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Feminist and Gender-Transformative Financial Inclusion

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Motivation

‘I refuse to accept the idea that we can simply shoehorn women into a global economy that is exploiting them and then celebrate it as women’s economic empowerment.’

— Winnie Byanyima, Executive Director, Oxfam International

“Financial Inclusion”

- Means that individuals *have access to and can effectively use* high quality and reliable financial products and services (World Bank 2018)
- An umbrella term that encompasses a range of tools, policies and programs, incl. microfinance, savings accounts, insurance, digital finance and gender lens investing
- Financial inclusion has been identified as an enabler for 7 of the 17 SDGs
- Many governments and financial service providers are intensifying efforts to foster financial inclusion – e.g. G20 Global Partnership for Financial Inclusion
- Women face unique and disproportionate barriers to accessing and using financial products and services, and are often the targets of financial inclusion programs and policies

Financial Inclusion Tools, Policies and Programs

Microfinance: the provision of small loans, or “credit,” to help poor individuals start or strengthen small businesses

Account ownership: with a financial service provider, primarily savings, payments and insurance

Digital finance: the delivery of financial products and services through technological innovations, including via online banking and mobile money

Gender lens investing: an investing approach to promote the social and/or economic empowerment of women, in addition to producing financial returns (Maheshwari et al. 2019)



Microfinance

Microfinance involves the provision of small **loans**, or “credit,” to help poor individuals start or strengthen small businesses.

Celebrated and attributed with improving individuals’ **income**, as well as non-financial outcomes such as **health**, food-security, nutrition, **education**, housing and **women’s empowerment**.

As of 2012, there were more than **90 million** microfinance recipients in developing countries, over **80% poor women** (Garikipati 2012).

Beginning in the mid-1990s, a surge of **critical scholarship** emerged to challenge early research and assumptions about the impact of microfinance.



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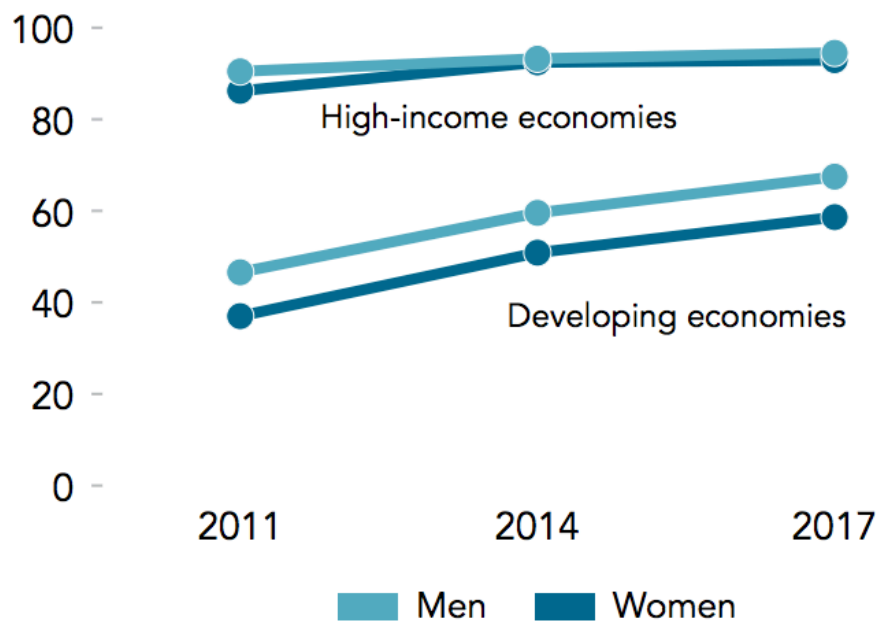
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The Financial Inclusion Gender Gap

The gender gap in account ownership persists in developing economies

Adults with an account (%)



Source: Global Findex database.

