

**Women's Economic Empowerment as the "Magic Potion" of Development?**

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# Women's Economic Empowerment as the "Magic Potion" of Development?

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***Abstract:** I argue that enhancing women's economic empowerment comes close to being a "magic potion" that boosts both gender equality and the "wealth and well-being of nations." My argument flows from my general theory of gender stratification and my theory of gender and development. With greater economic power, women gain more say in household decisions and tend to promote – and spend their own money disproportionately on – the nutrition, health and education of daughters as well as sons. They also have more say in fertility, which they generally use to curb it. Their educated daughters also have less fertility – and national income growth is inversely related to fertility. Moreover, women's economic empowerment is linked to less corruption and armed conflict and, over the long run, less violence against females. It even is somewhat linked to better environmental stewardship and, possibly, reduced HIV prevalence. Policy and programming implications for development are discussed in the Conclusions.*

## I. Introduction

This paper argues that boosting women's relative control of income and other economic resources has so many consequences that positively enhance both gender equality and development that female economic empowerment may be close to being a "magic potion." Specifically, I make a theory-guided case (abbreviated due to space constraints) that women with economic power – defined as control of income and other key economic resources (e.g., land, animals)<sup>1</sup> – (1) gain more equality and control over their own lives (Blumberg 1984), while also (2) contributing: (a) directly to their children's human capital (nutrition, health and education) and thereby indirectly to their nation's income growth; (b) directly to the wealth and well-being of their nations, and (c) indirectly to their country's national income growth through their own – and their educated daughters' – lower fertility<sup>2</sup> (Blumberg 1989a). Also, more female economic power might help reduce corruption, conflict and violence in their nations (Blumberg 2004a), while promoting greater environmental sustainability and, perhaps, reduced rates of HIV/AIDS.

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<sup>1</sup> A great deal of empirical data indicates that for female economic empowerment, it's not just (a) work, (b) earning income, or even (c) ownership, unless it involves CONTROL of resources.

<sup>2</sup> As further discussed in the text, there is an inverse relationship between the fertility rate and national income growth (see, e.g., Hess 1988). And women tend to opt for lower fertility when they have the power to do so (e.g., Blumberg 1993; United Nations 1987).

## II. Links to Theory

My case flows from my two gender theories: (1) a general theory of gender stratification (Blumberg 1978, 1984, 1991, 1998, 2004b) and (2) one on gender and development (Blumberg 1988, 1989a, 1989b, 1995, 2001a, 2001b, 2002, 2004a, 2004c). Both evolve as I do research in additional developing countries (40 to date, worldwide, starting with Peace Corps in Venezuela).

In both theories, I posit that women's economic power relative to men, at "nested" levels ranging from the couple to the state, is the most important of the many factors affecting the level of gender stratification in a given society/human group at a given point in history, geography or social structure. In other words, **enhanced female economic power is proposed as the prime factor in reducing gender inequality**. Here are some of the hypothesized outcomes of women's economic empowerment.

### 1. **Increased income controlled by women** gives them:

- a. *>Self-confidence*, which helps them to obtain
- b. *>"Voice and vote"* in **household decisions**, such as:
  - i. **Domestic well-being** decisions (women tend to use income clout for more equitable decisions about sons and daughters' diet, education and health);
  - ii. **Economic** decisions (acquiring, allocating, and selling/alienating assets);
  - iii. **Fertility** decisions (most women use their income clout to lower it);<sup>3</sup>
  - iv. **Land use and conservation** decisions (rural women tend to favor sustainable practices since they usually bring the water and firewood, which takes more time and effort in degraded environments).

