While all definitions merit careful analyses, it is also important to see what WEE opportunities look like in India, and how they can help us define the focus of our work.

The panel considered the definitions, criticisms and opportunities for WEE, and discussed the key aspects of economic empowerment in India. Some key findings below:

**The multidimensionality of power**
Empowerment integrates with every aspect of a woman’s life - health, education, family. WEE needs to go beyond enabling women access to employment, incomes, and finance, and also consider how these interact with the rest of their lives. WEE is fundamentally about “power,” which is intertwined with every aspect of a woman’s life.

**Mainstreaming gender horizontally**
While most efforts up till now have been to mainstream gender vertically, in institutions working on women’s economic empowerment, we have not mainstreamed gender horizontally, across sectors and at a macroeconomic level - within skills, education, etc. There is need for an additional framework of gender equality parameters across sectors, beyond just microfinance.

**Enhancing agency**
Women can feel driven to participate economically, but they are still working in enterprises run by men. For example, in microfinance, while 95% of the credit is channeled to women, the sector employs only 12% women. A change in institutional characteristics such as this can enhance women’s agency and lead to holistic empowerment.

**Long-term commitment and patient funders**
The impact WEE looks to gain requires changing or breaking down socially-ingrained customs, which usually happens over a long period of time. Funders cannot expect that sustainable and impactful WEE will happen immediately. We need to determine how to measure the multidimensionality of WEE and ensure that it is fully being addressed.
### III. What are the barriers to reaching this goal?

#### Context

The UNHLP identified four key barriers to WEE:

- **Adverse social norms**
- **Discriminatory laws and lack of legal protections**
- **Failure to recognize, reduce, and redistribute unpaid household work and care**
- **Lack of access to financial, digital, and property assets**

![Figure 3 Source: UNHLP on WEE](image)

#### Insights from the panel

The panel contextualized the global barriers highlighted by the UNHLP, and deliberated on four key challenges faced by the Indian economy:

**The complexity of social norms and unfair distribution of care work**

Care work continues to fall on women and they have no social or legal protections to help them garner alternate options. In particular, men’s role in sharing the burden of unpaid work needs to change. Men need to assume an equitable share of household responsibilities. To do this, there needs to be a well thought-out strategy to engage men and boys while designing interventions for enhancing women’s economic empowerment.

**A sticky floor**

The ‘glass ceiling’, which is present in most developed countries, is a mechanism by which women at the upper-levels of management are stopped at a certain point beyond which they are unable to progress due to discrimination. The gap in earnings in upper-level management remains wide due to this fact. However, India faces the problem of a ‘sticky floor’, wherein women in the lower wage strata face discrimination in employment and wages. For example, in India those earning the bottom 10% of wages face a much higher wage-gap compared to those earning the top 30%.

**Lack of homogeneity of solutions**

Women are not a homogenous set, and every target group requires customized interventions. For example, while thinking of women’s economic empowerment, very often we tend to focus on working women. But the existence of gender gaps in education makes it necessary to intervene and work with girls early on. To illustrate, it is well known that many girls have to drop out of school because of multiple socio-cultural reasons. When we look at education outcomes of girls who don’t drop out, we see that their outcomes are much better than boys. This points to the need to consider the diversity between different groups of women, and the issues they face.
IV. Which drivers should India focus on in the next five years to accelerate economic empowerment for the women identified?

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<td>India has one of the lowest female labour force participation rates among emerging economies. Much of the reason for this is the general lack of recognition of women as participants in the economy. Women often don’t see themselves as workers or producers, even when they are earning a wage or an income. In addition, family restrictions, lack of suitable opportunities and skills, and discrimination prevent them from fulfilling their work aspirations. It is therefore necessary to mobilize women and build movements towards their recognition as workers. This would involve mobilizing women themselves as well as advocating for recognition in official policy and by private employers.</td>
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Promoting women’s collectives
Experience has shown that women’s collectives are essential for empowering women. These collectives can take the form of social enterprises, leading to financial inclusion and facilitating market entry and movement up the supply chain. Building collectives requires significant investment in mobilisation, training and technical skills, and with the right trainings and professional inputs women can own and manage these enterprises successfully.

