

FOREIGN AID AND FEMALE EMPOWERMENT

BACKGROUND AND RESEARCH AIM

The impact of foreign aid on economic growth is well-researched, but only a few quantitative studies address its effect on female empowerment. Most existing studies focus on aid provided by major donors like the World Bank and China, and evaluate project-specific impact with narrow outcome measures. This research offers a first assessment of the community-level impact of foreign aid projects on female empowerment. The authors study the average effect of aid projects from any donor on gender outcomes and attitudes. The key research aims include:

- estimating the average impact of aid in general on several dimensions of female empowerment.
- estimating the impact of gender-targeted aid.
- understanding whether the pre-existing community norms and institutions modulate the impact of aid.

RESEARCH METHODS

The study employs a quantitative difference-in-difference approach, comparing the effect of aid between two groups: communities exposed to aid (treatment group) and those not exposed (control group), before and after aid exposure. While providing aid, donors may target either more responsive or isolated communities. The researchers' approach counters any bias that may arise from the selection of these communities by restricting the control group to areas that are not exposed to aid but will be at a later point.



Malawi is selected as the study location as it has the most complete geo-referenced record of recent aid projects across a broad range of donors.



The study covers projects from 2004 to 2010.



The study analyzes 14,682 individuals in 521 clusters (2004) and 29,738 individuals in 849 clusters (2010).



Malawi Standard Demographic and Health Survey (DHS) data and AidData is used for analysis.

Only rural areas were included, as gender norms can differ between urban and rural settings. To measure whether a community is exposed to foreign aid, geo-referenced data on project location from Malawi Government's Aid Management Platform was used. Households with the presence of at least one aid project within a 10-kilometre radius were defined as the treatment group. Furthermore, presence of at least one 'gender project' was identified to study the additional effects of gender-targeted aid. A project was classified as a 'gender project' if its title, project description, or activity included the words: women, girl, bride, maternal, gender, genital, and child. To measure the study outcome of female empowerment, the following indices were used:

Indices of female empowerment	Description
Female empowerment index - Haushofer and Shapiro (2016)*	Experiences of violence, men's and women's attitudes towards violence, some measures of decision-making and control over household resources.
Index of women's agency - Jayachandran et al. (2023)**	Women's say in important family decisions including children's health care, freedom of mobility.
Sexual and fertility preferences of women	Attitudes in the sexual and reproductive sphere for women.
Men's attitudes towards women's sexual and fertility preferences	Men's attitudes towards women's decision power over their sexuality and fertility decisions.
General index	Aggregate of all the above four indices.

FINDINGS

Key finding: Aid has a positive, though modest, impact on several dimensions of female empowerment, with gender-targeted aid amplifying these effects. The impact remains constant over time, as observed during the study period, and extends beyond the immediate local surroundings. However, aid-financed projects, even more so if targeting women's needs, can cause a backlash in men's attitudes towards women's sexual and fertility preferences in communities with pre-existing patrilineal norms.

- **Impact of general aid:** General aid has positive impacts on women’s sexual and fertility preferences, women’s agency, and the general index (aggregate of all four indices mentioned above). It did not have any major positive impact on female empowerment index (focusing on gender-based violence) and men’s attitudes towards women’s sexual and fertility preferences.
- **Impact of gender-targeted aid:** Gender-targeted aid has further positive impacts on women’s sexual and fertility preferences, women’s agency, and the general index. Its impact on female empowerment index is also positive but small. However, its impact on women’s agency is tentative. It did not have any impact on men’s attitudes towards women’s sexual and fertility preferences.
- **Importance of prevailing community context:** The impact changes in patrilineal communities, where women have weaker land rights. Here, both general and gender-targeted aid has a negative impact on men’s attitudes towards women’s sexual and fertility preferences. Any positive impact of gender-targeted aid on other indices turns negative, though this should be interpreted with care as results are estimated with less precision.

IMPLICATIONS FOR PRACTICE AND FUTURE RESEARCH

This research contributes to existing literature on aid impact by offering a broader assessment of projects that are geographically diverse, target different outcomes, and are implemented by different organizations and donors over a longer period of time. It highlights the need for focused investments in gender projects as gender-targeted aid can enhance the positive effects on female empowerment. Notably, it emphasizes the need to tailor the design and placement of aid projects as pre-existing community characteristics can affect the impact. The authors call for further research into developing suitable interventions that account for community characteristics. Additionally, they advocate for more geo-coded data on foreign aid to study its impact across geographies, sectors, types of investment, and donors.

ACADEMIC REFERENCE

Maria Perrotta Berlin, Evelina Bonnier & Anders Olofsgård (2024) Foreign Aid and Female Empowerment, *The Journal of Development Studies*, 60:5, 662-684, DOI: 10.1080/00220388.2023.2284665

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