



Written evidence submitted to the International Development Committee Inquiry into the Department for International Development (DFID) Economic Development Strategy

May 2018

Executive summary

- Gender inequalities are not only a pressing moral and social issue but also a critical economic challenge. Women continue to earn less, bear the burden of unpaid care and domestic work and are largely concentrated in vulnerable and low-paying activities. Advancing gender equality is also the smart thing to do and could add 12 trillion to global GDP by 2025 (McKinsey Global Institute, 2015).
- DFID's Economic Development Strategy (EDS), however, has an inadequate focus on gender and therefore will not deliver outcomes for women, companies and economies.
- We urge the committee to scrutinise the following major gaps in the economic development strategy, and to:
 - Apply a **gender lens** to all DFID commitments especially around financial inclusion, livelihoods and entrepreneurship,
 - Improve the weak focus on **decent work** in the strategy,
 - Place a greater emphasis on **economic development that works in fragile contexts**.

Key recommendations

- **DFID should set measurable targets to underline its commitment to gender equality. Of the jobs created by DFID's economic development programming, at least 50% should go to women.**
- **DFID should have indicators in place to track the quality of jobs created and their impact on the economic empowerment of women.**
- **DFID should ensure UK Government support for the new ILO Convention on ending violence and harassment in the world of work.**
- **DFID funded FSD Africa must increase its investment in the growth of savings groups and linkage to formal financial service providers.**
- **DFID should focus efforts on those value chains that incorporate the most women, rather than whether or not the global supplier is British**
- **Cash based initiatives should be linked to longer term financial resilience and empowerment including via links to banks, and/or social safety net programmes.**
- **DfID should support programming which sustains positive changes to gender roles in conflict and displacement contexts where women's participation in economic activities has already increased.**

- **Economic programming in fragile contexts must include indicators for gendered conflict sensitivity.**

Introduction

- CARE International UK is a leading humanitarian and development organisation working in 94 countries. A core part of our Global Programme strategy is our focus on Women's Economic Empowerment (WEE) – which aims to enable 30 million women to have greater access and control over their resources by 2020.
- CARE International UK participates in the BOND Private Sector Working Group. We played a key role in influencing and supporting the UN High Level Panel on Women's Economic Empowerment (published in 2016/17), including organising the launch of the HLP toolkits in London with the private sector to advance company uptake of the recommendations. We are part of the consortium implementing DFID's "Work and Opportunities for Women" Programme with PwC, BSR, the University of Manchester and Social Development Direct.
- As a result we have taken a keen interest in DFID's EDS, in particular the extent to which it meets DFID's commitment to gender equality.

Q: Is DFID now striking the right balance between its economic growth programming and the other areas of its development work?

Women's Economic Empowerment

1. CARE International believes that the DFID Economic Development Strategy fails to recognise the previously stated aim that economically empowering women is both the smart and the right thing to do. Specifically it fails to take a gender lens to its commitments to financial inclusion, decent work, entrepreneurship and livelihoods.

Financial inclusion

2. We welcome the proposed indicator suggested in DFID's EDS to track the "Number of women with access to financial services". **DFID must now implement this indicator.** But there is more DFID can do to support women's full financial inclusion given women continue to lag behind on almost all the latest 2017 Global Findex markers¹.
3. DFID should ensure UK banks with a global reach offer low fee and accessible **savings products and services with good interest rates** for low-income women. Studies show² access to savings (not credit) is one of the only interventions proven to accelerate the economic empowerment of all women. Currently women are 6 percentage points less likely to save than men (Global Findex, 2017).
4. While there are major gains in women's financial inclusion to celebrate³, DFID needs to realise that women need more than just access. They need **the power and know-how to use** financial services which translates to economic growth and prosperity.

¹ Global Findex 2017 - 980million women remain unbanked and are 9% less likely in developing economies to have a bank account

² UN Foundation and Exon Mobile Roadmap for Promoting Women's Economic Empowerment http://www.womeneconroadmap.org/sites/default/files/WEE_Roadmap_Report_Final.pdf

³ Including the 36.4 million women DFID supported to have access to financial services (2011-2015)

