



How Can We Make Microfinance More Useful to Women?



Why should FSPs make the effort?

Linda Mayoux





Gender and micro-finance: evolution of debates

Gender equality and women's empowerment marginalised in both financial sustainability and poverty targeting debates.

2000 onwards split paradigms

1990s female targeting for financial sustainability

1980s access to poverty-targeted credit

1985 Nairobi women's conference and lobbying by women's movements for access to poverty-targeted credit programmes and cooperatives

1970s credit for women's economic empowerment

Increasing targeting of women in rapid expansion of large minimalist poverty-targeted MFIs like Grameen Bank, FINCA and ACCION

Self- Employed Women's Association (SEWA) and setting up of the Women's World Banking network.

4 BIG C-MYTHS

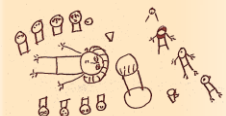
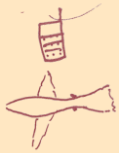


- Complacency
- Culture
- Conflict
- Cost

ALL CAN BE CHALLENGED



Why gender mainstreaming?



- Women are at least half the population
- Women's human rights
- Poverty reduction
- Economic growth
- Financial sustainability of FSPs

WEMAN GENDER JUSTICE VISION

*A world where **women** and **men** are able to realise their full potential as economic, social and political actors, free from all forms of gender discrimination, for **empowerment** of themselves, their families, their communities and global humankind.*



Gender Justice Framework



1. Removing institutional gender inequalities and discrimination
2. Promotion of women's human rights as stated in UN CEDAW to enable both women and men to move forward in a just society
 - Right 1: Freedom from Violence
 - Right 2: Gender Equality in Decision-making
 - Right 3: Equal property rights
 - Right 4: Freedom of thought, movement and association
 - Right 5: Equal rights to work and leisure
3. Gender justice for men to enable them to challenge and change gender stereotypes and constraints preventing men as well as women from achieving their full human potential.



Business Arguments for MFIs



- Large potential and underserved **female market**
- Financial sustainability of FSPs because of high **repayment**
- Women's empowerment enables them to use more **profitable products**
- Men's empowerment **reduces destructive masculine behaviours**
- **Client loyalty** reduces follow-up costs
- **Management diversity** makes better decision-making



