

IN THE MIND, THE HOUSEHOLD OR THE MARKET? CONCEPTS AND MEASUREMENT OF WOMEN'S ECONOMIC EMPOWERMENT

Louise Fox and Caroline Romero¹

December, 2016

Abstract

The concept of empowerment is now widely used in a number of disciplines to characterize states and social process of individuals and communities. Empowerment formally entered the domain of development economics with the work of Amartya Sen. Initial formulations of women's empowerment in development focused on the issues of providing girls with education and women with the opportunity to earn paid income. Both outcomes were seen as key to raising household incomes and reducing poverty. Over time, the concept has come to mean women's power and agency in all economic domains and market related interactions – earning income, spending or saving income, buying, owning, and selling assets, holding or inheriting wealth, starting and operating a business, acquiring a bank account or credit, and participating or leading a union or other form of economic collective action.

Measurement has lagged behind conceptualization. Most analytical research by economists, primarily involving impact evaluation, has measured empowerment as women's influence over household expenditures. This is a very narrow sliver of empowerment; not surprisingly, it is not well correlated with other economic or social outcomes. In this paper, we suggest measuring empowerment in 8 facets (a 4x2 matrix): (a) attitudes and (b) behaviors; in the domains of (i) transactions and markets; (ii) social interactions including mobility and reproductive freedom; (iii) political and civic participation, including exercising legal rights; and (iv) psychology, including self-confidence and ability to seek mental health. This taxonomy should help researchers analyze how degrees of empowerment in different domains affect development outcomes at the household and individual level.

Key words: empowerment, economic empowerment, gender, human rights, labor market outcomes

1. Introduction

Women's empowerment is now widely accepted as an objective having social, moral, political, and economic benefits. Enshrined in the recently adopted Sustainable Development Goals, (SDGs), most nations of the world have committed publicly to taking steps to advance this agenda through changes in discriminatory laws and by supporting changes in behavior, including those which affect economic opportunities and outcomes. Most countries measure a lack of empowerment for women through either (i) inequality of market participation (e.g. occupational/sectoral segregation, or lack of access to credit); or (ii) inequality of market outcomes (e.g. lower women's wages relative to men's). Yet economic empowerment much more. It is also about the economic capabilities and behaviors of women

¹ Authors can be reached at fox.louise@outlook.com

and girls within households, communities, and societies, and it is shaped by the institutions which govern these. It includes not only what women do, but what women aspire to do. While this broader concept of economic empowerment is also widely recognized, experience in measuring it quantitatively, and in a way which could be compared within and across countries is limited.

This paper aims to contribute to a more complete measure of women's economic empowerment. It starts by reviewing how the concept of empowerment, including women's empowerment, is used in several social science disciplines. Although different disciplines assign different meanings, a number of common elements are usually present. The paper then reviews how empowerment has been incorporated into the literature of economic development, utilizing the lens of behavioral economics, a sub discipline which attempts to marry psychology and economics to study how individuals, households and communities develop and modify economic behavior. Behavioral economics is helpful because it makes explicit the human psychology assumptions of microeconomics and the associated toolkits. Behavioral economics is also known for extensive use of experimental evaluation research, and the paper finds that this type of research has confirmed the necessity of an empowered state of mind in economic decisions to achieve individual and household development outcomes, especially lower poverty.

Next, the specific conceptualization and measurement of women's empowerment in the domain of development economic policy and projects is discussed. It is noted that some development policy interventions (e.g. group savings and lending, job training and placement, etc.) claim effectiveness because they empower women, so it is important to check on this causal relationship. Despite widespread agreement on a broad definition, encompassing capabilities and behaviors, survey-based measurement of economic empowerment outcomes in the program/project evaluation literature has almost always resorted to measuring market participation and the role women say they have in household expenditure decisions. Yet available evidence throws significant doubt on whether these two outcomes are linked. And there is almost no research on how these dimensions of economic empowerment are related to other economic attitudes and behaviors. Finally, there is little research on whether empowerment in the economic domain can be separated from empowerment in other domains (e.g. social or political), including whether empowerment in one domain leads to another.

The paper argues that because the attitude of empowerment is important to, and indeed often assumed in microeconomic and development economic literature, it is important to check and see if it is indeed present and undergirding the economic behavior often recognized as empowered, such as participation in the labor market or participating in household economic decisions. This suggests that in measuring women's economic empowerment, especially in the experimental evaluation literature, it may not be helpful to separate the study of the empowerment attitude outcomes (sometimes called "psychological empowerment" or "subjective empowerment") from the empowerment behavioral outcomes (e.g. starting or expanding a business or negotiating expenditure decisions). Instead, both should be surveyed. In addition, the paper also suggests that experimental evaluation research on women's economic empowerment might benefit from studying the links with empowerment outcomes in other domains. This might yield insights into the most effective interventions to achieve both economic empowerment and broader empowerment goals.

2. The concept of empowerment

The concept of empowerment is now widely used in a number of disciplines to characterize states and social process of individuals and communities. It is broadly defined as *power* (control over one's own life and over resources) and *agency* (capability to originate and direct actions for given purposes). According to the Wikipedia, the term originated in community psychology; in this case it refers to "measures designed to increase the degree of autonomy and self-determination in people and in communities in order to enable them to represent their interests in a responsible and self-determined way, acting on their own authority".² From this point of view, empowerment is both a collective process and an outcome. In the literature of individual psychology and human development, it is a set of characteristics that is acquired as part of the transition to adulthood (Zimmerman and Cleary 2006). In the management literature, empowerment is an approach to influence employee behavior – it means to provide employees with resources, knowledge, and decision-making power so they can take decisions that improve business performance; in other words, a particularly effective delegation.³

In the gender and economics literature (which primarily focuses on women's welfare), both the individual and the community aspects of empowerment are recognized. In a one sentence definition, Kabeer (2012) characterizes it as:

"the processes through which women gained the capacity for exercising strategic forms of agency in relation to their own lives as well as in relation to the larger structures of constraint that positioned them as subordinate to men".⁴

This definition reflects both the attitudes and behaviors of individual women as well as the capacity of a community of women to organize and act collectively. Others add to this the characteristics of the systems by which societies regulate individual and group behaviors – laws, norms, and customs (or in shorthand, the institutions). For example, the UN defines women's empowerment as

"women's sense of self-worth; their right to have and determine choices; their right to have access to opportunities and resources; their right to have the power to control their own lives, both within and outside the home; and their ability to influence the direction of social change to create a more just social and economic order, nationally and internationally"⁵

In other words, the broadest definition of empowerment incorporates both psychological and social development and the human rights of individuals in the society, such as the right to access opportunities and to organize collectively for change (in other words, legal rights as well as those restricted informally).