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<sup>3</sup> Indeed, Weller's 1968 study in Puerto Rico found that one of the first things women did when they began to earn their own income was to begin to practice (female) contraception; see also United Nations 1987 for an overview of World Fertility Survey findings in over three dozen countries.

c. *>Control of their “life options”* (Blumberg 1984). These are aspects of one’s destiny that exist in all human societies (e.g., marriage, divorce, sexuality, fertility patterns, freedom of movement). Women’s freedom and control vis-à-vis these options (relative to males), however, depends not only on their relative economic power but also on the macro-level legal system and overarching gender norms for their group. These may respond more slowly to growing female economic empowerment. The life option of fertility may be the single most important determinant of a female’s life prospects (for example, how many women readers/listeners would have achieved their present positions if they had begun having babies in their mid-teens at the 24-27 month average spacing interval that the Pan American Health Organization found prevalent among non-contracepting women in Guatemala and other Latin American countries?). But other key “life options” include:

- i. “Voice and vote” in **marriage** (whether, when and with whom), and
- ii. Relative **freedom of movement**.

Further, >economic power also leads to:

d. *>Influence by women* (often indirect) *in community affairs*.

2. Moreover, **men and women tend to spend income under their control differently**, with important micro and macro level effects:

- a. Women tend to hold back less for themselves and devote income more single-mindedly to children’s nutrition, health and education, i.e., increasing their human capital;
- b. Women tend to spend their income more even-handedly on both daughters and sons’ improved diets, survival, health and education;
- c. Therefore, projects that channel income to women as well as men receive a “synergy bonus” (Blumberg 1989a) of enhanced human capital as well as economic impact.

- d. Conversely, when projects reduce women's relative income (e.g., by expecting them to do the work but giving the resulting income to their husbands), their position tends to drop faster than it rises with increased income, often reducing family welfare apace. This also may lead to the failure of the development project as women turn to sabotage, or to other income sources they can control (Carloni 1987; Blumberg 1988).
- e. An additional caveat is that one gets more power from surplus income than from trying to stretch insufficient funds to cover bare subsistence: one has more freedom in allocating surplus. This implies that the "synergy bonus" of female-controlled income is even bigger if it can be raised above "mere subsistence."

3. Furthermore, greater **female economic power also enhances the "wealth and well-being of nations"** (Blumberg 1989a). It does so for at least two reasons:

- a. Women who control their own income tend to have fewer children and the fertility rate is inversely related to national income growth (Hess 1988);
- b. They also are able – and generally more willing than male counterparts – to send daughters as well as sons to school, even when they earn less than those men (see Blumberg et al. 1992; Blumberg 1993).
- c. In turn, the benefits of female education are enormously positive and affect the whole society (King and Mason 2001). These benefits include (Blumberg 1989a):
  - (i) >age of marriage;
  - (ii) >contraception;
  - (iii) <fertility (e.g., as measured by the Total Fertility Rate, TFR);
  - (iv) <infant/child mortality;
  - (v) >female paid modern sector employment, and

- (vi) >female earnings (which results in >education of daughters and sons, i.e., a “virtuous circle”).
- d. In point of fact, almost all the benefits of educating girls are associated with lower fertility, over and above the direct link specified above (iii). Specifically, a later age of marriage lengthens generations, cutting the rate of population increase. Higher rates of contraceptive usage translate into lower fertility. So, too, do lower rates of infant and child mortality. And both paid modern sector employment and higher earnings for women are closely linked to their having fewer children. In sum, economically empowered females promoting their daughters’ education comprise another “multiplier effect” that enhances development and national income growth, while freeing these daughters from a bleak future as ignorant “baby-making machines.”
- e. Development policy makers are aware of the benefits of girls’ education. That’s why they have chosen elimination of the gender gap in schooling as the target for the third Millennium Development Goal (MDG), which is to “promote gender equality and empower women.”

### III. Female Economic Power’s Links to Violence Against Women (VAW)

VAW is increasingly being dealt with as both a human rights and legal rights issue worldwide (Blumberg 1998). Indeed, getting a domestic violence law passed and implemented has been a galvanizing issue for grassroots and middle class/professional women’s groups throughout the Global South (see, e.g., Blumberg 2001c, 2004b). In order to discuss VAW in terms of economic power, some of the hypotheses from my general theory of gender stratification are relevant. Accordingly, here is some background.

