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Women's Economic Empowerment Alliance

Advancing a Global Women's Economic Empowerment Movement

Description: The Women's Economic Empowerment Alliance is organized to produce an ongoing outreach, education, and engagement program designed to raise the issue of women's economic empowerment to a level of mainstream, mass awareness. Members of and collaborators with the Alliance understand that, to effect sustainable, systemic change requires a long-term, ongoing, integrated, systemic approach.

Accordingly, the Women's Economic Empowerment Outreach, Education, and Engagement Program integrates multiple channels of activity, designed to make ongoing impressions and to engage targeted constituencies through media, events, retail outlets, and other information and engagement channels.

Core Purpose & Understanding: The Women's Economic Empowerment (WEE) Alliance and WEE Program are organized to foster broadly distributed peace, prosperity, health, happiness, and well-being, facilitated by worldwide women's economic empowerment.

We believe that a systematic combination of three factors can profoundly advance the Global Women's Economic Empowerment Movement. Reviewed in more detail later in this overview, these factors are:

1. Microfinance,
2. Entrepreneurial Culture and Education, and
3. Economic Freedom

Alliance & Program Objectives

- Promote broadly distributed peace, prosperity, health, happiness, and well-being, by advancing women's economic empowerment.
- Increase awareness of the powerful role women's economic empowerment play in broadly distributed peace, prosperity, health, happiness, and well-being; and of the factors that facilitate women's economic empowerment.
- Promote and support advances in the propagation of systematic combinations of Microfinance, Entrepreneurial Culture, and Economic Freedom, to advance women's economic empowerment.
- Foster enhancement and expansion of, and support for existing, on-the-ground programs.
- Catalyze development, testing, and scaling up of new, on-the-ground programs. (At the end of this document are examples of two such programs - *Women's Empowerment Free Zones* and a *Brazilian Example*.)



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- Create a matrix of engagement, to activate individual and collaborative actions that promote women's economic empowerment; and facilitate connections with programs and models for fostering women's economic empowerment, and other opportunities to participate in and support the Women's Economic Empowerment Movement.
- Activate the program in developing countries where "on-the-ground" programs and systems are being developed and implemented to cultivate understanding, engagement, and support; and in developed countries where public policy, investment, volunteerism, philanthropy and other support can greatly advance women's economic empowerment.
- Design and activate the Program in ways that embody and model the principles of interaction and collaboration core to the Women's Economic Empowerment Ethos.
- Deliver meaningful benefits to multiple partners, advancing their individual interests while accomplishing core program objectives.

Prospective Program Elements

- **Events:** Conferences, Participatory Engagement Experiences, Workshops, etc.
- **Curriculum:** For high school and college, printed, online, and DVD
- **Media:** film, TV, audio, internet
- **Partners:**
 - Content
 - Marketing & distribution
 - Retail
 - Media
 - Funding
- **Marketing & Public Relations**
- **Management/Integration**

Program Attributes

- Long-term, ongoing
- Sustainable
- Integrated (between program elements, partners, and with on-the-ground programs)
- Collaborative
- Multi-channel
- Engaging & effective



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Partner Criteria

- Share aligned worldview and vision, and belief in the power of the systematic combination of Microfinance, Entrepreneurial Culture, and Economic Freedom to foster broadly distributed peace, prosperity, and well-being.
- Embody shared values and principles, including commitments to:
 - Cultivate human flourishing
 - Practice non-violence and radical tolerance
 - Embrace freely-chosen, mutually beneficial solutions
 - Collaborative process
 - Engage in open, honest, respectful communications and relationship process
 - Employ consistent practices to reinforce the principles
- Will make a meaningful contribution to the Program, significant to addressing program objectives.

Women's Economic Empowerment Alliance Partners will collaborate to produce the **Women's Economic Empowerment Program**. The Women's Economic Empowerment Alliance will leverage the work of an array of independent organizations to elevate public awareness of and attention to the issue women's economic empowerment to an unprecedented level, fostering changes in policy, resource allocation and other factors to dramatically advance the movement. The integrated outreach, education, and engagement program will be designed to optimally employ Partner resources and capabilities, for the benefit of the program and each of the Program partners. The whole will truly be greater than the sum of the parts.