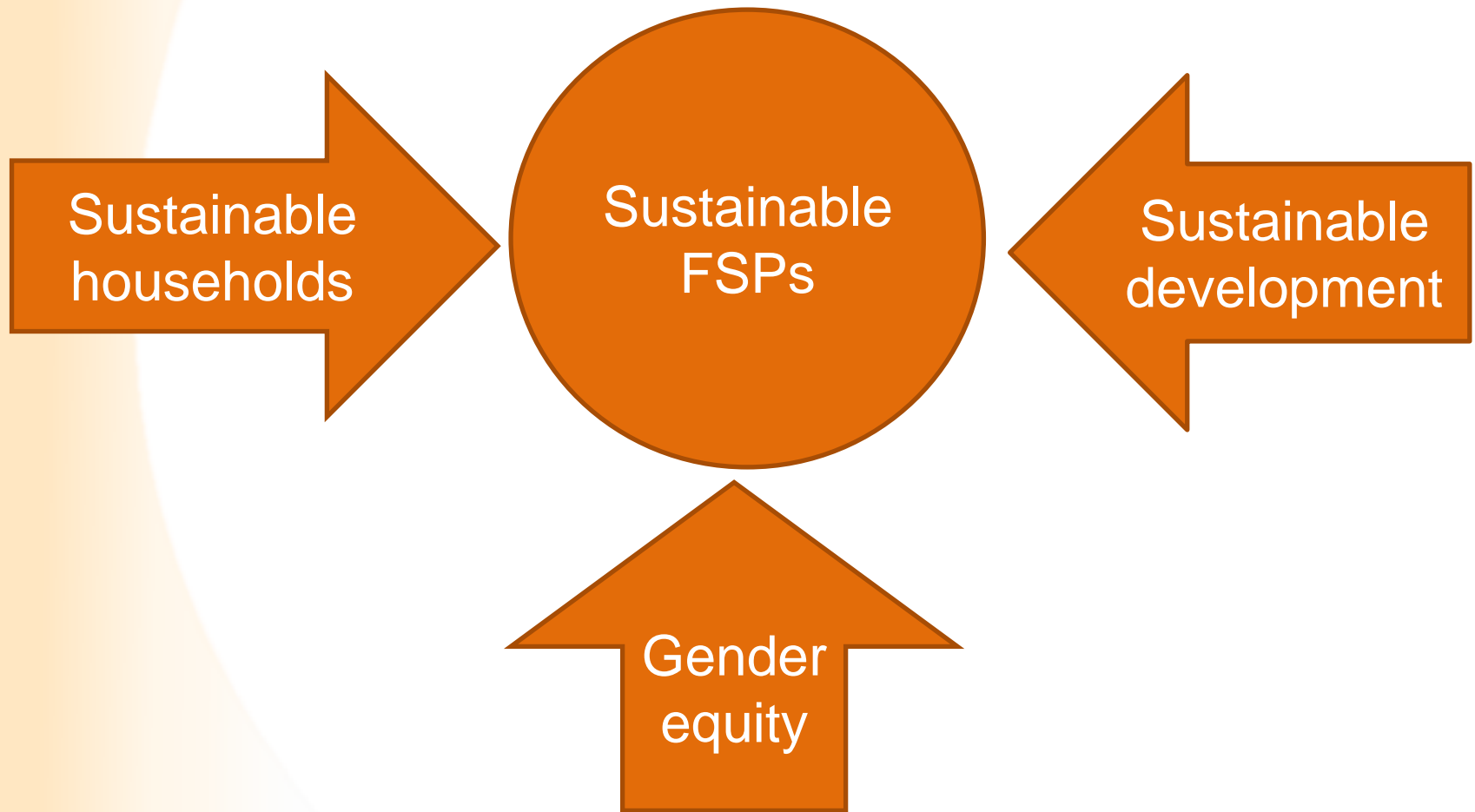


National wealth creation

Gender equality is correlated with national economic growth

- Number of women's businesses growing faster than those of men. But incomes lower than those of men, constraining growth
- Women contribute more to the social and economic welfare of their families. If men reduced unproductive expenditure household wealth creation could be increased.
- Increased government income from taxation and reduced welfare budgets.

Potential for 4x win-win





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Product Design

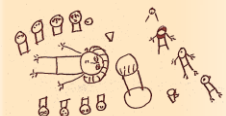
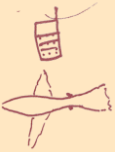
Linda Mayoux



Gender Mainstreaming Framework



- Do no harm
- Including women
- Women's empowerment
- Gender transformation





Do No Harm

Products and services for women should not make women worse off

- Products and services for men should not make women worse off
 - Reinforce men's authority as head of household
 - Reinforce men's formal ownership of property as collateral
 - Reinforce men's access to women's property and assets as collateral/ source of funds
- Products and services should not replace adequate state provision of education, health care and basic services

Including women

- Equitable and non-discriminatory access to ALL forms of financial services
- Women are not one category
 - Very poor women and very disadvantaged women eg graduation for the ultra-poor from grants linked to training and employment creation
 - Small, medium and large entrepreneurs – problem of the missing middle
 - Women in service industries and wage employment
 - Girls and young unmarried women
 - Older women





Women's empowerment

Beyond small increases in income

and bargaining power and 'addressing needs'

- Increase in asset ownership eg loans for assets registered in women's names
- Increased capacity to enter new markets and use new technology, including loans for services benefiting women
- Increased security in old age eg savings, pensions
- Loans for adolescent girls and changing the dowry system



Gender transformation

- Asset loans for men tied to registration of ownership in joint or women's names (for security)
- Savings products for men for girl's education/marriage and encourage men's responsibility for the household
- Application processes to question and challenge gender relations in the household eg not assume men are 'heads of household'

A person in a blue shirt is pointing at a whiteboard. The whiteboard is covered with a complex diagram consisting of various boxes, lines, and arrows, representing a value chain or a similar process. The diagram includes labels like 'Input', 'Process', and 'Output', and shows a flow from left to right. There are also some smaller diagrams and notes scattered across the board.

Value chain finance

Should integrate gender equity and gender justice into value chain analysis

- Ensure that VCD does not harm women eg through reinforcing men's land ownership and/or increasing women's workload
- Ensure equitable inclusion of women at all levels
- Explicitly develop sustainable strategies to empower women
- Explicitly aim to transform gender relations eg property ownership, market access etc



Some issues in participatory market research

Distinguish between:

Products which women and/or men can be persuaded to buy

- Products which **men want** because they do not require any changes in behaviour
- Products which **women need** in order to cope with existing inequalities (most likely to be mentioned in a short one-off participatory process)
- Products which can **empower** women and transform gender inequalities in the longer term (require a more rigorous and sustained partnership in product development)



Questions??

