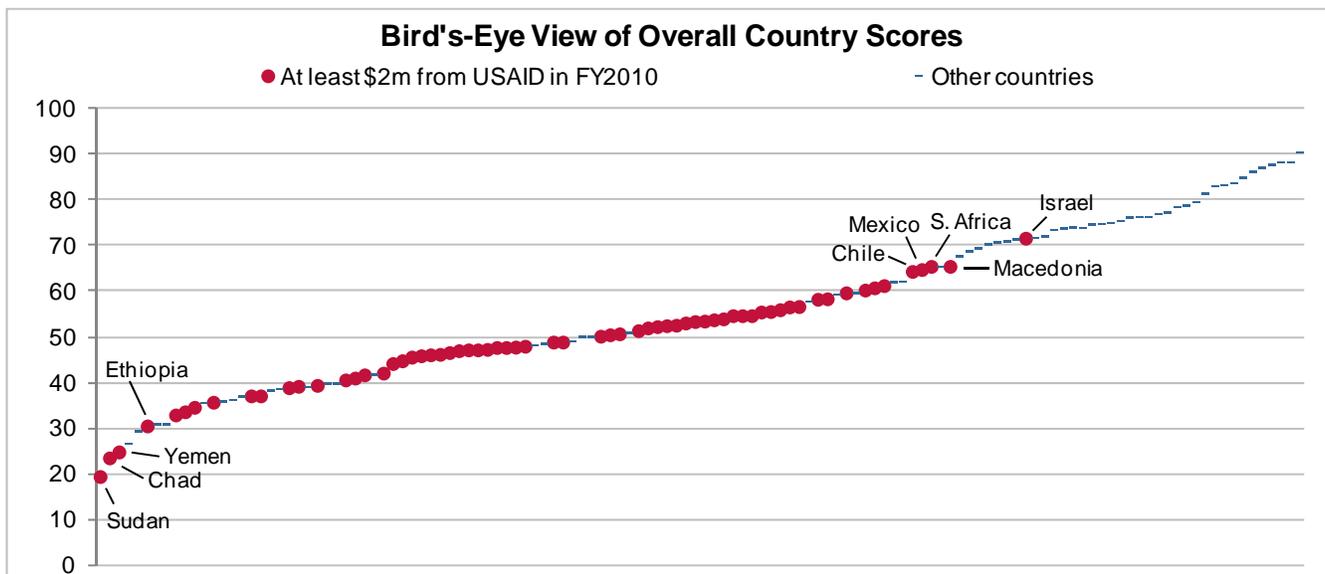


After a pilot study in 2010, the Economist Intelligence Unit (EIU) this year published the Women's Economic Opportunity Index. Traditionally working largely in unpaid and informal markets, women have had less access to economic opportunity than men, especially in developing countries. This index is intended to measure the economic advancement of women around the world by scoring countries' progress in improving the underlying factors that have prevented women's access from economic opportunity in the formal economy. For this purpose, women's economic opportunity is defined as, "a set of laws, regulations, practices, customs and attitudes that allow women to participate in the workforce under conditions roughly equal to those of men, whether as wage-earning employees or as owners of a business." Overall country scores are calculated as the average across 29 indicators, as scored by EIU analysts, ranging from 0 to 100. These indicators are grouped among six categories: Access to finance, Education and training, General business environment, Labor policy, Labor practice, and Women's legal and social status. Higher scores mean better performance and outcomes.

The index is highly correlated with national development. The top five scoring countries are Sweden, Norway, Finland, Belgium, and Australia; while the bottom five countries are Solomon Islands, Papua New Guinea, Yemen, Chad, and Sudan (preparation of the index was done before South Sudan's independence). Therefore, of the 128 countries covered by the index, this snapshot focuses on the 66 that received at least \$2 million in assistance from USAID in fiscal year 2010.



Top and bottom 10 countries

The top and bottom scoring countries' overall results are reinforced by their scores in the index's six categories. Top scoring Israel has high marks in two thirds of the categories. Macedonia and South Africa tied for second place. South Africa is a top performer in more category scores, but Macedonia's score in the category of "General business environment" is markedly higher than South Africa's. Mexico is a top scorer due to its high marks in "Labor policy." Among the bottom performers, Sudan has low marks in all of the categories, and Yemen is among the bottom scores in half of the categories. Chad is another poor performing country, scoring low in two thirds of the categories, but does provide an exception when looking closely at the details (see below).