The Significance of Microfinance, Entrepreneurial Culture, and Economic Freedom - The Three Principal Content Pillars of the Women's Economic Empowerment Program

Microfinance

Microfinance refers to a diverse array of financial services, including credit, savings, insurance, etc., designed to assist the poor, who have traditionally not had access to financial services. Microcredit, in support of micro-entrepreneurship, is leading sector within microfinance.

Dr. Mohammad Yunus launched the microfinance movement when, as an economics professor, he was exposed to the suffering of the starving during the famines following the partition of Bangladesh. He began visiting local villagers to see what he could do to help, and soon discovered that small loans, initially only twenty-seven dollars, made a big difference in the lives of the poor. He went on to develop Grameen Bank in the 1970s, which became the first for-profit company to win a Nobel Prize when Yunus and Grameen won the Nobel Peace Prize in 2006.

Microcredit is often geared specifically to support women borrowers because, as the Grameen Bank states, "When men get the chance, they start dreaming about themselves; when women get a chance, they dream about the home and their children." 97% of Grameen Bank customers are women, a percentage characteristic of many microfinance organizations.



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The fact that Grameen bank and Dr. Yunus were awarded Nobel Peace Prize is an appropriate public symbol of the global stature of microfinance today. After decades of frustration in global economic development work, microfinance is arguably the single most popularly celebrated global economic development opportunity.

Despite this widespread respect, there are two common criticisms (most prominently Thomas Dichter's work) of microfinance:

1. It has not, to date, eliminated poverty.
2. Microloans may be being used for consumer credit as much as for investment capital.

We believe that these criticisms of microfinance, rather than casting doubt on existing achievements, are grounds for providing the microfinance movement with deeper support within an integrated program for women's economic empowerment. This integrated program includes cultivating entrepreneurial culture and economic freedom. Together with the foundations laid by microfinance, we see entrepreneurial culture and economic freedom serving as forces that drive a global women's economic empowerment movement. (See related WEE Overview for additional detail, including the role of women's entrepreneurial empowerment in moving from crony capitalism to entrepreneurial capitalism around the world).

Entrepreneurial Culture

Entrepreneurship presupposes creativity, initiative, courage, perseverance, communication and collaboration skills, and other personal attributes and skills. While individuals naturally embody these attributes and skills in varying degrees, like most skills, they can be taught and learned, and reinforced by culture and community.

In the past, prevailing belief was that individuals are either born entrepreneurs or they are not, and that some cultures seem to support entrepreneurship more than others. Neither of these beliefs regarding the source of entrepreneurship emphasizes the possibility of the transfer and cultivation of entrepreneurial skills and attitudes. We have researched a number of organizations that combine education, mentorship, and networking opportunities that, taken collectively, are deliberate attempts to disseminate high quality entrepreneurial culture. We believe that these nascent initiatives represent the vanguard of a new generation of organizations that will transmit entrepreneurial culture to people around the world with steadily increasing levels of sophistication and effectiveness.

While both men and women around the world will benefit from the systematic transmission of entrepreneurial culture, the urgency with respect to women is especially great. Throughout the developing world, women's entrepreneurial tendencies are not reinforced and often punished, and they are predominantly excluded from entrepreneurial education and the system of entrepreneurship. The promotion of an entrepreneurial culture for women is the promotion of an empowerment culture for women in the most constructive and lasting sense of empowerment. Ultimately, we see the promotion of entrepreneurial culture as empowering all individuals by means of making creativity, initiative, courage, perseverance, communication and collaboration skills, and more to be the norm among those communities in which individuals seek to improve their standard of living.



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To survive and succeed in life on any level, in the face of the often horrific conditions they face, women clearly need to embody many of the attributes of the entrepreneur. We can see them as entrepreneurs of survival. As Grameen Bank and the microfinance have powerfully demonstrated, when given the most basic opportunity and support, women flourish as entrepreneurs, delivering value to others and generating wealth for themselves, their families, and their communities.

