

SUSTAINABLE MICRO-FINANCE FOR WOMEN'S EMPOWERMENT
STRATEGY CHECKLISTS

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ORGANIZATIONAL VISION

- What underlying approach to micro-finance and gender would you say characterizes your programme? What other approaches co-exist within the programme?
- Is there a gender policy? What is its nature and scope? In other programme documents, apart from the official gender policy, what are the underlying assumptions being made about gender difference and inequality, e.g., in use of language?
- Are there any programme strategies explicitly targeting women? What are the underlying assumptions being made about gender difference and inequality? Are these strategies likely to consign women to a 'female ghetto' or are there strategies for empowerment?
- How far and in what ways are the needs of the poorest and most disadvantaged women taken into account?
- Are there any programme strategies explicitly targeting men? What are the underlying assumptions being made about gender difference and inequality? Are these likely to increase or decrease gender inequality? Are there any strategies targeting men which explicitly attempt to redress gender imbalance?
- Are there concrete incentives for implementation of empowerment strategies?
- Are gender impact and empowerment integrated into monitoring and evaluation?

GENDER IMPACT CHECKLIST

Equality of access:

⊗ Possible vicious circles: although women may be prominent as savers, they may be ghettoised into small group loans with larger individual loans going to men.

Loans

- What is proportion of loan portfolio goes to women? Numbers of women/men? Proportion of loan amounts?
- What is the gender ratio of loan size?

Savings

- What is the proportion of savings portfolio goes to women? Numbers of women/men? Proportion of savings amounts?
- What is the gender ratio of savings size?

Poverty inclusion

- How far are the poorest able to access the programme? Which groups are excluded?

Economic empowerment checklist:

⊗ Possible vicious circles: men may control decisions about use of women's savings and credit, women's incomes may be very low and men may control the income from these.

- Do women make decisions about use of savings and credit in the household?
- How far has microfinance contributed to increasing income from women's own economic activities or household activities in which women participate?
- How far do women control their own or household income from these activities?

Wellbeing checklist:

⊗ Possible vicious circles: women's income may be mainly used for household purposes while men's income may then be withdrawn from the household. Women's expenditure and household management decisions may continue to favour boys while girls are withdrawn from school in order to do unpaid household work in their mother's absence.

- How far has microfinance contributed to increases in household income and decrease in household economic vulnerability?
- What is the impact on women's control over major economic decisions in household like main expenditures, children's education, marriage?
- How far has microfinance contributed to increase access to basic services: health, education, nutrition, water and sanitation, etc.
- What is the impact on the share of household income which is spent on women? On girls?

Social and political empowerment checklist

⊗ Possible vicious circles: Groups may take up women's time, energy and resources to decrease program costs, using women's existing networks and creating tensions within them over repayment rather than extending women's networks and mobility.

- How far has microfinance enabled women to negotiate changes in their position in the household and community?
- How far has access to micro-finance or participation in groups enabled women to expand and increase their networks and mobility outside the home or traditional 'female spaces'?

- How far has microfinance contributed to strengthening local organisations for community development, advocacy and lobbying?

Broader impacts beyond the clients/members

⊗ Giving access to microfinance for certain women may weaken existing informal financial systems, lead to saturation of markets and undermine public basic needs provision. This may make the situation of excluded poorer women and men much worse.

- What is the impact on availability of other financial services? ROSCAs? Banks?
- What is the impact on women's access to markets? To non-traditional activities?
- How far has microfinance contributed to provision of basic services: health, education, nutrition, water and sanitation, etc.
- What is the impact on perceptions of women's role in society?
- What is the impact on poor non participants? Social inclusion in local organisations?

PRODUCT DESIGN CHECKLIST (MODULE 4)

Gender strategies in product design must consider a number of rather different questions:

- ✓ **Gender equality of access:** Integrating women's needs and concerns into product design so that they have equality of access to all products. This may mean altering the design of the products themselves to remove inbuilt gender discrimination in conditions of access, as well as appropriate promotion and training staff.
- ✓ **Women's empowerment:** looking at the impact of products on women's economic activities, relations within the household and in communities and maximising positive contribution and minimising negative impacts.
- ✓ **Poverty inclusion:** as far as possible enabling very poor or disadvantaged women to access and benefit from services.
- ✓ **Financial sustainability:** maximising the cost efficiency of delivery and minimising risk of default.

All products must be considered from a range of different perspectives. The questions below are intended to be indicative of the types of issues rather than an exhaustive checklist applicable to all contexts and programmes.

