



AFRICA HUMAN CAPITAL HEADS OF STATE SUMMIT

Africa Human Capital Technical Briefs Series

Girls' and Women's Economic Empowerment

July 2023

KEY MESSAGES

- **Economic growth can't prescind from women's economic empowerment.** Women represent half of the growing working age population in Sub-Saharan Africa (SSA). Their economic empowerment is thus essential to accelerate the region's economic growth.
- **Invest in adolescent girls for highest returns.** Policies and programs should target both young women (the current "stock" of the female workforce) and adolescent girls (the "flow" of future female workers). Evidence indicates that returns on investments are higher when targeting younger adolescents, before they drop out of school, marry, and/or enter the labor market.
- **Girls' and women's empowerment is a multi-sectoral agenda.** Education, health, employment, private sector development, social inclusion, and other dimensions are strongly interrelated in girls' and women's empowerment. Progress on this agenda requires a human-centered, multi-sectoral approach.

WHY A FOCUS ON GIRLS AND WOMEN EMPOWERMENT MATTERS FOR AFRICA

As with all human rights, gender equality represents a global public good. Investing in girls and women has a multiplier effect that goes beyond direct beneficiaries.

Increasing female labor force and earnings would have an immediate effect on the region's Gross Domestic Product (GDP). Currently, the median monthly labor income of men is more than twice that of women, and the incomes of female entrepreneurs are, on average, only two-thirds of that of male entrepreneurs. Closing the gender gap in lifetime earnings in Sub-Saharan Africa (SSA) could achieve a projected dividend of US\$2.8 trillion (or US\$2,906 per capita) in wealth.

Enabling women's access to better economic opportunities translates in accelerated fertility reduction, creating the conditions for a demographic dividend, i.e., a one-time growth opportunity resulting from the age structure as the share of the working-age population becomes larger of the share of the economically dependent population. Conversely, current fertility

trends put SSA at a risk of not seeing the demographic dividend materialize. The fertility transition has been slow in the region, with Total Fertility Rate declining from 6.5 children per woman in 1950 to 4.5 in 2023 (compared for instance to East Asia, where fertility declined from 5.6 to 1.2 over the same period).

Women's economic empowerment is key to increasing the human capital (HC) of future generations, and to breaking the inter-generational transmission of poverty. There is strong evidence confirming a positive correlation between women's empowerment and her children's HC, as women reinvest a large share of their income back into their families. Countries in SSA are among the ones with lowest levels of HC in the world. In particular, the region reports the world's highest rates of stunting among children, and it is the only region of the world where the number of out-of-school adolescents has risen in recent years – with worrying implications for the productivity of the future workforce.

POLICY RECOMMENDATIONS

1. High-level political commitment and accountability are essential to progress on the women's empowerment agenda at all levels, from ensuring adequate national budget is allocated to overcome gender-specific barriers, to facilitating inter-ministerial coordination and integrated delivery of services. Experience shows that high-level political commitment is also key to mobilize external resources from donors, the private sector, and other stakeholders on this agenda; and to cascade shifts in social norms through local administrators, leaders, and role models.

2. Structural change requires sustained effort through a mix of policy tools. Investment projects can be transformational in bringing innovation and impact to increase girls' and women's resources and agency in the short- and medium-run. Yet, structural change also requires a change in context, removing legal barriers to girls' and women's economic empowerment, supporting policy reforms to improve gender equality, and engaging with a broad range of stakeholders to shift gender norms.

3. Build on the latest evidence. The latest decade has seen huge advances in research on what works to empower girls and women. Leverage the latest knowledge on cost-effectiveness to maximize returns on investment, and to better understand girls' and women's own aspirations. Learn from the implementation experience from regional peers to improve impact and efficiency.

How to Measure Success or Failure: Relevant Data

- A girl born in SSA is 75% likely to drop out of school before completing secondary education. Among her peers, almost 4 out of 10 will marry before 18 years of age. She has a 28% chance of getting pregnant in her teenage years and, over the course of her life, she will likely have at least four children. She is at high risk of female genital mutilation, domestic violence, and other forms of gender-based violence (GBV).
- When she reaches working age, there is a 40% chance that she will not participate in economic activities. If employed, she has a 74% chance of working in the informal sector. In the economy of her country there are more wage jobs being created, but she is 40% less likely to access those opportunities than her male peers. There are some simple practices that could help her increase her productivity at work, but she may not know about them. She has limited decision-making power over her health and over her household's economic decisions.

Definition

Girls and women are economically empowered when they have the resources to compete in markets and the power to act on economic decisions. Key resources include HC; physical, digital, and financial capital; and social capital. The power to act on economic decisions depends on girls' and women's individual agency, as well as on context (social structures as institutions, markets, social norms, laws) that define the environment in which girls and women operate. Resources, agency, and context determine girls' and women's ability to choose and pursue the type of life that they prefer, such as the level of education they wish to attain, their choice of a livelihood, whether to marry, or the number of children to have – which in turn determines their economic achievements and their contribution to economic growth.



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