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The Political and Economic Power of Women

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Article at a glance

- Women's participation in politics and decision-making benefits entire societies, though they are still underrepresented in most government bodies around the world.
- Women are not just beneficiaries of development — they are also agents of transformation.
- Investments in women yield large social and economic returns. When women progress economically, economies are stronger and democracies are healthier.

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The benefits of political participation

Political and economic realities are intertwined. Progress in one dimension reinforces progress in the other. These are the two principal elements of empowerment.

Women's political participation has been slowly improving. In the last ten years, for example, the rate of participation in Parliaments has grown from 13% to almost 18%. Currently there are fewer than 20 women heads of state or government, and women hold about 16% of ministerial portfolios. Clearly the figure ought to be much better, especially when exceptional women like Germany's Angela Merkel and Liberia's Ellen Johnson Sirleaf have demonstrated the strong qualities that women bring to political leadership.

Let me state this reality another way: women are half of the population yet hold one fifth of the positions in national governments. They are significantly outnumbered in the chambers of parliaments, provincial councils, and more often than not missing from the negotiating tables where conflicts are to be resolved. All too often decisions that affect women, their families, and societies are made without women having a voice.

In the South Pacific where I recently participated in a policy dialogue initiated by the United States that was joined by women leaders from twelve of the Pacific Islands, female political participation is marginal at best. In Papua New Guinea, for example, there is one female parliamentarian out of 109 members. There has been legislation pending there to add 22 reserved seats for women but it remains pending.

Why should we care? For one, democracy without women is a contradiction in terms. Many of you may be familiar with the World Economic Forum's (WEF) Gender Gap Report. It looks at the equality of women and men in a given country in four areas: access to education, health survivability, political participation, and economic security. Where the gap is closer to being closed — and in

no country is it closed — or in countries where it has been narrowed and the disparities between women and men are not as great, those countries are more economically competitive and prosperous. In publishing the study over the last several years, the WEF has documented greater progress in access to education and health care than in economic and political participation. The gap in political participation has been the toughest to close.

When women are discriminated against in the political arena, their experiences, talents, and perspectives are shut out of political decisions, and democracies and the prospects for a better world are shortchanged. Moreover, according to the World Bank, increases in female participation in government leadership correlate with decreases in corruption.

I have seen first-hand the differences women make when they are empowered politically. In India, approximately 40% of the elected representatives in the village and municipal councils are women. Thanks to a quota that was adopted many years ago, today more than a million women across the subcontinent have been elected at the local level to serve on *Panchayats* — village councils or municipal councils — beyond the seats reserved for women. Their success has been described as a silent revolution in democracy in India. Research studies show that the women-led councils deliver much-needed public services more effectively. From sanitation to education, they target public resources to benefit the community and are responsible for considerable gains at the local level.

Women must also be at the table in peacemaking, peace negotiations and work on post-conflict reconstruction. Ten years ago, the UN Security Council adopted Resolution 1325 linking women, peace, and security — recognizing that women have a key role to play at all levels of conflict resolution. Women suffer unspeakable horrors like sexual gender-based violence in times of conflict that must be addressed. Women can also help avoid conflict, end it, and recover from it.

The U.S., in both Republican and Democratic Administrations, has played a leadership role on 1325 and its successor resolutions. We need to continue to ensure women gain the skills and access to opportunities to participate in peace processes, political transitions, new constitutions, and the electoral process. The U.S. support for quotas for women in Afghanistan and Iraq, which was chiseled into their constitutions, helped pave the way for women to participate in their parliaments and provincial councils.

One night in Kabul, I was meeting with a group of Afghan women to discuss their role in their country's transition in the peace and reconciliation process. One of the women made a plea that I've not forgotten. She said, "Don't look at us as victims but as the leaders that we are."

She was right of course. As Secretary Clinton has often said, "any potential for stability and peace in Afghanistan will be subverted if women's voices are marginalized or silenced." Today there are more women in the Parliament than previously: there are three women ministers, a woman governor (by all accounts, the best governed province), women elected to the provincial councils, and all of this despite threats to their lives and efforts to keep them from participating.

The United States has advocated for women's participation in all the Afghan consultative bodies. The Peace Jirga that took place a few months ago had slightly over 20% of seats filled by women. The women were so impressive in the Peace Jirga that President Karzai even remarked to me that all of the working groups of the peace jirga recommended that women should participate in follow-on *shuras* consultations.

There is currently a delegation of Afghan women leaders from government, business, and NGOs in Washington. They have been meeting with members of Congress and Administration officials. They want to ensure during this critical transition period for their country that women participate in

the reintegration and reconciliation process at all levels – from the High Peace Council to the local levels in the villages.