- Globally, the gender gap in account ownership has remained steady at 7% since 2011, 9% in developing economies (“financial inclusion gap”) (Global Findex 2017)
- In developing economies women are 17% less likely than men to have borrowed formally in the past year (Global Findex 2017)
- Women disproportionately lack access to savings, digital payment methods and insurance (World Bank 2017)
- There is an estimated US \$1.7 trillion finance gap for women-owned MSMEs in emerging economies (IFC 2017)



Demand Side Barriers	Supply Side Barriers	Laws and Regulatory Barriers
<ul style="list-style-type: none">• Concentration in lower-paying informal and micro activities• Lack of assets for collateral• No cell phone ownership• Limited financial and digital literacy• Limited access to education• No formal identification• No trust in banks• No role models• Limited or powerless networks• Unequal bargaining power in the household• Limited time and mobility due to social norms, care work, or lack of gender-responsive infrastructure	<ul style="list-style-type: none">• Gender-blind policies, product design, marketing and service offerings• Inappropriate distribution channels• Inaccessible locations• Gender bias limiting trust and belief in women's business success• Discriminatory beliefs about the appropriateness of women's involvement in business or finance	<ul style="list-style-type: none">• Restrictive/discriminatory account opening requirements• Lack of gender-inclusive credit reporting systems• Barriers to registering women-owned businesses and worker cooperatives• Barriers to obtaining identification or CRVS data• Legal barriers to owning and inheriting property and other collateral• Laws preventing women from working certain jobs, accessing credit or opening a bank account• Lack of public, affordable and quality care services



Financial Inclusion Gender Data Gaps

- Growth in initiatives like the the World Bank's Global Findex and other surveys increase the availability and use of sex disaggregated data on financial inclusion
- Critical gaps remain in demand-side (client) and supply-side (financial services providers) data, particularly at the national level, crucial to design and monitor interventions to support women's financial inclusion
- We cannot yet distinguish which design features and practices of financial inclusion are the most beneficial for women
- More coordinated efforts involving policy makers, financial service providers and civil society are needed to generate quality data on women's financial inclusion – e.g. Women Financial Inclusion Data Partnership

Financial Inclusion and WEE?

- Research into the empowerment potential of financial inclusion programs frequently finds that such impacts are either negligible or debatable (Banerjee 2015; Garikipati et al. 2017; Kabeer 2009)
- Women experience multiple constraints beyond a lack of access to financial products and services (Grantham et al. 2018; Marlow and McAdam 2013)
- Many of the economic constraints on women originate from outside the financial sector and follow from inequalities in regulatory systems, intra-household dynamics and social norms (Vossenbergh et al. 2017)
- Academic and practitioner literature on the empowerment potential of financial inclusion (like all research on WEE) is constrained by a lack of data and by trade-offs between specificity and generalizability



Gender-transformative approaches *go beyond targeting the symptoms* of gender inequality "to address the social norms, attitudes, behaviours and social systems that underlie them" (CGIAR 2012: 3).

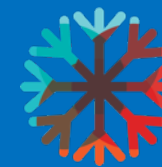
Transformative feminist approaches are concerned with *addressing the root causes of structural and systemic inequalities and transforming systems of power*, many of which are grounded in social constructions of gender and patriarchal attempts to control women's bodies and choices (Women's Rights Policy Group 2016).

Transformatory forms of intermediation diverge from an instrumentalist view of 'gender'... to *work on 'strategic gender interests'*, to enhance change in the *underlying gender relations*, using... [programs] as an entry point and mobilization strategy (Holvoet 2006).