Common elements of all frameworks include:

² <https://en.wikipedia.org/wiki/Empowerment>

³ <https://en.wikipedia.org/wiki/Empowerment>

⁴ Kabeer 2012, p. 7.

⁵ Cited in Kabeer, 2012. Narayan-Parker (2002) also incorporated the relationships between the individuals and society's institutions.

- both the *interior dimension of aspiration* and *perceived self-efficacy*⁶ as well as the *behavioral dimension of action*. In other words, there is a recognition that until an individual has the self-confidence and self-esteem to imagine a different situation, actions are not possible. But dreams by themselves do not constitute empowerment;⁷
- a recognition that *individuals operate with a set of formal and informal behavioral constraints*, which may inhibit the development of empowerment. These constraints may come from the culture and norms of the firm or community, or from legal structures. Kabeer points out that early conceptualizations emphasized the importance of women “coming together to acquire a shared understanding of the institutionalized nature of the injustices they faced” so that they could act collectively to release these constraints; and
- *the element of change* – empowerment as both a process and an outcome. This could be individual change (e.g. a woman questioning the norms that constrain her from participating in some decisions in her household) or collective action to bring about a relaxation of the gendered constraints (e.g. excluded groups organizing to get more say over local investment decisions, or women organizing to challenge existing norms which limit their educational options or to lobby for a change in the law).

Finally, there is a recognition that the ways in which empowerment is expressed and change occurs is context specific, informed by the excluded groups’ experiences, objectives, and desires.

3. Empowerment and economic development

Empowerment formally entered the domain of development economics with the work of Amartya Sen. In his seminal piece, *Development as Freedom*, Sen (1999) stressed that true development has to expand people’s choices – their freedoms. In other words, development is not just the augmentation of assets and income, it is an augmentation of what a person can and cannot do. Going beyond the more simplistic notions of human and social capital, Sen described development as a process which augmented people’s capabilities - their freedom to function, given their personal preferences. Sen also stressed the heterogeneity of individuals in their capability to respond to development policy, and therefore argued that in particular poor people need to be involved in development policy, in that they need to feel that they have a stake in the outcome. This requires empowerment.

The growth of behavioral economics - which tries to unify psychological and microeconomic concepts of human behavior in connection with markets to produce better policy – brought the concept of empowerment further into the mainstream of economic development thinking. Through a series of experiments and observations, Banerjee and Duflo (2012) document how an aspirational deficit (a lack of hope) among the poor is, in and of itself, a constraint to poverty reduction. Low aspirations leads to low agency which leads to a lack of investment, which keeps people poor. In other words, the behavior of poor people is a reflection of their personal emotional experiences of lack of control over their environment – of crop loss owing to unexpected weather, of early and unexpected death owing to disease, or of the social ostracism and economic hardship that comes from violating strict norms of

⁶ Perceived self-efficacy relates to the psychological concept of “locus of control” as well as the objective aspect of lack of coercion.

⁷ Alsop, Bertelsen, and Holland (2006), also highlight the behavioral dimension of empowerment – the transforming of choices into “desired actions and outcomes” (page 10).

caste and gender in India. The implication of their research is that development policy and programs need to *foster agency* in order to be successful at raising the incomes of the poor.

Other economists began to test this idea in their own experimental analyses. Lybbert and Wydick (2016) survey this literature in a paper on the economics of hope. They cite a number of cases where low aspirations produce poor economic outcomes; one example is the failure to invest in education. Kosec et al. (2014) describe the results of number of research projects that demonstrate that forward-looking goals are critical for rural poverty reduction. They note that aspirations interact with constraints, so that if an individual has not experienced the ability to change their well-being (or seen others do it), they will not explore alternatives. From this point of view there may be yet another explanation for the often observed correlation between high inequality and low economic growth. If the gap between my position and what I consider a decent standard of living is far, and this gap has been in place for a long time, and no one I know has been able cross it, I may be easily discouraged from sacrificing today for my future. Likewise, I may be blind to potential opportunities when the underlying economic dynamic changes.

Psychologists originally focused on “hope” as an individual concept.⁸ Garcia and Sison (2012) broadened this to include social and community. The state of hopefulness may be a characteristic of a community, and it can be augmented in individual by collective beliefs or experiences. For example, if a community values social relationships, and social relationships increase positive emotions, then the community experience can create a sense of hopefulness about the future, as well as a sense that through the community, individuals can cope with life’s hardships and therefore it is worthwhile to invest in the future. A community which values one type of economic activity over another (or does not value economic activity) will influence the individual members’ aspirations and choice of activities and pathways. Kosec et al. (2014) also find the community experience relevant, as they showed that households which lived in a community that experienced exceptionally heavy flooding in an extreme monsoon season in Pakistan in 2010 experienced a fall in aspirations among the poorest 60% who were the most dependent on rain-fed agriculture (those least able to help each other cope with the disaster). The caste system in South Asia is another example community values and norms that negatively affect economic development in lower caste areas by thwarting the development of aspirations (World Bank 2014).

Behavioral economists in the development field also began to explore the extent to which norms – informal rules which constrain or enable behavior – affect economic decisions. One of the most widely discussed norms in the development literature is social views on educating girls; the literature is full of policy analysis and evaluation research on how to overcome these. World Bank (2014) provides a number other of examples where social norms may inhibit people from adopting innovations in sanitation, seeking healthcare or following recommendations of health care providers, adopting contraception, or punishing corruption - all examples where development investments have not paid off as expected. Labor economists have often pointed to norms in piece-work situations, where newly hired workers are discouraged (sometimes violently) from exceeding the current norm for a good days’ production. Existing workers do not want bosses to demand that they achieve higher targets than they currently do, so they make sure that new workers find the increased income from a higher volume of individual production is not worth it. The point often missed by non-behavioral economists is that

⁸ See discussion in Lybbert and Wydick (2016), section 3 for references and discussion of this point.

violating norms has consequences for the individual, their family, and/or their social network (if not they would not be norms).

