

Beyond Access

Shaping a gender-transformative approach to financial inclusion

There has been a remarkable expansion in global access to finance in recent years, with some half a billion more people reached by banking services between 2011 and 2014, according to the World Bank's Global Findex data. Mobile banking and other financial innovations are credited for much of this gain. Nowhere is this more evident than in sub-Saharan Africa (SSA), a region that has pioneered the use of mobile banking. Some 12% of adults in SSA use mobile money, compared to just 2% worldwide. Electronic payments and other mobile-enabled services have been instrumental in reaching those excluded from formal banking services – particularly women. Other financial sector innovations, such as



Innovative gender-transformative financial products can spur the growth of women entrepreneurs and women led businesses.

Financial inclusion measures focus on

extending financial products and services to low-income and disadvantaged people who historically have been excluded.

Gender-transformative approaches to financial inclusion go beyond a focus

on access to challenging gender inequalities – at many levels – that impede women's economic empowerment.

digital finance and emerging fintech applications, hold great potential for further expanding financial inclusion.

Access to financial products and services is believed to be a key enabler of women's economic empowerment, allowing them the freedom to better manage their lives. But access to finance alone is not transformative: gender barriers still constrain women from making positive changes in their lives and livelihoods. Current products and services do little to challenge the underlying norms and structures

that hold women back – at home, in business, and in their broader societies and economies.

How then do we move beyond access to a more transformative approach to financial inclusion that will help women overcome gender barriers? This brief draws on commissioned research and consultation to inform plans and policies and shape new research directions to support more gender-transformative approaches to financial inclusion.

What is gender-transformative financial inclusion?

A gender-transformative approach to financial inclusion focuses on increasing access to appropriate financial services for women, while also challenging gender inequalities in power relations, socio-cultural norms, and regulatory frameworks. Besides empowering women with better choices and resources, gender-transformative financial inclusion aims to make positive changes in the relationships between people and financial institutions, and within households, support networks, markets, and communities. It could mean, for example, increasing a woman's ability to negotiate with traders and bankers, allowing for mutual trust and understanding to emerge. Or, it could mean a shift in a husband's attitude to bring about a more equal sharing of domestic finances and decision-making.

“Gender-transformative financial inclusion is about making financial systems ‘women-able’ rather than making women ‘bankable.’”

Gender-transformative financial inclusion is both **a process** (how we do things) and **an outcome** (transformative change). It requires not just a focus on women, but the engagement of men and those responsible at various levels to challenge harmful norms, attitudes, and behaviours. It is **a way of**

doing financial inclusion in order to create financial systems that help entrepreneurs, regardless of their gender, to overcome supply- and demand-side constraints and improve their livelihoods. It entails a deep understanding of local business environments and how they may constrain women, and a range of interventions, involving many actors and stakeholders.

“We need to ask what women entrepreneurs want from money and how they want to use it to understand what financial delivery mechanisms are needed.”

The change targeted by gender-transformative financial inclusion encompasses three broad outcome areas:

- enhanced **women's empowerment**;
- **strengthened relationships** between people, at home and beyond; and
- more **enabling rules and practices**, including socio-cultural norms.

While there are many social benefits to applying a gender-transformative approach, it can also create new market opportunities: a gender-smart market study of women farmers or entrepreneurs, for example, may uncover a range of completely underserved segments within these groups, each with distinct constraints, needs, and preferences. Meeting these needs could support new business lines for

organizations focused on increasing financial inclusion.

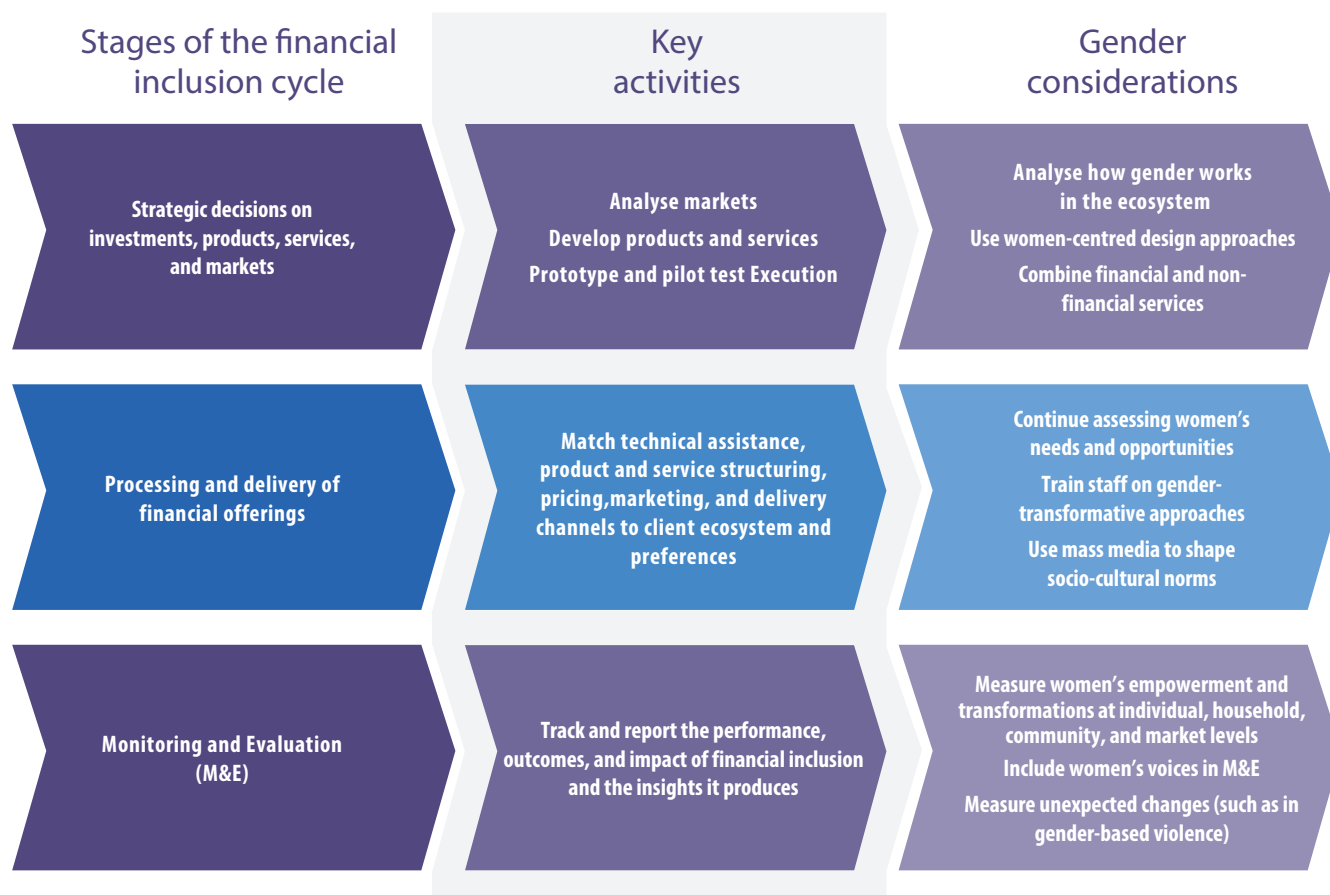
How do we apply gender-transformative approaches?