Criticisms of microfinance have failed to understand the extent to which one of the primary functions of microfinance has been to seed an entrepreneurial culture. As Dr. Yunus has observed, he is "running a school, and the loans are to encourage people to participate." We must now water and nurture this seeded culture by means of additional cultural and institutional supports. Indeed, Yunus' Grameen Bank is among the vanguard of institutions consciously transmitting entrepreneurial culture.

Following are a few examples of other organizations are working to transmit entrepreneurial culture, at very diverse levels, offering very diverse content:

- **Educate Girls Globally:** Facilitates getting girls into school who are otherwise excluded due to cultural biases, providing the foundation for them to grow as human beings.
- **Junior Achievement:** Provides K-12 introductions to entrepreneurship
- **National Foundation for Teaching Entrepreneurship (NFTE):** Provides deeper training for young entrepreneurs in secondary schools.
- **The Kauffman Foundation:** A foundation with \$2 billion in assets dedicated to creating "a society of economically independent individuals who are engaged citizens, contributing to the improvement of their communities."
- **IFC-IBM's Small & Medium Enterprise Portal:** IBM has a global program dedicated to supporting the development of small and medium-sided enterprises through coaching, consulting, and technology.
- **Ernesto Sirolli's Enterprise Facilitation:** Provides entrepreneurship coaching for regional development.
- **The Maverick Center:** Provides coaching in "how to be a maverick," how to learn how to become an independent entrepreneur.
- **Bootstrap:** a global mentoring network of entrepreneurs dedicated to creating enterprises without capital.
- **Education Revolution, www.edurev.com:** on-line marketplace for new learning.
- **Endeavor:** Identifies and supports promising entrepreneurs in developing world nations and helps them create successful large companies.
- **The Indus Entrepreneurs, www.tie.org:** A global network of entrepreneurs, that originally brought Silicon Valley entrepreneurial know-how to India, but which, has now become a global mentoring and support network with a proven methodology for supporting entrepreneurs.

Some people might look at these and other organizations and see a collection of barely related offerings. We see the foundation for an integrated, global system of entrepreneurial and empowerment education, for men and women alike, that is ready to be packaged and connected so that all potential entrepreneurs, including micro-entrepreneurs and children, have access to a floor-to-ceiling pathway to upward mobility and the fulfillment of their dreams. It will take work to put these pieces together, but the time for beginning this work is now.



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Economic Freedom and Access to Capital

Economic Freedom is arguably the most important leg of the tripod supporting women's economic empowerment, and the most misunderstood.

Economic Freedom represents social, political, and legal factors contributing to entrepreneurial initiative and wealth creation. The Fraser Institute of Canada produces the most comprehensive and widely respected measure of Economic Freedom, through annual reports entitled Economic Freedom of the World. These reports include an Economic Freedom Index, assessing every nation on Earth, measuring the following five factors:

1. Size of Government: Expenditures, Taxes, and Enterprises
2. Legal Structure and Security of Property Rights
3. Access to Sound Money
4. Freedom to Trade Internationally
5. Regulation of Credit, Labor, and Business

Here we will simply cite the index as a useful resource for evaluating levels of economic freedom within a nation, and point out that increases in economic freedom result in increased rates of economic growth, resulting in positive indicators of health and well-being for women and children.

A huge gap exists between the NGOs, on the one hand, and the advocates for economic freedom, on the other. Many NGOs are founded and staffed by people critical of businesses making profits in the midst of extreme poverty. As a consequence, they often believe that business requests for less regulation, for instance, are simply further instances of selfish behavior.

The unintended consequence of this antipathy for deregulation is that there continue to be significant in-flows of capital into the least regulated economies of the world, including the Anglo-American nations and Scandinavia, and relatively little in-flows into the most regulated economies, including most poor nations. The Milken Institute, dedicated to democratizing access to capital, has documented these trends more closely by publishing an annual "Capital Access Index" which closely tracks the aforementioned Economic Freedom Index. The two are not strictly identical, and, together with the World Bank's Doing Business Index, all three serve as complementary measures of the extent to which entrepreneurs have the freedom to create businesses and grow them through fair access to capital.