First, I argue that of the major forms of power – economic, political, force/violence and ideology – economic power is, empirically, the most **achievable** by women (as well as the most

important for gender equality in terms of theory). For one thing, it is the only one of these types of power where women ever get above the “50-50 line” of male-female equality (Blumberg 2004b). There are no known human societies where women have been found to wield even half of the political power or are considered ideologically superior. With respect to the power of force/violence, females usually are its victims rather its wielders. Conversely, studies have found that women’s relative economic power may vary from near-zero to near-100% (see, e.g., Brown 1974 concerning Iroquois women’s overwhelming dominance of the economic realm in Colonial North America).

My own research results echo these findings. In my first empirical test of my gender stratification theory, I coded and analyzed a random (with several exceptions) sample of 61 pre-industrial societies. I discovered that in fully a sixth (10 societies), women had substantial economic power – and that this variable explained over 83% of the 56% of the variance accounted for in a scale of “life options,” my dependent variable (Blumberg 1978). More recently, some of my fieldwork has involved exploring five cases of local-level gender equality/near equality that I fortuitously encountered among certain subgroups in the Ecuadorian Andes, Northeast Thailand, lowland Laos, the Bijagos Islands of Guinea-Bissau and Yunnan Province, China PDR. In all five instances, women proved to have high levels of relative economic power that buttressed their equality. Their control of resources varied from a minimum of about 50% (among Quichua Indians in the Central Andes of Ecuador; see Hamilton 1998, Blumberg 2001a) to control of the lion’s share in the Bijagos Islands and Yunnan Province cases (Blumberg 2001a).

In my 61-society theory-testing research, I also found that violence was the second most important factor affecting women’s level of equality in “life options,” although a very distant second. And, intriguingly, I found that where women had consolidated (long-established)

economic power, they tended not to be beaten by their husbands ( $r = -0.56$ ) – i.e., their economic clout brought them considerable protection from male use of their trump card, force.

Nevertheless, another hypothesis from my general theory is that where women's economic power is in transition and rising relative to that of men, the more that men feel threatened by this, the more likely there is to be a (relatively) short-term spike in male violence against women (Blumberg 1991; Blumberg 2004a).

Nor am I the only one who has found an inverse link between female economic power and male violence against women. More empirical support comes from Levinson's study of 90 societies (1989). His strongest predictor of violence against women proved to be lack of economic power (see also Heise 1994).

In addition, Jenna Luché, who studied women's civic and political activism in Bangladesh, Nepal and Thailand (1994), found three principal constraints on women's political and civic assertiveness: (a) lack of economic resources/power, (b) high levels of male violence against women, and (c) lack of information. Her first two findings indicate that enhancing women's economic resources should not only contribute to their economic power but also, within a relatively short time (in most instances), to less male violence against them.<sup>4</sup>

Concerning Luché's third constraint, lack of information, it is interesting to note that training in legal/human rights/gender has been an extremely popular activity among women's NGOs in developing countries. Although these programs have not yet been systematically evaluated, a relevant finding emerged in my rapid appraisal fieldwork in El Salvador in 1998 (Blumberg 2004c). Women who were economically empowered via microcredit prior to receiving legal/human rights/gender training were compared to those who received no credit, only the training. Not only were women credit recipients more likely to become civic/political

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<sup>4</sup> This violence may be further diminished in frequency and duration where domestic violence laws have been passed and are being implemented, especially where women are organized and monitor VAW (Blumberg 2001c).

activists, but some women who received only the legal/rights/gender training complained that if they tried to assert their newly discovered rights, their husbands would beat them. They could do nothing because they couldn't support themselves and their kids if they left. The training hadn't addressed what they identified as their most important problem: inadequate income, especially their own.

#### IV. Female Economic Power's Links to Two Other Development Issues: Conflict and Corruption

To this point, the links between women's economic empowerment and the various dependent variables seem to indicate causality – i.e., greater female economic power has been found to lead to the different outcomes discussed, from greater self-confidence to, ultimately, more protection from male violence. In the current section, however, the empirical studies don't always establish more than a correlation. Regardless, they indicate that a relationship exists.

