Women’s Economic Empowerment and Climate Change

The Center for Women’s Economic Empowerment (CWEE) at CIPE advances gender equality in emerging markets to build more inclusive, thriving economies and democracies that deliver for all citizens. This two-page briefer outlines how CIPE approaches the intersection of women’s economic empowerment (WEE) and climate change. This briefer lists some examples of CIPE programming and presents areas of interest for future research, project, and policy exploration.

Background

Climate change poses a formidable threat to humanity, and could soon become irreversible without appropriate adaptation and mitigation measures. Policy makers, the international community and the private sector all have a role to play in responding to climate change. Climate change affects the business community, specifically women entrepreneurs, acutely. The impact of climate change on business opens up a space for women businesses and the private sector as a whole to innovate on climate-responsive policies, advocacy, and action.

Similarly to other marginalized groups, climate change disproportionately affects women, and as an extension, women businesses. In the aftermath of natural disasters, underlying socioeconomic, political, and legal barriers limit women’s choices. Women often lead community development efforts; have more care responsibilities for children and the elderly; lack access to finance, capital and technology; and face backlash from other discriminatory laws. Taken together, these factors undermine women’s economic empowerment while precluding climate innovation by women in business.

Climate Risks to Women Businesses and Workers

Climate change adversely affects every part of a well-functioning business through both physical and transitional risks. Physical risks include profit-reducing events such as natural disasters preventing employees from coming to work or supply chain interruptions. Transitional risks, on the other hand, arise due to new climate change policies, adaptation technology costs, and changing consumer preferences. Emissions-intensive assets thus will lose value, posing a problem for businesses built around this model. The financial impact is quantifiable: estimates suggest global temperature rise will cause an estimated $23 trillion of associated global economic losses over the next 80 years.

Due to the disproportionate impact of natural disasters on marginalized communities, women laborers and women’s businesses feel the risks intensely. After a natural disaster, women have a harder time resettling, and are often delegated to care responsibilities, such as “clean-up work, subsistence activities, and nursing the sick.” Given economic constraints, women often face a lack of access to medical care and facilities post-disaster. This extra burden leaves women with “virtually no time for income-generating activities,” reducing their economic mobility even further.

Climate change may also decimate entire business industries. For example, the UN notes that environmental effects on rural industries “compromise [rural women’s] potential to contribute to sustainable development.” Rural agriculture employs one-third of women globally, meaning that the absence of these jobs due to changing environmental conditions has huge implications for women’s ability to work.

Health effects of climate change further compound the negative impact on women workers and entrepreneurs. Consider water scarcity, which the Georgetown Institute for Women, Security, and Peace explains “undermines hygiene and sanitation, affecting maternal health, women’s economic productivity, and girls’ education.” The resulting women’s economic disempowerment is cyclical: decreased education and health undermine women’s full economic participation both today and in the future.
The (Women) Business Community’s Response to Climate Change

Businesses hold great potential for both mitigation and adaptation responses to climate change. By investing in renewable technologies, meeting emissions targets, and placing a premium on sustainability, the business community can play a key role in global climate action. Businesses might also innovate to develop new adaptation/mitigation technologies, products and services.

Economically empowered women taking charge in the business world also comprise an important part of the solution. Studies show that women tend to play key roles in their communities in preserving biodiversity, engaging in sustainable technologies and methodologies, leading responses to natural disasters, and adapting to climate change, in general. As women grow more empowered economically (and otherwise) in their communities, they are better able to utilize this knowledge base to respond to climate change.

CIPE and Climate Action

Women’s economic empowerment projects, such as those overseen by the Center for Women’s Economic Empowerment (CWEE) at CIPE can be an important tool in climate action. When women are economically empowered, they are more likely to engage in activities like education and family planning. A byproduct of women’s economic empowerment projects thus includes promoting reduced carbon emissions through sustainable population growth. In addition, women who are economically empowered are more likely to invest in sustainable resources and goods. For example, women farmers tend to favor nutrition and taste over mass production, which help protect biodiversity and soil resilience.

Additionally, CIPE's Women's Business Agenda (WBA) process gives women a voice for climate advocacy. By convening businesswomen and their allies, building consensus on key issues and their respective priorities, developing policy prescriptions, advocating to policymakers, monitoring the policymaking process, evaluating the effectiveness of advocacy, and reconvening to begin the process again with an updated set of issues, the WBA provides a space for women to discuss their concerns. In high-risk regions such as the Pacific Islands, women’s groups comprise an essential demographic in the fight against climate change. Consequently, future programs should capitalize on the power of women’s participation to integrate women’s economic empowerment and climate change response together.