Eligibility and collateral requirements

- ✓ **Equality of access question:** is there gender discrimination in loan eligibility criteria? eg do collateral and guarantor requirements disadvantage women through requiring the signature of a male guardian without similar requirements for men? do collateral requirements accept female-owned assets eg jewelry, household utensils? Is this true of all types of loans including larger individual loans?
- ✓ **Women's empowerment question:** do collateral requirements treat women as autonomous agents rather than dependents? Do they entail undue risk for women? Do they encourage registration of assets purchased with women's loans in women's or at least in joint names? Do they encourage registration of assets purchased with men's loans in joint names? Do they require men to get their wife's approval and agreement in men's financial affairs? Does group collateral strengthen or weaken women's networks?
- ✓ **Poverty inclusion question:** do collateral requirements enable even very poor women to access loans?
- ✓ **Financial sustainability question:** do collateral requirements reduce risk for the programme? through for example increasing women's control over assets?

Application procedures

- ✓ **Equality of access question:** are application forms, location and advertising of services appropriate to women's levels of literacy and normal spheres of activity eg credit and savings disbursement by women in women's centres? Do application and promotion procedures equally target women's information networks and locations and times accessible by women? Do women have equal access to

good financial advice? Are staff trained to interview women without discrimination?

- ✓ **Women's empowerment question:** do application procedures encourage women to improve literacy and extend normal spheres of activity, e.g. thinking through their financial and life planning, negotiating with male officials in male public spaces?
- ✓ **Poverty inclusion question:** do application forms, location and advertising of services appropriate to the levels of literacy and normal spheres of activity of very poor women?
- ✓ **Financial sustainability question:** do application procedures take up large amounts of staff time? are they an adequate assessment of risk? What is the trade-off between staff time and risk-avoidance? How can this be addressed?

Large versus small loans

- ✓ **Equality of access question:** do the conditions for large loans directly or indirectly discriminate against women e.g. in collateral requirements or types of activity which they are available? Are there ways in which women can graduate small loans which might be necessary to give them confidence initially to large loans necessary to significantly increase incomes?
- ✓ **Women's empowerment question:** are loan amounts large enough to enable women to significantly increase incomes and control over assets?
- ✓ **Poverty inclusion question:** are loan amounts small enough to give women the confidence to apply?
- ✓ **Financial sustainability question:** are loan amounts such that they bring in the maximum interest income for the minimum administration cost? Do they overly increase risk?

Specialised tailored loans versus general non-specific loans

- ✓ **Equality of access question:** do women have equal access to all types of loan? Are they directly or indirectly excluded from application for certain types of loan products? are loans available for the types of activities in which women are involved eg small loans for working capital for trading or for consumption?
- ✓ **Women's empowerment question:** do loan packages encourage women to enter non-traditional and more lucrative activities or entry into new markets eg loans for market registration? Do they increase women's ownership of assets eg loans for jewellery or land and house purchase in women's names? Do they encourage higher expenditure by men on women and household well-being? e.g. housing or land registered in women's names as an insurance for widowhood, for girl's education or assets which would remain women's property on marriage?
- ✓ **Poverty inclusion question:** are loans available for the types of activities in which poor women are involved e.g, small loans for working capital for trading and non-directed loans for consumption?
- ✓ **Financial sustainability question:** do loan purposes encourage use for activities which yield an income to contribute to repayment but which do not entail costs in monitoring?

Interest rates and repayment schedules

- ☑ **Equality of access question:** are interest rates and repayment schedules appropriate to levels of profit which can be earned and women's ability to understand calculations? Do repayment schedules and interest rates to reflect the reality of women's economic activities and life cycle?
- ☑ **Women's empowerment question:** do interest rates and repayment schedules enable women to significantly increase their incomes and control over income? for example flexible repayment schedules or grace periods may be necessary to enable women to use the loan to increase their incomes. Declining balance interest rates may enable women to increase their control over their husbands income as well as their own.
- ☑ **Poverty inclusion question:** are interest rates and repayment schedules appropriate to levels of profit which can be earned by poor women and their ability to understand calculations?
- ☑ **Financial sustainability question:** do levels of interest cover costs of delivery? Do repayment schedules maximise likelihood and predictability of repayment?

Voluntary versus compulsory savings

- ☑ **Equality of access question:** are savings facilities flexible to women's patterns of access to income? Are men encouraged to save?
- ☑ **Women's empowerment question:** do savings facilities give women reasons and authority to increase control over own income and/or access male income? Are these considerations likely to favour compulsory savings?
- ☑ **Poverty inclusion question:** are savings facilities flexible to women's patterns of access to income? Are these considerations likely to favour voluntary savings?
- ☑ **Financial sustainability question:** do savings facilities increase programme income on a secure basis?

Insurance and pensions

- ☑ **Equality of access question:** do women have equal access to insurance and pensions products?
- ☑ **Women's empowerment question:** do insurance and pensions conditions challenge or reinforce existing roles within the household? Do they decrease women's vulnerability? Do they increase the powers of negotiation within the household?
- ☑ **Poverty inclusion question:** are insurance and pensions conditions sufficiently inclusive to be relevant to the needs of the very poor? Are the costs within their capacity?
- ☑ **Financial sustainability question:** is it possible to balance women's greater vulnerability to risk with lesser ability to pay while still maintaining market competitiveness?