##### A. Conflict

Caprioli (2000; see also Schmiedl 2002) carried out a quantitative analysis that found that both higher female participation in the measured labor force (LFP) and lower fertility were inversely linked to a state resorting to armed conflict to resolve international disputes. Specifically, a **5% rise in female LFP was associated with a state being 4.95 times less likely to engage in international conflict**. It is useful to note that most countries' labor force statistics overwhelmingly measure paid employment. Let us recall that greater female economic power has proven linked to greater control over fertility (and, in the vast majority of cases, a consequent reduction in fertility)<sup>5</sup>. Not surprisingly, then, Caprioli also found that a **1/3 drop in fertility**

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<sup>5</sup> One possible exception involves rural areas of sub-Saharan Africa where: (1) cultivation is by shifting horticulture ("slash and burn") so that a plot's yields fall rapidly while weeds multiply drastically if a plot isn't allowed to lie fallow after one to several seasons, (2) women are the primary farmers (Boserup 1970 terms shifting horticulture a "female farming system," and Saito and Weidemann 1990 found that contemporary women in sub-Saharan Africa, which remains largely horticultural, raise up to 80% or more of the locally grown food crops), but (3) the kinship/property system is patri-oriented so that women have a hard time obtaining use rights to a new plot and (4) many teen boys and young men, the traditional clearers of new plots, have migrated to urban areas so that it's hard to get a new plot cleared. Under these conditions, women have to increase labor inputs in order to stay ahead of the fast-

was linked to a state being **4.67 times less likely to resort to armed conflict with a neighboring country**. Two other indicators of women's status also were inversely associated, at about the same levels, with a state engaging in armed international conflict: (a) a 5% decrease in women members of parliament was related to a state being 4.91 times more likely to use force internationally, whereas (b) a state with twice the years of female suffrage proved 4.94 times less likely.

Another social scientist, "X" (in a paper I recently reviewed for a journal) has replicated Caprioli for **internal conflict** (at levels resulting in significant deaths but less than all-out civil war). Findings were quite similar. For example, **nations with only 10% female LFP are 30.0 times more likely to have deadly armed conflict within their borders than nations with 40% female LFP**.

Schmiedl also stresses using women's groups to ameliorate conflict. A USAID-funded project in Northern Kenya gave goats on credit to women's groups in a conflict-torn and drought-plagued area inhabited by frequently warring, extremely patriarchal pastoral peoples. Breeding and selling the goats, the women quickly repaid the loan, whereas men who received animals did not repay. The now economically empowered women then turned to conflict resolution - with remarkable success (Blumberg et al. 2003).

#### B. Corruption

Here, evidence is accumulating that: "Governments are less corrupt when women are more active in politics or the labor force" (King and Mason 2001:95, emphasis added, citing Dollar, Fisman and Gatti forthcoming, and Swamy et al. forthcoming).

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multiplying weeds and scratch out declining and ever more precarious yields. So they create their own labor supply - children. In Nigeria, due to long, strong traditions of women being own-account traders (e.g., Sudarkasa 1973 cites sources claiming over 600 years of this), most women farmers have considerable economic autonomy despite patrilineal kinship/inheritance/residence patterns. And many want more children than do their husbands. In Eastern Nigeria, for example, it was the men who asked me where they could get access to family planning, while their wives, the principal cultivators, claimed little interest in curbing fertility (Blumberg and Okoro 1989).

King and Mason 2001:13 (writing about Swamy et al. forthcoming) provide a concrete example of an inverse link between women with economic power and corruption: “Women in business are less likely to pay bribes to government officials...A study of 350 firms in the Republic of Georgia concludes that firms owned or managed by men are 10% more likely to [pay bribes] than those owned or managed by women.” When characteristics of the firm and the owner or manager were not controlled, however, men paid bribes at double women’s rate:

This result holds regardless of the characteristics of the firm, such as the sector in which it operates and firm size, and the characteristics of the owner or manager, such as education. Without controlling for these factors, firms managed by men are twice as likely to pay bribes (ibid.).