5. The UN High Level Panel on Women's Economic Empowerment reports (2016/2017) identified Village Savings Loan and Associations as an accelerator to women's informal and formal financial inclusion and overall empowerment. These **savings groups are a proven solution and warrant DFID's investment**. RCT studies show CARE's savings groups generate statistically significant outcomes for women's economic inclusion, poverty reduction, food security, household norm change and increased financial and digital literacy. CARE's experience with partners including Mondelēz, Barclays, National Microfinance Bank, Equity Bank and many others has proven that forming and training savings groups and linking them to financial service providers is **an effective pathway to formal financial inclusion**.
6. **DFID funded Financial Services Deepening (FSD) Africa must increase their investment in the growth of savings groups and linkage to formal financial service providers**. It would be a mistake for FSD to reduce investment here.
7. **Decent Work**: We welcome a focus in the EDS on an increase in the number and quality of jobs. However, we are concerned that ICAI have said, "Most DFID log-frames in our sample programmes pay no attention to the quality of jobs created."⁴ Therefore, **DFID should have indicators in place to track the quality of jobs created and their impact on the economic empowerment of women**. We suggest the following list of indicators:
 - gender job distribution (particularly considering the number of women in management positions and in non-traditional job roles)
 - gender pay gap (including equal pay for equal work)
 - wage levels, particularly compliance with the living wage
 - building safety and occupational safety and health indicators
 - existence of written contracts that meet international labour standards
 - excessive working hours
 - sexual harassment and abuse
 - freedom of association and the right to collective bargaining
 - further analysis of intersectionality effects
 - all jobs created by DFID should be monitored for the worst forms of labour exploitation, including: forced and bonded labour, child labour and the physical/psychological abuse of workers.
8. We acknowledge that some objectives of the EDS may not be easily susceptible to the ILO Decent Work agenda, on which our indicators are based. For instance, the EDS acknowledges the importance of the informal sector, which we welcome. Given that the ILO itself recognises that its Decent Work Agenda does not easily address the issues in the informal sector, **DFID should use as a framework for the informal sector the ILO recommendations concerning the transition from the informal to the formal economy**⁵ (2015) which highlights the policies required to support workers into the formal economy.

⁴ ICAI report, <https://icai.independent.gov.uk/report/inclusive-growth/>

⁵ ILO, http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:R204

9. Given DFID's commitment to gender equality, the number and quality of jobs created for women should be a key target. However, ICAI⁶ has pointed out that while "DFID's economic development portfolios have a clear focus on the poor", "few programmes are specifically designed to address the exclusion of women and girls, youth or marginalised groups." We therefore suggest that **DFID should now set a target that, of the jobs created by DFID's economic development programming, at least 50% should go to women.**

10. **We would also welcome similar targets on women and job quality for CDC and other government departments addressing the 'prosperity agenda'.** Given the huge increase in investment to CDC we need to see an enhanced ability to measure the impact of the jobs strategy on women and other excluded groups, as well as to consider risks around human rights and sustainability. CDC cannot be less transparent on these issues than DFID or NGOs.

11. As a near term opportunity to improve the lives of all workers but particularly women, **DFID should ensure UK Government support for the new ILO Convention on ending violence and harassment in the world of work**, to be discussed at the International Labour Conference (ILC) in May/June 2018. While the DWP is the HMG lead at the ILC, DFID should ensure that the potentially positive impacts on the lives of women workers in developing countries is achieved via a legally binding Convention with a detailed supporting Recommendation. These must explicitly include the workers most at risk including unpaid care workers, domestic workers, sex workers, and workers in politics, and include reference to the UN Guiding Principles on business and human rights to ensure companies adhere to the standards throughout their supply chains.

12. **Entrepreneurship:** We welcome the acknowledgement of the informal sector in DFID's strategy. Enterprise development, particularly women-owned businesses including those in the informal sector are increasingly seen as an engine for job creation and development. Yet market systems do not generally work for women, they lack access to financial products and services and access to information on market conditions. **DFID should influence companies to recognise and strengthen the role of women in their value chains, and ensure that the UK governments own procurement policies explicitly benefit women's economic empowerment.** DFID funded FSD Africa should support the financial system to extend financial services to women entrepreneurs, including access to loans for investing in small and medium size business.

13. **DFID have placed a strong and welcome emphasis on value chains in the strategy, but it needs to focus on those value chains that incorporate the most women, rather than whether or not the value chain lead is British.** DFID emphasise the role of smallholder farmers in agriculture in the strategy but perhaps of equal importance are the small and medium size micro-enterprises being linked into global supply chains.

⁶ ICAI report, <https://icai.independent.gov.uk/report/inclusive-growth/>

Women's Economic Empowerment across wider economic and livelihoods programmes

14. All DFID Economic Development programme planning, including the Inclusive Growth Diagnostics, should incorporate detailed gender analysis in line with DFID's response to ICAI: "We will also conduct more in depth analysis on the barriers to women's economic empowerment in DFID's focus countries, in follow up to the UN High Level Panel recommendations." **Given that the IGDs are not published or consulted upon we have no way of knowing if this is happening.**
15. All DFID Economic Development business cases should plan for gender equitable or preferably gender transformative job creation (across quantity, quality and level).
16. Women's economic empowerment indicators should be routinely measured across all DFID programmes, including health and education, aligned with the relevant SDGs. ICAI recommended this: "Given that it pursues economic inclusion through various mechanisms across each portfolio, DFID does not see a need to monitor the distributional impact of each individual programme. We find that a serious gap, particularly as it leaves DFID unsighted as to whether its programmes are inadvertently reflecting underlying patterns of exclusion." DFID agreed: "We are committed to capturing opportunities for reaching women, young people and marginalised groups in programme design and results frameworks. We will develop analytical tools to track a range of economic development programme level results so that we better understand the impact of our economic development programmes on gender, young people and marginalised groups".