Among those with whom they met were members of the newly organized bipartisan Congressional task force on Afghan women co-chaired by Reps. McMorris-Rogers and Donna Edwards. The task force was established to underscore the importance the U.S. attaches to empowering the women of Afghanistan and particularly to support them in their political participation.

This is also why Secretary Clinton, in the first State Department Quadrennial Review of Development and Diplomacy, placed women's issues at the center of U.S. foreign policy — so that women and girls are not just beneficiaries of development (as important as that investment is), but also agents of transformation.

Next week, Secretary Clinton will be participating in the 6th ministerial of the Community of Democracies that will take place in Lithuania, as well as a high-level women's leadership conference on women and democracy that will focus on the role of women in emerging democracies and transitional governments. If the Arab Spring is going to mark a turning point in history for democracy, economic opportunity, and the safeguarding of women's rights in the region, much will have to be done to support the efforts of those on the frontlines, especially the women struggling for political progress and economic opportunity.

Women started working out of necessity; they stayed when jobs became careers. They were hired in a hunt for diversity and kept because of their talent. The result has been a world-changing revolution.

This week, First Lady Michelle Obama will be in South Africa attending the U.S.-sponsored Young African Women Leaders Forum to catalyze networks of young women from across sub-Saharan Africa who are leading social and economic initiatives in their own countries.

Economic empowerment

Economic empowerment is essential to women's progress. President Zoellick of the World Bank has noted the empowerment of women is smart economics — studies show that investments in women yield large social and economic returns.

Not too long ago, *Foreign Policy* magazine ran an article on women and the economy in the United States. Remember Rosie the Riveter? She was the emblem of all those women who went into America's factories during World War II and helped manufacture the equipment needed to send the greatest Army, Air Force, and Navy in history into battle. Her motto was succinct and I still like it: "We can do it."

As the *Foreign Policy* article pointed out, "The economic history of the last 50 years has been the entrance of the female half of the population into the workplace. Women started working out of necessity; they stayed when jobs became careers. They were hired in a hunt for diversity and kept because of their talent. The result has been a world-changing revolution. Today, women are not just good for the bottom line: they're fundamental to bringing nations out of poverty and they just might be the future of work. After World War II, the United States saw a significant increase in GDP largely due to women's work outside the home.

We know that the best ideas and innovation flourish in a diverse environment. Today, in the U.S., women comprise half the workforce. In almost two thirds of families, they are the primary breadwinners or the co-breadwinner. Without women's earnings, the economic viability of many families in our country would be worse today.

Women entrepreneurs offer people everywhere so much promise. It is a fact that women-run SMEs drive economic growth and create jobs.

I remember many years ago, bringing an international group of emerging women leaders to the Chamber of Commerce for a meeting with one of the officials. He told them if he had one message for them to take to their leaders, it was the importance of women in the economy of their countries. He said, "Tell your leaders, the U.S. economy is booming because of women's economic participation." So in boom times, or the more challenging economic times today, American women are making a difference in growing businesses and driving economic growth.

What the Chamber official said was in contrast to an official I met when I was traveling with then First Lady Hillary Clinton several years ago. This economics official was going on and on about how women in his country have no role in the country's economy. Mrs. Clinton stopped him and said, "Sir, as far as the eye can see, (we were traveling in a van), women are bent over with children on their backs doing the farming, carrying wood, carrying water...if they all stopped but for a day, your country would shut down."

Let me give you a macro example of what the economic empowerment of women could mean, drawing on my experience at an Asia-Pacific Economic Cooperation (APEC) meeting. It is calculated that the Asia-Pacific region is shortchanged in excess of \$40 billion a year in gross domestic product (GDP) because of the untapped potential of women. Can the world continue to afford to perpetuate structural discrimination against women in the workplace anywhere?

At the State Department, we've put a strong focus on women's economic empowerment and placed these issues on the agenda of the multilateral platforms in which we participate, including APEC. Last year, APEC, with U.S. leadership, held the first ever Women's Entrepreneurship Summit in Japan. It included government and private sector participants from 21 economies. This year with the U.S. leading APEC, we will take this to a more prominent level with ministers and private sector representatives participating in the APEC Women and the Economy Summit in San Francisco in September. Secretary Clinton will give the keynote address.

The fact is that we are witnessing a dramatic change in the role women are playing in the global economy. But while some of the progress is encouraging, many significant challenges remain at home and abroad. These challenges impact the family, the workplace, and economies everywhere.

If governments, the private sector, and other co-collaborators cannot develop and apply appropriate policies and market solutions, the world's economy will not achieve the sustainable, balanced, inclusive growth we all hope for.

Women entrepreneurs offer people everywhere so much promise. It is a fact that women-run SMEs drive economic growth and create jobs. One CEO described why they are a high-yield investment. He said they are the "lowest hanging fruit to pick to drive GDP." This is true overseas, and certainly true here in the U.S. where women own 40% of U.S. businesses, contribute \$4 trillion to the U.S. economy, and women-run small and medium-enterprises (SMEs) are growing at a faster rate.

