April 2017 — Gender Inequality

Highlights on gender from the research department

- Poverty is falling faster for female-headed households in Africa
- Policies targeted to poor households miss many nutritionally deprived women and children
- For young entrepreneurs, cash grants are just as effective as a training-and-startup capital program
- Tenure insecurity in Africa costs millions in lost productivity by female farmers
- Access to the UN Mission in Liberia’s radio programming increased female political participation
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Highlights on gender from the research department

A generic lesson emerging from the Research Department’s work on gender: Gender inequalities persist with many costs to the economy and society. The gaps can emerge or be closed through a surprising variety of policies, including some that aren’t explicitly designed with gender in mind. However, women sometimes benefit less from a given policy due to persistent constraints in other areas of their lives. These generic points are illustrated by a number of findings from recent research on gender.

Highlights on Gender from the World Bank Research Department (January 2016).

Poverty is falling faster for female-headed households in Africa

Nearly one-in-four households in Africa are headed by a woman. Often thought to be poorer, have female-headed households been left behind as aggregate poverty has been falling? This research examines whether their prevalence has been rising over time, what factors are associated with such changes since the mid-1990s, and whether poverty has fallen equi-proportionately for male- and female-headed households. Rising gross domestic product is found to have dampened rising female headship. However, other subtle transformations occurring across Africa — such as changes in marriage behavior, family formation, health, and education — are associated with increased shares of female-headed households. This has been happening alongside declining aggregate poverty incidence. Female-headed households have experienced faster poverty reduction, and as a whole, have contributed almost as much to the reduction in poverty as male-headed households, despite the smaller share of female-headed households in the population.
Policies targeted to poor households miss many nutritionally deprived women and children

While it is widely understood that poverty is an individual deprivation, household data are almost invariably used to infer individual poverty. In other words, a poor household is assumed to contain poor individuals. Also, antipoverty policies in developing countries often assume that targeting poor households will reach poor individuals. This assumption is tested using nutritional status as a proxy for individual poverty. An assessment for Sub-Saharan Africa reveals that undernourished women and children are spread widely across levels of household wealth and consumption. Roughly three-quarters of underweight women and undernourished children are not found in the poorest 20 percent of households, and around half are not found in the poorest 40 percent. Countries with higher overall rates of undernutrition tend to have a lower share of undernourished individuals in non-poor households. The results are also consistent with evidence of substantial intra-household inequality. To have any hope of reaching undernourished women and children, policy interventions will either require much more individualized information or broader coverage.

For young entrepreneurs, cash grants are just as effective as a training-and-startup capital program

Formal sector jobs are scarce in low-income settings. To address the problem of unemployed and underemployed youth, policymakers have turned to encourage entrepreneurship. This study evaluates two labor market interventions for women aged 18 to 19 years in three poor neighborhoods in Nairobi (Kenya). The first multifaceted program addresses many potential obstacles to youth entrepreneurship: “micro-franchising” bundles together startup capital, basic training in business and life skills, a pre-planned business model, franchise-specific training, and ongoing mentorship. The second — a single lump-transfer cash grant — is vastly simpler and less expensive to provide. The multifaceted program may relieve human capital and credit constraints, whereas the cash transfer addresses only a potential credit constraint. Income increased for young women in both treatment groups 7 to 10 months after the program ended, but not beyond the second year. The best explanation for this finding is that many young women are “subsistence entrepreneurs,” lacking either the ability or the inclination to substantially expand their enterprises. If true, access to capital (alone) is unlikely to have lasting impacts on well-being. Nevertheless, both programs improved livelihoods for some of the intended population in the short run, and both drove young women toward self-employment in longer-run.

Tenure insecurity in Africa costs millions in lost productivity by female farmers

Many African countries rely on sporadic land transfers from customary to statutory domains to attract investment and improve agricultural performance. Malawi underwent such a burst of estate creation in the 1980s. Evidence on the impact of estates on productivity and neighbors’ tenure security suggests that such transfers have come at a high cost. Data from 15,000 smallholders and 800 estates suggest that most estates are less productive than smallholders. Estate development has increased tenure insecurity, with 22 percent of farmers concerned about losing their land and 21 percent fearing encroachment. Fear of land loss, although not exclusively due to estates, is associated with a 12 percent
productivity loss for female farmers, which is large enough to finance a low-cost tenure regularization program. And failure to collect realistic land rents implies public revenue losses of up to US$50 million per year.