This economic research on capabilities, hope, informal behavioral rules and economic outcomes ties in very closely with the concepts of empowerment discussed above. An empowered person is someone who has a positive view about the future, can envisage options and pathways to change their life, and has the confidence to pursue those pathways. Research showing that persistent exclusion leads to a lack of power and agency is consistent with the literature on how a gendered set of constraints affects women's thought processes and behaviors. And the notion that hope (positive aspirations) is a community characteristic is consistent with the gender and economics literature's focus on women's need for collective action and social support to move an empowerment process forward.

If poor people need to be empowered in order to get out of poverty traps, cope with adverse shocks, and take advantage of the opportunities that developments such as an expansion of education or new technology brings, then both women and men have to be empowered. Laws, norms and customs which disempower women hold back development. Power inequality in the household between men and women may be one reason why research finds a gap between women's agricultural productivity and men's.⁹ If norms and customs limit women's and girls' mobility, and violating those norms has social consequences for the family, girls will not pursue education and parents will not encourage their girls to make this investment. If women have no voice in local or national decisions about development options, they will not be invested in the outcome, and may not try to make policies or projects successful.¹⁰ They will not participate in the collective action needed to represent and defend their interests and shape their societies. Their insights will be ignored, to the detriment of project design and implementation. National development goals such as a longer life or freedom from hunger will not be met. Recognizing these links, women's empowerment has become embedded in national, regional, international, and transnational development goals such as the recently enacted Sustainable Development Goals (SDGs).

4. Women's economic empowerment and development

Given the many connections between empowerment and development processes, it is not surprising that the development microeconomics literature has increasingly included the question of women's *economic empowerment*. Initial formulations focused on the issues of providing girls with education and women with the opportunity to earn paid income.¹¹ Both aspects were seen as key to raising household incomes and reducing poverty.¹² Over time, the concept has come to mean women's power and agency in all economic domains and market related interactions – earning income, spending or saving income, buying, owning, and selling assets, holding or inheriting wealth, starting and operating a business, acquiring a

⁹ It is not the only factor, however; the burden on women's time of household tasks is clearly another one.

¹⁰ The development literature is full of examples of this problem. Several recent ones are discussed in Johnson et al. (2016), including a dairy project in Mozambique, where women were initially not invited to the training by the local project implementations staff, and thus did not properly take care of the cows provided to their household.

¹¹ For example, the MDG on gender equality was measured primarily by the gender disparity in educational enrollment. The share of women employed in nonagricultural work was eventually added as an indicator. In the World Bank's Country Policy ranking of low income countries (CPIA), gender equality was initially measured by equality in enrollment and women's labor force participation. Other criteria were added in 2011, including property and inheritance rights, protection from violence, and political participation. See World Bank (2016).

¹² See, for example, King and Mason (2001), which discussed how gender inequities in key economic spheres reduce economic growth and its sustainability over time.

bank account or credit, and participating or leading a union or other form of economic collective action. Perezniето and Taylor's (2014, p. 6) broad definition of empowerment within the economic sphere (which builds on Golla et al., 2011) covers four main dimensions.

- *Power within*: the knowledge, individual capabilities, sense of entitlement, self-esteem, and self-belief to make changes in their lives, including learning skills for jobs or start an enterprise.
- *Power to*: economic decision-making power within their household, community, and local economy (including markets) not just in areas that are traditionally regarded as women's realm but extending to areas that are traditionally regarded as men's realm.
- *Power over*: access to and control over financial, physical and knowledge-based assets, including access to employment and income-generation activities.
- *Power with*: the ability to organize with others to enhance economic activity and rights.

As with the broader concept of empowerment, some definitions of economic empowerment include legal and structural constraints which affect woman's economic activities outcomes (e.g. laws regulating whether a woman can open a bank account in her own name). SIDA includes in their definition the elimination of the "structural inequities in the labor market" – meaning both laws as well as norms and customs such as occupational/sectoral segregation (Kabeer, 2012). OECD includes the notion of fairness and equity of outcomes in their definition:

*Economic empowerment is the capacity of women and men to participate in, contribute to and benefit from growth processes in ways that recognize the value of their contributions, respect their dignity and make it possible to negotiate a fairer distribution of the benefits of growth.*¹³

But while a broad definition has become widely accepted, measurement of women's economic empowerment in practice still tends to focus on two areas: (a) women's labor market outcomes, and (b) women's participation in household economic decisions.

The focus in the economics literature on women's labor market outcomes as empowerment outcomes comes mainly from a foundational assumption in microeconomics: if people have money, they can achieve higher welfare, and they can wield economic power (including both *power to* and *power over* discussed above). The expansion of group microfinance for women as a key development tool was justified in part by its empowering effect (Garikipati 2008). While this simplistic approach was challenged by Sen's work in 1999, as well as by radical and feminist economists going back to the late 1970s, it nonetheless permeated mainstream gender economics, especially in the development sphere.¹⁴ In the 2000 United Nations report on "Progress of the World's Women", it was argued that helping women generate income will increase their ability to "generate choices, exercise bargaining power, as well as develop a sense of self-worth, a belief in one's ability to secure desired changes" (Elson and Keklik, 2000 cited in Brody et al, 2015). In their 2014 review, "Promoting Economic Empowerment: What Works?", Buvinić and Furst-Nichols explicitly state they are only considering women's productivity and earnings in their review, as "proxies for the more complex notion of empowerment" (Buvinić and Furst-Nichols 2014). The World Bank, in the 2016 edition of its flagship publication, *World Development Indicators*, explicitly linked women's income earning opportunities with

¹³ See <http://www.oecd.org/dac/gender-development/womenseconomicempowerment.htm>

¹⁴ See for example, the discussion in Brody et al. (2015) on how this implicit causality came to be included in the literature on microfinance and women.

women's voice and agency in economic affairs (World Bank 2016, p. 10). Finally, Perezniето and Taylor (2014) specify that *economic empowerment is a process which leads to women's control over other areas of their lives*. This raises two points: (i) once again causality from economic outcomes to other outcomes is causally included in the concept; and (ii) but "control over other aspects of their lives" cannot be measured or by or inferred from only by labor market outcomes or expenditure decisions.

