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Research Report

The gendered nature of poverty: Data, evidence and policy recommendations

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The Gendered Nature of Poverty: Data, Evidence and Policy Recommendations

Francesco Burchi & Daniele Malerba

Summary

Poverty and gender equality are at the heart of the 2030 Agenda and are key strategic areas for Germany's Federal Ministry for Economic Cooperation and Development (BMZ). It has been often argued that poverty is gendered: at the 1995 UN World Conference on Women, 70 per cent of the world's poor was said to be female. However, that figure is not backed by sound scientific evidence.

There are several challenges to examining the relationship between gender and poverty. The main one is that monetary poverty is calculated at the household level: it is not possible to distinguish the poverty status of different household members. Theoretically, it is possible to analyse poverty by gender by focusing on non-monetary dimensions, as several feminist scholars advocate. However, the most well-known indices of multidimensional poverty have the same problems as those for income poverty: they are computed at the household level. Therefore, we do not really know if – or to what extent – poverty is gendered.

Recent studies conducted by IDOS researchers help fill this gap by analysing gender disparities in multidimensional poverty in more than 80 low- and middle-income countries and using individual-level indices, which encompass three dimensions: education, health and employment. This policy brief summarises the main findings of the IDOS studies and presents key policy recommendations.

The research reveals the female face of poverty. In recent years, female multidimensional poverty has been higher than male multidimensional poverty almost everywhere: on average, the former is about 70 per cent higher than the latter. Depending on the specific poverty index used, women make up between 54 and 63 per cent of the impoverished population. Gender disparities vary substantially across the world: the largest disparities

are visible in the Middle East and North Africa (MENA) and South Asia.

The research also shows that from the late 1990s/early 2000s most countries experienced increased gender disparities in poverty, a process often referred to as the “feminisation of poverty”. This largely occurred in Europe and Central Asia, as well as in Latin America and the Caribbean. The very large gender disparities in MENA and South Asia have persisted for decades. The studies also find that the increase in gender disparities occurred especially in rural areas and was mostly driven by an increase in disparities in access to paid employment. To tackle the gendered nature of poverty, we recommend:

- **Incentivising women's employment and promoting the care economy.** Care policies can partly free women from their care duties and/or recognise the economic value of care work, thereby increasing employment opportunities for women. Expanding the (professional) care sector – and more generally, the service sector – also creates job opportunities for women.
- **Adopting gender-responsive social protection.** Cash transfers can benefit women in particular but should include clear gender-equality goals and be designed to challenge existing gender norms (rather than reinforce them).
- **Tackling gender norms.** Eliminating discriminatory laws and regulations can help in the short term; education and awareness campaigns are critical in the long run.
- **Advocating for and realising the (gender) data revolution.** It is necessary to invest in ad-hoc data collection focused on individual and female experiences of poverty.

The challenge of (gathering) gender-disaggregated poverty statistics

Gender plays a crucial role in the 2030 Agenda. Not only is there a specific SDG (number 5) on achieving gender equality and empowering women and girls, but gender equality objectives are also incorporated into the targets of other goals. Moreover, the overarching principle of leaving no one behind calls for improving the living standard of traditionally disadvantaged categories, and thus includes women. Reaching the SDGs and implementing gender-sensitive policies requires more and better gender-disaggregated data.

Although in certain areas there have been considerable improvements in the quantity and quality of gender-disaggregated data, that is not the case for poverty (SDG 1). It has often been argued that poverty is gendered, meaning that female poverty is higher than male poverty – especially since the UN's Fourth World Conference on Women in Beijing in 1995, where it was claimed that about 70 per cent of the world's poor are women, with the share increasing, thus indicating the *feminisation of poverty* (Chant, 2010; UNDP, 1995). Where do these numbers and conclusions come from? That is not clear: the figures are not scientifically supported and have been strongly criticised and called implausible (Marcoux, 1998; Klasen, 2004). However, to advocate more for gender-related issues and to design targeted policies, we need to have clear evidence of the extent to which poverty is gendered, where the disparities are largest and which deprivations affect women the most. It is especially relevant to the recent BMZ *Feminist Development Policy*, which strives to create gender equality by strengthening the rights, resources and representation of women and girls (BMZ, 2023). As stated in that strategic document, the initiative is closely related to the *quality criteria* of "poverty reduction and inequality reduction".