Access to the UN Mission in Liberia’s radio programming increased female political participation

Five weeks prior to the 2011 general election in Liberia, women in randomly selected villages were organized into groups to listen to radio programs on the electoral process broadcast by the United Nations Mission in Liberia. The field experiment tested the effects of women’s access to politically relevant information through radio broadcasting on their political behaviors and attitudes in a post-war context. The study finds positive effects on female political participation at both the national and local levels. The evidence suggests that the effects manifest themselves through the increased political efficacy of recipients and through the communal nature of the information delivery. The study concludes that women’s exposure to politically relevant information through mass-broadcasting, even if brief, can boost participation in public life.


A baseline report revealed high levels of sexual violence among 13-14 year-old females in Liberia

The International Rescue Committee’s Girl Empower program in Liberia helps females in early adolescence make healthy life choices and decrease risk of sexual abuse. The program offers weekly meetings during which the children learn about life skills and financial literacy. The program also holds monthly discussion groups for participants’ caregivers, and trains local health and psychosocial care providers to improve and expand services for survivors of gender-based violence. This baseline report is part of a cluster-randomized controlled trial, which aims to assess the program’s impact after 24 months. At baseline, 21 percent of the 13-14 year-old females reported having previously had sex. Within this group, 29 percent report their first sexual act was non-consensual. Among all subjects in the study, 37 percent reported having experienced sexual violence, such as being physically forced to have sex, non-physically pressured (coerced/persuaded) to have sex, someone unsuccessfully attempting to have sex with them, and being touched in a sexual way. The levels of nonconsensual first sex and any experience of nonconsensual sex are at the high end of the range reported by the UNICEF Violence against Children Surveys in Swaziland, Tanzania, Kenya and Zimbabwe.


Gender discrimination lowers the diffusion of agricultural technologies

In a large-scale field experiment in Malawi, men or women in 142 villages were randomly assigned to learn about a new agricultural technology, and then communicate it to others and convince them to adopt it. Although female communicators outperformed men in mastering the new technology, and those taught by women experienced higher farm yields, their ability to encourage adoption among other farmers was limited by gender bias. Micro-data on individual interactions from 4,000 farmers in these villages suggest that female communicators are perceived to be less able, and thus less
convincing. While a modest incentive payment helped mitigate these issues, a negative perception bias toward female communicators remained.


**ANNOUNCEMENTS**

**Winners of the 2017 Research Academy**
The annual Research Academy competition identifies the best new policy-relevant research from across the World Bank Group. The 2017 competition focused on human development research. Read the four winning papers selected from over 50 submissions.

*Getting to Equal* measures legal and regulatory barriers to women’s entrepreneurship and employment in 173 economies. It provides quantitative measures of laws and regulations that affect women’s economic opportunities.

**EVENTS**

- **May 2–5, 2017:** Beyond the Status Quo: Using Impact Evaluation Research to Drive Innovation and Improve Outcomes in Health
- **May 4, 2017:** Making Politics Work for Development
- **May 23, 2017:** Policy Research Talk: Financial Literacy
- **September 8, 2017:** 4th Urbanization and Poverty Conference: Building Cities for Growth

**MEDIA AND BLOGS**

**Can government subsidies spur science-industry collaboration and innovation?**
*All About Finance* blog, 24 April 2017

Efforts to foster collaboration between science and industry have long been a part of innovation policy in many countries. Firms stand to benefit from accessing the specialized infrastructure and expertise available in universities. Researchers gain access to practical problems that can provide greater relevance for their research, and to industrial capabilities for manufacture and assistance in commercializing their ideas to take them to market. Yet, there are barriers that inhibit collaboration, including financing constraints, information asymmetries, and transaction costs in negotiating collaboration agreements.

Read the blog by Miriam Bruhn and David McKenzie.

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Unequal opportunity, unequal growth
Let’s Talk Development blog, 20 April 2017

Inequality can be both good and bad for growth, depending on what inequality and whose growth. Unequal societies may be holding back one segment of the population while helping another. Similarly, high levels of inequality may be due to a variety of factors; some good, some bad for growth.

This column tests this hypothesis by “unpacking” both inequality and growth: Inequality is decomposed into inequality of opportunity, due to factors that are beyond the individual’s control, and residual inequality, while growth is measured at different steps of the income ladder. An application to the United States covering 1960 to 2010 finds that it is mostly inequality of opportunity that is limiting the growth prospects of the poor. That would suggest that policies that equalize individual opportunity may promote not only equity but also economic growth – above all for poor individuals.

Read the blog by Roy van der Weide, Gustavo A. Marrero, and Juan Gabriel Rodriguez.

