



TAKING GENDER SERIOUSLY: TOWARDS A GENDER JUSTICE PROTOCOL FOR A DIVERSIFIED, INCLUSIVE AND SUSTAINABLE FINANCIAL SECTOR

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Gender equality of opportunity and women's empowerment are integral and essential elements of any serious strategy for economic growth and pro-poor development. Women are over half the global population and at least 70% of the poorest, they cannot therefore be seen as a marginal concern for the financial sector, particularly a sector which claims to reduce poverty. Removal of gender discrimination, and promotion of women's human rights are enshrined in international agreements signed by most governments and officially endorsed by most development agencies. Not only 'reaching' but also 'empowering' women has been the second theme of the Microcredit Summit Campaign since 1997. This on the assumption that increasing women's access to financial services can potentially initiate a series of 'virtuous spirals' of economic empowerment, increased well-being for women and their families and wider social and political empowerment. Moreover group-based microfinance brings together millions of women and men worldwide and is potentially a significant force for equality and empowerment - in turn then also contributing to economic growth, pro-poor development and civil society strengthening.

However until very recently, explicit attention to gender issues within the microfinance movement has been seen as undermining financial sustainability and particularly commercial profitability and/or marginal to poverty reduction and/or too conflictual and/or not the responsibility of financial service providers. Data from the MicroBanking Bulletin and recent research by Women's World Banking indicates that even female targeting may decrease with the current upscaling and commercialisation². Despite the potential contribution to women's empowerment, evidence indicates that empowerment is not an automatic consequence of women's access to micro-finance per se, but depends on the degree to which women's needs and interests and gender equity are reflected in programme vision and design. Microfinance may even disempower women³ None of these shortcomings have been addressed in the recent poverty focus on social performance or market research.⁴

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² Cheston 2006; Frank, C., Lynch, E. and Schneider-Moretto, L. (2008).

³ This was the firm conclusion of a recent well-respected and rigorous impact assessment in Pakistan funded by EU for 5 of the main micro-finance institutions: S Akbar Zaidi, Haroon Jamal, Sarah Javeed and Sarah Zaka (2007)

⁴ Mayoux, L. (2006).

BOX 1: DRAFT PROTOCOL FOR GENDER JUSTICE IN FINANCIAL SERVICES

signed by over 400 participants at Asia Pacific MicroCredit Regional Summit, Bali, July 2008

- Organisational mandates, vision and objectives of all financial service providers have explicit commitment to gender equality of opportunity and women's empowerment.
- Organisational gender policies support this commitment, developed through a participatory process with staff and clients, integrated into all staff training. Including gender equitable recruitment, employment and promotion.
- Removal of all forms of gender discrimination in access to all forms of financial services is an integral part of product and service development, including technological innovation.
- Financial services contribute to women's empowerment through appropriate design of products, non-financial services including financial literacy, and client participation.
- 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 in areas like women's property rights and combating gender-based violence essential to removing gender discrimination and enabling women to benefit from microfinance.
- The specific needs and interests of very poor and vulnerable women are included in all the above

At the recent Asia Pacific MicroCredit Summit this tide of dismissal, and often overt opposition to addressing gender issues, seems to have started to turn with the signing of a draft gender protocol by over 400 participants, including prominent figures in the microfinance movement⁵. This paper discusses the recent proposals of what is still only a draft protocol. It takes as its starting point the idea of a diversified financial sector, where different players may have different focuses and roles, but where each would make a firm commitment to gender equality of opportunity and women's empowerment and integrate these principles into their organisational structure, product and service delivery and role at macro- and policy levels. The paper aims to be a catalyst for serious debate now within the sector about ways forward, building on earlier work and lobbying by many practitioners and researchers. It should not in any way be seen as the only voice or final word⁶.

⁵ Signatories include Mohammad Yunus and Lamiya Morshed of Grameen Bank and Sam Daley Harris and Michele Gomperts of the Summit Campaign, Nirmal Fernando of Asian Development Bank, and NABARD.

⁶ As part of the WEMAN programme the Protocol, and also the evidence and practical innovation underpinning it, will be progressively developed through workshops in Latin America, Asia and Africa and as contribution to the MicroCredit Summit Campaign.

WHY GENDER JUSTICE IN FINANCIAL SERVICES?

Gender justice means enabling women to realise their full potential through removing the all-pervasive gender inequalities and discrimination which constrain them at every level. It also means affirmative action to enable women, and also men, to promote and benefit from this change. Gender equality of opportunity and women's empowerment are now widely recognised as integral and inseparable parts of any sustainable strategy for economic growth and pro-poor development:

- Women are statistically the global majority. As the global majority, women cannot be treated as 'a special case' but their needs and interests must be as integral a part of any development policy as those of men.
- Gender equality of opportunity and women's empowerment are essential for economic growth. Studies by World bank and others have shown that countries that have taken positive steps to promote gender equality have substantially higher levels of growth⁷.
- Gender equality and women's empowerment are essential components of poverty reduction strategies. Gender inequality and women's disempowerment are key factors in creating poverty⁸. Gender inequality means women have higher representation amongst the poor and therefore women's needs are the majority norm rather than minority interest in poverty reduction strategies. Women also have prime responsibility for children and family wellbeing which makes them key actors in poverty reduction.
- International agreements on women's human rights have been signed by most governments and aid agencies, whereby gender equality of opportunity and women's empowerment are goals in and of themselves on the assumption that 'women are also human'.

A concern with gender issues in financial services is not new, nor is it a donor- or Western-led agenda. From the early 1970s women's movements in a number of countries became increasingly interested in the degree to which government credit programmes for agriculture and small-scale industry and credit cooperatives, with their stated aims of poverty-targeting and equality, were accessible to women⁹. The issue of women's access to credit was given particular emphasis at the first International Women's Conference in Mexico in 1975, leading to the setting up of the Women's World Banking network. In the wake of the second International Women's Conference in Nairobi in 1985 there was a mushrooming of government and NGO-sponsored income-generation programmes for women, many of which included savings and credit. A number of international workshops at the end of the 1980s attempted to bring together the experience of government and NGO programmes.¹⁰

⁷World Bank studies have estimated that if South Asian countries had given the same priority to addressing gender inequality in education as given in East Asia, real per-capita annual growth between 1960 and 1992 would have been between 0.7-1.0% faster. These growth impacts would be much greater if they also took into account the subsequent impacts of women's education on reduced gender inequality in employment, access to technologies, or credit, all of which have been found to be significant (Blackden and Bhanu, 1999; Klasen, 2002)

⁸ See eg DFID (2000)

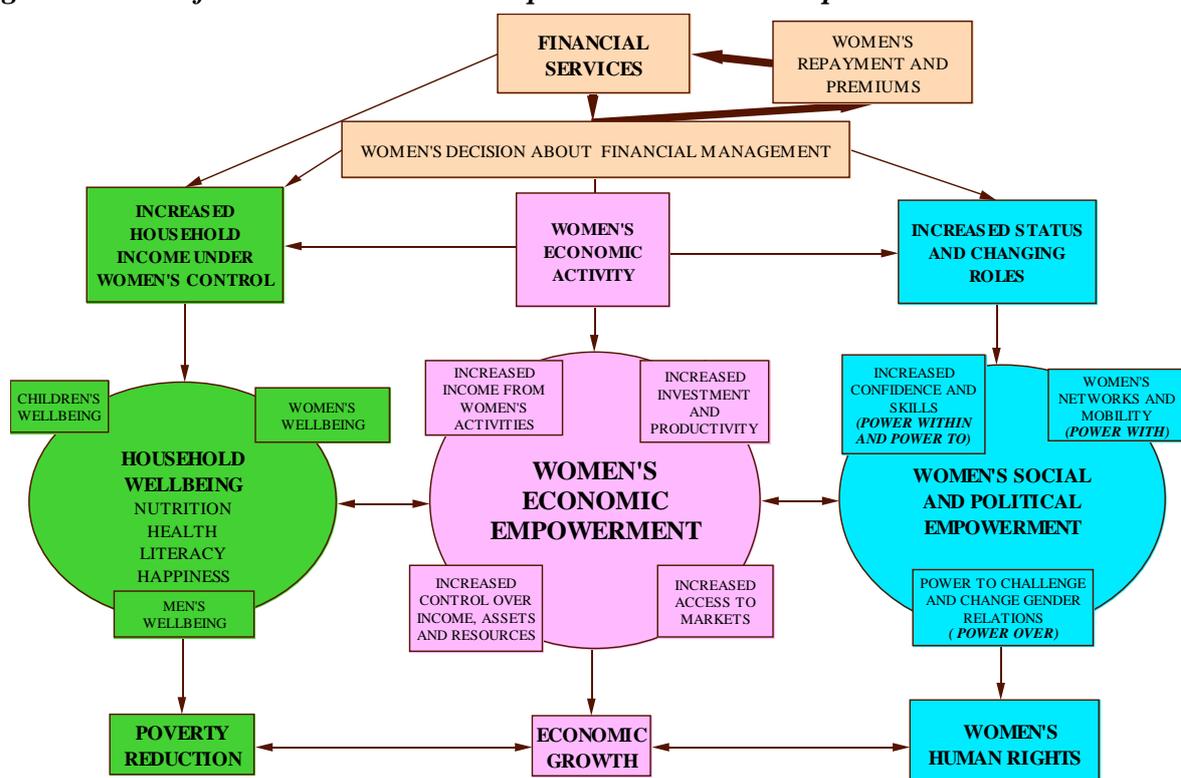
⁹ In the early 1970s SEWA identified access to credit as a major constraint on women's economic activity. In 1981 a conference held in Nairobi by ACOSCA aimed to form a network of leaders who would work to make credit unions more representative to women's needs and to make country-specific plans. They recommended an programme of information for women, research on women in credit unions, financing of labour-saving technology for women and child-care facilities and increasing women's representation on decision-making bodies.(Mbogo 1989) . For an overview of selected programmes in Kenya, Malawi, Sierra Leone, Zambia and Zimbabwe see FAO 1988.

¹⁰ See resulting publications: Berger and Buvinic eds 1989 and Grown and Sebstad eds 1989.

International women's human rights agreements since the 1970s have included explicit statements on access to financial services as an input to women's effective participation in economic activities. Then in the context of the rapid expansion in the 1990s evidence of women's higher repayment rates and higher levels of expenditure on family well-being were used by gender lobbies within donor agencies and programmes to argue for targeting women in micro-finance programmes. From 1997 'reaching and empowering women' has been the second theme of the MicroCredit Summit Campaign¹¹. Donors and micro-finance providers have produced many manuals outlining ways of increasing women's access to micro-finance¹².

The expansion of microfinance since the 1990s has significantly increased women's access to small loans and savings facilities. This increased access to microfinance has been seen as contributing not only to poverty reduction and financial sustainability, but also to a series of 'virtuous spirals' of economic empowerment, increased wellbeing and social and political empowerment for women themselves, thereby fulfilling gender equality and empowerment goals. Some of the dimensions and interlinkages between the different 'virtuous impact spirals' identified in the literature are shown in Figure 1.