Top and bottom 10 countries

Country	Access to finance	Education and training	General business environment	Labor policy	Labor practice	Women's legal and social status	Overall
<i>Top 10 countries</i>							
Israel	66.8	83.3	79.2	70.8	57.1	71.9	71.5
Macedonia	54.5	69.1	70.3	71.1	52.9	73.8	65.3
South Africa	65.8	62.5	56.8	71.4	53.4	82.1	65.3
Mexico	53.3	60.2	62.2	81.7	51.8	78.5	64.6
Chile	61.9	76.0	73.5	63.6	38.8	71.6	64.2
Costa Rica	49.5	62.6	57.4	58.9	49.2	88.8	61.1
Panama	53.8	68.0	67.5	56.9	38.4	79.2	60.6
Thailand	61.6	60.8	58.5	70.3	34.9	74.6	60.1
Brazil	55.0	63.5	53.0	70.8	35.9	79.1	59.5
Montenegro	58.6	77.3	66.3	42.2	33.0	71.7	58.2
<i>Bottom 10 countries</i>							
East Timor	22.9	27.3	19.4	68.1	21.8	62.0	36.9
Zambia	15.1	30.3	38.8	65.8	21.2	50.2	36.9
Pakistan	30.4	20.1	39.2	43.3	31.4	48.8	35.5
Turkmenistan	0	53.6	30.1	42.8	20.5	59.3	34.4
Nigeria	27.1	29.5	29.5	39.4	28.4	46.7	33.4
Madagascar	8.3	34.2	33.3	35.3	23.1	62.2	32.7
Ethiopia	6.3	20.4	26.6	53.9	28.0	47.0	30.3
Yemen	8.4	22.6	34.6	40.8	12.8	28.7	24.6
Chad	0.1	9.4	8.6	57.8	30.6	33.3	23.3
Sudan	0	22.8	24.1	29.2	12.8	26.5	19.2

Category scores

An overall message of the report that accompanies the index is that countries can enact opportunity enabling policies, but putting those policies into practice is another thing; and that policy execution and enforcement are lagging. Comparing countries' "Labor practice" scores directly to their "Labor policy" scores bears this out: all countries except Sri Lanka, Vietnam, and Bosnia-Herzegovina score higher in policy than practice. Furthermore, all countries' "Labor practice" scores are less than the average of their other category scores, except for two countries—Chad and Benin.

Top and bottom five countries by category

<i>Access to finance</i>		<i>Education and training</i>		<i>General business environment</i>	
Country	Score	Country	Score	Country	Score
<i>Top five</i>		<i>Top five</i>		<i>Top five</i>	
Israel	66.8	Israel	83.3	Israel	79.2
South Africa	65.8	Ukraine	78.4	Chile	73.5
Serbia	62.5	Venezuela	77.4	Macedonia	70.3
Chile	61.9	Montenegro	77.3	Georgia	68.6
Thailand	61.6	Chile	76.0	Panama	67.5
<i>Bottom five</i>		<i>Bottom five</i>		<i>Bottom five</i>	
Madagascar	8.3	Sudan	22.8	<i>Benin</i>	26.4
Ethiopia	6.3	Yemen	22.6	Sudan	24.1
Chad	0.1	Ethiopia	20.4	<i>Cambodia</i>	23.6
Turkmenistan	0	Pakistan	20.1	East Timor	19.4
Sudan	0	Chad	9.4	Chad	8.6
<i>Labor policy</i>		<i>Labor practice</i>		<i>Women's legal and social status</i>	
Country	Score	Country	Score	Country	Score
<i>Top five</i>		<i>Top five</i>		<i>Top five</i>	
Mexico	81.7	Israel	57.1	Costa Rica	88.8
Armenia	81.7	<i>Benin</i>	57.0	Paraguay	83.3
Tanzania	79.2	Bosnia-Herzegovina	53.8	South Africa	82.1
Kenya	75.0	South Africa	53.4	<i>Dominican Republic</i>	80.0
<i>Cambodia</i>	74.4	Macedonia	52.9	Belarus	79.6
<i>Bottom five</i>		<i>Bottom five</i>		<i>Bottom five</i>	
Madagascar	35.3	Turkmenistan	20.5	Nigeria	46.7
Vietnam	31.9	Tajikistan	20.1	Lebanon	42.9
Jordan	31.4	<i>Dominican Republic</i>	18.2	Chad	33.3
Sri Lanka	31.1	Yemen	12.8	Yemen	28.7
Sudan	29.2	Sudan	12.8	Sudan	26.5