Fortunately the attitudes of NGOs are changing as the role of entrepreneurship and business in economic development is more widely acknowledged. Grameen Bank is the first for-profit company to receive a Nobel Prize; global NGO Oxfam has studied the role of Unilever in alleviating poverty in Indonesia. There is a growing consensus that responsible business is a force for the good around the world, and arbitrary obstacles that prevent responsible business from doing good work should be eliminated.

We propose two approaches to increasing economic freedom: First, changing government policy to broadly create more economic freedom, and second, by means of creating Women's Empowerment Free Zones. The former involves changing public policy. While it is important to be clear what policies are needed to alleviate poverty, and symbolically powerful for the alliance to support such policies, policy change is often a slow, painful process.



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A more direct and accelerated path for using the power of economic freedom to improve women's economic empowerment is by means of Women's Empowerment Free Zones (WEFZ). These are free economic zones designed to accelerate business development, but with the increase in wealth directed towards supporting women and children. An overview of WEFZs follows this page.

Summary

The Women's Economic Empowerment Alliance will collaboratively create a global, integrated program that advances women's economic empowerment, creates peace through commerce, and liberates the entrepreneurial spirit for good, by fostering awareness, understanding, and implementation of the systematic combination of the following three factors

1. Existing Microfinance,
2. Existing Organizations Promoting Entrepreneurial Culture, and
3. Existing Measures of Economic Freedom and Existing Free Zone Expertise.

About FLOW

FLOW is an emerging movement dedicated to liberating the entrepreneurial spirit for good and directing it towards creating sustainable peace, prosperity, and happiness for all in our lifetime.

The FLOW Movement reflects a FLOW Worldview, integrating appreciation for economic freedom, voluntary exchange, individual initiative, combined with social and environmental consciousness, and embodies FLOW Principles, which include commitments to cultivate human flourishing, practice non-violence and radical tolerance, and embrace freely-chosen, mutually beneficial solutions to manifest the FLOW vision.

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The following overviews of *Women's Empowerment Free Zones* and a *Brazilian Example* are meant to represent specific opportunities and models for other opportunities for on-the-ground programs that embody Microfinance, Entrepreneurial Culture and Education, and Economic Freedom to advance women's economic empowerment.

The Women's Economic Empowerment Program is designed to promote such initiatives and the Women's Economic Empowerment Alliance and its members may decide to directly engage in catalyzing such initiatives.

Women's Empowerment Free Zones (WEFZ)

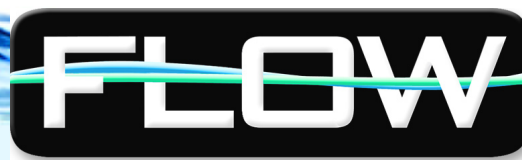
Women's Empowerment Free Zones might significantly accelerate the process of advancing women's economic empowerment in specific communities, while serving as a platform to promote the idea of women's economic empowerment. They are, in essence, tiny islands of economic freedom created through government concessions within an existing nation-state. They are typically easier to obtain than state-wide policy changes.

Traditional free zones have a mixed reputation: While they are the means by which many millions of jobs have been created throughout the developing world, they are sometimes tainted by means of crony relationships and abusive practices. That said, they are often an extremely effective means of accelerating economic development. Dubai, for instance, has grown from nothing to become the most successful commercial hub in the Middle East in just fifteen years by means of free zones. More dramatically, much of China's extraordinary growth has been fueled by free zones on the Chinese coast explicitly modeled after Hong Kong, the world's fastest-growing nation for most of the past fifty years. Chinese urban manufacturing dominance in the past fifteen years would not have taken place without these free zones. Taiwan and South Korea both launched their rapid phases of growth by means of special manufacturing zones.