Do we have any alternative (more plausible) figures on the gender dimension of (income) poverty? The answer is short and easy: no. The

main reason is that income – and consequently income poverty – is measured at the household level by combining the income earned/acquired by the different household members and usually dividing it by their total number. Such an approach assumes that income is equally shared within the household. Although alternative hypotheses can be made, none of them allows us to assess female and male poverty *separately*. To examine the relationship between gender and poverty, we have "to go inside households" (Bradshaw, Chant, & Linneker, 2017, p. 2).

Feminist scholars have long advocated measuring poverty in a multidimensional space (Chant, 2010), which is consistent with Target 1B of SDG 1 that calls for a reduction of "poverty in all its dimensions according to national definitions". By focusing on non-monetary dimensions, such as education, health and employment, which are strictly individual, it is theoretically possible to analyse gender differences in poverty. In the last years, there have been remarkable advancements in the overall measurement of multidimensional poverty. But the only indices publicly available for comparing countries – the UNDP Global Multidimensional Poverty Index (MPI) and the World Bank's Multidimensional Poverty Measure – also measure multidimensional poverty at the household level, like income poverty indices. No one has yet produced reliable multidimensional poverty figures by gender.

Two recent studies conducted by IDOS researchers tried to fill the research gap by looking at gender disparities in multidimensional poverty in more than 80 low- and middle-income countries. The analysis first uses the latest country-level multidimensional poverty data, with 2014 the median year, to illustrate the recent situation. Then it focuses on changes over time, starting in the late 1990s or early 2000s, depending on the country (Burchi & Malerba, 2023a, 2023b). The studies employed two different composite indices of multidimensional poverty – the Global Correlation Sensitive Poverty Index (G-CSPI) and the Global M0 (G-M0) – that have two main strengths. First, they include key dimensions of poverty: education, health and employment, the latter of which is not