Figure 1: Micro-finance and women's empowerment: virtuous spirals



¹¹ For example in the Micro-credit Summit Declaration and Plan of Action 1997 in the section entitled 'Micro-credit: Empowering Poor People to End their Own Poverty' one finds the following: 'empirical evidence has shown that women, as a group, are consistently better in promptness and reliability of repayment. Targeting women as clients of microcredit programs has also been a very effective method of ensuring that the benefits of increased income accrue to the general welfare of the family, and particularly the children. At the same time, women themselves benefit from the higher status they achieve when they are able to provide new income.' (RESULTS, 1997 p8)

¹² Early Manuals included IWTC 1981, 1982 and Hillhorst and Oppenoorth 1992. More recently gender Manuals for micro-finance have been produced by UNIFEM 1993, 1995; Binns 1998. More recently see also Mayoux 2008 for World Bank and 2008 forthcoming for IFAD.

Firstly, increasing women's access to microfinance services can potentially lead to women's **economic empowerment** (see linkages in the centre of the diagram), increasing women's role in household financial management. In some cases this may be the first time they are able to access significant amounts of money in their own right. This in turn may enable women to start their own economic activities and/or invest more in existing activities and/or acquire assets and/or raise their status in household economic activities through their visible capital contribution. Increased participation in economic activities may enable women to increase incomes and/or their control over their own and household income. This in turn may enable them to increase longer-term investment and productivity of their economic activities, and increase women's engagement in the market.

Secondly, increasing women's access to microfinance can potentially **increase household wellbeing** (see linkages on the left of the diagram). This is partly through economic empowerment, but may occur even where women use the financial services for activities of other household members, eg husbands or sons. Even where women are not directly engaged in income-earning activities, channelling credit or savings options to households through women may enable women to play a more active role in intra-household decision-making, decrease their own and household vulnerability and increase investment in family welfare. This may in turn benefit children through increasing expenditure in areas like nutrition and education, particularly for girls. It can also lead to improved well-being for women and enable women them to bring about changes in gender inequalities in the household. It is also likely to benefit men.

Thirdly, a combination of women's increased economic activity and increased decision-making in the household can potentially lead to wider **social and political empowerment** (see linkages on the right of the diagram). Women themselves often value the opportunity to be seen to be making a greater contribution to household well-being giving them greater confidence and sense of self-worth. The positive effects on women's confidence and skills, expanded knowledge and support networks through group activity and market access can lead to enhanced status for all women within the community. In some societies where women's mobility has been very circumscribed and women previously had little opportunity to meet women outside their immediate family there have been very significant changes. Individual women who gain respect in their households may then act as role models for others, leading to a wider process of change in community perceptions and male willingness to accept change.

Most microfinance providers can cite case studies of women who have benefitted substantially economically and socially from their services. Some women who were very poor before entering the programme, started economic activity with a loan and built up savings, thereby improving well-being, relationships in the household and becoming more involved in local community activities.¹³ Some women, and many women in some programmes, show enormous resourcefulness and initiative when provided with a loan or given the chance to save without interference from family members. Impact studies which differentiate by poverty level generally find benefit to be particularly significant for the

¹³ For an overview of the literature on women's benefits from micro-finance see Cheston, S. and Kuhn, L. (2002), Kabeer, N. (2001), Kabeer, N. (1998).

'better-off poor' who have some education and contacts to build on for successful enterprise¹⁴.

Finally (see linkages along the bottom of the diagram), women's economic empowerment at the individual level has potentially significant contributions at the macro-level through increasing women's visibility as agents of economic growth and their voice as economic actors in policy decisions. This, together with their greater ability to meet household wellbeing needs, in turn increases their effectiveness as agents of poverty reduction. Microfinance groups may form the basis for collective action to address gender inequalities within the community, including issues like gender violence and access to resources and local decision-making. These local-level changes may be further reinforced by higher level organisation, leading to wider movements for social and political change and promotion of women's human rights at the macro-level. Microfinance has been strategically used by some NGOs as an entry point for wider social and political mobilisation of women around gender issues. Savings and credit groups have been used by some programmes as the basis for mobilising women's political participation (See Section 3 below). Moreover these three dimensions of economic empowerment, wellbeing and social and political empowerment are potentially mutually reinforcing 'virtuous spirals', both for individual women and at household, community and macro-levels.

Nevertheless, despite the potential contribution of microfinance to women's empowerment and wellbeing, there is still a long way to go before women have equal access to financial services in rural areas or are able to fully benefit.

In many regions, despite some advances, women's access to microfinance is still unequal. Statistics on client or membership numbers, even where gender disaggregated, say very little about the quality of the services accessed by women compared with men. Loan amounts received by women are generally lower than those received by men and this cannot be completely accounted for by demand factors. Some women have extremely good business ideas requiring larger loans, but they face discrimination in accessing such loans, with the result that their businesses collapse because they are forced to purchase inferior equipment or materials. Most programmes to which women have access do not give loans large enough for purchase of assets like land and housing and/or require assets as collateral and/or signature of a 'male guardian'. In many rural village banks and credit and savings cooperatives (except women-only organizations or where there is an effective gender policy) women are the majority of savers, but men receive the majority of loans. Because men are the majority on decision-making bodies, the interest rates are fixed in favour of borrowers leading to lower levels of financial sustainability. In some cases, and particularly for poor women, microfinance may undermine existing informal systems like crisis funds in ROSCAs because better off women divert funds from the ROSCAs to loan interest payments to MFIs (Mayoux, L. 2001). Availability of credit may also reduce willingness of patrons and relatives to give interest-free loans and/or access to more charitable forms of credit from traders. Moreover a recent study has found that women's access decreases compared to that of men as NGOs transform to formal institutions, become more profitable and 'mature'¹⁵.

Evidence also indicates that, despite the undoubted considerable potential contribution, none of the assumed linkages between women's access to financial services and empowerment can

¹⁴ Gender impact assessments rarely distinguish between women by poverty level, but see for example the study of Women's Empowerment project in Nepal Ashe, J. and Parrott, L. (2001) .

¹⁵ Cheston, S. (2006) ; Frank, C. , Lynch, E. and Schneider-Moretto, L. (2008) .

be automatically assumed to occur. The degree to which women are able to benefit from minimalist financial services which do not take gender explicitly into account depends largely on context and individual situation.

Firstly financial indicators of access: women's programme membership, numbers and size of loans and repayment data cannot be used as indicators of actual access or proxy indicators of empowerment. Registration of loans in women's names does not necessarily mean even participation in decisions about loan application as men may simply negotiate loans with male programme staff as an easier way of getting access to credit. Men may take the loans from women or directly negotiate loans in women's names with male credit officers¹⁶. Loans may be repaid from male earnings, through women forgoing own consumption, or from income or borrowing from other sources¹⁷. High demand for loans by women may be more a sign of social pressure to access outside resources for in-laws or husbands than empowerment.

Secondly, the contribution of financial services to increasing incomes varies widely. Evidence suggests that particularly in South Asia and parts of Latin America most women use for their husband's activities¹⁸. Even where they use loans for their own activities, women's choice of activity and ability to increase their income are seriously constrained by gender inequalities in access to other resources for investment, responsibility for household subsistence expenditure, lack of time because of unpaid domestic work, low levels of mobility, and vulnerability—all of which limit women's access to markets in many cultures. The rapid expansion of loans for poor women may saturate the market for "female" activities and cause profits to plummet, affecting even worse those often poorer women who do not have access to credit. The degree to which credit contributes to increased incomes for women (as for men), also depends largely on how well the delivery of credit is adapted to the economic activities being financed. Agricultural loans that arrive late or are not sufficiently large to pay for inputs may simply burden a woman with debt that she cannot repay through proceeds from the activity she wished to finance. Compulsory savings and insurance premiums may constitute a further drain on resources for investment, unless they are designed in the interests of the borrower and not just to limit risk and increase financial sustainability for the financial institution.

Thirdly, women's increased contribution to household income does not ensure that women necessarily benefit or that there is any challenge to gender inequalities within the household. Although women do indeed often feel more in control and have a greater sense of self-worth these subjective perceptions are not necessarily translated into actual changes in well-being,

¹⁶ In Harper's study of AKRSP out of 31 micro-enterprise loan-takers interviewed only 7 loans were controlled by women and 16 were used by men and women had not been involved in the loan-taking process. In a further 8 cases women did not even know the loan had been taken (Harper, 1995). Male appropriation of loans was also noted for Port Sudan (Amin, 1993) and three ACORD-Uganda programmes (ACORD, 1996).

¹⁷ In BRAC 10% female respondents reported no personal income and the women relied on family and friends for weekly cash repayments.(Montgomery et al 1996).

¹⁸ In Goetz and Sengupta's study of 275 women in Bangladesh y found that women had full control of loans in only 17.8% of cases and in as many as 21.7% they had no control. A survey of 26 women in SCF Bangladesh found that 68% of loans had been used by the husbands or the sons and all except 1 first time loan (Basnet, 1995). Similar patterns (and sometimes even higher proportions) of male use of loans were reported by most programmes attending the South Asia and Latin America regional workshops facilitated by the author, even where women are explicitly targeted.

benefits, or gender relations in the household¹⁹. Although in some contexts women may seek to increase their influence within joint decision-making processes rather than seek independent control over income, neither of these outcomes can be assumed to occur. Worrying evidence indicates that men, in response to women's increased (but still low) incomes, may withdraw more of their contribution to the household budget for their own luxury expenditure. Men are often very enthusiastic about women's savings and credit programs because their wives no longer "nag" them for money²⁰. Small increases in access to income may come at the cost of heavier workloads, increased stress, and diminished health.

Women's expenditure patterns may replicate rather than counter gender inequalities and continue to disadvantage girls. Without providing substitute care for small children, the elderly, and the disabled and providing services to reduce domestic work, many organizations report that women's outside work adversely affects children and the elderly. Daughters in particular may be withdrawn from school to assist their mothers. Although in many cases women's increased contribution to household well-being has considerably improved domestic relations, in other cases it intensifies tensions. This problem affects not only poor women but women from all economic backgrounds, indicating that the empowerment process must have effective strategies to change men's attitudes and behaviors²¹.

Fourthly, women's individual economic empowerment and/or participation in group-based microfinance program is not necessarily linked to social and political empowerment. Earning an income and finding time to attend group meetings for savings and credit transactions may take women away from other social and political activities—and experience suggests that where meetings focus only on savings and credit transactions, women commonly want to decrease the length and frequency of group meetings over time. Women's existing networks may come under serious strain if their own or others' loan repayment or savings contributions become a problem (Rahman, A. 1999). The contribution of financial services to women's social and political empowerment depends very much on other factors, such as staff attitudes in interacting with women and men, the types and effectiveness of core and other capacity-building, and/or the types of nonfinancial support services and/or collaboration with other organizations.

Where women are not able to significantly increase incomes under their control or negotiate changes in intra-household and community gender inequalities, women may become dependent on loans to continue in very low-paid occupations with heavier workloads and enjoying little benefit. For some women microfinance has been positively disempowering:

- ***Credit is also debt:*** If credit is badly designed and used, the consequences for individuals and programs can be serious. Debt may lead to severe impoverishment, abandonment and put serious strains on networks with other women.
- ***Savings and pension installments are foregone consumption and investment:*** In many contexts, particularly where inflation is high, depositing cash with financial institutions

¹⁹ This ambiguity has been discussed in detail for Bangladesh in Kaber, N. (1998) A recent respected impact assessment in Pakistan found that for all 6 organisations studied there was actually a significant decrease in women's empowerment in the household across a whole range of indicators of decision-making. The reasons for this are unclear. S Akbar Zaidi, Haroon Jamal, Sarah Javeed and Sarah Zaka (2007).