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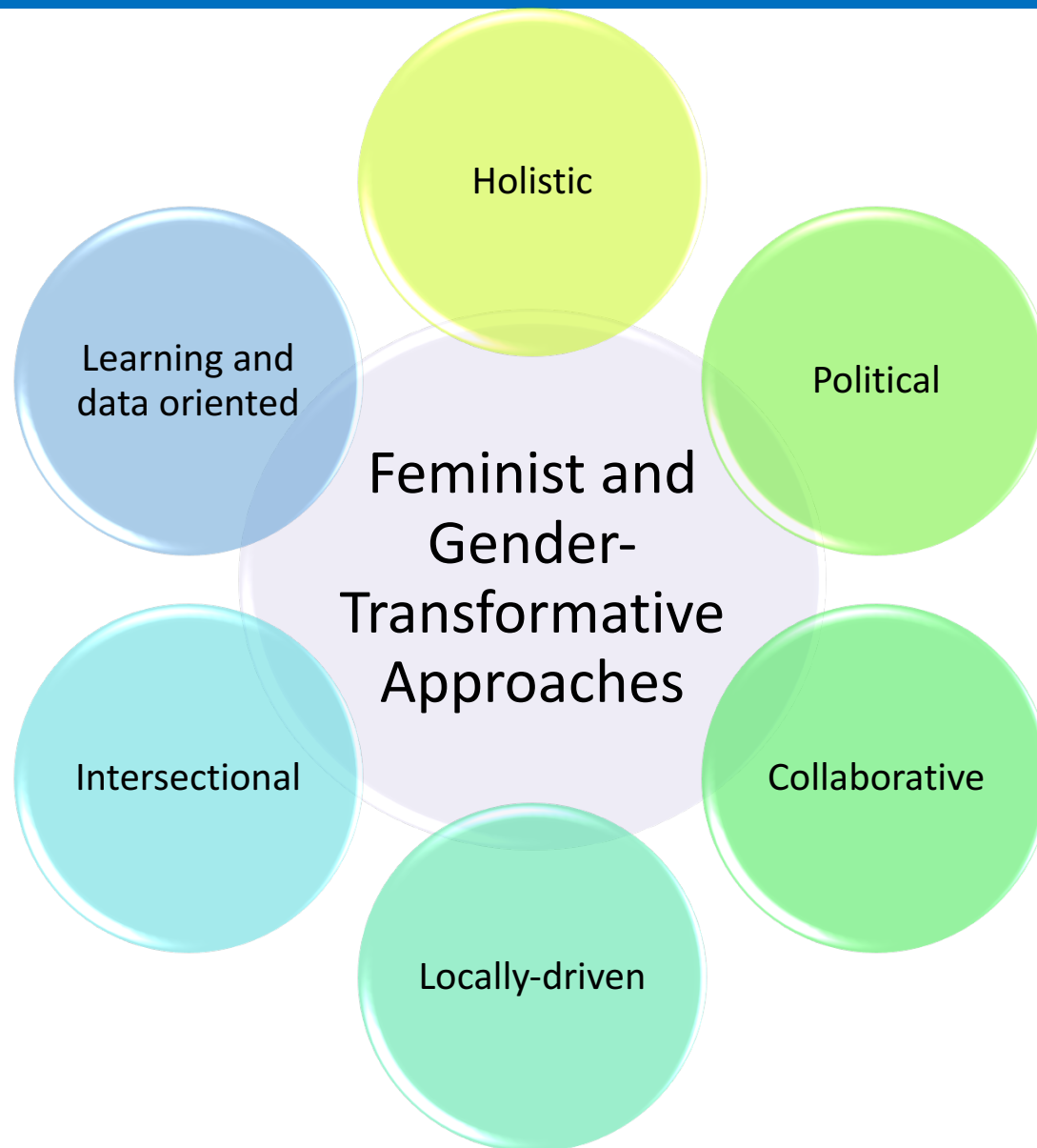