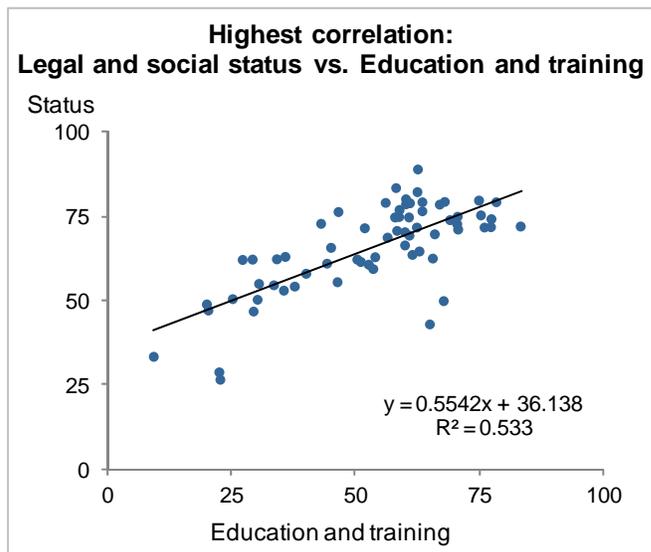
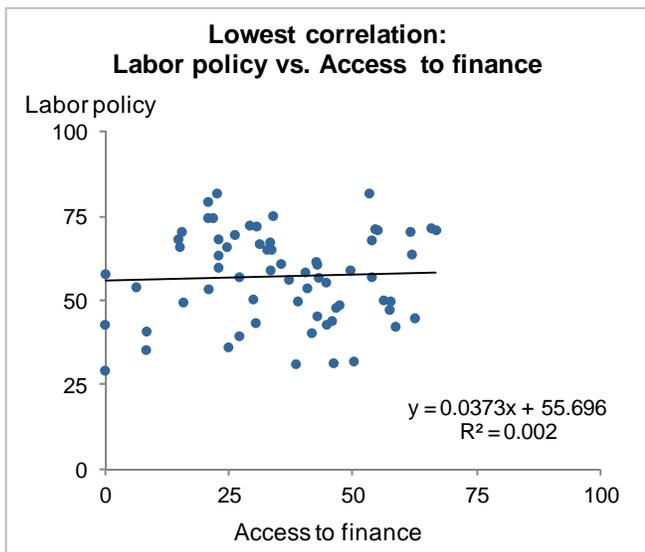
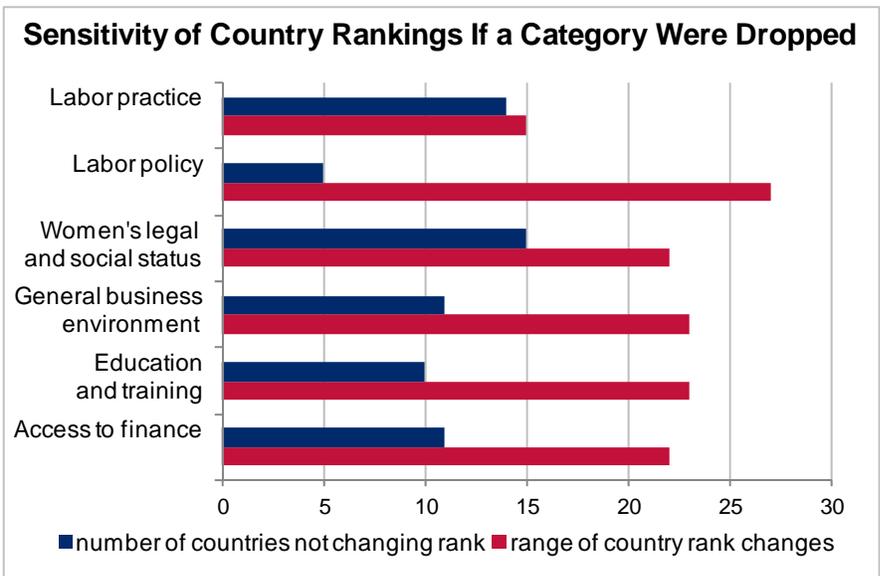
NOTE: **Bold** indicates countries that appear in at least three categories. *Italics* indicate countries that appear in both a top and bottom list.

In fact, if any single category were dropped from the overall index, the omission of “Labor practice” would have the least impact on country rankings. If it were dropped, the range of country rank changes would be the smallest, and it would have the second greatest number of countries not changing rank at all.