4 NON-FINANCIAL SERVICES CHECKLIST

What non-financial services currently exist?

- technical/business:** microfinance, entrepreneurship training, skills training, other business support
- organizational:** organizational training in group formation, networking and broader organizational skills, support in registration and formulation of regulations/constitutions
- gender awareness:** integrated into other training, for women, for men
- welfare and infrastructure services:** childcare support, literacy, health, measures to save time in domestic work, e.g., improved stoves, water supply, fuel
- other**

What is their expected contribution to gender equality? To women's empowerment? Have any evaluations been done? How far are they achieving their stated aims?

Gender equality of access questions

- Do women have equal access to all non-financial services?
- What is the balance of programme expenditure on services for women or where women are in the majority compared with services for men or where men are in the majority?
- Are gender awareness and women's interests and concerns integrated into all training programmes and design of all non-financial services to make them applicable and useful for women?
- Are services to reduce burden of unpaid domestic work, including childcare seen as a women's issue only, or a family and community issue which is also the responsibility of men?

Women's empowerment questions

- Are there gender specific services for women eg training/mutual learning for women to increase organizational as well as business skills, legal aid support?
- Does the programme link with other services providers eg for legal aid, training, gender research?
- Does the programme actively promote and network with other organisations challenging gender inequality, including women's movements and men's movements for change?
- Are gender awareness and women's interests and concerns integrated into all training programmes and design of all non-financial services to make them applicable and useful for women?

Sustainability question: Are there any ways in which non-financial services could be made more cost-effective and increase contribution to gender equality and women's empowerment through eg:

- better integration into ongoing learning at group level?
- better integration with other services provided by the NGO concerned?
- collaboration with other local service providers and movements for change?

PARTICIPATION CHECKLIST

1) How is participation defined?

- Solely in terms of access and contribution? What sort of contribution are programme participants expected to make?
- In terms of participation in decision-making? If so, is this only in terms of consultation or are they also areas where clients control decisions? Which decisions? Are these the most important in terms of empowerment?
- In terms of organization? If so, is this group formation at local level only or does this also include wider mobilisation?

2) Who is participating? Women, men, the poorest, only entrepreneurs?

3) How far and in what ways do the structure and function of groups contribute to gender equality and empowerment?

GENDER EQUALITY

- Do group eligibility criteria allow equal access for women and men? Are women equally represented in group structures at all levels of programme, particularly beyond primary groups?
- Do groups discriminate against particularly disadvantaged women, e.g., very poor women, younger women, women from particular ethnic groups?
- Do group structures actively promote women to take an equal part in leadership? For which women?
- Do group processes actively promote women's participation in discussion? Do they allow at least equal space for discussion of women's interests and concerns?
- Do group decision-making processes give at least equal weight and importance to women's interests and concerns?

EMPOWERMENT

- Do groups provide a structure for mutual learning and information exchange between women? between women and men?
- Does time spent in microfinance groups detract from time spent in other social or political activities which might contribute more to empowerment?
- Do groups merely replicate women's existing networks? Do they provide a basis for collective action by women at local level? Beyond the local level?
- Do structures exist for linking microfinance groups with other services for women and with movements challenging gender inequalities?
- Do groups enable mobilisation of male support for change in gender relations?

INTERNAL GENDER POLICY

Does your programme have an internal staff gender or equal opportunities policy? What form does this take?eg

recruitment and promotions procedures

- equal opportunity policy
- gender awareness as job criteria
- equal representation in senior management positions
- proactive hiring strategies

gender training and incentives

- on-going gender training
- incentives for implementation of gender and empowerment policy

family friendly work policies

- flexible working arrangements
- maternal and paternal leave policies
- childcare and dependent care leave and support

structures for participation by all staff in decision-making

What are the possibilities for change?

What are the potential problems and resistance?

ADVOCACY AND LOBBYING CHECKLIST

Networking

- Do you think your organization has any particularly innovative strategies or techniques which it would be useful to share with others?
- Has your organization identified any empowerment-related challenges that you feel it would be useful to collaborate with other organizations to solve?
- Is your programme involved in networks? Are there any networks that your organization could join?
- If your programme is involved in networks, are gender and empowerment issues ever discussed? Who controls the agenda at network events? Could your organization influence this agenda so that empowerment concerns are more fully addressed? How?

Lobbying donors

- Is your organization involved in lobbying donors?
- What is the gender policy of the donors your organization has a relationship with?
- How well is this policy implemented? How could empowerment concerns be more fully addressed?

Advocacy for wider change

- Is your programme involved in policy advocacy?
- How could empowerment concerns be more fully addressed?
- What are the priority issues you think your organisation could or should be involved in?