

COURSE DESCRIPTION

*High Institute of Finance and
Taxation -Susah University*

TUNISIA



Gender and Microfinance

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The course aims

The course aims at debating on the main following issue:

- Microfinance theory and a background to gender issues
- Microfinance as a tool for women's empowerment
- Microfinance and Increased Access for Women
- Gender challenges for microfinance in Tunisia.



Gender and Microfinance

INTRODUCTION

Microfinance and Gender is a socio-economic issues which is now firmly on the agenda of many governments, international donors and bilateral founders. In fact, Microfinance, is widely recognized as a strategy to fight poverty. Yet, a significant proportion of the poor people worldwide who still lack access to financial services are women, and any attempt to tackle poverty and address the most important development goal must focus on them. That is why it become crucial that microfinance address gender challenges on empowering the poor and especially women.



What is Microfinance?

- ▶ Microfinance is defined by Hidalgo-Celarié and colleagues as “the set of financial services on a small scale, such as credit, savings, insurance and remittances, offered to people that are excluded from bank financial services” (2005:351). These loans tend to be very small (approximately \$60) and average a payback rate of more than 95 percent (Morduch 1999). In recent years, microfinance has become an attractive development strategy to combat poverty (Morduch 1999, Park et al 2003, Hidalgo-Celarié 2005). Jonathan Morduch (1999) described it as a “win-win” strategy for donors and recipients alike, because of its high payback rate, ‘bottom up’ focus on communities, ability to reach the poor (particularly women, who have proven difficult to reach through other approaches), and sustainability (alleviation of poverty through economic opportunity).

Gender based obstacles in Microfinance and Microenterprise

	Individual	Household	Wider community/ national context
Financial	women lack access to banks/financial services in own right	men's control over cash income men's expenditure patterns	perception of men as controllers of money/loans
Economic	women undertake activities which produce low returns women have a heavy domestic work load	gender division of labour unequal access and control of land, labour and inputs unequal control of joint household produce and income stream from this	women underpaid for equal work women locked in low paid jobs stereotypes of appropriate roles for women in the economy women lack access to markets for inputs and outputs if mobility constrained due to social norms

Gender based obstacles in Microfinance and Microenterprise

	Individual	Household	Wider community/ national context
Social/ cultural	women not literate or educated; girls education not prioritised	limited role for women in household decision making polygamy results in conflict/competition and discrimination between wives violence towards women	banks and financial institutions do not view women as a potential market women's mobility constrained by social norms
Political/ Legal	women lack confidence to claim political/ legal rights	women lack legal rights to jointly owned household assets	women's legal rights to household assets not defined in law or useful for collateral women lack political positions to establish appropriate laws women lack legal rights to land both traditional and formal



Gender Challenges and Microfinance

There are several gender challenges for microfinance, and these need to be addressed if microfinance is to truly empower women:

- ▶ The first one is massification challenge : which is the question of how to enable greater access to the vast majority of unreached women. This is borne out by the fact that a large number of women are still excluded from access to a wide range of financial services.
- ▶ A second serious challenge for microfinance is that it primarily targets women who already have very little access to assets. So, from a financial standpoint, by increasing debts for women, it may perhaps be contributing to making women's net worth negative, at least at a basic level.




Gender Challenges and Microfinance

- ▶ A third challenge is that microfinance pushes the debt and poverty burden almost exclusively on women, as it considers women more credit worthy and less of a credit risk.
- ▶ A fourth aspect often mentioned is that microfinance has traditionally supported women in group settings – self-help groups, joint liability groups, solidarity groups, etc – and that it has done very little to enhance women’s access to larger individual loans required for establishing and running small and medium-sized enterprises (SMEs).
- ▶ Fifth is the issue of gender oppression. Most MFIs deliver financial services through field workers/ loan officers, who generally tend to be men rather than women.



Why Target Women?

- ▶ Women are typically targeted for microfinance initiatives around the globe because studies indicate that involving women in microfinance ventures often plays a role in increasing gender equality within a country.
- ▶ Reports from the World Bank demonstrate that countries and societies with high levels of gender inequality and discrimination against women often have the following attributes:
 - ▶ high poverty levels,
 - ▶ low economic growth,
 - ▶ weak governance.
- ▶ Additionally, providing women with access to financial resources helps increase the stability of the family unit (Cheston & Kuhn, 2002).



Microfinance and the Empowerment of Women

- ▶ The Financial Self-sustainability Model assumes that providing women with access to small loans will increase their economic empowerment.
- ▶ According to the Poverty Alleviation Model, organizations promote microfinance as a means of alleviating poverty and fostering community development. Empowerment is viewed as a means of increasing well-being for Chinese women, their families, and by extension, their communities.
- ▶ The Feminist Empowerment Model is the most indirect of the three models, because its' overall goal is to promote economic, social and political empowerment among women. It assumes that the empowerment of women is the result of overall changes in the structure of society at the macro level, as well as a redefinition of gender roles at the micro level.



Microfinance and Women

According to the “2013 Millennium Development Goals (MDGs) monitoring report” Nations in 2014, Tunisia introduced its own definition of poverty in 2010 using annual consumption per person.

The poverty line is

1,277 dinars (3,16 US\$) in large cities,

1,158 dinars (2,86 US\$) in medium-sized communes,

0,820 dinars (2,09 US\$) for outside of communes (rural areas).