Yet the evidence on this causality is actually fairly weak. There is no doubt the poverty is disempowering as is individual lack of access to resources, as Duflo (2012) notes in her review of the evidence on economic development and empowerment. And while she finds substantial evidence that increased income earnings opportunities for women encourage parents to send their daughters to school, she also finds that these opportunities do not necessarily lead to broader empowerment as reflected in women's status in society, the value of daughters relative to sons, political participation, or in the enforcement of laws on the books granting women equal rights. Kabeer, (2013) uses measures such as values, perceptions and attitudes, role in decision-making within the household, quality of relations within and beyond the family, participation in local and national-level politics and collective action to protest injustice or claim rights, and correlates these women's education, labor force participation and types of employment in three countries. She finds that three countries, secondary education and formal wage employment (the latter is almost always in the public sector as private firms were less likely to hire women educated women) correlates most highly with the empowerment measures. However, the question of selectivity strongly limits the implications that can be drawn from this study. In other words, were the women already empowered, which is why they were able to get their education and to acquire a formal sector wage job? Is empowerment correlated more closely with class (richer households can afford to send their children for secondary education) than with gender? Somewhat weaker correlations were found with nonfarm self-employment, but again the question of selectivity looms.¹⁵

In experimental analysis, Blattman finds no link between a highly effective program to help women in post-conflict Uganda start a self-employment trading business and improvements in women's self-reported empowerment, as measured by women's status in society, self-reported physical or emotional abuse by their partner, or self-reported independence (Blattman et al. 2016). Using self-reported participation in household decision-making on expenditures as a measure of economic empowerment, Banerjee et al. (2015) found no effect of a program which raised poor women's earnings, assets, and household consumption in six countries on broader economic empowerment (the graduation projects). They do find qualitative evidence the program increased women's self-esteem, which the participants linked to the positive outcomes. This provides some evidence for the link between a positive mindset – hope, self-esteem, etc. - and better economic outcomes.

However, when projects *specifically target* more complex, psychological aspect of women's economic empowerment (i.e. agency) as a specific outcome (intermediate or final) and make efforts to measure change as a result of their women's economic project interventions, a relationship between inputs (increased economic resources) and economic outcomes has been found. In the example above of the graduation projects, one key component was providing each participant with a mentor, to strengthen their sense of control and ability. Thus it is no surprise that participant's self-esteem increased. In a project to teach Kenyan women to market energy efficient cookstoves, evaluators found that a component designed to increase the women's self-efficacy and self-confidence produced higher sales

¹⁵ Hanmer and Klugman (2016) find similar results using DHS data.

compared with a control group that did not receive this component as part of their training (Shankar, Onyura, and Alderman 2015). In the WORTH project in Nepal, project components addressed both women's agency and savings/business operations outcomes, and progress on both were evaluated. A quasi-experimental evaluation found increases in self-reported self-confidence, civic participation, and intra-household decision making power; a decrease in reported gender based violence, as well as improvements in economic outcomes (Mayoux 2008). In India, researchers found that rural women participants in the *Mahila Samakhya* program, which combined adult education and vocational training with support groups and life skills training, reported an increase in mobility and civic participation, as well as higher labor force participation (Kandpal, Baylis, and Arends-Kuenning 2012). Similar results were found for participants in several World Bank sponsored adolescent girls initiative (AGI) programs (World Bank, 2015). An important caveat is that except for the Kenyan cookstoves, none of these evaluations tested whether the attitude and agency aspects of the programs were *necessary* for the other economic outcomes realized. Only the WORTH project in Nepal included measures of community attitudes toward women's behavior (which also changed). This project included components designed to facilitate this outcome as well.

An important, and unanswered question in the impact evaluation literature, is: what are the different types of empowerment, and how are they linked in terms of other outcomes (economic, reproductive health, or other)? Brody et al. (2015) reviewed experimental analyses of the effects poor women's economic self-help groups (SHGs) on empowerment for 3ie. The interventions reviewed contained two mandatory elements:

- (i) a group economic intervention to increase earnings such as microsavings and lending, and/or income skill building interventions conducted at the group level; and
- (ii) a group support element.

The group support element was designed to develop a shared sense of identity and confidence, and expand women's views of the possible. Thus, the design included an explicit concern with the *power within* aspect of economic empowerment.

Brody et al. (2015) defined four types of empowerment:

- *Economic empowerment*: the ability of women to access, own, and control resources.
- *Political empowerment*: the ability to participate in decision making focused on access to resources, rights, and entitlements within communities. It includes legal rights as well as outcome such as political participation.
- *Social empowerment*: the ability to exert control over noneconomic decision making within the household.¹⁶
- *Psychological empowerment*: the ability to make choices and act on them.

In effect, this typology (which was also used in Hunt and Samman, 2016) goes back to a narrow definition of economic empowerment (women's actual interaction with markets), and puts some of broader elements of empowerment found in Perezniето and Taylor's definition and other widely used definitions into the political, social or psychological realm. While cleaner in terms of outcomes, it

¹⁶ Note that this domain includes activities with strong economic consequences, such as age of marriage, how many children, whether girls or women in the household go to school.

separates the *psychological* aspects of economic empowerment (do I see choices and believe that I can take advantage of them) from *the legal system and social norms* (am I allowed to exercise choices such as open a bank account or own property in my own name) from actual *economic outcomes* (participation in the labor market or ownership of land or financial savings) or *economic bargaining power* in the household (partial or total decision-making power on a selection of expenditures or major financial decisions) measured under economic empowerment. In other words, the interior or attitude element of empowerment is separated from the behavior (participating in household expenditure decisions). We don't know, for example, whether what appears to be an "empowered" outcome was not actually a free choice by the woman involved but rather coerced in some way, through informal sanctions.