²⁰ See Mayoux, L. (1999). This problem was reported to occur on a significant scale by many programmes in all the regional workshops facilitated by the author.

²¹ All these outcomes were reported to occur on a significant scale by many programmes in all the regional workshops facilitated by the author.

may not be the best use of poor peoples' resources compared with investing in other assets or directly in livelihoods.

- **Insurance premiums**, as well as representing foregone consumption and investment, may be lost when a crisis prevents poor people from continuing with the payments.
- **Remittance transfers reduce the funds available to migrants** in the host country and may distort local markets and consumption patterns in the recipient country without leading to local economic development.

The contribution of microfinance alone appears to be most limited for the poorest and most disadvantaged women (Ashe, J. and Parrott, L. 2001). All the evidence suggests these women are the most likely to be explicitly excluded by programmes and peer groups where repayment is the prime consideration and/or where the main emphasis of programmes is on existing micro-entrepreneurs²².

Finally, very little research has been done on the gender impacts of financial services for men. Any financial intervention available to any household member has the potential to reinforce or challenge existing inequalities in ways that may contribute to or undermine the poverty and potential of other household members. As noted earlier, research suggests that financial services targeted to men contribute less to household well-being and food security. When financial services automatically treat men as the head of the household, they may reinforce what are often only informal rights that men have over household assets, labor, and income. In other words, they may seriously undermine women's informal rights. As in other areas of development, such outcomes may have consequences not only for the women and households involved but for the effectiveness of the intervention and sustainability of the institutions involved.

Addressing gender issues will therefore require a strategic gender justice approach - not only to mainstreaming gender equality of access, but also strategies to ensure that this access then translates into empowerment and improved wellbeing rather than merely feminisation of debt or capturing female savings for programme financial sustainability.

Achieving gender equality and empowerment goals depends not on expanding financial services per se, but on the specific types of financial services that are delivered in different contexts to women from different backgrounds and by different types of institutions or programs. Given the contextual and institutional constraints, gender justice in financial services requires more than increasing women's access to small savings, loan, and microinsurance programs or to a few products designed specifically for women.

TOWARDS A GENDER JUSTICE PROTOCOL FOR A DIVERSIFIED, INCLUSIVE AND SUSTAINABLE FINANCIAL SECTOR

None of the above implies that financial services should cease attempting to target women – women have a right to equal access to financial services and removal of all forms of gender discrimination in financial service providers. This right is enshrined in international women's rights agreements and national equal opportunities policies. Rather it means that gender blind product design and service delivery is not enough, and that gender justice must be as integral to financial service provision as poverty and financial sustainability concerns. Adequately addressing gender issues in micro-finance requires a

²² The exclusionary practices of groups and impacts on social capital are discussed in detail in Pairaudeau, N. (1996), van Bastelaer, T. (nd). Women's exclusion of particularly disadvantaged women is described in Pairaudeau, N. (1996) and this is often an explicit policy of MFIs in client selection.

strategic gender justice approach which is woman-led and actively aims not only to increase women's equality of access, but to translate this access into empowerment and enable women to challenge gender inequality. It also requires mainstreaming gender concerns into financial and other services for men to encourage changes in gender attitudes and behaviour. This is necessary not only for women themselves, but as an integral part of any financial service provision aiming to make a significant contribution to economic growth and poverty reduction.

What is worrying about debates until recently is the way in which different assumptions, goals, and policies have become conflated²³. Accompanying the rapid increase in women's access to micro-finance has been a progressive narrowing of the definitions of empowerment and decrease in funding for explicit strategies to achieve it. Female targeting in small savings and loan programmes has in many cases been seen as a substitute for gender policy. Despite all the evidence discussed above, numbers of women's names on loan and savings registers continues to be taken as proof of benefits to women. The interpretation of 'gender' as 'women and men' as advocated in much gender training, has not led to strategies to bring men into the process of questioning gender inequalities that disadvantage women. It has rather led to a questioning of any positive action to protect women's interests on the grounds that this is discriminatory. In addition, the predominant concern for financial sustainability has led to the cutting of most non-financial services, including gender and enterprise training. Because women in households where men are supportive have been able to bring about significant improvements in their condition and position in the household and community, unwarranted assumptions are made that no women need support to bring about change. Although women's empowerment is a stated aim in the rhetoric of official gender policy and program promotion, in practice it continues to be subsumed in, and marginalised by, concerns of financial sustainability and/or poverty alleviation.

This marginalization of, and often overt hostility to, gender issues misses the important contribution which gender equality and women's empowerment can make to both the financial services sector and development in general. As noted above, data from the MicroBanking Bulletin and recent research by Women's World Banking indicates that even female targeting may decrease with the current upscaling and commercialisation²⁴. However an interesting paper by Susy Cheston presents evidence to support the claim that targeting women is beneficial even in commercial terms²⁵. Elsewhere numerous studies have shown that attention to gender issues increases the chances of success of most projects, and this includes micro-finance.²⁶ The failure to pay serious attention to gender strategies misses an important opportunity to discuss the many positive gender innovations which are taking place in relation to organisational gender policies, products, non-financial services, client participation and macro-level policies organisation, and promote these as an integral part of Good Practice in the sector as a whole.

²³As discussed below and outlined in detail by the author elsewhere eg Mayoux 2000, these assumptions, goals and policies can be seen in terms of three competing paradigms: the financial sustainability paradigm, poverty alleviation paradigm and feminist empowerment paradigm.

²⁴ Cheston 2006; Frank, C. , Lynch, E. and Schneider-Moretto, L. (2008) .

²⁵ In 2004 a study by the American organisation Catalyst found that financial performance was higher for companies with more women at the top. The experience of Wells Fargo Bank in the US also indicates the benefits of targeting women as a client group. Cheston 2006.

²⁶ Evidence from OED shows that the earlier a gender perspective is included, the greater will be the benefits. Gender Issues in World Bank Lending, Operations Evaluation Department, 1995, World Bank

The ways in which gender equality and women's empowerment can be most effectively promoted differs between financial service providers depending on the type of financial institution, context and capacities. A number of checklists for programmes exist which can be adapted and used²⁷. There are steps which financial institutions of ALL types can do: from banks, through MFIs to NGOs with savings and credit as part of an integrated development programme. Moreover, although some of these strategies will require 'a different way of doing business', and some shift in priorities for resource and funding allocation, they are likely to increase rather than undermine sustainability. This is not a question of 'women's empowerment projects' as optional add-ons, although if well-designed these can also have their role. It involves mainstreaming gender and empowerment throughout programme design in order not only to benefit women, but in the process improve the longer term financial and organisational sustainability of the services themselves and the sustainability and dynamism of the rural economy in general.

ORGANISATIONAL GENDER POLICY: THE COMMERCIAL BOTTOM LINE

In all types of financial institution from banks to NGOs, the most cost-effective means of maximizing contributions to gender equality and empowerment is to develop an institutional structure and culture that is women-friendly and empowering, and that manifests these traits in all interactions with clients. A focus on diversifying management and staff in order to reach the huge female market for financial services is an accepted part of good commercial practice and management. Indeed for an organisation to fail to have a gender policy is likely to be in contravention of national equal opportunities policies and international agreements on women's human rights. Some key elements which can be included in financial service institutions of all types are given in Box 2.

All financial service providers can contribute to gender equality and women's empowerment even within financial sustainability constraints through having a clear vision and commitment to gender equality and women's empowerment throughout their advertising and promotion in order to attract women clients and also change attitudes towards women's economic activities in the wider community. Ultimately, even at this commercial level there is the possibility of a financial services sector which promotes a vision of women as successful and competent entrepreneurs and acts as a significant force for change in attitudes and behaviours – and in the process opens up a large and profitable commercial market for financial service providers. This is not an issue of cost, but of vision and inspiration in regards to gender justice on the same level as for example HSBC Bank's promotion of cultural diversity, and commitment in some quarters to environmental sustainability.

Many formal sector banks have gender or equal opportunities policies for staff. These internal measures are consistent with financial sustainability. In fact, mainstream banks are sometimes way ahead of nongovernmental organizations in implementing staff gender policies (examples include Barclays in Kenya—dating back to the 1980s—and Khushali Bank in Pakistan). The promotion of diversity, of which gender is one dimension, is a key element of best business practice in the West²⁸. Commercial banks increasingly have gender or equal opportunity policies to encourage and retain skilled female staff. Many commercial

²⁷ See for example the gender checklist on genfinance <http://www.genfinance.info/Documents/Gender%20Checklist.pdf>, the Women Advancing Microfinance gender audit given at the end of Cheston 2006.

²⁸ An interesting study by Fortune magazine of the most profitable businesses found that these had good representation of women in high management positions Cheston, S. (2006).

banks have childcare facilities and proactive promotion policies for female staff. Increasing the numbers of female staff is essential to increasing the numbers of female clients in many social contexts. Both female and male staff will however require gender training integrated into general induction training.

Many of these strategies cost little, such as recruitment and promotion, and sexual harassment policies. Although a gender policy may entail some costs (for parental leave, for example), the cost is likely to be compensated by higher levels of staff commitment, efficiency and retention. Unhappy and harassed staff members are inefficient and change jobs frequently, and training new staff is costly. In many social settings, increasing the number of female staff is essential to increasing the numbers of female clients.

BOX 2: ORGANISATIONAL MAINSTREAMING: SOME KEY STRATEGIES FOR FINANCIALLY SUSTAINABLE ORGANISATIONS
VISION AND INSTITUTIONAL CULTURE
The institutional culture is expressed in the way the organization chooses to promote itself. What sorts of images and messages does it send through the images in its offices, through its advertising, and through the consistency of its gender aims in the community with its internal gender policy? The institution's routinely issued promotional leaflets, calendars, and advertising are a very powerful means of presenting alternative models and challenging stereotypes. There should be no extra cost in ensuring that promotional materials achieve these goals. It is just a question of vision—and of ensuring that the designers of promotional materials understand that vision.
EQUAL OPPORTUNITIES POLICIES FOR STAFF
as a human rights issue, to set an appropriate example for programme participants and to increase programme effectiveness in reaching and empowering women. This requires family-friendly working practices for women and men and ensuring that women's specific contributions to the job (eg better understanding of women, multi-tasking) are fully valued and their specific constraints due to contextual factors (eg vulnerability to violence) are taken into consideration in job requirements and pay.
RECRUITMENT, TRAINING AND PROMOTION POLICIES
Gender awareness and sensitivity to be a criterion for recruitment as an essential requirement of a professional service. Gender sensitivity to be an integral part of all staff training. Performance on gender equity to be recognized in criteria for promotion
EXTENSION SERVICES AND BUSINESS ADVICE SECTIONS
These can ensure that they recruit staff members who can work with women as well as men and thus increase women's participation even in activities normally dominated by men.