RESOURCES

Genfinance website:
www.genfinance.info

Oxfam Novib's WEMAN
website
www.wemanglobal.org





How Can We Make Microfinance More Useful to Women?

Increasing Empowerment through sustainable nonfinancial services

Linda Mayoux



Sustainable non-financial services



Mainstream empowerment in 'core services' eg application processes and group mobilisation

- Mutual learning and information exchange within groups
- Implement a cross-subsidy
- Operational integration of financial and non-financial services
- Encourage loans for service provision by microfinance clients or larger private firms
- Inter-organizational collaboration between microfinance programmes and specialist providers
- Stimulation of demand and accountability of state services



What is FALS?

a client-led methodology which brings clients and financial service providers (FSPs) together as partners in developing empowering and financially sustainable products and services.

Financially sustainable entry point for gender justice and empowerment

Combines:

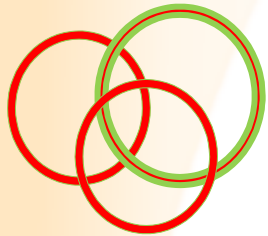
- product design and market research
- client financial empowerment
- social performance management.



Key features

- starts with client livelihood visions, aspirations and strategies
- mainstreams analysis of intra-household relations and gender inequalities
- clients keep their own individual financial diaries
- upscaled mainly through peer learning as basis for 'relational marketing' of products
- financially sustainable through client peer training and integration into core MF processes

Tools



Tool 2: Financial Opportunities and Challenges Circle Maps

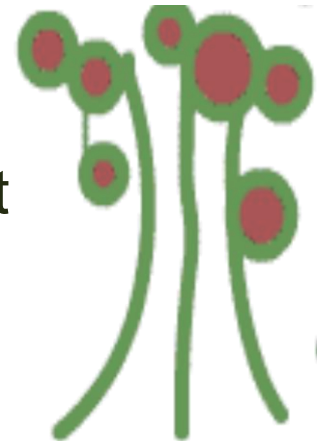
Tool 5: Financial Planning 'Multilane Highway'