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Immigration and displacement: The importance of social networks for those leaving home
People, Voices, Deliberation blog, 18 April 2017

This is the third post in a series of six in which Michael Woolcock, Lead Social Development Specialist at the World Bank and lecturer in public policy at the Harvard Kennedy School, discusses critical ideas within the field of Social Development.

International migration trends have been the subject of fierce debate globally, and when you look at the data it’s no surprise why this is the case. In 2015, the number of international migrants was the highest ever recorded, reaching 244 million (from 232 million in 2013), according to the International Organization for Migration. Moreover, the number of people fleeing conflict has also risen. UNHCR, the UN’s Refugee Agency, estimates that 65.3 million people have been forcibly displaced from their homes, 21.3 million of which are now refugees, and around 10 million people are stateless.

Read the blog | Watch the video.

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A cheap way for governments to help firms: pay vendors on time
Development Impact blog, 14 April 2017

A few years ago I was in Cape Verde trying to help set up an evaluation of a matching grant program (which ultimately failed). I remember one of the biggest complaints of firms was that in order to apply for the program, they had to be current on their taxes, yet many of them sold goods and services to the government and said it often took the government several months to pay. Receiving a government contract can be an important boost to firm growth (as this work by Ferraz, Finan and Szerman in Brazil shows), yet this growth potential can be hampered if governments are not fast and reliable in paying for these services.

How important is quick payment? A new study by Jean-Noel Barrot and Ramana Nanda shows that, even in the U.S., where we might think credit markets work pretty well, paying firms 15 days sooner has a striking impact on firm employment growth.

Read the blog by David McKenzie.

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(re) Searching for impact: Further thoughts
*Future Development* blog, 13 April 2017

One month ago, I *wrote on the link between policy and impact*. I argued that funders have a mis-specified model of impact, which has distorted research efforts. I was humbled by the large number of comments and emails I received on this blog — both in support and in opposition.

I was also directed to discussions of research and impact such as social anthropologist Marilyn Strathern’s *talk on impact in research funding* (hat tip to Andrew Brandel at the Institut für die Wissenschaften vom Menschen, Vienna) and the *fascinating panel* at the recent American Economic Association meetings on the problems with publishing in the economics profession (ht my colleague Quy-Toan Do). Strathern’s discussion on the tension between research as a description of the present and the funder’s desire for prediction provides much food for thought on the fundamental role of research. Similarly, the AEA panel’s take on an increasing obsession with publishing in the top-5 journals and the damage it may cause to the economics profession is a must-listen for those interested in how academia is responsive and concerned with the incentives generated within the profession.

Three further points arose in the discussion that followed.

Read the *blog* by Jishnu Das.

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Scaling up effective programs – Kenya and Liberia Edition
*Development Impact* blog, 12 April 2017

Over the last decade, both Kenya and Liberia have sought to scale up successful pilot programs that help children to learn to read. Even as more and more impact evaluations are of programs at scale, pilots still constitute a significant portion of what we test. That’s with good reason: Governments wisely seek to pilot and test programs before expending valuable resources in implementing a program across the country. Last year, I *wrote about* how the Indian organization Pratham worked with J-PAL to test effective programs to improve reading iteratively, varying different parameters in terms of who was implementing (government teachers versus volunteers) and when (in-school versus during the holidays).

Read the *blog* by David Evans.

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Falling inequality: A Brazilian whodunnit
*Let’s Talk Development* blog, 10 April 2017

Long one of the world’s most unequal countries, Brazil surprised pundits by recording a massive reduction in household income inequality in the last couple of decades. Between 1995 and 2012, the country’s Gini coefficient for household incomes fell by seven points, from 0.59 to 0.52. (For comparison, all of the inequality increase in the United States between 1967 and 2011 amounted to eight Gini points — according to *this study*.)

Most of that decline was driven by falling dispersion in labor earnings, rather than by larger and better-targeted transfers, such as Bolsa Família and the like. Those transfer programs did play a role, but the bulk of the equalization came from a decline of almost 20 percent in the Gini coefficient for labor incomes, from 0.50 to 0.41.
The Bank punches above its weight. But where and why?

*Let's Talk Development blog, 6 April 2017*

In October 2015, the Washington Post ran a story that compared the World Bank’s performance to that of other bilateral and multilateral development finance institutions. It identified the Bank as a leader among its peers in the value-for-money that it provides to its shareholders (and their taxpayers).

Is there a natural resource curse in finance?