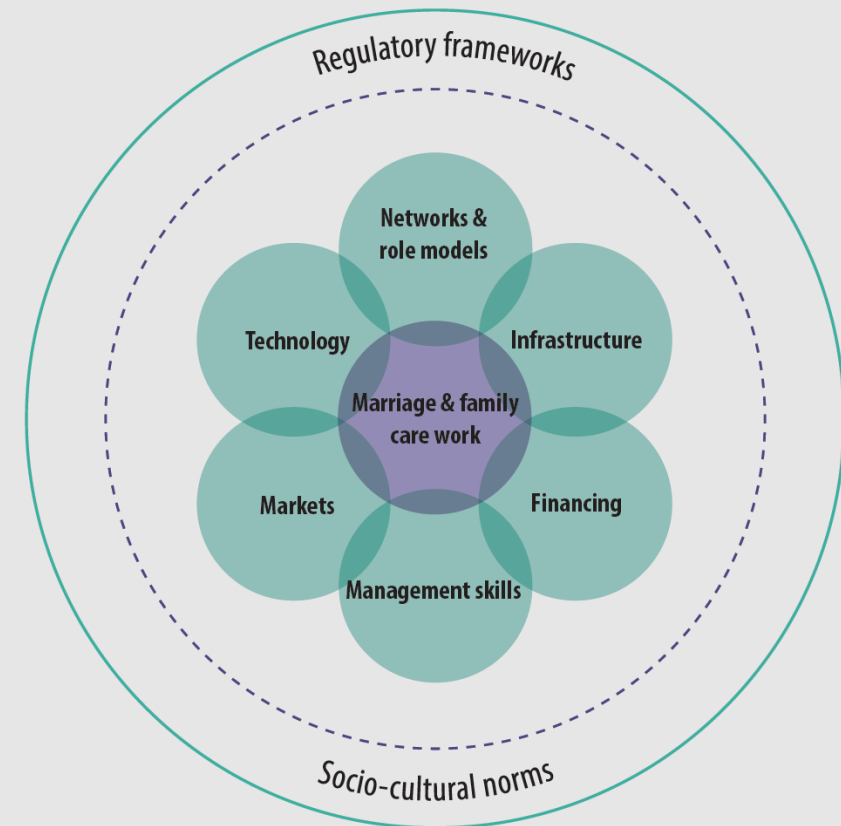


Table 2 *Characteristics and outcomes of gender-transformative financial inclusion*

Characteristics	Outcomes
<ul style="list-style-type: none">• Gender analysis of the entrepreneurial ecosystem• Capacity building on supply and demand sides• Diverse strategies and interventions, targeted towards multiple levels• Innovative partnerships and multi-stakeholder commitments to meaningful change• Action-learning integrated into strategies and interventions	<ul style="list-style-type: none">• Enhanced women's empowerment• Strengthened relationships and negotiation dynamics• Enabling formal institutions (policies and regulations)• Enabling informal institutions (socio-cultural norms)

“A gender-transformative approach to financial inclusion thus acknowledges that when a new financial product or service is introduced in a market, it arrives in an existing ecosystem of deeply rooted and well-established formal (policy, regulations) and informal (norms, beliefs, stereotypes) institutions that govern people’s lives.” (Vossenberg et al. 2018, 2)

Figure 1 Understanding gender inequalities in the entrepreneurial ecosystem



Source: Authors' elaboration, inspired by Brush et al., 2009.



Demand Side Barriers	Supply Side Barriers	Laws and Regulatory Barriers
<ul style="list-style-type: none">• Concentration in lower-paying informal and micro activities• Lack of assets for collateral• No cell phone ownership• Limited financial and digital literacy• Limited access to education• No formal identification• No trust in banks• No role models• Limited or powerless networks• Unequal bargaining power in the household• Limited time and mobility due to social norms, care work, or lack of gender-responsive infrastructure	<ul style="list-style-type: none">• Gender-blind policies, product design, marketing and service offerings• Inappropriate distribution channels• Inaccessible locations• Gender bias limiting trust and belief in women's business success• Discriminatory beliefs about the appropriateness of women's involvement in business or finance	<ul style="list-style-type: none">• Restrictive/discriminatory account opening requirements• Lack of gender-inclusive credit reporting systems• Barriers to registering women-owned businesses and worker cooperatives• Barriers to obtaining identification or CRVS data• Legal barriers to owning and inheriting property and other collateral• Laws preventing women from working certain jobs, accessing credit or opening a bank account• Lack of public, affordable and quality care services

African Probiotic Yoghurt Network

APYN Mission: “To improve community health, especially for people living with HIV/AIDS, and to economically empower poor individuals, primarily women, by providing them with loans, technical assistance and entrepreneurship training, in order to establish small-scale yoghurt kitchen businesses, or microenterprises.”





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Where to from here?

- We need better sex disaggregated data on financial inclusion – better mining of existing data sources as well as new national and global data sets
- More empirical research is needed to determine which product design and service delivery approaches produce the most feminist and gender-transformative impacts
- Knowledge, evidence and tools to guide NGOs, governments and financial service providers looking to apply feminist and gender-transformative strategies are crucial
- Research must keep pace with innovation, particularly technology
 - What is the feminist and gender-transformative potential of digital finance to mobilize women, for example?

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