What if the acceleration in economic development that often takes place by means of free zones were bundled with the cause of women's empowerment? Mark Frazier, an expert in free zone development and design, has proposed "socially responsible" free zones as a means by which responsible free zones can be used to fund good causes. Because a lack of economic freedom restricts business development, land that has been designated as a "free zone" typically increases in value by 300-500% or more. A free zone concession is often an instant license to create wealth from nothing; throughout most of the developing world, over-regulation, complex and corrupt licensing processes, high trade barriers, and uncertain property rights and enforcement of contract prevent functioning capital markets and business development from occurring. Effective free zone regulatory frameworks, streamlined licensing, low trade barriers, and secure property rights and contract enforcement allow the wealth that is latent in entrepreneurial imagination to become monetized almost immediately.

Why not promote globally this enormous, multi-trillion dollar reservoir of un-accessed wealth, and devote it to the cause of women's economic empowerment? Women's Empowerment Free Zones can create extraordinary wealth in nations around the world, wherever governments commit to them.

In the past these instant wealth gains have gone to government officials, corporate deal-makers, and other insider cronies. Because of this corrupt process, most activists and NGOs have vigorously fought new free zone concessions. But the fact that the newly-created wealth often went to the wrong



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people in the past doesn't imply that therefore we should not allow entrepreneurs to create the wealth. Instead, we should support and accelerate the process of wealth creation, and ensure that a significant portion advances our cause.

In Women's Empowerment Free Zones, at least 50% of the land gain values are required to go into trusts dedicated to distribute proceeds to women's credit institutions and to health and education vouchers for women and children. These WEFZ will thus create significant local revenue streams for women's economic empowerment (including health and education for their children) quickly. By releasing business from obsolete regulations and inefficient government, revenue streams from increased land values are immediately available to devote to women's causes. The magnitude of these revenue streams is limited only by the amount of land put into free zones and the professionalism and transparency with which the zones are created.

In order to ensure this professionalism and transparency, and to ensure that crony capitalists do not capture the process, we will create a WEFZ consulting firm to certify that no more than 50% of the revenue streams given out as incentives to governments and corporate partners, and that the remaining 50% is placed in well-designed trusts with effective management expertise to ensure long-run revenue flows to local women.

An Example of an Integrated On-the-Ground Program: Brazil

This sketch of a prospective program in Brazil exemplifies how disparate elements can be integrated to create a national platform.

Brazil is sometimes described as the most entrepreneurial nation in Latin America. While it is in some respects a nation besieged by social unrest, as evidenced by the outbursts of uncontrollable violence in the favelas, it is also a nation on the cusp of entering global leadership circles, due to the potential of its economy to become one of the largest on earth in the next few decades – if the entrepreneurial energies of Brazil can be released to improve the standard of living for all Brazilians. Significant, sustained economic growth in Brazil would have profound and rapid benefits for Brazilian women and children. How can WEE help catalyze and unleash the latent power of Brazilian entrepreneurship?

The first point to understand is that the WEE program does not propose to manage or direct the affairs of Brazil or any other nation. We take our role as catalysts seriously, referring not only to the fact that chemical catalysts ignite and accelerate chemical reactions, but they also do not ultimately play a role in the result. We profoundly respect the autonomy of other individuals, organizations, nations, and alliances, and only want to help where our help is desired and can therefore be effective. We propose to work entrepreneurially and opportunistically, in the noblest sense, identifying enthusiastic partners and working to create coalitions that can manifest a distinctive version of the vision we've articulated here.

A lack of economic freedom, and in particular a lack of access to credit, is one of the most severe bottlenecks to more extensive legal entrepreneurial activity in Brazil. Brazil is ranked 115th in the world in credit market regulation on the Fraser Index of Economic Freedom, and in the Milken Institute Access to Credit Index they have fallen from 33rd place to 50th place in the past two years. Policy change is slow and difficult, and often moves backwards, as Brazil's collapse in Access to Credit rank shows. No matter how much global NGOs invest in microfinance projects in Brazil, if Access to Credit continues to degrade in Brazil, the crucial middle rungs of the ladder up from poverty are being eliminated. A lack of



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access to credit exacerbates inequalities of wealth by preventing the most entrepreneurially successful of the poor from moving up into middle class, and upper-middle class, success.