Israel and Pakistan have the most robust rankings since if a single category were removed from the index methodology, their rankings would move the least—in fact, they would not move at all (1st and 59th, respectively, with current scores of

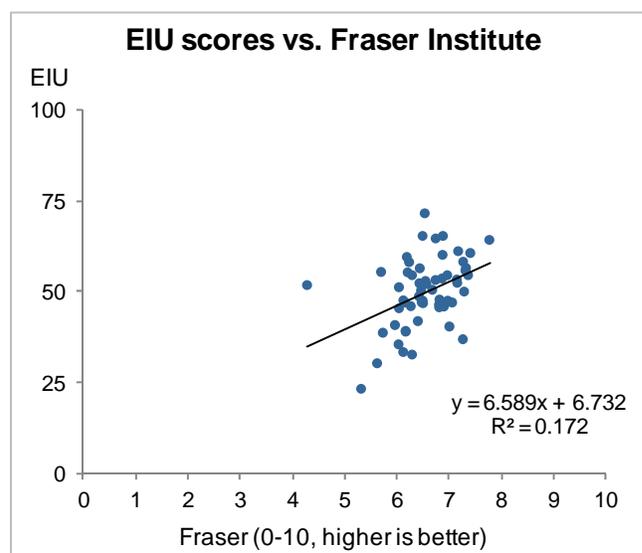
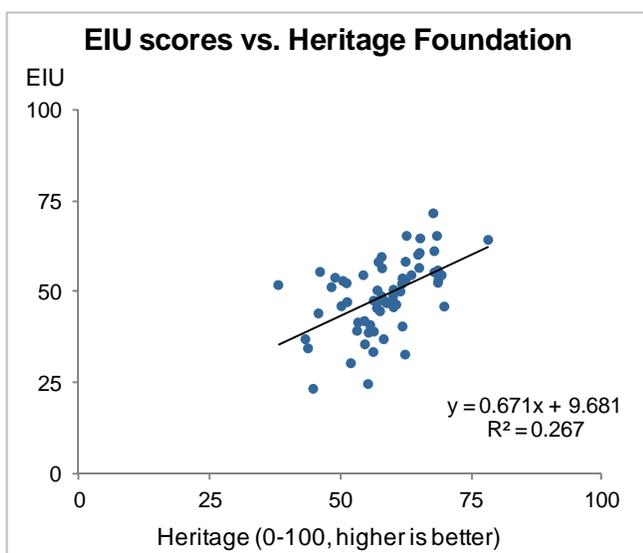
71.5 and 35.5). In contrast, Sri Lanka’s ranking would fall; unless the removed category was “Labor policy,” in which case its ranking would increase from 36th to 26th. Tanzania’s ranking would benefit the most if one of the removed categories was “Access to finance,” “Education and training,” or “General business environment.” However, if the removed category was “Women’s legal and social status,” “Labor policy,” or “Labor practice,” then Jordan’s ranking would climb the most.

Between the categories, correlations are strongest between “Education and training,” “Access to finance,” and the “General business environment.” This makes sense because having fairer access to finance builds on the education and training opportunities available to women (for example, creditors see women as safer credit risks); and the general business environment can be an outcome of credit being more widely available to the private sector. “Labor policy” has the lowest correlation with the other categories. This is not a bad thing, statistically speaking, as having a component that is less correlated means you’ve spread out your set of possible explanations while reducing the possibility for confusion as to which component actually is associated with the outcome (which can come from having higher correlations).



Comparison with economic freedom scores

The Women's Economic Opportunity Index complements not only other gender related indicators but also the economic freedom scores from the Heritage Foundation and Fraser Institute. Both of these other institutions' own indexes demonstrate some correlation with the EIU's measure. For example, both Heritage and Fraser score Venezuela at the bottom of their respective indexes, whereas the EIU scores it as an average country. By adding the gender dimension to economic freedom, this new index gives a good view on the factors underlying women's economic opportunities while also broadening the analytical scope of economic freedom.



Additional Information

For questions or more information, please contact the author, David Colin, at dcolin@devtechsys.com.

To access the complete dataset from the Economist Intelligence Unit's Women's Economic Opportunity Index, please visit the Economic and Social Database (ESDB) at <http://esdb.eads.usaidallnet.gov/>. The ESDB website offers other gender related data such as, the World Bank's Women, Business and the Law, the OECD's Social Institutions and Gender Index, the World Economic Forum's Global Gender Gap Report, and others. Through the ESDB website, you can access this data as well as standard country profiles that include gender related indicators in addition to analytical tools such as population pyramids.