

Role of Women Empowerment in Poverty Alleviation: A South Asian Perspective

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Abstract

The Millennium Development Goals adopted in the United Nations Millennium Summit of 2000 are eight goals in which poverty eradication is the first goal. The number of people living in extreme poverty has declined by more than half, falling from 1.9 billion in 1990 to 836 million in 2015. The number of people living in extreme poverty in the South Asia Region is likely to have fallen to 13.5 percent of the region's population in 2015. But in case of South Asian countries, still there is need to remove poverty for sustainable development. For this purpose, present study focused on investigation the role of women empowerment in poverty alleviation in South Asian countries. This study assesses the effects of women empowerment on poverty reduction in case of 6 South Asian countries (Pakistan, India, Bhutan, Bangladesh, Sri Lanka and Nepal) is taken on the basis of data availability. For this purpose, secondary data on Poverty headcount ratio, ratio of female to male labour force participation rate, ratio of female to male secondary gross enrolment and GDP growth from the year 1990 to 2015 has been taken. The Hausman technique has been used and the results of random effect model shows that in case of South Asian countries economic empowerment of women, social empowerment of women and increase in GDP are important factors for poverty alleviation. On the basis of empirical findings of the present study, it is suggested that government should launch strategies for the economic and social empowerment of females by providing decent environment for the sustainable development of South Asian countries.

Introduction

In 2000 Millennium Summit of the United Nations established the international development goals known as Millennium development goals. The eradication of extreme poverty and hunger is the first goal. Extreme poverty has been originally defined by United Nations in 1995 as "a condition characterized by severe deprivation of basic human needs including food, safe drinking water, sanitation facilities, health, shelter, education and information. It depends not only on income but also on access to services." The international community is focused on accelerating efforts to achieve the goals laid out in the original MDGs. Overall, there has been significant progress towards reducing extreme poverty. The number of people living in extreme poverty has declined by more than half, falling from 1.9 billion in 1990 to 836 million in 2015. A number of organizations including international organization, bilateral organization and non-governmental movements are working to end extreme poverty all over the world. In South Asia all the countries are developing and are facing the problem of poverty. In 1991, an independent South Asian Commission on Poverty Alleviation was established by SAARC. Women Empowerment plays an important role in poverty alleviation.

Women's empowerment is heralded in today's development circles as a means that can produce extraordinary ends. Women are vaunted as a 'weapon against poverty (Cornwall and Edwards, 2010, 1). Women's economic empowerment is a prerequisite for sustainable development and pro-poor growth and the achievement of all MDGs (The OECD DAC Network on Gender Equality (GENDERNET). Economic empowerment increases women's

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access to economic resources and opportunities including jobs, financial services, property and other productive assets, skills development and market information. Women empowerment is a combination of women's increased economic activity and control over income resulting from access to financial services with improved skills, mobility and knowledge. This facilitates the women to improve the status within the household and community. These changes are reinforced by group formation, leading to wider movements for social and political change which contributes to the achievement of MDGs.

Literature Review

Women empowerment is regarded as one of the most important way to reduce poverty. A few numbers of studies have been conducted to investigate the role of women empowerment on poverty alleviation.

Khan and Ali (2016) have analyzed Socio-economic empowerment of women in Gilgit-Baltistan, Pakistan. They analyzed the impact of Local Supportive Organization's services in empowering women in three districts of Gilgit-Baltistan by using primary data of 8 LSO staff and 52 women beneficiaries in targeted areas. They found that the major purpose of LSOs remained to empower women economically. LSOs focused on to increase income of women which has a positive impact on poverty reduction and leads towards self-reliance and self-confidence of women (empowerment).

Fahami and Salina (2016) investigated the role of Zakat in economic empowerment of women and its impact on poverty reduction in case of Bangladesh. Data was collected from the Survey January 2015 to June 2015. They found their results by using the following formula on SPSS. They concluded from their study that Zakat can play an important role in the economic empowerment of women and by encouraging women to participate in economic activities, they can play an important role in improving their living standard by reducing poverty.

Cantillon et al. (2016) investigated the impact of women employment on poverty reduction at macro level in case of 15 OECD countries by using the data from 1971 to 2013. Data was based on over 2 million household level observations from the LIS Database and was analyzed by using Blinder-Oaxaca decompositions method. They concluded that an increase of 10 percentage points in the female labour force participation rate is associated with a reduction of 1 percentage point of poverty across these countries. Women employment has significant effects on poverty reduction. However, in the Nordic countries no such poverty reducing effect was found, as in these countries women's employment rates were very high and stable throughout the observation period. Hence, their findings suggest that the potential of following an employment strategy to reduce poverty in OECD countries has, to a large extent, been depleted.