It seems logical that psychological, social or political empowerment is needed to realize economic empowerment. For example, how could women realize economic empowerment if they are not permitted to leave the house without a male relative (social disempowerment)? Unfortunately, once again because of the weaknesses of the underlying studies, we can't really tell from the Brody et al. review how these dimensions are related. The majority of studies they included used women's decision making power over expenditures as their measure of economic empowerment, and in their meta-analysis, they found a slight positive effect. But they had only two acceptable studies that measured *psychological empowerment* as an outcome. So there is not enough evidence to judge whether there is an association, much less a causal effect. One interesting point is their finding that programs which included training as a project input had more positive effects on women's economic bargaining power in the household. To the extent that training reinforces the "norm change" empowerment messages of the group support in the SHG through individual psychological development, it suggests that "psychological empowerment (enhanced self – esteem, etc.) augments narrow economic outcomes in achieving economic empowerment. It is unfortunate that these studies did not actually measure baseline psychological empowerment and the change for program participants. Another piece of evidence for linkage is the finding that increased wage-earning opportunities for women lead to more girls education and less early marriage (Hunt and Samman 2016). However, it has been noted that increased women's empowerment in one domain (e.g. economic or political) could lead to reduction in empowerment in another domain as men try to reassert control and privilege (Hunt and Samman 2016).

What does all this evidence mean for development programs and projects that have the goal of improving economic outcomes for women? First, because a broader focus on agency is consistent with the understanding in development economics of the role of aspirations and informal institutions in enabling or preventing individuals, households and communities from seizing opportunities to raise their welfare, it is clear that development economics needs to focus on the "power within" and the "power to", not just "the power over". Second, it suggests that if an economic empowerment project simply focuses on narrow economic outcomes such as increased labor force participation or paid earnings, it may not achieve broader empowerment or development goals. Economic empowerment projects should focus on, and *measure changes in*, broader empowerment outcomes. Third, more research is needed to understand the interactions between changes in broad economic empowerment outcomes (and possibly social, political and psychological empowerment outcomes), and changes in the standard individual and household labor market outcomes of participation, productivity, earnings, assets, and livelihood portfolio. Finally, the role of structural constraints in these economic processes needs to be considered as well, which means they also need to be measured and monitored.

5. Measuring women's economic empowerment

In project and program evaluations, researchers have used a variety of measures of empowerment and in particular economic empowerment, but, as noted above, by far the most common one used is *influence on, or control over household expenditures*. For example, three recent systematic reviews of types of development projects: (i) Brody et al. (2015) on women's SHGs and empowerment; (ii) Banerjee et al. (2015) on graduation projects for ultra poor women, and (iii) Upadhyay et al. (2014) on fertility and empowerment all found that this was the most common measure of empowerment used in these project evaluations. Indeed few other measures were used or collected.

In some studies, however, other measures have been used. The specific measures vary across evaluations. This may reflect the context-specific theory of change that the project designers have identified and worked with, and that they expect will lead to the desired final outcome of the project. That desired final outcome may not have been empowerment, although in some cases empowerment might have been considered an intermediate objective. However, in some cases, it seems as though measuring changes in empowerment was an afterthought, and that it was not really incorporated in a theory of change. This could be because impact evaluation designs usually do not focus on the effects of different project components, so they are not looking to see which components affect empowerment, but rather whether it was a final outcome. Another confounding factor is that empowerment measures are often aggregated into an index, making the studies difficult to compare.

The variables used in these studies and indices have included:

- women's and men's views on gender norms (from the DHS surveys - Blattman et al. 2016);
- women's retained income from sale of crops or from own wages or business activities (Garikipati 2008);
- self-perception of savings behavior (Ashraf, Karlan, and Yin 2010)
- women's views about gender roles in the labor market (Bandiera et al. 2014)
- mobility - able to leave the house without permission (Xia et al 2011; Blattman et al 2016);
- autonomy in decisions about household/own agricultural production; decision-making power over agricultural productive assets (WEAI¹⁷, discussed in various publications including Malapit and Quisumbing 2015, and Alkire et al. 2013);
- time use/ allocation of household chores between men and women (WEAI, Garikipati et al 2008)
- reproductive health views and behaviors (Bandiera et al. 2014)
- belongs to women's groups/speaks up in public (WEAI)

In forming an index, some authors use the "relative deprivations" approach followed by Alkire et al. (2013) and Garikipati (2008), assigning a score to each dimension and then aggregating the dimensions into a simple index. While providing a clean variable for use multivariate statistical analysis, this approach does not help in understanding which dimensions matter for a specific outcome. In addition, Peterman et al. (2015) show that, not surprisingly, how women are ranked on empowerment is highly

¹⁷ WEAI=Women's Empowerment in Agricultural Index. It includes (i) women's role in household production decisions; (ii) women's role in household decisions about use of income; (iii) women's rights, jointly or individually, to own, use and control assets; (iv) women's leadership in the community; and (v) time use. It also focuses on whether the choices is the women's own, or is imposed or coerced (one made primarily to avoid negative consequences).

dependent on how the index is constructed. In addition, when Hanmer and Klugman (2016) analyzed the correlations among DHS indicators on attitudes and behaviors that represent dimensions of empowerment, they found fairly low correlations, indicating that an index of these variables may be problematic.

Can measurement be standardized across countries? The DHS surveys have, for some time, used a standardized set of questions in low income countries around the world to measure women's decision making power in the household and women's and men's attitudes toward the acceptability of GBV. These variables are now widely used in empowerment studies. Are they reliable across countries? Donald et al. (2016) showed that the degree of correlation between husband's (male partner) and wife's responses on decision making power is less than perfect, and varies substantially across countries. For example, when couples were asked separately who decides on large purchases, of the cases where the women report that the man did by themselves, 1/3 of the men reported it was joint. The meaning of this disagreement about women's economic empowerment in the household is unclear, although it is clear is that the wives often did not feel consulted. Ongoing work by Field and Glennerster has shown that women's self-reported participation in expenditure decisions increased the more specific the questions were about particular situations (e.g. buying medicine vs. a general question about health-related expenditure decisions).

One way researchers have attempted to standardize subjective or self-reported responses across countries, particularly in areas where the variable has a meaning which is specific to the context, culture and tradition is to use vignettes, or short description of different types of people and their situations. Respondents are asked which description is most similar to their situation. Donald et al (2016) showed that in a test of the WEAI index in Uganda, the vignette survey provided a more consistent measure of agency than the simple self-perception survey without vignettes. This was particularly important in measuring how social norms and customs in rural areas affect women's choices and behaviors.

