

OPENING REMARKS

High-level Conference on Women's Empowerment as Smart Economics
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Good afternoon, Distinguished Participants

It is my pleasure to be here in Berlin today, to launch a global initiative to help women in developing countries benefit from better economic opportunities. Investments in roads, energy, water, agricultural inputs and financial services will yield higher economic returns if they are designed to benefit women.

It is important to recognize that economic empowerment is not only a women's issue, it is a development issue. A lot of effort has rightly been directed at improvements in health and schooling interventions in recent years. This has generated important advances for women and girls. Regrettably, however, women continue to trail men in the formal labor force, in accessing credit, in entrepreneurship rates, and in generating income. In Africa, women receive less than 10% of all credit going to small farmers and 1% of the total credit to agriculture, while they account the majority of the work force in agriculture.

This is not good development policy and it is not smart economics. In fact, studies show that when women are given the opportunity to generate income, it also benefits their families and ultimately national development efforts. Limiting women's economic options is a missed opportunity; it wastes resources and it slows progress on poverty reduction.

When I was in Vietnam last month, visiting projects in the Northern provinces – some of which you saw just now on the screen – I saw firsthand what economic empowerment is all about. The simple step of adding an extra line on the land title, allowing registry of two names instead

of one, changes lives dramatically. Using a title as collateral, money can be borrowed and a business begun.

I am telling you this because I think it is important to remember that the ultimate objective for our being here today is to have real impact on the lives of women in poor countries.

Women share in development success, but they share unequally. Access to education is unequal, and so is economic opportunity. For this reason, measuring who benefits from government interventions is a crucial task.

Equally crucial is what we measure. We shouldn't just think about sectors like health and education, when we speak of economic welfare, important though they are. We must also look at the economically productive sectors like agriculture and productive activities in the modern wage sector and the conditions necessary to enable women's participation. Often times providing access to basic infrastructure and services can make a world of difference in the productive lives of women.

Transport offers a striking illustration of the interdependence between public policy and household economics, and the associated time problem for women. Studies in the 1990s indicate that women in sub-Saharan Africa transport more on their heads in volume than is transported in vehicles. Time spent by an average household on domestic transport activities can range up to almost 1500 hours per year, which translates into over 35 days a year for women.

Let's turn to the **opportunities** that need to be seized by women to help them generate income for themselves and their families.

In **labor markets**, there are good examples of women's employment in manufacturing, and of the benefits women, industries and economies draw from their participation. In 1978, Bangladesh's garment sector contributed US\$1 million to the total export revenue. By mid-2006, the annual export income from this industry, where an estimated 83% of workers are women,

was close to US\$8 billion (US\$7,901 million), and made up 75 % of the total foreign exchange earned by the country annually.

Thus, when we speak of Bangladesh's success, we are in large measure talking about Bangladeshi women's productivity. This is why increasing labor force participation and creating wage income for poor women is smart economics.

In agriculture, a sustained productivity increase of basic food crops is one of the most vital factors in achieving income growth for the poorest households. There is compelling evidence that agricultural productivity in sub-Saharan Africa could be raised by as much as 20 percent, simply by reallocating existing agricultural inputs more equally between men and women.

Supporting projects that increase women's access to productive inputs is therefore, key to our efforts.

A study in Ghana shows that women's **right to the land** they work can impact productivity significantly. Agricultural workers who face insecure land rights fallow their plots less, leading to significantly lower yields. Researchers estimate that agricultural output could increase by a third if land titling occurred.

So giving women secure land rights is another way to promote gender equality and economic opportunity at the same time.

When **credit** is provided directly to a woman, it has a significant effect on consumption expenditure, children's schooling, and her labor supply. On average, an additional 100 *taka* of credit provided in Bangladesh to a woman increases per capita household consumption expenditure by 18 *taka*, compared to 11 *taka* when given to the man.

We know that giving women access to credit boosts health and education outcomes. But it is also good business, because repayment rates are higher for women in all regions of the world. That's why most successful conditional cash transfer programs target women as the recipients.

To help unleash the economic potential of women, and reduce the barriers they face, the World Bank Group has developed an Action Plan. We call it “*Gender Equality as Smart Economics.*” Through the plan, we will collaborate with development partners to increase the productivity and earnings of women producers and their access to formal financial services. We will help young women’s transition to quality employment, and raise the number of women starting agribusinesses and engaging in high-value agriculture. And we will boost women’s access to essential infrastructure services, particularly transport, water and energy.

We owe gratitude to many of the development partners gathered here today. I look forward to strengthening our cooperation during the implementation of the plan. I hope it can help us leverage our efforts and make an impact in women’s lives. Minister Wieczorek-Zeul has agreed to help lead that effort, to work with us to make the action plan a success, and I thank her most sincerely.

I am particularly grateful to Chancellor Merkel and her government for making this conference possible, and for being a key partner in developing the Gender Action Plan. Germany’s leadership will be vital if we are to succeed, since we must continue the positive momentum generated here today.

This is an important year for development when development partners will come together to discuss the 15th replenishment of the International Development Association. IDA is the part of the World Bank that helps the world’s poorest countries. It is a key global instrument in the fight on poverty. It is an effective instrument in its own right and it helps leverage the bilateral development efforts of others.

Today’s conference, along with many other international events, is an excellent occasions to make women’s economic opportunity a prominent global development theme. At the same time, however, many other topics will compete for resources and attention. I would therefore like to ask all participants here to maintain the focus and keep women’s economic

empowerment front and center in our thinking. This will benefit women, their families and their societies.

If I can leave you with three key messages today, it is first that **gender equality is not only a women's issue, it is a development issue**. Second, **restricting economic opportunity for women is unfair**: life chances should not be pre-ordained at birth. In economic terms, it reduces women's well-being and the welfare of families. And third, **under-investing in women's economic opportunity limits economic growth and slows down progress in poverty reduction**. Keeping women's economic empowerment front and center is the right thing to do. It is also the smart thing to do.

Thank you.