This is not to say there are no serious challenges, potential tensions, and some costs. Mere formal change is not enough. Real change requires:

- A profound actual change in organizational culture and systems. This requirement raises the issues of staff participation in decision making—a key tenet of best business practice.
- A shift in the norms of behavior for women and men.
- Willingness and support for change at all levels, among field staff, midlevel staff, senior management, and donors.

A full discussion of frameworks and methodologies for institutional gender mainstreaming is outside the scope of this paper.²⁹ But it is important to stress that it is possible for these changes in institutional culture and structure to be integrated into *all types* of financial institutions services *in some way*, including commercial and state banks as well as MFIs and integrated development programs and NGOs. Similar measures are needed in the increasing number of extension services and business advice sections of financial institutions, and market-oriented Business Development Services providers. These institutional-level changes would also go at least part way to promoting equality of access and removing discrimination.

EQUALITY OF ACCESS AS INTEGRAL PART OF PRODUCT AND SERVICE DEVELOPMENT, INCLUDING TECHNOLOGICAL INNOVATION

The accelerating commercialisation of micro-finance, together with recent advances in technology, have *potential* to significantly increase access to cheaper and better micro-finance services for women as well as men. Market competition has stimulated:

- product diversification and client-centred product development through market research
- technology improvements in information and delivery systems, particularly mobile and e-banking.

There is also increasing discussion of ways in which financial services can better integrate into wider economic development processes eg value chain finance and local economic development. These are areas where even commercial banks are developing strategies. So far the measures proposed have been gender-blind, potentially leading to further marginalisation of women.

Many formal sector banks have been at the forefront of product innovation. It is now generally accepted that participatory market research and ‘knowing your clients’ is good business practice. SEWA’s services have always been based on consultation with clients. Grameen Bank has just undergone a four year reassessment and redesign based on extensive client research. This has significantly increased outreach and sustainability³⁰. ICICI Bank in India also conducts both participatory market research and funds in-depth research on the needs of micro-finance clients through its support for Centre for Micro-finance Research in Chennai. Many micro-finance programmes have now been trained in Microsave’s market research tools and/or are using some variant of one or more of these tools. There are ways of integrating gender³¹ which if implemented on a widescale could promote sustainable gender mainstreaming in product development.

Ensuring gender equality of access however requires more than introduction of a few small loan products for women’s activities. It requires looking at financial services of all types – for large and medium-scale women entrepreneurs and farmers who are potential role models and employers, as well as micro-entrepreneurs. It requires viewing women as capable and valued

²⁹ See for example Groverman, V. and Gurung, J.D. (2001) Groverman, V. , Lebesech, T. and Bunmi, D.-S. (2008) , ILO (2007) , Macdonald, M. , Sprenger, E. and Dubel, I. (1997) .

³⁰ In the three years to December 2005, Grameen's deposit base tripled and its loans outstanding doubled. Profits have soared from around 60 million taka in 2001 to 442 million taka (about \$7 million) in 2004. Dropouts are returning, and even some old defaulters are repaying and re-joining.

³¹ For details of MicroSave tools see www.microsave.org. Gender-sensitive adaptations of Market Research Tools can be found on the Participatory Learning and Market Research page on the genfinance website: www.genfinance.info/MarketResearch .

economic actors, not victims who are lucky to get a little loan. And designing processes which enable women then to progress and graduate from small savings and loans to accessing larger loans and accruing significant assets.

Mobile and e-banking, particularly in the commercial sector, potentially promises much wider and also cheaper access to financial services particularly in rural areas which are more costly to reach than urban centres. Mobile banking has great potential to reach women who have less mobility outside the home than men either because of domestic responsibilities and/or social restrictions on their independence and interaction with men. However here there are important questions to be asked about:

- who owns and accesses the mobile technology?
- where facilities like ATMs are located – in male or female space?
- how are credit histories and credit ratings established? As individuals or as households?

It is crucial that mechanisms are developed to ensure discrimination-free access for women as the industry rapidly expands.

There has recently been a renewed interest in the provision of complementary services ("credit-plus," as it is often called). Apart from their savings and credit initiatives, many NGOs and an increasing number of MFIs provide a range of other, separately funded interventions for women and men. This as both an efficient means of development, and a means of enhancing client – and hence organizational – financial sustainability. Examples include literacy, health and HIV/AIDS awareness³². None of these recent developments is necessarily gender sensitive, yet there are ways for them to take gender dimensions into account. It is crucial to integrate women fully into training, extension, and other interventions, regardless of whether they are conventionally viewed as being of interest only to men, especially technical training for new agricultural crops and technology and other livelihood development programs.

There are also adjustments and changes to the core financial services, again fully financially sustainable, which would also promote gender equality of access. Most of these measures have minimal cost but would enable expansion of numbers of female clients and increase repayment rates. They would therefore enhance, rather than detract from, financial sustainability. The best way of integrating gender policy within existing practices and contexts can be assessed through a gender audit or a well-designed participatory process. This would entail some initial cost, but could be expected to recoup these costs through better outreach to good female clients.

FINANCIAL SERVICES CONTRIBUTE TO WOMEN'S EMPOWERMENT THROUGH APPROPRIATE DESIGN OF PRODUCTS, NON-FINANCIAL SERVICES INCLUDING FINANCIAL LITERACY, AND CLIENT PARTICIPATION.

One of the reasons why women's empowerment issue has been largely dismissed by the commercial sector is because it is generally seen as needing some sort of 'empowerment add-on' for women – and hence not attainable through a financial sustainability approach. However, although effective, cost-efficient and sustainable empowerment methodologies are

³² For a discussion of the complementarities between microfinance and other development interventions see for example Magner, M. (2007) .

certainly important, there are also many ways in which mainstreaming empowerment within financially sustainable strategies can have significant impact – if strategically planned as an integral part of design. This includes:

- mainstreaming in core activities
- participatory market research to identify products which can contribute to empowerment
- non-financial services which contribute to empowerment including financial literacy
- client participation which really strengthens women’s networks for collective action

Focusing first on what can be achieved by mainstreaming then enables scarce resources and energy for empowerment methodologies per se to be focused and targeted where they are really needed.

There are ways in which core activities of financial services providers can be adjusted to contribute to empowerment as indicated in Box 4. Financial institutions lacking the scope to introduce non-financial services can promote a vision and commitment to empowerment through the questions asked during the application process. Empowerment concerns can also be integrated into basic savings and credit training and group mobilisation.

BOX 3: MAINSTREAMING EMPOWERMENT IN CORE ACTIVITIES
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APPLICATION PROCESS FOR PRODUCTS

<p>The application process for products or other services involves asking questions about the applicant’s background and capacities. Without increasing the time needed to answer these questions, they could be reworded or adapted to promote a vision of empowerment and challenge assumptions about power and control in the household for both women and men. For example, the wording can treat women as individuals who can make their own decisions, eliminating references to—and automatic, often erroneous assumptions about—male heads of households. Some microfinance institutions that require husband’s signatures for their wives’ loans also require wives’ signatures for their husbands’ loans. Others do not require a spouse’s signature for any loan and accept female as well as male guarantors.</p>

<p>The sequencing of questions, types of detail required and way the interview is conducted can help applicants think through their financial planning. Focusing on helping them think through their capacity to repay loans and save, and the types of insurance etc they need. Rather than treating this just as a policing exercise for the institution.</p>

BASIC SAVINGS AND CREDIT TRAINING AND GROUP MOBILIZATION

<p>It is possible to integrate empowerment concerns without increasing costs of core training. Many issues within the household and community need to be discussed for women to anticipate problems with repayment, with continuing membership, and so on. Discussions need to equip women to devise solutions that also address the underlying gender inequalities that cause the problems in the first place. Men can also be invited to these meetings, including some progressive male leaders.</p>

As noted above, participatory market research is now an accepted part of ‘good business practice’ in MFIS, and also increasing in the commercial sector. However, participatory market research in itself does not necessarily produce products which will benefit women, only products which can be sold to women and/or men - which cannot be assumed to be the same thing. However, without additional costs, there are ways in which sampling and questioning can be adjusted to explicitly look at gender issues of access and control, empowerment impacts and gender-specific areas of vulnerability and need. This can lead to

design of products which increase women's incomes and control over incomes, and role in household decision-making. Examples include:

- loans or savings products to increase women's asset ownership
- mechanisms to enable women to graduate from small to larger loans without discrimination provided they have a good credit record.
- loan products and sponsorship of enterprise competitions to encourage women's enterprise in non-traditional activities and also in services needed by women.
- introduction not only of products specifically targeted to women, but revising the loan conditions for all products to ensure that there is no gender discrimination.
- encouragement of male savings for education of girls, assets for their daughters to take with them on marriage so that men's responsibility for the future of their daughters is encouraged and enable female savings to be used for enterprise investment.
- Pension and long term savings products

BOX 4: SOME LOAN AND SAVINGS PRODUCTS WHICH PROMOTE EMPOWERMENT

Client-focused loans (Bangladesh): Most loans for Grameen Bank members were for a standard one-year term with a fixed weekly repayment schedule. Loans are now available with varying terms and varying schedules. They can be "topped up" part-way through the term or paid off early. There is a new, more flexible way to reschedule troubled loans. Although loans are given for business use, in practice members use them any way they wish, which helps stabilize fragile livelihoods.

Loans for assets registered in women's names (Bangladesh): Grameen Bank offers large, longer-term loans to buy housing and land. House sites and land must be registered in women's names, both as security for the loan and to increase women's control over assets. This gives women much more security, improves repayment rates, and also decreases divorce and abandonment of women.

Large loans for bigger profits (India): The South Indian Federation of Fishermen Societies (SIFFS) introduced a new loan product for women who travel in groups to distant markets, buy large quantities of fish for drying, and then sell the fish locally during the lean season. This enterprise requires a large initial investment and returns come only after four months. SIFFS offers a loan of 10,000–20,000 rupees on which the interest is paid monthly and the principal is repaid at the end of five months.

Loans for adolescent girls (India): Some organizations involved in the Credit and Savings Household Enterprise (CASHE) project in India decided to pilot a loan product for adolescent girls. The loan, available for both parents, enables the girls to purchase a productive asset to help them earn an income, delay marriage, bring to their in-laws' house when they do marry, and reduce demands for dowry.

Loans for services benefiting women (Sudan): Members of LEAP (Learning for Empowerment Against Poverty) women's centers identify their needs for services and are encouraged to set up viable businesses that can benefit other women, such as daycare centers. Loans have also been given for smokeless stoves, which have health, labor-saving, and environmental benefits. The financial services provider is required to seek out potentially profitable services and assets for which viable repayment schedules can be devised; once that is done, the loan products are financially sustainable.

Consumption loans for men as well as women (India): The Area Networking and Development Initiative's (ANANDI's) savings and credit groups make consumption loans available for both men and women to reduce the burden on women. Women have access to asset as well as leisure-related loans. The groups themselves ensure the household has repayment capacity.

Diversification of savings products, Grameen Phase II

Grameen Phase II has diversified its savings products. The personal savings account is a liquid passbook account into which members can make deposits or make withdrawals in any amount each week. The account helps members manage money on a daily basis, including payments on their Grameen Bank loans. The commitment or contractual savings account, also referred to as “Grameen Pension Savings” or GPS, is a 5- or 10-year account with a minimum monthly deposit of less than US\$ 1. These accounts help build savings steadily over the longer term.