As discussed above, broad definitions of empowerment outcomes include both *attitudes* (self-perception; views about institutions governing gendered behavior) and *behaviors* (action taken). One way to standardize indices and make findings easier to interpret is to separate the two dimensions. A second way to is standardize dimensions. This is the approach adopted, for example, in the WEAI index; however the applicability outside of agriculture is limited. The empowerment classification proposed in Brody et. al (2015): economic, social, political, psychological may prove a useful sub-division. Put together, these two facets (behavior vs. attitude and dimension of empowerment) create an eight element classification of empowerment shown in Table 1 below. Each cell of Table 1 provides examples of variables which could measure the concepts shown in the cell. For example, the *attitude* dimension of economic empowerment could be measured by a respondent's self-reported beliefs about her aspirations, confidence, and views on the constraints imposed on her. The behaviors dimension could be measured by the commonly used variables measuring income earning decisions as well as ones on expenditure decision making, assisted by vignettes if this proves helpful in more trials.

To support standardization it may be helpful to define even finer sub-elements. For example, within the domain of economic empowerment, attitudes toward pathways to labor market outcomes would be separated from confidence in saving and financial skills. In this way, researchers could identify in their theory of change and/or pre-analysis research plan which sub-dimension of empowerment they expect to improve ex ante in the project. They could then develop a context specific measure of each sub-

dimension. While this approach might still be subject to the weaknesses identified in Peterman et al (2015), it would still be less ad hoc than current practice and easier to compare results across countries.

Another advantage would be the opportunity to (i) identify which aspects of empowerment a particular intervention influences,¹⁸ (ii) check to see which aspects appear necessary for desired final outcomes; and (iii) identify associations/correlations between dimensions, and if possible, even identify which sub dimensions are necessary for which final outcomes. For example, Upadhyay et al. (2014) did a systematic review of the associations between women's empowerment and fertility-related outcomes. Of the 60 studies they looked at, 37 used women's bargaining power over expenditures (as measured by the DHS) as the measure of empowerment. This was the only empowerment variable which was even mildly standardized across the studies, which they attribute to the powerful role of DHS surveys, especially for the analysis of reproductive health variables. In their conclusion, they call for more research on operationalizing women's empowerment. They note that:

"The multidimensionality of women's empowerment likely contributed to some of the null and counterintuitive effects of empowerment measures in this review, emphasizing the importance of further refinement and conceptualization of women's empowerment measures, as well as the incorporation of statistical techniques (e.g., multilevel and structural equation modeling) to better capture this complex, latent construct in quantitative analyses." (Upadhyay et al. 2014, page 13).

In other words, if studies had measured empowerment across several domains, and used both attitudinal and behavioral measures. They might have been able to tease out which areas of empowerment mattered most for reproductive health outcomes.

In developing measures of the dimensions of empowerment, it seems that social scientists could benefit by working together. For example, psychologists have developed a number of standard scales to measure attitudes, including the "Big Five" personality traits that are associated with academic and economic achievement. While these scales have to be adapted to the context used, there is nonetheless agreement on the five elements (and ten sub-elements). If economists were able to similarly agree on five dimensions each of economic empowerment attitudes and behaviors, this would facilitate comparison of outcomes across studies and the building up of a body of evidence on which elements of empowerment (economic or otherwise) matter for which common individual and household economic outcomes.

6. Conclusions

Creating and improving economic empowerment is important for development outcomes, for inclusive growth, for poverty reduction, and for human rights. Economic empowerment is a subset of the recognized empowerment domains, and is linked to others, including political and social empowerment, which are also recognized and part of the development process – of individuals, of communities of social groupings, and of states. In development projects targeted at individuals and households, economic empowerment tends to be measured narrowly – as either an economic outcome, or as the degree of

¹⁸ Of course, this requires multi-armed impact evaluations with large samples, which has become increasingly expensive.

control and influence over household resources. Yet it is much more than that – it is the process by which individuals and communities realize desired economic outcomes through economic behavior. As such, it is assumed to exist by classical microeconomic theory (whereby individuals use resources to improve welfare), even though research has now demonstrated that power and agency can not be taken for granted, especially in an initial situation of unequal power and exclusion. Lack of empowerment is enforced by social and economic institutions, and the empowerment process necessarily transforms these institutions. It therefore does not follow that an economic outcome produces a change in empowerment (temporarily or permanently), as the process of institutional change is rarely linear or constant.

Many development outcomes depend on improving women's economic empowerment. Yet as an intermediate or final outcome, economists have not defined an agreed set of measurements. As a result, it is hard to study how empowerment changes – through what pathways and interventions – and how changes in empowerment affect other outcomes of interest. One aspect of the measurement difficulty is that empowerment can be expressed through different attitudes and behaviors in different situations. An act or behavior that signifies economic empowerment in one setting may not be understood as such in another, owing to different gendered sets of constraints and different distributions of resources. In addition, an empowered action (behavior) needs an empowered attitude – the autonomous ability to formulate a goal or objective, without being coerced, (physically or mentally, through the imposition of norms).¹⁹ This is necessarily a self-reported state, and therefore is subjective. But the fact that it is subjective does not mean that it can not be measured. Other disciplines have developed techniques for doing this. Pain, a key outcome variable in medicine, is also a self-reported state, yet it is widely used in quantitative scientific studies.

Some authors have subdivided empowerment into economic, social, political and psychological dimensions. Economists have tended to focus on behavior (actions) rather than state of mind. Both dimensions (domain or area, and attitude vs. action of behavior) are probably relevant for achieving economic outcomes, especially where young women are concerned, given the role autonomy, self-efficacy, and self-control play in the development of adult behaviors in adolescents. Economists and development professionals need to do a better job of integrating these dimensions into outcome measures. Ideally, some standardized measures should and could be developed to facilitate learning across interventions and social settings.

It is also important to understand in which situations interventions could target individuals (and how), and in which situations it is necessary to target the enabling environment. For example, are social norms which empower women to seek out and use contraception necessary for increased women's economic activity and earnings? What about social norms on age of marriage, autonomy in choosing spouse, or size of family? Or are increased opportunities for women necessary to change the above social norms. Given that pathways of institutional transformation are not linear, there may not be a clear answer to this question; at least not for all societies in all times. Nevertheless, a better understanding of the initial states and relationships between these domains and dimensions at the outset of a change process, and

¹⁹ This statement does not imply causality. Nor does it deny that the process may be iterative – a first step of empowered behavior may lead to more confidence, an empowered attitude. As the saying goes, "success breeds success".

robust incorporation of them into theories of change for project intervention, could improve efforts to identify successful change strategies. This will require experimentation in a number of settings to improve measurement of the separate aspects. Economists can continue to benefit from working across disciplines (as behavioral economists now do) in these experiments.