King and Mason also give a variety of statistics that tie more women in (paid) public life to less corruption, e.g.: “corruption falls as the proportion of parliamentary seats held by women rises<sup>6</sup>...[a] one standard deviation increase in the proportion of women in lower houses of parliament from the sample average of 10.9% is accompanied by no less than a 10% decrease in corruption” (ibid.:95, discussing Swamy et al. forthcoming).

Finally, in a sample of over 80 countries, an overall negative correlation emerged between a corruption index and an index of women’s economic and social rights (Kaufmann 1998; King and Mason 2001:94).

We can conclude this section by noting that gender equality (promoted by increased income for women) is associated not only with less corruption but also more national income – to the extent that lower corruption results in higher investment and thus growth.

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<sup>6</sup> Per Supatra Putananusorn 2001, a World Bank-funded study in Thailand found the same thing at sub-national levels of government: districts or subdistricts with unusually high proportions of women of women in local office (say, over 10%) had less corruption than those with unusually low proportions (closer to zero). Whereas those low-female places spent money mostly on corruption-prone road and irrigation construction, those with the most women supported a broader array of water, sanitation, garbage-collection, health and education projects.

## V. More Examples of the “Magic Potion” Effect? Environment and HIV/AIDS

Space and time constraints preclude a detailed examination but two more topics that have been connected to women’s economic power bear brief mention: environmental conservation throughout the Third World and the scourge of HIV/AIDS in Africa.

### A. Environmental sustainability

On the one hand, ecofeminists such as Shiva (1989) have stressed women’s essentialist ties to the land. On the other hand, other Gender and Development (GAD) studies have found that it is women’s self-interests, not mystical ties to Mother Earth, that tend to give them greater incentives to conserve the larger ecosystem. These incentives flow from the fact that in most rural areas, it is women who have the obligation to provide water, firewood and gathered forest medicinal/food products. In this their children, especially daughters, traditionally aid them. (Exceptions occur where women are in seclusion or local resources have been so depleted that men must bring them in from far away, often commercially.)

Here, too, however, the extent to which women control income affects outcomes: the lower the income under female control relative to their menfolk, the less women’s voice in land use decisions. This emerged in a CARE land use/conservation project among the Karen hill tribe near Mae Cham in Northern Thailand (Blumberg 2002), where the women and the older men got more benefits from an intact ecosystem. They wanted to continue their mostly subsistence-oriented farming system, involving shifting (“slash and burn”) horticulture and small animal husbandry; women tended to be primary in both activities. In addition, all the women also engaged in weaving but they rarely sold their beautiful products commercially. The young men, in contrast, worked for wages for Hmong truck farmers who lived lower down the mountain. These Hmong men already had cut down their trees and grew vegetables for the urban market “fencepost to fencepost” on the steep slopes without any discernible conservation methods. It is

likely that their land will be depleted within a decade under such a regime but in the meantime it has brought instant prosperity to these Hmong men (I counted 21 pickup trucks in the small village). It also has kindled capitalist yearnings among the young Karen males working as their wage laborers. There are some relevant different differences between the two groups, e.g.: (1) The Karen are a matrilineal people but although females inherit land and animals, the fact that the local women rarely turned their assets – or weaving – into income constrained their economic power. (2) In contrast, the Hmong are a patrilineal/patrilocal people with a history as a male supremacist/“warrior complex” group (Blumberg 1978), e.g., Hmong men in Laos fought for the CIA in a secret extension of the Vietnam war; women traditionally had little voice. Among the local Hmong, many women now sell their weavings and embroidery in the Chiang Mai night market, but their earnings remain small vs. those of their vegetable farmer husbands. (3) Because local Karen women earned little income and the older men had lost their main source of cash – opium poppies – when the DEA and Thai government cracked down, both were hard-pressed to prevent the young men from cutting down the trees and emulating the short-term “get rich quick” strategy of their Hmong neighbors. CARE feared its “rational land use plan” would be defeated. I suggested that they promote income-generating activities for the women and older men as a counterweight to the young men before they asked the villagers to decide whether to adopt CARE’s conservation-oriented land use scheme.