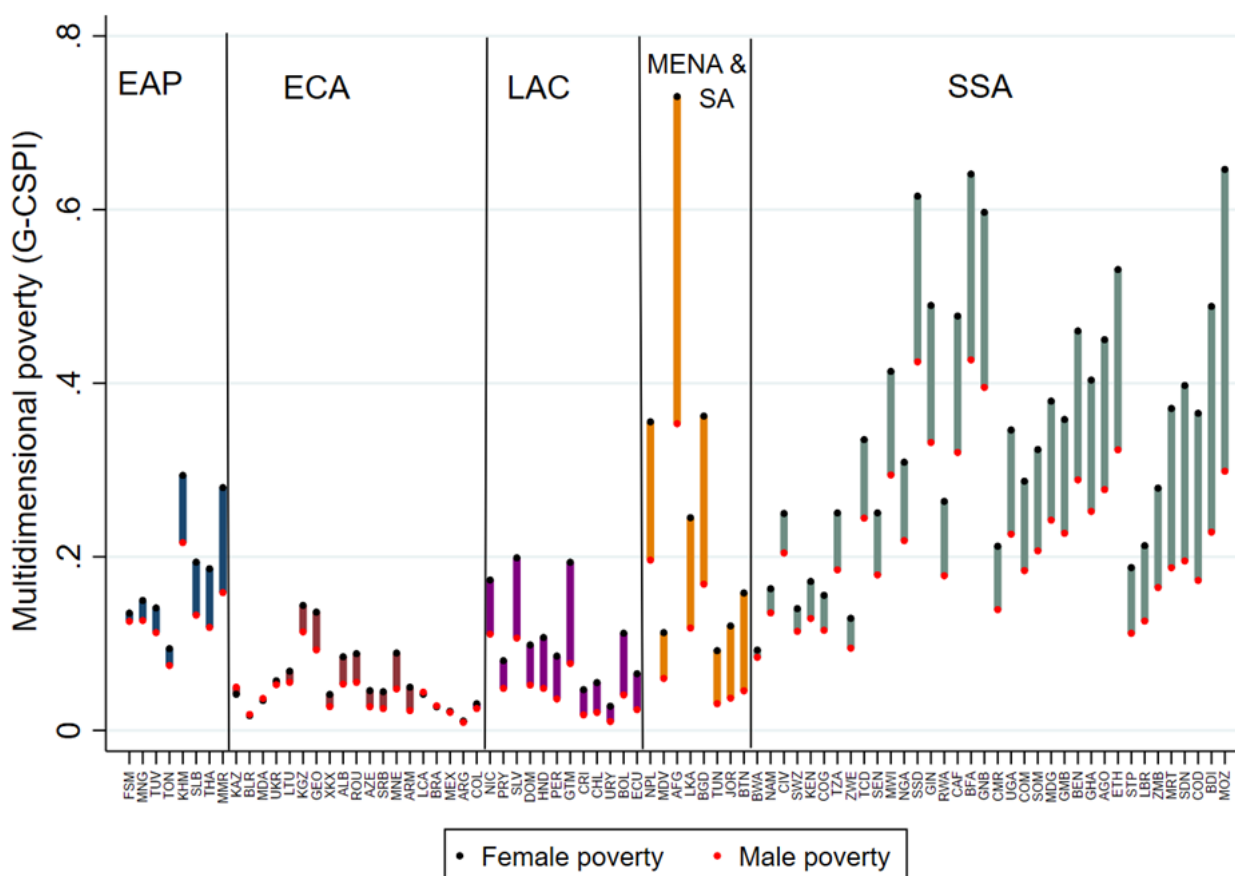
included in the MPI. Second, they are individual-based so it is possible to distinguish the poverty status of different individuals in the same household. This makes them more useful than the MPI for making gendered analyses. The G-CSPI and the G-M0 use two different measures to aggregate the dimensions of poverty. Since they both have advantages and disadvantages, the IDOS studies used the two indices to get a more robust picture of gender differences in poverty. In the next paragraphs we highlight our key findings.

Poverty has a female face (almost everywhere)

As can be seen in Figure 1, in almost all low- and middle-income countries examined (94 per cent),

multidimensional poverty is higher among women than men; on average, female poverty is approximately 70 per cent higher than male poverty as measured by the G-CSPI. In addition, we found that among all individuals suffering multidimensional poverty, the share of women ranges between 54 and 63 per cent, depending on the specific poverty index used. These findings reveal that women are especially over-represented among the “extreme poor”, who suffer simultaneous deprivations in multiple dimensions. For example, approximately the same proportion of men and women suffer from deprivations in least one dimension. But on average, almost 9 per cent of women suffer from deprivations in all three dimensions, compared to only 3 per cent of men. That’s a substantial gender gap.

Figure 1: Female and male multidimensional poverty (G-CSPI) in 83 countries



Note: The countries are sorted by region and the female to male G-CSPI ratio.

EAP = East Asia and Pacific; ECA = Europe and Central Asia; LAC = Latin America and the Caribbean; MENA-SA = Middle East and North Africa & South Asia; SSA = Sub Saharan Africa.