Influencing the macro-economic environment
It is also important to have a movement which changes the macro-environment. For example, regulations around collectives are often too restrictive; urban policies and transport restrict women’s mobility and access to skills and better jobs; women do not own land, are not recognised as farmers and are thereby deprived of benefits. Such constraints in policy need to recognized and advocated for change.

The UNHLP identifies seven primary drivers of change for women’s economic empowerment:

1. Tackling adverse norms and promoting positive role models
2. Strengthening visibility, collective voice and representation
3. Ensuring legal protection and reforming discriminatory laws and regulations
4. Recognizing, reducing and redistributing unpaid care work
5. Building assets: digital, financial and property
6. Changing business culture and practice
7. Improving public sector practices in employment (contract labor) and procurement — ensuring a gender lens.

Figure 4 Source: UNHLP on WEE

6
Entering the digital space

It was pointed out that the digital space is a growing one which creates new employment possibilities but where women, especially those at the bottom of the pyramid, remain absent. An important action would be to target women for digital training and awareness; to explore possible employment opportunities and to identify policies to support these efforts.

Dealing with unpaid care work and childcare

Women’s incomes can double if they have access to child care. Publicly provided child care is important for economic empowerment. At the same time, it is necessary to work towards changing the norm surrounding childcare. While men have become more engaged in children’s health, this needs to shift to include childcare responsibilities in the home too. It was pointed out that to change norms one did not have to change the whole society, but can begin the change with a village or mohalla, which can then serve as a model for other similar locations.

Innovating new ways of measuring economic empowerment

Since empowerment is multi-dimensional, it is often difficult to use traditional measures of change that require proving a direct relationship between cause and effect. Furthermore, empowerment has both short-term and long-term effects. Whereas short-term effects can be measured with existing Randomized Controlled Trial (RCT) instruments, long-term effects need panel surveys which show changes over time. In fact, many changes are revealed by qualitative research instruments rather than by quantitative instruments. It is therefore necessary to innovate new ways of measuring economic empowerment and testing them out in different places and circumstances.
# Roundtable participants

## Co-chairs

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<tr>
<th>Name</th>
<th>Role/Position</th>
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<tbody>
<tr>
<td>Yamini Atmavilas</td>
<td><em>India Lead, Gender Equality, Bill and Melinda Gates Foundation</em></td>
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<tr>
<td>Vidya Shah</td>
<td><em>CEO, EdelGive Foundation</em></td>
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## Presentor

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<tr>
<td>Renana Jhabvala</td>
<td><em>Chairperson, SEWA Bharat</em></td>
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<tr>
<td>Shreya Agarwal</td>
<td><em>Project Lead, International Innovation Corps, University of Chicago</em></td>
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## Panel members

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<tr>
<td>Ms. Ashwini Deshpande</td>
<td><em>Professor, Delhi School of Economics</em></td>
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<tr>
<td>Ms. Devaki Jain</td>
<td><em>Working Group of Feminist Economists</em></td>
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<tr>
<td>Ms. Mamta Kohli</td>
<td><em>Senior Social Development Advisor, Department for International Development, UK</em></td>
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<tr>
<td>Ms. Mirai Chatterjee</td>
<td><em>Director of Social Security, SEWA</em></td>
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<tr>
<td>Ms. Radharani Mitra</td>
<td><em>National Creative Director &amp; Executive Producer, BBC Media Action</em></td>
</tr>
<tr>
<td>Ms. Ratna Sudarshan</td>
<td><em>Working Group of Feminist Economists</em></td>
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<tr>
<td>Mr. Ravi Verma</td>
<td><em>Regional Director, International Centre for Research on Women (ICRW)</em></td>
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<td>Ms. Sanchita Mitra</td>
<td><em>National Coordinator, SEWA Bharat</em></td>
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<td>Ms. Shaili Chopra</td>
<td><em>Founder, SheThePeople.TV</em></td>
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<tr>
<td>Ms. Sonal Jaitly</td>
<td><em>Theme Leader of Gender and Financial Literacy, Small Industries Development Bank of India (SIDBI)</em></td>
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