Dolly and Pereira (2016) analyzed the role of SHGs in achieving the Millennium Development Goals (MDGs) by eradicating extreme hunger and Poverty by creating self-employment opportunities through microcredit channelized through SHGs. To study the impact of SHGs on the achievement of MDGs both secondary and primary data was collected for SGHs brought about gender equity in rural women in India and have improved their basic literacy levels. Their study revealed that women SHGs played a vital role in attaining the UN Millennium Development Goals.

Anin et al. (2014) have investigated the economic role of women in reducing household poverty in case of Bongo district of the upper East region in Ghana. They have used primary sources of data like interviews and observations. They found that farming and trading are the major occupations of women in that district and women play a notable role in reducing household economic burden. They recommended that improvement in educational level of women in country would ensure that they find themselves in more financially

rewarding jobs of employment which would increase their income contributions to reducing poverty in the household.

Duncan-Cassell (2012) minister of Gender and Development Republic of Liberia has presented at the 56th Session of the Commission on Status of Women that rural women in Liberia make a portion of 60% of the country's population and the govt. has taken steps to empower rural women. Through which the economic activities of rural women have increased and they have contributed to reduce poverty. She said that women empowerment will increase their participation in labour force and then by increasing women's participation in labour force there will be increased earning which is associated with reduced poverty and foster economic growth rates.

Hilal (2012) has investigated the role of Vocational Education and Training (by NGO) for women and youth in reducing poverty in case of Palestine. The data has been collected from the period 1995 to 2010 and collected from secondary source of data collection and has analysed on SPSS. He found that the Vocational Education and Training programmes by NGO have increased the participation of women in labor market which in turn leads to increase in their family income generation by contributing their own income and this helped families out of poverty or protected them from becoming poor.

Khan and Zainab (2011) have studied the role of Govt. run participatory development projects on women's socio economic empowerment and its role in poverty alleviation in case of Nasirabad area of Baluchistan, Pakistan. Data from the sample survey conducted for evaluation of impact survey in 2003 has been used in this study. They found that the project has enhanced the role of women in economic activities leaving positive effects on their family welfare the effects of micro credit on woman development are generally positive but due to meager amount and less coverage it could not leave significant impact on their standard of living. Finally, they concluded that the overall effects of empowerment of woman for poverty reduction in the study area were found positive but less significant and less durable

Elijah and Ogunlade (2006) have investigated the role ICT in gender empowerment and in turn the role empowerment in poverty alleviation in case of Nigeria. The data used by them in their study are both secondary and primary data from field survey (field survey 2006). In Nigeria women work more than men but they are inadequately awarded for their efforts at any level. Obayelu A. Elijah and Ogunlade in their study have found that women considered the word "technology" to have male connotations even though "information" seemed more feminine. Some even believed that working with ICTs would drive women mad. According to the authors women's full and equal access to ICT-based economic and educational activities supports women's contributions in both business and home-based activities and improves women's socioeconomic status, strengthens the family. ICTs also provide options for women, including overcoming illiteracy, creating opportunities for entrepreneurship, allowing women to work from home and care for their families. All these actions will reduce poverty in Nigeria.

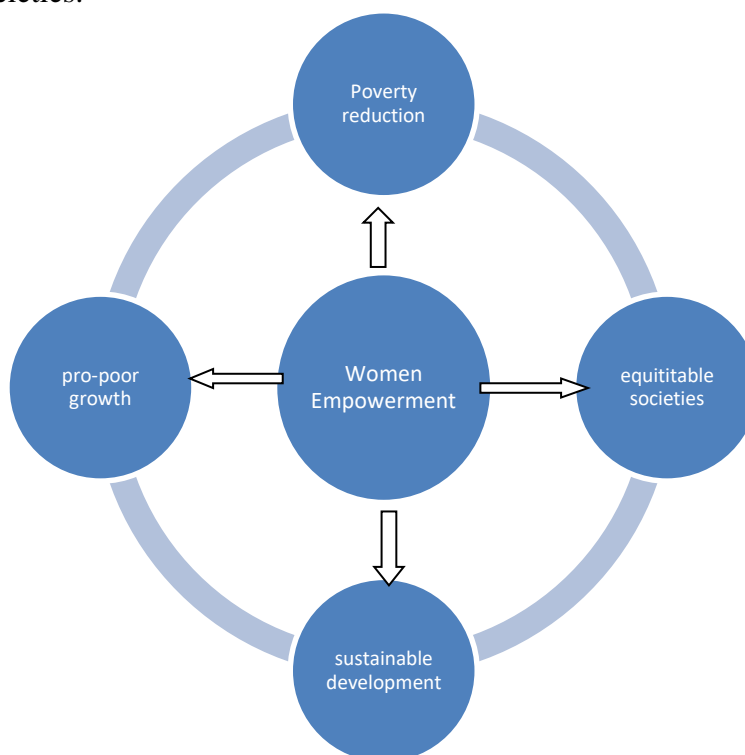
Theoretical Framework

Women empowerment plays an important role in poverty reduction. The following diagrams and paragraphs are showing this fact:

1) According to International Labour Organization (ILO):

Societies cannot afford to ignore the potentials of female labour in reducing poverty and the need to search for innovative ways of lowering economic, social and political barriers. Society's ability to accept new economic roles for women and the economy's ability to create decent jobs to accommodate them are the key prerequisites to improving labour market outcomes for women as well as for economic development as a whole (ILO, 2008)

2) Women's economic empowerment is a prerequisite for sustainable development, pro-poor growth and the achievement of all the MD Gs. At the same time it is about rights and equitable societies.



Source: Poverty Reduction and Pro-Poor Growth: The Role of Empowerment—OECD 2012

3) Women not only bear the brunt of poverty, but their empowerment is key to its reduction. (Khosla, 2009, 7)

4) President Ellen Johnson Sirleaf has revealed as a top priority of her administration, the empowerment of Liberian woman through skills training initiatives as a key to poverty reduction strategy. She said lifting women from poor conditions through capacity development programs will help groom them into becoming leaders and entrepreneurs. That way she continued the women will be able to create opportunities not only for themselves but for others. In this way they will be able to end poverty.

Source: Women's Empowerment Equals Poverty Reduction Asserts Liberian President (2012).

5) President Barack Obama during his January 2013 State of the Union address that the United States would join with its allies to "eradicate" extreme poverty over the "next two decades" by connecting more people to the global economy and empowering women (Lefton 2013).

Methodology

In order to study the role of women economic and social empowerment in the achievement of Millennium Development Goal of poverty reduction, South Asian Countries have selected. This study is based on secondary data. Secondary data has collected from the World Development Indicators and Index Mundi. In order to show the impact of women empowerment on poverty alleviation poverty headcount ratio at 3.10\$ a day has been taken and in order to show the economic empowerment of women or the economic participation of

women the ratio of female to male labour force participation rate has been taken, to show the social empowerment of women the ratio of female to male secondary gross enrolment has been taken and the GDP growth rate of each country to show the economic growth has been taken. Poverty headcount ratio at 3.10\$, secondary gross enrolment for social empowerment and labour force participation rate for economic empowerment can be used after reviewing literature.

Cantillon et al. (2016) in their study have used the female labour force participation rate to show women employment. Otherwise most of the studies are theoretical in nature. So, to show the role of women economic and social empowerment on poverty reduction the form of variables is as follows:

Functional form of variables:

Poverty = f (female economic empowerment, female Social empowerment, economic growth)
where

Economic empowerment = Ratio of female to male labour force participation rate

Social empowerment = Ratio of female to male secondary gross enrollment

Poverty = Poverty headcount ratio at 3.10 \$ a day (2011 PPP) (% of Population)

Economic growth = GDP growth rate

Hence the econometric model is as follow which will be estimated by using econometric techniques:

$$Poverty = \beta_0 + \beta_1 RFMLFPR + \beta_2 RFMSGE + \beta_3 GDP + \epsilon$$

Here,

Poverty = Poverty headcount ratio at 3.10 \$ a day (2011 PPP) (% of Population)

GDP = GDP growth (annual %)

RFMLFPR = Ratio of female to male labour force participation rate (ILO estimated %)

RFMSGE = Ratio of female to male secondary gross enrollment (15+ ages) (%)

Table 1: Description of variables:

GDP growth	GDP growth (annual %), GDP growth shows the economic growth and in this study the impact of economic growth will be checked on poverty
RFMLFPR	Ratio of female to male labour force participation rate (15+ ages) (ILO estimated %) or LFPR, female (% of female population ages 15+) / LFPR, male (% of male population ages 15+) which is representing here the economic empowerment of women
RFMSGE	Ratio of female to male secondary gross enrollment (%) which is representing here the social empowerment of of women
Poverty	Poverty headcount ratio at 3.10 \$ a day (2011 PPP) (% of Population) ,Poverty headcount ratio at \$3.10 a day is the percentage of the population living on less than \$3.10 a day at 2011 international prices

Table 2: Descriptive Analysis:

Total Countries: 6						
Variables	Observations	Mean	Median	St.dev	Min	Max
GDP	109	5.423166	5.079353	2.41137	-1.545373	7.92582
RFMLFPR	109	0.483365	0.447210	0.265937	0.150421	0.917336
RFMSGE	109	0.743669	0.718865	0.230663	0.208926	1.096963
Poverty	109	59.55661	66.93714	23.14277	13.50000	93.34000

In Table 2, Poverty is the dependent variable taken in the model, poverty on average is 59.55% which is its mean value in the table and it ranges from 13.50% to 93.34%. RFMLFPR is the ratio of female to male labor force participation rate, it is an independent variable taken to measure economic empowerment of women and the mean value of RFMLFPR is 0.48 which is showing on average RFMLFPR in 6 South Asian Countries and RFMLFPR ranges from 0.1 to 0.9. The second independent variable in the model is ratio of female to male secondary gross enrolment, its mean is 0.7 and it ranges from 0.2 to 1.0 and the third independent variable is GDP growth its on average is 5.42 and it ranges from -1.5% to 7.9%.

The Hausman test to check which model is appropriate either fixed or random model.

Table no. 3

Correlated Random Effects - Hausman Test

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	1.410880	3	0.7030

Hypothesis:

Here H_0 = random is appropriate

H_1 = fixed is appropriate model Results:

The Hausman test has been applied to check which model is best to adopt and as the probability value is greater than 0.05 then we accept H_0 that random model is appropriate.

The Random model results which is best according to the Hausman results:

Table no. 4

Dependent variable: Poverty

Variables	Coefficients	Probabilities
RFMSGE	-1.37215	0.0000
GDP	-0.345029	0.0251
RFMLFPR	-0.11988	0.0002
C	91.40232	0.0000

Results

The results of the above table shows that GDP growth, ratio of female to male labour force participation rate, ratio of female to male secondary gross enrolment are negatively related to Poverty and all the variables are significant showing that they (independent variables) affect the dependent variable significantly. As the probability value against the coefficient of the variable RFMLFPR is less than 0.05 so it is significantly affecting the dependent variable which poverty headcount ratio and the negative coefficient of RFMLFPR shows that it is negatively related to dependent variable which means as the ratio of female to male labour force participation rate increases or in other words when the female labour force participation increases poverty will be reduced. Female economic empowerment is increasing in South Asian countries and leading to poverty reduction.

The relationship between ratio of female to male secondary gross enrolment and poverty is also negative which is clear by the negative coefficient of RFMSGGE and as the probability value against its coefficient is less than 0.05 which shows that RFMSGGE is significantly negatively related to poverty. When the RFMSGGE increases this leads to reduce poverty. Although South Asian countries do not have well educated population but the no. of educated persons are increasing in these countries and especially the number of literate female is increasing and has resulted in reducing poverty in that region that's why ratio of female to male secondary gross enrolment is negatively related to poverty headcount ratio.

A third independent variable which is GDP growth rate showing here the economic growth of the countries. And in almost all of the studies economic growth has shown by the GDP growth rate. Negative coefficient of the GDP shows that it is negatively related to dependent variable which is poverty. Increase in economic growth leads to reduce poverty in the countries.

Conclusion

The results of the above table reveal that in case of South Asia countries (Pakistan, Bangladesh, Bhutan, Nepal, Sri Lanka and India) economic empowerment of women, social empowerment of women and economic growth are negatively related to poverty which means that as the economic, social empowerment of women and economic growth increases it leads to decrease in poverty and in this region economic and social empowerment of women have significant impacts on poverty reduction. There are many programs working in some South Asian countries to empower women like in case of Pakistan Local Supportive Organizations are providing their services to empower women, in case of India Self Help Groups (SHGs) are providing their services to empower women economically and it has been analyzed by most of the studies that the efforts of these groups have impacts on empowering women. The studies found significant impact of (SHGs) on empowering women and in turn reducing poverty.

In case of Nepal Pact's Women's Empowerment Program (WEP) has helped the poor women in Nepal. In case of Bangladesh Center for Zakat Management (CZM) for poverty alleviation has provided services to empower women by providing them Zakat. However, by the estimation results it has come to known that ratio of female to male labour force participation rate, ratio of female to male secondary gross enrolment are negatively related to poverty. As by the theoretical link between women empowerment and poverty reduction it is clear that women can play important role in poverty reduction so it is suggested that Govt. should take more and more steps to empower women in these countries so that they can completely get rid of poverty. PCI believes that women who are empowered become solutions to poverty, poor health and vulnerability for their families and within their communities.

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