Source: Adapted from Mayoux 2006a

Banks generally use individual rather than group-based lending and may not have scope for introducing non-financial services. This means that they cannot be expected to have the type of the focused empowerment strategies which NGOs have. However, there is now increasing acceptance of the idea of ‘smart subsidies’ in relation to increasing poverty reach and/or complementary interventions on HIV/AIDS and women’s empowerment strategies are arguably the most effective means of addressing both poverty reach and household well-being. There are ways in which even banks can be actively involved in collaboration with other service providers giving for example:

- enterprise and business development services for women and providing loans to female trainees
- legal aid services for women
- reproductive health services for women

This collaboration could be formal partnerships or merely having literature available on these services for clients to read while they are waiting to see bank staff.

A key area of current discussion in relation to complementary capacity-building is financial literacy so that clients are able to make an informed input to product development, know their rights and understand the information given to them. A number of financial literacy courses and methodologies have been developed SEWA, Microfinance Opportunities with Freedom From Hunger, Womankind Worldwide and Siembra in Mexico have developed Manuals for women’s financial literacy³³- see Box 5. An innovative combined financial literacy/market research/business planning methodology for people who cannot read and write and which is based on sustainable peer learning is shown in Box 11 below. So far financial literacy programs have been developed mostly for women. However, financial literacy for men, if it incorporates for example men’s discussion of financial planning with their wives and equal participation in financial decisions, could contribute significantly to changing men’s attitudes and behaviour. If such training were a condition of access to loans, it is more likely that men would attend such courses rather than generic gender training.

³³ Examples from a joint initiative from Microfinance opportunities and Freedom from Hunger can be found at www.microfinanceopportunities.org or www.ffh.org, from Womankind Worldwide can be found at www.womankind.org, for Siembra at http://www.genfinance.info/Chennai/Case%20Studies/SiembraManual_Chapter%203.pdf and for SEWA at <http://coady.stfx.ca/resources/abcd/SEWA%20Financial%20Literacy%20Manual.pdf>. A diagram-based methodology ‘EAT THAT FAT CAT’ can be found at http://www.lindaswebs.org.uk/Page3_Orglearning/PALS/PALSIntro.htm.

BOX 5: FINANCIAL LITERACY**Self-Employed Women's Association (Sewa), India**

Training conducted by SEWA uses visual methods to explain SEWA's products and how to choose between them for different purposes. The training covers an introduction to financial planning; daily money management practices. planning for future events; borrowing and loan management; insurance and risk management; and making a financial plan.

Source: <http://coady.stfx.ca/resources/abcd/SEWA%20Financial%20Literacy%20Manual.pdf>;

Women's Empowerment Programme (Wep), Nepal

The Women's Empowerment Program (WEP) in Nepal delivers literacy, financial literacy, business, and village banking services alongside its savings and credit services. These Manuals, based on Appreciative Enquiry and participatory methods, have enabled women to improve their livelihoods.

Source: (Ashe, J. and Parrott, L. 2001)

Financial Education For The Poor Project

Microfinance Opportunities and Freedom From Hunger, with support from Citigroup Foundation, developed a financial education curriculum for low-income households in developing countries. The Financial Education for the Poor Project has partnered with a number of organisations including: Pro Mujer (Bolivia), Teba Bank (South Africa), Al Amana (Morocco), CARD Bank (the Philippines) and the Microfinance Centre (Poland). The curriculum consists of modules on budgeting, savings, debt management, bank services, and financial negotiations. Each module has a basic overview of the topic, a trainer's guide with step-by-step instructions, and a training of trainer's manual to prepare financial education trainers.

Source: Financial Education for the Poor, see www.microfinanceopportunities.org or www.ffh.org;

See also Box 11 below on Gender Action Learning System

There are a number of ways to offer capacity-building in a more effective, cost-efficient, and sustainable manner:

- Mutual learning and information exchange within groups could meet many basic training needs if systems are properly set up and funded initially (See Box 10 below). This training does not substitute for professional (expensive) training, but it enables such training to be targeted to those areas where it is really needed and builds peoples' capacities to absorb, benefit from, and disseminate such training.
- Implement a cross-subsidy: charge better-off clients (including men) for some services, such as business services and business registration and/or charging clients for more advanced training after they have taken subsidised basic courses.
- By developing formal or informal links with providers of other services, microfinance programs can increase their contribution at a minimal cost and give providers of other services ready access to a sizeable, organized constituency of poor women, which would in turn contribute to the sustainability of their own services. Interorganizational collaboration between microfinance programs and specialist providers of other types of service could take several forms. A microfinance program could advertise complementary services available from other organizations, such as advice and information about legal rights offered by local women's movements. A microfinance

program could refer clients to other organizations or make special arrangements for programs, groups, or individuals to pay for particular services. Collaboration could also take the form of sharing the costs of developing training programs and innovations or conducting research.

Any or all of these means could be combined to increase cost-effectiveness over time. For example, after an initial focus on identifying mutual learning possibilities, collaborating organizations could apply for donor funds to develop them. They could then introduce service charges for their better-off members or non-members at a later date. In other cases, although the microfinance services or programs themselves may be financially sustainable, complementary services may need to be treated as ongoing commitments to be met through donor funding—especially when services are seeking to reach very poor women.

In many rural areas, particularly more remote areas with very badly developed infrastructure, separating the delivery of financial services from other types of complementary support is not necessarily the most cost-efficient strategy, because it entails parallel sets of staff, high transport costs, and other duplicative costs. The desirability or undesirability of separating functions needs to be judged on the basis of the particular context, the level of expertise required for the types of financial and nonfinancial services needed, and the capacity of particular organizations and staff. It is also possible to separate the costs of delivering different services without separating their operational delivery.

In all the above it is vital to stress that gender equality of access and women's empowerment are not "complementary" or "credit-plus" like literacy or business training. They are cross-cutting strategies that must be mainstreamed through the delivery of financial services themselves and other complementary interventions. At the same time, gender mainstreaming measures must complement rather than substitute for gender-specific services, particularly women's rights training for women (and men) as well as legal and other support for women with very difficult household situations.

GENDER INDICATORS ARE AN INTEGRAL PART OF SOCIAL PERFORMANCE MANAGEMENT AND MARKET RESEARCH.

A key element in gender mainstreaming is integration of gender indicators into information systems so that institutions are aware of what is happening in regard to gender equality of access, and also empowerment. The extent and type of gender-based information will obviously differ from institution to institution, depending on the nature of their existing management information systems.

In recent years much of the innovation in microfinance has focused on poverty targeting and poverty depth. Some of the energy for this has been in response to the U.S. law passed in 2003 requiring the development and use of cost-effective poverty measurement tools by the United States Agency for International Development's (USAID's) microenterprise grantees. This has led to the compilation and refinement of a range of different Tools for poverty assessment so that MFIs applying for funding from USAID, and also more widely, can assess the degree to which they are reaching the poorest.³⁴

³⁴ For more details of these tools see <http://www.povertytools.org/index.html>

The poverty assessment tools are based on a household measure divided equally by members of the household to give a dollar a day individual measure of income poverty. This has numerous pitfalls and methodological problems including how to account for non-market incomes, inter and intra-national variation in purchasing powers and in expenditure and consumption patterns and needs, and reliability of client response³⁵. All of these have gender dimensions which remain to be addressed³⁶. In particular they are unlikely to be able to accurately assess individual dollar a day poverty without addressing intra-household inequalities. Failure to address inequalities within the household may further decrease the access of women in households just around the poverty line ie the main target group of financially sustainable programmes. This is the case even though women themselves may be extremely vulnerable within these households and below the dollar a day cut-off in terms of their own incomes and expenditure.

The recent advances in Social Rating and Social Performance Management³⁷ seek to include social indicators and social audits incorporating areas like poverty reach as an integral part of rating and performance assessment alongside financial indicators. These measures also are not necessarily gender sensitive and, like the poverty tools, may even militate against female targeting. Gender is treated as one possible dimension of an organisation's mission against which performance would be assessed. The degree to which social performance management will therefore promote gender issues will depend on whether or not gender is already part of the organisation's vision and mission, and whether or not it has the tools already to assess performance in relation to gender and/or has conducted gender impact assessment. Unless gender is an explicit and integral part of the definition of 'social', there are dangers that gender equity in terms of both access and empowerment will become completely swamped in all the other range of performance indicators.

However, although current SPM systems are generally gender-blind and there is no specific requirement to include gender indicators, some writers have proposed gender impact indicators like those in Box 6 which could be easily integrated into SPM and other information systems, provided the application, follow up and particularly repeat loan and exit assessments are properly conducted in the interests of client understanding, not just rapid institutional expansion.

BOX 6: INTEGRATING GENDER INDICATORS IN SOCIAL PERFORMANCE MANAGEMENT AND MANAGEMENT INFORMATION SYSTEMS

possible gender indicators for insertion into social performance management

Clients (from a rating survey – if MFI does not have this information)

- % of women clients who know and understand the terms of the financial services provided by the MFI (including different products available, cost of credit - interest rate (declining), if savings – then interest paid, if insurance – then premium paid, and terms of payout)
- (in mixed-sex programmes) % women accessing larger loans and higher level services; %

³⁵ A full discussion of these issues is outside the scope of this paper, however some very interesting critical papers can be found on the links page of the poverty tools site <http://www.povertytools.org/Links/links.htm> .

³⁶ See Mayoux 2002

http://www.povertytools.org/Project_Documents/Gender%20Issues%20draft%20072104.pdf , Chant 2003

<http://www.eclac.cl/publicaciones/xml/6/13156/lcl1955i.pdf> and Gammage 2006

http://pdf.usaid.gov/pdf_docs/PNADH568.pdf

³⁷ See for example, IFAD (2006)

women in leadership positions

- % of women clients with enterprise loans who themselves are working in the economic activity for which the credit is used (either by themselves, or jointly with husband in a household enterprise disaggregated)

Source: Frances Sinha Indicators related to gender – for social rating unpublished draft for MI-CRIL

This is an areas where much more discussion is needed on how gender indicators can be integrated into management information systems of different types – particularly the trade-off between manageability and depth of information to make any conclusions meaningful. And also the relative roles of monitoring versus more in-depth impact assessment. A detailed discussion of the complexities of gender and empowerment impact assessment, particularly intra-household impact assessment, is outside the scope of this paper³⁸. This is an extremely complex issue which needs to be adapted to particular contexts, organisations and processes - to avoid the assumption that all changes are due to financial services and also look at gender justice impacts of services and interventions for men as well as women. A preliminary set of empowerment questions for impact assessment is given in Box 7. These questions could underpin an evaluation or impact assessment using quantitative, qualitative or participatory methods and be adapted for different sampling methodologies, including randomised evaluation as well as the more participatory and empowering processes promoted as part of WEMAN (See Box 11).

BOX 7: EMPOWERMENT QUESTIONS FOR IMPACT ASSESSMENT

How far and in what ways has gender equality of access to financial services increased?