*All About Finance blog, 4 April 2017*

The natural resource curse has featured prominently in discussions on why many developing countries fail to grow. This curse takes on many flavours — adverse exchange rate effects, underinvestment in human capital and institutions, political conflict and violence, to name just a few. What about the effect on the financial sector? The financial sector has been shown to have a critical role in intermediating domestic savings into domestic investment and in allocating scarce resources effectively, with positive repercussions for economic growth (Levine, 2005). The financial system should thus serve as an important absorption tool for windfall gains, such as arising from natural resource rents. Does it fulfill this role? Previous work has shown that financial systems are less developed in more resource-rich countries (Beck, 2011), but this could be driven by demand, rather than by a supply-side related curse.

Healthy global trade flow belies the pitfalls ahead

*Financial Times, 29 March 2017*

American businesses should stand up and defend open borders

In a difficult and uncertain world, it is refreshing to have good news, even when it mainly constitutes the failure of a predicted disaster to materialise. It was revealed on Wednesday that global trade in the three months to January had grown at the fastest rate in nearly seven years.

The news is reassuring because of a widespread worry over the past few years. While a full-on protectionist disaster akin to the Great Depression has been avoided following the global financial crisis, many have been concerned that trade has nonetheless been held back by governments afraid of free markets and globalisation. Yet while that downside risk has failed to materialise, another rather large one has heaved into view in the shape of the avowedly protectionist Donald Trump.

Read the article (gated).
What cost childhood stunting? And what returns to programs combatting stunting?

*Let’s Talk Development* blog, 30 March 2017

Child #115181 in the Demographic and Health Survey we’re looking at is 38 months old. Let’s call her María. Her older brother, child #115201, is 51 months old. Let’s call him Alejandro. Despite their 13-month age difference, María and Alejandro are both 92cm tall. María is rather short for her age — she’s at the 18th percentile of the reference population of well-nourished children. She’d be 96 cm if she were average. Alejandro is extremely short—he’d be over 10cm taller if he were average height for his age.

Read the blog by Emanuela Galasso and Adam Wagstaff.

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10 journals for publishing a short economics paper

*Development Impact* blog, 29 March 2017

In the middle of the Ebola outbreak in West Africa, I noticed that there were numbers being released on the number of orphans the outbreak was creating, but no transparent methodology for where those numbers were coming from. My colleague Anna Popova and I constructed numbers based on age- and gender-specific mortality and fertility rates, and we submitted the paper to the Lancet. It was a short but — we thought — useful paper. The Lancet published it as a “letter,” which means a short paper of 400 words, up to 5 references, and 1 table or figure. (Here it is!) Later, we teamed up with Markus Goldstein to examine the likely impact of the epidemic of maternal mortality (via health worker mortality) and published that as a letter of similar proportions in the Lancet Global Health. (Here’s that one!)

Read the blog by David Evans.

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Beyond ribbon-cutting: measuring the real impact of transport projects

*Transport for Development* blog, 27 March 2017

Development practitioners often rely on Monitoring and Evaluation (M&E) performance indicators to assess the results of a transport project. Collecting indicators before, during, and after a project allows us to gain insights about project execution and project outputs, which can help us, for example, measure changes in travel time or Bus Rapid Transit (BRT) system ridership. While this approach is important, well anchored into project design, and quite practical, it is not intended to evaluate “impact”. Observed changes in outcomes cannot be attributed to the project: many other external factors, such as economic conditions, interrelated policies or projects, or seasonal trends, also come into play. In other words, a descriptive approach fails to establish causality between a project or intervention and subsequent outcomes such as changes in income, labor markets, quality of life, or market efficiency.

Read the blog by Nancy Vandycke, Javier Morales Sarriera, and Arianna Legovini.

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Kenneth Arrow and the promise of behavioral development economics

*Future Development* blog, 13 March 2017

Last year Kenneth Arrow gave the opening talk at the World Bank conference, “The State of Economics, the State of the World.” That was appropriate since as much as anyone then alive, he had advanced the state of economics. He was the
first to prove Adam Smith’s conjecture that, under some conditions, the market economy attains the ideal of Pareto efficiency. His proof was a two-edged sword. It demonstrated that the invisible hand held only under conditions so unrealistic that they would never be met, even approximately.

Read the blog by Karla Hoff.