The first step in shifting toward a gender-transformative approach involves a holistic assessment of the entrepreneurial ecosystem – the business environment – to identify how inequalities are embedded in the local context, impeding women from improving their livelihoods. This involves looking beyond simply the gaps in services and products available to serve women, to focus on the formal and informal rules and norms that structure the power relations between women, men, and institutions in that environment.

Developing strategies to overcome these barriers then entails identifying a set of targeted outcomes that empower women, strengthen relationships, and create more enabling rules and norms. Using a gender transformative approach demands new ways of working throughout the life cycle of financial initiatives: in choosing strategic directions, doing market research, carrying out due diligence, structuring loans, providing technical assistance, designing products, and delivering services.

Figure 1 illustrates the key considerations for gender-transformative approaches within a financial inclusion ‘life cycle’.

Figure 1. Applying gender-transformative approaches to a financial inclusion life cycle



What does gender-transformative financial inclusion look like in action?

We see examples around the world where private sector and civil society groups are already coming together to test new approaches to finance that are transforming women's opportunities.

A gold standard for loans

In many parts of the world, women have less formal title to property or other fixed assets that can be used as collateral for loans. This is a major barrier to women wanting to invest and grow their businesses. In Turkey, TEB Bank is turning the usual collateral requirements around to better serve women. When its market research showed

that a lack of collateral was undermining women-led small businesses, TEB found new ways of offering loans, demanding either no collateral, or letting women use gold as a guarantee. Along with credit, it now offers non-financial services such as leadership training and coaching through the TEB Women Academy.

Sourced from Global Banking Alliance for Women (2016)



Addressing the barriers that hold women from accessing formal financial services is an integral part of financial inclusion.



E-wallet services give women more control over daily financial decisions.

Meeting women’s savings goals with the e-wallet

In rural areas of Western Uganda, CARE International and PostBank are working with local partners to support women micro-entrepreneurs who are already organized in Village Savings and Loans Associations. Recognizing that women face daily household conflict over financial decisions, yet play a huge role in ensuring school and healthcare fees are paid, the partnership is helping to test how a “digital sub-wallet”

can help them better manage their savings. This mobile banking product is specifically designed to meet women’s priority needs. Along with the tool, households are offered financial counseling to help reduce inequalities and tensions between men and women over financial decision-making. Uptake rates are being studied, to better understand factors that influence adoption of the practices and how women are benefitting.

Sourced from CARE and DoubleXEconomy, 2017

Filling evidence gaps for more transformative action

While gender-transformative approaches hold promise, there remains a critical lack of knowledge and evidence to guide financial institutions looking to apply these strategies. Some studies suggest, for example, that mobile banking appeals to women as it gives them more autonomy and agency, greater privacy, and the ability to accept or refuse requests. It may also echo

women’s strong emphasis on social networks, providing them with a safe sphere of interaction. But we need to know more about these dynamics and the tools and strategies that can utilize them. We need to know how various financial innovations can reinforce or help to overcome social and economic barriers to women, and what financial practices can alter the power relationships between women and men – in the home, in the community, and in business.

Gender-transformative financial inclusion will demand new ways of “doing” finance. Together with partners, IDRC is exploring how best to shape research directions that will help build the evidence base needed for this revolutionary shift.

This brief is based on the scoping paper, “Beyond access: Exploring gender-transformative approaches to financial inclusion,” by Saskia Vossenbergh, Anne Rappoldt and Jesse d’Anjou (2017) of KIT Royal Tropical Institute. Opinions stated in this brief and the paper it draws from are those of authors and do not necessarily reflect the views of IDRC or the Mastercard Labs for Financial Inclusion.

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