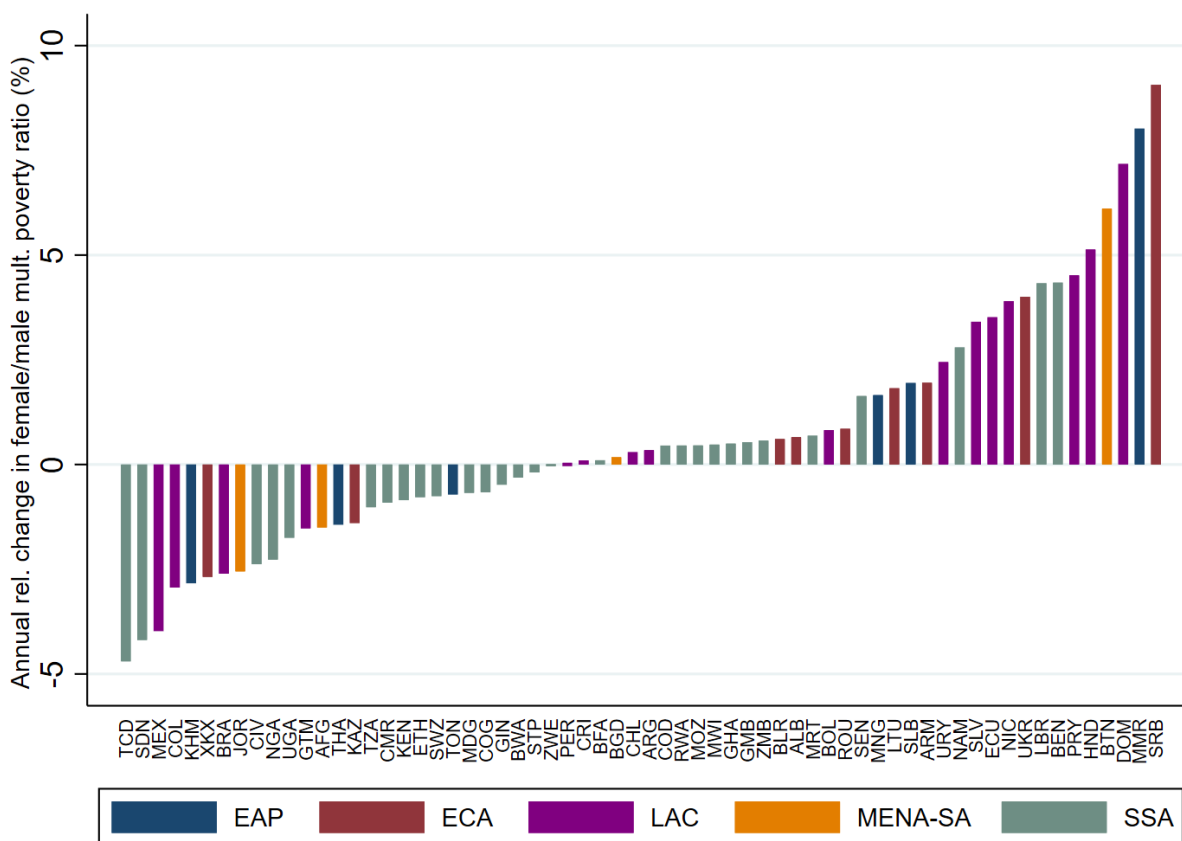
Source: Authors' elaboration based on Burchi & Malerba (2023a; 2023b)

The degree of divergence of female and male multidimensional poverty varies across countries. Interestingly, the level of economic development is not an important explanatory factor for these disparities: geography is. We find a clear pattern across world regions: MENA and South Asian countries, followed by those in Latin America, experience by far the highest gender disparities in poverty. In contrast, Sub-Saharan African (SSA) countries, which have the largest average levels of multidimensional poverty, have lower gender disparities in poverty, as measured by the female to male ratio of multidimensional poverty.

The IDOS research also investigated changes over time (from around the late 1990s) and found that figures for both female and male multidimensional poverty have declined in most of the countries (Figure 2). However, in more than half of

the countries, the *ratio* of female to male poverty has increased, indicating that poverty has been feminised. The average annual *absolute* increase in the female to male G-CSPI ratio is around 0.006, while the average annual *relative* increase in the female to male G-CSPI ratio is around 0.6 per cent. The highest prevalence of countries experiencing a feminisation of poverty is found in (Eastern) Europe & Central Asia (ECA), followed by Latin America & the Caribbean (LAC). This means that the very large gender disparities in MENA and South Asia remain structural, as they were in the late 1990s and early 2000s, while the fairly large recent disparities currently detected in LAC result from women’s conditions worsening in relation to those of men. Finally, the feminisation of poverty was predominantly driven by the feminisation of *rural* poverty and the feminisation of *employment* deprivations.

Figure 2: Feminisation of (multidimensional) poverty in 64 countries



Note: The bars represent the average annual percentage change in the female to male G-CSPI ratio. Positive bars show where female poverty increased. The colours reflect different world regions. EAP = East Asia and Pacific; ECA = Europe and Central Asia; LAC = Latin America and the Caribbean; MENA & SA = Middle East and North Africa & South Asia; SSA = Sub-Saharan Africa.

