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Opening Statement of the Honorable **Ed Royce (R-CA), Chairman**
House Foreign Affairs Committee Hearing:
“Beyond Microfinance: Empowering Women in the Developing World”
July 12, 2017

(As prepared for delivery)

“This is the *fourth* in our series of hearings to examine the challenges and opportunities facing women worldwide.

Today we consider some of the barriers to economic empowerment that women face in developing countries, and what this means for them, their families and communities.

Now, all countries stand to benefit from women’s increased economic participation. But the potential gains are *particularly* great across the developing world, due to the *extent* of the constraints that so many women face on their ability to own property, access financial services, or work outside the home. Consider that women in more than half the world’s countries face limits on their ability to own or manage property, while women-led small-to-medium sized firms in developing countries face an estimated \$285 billion credit gap.

As renowned Peruvian economist Hernando de Soto explained when he testified before this Committee, one of the primary sources of stagnant growth and unrest in developing economies is a *lack of property rights*, and the resulting exclusion of workers, including women, from the formal economy.

These constraints directly harm women by preventing them from working, saving and controlling their own future. But they also harm economic growth and stability. In fact, a multitude of studies project huge gains to global GDP from increases in women’s economic participation.

Perhaps that is why, after de Soto helped reform the customary laws in his native Peru to make it easier for Peruvian women to work and own property, women’s formal labor force participation increased by 15 percent within a decade. As a result, Peru became one of the fastest growing economies in Latin America.

We have reason to be optimistic that this type of success can be replicated. More developing nations are beginning to understand the importance of women’s economic inclusion – and are taking steps to reform their laws and address inequities. The U.S. has a critical leadership role to play in continuing to promote such reforms. Our economic, humanitarian, conservation and many other interests around the world are better served when women are empowered and economies are growing.

Fortunately, new technologies are making women's economic participation more possible than ever. In decades past, microfinance loans were championed to combat extreme poverty. But microfinance is not a cure-all for those living in poverty, particularly those women who face so many additional challenges to their economic empowerment.

In recent years, however, an exciting array of financial technologies like mobile money have sprung up across the developing world. This presents tremendous opportunity for impoverished communities, and women in particular.

And so I look forward to hearing from our distinguished panel today about how the U.S. Government can better help ensure women's inclusion in the rise of 'Microfinance 2.0.'"