Q: Is the Economic Development Strategy suitable for all the countries in which DFID operates, including those in which the investment climate is more hostile?

Fragile and Conflict Affected States (FCAS)

17. The UK's commitment to targeting 50% of its aid budget in FCAS acknowledges the proportion of extreme poor living in conflict-affected situations – currently 17% of the global total, a figure which is expected to rise to almost 50% by 2030⁷. However, while DFID appears to accept that its 'standard' economic development model will not work in these contexts, the EDS does not articulate an alternative strategy in which economic development will not only be inclusive but also conflict sensitive.
18. There is a clear need for **more clarity and thinking on how to achieve effective, inclusive outcomes in these contexts, including how interventions and investments support conflict and disaster risk reduction, mitigation and response strategies.**
19. The IDC recently suggested that DFID lacks clarity on how to define fragility, recommending that the department should consider the OECD's new multidimensional framework ('UK Aid: Allocation of Resources'). **In addition, the framework might usefully inform DFID's in-depth assessments of its 28 partner countries. Any assessment should take a conflict sensitive and gendered lens.**

⁷ BOND Inclusive Economic Development Briefing note

20. Women's participation in economic activities and the labour market increases during conflict due to fatalities and injuries sustained by traditional male breadwinners, migration, and loss of productive assets. **This opportunity for gender transformation should be seized in order that the trend is not reversed with a reassertion of patriarchal norms in post-conflict settings.** As identified in the Work and Opportunities for Women (WOW) report, 'Economies in Conflict'⁸, further understanding of the extent to which gender norms 'really' change in conflict settings and related opportunities should be further explored.
21. DFID should not see patriarchal cultural norms as a reason not to pursue women's economic empowerment for fear of backlash. Instead, **gendered conflict analyses and protection expertise should be integrated into programming to tackle such norms and create an enabling environment in which to pursue economic gender equality**, in turn increasing social and political equality. At local, national and international levels, advocacy strategies should tackle structural barriers to women's economic empowerment and security including inheritance, housing, land and property rights.
22. **Programming for women's economic empowerment must go far beyond efforts to increase household income.** Economic programming which fails to take a holistic approach to women's empowerment with regard to the wider enabling environment can at best limit success or have short-term results, and at worse be harmful.
23. **Savings groups (VSLAs) offer an economic lifeline in crisis and a springboard for women's wider empowerment, but need adaptation** to be successful in fluid displacement contexts. CARE is currently facilitating VSLAs in 31 out of the 50 most fragile countries ([Fragile States Index](#)) and in six states ranked in the top ten most fragile.
24. Humanitarian cash programmes are vital short-term solutions to cover basic needs in emergency settings but are **insufficient to create women's economic empowerment.** Purchasing power alone must not be equated with economic empowerment.
25. We welcome DFID's funding of cash based interventions (CBIs) including through partnership with CARE in Niger and Zimbabwe. CBIs must go further than cash programming to include longer term financial inclusion pathways. **CBI recipients should be linked to savings groups, and savings groups linked to banks so that beneficiaries graduate off expensive government subsidies and into longer term financial resilience.** CARE has piloted this successfully in several contexts but it warrants further investment to take it to scale.
26. We welcome Dfid's acknowledgment of the challenges faced by the 15% of the world's population living with a disability, 80% of whom live in developing countries (p.22, EDS). Given that this number increases in FCAS, and that **women and girls with disabilities are at higher risk of abuse and exploitation, Dfid should prioritise access to economic opportunities for this group in FCAS.**

⁸ <https://www.gov.uk/dfid-research-outputs/gender-and-economies-in-conflict-work-and-opportunities-for-women-wow-helpdesk-report>

27. DfID has invested in new approaches to address the economic dimensions of forced displacement, notably within the Syrian regional crisis. We welcome the support DfID has given to the pledges made by host governments in Jordan, Turkey and Lebanon at the London Syria Conference in 2016 including opening up work permits for refugees.
28. To further facilitate participation of refugees and vulnerable host communities, particularly women, in dignified economic activities, **DfID should provide technical, financial and political support to overcome remaining obstacles.** In Jordan, for example, only 4% of work permits have gone to women. Barriers to overcome include: **the limitation of professional sectors granting permits and suitability of those sectors for women** (e.g. construction), **lack of childcare, reluctance to travel long distances to work** and **preference for home-based income-generating opportunities**, and the **uncertain legal status of refugees which prevents access to work permits.**