Yet everywhere women face barriers that hinder their ability to start or expand their businesses — challenges that CIPE is also working to address. Women often lack access to finance, markets, training, mentors, networks, and technology. They also frequently face discriminatory regulations, policies and practices that are often deeply entrenched. Sometimes they lack property, inheritance, or land rights.

CIPE's studies are replete with examples of those impediments and innovative ways in which women are transcending their circumstances. To stem the costs in lost GDP and help women to overcome the barriers to greater economic participation, we at the State Department have instituted several programs in concert with private sector partners to focus on business training and mentorship — such as the mentoring partnership with Fortune's Most Powerful Businesswomen or the Tech Women program in which women in technology from Silicon Valley work with women in the Middle East. We have also begun a series of training conferences for women entrepreneurs in the Caucuses, Central Asia, the Balkans, and beyond called "Invest in the Future." We know that if women progress economically, it will lead not only to stronger economies but to healthier democracies.

CIPE too is making important contributions. Let me mention specifically your efforts to support business associations. Your mission statement on this issue is well put: "Business associations play a crucial role in sustainable economic development and political advocacy. They are uniquely positioned to unite the business community around a common set of issues, needs, recommendations, and policy alternatives. So often, what might be a concern for one small business is often the concern of many."

I saw this first hand with a training program we began last year for African Women Entrepreneurs so they can better access the trade benefits of the African Growth Opportunity Act (AGOA). A group of very capable and successful African women entrepreneurs from the AGOA countries participated in last year's ministerial in Washington and headed out to the Midwest for two weeks of trainings.

The rising of the women is the rising of us all. We know this to be true and it is without a doubt grounds for realistic optimism.

I was with them a little over a week ago at this year's AGOA ministerial in Lusaka, Zambia where African businesswomen had garnered the attention they deserve. A year into the program, it was so exciting to see the enormous progress the women are making in growing their businesses, making them export ready, and expanding the network of women entrepreneurs in their own countries. They have also lobbied their government for improved investment climates. At the AGOA ministerial, Secretary Clinton announced that the U.S. would support another two years of trainings in the U.S. for additional African women entrepreneurs. This pan-African platform for women is powerful and taught us what we and CIPE already know—that investing in women is not only the right thing to do, it's the smart thing.

CIPE's initiative in Afghanistan for over 200 women trained in advanced entrepreneurship skills has facilitated the expansion and creation of dozens of businesses. Although this is a business/economic initiative, it is also a political one. It too generates dialogue, discussion, and an agenda addressing critical needs ranging from property rights to access to credit.

The years ahead

Last month I traveled with Secretary Clinton to the Organization for Economic Cooperation and Development (OECD) ministerial in Paris which focused on gender and economic growth. The great majority of the ministers spoke about the importance of including women in their economic growth strategies. They also endorsed the OECD Gender Initiative, which the U.S. led, and which among other elements calls on the OECD to improve data collection on women's employment and entrepreneurship and to work with other willing organizations on a plan to make gender data more comparable and useful, and to identify a list of common indicators for future data collections.

As Secretary Clinton said in Paris, "No society can achieve its full potential when half the population is denied the opportunity to achieve

theirs." We have studied these issues over many years; we have discussed them and we have placed them on the international agenda. That is progress. Although the debate is mostly over, the struggle for women's full economic and political power is not. Much work remains and thankfully, CIPE is on the frontlines advancing women's economic and political progress.

After all, gender equality benefits everyone. The rising of the women is the rising of us all. We know this to be true and it is without a doubt grounds for realistic optimism.

This article is adapted from Ambassador Verveer's remarks at CIPE's conference *Democracy that Delivers for Women*. You can also watch her address at <http://www.youtube.com/watch?v=7WJ6IJjWurs>.

In her capacity as director of the Department of State's new office on Global Women's Issues, Ambassador Melanne Verveer coordinates foreign policy issues and activities relating to the political, economic, and social advancement of women around the world. She mobilizes concrete support for women's rights and political and economic empowerment through initiatives and programs designed to increase women's and girls' access to education and health care, to combat violence against women and girls in all its forms, and to ensure that women's rights are fully integrated with human rights in the development of U.S. foreign policy. Previously Ambassador Verveer served as Chair and Co-CEO of Vital Voices Global Partnership, an international nonprofit she co-founded. Prior to her work with Vital Voices, Ambassador Verveer served as Assistant to the President and Chief of Staff to the First Lady in the Clinton Administration.

The views expressed by the author are her own and do not necessarily represent the views of the Center for International Private Enterprise (CIPE). CIPE

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