- What informal and formal financial services (credit, savings, insurance, remittance transfer etc) exist in the area? Which services did women normally use before the intervention? What financial services did men normally use? What were the differences and reasons for any differences?
- Has access to these services changed since the intervention? If so how and why?
- Do women now have equal access to all types of financial services compared with men? Are the institutions gender-friendly? Are the products suitable?
- Does the institution/intervention track gender-disaggregated data in use of their services? What gender differences appear in the data with respect to access to different financial services?
- If there are any continuing differences in numbers of women and men using different types of service, does the organisation investigate why?
- What are the reasons for any differences? Is this because of differences in aspirations and motivation? Explicit or implicit institutional gender discrimination?

How far and in what ways have financial services for women and men contributed to gender

³⁸ See for example questionnaire at end of S Akbar Zaidi , Haroon Jamal , Sarah Javeed and Sarah Zaka (2007) and discussion in Mayoux, L. (2004)

equality within households and women's economic empowerment?

- What economic activities were already women engaged in? What economic activities were men involved in?
- How was access to and control over assets, income and resources distributed within households? Did women and men have different degrees of access? Different degrees of control?
- What key economic decisions in the household were made by women? By men?
- What are financial services accessed by women and men used for? For their own economic activities? For joint household economic activities? For economic activities of other family members? For investment in physical/human capital eg education, house improvement? For 'non-productive consumption'? Whose consumption?
- Have financial services enabled women/men to increase incomes from their own economic activities? From joint household activities? To enter new and more profitable/productive activities? To increase assets? To decrease economic vulnerability? Significantly or only a little?
- How far do women/men control this income and assets? Is there more equal control over household income and assets? Significantly or only a little?
- What do women/men use the income for? Investment in their own economic livelihoods? Joint household activities? Economic activities of other household members? Or consumption?
- Has women's/men's market access increased? In existing markets only? In new markets? Has vulnerability to market fluctuations decreased?
- Even if women/men do not use the income for their own economic activities, has their role in household decision making and their control over household income and/or assets increased?

How far and in what ways have financial services contributed to increased wellbeing for women and their families?

- What was the extent of gender inequality in well-being before access to financial services? Food security? Health? Literacy and education? Freedom from violence?
- Even if women do not use the income for their own economic activities, have their role in household decision-making and control over household income increased?
- What have been the impacts on women's nutrition, health, education, freedom from violence, happiness?
- What have been the impacts on the nutrition, health, education, freedom from violence, happiness of other female household members: girls and the elderly?
- What have been the impacts on the wellbeing of boys and men?

How far and in what ways have financial services and/or complementary capacity-building and/or organisational strategies for women and/or men contributed to women's social and political empowerment

- Did women have personal autonomy and self-confidence before the intervention? freedom of mobility? of social and political activity? If not in what ways were they limited compared with men?
- How far and in what ways have financial services and/or related interventions for women increased women's self-confidence and personal autonomy? What have been the impacts if any of services/interventions for men?

- How far and in what ways have financial services and/or related interventions extended and strengthened women's networks and mobility?
- How far and in what ways have they enabled women to challenge and change unequal gender relations? In property rights? Sexual violence? Political participation? Other?
- How far and in what ways have they engaged men in a process of change for gender justice?

CONSUMER PROTECTION AND REGULATORY POLICIES INTEGRATE GENDER EQUALITY OF OPPORTUNITY AND EMPOWERMENT.

A recent area of concern because of both the proliferation of products and the increasing numbers of competitors in the micro-finance market has been the issue of consumer protection: do people, particularly the poor, know what they are signing up to, and how can they be protected from abuse? Since at least 2003 many Micro-finance networks, including ACCION, have been developing and implementing consumer protection guidelines covering both relations with clients and quality of products and services.³⁹

These guidelines currently contain no explicit references to women, but potentially offer some protection to women as well as men, for example the specifications of treatment with respect, privacy and ethical behaviour. However in order to make them effective in protecting women as well as men, it is desirable to make explicit reference to women and also make sure they cover specific forms of discrimination and vulnerability which women are likely to face. A possible framework is given in Box 8. In addition these guidelines, including the gender dimensions, need to be included in all staff training and induction and in client application processes and financial literacy training.

It is also unclear how seriously financial service providers would take such principles on an individual institutional level. Ideally these would be part of the overarching regulatory framework at national level, and required part of any support from government and donors.

BOX 8: FRAMEWORK FOR GENDER EQUITABLE CONSUMER PROTECTION

RELATIONS WITH CLIENTS

- All clients will be treated with dignity and respect, without any discrimination by gender, ethnic group, poverty level, education or other dimension of inequality.
- Application processes will be free from prejudice and discrimination, will be accessible to people who cannot read and write, people speaking minority languages, and accessible to women (as well as men) as independent actors.
- Staff will aim (in the application process or by other means) to increase client understanding of financial management, ways in which they can benefit from financial services and avoid becoming overindebted. This includes discussion of intra-household rights and responsibilities to ensure that women or men are not overburdened with debt taken for their spouses' economic activities or consumption.

³⁹ See particularly SEEP 2006 and an overview of the October 2006 discussion on MicroLinks http://www.microlinks.org/file_download.php/SC+15+Summary+Document.pdf?URL_ID=13137&filename=11618091991SC_15_Summary_Document.pdf&filetype=application%2Fpdf&filesize=933903&name=SC+15+Summary+Document.pdf&location=user-S/

- Complete, accurate and understandable information in local language will be provided to clients about their rights and responsibilities, and the terms and conditions of all products and services, including the true costs of services compared to those of main local competitors. Clients will also have constant transparent and rapid access to all information regarding their accounts, past current and future transactions, in a form which they can readily understand.
- Explanations will be given to clients of negative decisions with respect to applications, together with an appeals procedure regarding any practice or policy which can be considered discriminatory.
- Privacy of customer information will be respected to ensure that private information of customers from reaching others who are not legally authorized to see it. This includes right to privacy from enquiries and demands of other family members unless they are joint signatories.
- Mechanisms will exist through which customers can give feedback on service quality, and there will be a confidential procedure for personal complaints with guaranteed institutional response.
- Mechanisms will exist for continually monitoring impact of products and services on vulnerable groups, particularly very poor women and minority populations.

QUALITY OF PRODUCTS AND SERVICES

- Products will be developed through consultation with clients, and potential clients, in order to maximize the potential accessibility and benefits of products and services. This will include specific consultation with female clients, the very poor and other underserved groups to assess their specific requirements and as far as possible to meet them. It also includes specific consultation about the ways in which financial products can increase their access to and control of productive assets and resources.
- Fair pricing: rates for services will not provide excessive profits but will be sufficient to ensure that the business can survive and grow to reach more people, particularly the very poor/excluded.
- Services will be provided in as convenient and timely manner as possible to all clients, fulfilling contractual obligations agreed at the time of application.
- Mechanisms will exist to assist clients to adjust their accounts in times of serious, proven crisis in ways which do not undermine the other operations of the institution. While debt collection practices must include energetic pursuit of defaulters, customers will be treated with dignity and will not be deprived of their basic survival capacity as a result of loan repayment. Insurance products will take into account possible difficulties in payment of premiums in times of crisis.
- Management and employees are expected to have a high ethical standard in their behavior. Any behavior that harms customers (such as taking kickbacks or sexual harassment) will be sanctioned.
- Staff will receive adequate training in good customer relations and ethical practice, including gender and ethnic sensitivity and working with people who cannot read and write. Staff with discriminatory attitudes will not be hired, and discrimination of any type will be a basis for sanctions or dismissal from employment.
- The organization will seek to enhance the contribution of its financial services to a wider process of development and empowerment, as well as its own sustainability, through construction alliances and collaboration with other organizations working on for example women's rights, value chain development and informal sector protection.

Source: Linda Mayoux 2008 based on documents from Sa-Dhan, Microfinance Council of Philippines, Freedom from Hunger, ACCION and comments from genfinance, devfinance and MicroFinancePractice listserves.

GENDER JUSTICE ADVOCACY

Many of the forms of discrimination which prevent women from both accessing and benefiting from financial services involve wider systems of inequality in access to and control over resources, gender-based violence and overwhelming responsibility for the unpaid care economy. It was recognised even in the ‘Bible’ of financial sustainability by Otero and Rhyne in 1994⁴⁰ that advocacy and change in women’s property rights was an essential prerequisite of women making substantial progress. However gender advocacy in these crucial areas has disappeared off the agenda of the microfinance movement.

Group-based savings and credit was seen as a key innovation, combining efficiency with empowerment, in microfinance programs targeted at alleviating poverty (Otero and Rhyne 1994). As seen in Box 9, many microfinance programmes have engaged in collective action on land rights, violence and political participation⁴¹. Savings and credit groups can provide an acceptable forum for women to come together to discuss gender issues and organize for change. For example, women’s groups in Zambuko Trust in Zimbabwe spontaneously invited a woman to give talks on “how to manage your husband and mother-in-law” (Cheston and Kuhn 2002). In South Asia and Africa, microfinance groups have demonstrated their potential to promote change with respect to domestic violence, male alcohol abuse, and dowries.

A number of rural microfinance programs have provided the basis for increasing women’s ownership of land and women’s property rights. Property rights are fundamental to women’s ability to access and benefit from financial services and are key elements in poverty reduction and rural and enterprise development. Within the financial sustainability literature, women’s equal property rights are explicitly regarded as an essential part of the enabling environment for gender and microfinance (Otero and Rhyne 1994). A number of strategies have been employed by micro-finance programmes to support improvements in women’s property ownership and rights through microfinance initiatives. This is in addition to development of specific products like Grameen Bank’s Housing loan and land leasing products.

Group-based financial services can also provide a potentially large and organized grassroots base for political mobilization, increasing women’s awareness of wider political processes and their leadership capacities to participate in politics. In India many organizations are involved in promoting women’s leadership in local council bodies. SEWA, for example, promotes women’s unions and organizations. Grameen Bank and other MFIs in Bangladesh disseminated voter education material to women through their organization before the last elections. In Africa, CARE–Niger has been very effective in developing women’s leadership to compete in local elections. By increasing the participation of half the population, group-based financial services can significantly contribute to improving local governance and developing democratic systems.

⁴⁰ Otero, M. and Rhyne, E. (1994)

⁴¹ See for example initiatives by SEWA in India www.sewa.org, ANANDI in India www.anandiindia.net and LEAP in Sudan www.leap-pased.org and the Participatory Action Learning System being developed by the author <http://www.lindaswebs.org.uk/PALS/PALSIntro>

BOX 9: EXAMPLES OF PARTICIPATION AND EMPOWERMENT THROUGH MICROFINANCE GROUPS

COLLECTIVE ACTION ON DOMESTIC VIOLENCE

In the microfinance programs of the Community Development Centre (CODEC) in Bangladesh and the Cameroon Gatsby Trust (CGT), men and women form single-sex groups which then form part of mixed-sex federations. The organisational gender policy supports women's equal representation in leadership at the federation level. The separate discussion space for women has meant that issues like domestic violence or unjust divorce can be raised. These cases are then taken by the women's leaders and discussed in the mixed meetings, with support by program staff.