Source: Authors’ elaboration based on Burchi & Malerba (2023a; 2023b).

These findings clearly show that multidimensional poverty is gendered – *but* that the gender gap is not as large as in earlier assertions regarding income poverty. It is important to stress that the results are based on pre-Covid-19-pandemic data. Empirical evidence indicates that the gender gap is continuing to grow, especially in terms of labour market opportunities and education – as a consequence of the pandemic and related containment policies (World Bank, 2022). Therefore, the gender differentials in multidimensional poverty are also likely to be even higher now.

The next sections discuss policies and interventions which could help tackle both gender inequalities and poverty.

Incentivising women’s employment and investing in the care economy

The empirical analyses show that the overall gender disparities in multidimensional poverty are mostly due to disparities in employment. Moreover, men’s access to adequate employment opportunities improved more than that for women. In addition, women are more likely to work in the informal sector. This is why the first set of policies should aim at increasing women’s access to decent work.

In low- and middle-income countries, the main reason that women do not participate in the labour force is their unpaid care work (ILO, 2018), whereas in high-income countries, the main reason is the presence of other sources of income in the household (from other family members, for example). In many cases, these two factors (unpaid care work and other sources of income in the household) overlap. This means that one key obstacle to women participating in the labour market is care work. Relevant policies include professional care services (public or state-subsidised childcare, elderly care and care provisions for persons with disabilities or illnesses) to reduce women’s domestic duties, as well as employment policies (sick leave, family-friendly working arrangements, severance pay) and social

protection schemes like maternity and parental-leave benefits. But family friendly policies like longer paid maternity and parental leaves can have negative effects, such as disincentivising employers from hiring women. Therefore, policy-makers must carefully determine the best “mix” of family-friendly policies to avoid unintended negative consequences, and to increase women’s labour market prospects and career advancement.

Apart from reducing domestic duties and indirectly contributing to wage employment opportunities, care policies, particularly those creating a *professional* care sector, can provide a direct source of employment because mostly women are employed in that sector. In general, a country’s economic structure significantly affects women’s participation in the labour force. Empirical evidence has shown that a sectoral shift toward services (such as the care sector) contributes to the rise in female employment. With this sectoral shift now usually occurring at an earlier stage of countries’ economic development, this also means that the relationship between female labour force participation and the GDP of poorer countries has changed. This point has been highlighted by Claudia Goldin who was awarded the 2023 Nobel Prize in Economics.