Tool 3: Financial Management Challenge Action Tree

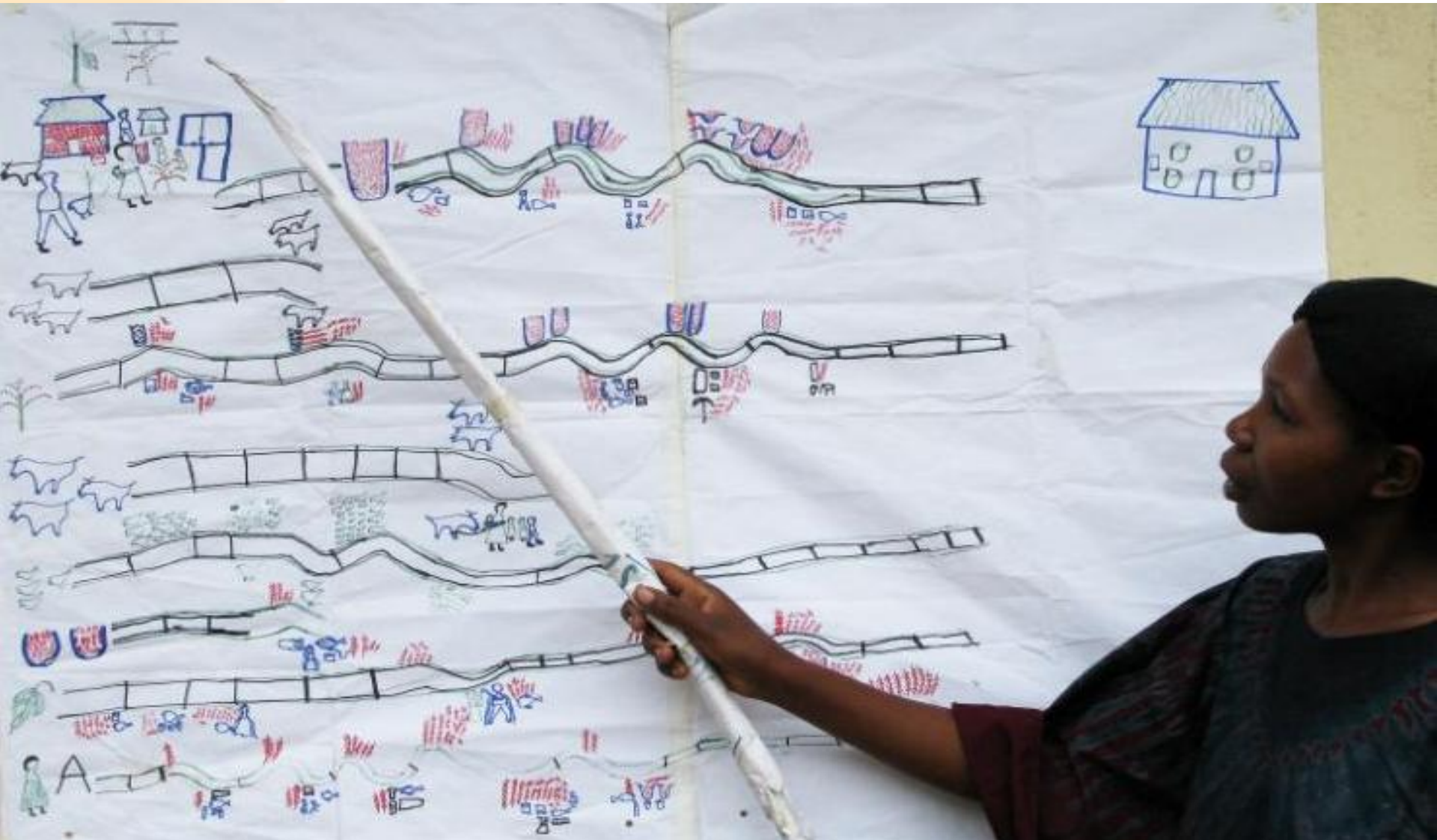
Tool 4: Financial Flow Trees

Tool 6: Financial Sustainability 'win-win' diamond

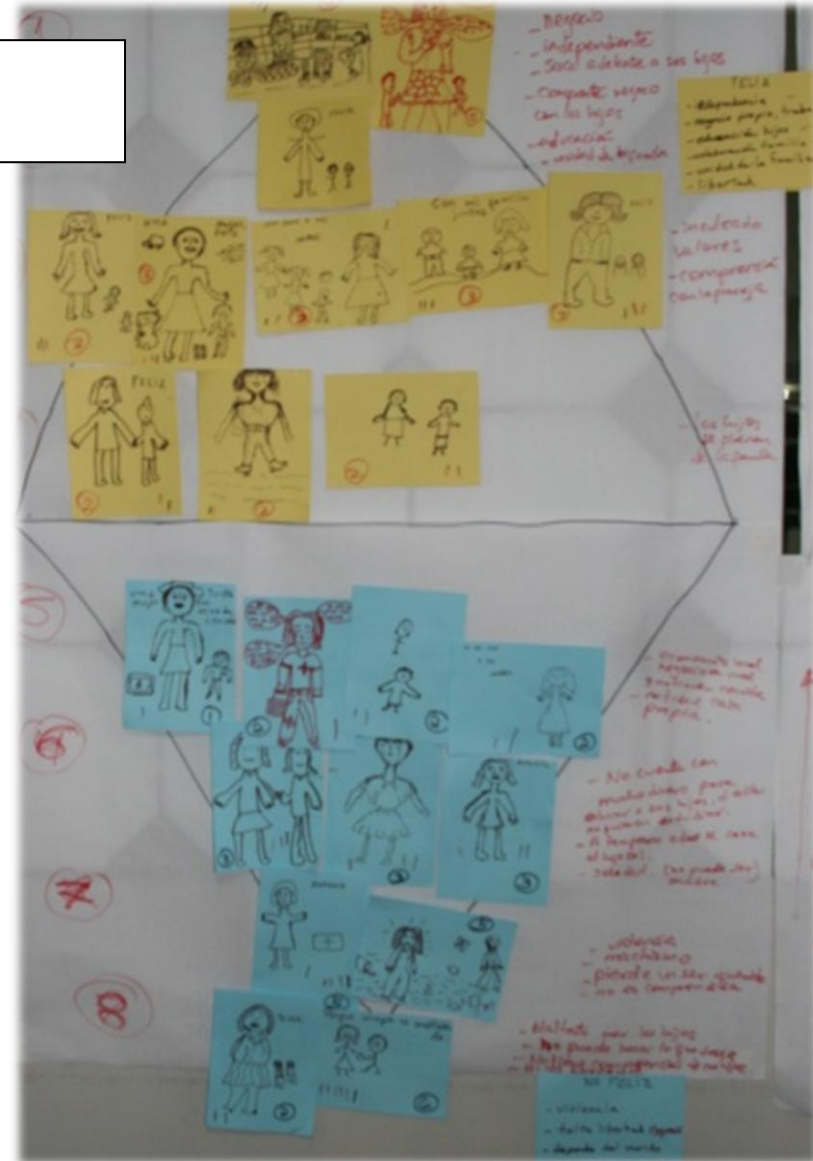
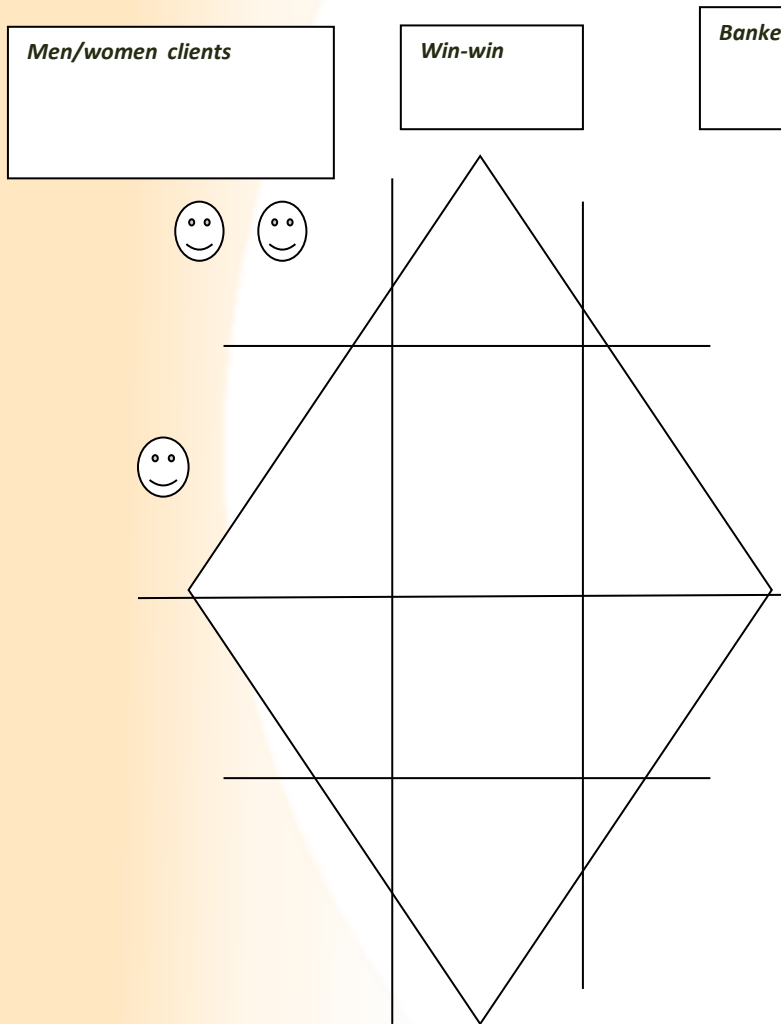
Tool 1: Wealth Creation and Empowerment Road Journey



Tool 5: Financial Planning multilane highway



Tool 6: Financial sustainability win-win diamond



FALS Stages

- Stage 1: Preliminary product market research, gender justice visioning and development of 'champions'
- Stage 2: Establishing the Financial Action Learning System: client diaries, ongoing market research and establishment of client networks
- Stage 3: Sustainability and upscaling for relational marketing and client empowerment/gender advocacy

Peer training and upscaling

- Aim for sustainability after 2 years
- Integration of FALS into other activities
- Voluntary peer training within social networks for exponential upscaling (including children)
- Certification of core of proven community trainers for new areas paid by organisation/groups
- Relational marketing for organisational expansion
- Enables more focused response and role for FSP staff and 'smart subsidies'

Collective action for empowerment



- Domestic violence
- Women's property rights
- Women's political participation
- Food security and basic needs
- Gender Justice events





Questions??