Source: www.genfinance.info

COLLECTIVE ACTION ON LAND RIGHTS

Local negotiation by women, Bangladesh

The Agricultural Development and Intensification Project (ADIP) works with local nongovernmental organizations that organize savings and credit groups. The groups focused mainly on improving the prospects for income generation among landless, near-landless, marginal, and small-farmers; families headed by women; and destitute women. A large number of women have used loans to buy assets, in particular land (45 percent of women). Many women negotiated access to land with their husbands by contending that since they had borrowed the money, they had the right to register the land in their name.

Local negotiation with leaders, Ghana

The Land Conservation and Smallholder Rehabilitation Project (LACROSEP) is a poverty-targeted group lending project sponsored by the International Fund for Agricultural Development. LACROSEP tried to empower women by improving their access to irrigated land and credit. Because traditional patterns of land use and ownership limited women's access to irrigated land, the project posed a threat to the traditional power structure. After project staff negotiated with tindanas (landowners), traditional chiefs, husbands, and male leaders, women's access to irrigated land changed notably, even though women's plots were still about one-fourth the size of men's.

Collective action, India

A project in Orissa under the aegis of the Integrated Rural Development of Weaker Sections in India and Women-Integrated Development Agency (IRDWSI/WIDA) helps women organize savings and credit groups and to campaign on issues of importance to them. Following campaigns on equal wages and against alcoholism, the women declared, "All Women Are Landless"—not only tribal and low-caste women, but most others, even if the men in the household have land. The women applied to the District Collector to obtain titles to land demarcated for distribution by the government. After scrutinizing the government regulations, he issued individual titles to 127 women from 16 villages. In a village called Banguruguda, 42.20 acres of barren council land assigned to women was claimed by a local politician who claimed ownership because he had been cultivating the land. The women promptly agreed to relinquish ownership and requested the government to assign them another piece of cultivable land in the vicinity. When the local council election came, the local politician, who had always previously won, lost his seat. The women had voted against him. "All Women Are Landless" became a compelling slogan and mobilizing issue among women and established women's groups as a powerful force in the area. Lobbying by landless women resulted in government allocation of more than 4,230 acres in 54 villages for collective cultivation.

Source: For Bangladesh, see Kelkar, Nathan, and Jahan (undated); for Ghana, see

<http://www.ifad.org/english/operations/pa/gha/i503gh/index.htm> and

<http://www.ifad.org/gender/learning/resource/natural/40.htm>; for Nepal, see

http://www.ifad.org/evaluation/public_html/eksyst/doc/prj/region/pi/nepal/nepal.htm; and for land titling, India, see <http://www.ifad.org/english/operations/pi/ind/i585in/index.htm>.

POLITICAL MOBILISATION AND POLITICAL RIGHTS

POLITICAL MOBILISATION, GRAMEEN BANK, BANGLADESH

Through promoting discussion in the micro-finance groups Grameen Bank ensured 100% participation of its members in the 1991 election. The entire Grameen Center, along with the adults and the children and the infants, assembled together in the Center house and proceeded to the election booth together, before anybody else had a chance to arrive. This increased the visibility of Grameen women as a voting block to be taken into consideration, rather than ignored, by politicians. In 1997 they did the same thing, but included also the women neighbours of Grameen members. Women's participation in that election was higher than men. In the 1997 local elections more than 4,000 Grameen borrowers got elected in the local elections. Thirty-eight Grameen borrowers got elected to become the heads of the local government. They said "Didn't you tell us, look for the least of the devils? If you can find good people, vote for them. Then we tried to debate, discuss, [and] we thought all were devils. Then some of us began talking. Why are we looking for them? We can run ourselves, we are good people. We are together, we all vote, and we all get elected."

Mohammad Yunus in 'Empowering Women' Countdown 2005, MicroCredit Summit Campaign

POLITICAL EDUCATION NETWORKING EVENTS, ANANDI, INDIA:

A particularly innovative strategy from the Area Networking and Development Initiatives (ANANDI) is to facilitate "area networking" through events or fairs (melas) which bring together representatives of their self-help groups. The first mela, on political rights and local councils (panchayats) was held in Rajkot over three days in December 1999. The 16 collaborating organizations brought together over 600 women leaders from 211 self-help groups (mandals) and organizers from nongovernmental organizations. The melas have proved an extremely powerful means of stimulating discussion, mutual learning, and collective action between women. Melas have been used for leadership training, for raising awareness of the political process, and for bringing attention to other issues like food security, ethnic diversity, and culture. The current focus in 2008 is on value chain development and economic advocacy.

Source: (Dand, S. 2003)

A number of microfinance programs have developed other innovations to put their women's groups at the forefront of citizen development in rural areas. Rural Information Centres were developed by Hand in Hand, Swayam Shikshan Prayog, ANANDI (India) and LEAP in Sudan to help women obtain information from the Internet and as a resource for the groups or clusters to generate income. Illiteracy no longer needs to be a barrier to using such facilities: Software and technology can now make a lot of information accessible through voice transmission, video, and other formats. Despite support from numerous donors, however, many centers remain underused for lack of community organization and training, or they are dominated by male youth (in some places for downloading pornography). When managed by women's self-help groups or cluster organizations, the centers often can be managed effectively for the community.

It is important that commercial financial services providers link with and support these type of initiatives – both as a means of accessing a bigger market, and to support their existing clients in an empowerment process. This could be done through targeting of their charitable funds to such initiatives and/or supporting community-led initiatives. Gender justice advocacy also needs to be an integral part of their ‘mainstream’ advocacy and lobbying activities for the financial sector.

THE SPECIFIC NEEDS AND INTERESTS OF VERY POOR AND VULNERABLE WOMEN ARE INCLUDED

In all the above mainstreaming gender and women’s empowerment can be largely achieved through better design of financially sustainable financial services and existing capacity building. Many women from households just above or just below the poverty line, in combination with the other resources at their disposal can make significant steps forward if they are given a level playing field with men.

There are however specific challenges when working with the poorest women, as with the poorest men. These challenges have not only poverty but also specific gender dimensions:

- Lower levels of literacy
- Lower levels of access to and control over resources even ‘female-specific’ assets like jewelry which can complement financial services as inputs to economic activities
- Lower levels of access to networks and human resources who can assist and support
- Greater vulnerability to sexual exploitation and abuse at the community level, if not the household level.

This means that it is crucial that better poverty assessment tools are developed to incorporate these gender dimensions of vulnerability and poverty, and that the specific needs of the poorest women are taken into account in product development, market research, financial literacy, consumer protection etc (see above).

An innovative methodology being promoted by the WEMAN programme in Oxfam Novib is the Gender Action Learning System methodology (GALS) which applies participatory processes and diagram tools for gender justice⁴². GALS aims at ‘constructive economic, social and political transformation for gender justice’ - empowering women and men, as individuals and collectively, to collect, analyse and use information on gender relations and poverty to improve and gain more control over their lives at the micro- and macro-levels’. It is a means of including very poor women and men who have not learned to read and write as informed and respected partners in participatory planning processes. The methodology focuses on developing skills and structures for community-based peer learning rather than ‘expert facilitation’. It also develops the analytical, participatory, listening and communication skills of institutions and policy-makers to increase the effectiveness of their pro-poor interventions – as well as their own personal planning. It currently includes a basic

⁴² It is based on a generic methodology Participatory Action Learning System (PALS) developed by Linda Mayoux with Kabarole Research and Resource Centre, GreenHome and Bukonzo Joint in Uganda, ANANDI in India, Kashf and Taraqee Foundation in Pakistan and Learning for Empowerment against Poverty (LEAP) in Sudan. For details and early manuals see www.palsnetwork.info and http://www.lindaswebs.org.uk/Page3_Orglearning/PALS/PALSIntro.htm. PALS itself draws on methodologies like Appreciative Enquiry, PRA, REFLECT and Freirean conscientisation for an overview and background to the methodology see Mayoux, L. (2006)

Life Planning Module, a more in-depth Livelihoods, Markets and Value Chain Development module, both of which and a Module is planned for community-led gender research for advocacy.

To date it has been field-tested and piloted in various forms in a number of countries and organisations in Uganda, Sudan, India, Pakistan, Sudan and Peru and is about to be significantly upscaled. Achievements to date include:

- Improvements in livelihood planning and market development
- Significant improvements in intrahousehold relations
- Men producing and implementing their own plans for stopping adultery and alcoholism
- Women lobbying for and using government literacy services
- Women identifying and discussing sensitive issues like domestic violence which they previously denied existed
- Women's greater inclusion in economic planning
- Engagement of political and religious authorities in a gender justice process

These same processes and tools are currently being adapted specifically for use by financial service providers as a process which combines:

- Financial literacy and business skills which can be aggregated for devising gender indicators and product development – as the community led process
- Participatory market research and development of consumer protection guidelines which also help people understand their financial and livelihood needs – as the organisation-led process
- Outputs as business plans which can then be taken and presented to banks and used as loans or savings agreements by people who cannot read and write

Once the system is established as a peer learning process, it should significantly decrease the costs of basic financial literacy and business training, market research and developing and delivering services to poor people, decreasing default as well as empowering people to improve their lives.

BOX 10:	GENDER ACTION LEARNING SYSTEM: DIAGRAM TOOLS
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	LIVELIHOOD ROAD JOURNEYS
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	Livelihood Vision Journeys identify peoples' livelihood ambitions in the long term, where they are currently in relation to this and establish timebound targets, with an analysis of risks and opportunities. Seasonality and cash flow calendars and/or life cycle changes can also be integrated along the road. These can be analysed by gender and can include empowerment indicators.
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	Livelihood Achievement Journeys look at experiences in the past – opportunities seized, how livelihoods have been built up from multiple sources, crises which have occurred, how they were dealt with. These can also look wider outside the economic activities to be a Life Cycle Profile looking at marriages, deaths, pregnancies etc.
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	These tools provide insights into the various livelihood strategies used by clients involved in different economic activities, and from different backgrounds. Some of the potential opportunities which financial service providers can support, some of the risks and pressures faced by clients and how they use financial services to respond to these. Hence also what product improvements or innovations the MFIs can design to maximize contribution to improving livelihoods. They can also be used as a basis for loan applications and loan contracts. Additional information from trees and calendars can be put
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on for very detailed analysis of particularly products and how they relate to cash flows, seasonal opportunities and risks etc and/or the relationship between loans and savings and insurance premiums. For clients themselves they provide a tool for planning and tracking livelihoods and learning which products benefit them most so they can make informed financial choices and negotiate with financial institutions.

SEASONALITY CALENDARS

More detailed analysis of seasonality in different dimensions of livelihoods: income from different activities, time use for different activities, migration, consumption etc to establish seasonality in cash availability, food security, slack times of the year when extra income generation is feasible, times when sickness is most prevalent, climatic conditions are difficult and hence potential patterning of savings and loan use and repayment. These can be summarized on the Road Journey and/or used to further refine the trees. On Road Journeys calendars can be drawn for specific loan products indicating grace periods, periods when cash is available and so on.

RELATIONSHIP/EMPOWERMENT MAPPING

Analyses intra and inter-household support networks and power relationships. This helps MFIs to understand the dynamics of households and communities, how they might seek to address inequalities which are important to women and how groups can strengthen rather than undermine friendships and social networks. It can also be used to estimate eg incidence of polygamy, female-headed households and test assumptions about 'normal' household composition and relationships – often not the one husband - one wife - two children model underlying many questionnaires and regulations. It can also be used to look at complexities of access and control over different types of property. They can be particularly useful in looking at migration and links between migrants and those left behind. For clients they can be very useful in identifying and sharing ways of strengthening intra-household relationships and support networks, and developing strategies for reducing power inequalities.