Table 1: Types of empowerment outcomes

Empowerment outcomes		
	Attitudes	Behaviors
Economic	<p>Believes women can work outside home</p> <p>Believe can get/change jobs (aspiration to look for a job)</p> <p>Believes she can improve her economic position</p> <p>Confidence in saving, business, financial skills</p> <p>Confidence in undertaking business related activities</p> <p>Optimism about starting own business, producing on own or household land</p> <p>Thinks she has right to be involved in household financial decisions</p> <p>Perceives she has the freedom to receive/spend her income</p> <p>Believes household should invest to reduce household chores/ men and boys should do some chores</p>	<p>Looked for job</p> <p>Went for job-related training</p> <p>Talked to parents/spouse about jobs</p> <p>Opened a bank account</p> <p>Got credit</p> <p>Consulted/involved in decisions about agricultural production</p> <p>Can decide how/when to invest in own business</p> <p>Can have bank account</p> <p>Is consulted/involved in decisions about household spending/consumption</p> <p>Owns (jointly or separately),and/or inherits land</p> <p>Consulted on sale of asset</p> <p>Negotiates “fair” division of unpaid household chores</p>
Social	<p>Think she has the right to ask partner to use condom</p> <p>Confidence in the capacity to prevent HIV</p> <p>Confidence in be able to deal with sexual pressure from partner</p> <p>Thinks has a right to views about spouse, time of marriage, size of family</p> <p>Attitudes towards gender norms (e.g. mobility)</p> <p>Attitudes towards sexual harassment</p> <p>Does not condone GBV</p> <p>Believe she deserves education</p> <p>Believe she is capable of learning</p> <p>Confidence in ability to use/apply her knowledge</p>	<p>Went to clinic</p> <p>Used family planning methods</p> <p>Discussed family planning methods with spouse</p> <p>Discussed family size, birth spacing with spouse</p> <p>Was consulted regarding her marriage</p> <p>Freedom to leave the house without an escort or prior permission</p> <p>Reported/sought help in case of GBV</p> <p>Requested to attend/attended school despite social norms not favoring girls’ education</p> <p>Prioritized studying while in school</p>
Political	<p>Willingness/aspiration to participate in community activities</p> <p>Desire to know, exercise legal rights</p>	<p>Participates in community activities</p> <p>Forms view, votes in elections</p> <p>Asserts legal rights in formal or informal dispute resolution proceedings</p>
Psychological	<p>Self-esteem, self -confidence</p> <p>Optimism (hope)</p> <p>Self-Regulation (grit)</p>	<p>Sought psychological help/counseling</p> <p>Escaped bout of depression</p>

References

- Alkire, Sabina, Ruth Meinzen-Dick, Amber Peterman, Agnes Quisumbing, Greg Seymour, and Ana Vaz. 2013. "The Women's Empowerment in Agriculture Index." *World Development* 52: 71–91.
- Alsop, Ruth, Mette Frost Bertelsen, and Jeremy Holland. 2006. *Empowerment in Practice: From Analysis to Implementation*. World Bank Publications.
- Ashraf, Nava, Dean Karlan, and Wesley Yin. 2010. "Female Empowerment: Impact of a Commitment Savings Product in the Philippines." *World Development* 38 (3): 333–344.
- Bandiera, Oriana, Robin Burgess, Markus Goldstein, Niklas Buehren, Selim Gulesci, Imran Rasul, and Munshi Sulaiman. 2014. "Women's Empowerment in Action: Evidence from a Randomized Control Trial in Africa." <http://eprints.lse.ac.uk/58207/>.
- Banerjee, Abhijit, and Esther Duflo. 2012. *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*. PublicAffairs.
https://books.google.com/books?hl=en&lr=&id=2dlnBoX4licC&oi=fnd&pg=PT4&dq=poor+economics&ots=GyXr-sx9fg&sig=vWD1-EC_n1T5ie2pizgo_eA88rs.
- Banerjee, Abhijit, Esther Duflo, Nathanael Goldberg, Dean Karlan, Robert Osei, William Parienté, Jeremy Shapiro, Bram Thuysbaert, and Christopher Udry. 2015. "A Multifaceted Program Causes Lasting Progress for the Very Poor: Evidence from Six Countries." *Science* 348 (6236): 1260799.
- Blattman, Christopher, Eric P. Green, Julian Jamison, M. Christian Lehmann, and Jeannie Annan. 2016. "The Returns to Microenterprise Support among the Ultrapoor: A Field Experiment in Postwar Uganda." *American Economic Journal: Applied Economics* 8 (2): 35–64.
- Brody, Carinne, Thomas De Hoop, Martina Vojtkova, Ruby Warnock, Megan Dunbar, Padmini Murthy, Shari L. Dworkin, and Carinne Brody. 2015. "Economic Self-Help Group Programs for Improving Women's." *Campbell Systematic Reviews* 19.
<http://search.proquest.com/openview/41ef37265f0c1e92d89dc0d48c2727e4/1.pdf?pq-origsite=gscholar&cbl=2040247>.
- Buvinić, Mayra, and Rebecca Furst-Nichols. 2014. "Promoting Women's Economic Empowerment: What Works?" *The World Bank Research Observer*.
- Donald, Aletheia, Gayatri Koolwal, Jeannie Annan, Kathryn Falb, and Markus Goldstein. 2016. "Measuring Women's Agency." Processed.
<http://pubdocs.worldbank.org/pubdocs/publicdoc/2016/6/487641466185525738/2016-05-31-Measuring-Womens-Agency.pdf>.
- Duflo, Esther. 2012. "Women Empowerment and Economic Development." *Journal of Economic Literature* 50 (4): 1051–1079.
- Elson, Diane, and H. T. Keklik. 2000. "Progress of the World's Women." *UNIFEM Biennial Report, United Nations Development Fund for Women, New York*.
- Garcia, John Addy S., and Karen Gayle Sison. 2012. "Locus of Hope and Subjective Well-Being." *International Journal of Research Studies in Psychology* 1 (3). doi:10.5861/ijrsp.2012.297.
- Garikipati, Supriya. 2008. "The Impact of Lending to Women on Household Vulnerability and Women's Empowerment: Evidence from India." *World Development* 36 (12): 2620–42.
doi:10.1016/j.worlddev.2007.11.008.
- Golla, Anne Marie, Anju Malhotra, Priya Nanda, and Rekha Mehra. 2011. "Understanding and Measuring Women's Economic Empowerment." <http://www.icrw.org/taxonomy/term/6/passports-progress?page=6>.