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How can we make Microfinance more useful to Women?

What can donors, investors, MF networks and governments do?



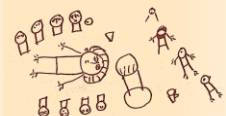
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Conclusion 1: Why gender mainstreaming?



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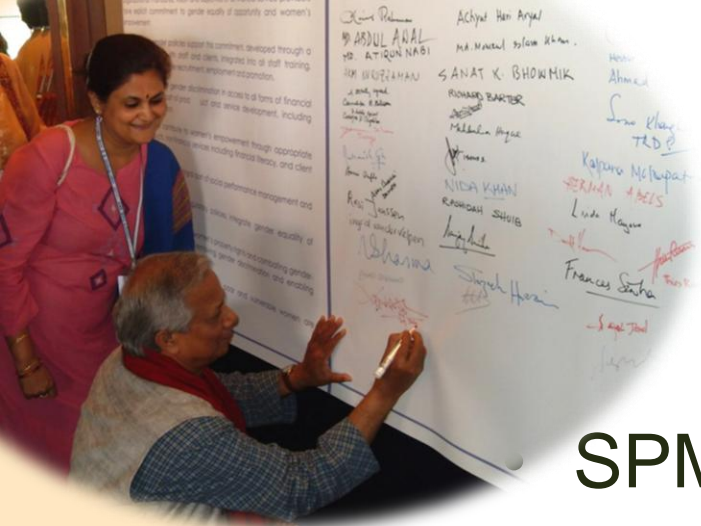
Conclusion 2: 4 BIG C-MYTHS



- Complacency
- Culture
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Conclusion 3: Openings for innovation



SPM and gender seal

- Client focus: financial education and consumer protection
- Product innovation: market research, new technology
- ‘Smart subsidies’ and ‘credit plus’
- Concerns with wider development contribution to markets, value chains and civil society strengthening

Conclusion 4: A financially sustainable strategy



Steps which all FSPs can take:

- 'Walking the talk': **organizational gender policy**
- Participatory market research for **empowering products**
- **Gender justice mainstreaming** in non-financial services
- Building on group activities/client networks for **action learning and collective action**
- Macro-level focus and **advocacy**

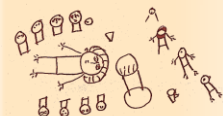




Organisational Mainstreaming all levels



- Vision and institutional culture
- Mainstreaming women's language
- Application processes for products
- Equal opportunity policies for staff
- Recruitment, training and promotion policies
- Information systems
- Using forms of communication and modes of delivery accessible to women





Macro-level gender advocacy

Promoting gender mainstreaming and an empowerment focus in all actors in the sector

- Consumer protection and regulatory frameworks
- Value chain finance and linkages with economic development policies
- Gender advocacy eg land and property rights, gender-based violence and women's political participation.

Enabling environment: networks, governments, donors and investors



Funding agencies could promote:

- sectoral **research** on gender impacts of different models in the financial sector, including commercialisation.
- sectoral learning and **capacity-building** networks for innovation to increase women's empowerment at all levels
- financial and enterprise education with a women's empowerment perspective in **schools and educational establishments**
- gender mainstreaming in national and international **business/financial training** at practitioners and tertiary level
- gender experts and women's organizations in designing **financial regulations** and consumer protection
- intersectoral linkages and advocacy to mainstream gender justice in **economic policy and planning**



WEMAN GENDER JUSTICE VISION

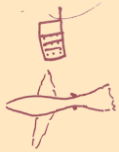
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WEMAN Gender Justice Protocol



- **mandates, vision and objectives**
- **removal of all forms of gender discrimination** in access to all financial products and nonfinancial services
- **financial services** for women and men contribute to gender justice
- **non-financial services** for women and men promote gender justice
- **gender indicators** are an integral part of social performance management and market research.
- **consumer protection and regulatory policies** integrate gender equality of opportunity and empowerment.
- **gender advocacy**
- **very poor and vulnerable women** are included
- **organisational gender policies support** these strategies



The Bottom Line



Gender justice and gender mainstreaming in support agencies themselves?

- Is there a real concern with client interests as a long-term investment?
- Just one more headache?? Where is gender in the competing priorities?
- Strategy to withdraw support for failure to follow good gender practice?
- Funding for rights advocacy and capacity-building at all levels





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