### B. HIV/AIDS

Africa has the highest proportion of people infected by HIV/AIDS. In terms of sheer numbers, South Africa, followed by Ethiopia and then Nigeria (the most populous country in sub-Saharan Africa), have the largest cohorts of HIV/AIDS-infected people.

Let us again look for a gender angle involving women and income. Women’s primary role as caretakers of the HIV/AIDS-infected is already well known. But another story is only

now emerging: about the steadily rising proportion of women among the infected population, and the role that economic dependence plays in preventing them from saying no to sex without condoms, whether with their husbands or other sex partners.

A November 2004 UNAIDS report draws a grim – and gendered – statistical picture about HIV/AIDS in Africa:

- Sub-Saharan Africa has 25.4 million HIV positive people. This is 64% of the worldwide total. But it has fully 76% of all women with the virus.
- In the region, 75% of all 15-to-24-year-olds living with HIV are female (Reaney 2004:10A).
- Female infection rates are lower among higher age groups, so overall, the regional proportion of adults with HIV who are female is 56.9%. This, however, is still higher than in any other region of the world (Ross 2004:A3).

Why? “The inequality women face – from poverty and stunted education, to rape and denial of women’s inheritance and property rights – is a major obstacle to victory over the virus” (ibid.). The Deputy Executive Director of UNAIDS, Kathleen Cravero, states that: “Young women are almost an endangered species in southern Africa from AIDS for several reasons” (Reaney 2004:10A):

- Many have no access to education or jobs.
- “They are often economically dependent on men and may not have the power to resist sex or ask their husband or partner to use a condom” (ibid.).

Accordingly, what happened in Zanzibar, an overwhelmingly Muslim island that is part of Tanzania, is relevant. In 2002, we interviewed HIV/AIDS NGOs operating there. The president of one women’s group told us that they had launched some income-generating activities for women in the remote western fishing villages that proved quite lucrative. Shortly

thereafter, the women began asking the project staff for “lots of condoms, posters and flyers” on their next visit. They explained that now they felt capable of confronting their husbands about wearing condoms when having sex with other partners while off on their fishing trips. Still, no mention was made about the women demanding the husbands wear condoms for marital sex: even with more economic power, women knew this would be culturally unacceptable.

Cultural norms about sex at least partially trump women’s economic power, it appears, with respect to sexually transmitted diseases (STDs), including HIV/AIDS. For example, in 2001 I did research in Laos’ wild and woolly Oudomxai Province near the Chinese border. China had recently renovated the old Vietnam-era road through Laos into northern Vietnam, bringing trucks, contraband, crime, prostitution and STDs. The dominant group in Laos, the lowland Lao (*Lao lum*) are known for relatively high levels of local level gender equality, and women wield considerable economic power; the matri-tilted kinship system (e.g., a preference for matrilocality where the bride and groom go to live with/near her female kin) further buttresses their position (Blumberg 2002). But male transport workers I interviewed said they were afraid to carry around condoms where their wives might find them and raise a row: these women are not shrinking violets and their husbands wanted to avoid their wrath. So they hid their condoms in their trucks or buses or didn’t use any protection. In sum, enhancing women’s economic power may also be a strategy that gives them more leverage to negotiate safe sex and avoid infection – with all its horrendous consequences to self, family and state. But it’s not a guarantee of condom use, as the Laotian example makes clear.