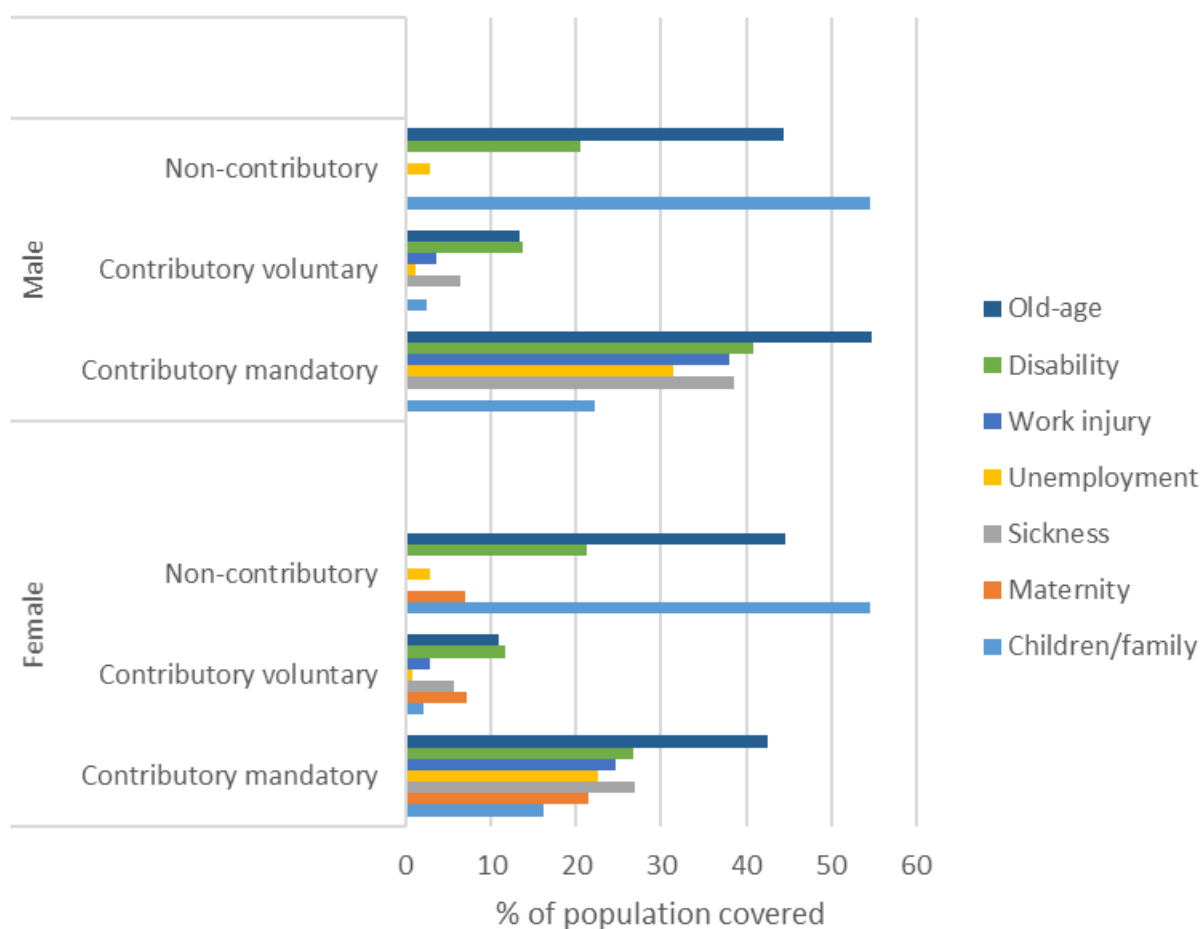
It may take a long time to change a country’s structural factors by transforming to a more service- and care- oriented economy. But female employment can be incentivised in the short term through active labour market policies, such as training programmes and quotas. In addition, the gradual formalisation of informal work is essential to ensure access to social protection, labour rights and other contractual benefits. This is critical from a gender perspective because women are very overrepresented in the informal economy. Wage policies can also be important since on average, all women’s wages – especially mothers’ – are significantly lower than men’s, which further inhibits female labour force participation (Bernard & Correll, 2010). Gender (and motherhood) penalties also affect how (contributory) pensions are calculated, putting women at greater risk of old-age poverty.

Adopting gender-responsive social protection

Apart from incentivising participation in the labour market, some social protection instruments can help mitigate the disadvantages women face in different life domains. However, women have less access to social protection systems than men: globally, 34.5 per cent of men are covered by at least one social protection scheme compared to

only 26.5 per cent of women, with the gap especially large in low- and middle-income countries (ILO, 2021). As previously explained, the main reason is that women are less represented in the labour force and when they *do* work, are more often in the informal sector where they receive no work-related social protection. Consequently, women are less covered than men – not just against risks related to work but against all types of risk, including sickness, disability and old age (Figure 3).

Figure 3: Coverage of social protection by gender, type of scheme and category



Source: Authors, based on ILO data

In light of this, we recommend more investment in non-contributory social assistance. In particular, cash transfers (CTs) have often helped improve specific well-being outcomes for women, such as nutrition and education. However, to ensure that women really benefit from such programmes in the different domains of their life, policy-makers should pay particular attention to the way CT programmes

are designed and implemented and learn from past mistakes. The fundamental ingredients for gender-sensitive social protection, which unfortunately are rarely taken into consideration in national social protection strategies (UN Women, 2022), include: One, CTs and, more generally, anti-poverty programmes that do not target women for mere instrumental reasons, for instance, because they

spend the money sensibly on their children and the entire family. Collecting cash disbursements – sometimes having to travel great distances – and dealing with programme requirements reduce women’s free time and their time for paid employment – and can perpetuate patriarchal norms by assuming that women are always responsible for childcare and the household. The objective should be to reduce *women’s* poverty, not to reduce poverty *through* women.