**List of New Policy Research Working Papers**

- **8013. Improving the Resilience of Peru’s Road Network to Climate Events** by Julie Rozenberg, Cecilia Briceno-Garmendia, Xijie Lu, Laura Bonzanigo, and Harry Moroz
- **8014. Can Parental Migration Reduce Petty Corruption in Education?** by Lisa Sofie Höckel, Manuel Santos Silva, and Tobias Stöhr
- **8015. An Employment Guarantee as Risk Insurance? Assessing the Effects of the NREGS on Agricultural Production Decisions** by Esther Gehrke
- **8016. The Distributive Impact of Terms of Trade Shocks** by Maurizio Bussolo and Patrizia Luongo
- **8017. Gender-Neutral Inheritance Laws, Family Structure, and Women’s Status in India** by Sulagna Mookerjee
- **8018. Ageing Poorly? Accounting for the decline in earnings inequality in Brazil, 1995–2012** by Francisco H. G. Ferreira, Sergio P. Firpo, and Julián Messina
- **8019. Urbanization and Development: Is Latin America and the Caribbean Different from the Rest of the World?** by Mark Roberts, Brian Blankespoor, Chandan Deuskar, and Benjamin Stewart
- **8020. Savings, Financial Development and Economic Growth in the Arab Republic of Egypt Revisited** by Khaled Hussein, Mahmoud Mohieldin, and Ahmed Rostom
- **8021. Relief from Usury: Impact of a Community-Based Microcredit Program in Rural India** by Vivian Hoffmann, Vijayendra Rao, Vaishnavi Surendra, and Upamanyu Datta
- **8022. Neighborhood Effects in Integrated Social Policies** by Matteo Bobba and Jérémie Gignoux
- **8023. Entry and Exit, Multi-Product Firms, and Allocative Distortions** by Roberto N. Fattal Jaef
- **8024. Precarious Drop: Reassessing Patterns of Female Labor Force Participation in India** by Luis A. Andres, Basab Dasgupta, George Joseph, Vinoj Abraham, and Maria Correia
- **8025. Sustainability of Demand Responsive Approaches to Rural Water Supply: The Case of Kerala** by Luis Andres, Saubhik Deb, Martin Gambrill, Elisa Giannone, George Joseph, Pramod Kannath, Manish Kumar, P. K. Kurian, Rajesh Many, and Abdu Muwonge
- **8026. The Contribution of Increased Equity to the Estimated Social Benefits from a Transfer Program: An Illustration from PROGRESA/Oportunidades** by Harold Alderman, Jere R. Behrman, and Afia Tasneem
- **8027. Heterogeneous Technology Diffusion and Ricardian Trade Patterns** by William R. Kerr
- **8028. Re-evaluating Microfinance: Evidence from Propensity ScoreMatching** by Inna Cintina and Inessa Love
- **8030. Implications of Minimum Wage Increases on Labor Market Dynamics: Lessons for Emerging Economies** by Ximena V. Del Carpio and Laura M. Pabon
- **8031. Leveraging the Potential of the Services Sector to Support Accelerated Growth in Senegal** by Matthias Cinyabuguma, Djibril Ndoye, and Olumide Taiwo
- **8032. Can Public Works Programs Reduce Youth Crime? Evidence from Papua New Guinea’s Urban Youth Employment Project** by Oleksiy Ivaschenko, Darian Naidoo, David Newhouse, and Sonya Sultan
- **8033. Is Poverty in Africa Mostly Chronic or Transient? Evidence from Synthetic Panel Data** by Hai-Anh H. Dang and Andrew L. Dabalen
• 8034. Migration and Cross-Border Financial Flows by Maurice Kugler, Oren Levintal, and Hillel Rapoport
• 8035. Consumption Smoothing and Shock Persistence: Optimal Simple Fiscal Rules for Commodity by Arthur Mendes and Steven Pennings
• 8036. They Got Mad Skills: The Effects of Training on Youth Employability and Resilience to the Ebola Shock by Nina Rosas, Maria Cecilia Acevedo, and Samantha Zaldívar
• 8038. The Economics of Forced Displacement: An Introduction by Paolo Verme
• 8039. On the Frontlines of Scaling-Up: A Qualitative Analysis of Implementation Challenges in a CDD Project in Rural India by Shruti Majumdar, Vijayendra Rao, and Paromita Sanyal
• 8040. Financial Inclusion and Inclusive Growth: A Review of Recent Empirical Evidence by Asli Demirgüç-Kunt, Leora Klapper, and Dorothe Singer
• 8042. Economywide and Sectoral Impacts on Workers of Brazil’s Internet Rollout by Mark A. Dutz, Lucas Ferreira Mation, Stephen D. O’Connell, and Robert D. Willig
• 8043. Stronger Together: Intra-Household Cooperation and Household Welfare in Malawi by Nancy McCarthy and Talip Kilic
• 8045. Do Private Water Utility Operators Care about Regulatory Agencies in Developing Countries? by Salvador Bertoméu-Sánchez, Daniel Camós, and Antonio Estache