## VI. Conclusions and Policy Implications

Despite its catchy ring, it’s clearly an overstatement to call women’s economic empowerment a “magic potion” – for one thing, its strength varies too much. At one end of the continuum, women’s economic power does appear to approach the status of a magical elixir. For

example, there are no cases I'm aware of where greater economic power failed to lead to more self-confidence. And studies of the impact of economic power on decision-making power in the household also find a positive, although not necessarily immediate, impact. At the other end of the continuum, the relationship between women's relative economic power and a more gender-equal distribution of childcare and housework is much weaker and more culturally variable (Blumstein and Schwartz 1991; Blumberg 1991; Blumberg and Coleman 1989). This also appears to be the case with HIV/AIDS and other sexually transmitted diseases: they tend to be, at best, only moderately linked to female economic empowerment, and subject to considerable cultural variability as well.

But two points are unassailable: (1) Roughly 1/6 of the world's population lives on \$1 a day or less and fully 1/3 of all the people on our planet live on \$2 or less; and (2) Disproportionately, the poorest are women. Little wonder that in all my own empirical fieldwork and in most of the other studies I've read, these Third World poor people name lack of income as their most pressing need.

Another well-documented fact is the rising proportion of women all around the world who are earning – and, more often than not – controlling at least some income (Blumberg 1995). So if female economic empowerment is even a moderately successful elixir for promoting gender equality and more (as well as more equitable) development, ever greater numbers of women are in a position to taste that potion and gain its benefits.

On top of this, we've learned that women in developing countries who earn income tend to be pretty good about using it responsibly, especially if their earnings come from microenterprises – the most rapidly proliferating economic endeavors in most of the Global South (Blumberg 2001b). Not only are women likely to be astute about running their little businesses, if someone offers them microcredit, they tend to be more responsible about using it

for its intended purposes and – most importantly – paying it back in a timely manner. This has resulted in women becoming the preferred clients of the majority of the world’s rapidly exploding “best practices” microfinance programs. From the inception of Mohammad Yunis’ Grameen Bank in Bangladesh to the present, only a couple of decades have elapsed. But already a set of the most effective procedures for microfinance institutions (MFIs) have been codified (“best practices;” see, e.g., Otero and Rhyne 1994) and by the end of 2003, the MFI members of the Microcredit Summit already had 80,868,343 clients worldwide, 4/5 of their goal of having reached 100,000,000 clients by the end of 2005 (Daley-Harris 2004; 54,785,433 were among the poorest when they took their first loan). Microcredit is not a universal panacea either: it may not be as well suited for the very poorest of the poor, whose lives tend to be too chaotic and catastrophe-filled, leading to the danger of “debt slavery” if a loan can’t be paid back because the money vanished in the black hole of their latest disaster. But for literally hundreds of millions of other microentrepreneurs, especially women, microcredit can be a springboard to a better life for oneself and one’s children.

What this means in policy and development programming terms is that many diverse types of social programs (e.g., family planning, health, education, water and sanitation, even environmental conservation projects) should consider “cross-programming,” i.e., teaming up with ongoing initiatives that enhance women’s economic empowerment – such as “best practices” microfinance programs. As it happens, such programs (a) already are widespread and still growing, and (b) provide equitable access to women. Arguably, “best practices” microfinance projects comprise the most successful type of development programming of the last couple of decades and MFIs continue to sprout like mushrooms after rain.

In areas where women already earn and control income, and are known for entrepreneurial spirit, MFIs can provide them with much-needed short-term working capital.

Ideally, these programs won't completely shut out men in order to avoid resentment and possible backlash. In areas where women are more subordinated and economically dependent, the MFIs could resort to group mechanisms, such as Solidarity Group-backed loans (in which each person in a five-person credit group guarantees the loan of the other members) and a master bank account with subsidiary accounts for individual members. These act to shelter women's income from possible male confiscation (Blumberg 2001b).

In conclusion, dual-focus programming that combines microfinance with a "social well-being" component could result in "win-win" strategies for projects involving education, health, combating corruption, mediating conflict, conserving the environment and even battling STDs and HIV/AIDS. For some of these activities, the "magic potion" of female economic empowerment may be diluted by cultural and other variables. But I suggest that to date, enhancing women's economic power is the closest thing to a super-potent elixir that we've encountered for promoting both gender equity and development in the Global South.

**Preferred keywords: gender, development, economic power, inequality, theory**

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