Microfinance is in its early stages of growth in Brazil, but growing rapidly. As of 2002 the World Bank estimated that only two percent of potential microfinance clients had been reached in Brazil, but that the number of microfinance clients was doubling every two or three years. Microfinance was late in coming to Brazil, relative to other nations, in large part because of regulatory obstacles. Thus the Brazilian microfinance community has experienced directly the importance of regulatory reform in order to improve the access to micro-capital. Similar reforms are needed to open up additional rungs on the ladder as well as to facilitate the growth of existing microfinance initiatives.

How can the cause of Women's Empowerment empower a public movement on behalf of credit reform? Again, we will defer to our Brazilian partners for the details. But two examples will indicate the directions in which our existing conversations are going. First, there are controversies regarding the destruction of the Brazilian rainforests which involve complex international interests on both sides, with those advocating development of rainforests being portrayed simply as corrupt crony capitalists, whereas those opposing this development being portrayed simply as anti-development environmentalists. As is often the case in political controversies, there is a complex mix of truth and falsehood in both stereotypes. Unfortunately the result often contributes to ugly political stalemates in which both sides perceive themselves as losing.

FLOW partners include rainforest-friendly Brazilian corporations that are well regarded by the environmental organizations in the U.S. It is less well-known, because it has not been part of their branding, that many of these companies are also committed to women's empowerment. They are, in general, "Conscious Capitalists," devoted to doing good in all aspects of their business operations. By supporting the WEE aspect of their brands, the goal is to create a coalition of environmentalists and women's advocates organizations in both the U.S. and the Brazil that gradually come to support credit market reform in Brazil – transcending, in some cases, their traditional anti-capitalist biases by means of networks of political trust. Thus one aspect of our approach, that transcends the kind of work being done by the World Bank and similar organizations, is to catalyze elements within the global environmentalist and women's groups on behalf of credit reform.

A related initiative is to obtain the support of Brazilian celebrities, such as Favela Rising star Anderson Sa. Sa is famous in world music circles as the creator and popularizer of Afro-Pop, a musical genre indigenous to Brazilian favelas but which now has global reach due to Sa's success. Sa often speaks politically on behalf of the oppressed in favelas, and tells a profoundly troubling story. But Sa's political talks never bring up credit reform – he is speaking from a much more visceral place, not informed by the details of banking regulation. But the Conscious Capitalism movement in Brazil, in combination with the microfinance movement, both understand the need for credit market reform, and both elements are credible among political progressives. Thus we will help key Brazilian Conscious Capitalists and Brazilian microfinance advocates to work with supportive environmental and progressive organizations to support credit market reform. And with the right coalition in place on behalf of this cause, powerful symbols of the oppressed such as Anderson Sa, who is essentially a great entrepreneur, can be brought on board as public spokespersons for key credit reforms. Through MPower, a FLOW partner with the leading global expertise in pre-paid debit cards, microfinancers in many regions can distribute loans using MPower debit cards – each of which can include the campaign brand for the credit reform. Millions of Brazilian households will receive their loans on physical instruments that include messaging on entrepreneurial culture, economic freedom, and credit reform as the path to national prosperity.



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At this point, one has the elements in place of a popular national movement to reform credit policies that has utterly transcends the world of policy analysis and political debate in the usual sense. The details sketched above are only examples, which would need to be adapted to particular opportunities. The key point is that the foundation exists for broad-based reforms, based in existing institutions but expanding well beyond them, that ultimately will result in significant economic transformations for millions of women. Building on the base of existing microfinance organizations, and working closely with them, the program will include a women's empowerment message throughout. By working to improve the business climate for all Brazilians, none of the messaging will be adversarial – it will all be focused on how to create big wins for all Brazilians, with respect for women leading the way.