Poverty rate in the whole country declined from 32.4% in 2000 to 15.5% in 2010

Benefits to Women :Economic Empowerment

Mayoux (2001) suggests that there are three primary benefits to women that result from participation:

- ▶ The ability to create their own, better, employment opportunities increases the income of women. Furthermore, increasing women's income also
 - Secure greater levels of decision-making power within the family unit
 - Increases overall household income .
 - Allowing families to consume items and purchase services that they previously would not have been able to afford.
- ▶ Increased Well-Being: When women have greater access to financial resources and services, they obtain greater decision-making power regarding money and their households.



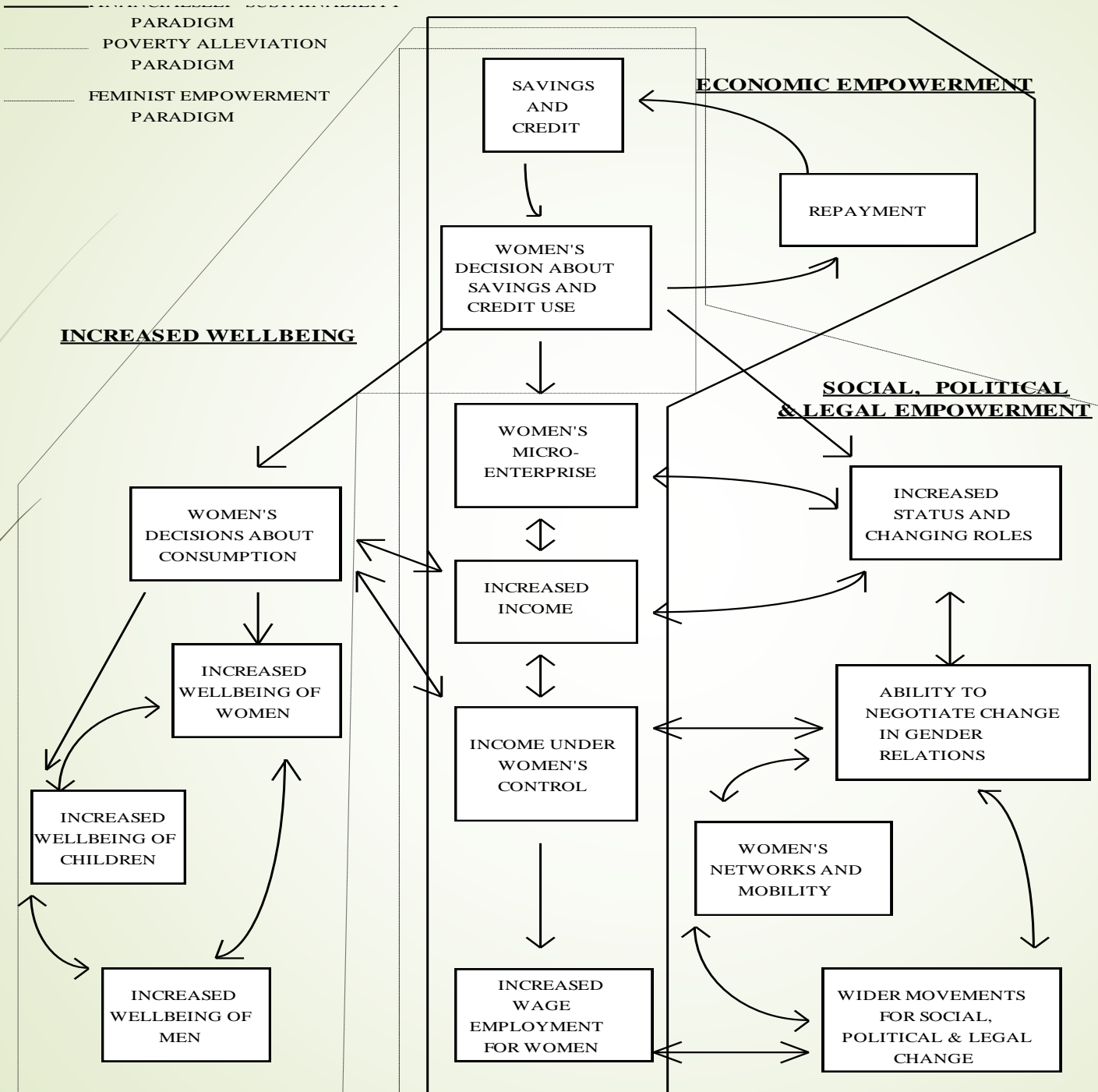
Benefits to Women : Increased Well-Being

- When women have greater access to financial resources and services, they obtain greater decision-making power regarding money and their households.
 - Cheston and Kuhn (2002) argue that while women typically contribute all of their financial resources to their families, men rarely do so.
 - Further evidence of this distinction is provided by a World Bank report that indicates men contribute approximately 60 percent of their income to their families.



Benefits to Women : Social and Political Empowerment:

- ▶ Social and political empowerment provides the most indirect benefit to women.
- ▶ It is a result of women's increased economic opportunity and control over their own finances, which in turn provides women with new skills, information and organizational capacity building
- ▶ As a result of social and political empowerment, women are able to improve their status within their community. Together with other microfinance group members, they are able to work together to promote increasing levels of gender equality (Mayoux, 2001).





THANK YOU FOR
ATTENTION