- Hanmer, Lucia, and Jeni Klugman. 2016. "Exploring Women's Agency and Empowerment in Developing Countries: Where Do We Stand?" *Feminist Economics* 22 (1): 237–63. doi:10.1080/13545701.2015.1091087.
- Hunt, Abigail, and Emma Samman. 2016. "Women's Economic Empowerment." http://www.developmentprogress.org/sites/developmentprogress.org/files/case-study-report/hunt_and_samman._2016._womens_economic_empowerment_-_navigating_enabler.pdf.
- Johnson, Nancy L., Chiara Kovarik, Ruth Meinzen-Dick, Jemimah Njuki, and Agnes Quisumbing. 2016. "Gender, Assets, and Agricultural Development: Lessons from Eight Projects." *World Development* 83 (July): 295–311. doi:10.1016/j.worlddev.2016.01.009.
- Kabeer, Naila. 2012. "Women's Economic Empowerment and Inclusive Growth: Labour Markets and Enterprise Development." *International Development Research Centre*.
- Kandpal, Eeshani, Kathy Baylis, and Mary Arends-Kuenning. 2012. "Empowering Women through Education and Influence: An Evaluation of the Indian Mahila Samakhya Program." http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2010942.
- Kabeer, Naila with Ragui Assaad, Akosua Darkwah, Simeen Mahmud, Hania Sholkamy, Sakiba Tasneem and Dzodzi Tsikata. 2013. *Paid Work, Kabeer, Naila with Ragui Assaad, Akosua Darkwah, Simeen Mahmud, Hania Sholkamy, Sakiba Tasneem and Dzodzi Tsikata. 2013. Paid Work, Women's Empowerment, and Inclusive Growth: Transforming the Structures of Constraint. New York: UN Women.*
- King, Elizabeth, and Andrew Mason. 2001. *Engendering Development: Through Gender Equality in Rights, Resources, and Voice*. The World Bank. <http://elibrary.worldbank.org/doi/book/10.1596/0-1952-1596-6>.
- Kosec, Katrina, Huma Khan, Alemayehu Seyoum Taffesse, and Fanaye Tadesse. 2014. "Promoting Aspirations for Resilience among the Rural Poor." *Resilience for Food and Nutrition Security*, 91.
- Lybbert, T., and Bruce Wydick. 2016. "Poverty, Aspirations, and the Economics of Hope." *University of California, Davis Working Paper*.
- Malapit, Hazel Jean L., and Agnes R. Quisumbing. 2015. "What Dimensions of Women's Empowerment in Agriculture Matter for Nutrition in Ghana?" *Food Policy* 52 (April): 54–63. doi:10.1016/j.foodpol.2015.02.003.
- Mayoux, Linda. 2008. "WOMEN ENDING POVERTY THE WORTH PROGRAM IN NEPAL EMPOWERMENT THROUGH LITERACY, BANKING AND BUSINESS 1999–2007." Kathmandu, Nepal: Valley Research Group. https://scholar.google.com/scholar?hl=en&q=WOMEN+ENDING+POVERTY+THE+WORTH+PROGRAM+IN+NEPAL+EMPOWERMENT+THROUGH+LITERACY%2C+BANKING+AND+BUSINESS+1999%E2%80%932007&btnG=&as_sdt=1%2C5.
- Narayan-Parker, Deepa. 2002. *Empowerment and Poverty Reduction: A Sourcebook*. World Bank Publications. https://books.google.com/books?hl=en&lr=&id=MkDiPZO6ZX0C&oi=fnd&pg=PR11&dq=narayan+2002+empowerment&ots=re4Q1-_bfY&sig=f6g6ijux9u03DhBnIfViUPpA9aU.
- Pereznieto, Paola, and Georgia Taylor. 2014. "A Review of Approaches and Methods to Measure Economic Empowerment of Women and Girls." *Gender & Development* 22 (2): 233–51. doi:10.1080/13552074.2014.920976.
- Peterman, Amber, Benjamin Schwab, Shalini Roy, Melissa Hidrobo, and Daniel O. Gilligan. 2015. "Measuring Women's Decisionmaking: Indicator Choice and Survey Design Experiments from Cash and Food Transfer Evaluations in Ecuador, Uganda, and Yemen." http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2685232.

- Shankar, Anita V., MaryAlice Onyura, and Jessica Alderman. 2015. "Agency-Based Empowerment Training Enhances Sales Capacity of Female Energy Entrepreneurs in Kenya." *Journal of Health Communication* 20 (sup1): 67–75. doi:10.1080/10810730.2014.1002959.
- Upadhyay, Ushma D., Jessica D. Gipson, Mellissa Withers, Shayna Lewis, Erica J. Ciaraldi, Ashley Fraser, Megan J. Huchko, and Ndola Prata. 2014. "Women's Empowerment and Fertility: A Review of the Literature." *Social Science & Medicine* 115: 111–120.
- World Bank. 2014. *World Development Report 2015: Mind, Society, and Behavior*. The World Bank. <http://elibrary.worldbank.org/doi/book/10.1596/978-1-4648-0342-0>.
- . 2016a. "The Little Data Book on Gender 2016 | Data." <http://data.worldbank.org/products/data-books/little-data-book-on-gender>.
- . 2016b. *World Development Indicators 2016*. 2016 ed. edition. World Bank Publications.
- Zimmerman, Barry J., and Timothy J. Cleary. 2006. "Adolescents' Development of Personal Agency: The Role of Self-Efficacy Beliefs and Self-Regulatory Skill." *Self-Efficacy Beliefs of Adolescents* 5: 45–69.