

Does Women Political Empowerment Enhance Economic Freedom?

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Abstract

A growing literature has associated women's political empowerment with many desirable economic and social outcomes. Women's political empowerment is defined as the process of increasing capacity for women, leading to greater choice, agency, and participation in societal decision-making. As intrinsically and instrumentally important, women political empowerment is a top priority of the international community. In parallel, a separate and distinct literature has explored the determinants of economic freedom. The cornerstones of economic freedom are personal choice, voluntary exchange, open markets, and clearly defined and enforced property rights. This study bridges these two disparate streams of research together by investigating the role of women's political empowerment on economic freedom. Using static and dynamic panel estimators on a panel dataset of 126 countries over the period 1970–2019, the results show that women's political empowerment bolsters economic freedom. This finding is robust to estimation methods, control variables, and holds across different dimensions of women's political empowerment. The relationship is also robust across the different areas of economic freedom, except for Sound Money. From a policy perspective, the findings suggest that inclusion of women in politics is consistent rather than conflictual with mainstream development and growth policy recommendations focused on enhancing market-oriented policies and institutions.

Keywords: GMM estimation, market-oriented institutions and policies, women's choice, women's political agency, women's political participation