LIVELIHOOD INCOME EXPENDITURE TREES

More detailed analysis of different sources of household market and non-market income, and different types of expenditure. These also include analysis of loan use, savings and reinvestment. The different incomes and expenditures can be analysed by gender and used to identify patterns of inequality in contributions and access to/control over income within the household. They can be used to identify particular areas of consumption where loans or savings products might be useful, and also where repayment could come from and how women's control can be increased. They can also be used as a basis for loan applications and loan contracts. Again for clients themselves they provide a tool for planning and tracking livelihoods and learning which products benefit them most so they can make informed financial choices and negotiate with financial institutions.

FINANCIAL INSTITUTION /MARKET MAPPING

Brainstorms the different places where women and men may get cash from/save cash (informal providers, ROSCAs, employers, traders, moneylenders, banks, Post Offices, different MFIs and banks etc), rates they charge/offer, other conditions etc. This can also lead to discussion of which are the most important for whom, criteria for selection, barriers in access etc.. This can also provide important insights into how poor women and men's perceptions of financial services sometimes vary substantially from the actual terms and conditions being offered, and gaps in their knowledge. It also leads to discussion of how different services can be improved. This can include discussion of differences in preferences and experience between women and men, for example where women are discriminated against, where they might be particularly vulnerable to sexual harassment or violence. Trends can also be indicated – which institutions are becoming more or less important.

This gives MFIs a good understanding of their context and competition and the particular preferences and needs they might seek to fulfil. It also helps clients to share information about different financial institutions, and make informed choices.

POVERTY/EMPOWERMENT DIAMOND ANALYSIS

Poverty diamond tool: provide rapid ways of segregating a community into three or four basic poverty

categories according to local criteria. These can either be general poverty overviews, or specify indicators for different dimensions of poverty eg food security, housing, education, property ownership etc. The same tools can be used to identify gender-specific dimensions of poverty. The same process is also used for empowerment diamonds which can be used to assess gender-specific dimensions of empowerment and vulnerability.

The tools can be used by microfinance providers, and microfinance groups, for poverty targeting, understanding in what way and why rich people are wealthy and the poor are poor, differences by gender age and other social criteria, rapid impact assessment, and for examining the socio-economic characteristics of people who choose to join (or don't join) the MFI and also those who leave or whose accounts become dormant.

Adapted from (Mayoux, L. 2008 forthcoming).

PROMOTING AN ENABLING ENVIRONMENT FOR GENDER JUSTICE IN FINANCIAL SERVICES: ROLE OF NATIONAL NETWORKS, GOVERNMENT AND DONORS

As indicated above, underlying this paper is the framework of a diversified, inclusive and sustainable financial sector capable of making a significant contribution to economic growth, pro-poor development and civil society strengthening. Gender justice: gender equality of opportunity and women's empowerment - are essential components of any claims to inclusion, pro-poor development and civil society strengthening, and also significant contributions to economic growth. However, despite the considerable potential contribution of the commercial sector and positive interlinkages between gender justice and financial sustainability, it is unlikely that significant progress will be made through reliance on the commercial sector alone – given the current trends, pressures for rapid expansion and short-term financial sustainability and overwhelming strength of gender discrimination and vested interests.

It is therefore crucial that governments and donors take steps to honour their gender mandates in terms of support for an enabling environment for gender justice within which the commercial sector will play its part, but in the context of an appropriate policy environment and in collaboration with a strong gender justice movement of NGOs and civil society organisations.

There are a range of potential measures which government and donors can take at the intermediate and national levels to provide such an enabling environment, in particular promoting collation of information and exchange of experience on gender innovations of the types discussed above. Many of the more costly non-financial services might be better provided through a network of providers (eg financial literacy), and there is a need to collect comparative information on gender access and gender impact from different types of provider to assess the best strategies. It is also important that these good practices, and women's own strategies and perspectives move from being 'marginal gender specialisms' to being an integral part of mainstream training for bankers and other staff – essential as they are to ensuring that over half of potential micro-finance clients benefit from their services.

The implications for donors of all these institutional possibilities is that they are likely to need to draw on gender expertise for organizational gender audit and training to help the organization identify the most efficient and effective ways of implementing strategies like those outlined above. Ideally a set of agreed organizational gender indicators and introduce a

rating system on gender – differentiating those of their partners and projects who are at the forefront on innovation on gender and who could thus provide examples to others, those who are open to change but do not yet have capacity and who thus require capacity-building, and those who are not interested in change. Over time the decision would need to be made as to whether to continue to fund the last, as their development contribution is likely to be far less than the other two⁴³. The checklist in Box 11 could provide the basis for such an audit.

BOX 11: GENDER JUSTICE CHECKLIST
VISION
<ul style="list-style-type: none"> • Does the organisation vision have a clear commitment to gender equality and women's empowerment ? • Is this vision and commitment reflected in the programme advertising and promotion in order to attract women clients and also change attitudes towards women's economic activities in the wider community? • Does the organisation have a policy on consumer protection? Does this include specific outlawing of gender discrimination and commitment to empowerment? • Does the organisation have gender and empowerment indicators as part of their MIS and/or social performance assessment and/or staff incentives? • Does the organisation conduct gender impact assessments? Does it have structures to act on the findings?
STAFF GENDER POLICY
<ul style="list-style-type: none"> • Is gender awareness included in recruitment criteria? • Is there an equal opportunities policy in relation to recruitment and promotion • Do male and female staff get gender training as part of their normal training? • Are working practices for all staff family-friendly • Does the organisation have gender expertise within the organisation or call on external gender expertise when needed?
PRODUCTS
<ul style="list-style-type: none"> • Does the organisation conduct market research? Does this include a concern with gender equality and empowerment? • Do any of the products have conditions of access which discriminate against women? Are there mechanisms to enable women to graduate to all types of products, eg small group-based to larger individual loans, without discrimination provided they have a good record? • Is there encouragement of diversification of women's economic activities eg women's enterprise in non-traditional activities and service enterprises needed by women? • Is the gender equality and empowerment vision and commitment reflected in the types of questions asked during application processes for both women and men e.g in any questioning about family

⁴³ A system like this has been introduced by some international NGOs like Oxfam Novib. See Mukhopadhyay, M. , Stehouwer, G. and Wong, F. (2006)

<p>circumstances and economic activities? In financial literacy training?</p> <ul style="list-style-type: none"> • Do products encourage male responsibility for the household eg male savings for education of girls, assets for their daughters to take with them on marriage so that men's responsibility for the future of their daughters is encouraged and enable female savings to be used for enterprise investment.
NON-FINANCIAL SERVICES
<ul style="list-style-type: none"> • Is gender mainstreamed in non-financial services for both women and men? • Has the organisation conducted gender and women's human rights training for women and men? • Does the organisation promote and facilitate access to other organisations working on gender equality and women's empowerment? eg women's legal aid, reproductive health services, women's adult literacy and further education
PARTICIPATION AND ORGANISATION
<ul style="list-style-type: none"> • Does the organisation build the capacities of women in groups for mutual learning, training and collective action on gender issues? • Does the organisation encourage men within groups to challenge and change gender inequality in their households and communities?

Many donor agencies operate not only through promoting and supporting rural financial institutions and stakeholder participation, but also promoting a conducive policy and regulatory environment. Enabling and promoting the above gender strategies requires gender justice to be mainstreamed at this macro-level, in regulatory frameworks, consumer protection, advocacy strategies of microfinance networks and mainstreaming gender in other supporting interventions.

Firstly, if all financial service providers promoted by governments and donors were required, or at least encouraged to mainstream gender justice in some of the ways discussed above, then this would go a long way not only to increasing gender equality of access, but also a conducive environment for women's empowerment. If all members of microfinance networks and banks promoted a vision of women's empowerment in promotional materials, advertising, and in interactions with their now millions of clients this would be a significant contribution not only to empowerment of their clients, but to changing attitudes towards women's economic activities and social roles in the community and internationally.⁴⁴

Secondly, micro-finance institutions and banks are increasingly concerned with their impact on local and national economies, both in terms of market distortion and also environmental sustainability. There has recently been increasing interest in value chain finance from donors and institutions themselves in order to better target credit to parts of the value chain which can best promote increased production, incomes and employment⁴⁵. Most value chain analysis and development has so far been gender blind, with the likely outcomes of further marginalizing women. It is therefore crucial that gender issues are fully mainstreamed in this new development. However there are ways of mainstreaming gender in value chain development.⁴⁶

⁴⁴ For example, these goals have been achieved for the environment and for cultural diversity in the advertising that HSBC Bank uses to convey its international image.

⁴⁵ See for example Chalmers, G. (2005), Jansen, A., Pomeroy, T., Antal, J. and Shaw, T. (2007), Shepherd, A.W. (2004)

⁴⁶ For ways in which this can be done, see for example Mayoux, L. and Mackie, G. (2007)

Finally, many micro-finance networks are involved in advocacy on issues affecting the sector. However gender issues are rarely part of this advocacy – despite early recognition of the importance of changing property legislation to enable women to take real advantage of financially sustainable financial services (Otero, M. and Rhyne, E. 1994). There is a need for these networks to include lobbying and advocacy on issues like women’s property rights, informal sector protection and violence which affect their clients, and hence sustainability as well as the whole development process.

BOX 12: MEASURES TO SUPPORT GENDER MAINSTREAMING AT THE INTERMEDIATE AND NATIONAL LEVEL

At the intermediate level

Facilitate and support collaboration between different rural finance providers in an area so that they can work together to:

- Promote innovation in financial services for different target groups and ensure that women from different economic and social backgrounds are included;
- Reduce the costs of providing complementary support for livelihoods and gender equity strategies; and
- Advocate and promote gender justice at the local and national levels.

At the national level

- Ensure that gender experts and women’s organizations are involved in designing financial regulations to ensure that regulations do not inadvertently exclude women (for example, through definitions of ownership) and that all regulations comply with and promote gender equality of opportunity in fulfillment of international women’s human rights agreements. The aim must be to promote a diversified sector, spanning the range from commercial enterprises to NGOs, that caters to the needs of all women as well as men and does not impose unnecessary regulations and blueprints that favor particularly powerful finance lobbies or networks.
- Promote and support the collection of gender-disaggregated data on access to financial services across the sector, as well as cross-institutional research into the reasons for, and potential solutions for, any gender differences identified.
- Promote networks of practitioners and gender experts who can work together to identify, develop, and monitor good practices and innovation for increasing women’s equal access to rural financial services and also increasing the extent to which they benefit from these services—bearing in mind that credit is also debt, and that there is danger in selling financial products inappropriately to vulnerable people.
- Appraise the national training programs for bankers, agriculturalists, rural development staff, and other government development staff, and assess and improve the integration of gender and participatory gender planning skills.
- Promote linkages between the financial sector, rural development planning, and other agencies promoting gender equity—particularly in relation to property rights and women’s participation in economic decision making.

Source: Mayoux 2008 and 2008 forthcoming

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