Two, *unconditional* CTs. When policy-makers decide to implement *conditional* cash transfers (CCTs) because of particular institutional settings, they should make sure that women and men equally share the responsibility for fulfilling the conditionalities. These usually involve children attending school or visiting health centres, or mothers taking part in nutritional courses. These activities are a woman’s responsibility almost everywhere – once more increasing her burden of unpaid work and diminishing her time for paid work and leisure, as has been empirically proved in different contexts (ECLAC, 2017).

Three, with international cooperation actors increasingly pushing for digitalised CT programmes, there is a need to increase women’s digital literacy (in addition to their access to digital devices). While digitalisation has great potential to increase the effectiveness and efficiency of social protection, because women are less digitally literate than men, without proper training, there is a serious risk that men will benefit much more than women from the interventions – further widening the gender gap in access to social protection.

In summary, social assistance can complement contributory social protection programmes. To tackle the structural barriers to transformative gender equality and sustainably reduce poverty, both social assistance and social insurance need gender-responsive objectives, design and implementation features.

Tackling gender norms

Gendered poverty is often associated with gender inequalities in several dimensions. The IDOS studies clearly show that the highest gender differentials in poverty are present in MENA and South Asia, which are also the regions which present the highest gender bias in health and nutrition. Many countries in these regions have strong patriarchal norms, with a woman assigned all the traditional tasks of child and elder care, along with all the household chores – and she is often not allowed to work in the presence of a man other than her husband.

In addition, some countries have laws and regulations that negatively affect female employment. These are not just general barriers to women initiating legal proceedings, but also more specific labour market restrictions, such as women not being allowed to work night shifts (Gonzales, Jain-Chandra, Kochhar, Newiak, & Zeinullayev, 2015).

Development policies and development cooperation cannot easily reduce these persistent inequalities in the short term. But interventions should *challenge* underlying social norms and existing power relations to promote female empowerment in the long term. It is worth mentioning three possible interventions:

First and foremost, policies aimed at increasing women’s (formal) education. Our studies show that there is still a large educational gender gap and that education and employment deprivations often come together. Therefore, improving women’s education not only directly reduces the gender gap in this dimension, but it can also contribute to the reduction of gender disparities in the labour market. The close relationship between education and employment is not obvious in MENA countries. Even more important is the role of education in driving social change and empowering women.

Second, sensitisation campaigns involving men and women that deconstruct stereotypes and aim to slowly change attitudes to gender roles.

Third, legal reforms that target domestic violence and strengthen women's property and inheritance rights. While legal reforms are often hard to enforce, without them, social change is unlikely. Promoting legal reforms can also be done by strengthening local civil society: for example, in Nepal, the BMZ supported a coalition of grassroots organisations that succeeded in changing the law on land ownership, making it possible for men and women to own land jointly (BMZ, 2023).

Advocating for and realising the (gender) data revolution

Quoting Melinda Gates (2016), "To close the gender gap, we have to close the gender data gap". In policy circles one often hears, "What gets measured gets done". The fact that we only have enough reliable information for three of the 14 indicators of gender equality and women's

empowerment in the 2030 Agenda – those related to child marriage, female genital mutilation and cutting, and women in management (UN Women, 2016) – makes it difficult to prioritise gender equality and *act* on it.

The IDOS indices and studies based on existing databases help us better understand the gendered nature of poverty. However, for this it is necessary to collect microdata ad hoc. That should not only focus much more on individuals – as opposed to households – but also capture information on neglected dimensions of poverty and wellbeing, such as time, violence, agency and participation in decision-making, which are especially relevant to women. Only that will make it possible to devise the right policies to overcome women's deprivations and address intra-household inequalities. Finally, these data should go beyond female-male differentiation to also include non-binary people.

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