



International Network of Alternative Financial Institutions

To Mark UN International Year of Microcredit 2005

INAFI ASIA REGIONAL WORKSHOP

***“Microfinance for Women Empowerment and
Gender Equality”***

June 27-29, 2005

Peshawar, Pakistan

Organized by:

INAFI Asia

SRSP- Pakistan

INAFI International Foundation

Sponsored by:

n(o)vib
OXFAM NETHERLANDS

FSSP

Table of Contents

1. Acronyms.....	3
2. Executive Summary.....	4
3. Introduction.....	7
4. A Background Paper for Lateral Learning Workshop on Gender Mainstreaming in Microfinance in Pakistan.....	14
5. Programme schedule.....	19
6. Participants List.....	23

Acronyms

INAFI	International Network of Alternative Financial Institution
NGO	Non Governmental Organization
MFI	Micro Financial Institution
SRSP	Sarhad Rural Support Programme
RSP	Rural Support Programme
RSPN	Rural Support Programme Network
NWFP	North West Frontier Province
GoNWFP	Government of North West Frontier Province
CEO	Chief Executive Officer
TMSS	Thengamara Mohila Sabuj Sangha
KK	Khwaindo Koor
UN	United Nations
BoD	Board of Directors
SRSO	Sindh Rural Support Organization
AKRSP	Aga Khan Rural Support Programme
NRSP	National Rural Support Programme
GBTI	Ghazi Barotha Tarqiati Idara
TRDP	Thardeep Rural Development Programme
HRD	Human Resource Development
UNDP	United Nations Development Programme
BRAC	
SAP	South Asia Partnership

Executive Summary

Representatives of NGOs and MFIs of the three most economically depressed regions of the world established the International Network of Alternative Financial Institutions (INAFI) in 1995. It was established as a non-profit company as an NGO under Peruvian law. In 2003 all three regions, INAFI Africa, INAFI Asia and INAFI Latin America, merged together to establish INAFI International Foundation, which is registered in the Hague. INAFI Asia is the pan-pacific arm of INAFI international working since 1996. Four national chapters: INAFI India, Bangladesh, Nepal and Philippines are also established. INAFI network is not committed to a particular institutional approach or microfinance model. The network is committed to promote development and poverty alleviation through different micro-finance methodologies, ranging from focussed microfinance service delivery to the provision of multiple services through different windows.

INAFI and its member organisations envision a world where it is possible for development practitioners use their knowledge and expertise to design and implement microfinance activities and programmes that will suit the expressed needs of their clients. INAFI enable the poor to bring themselves out of poverty and ultimately make it possible for them to experience the minimum life standard that any human being deserves. The mission of INAFI Asia is to contribute to poverty alleviation through the development of a holistic financial services approach that ensures significant outreach with a focus on the ultra poor and entrepreneurial poor, and addresses the broader aspects of human and social development.

The concept for this workshop stemmed out of the United Nations has declaring the year of 2005 as “**UN International Year of Microcredit 2005.**” Experience has revealed that most microfinance clients are women and are managing financial resources for their family. Many academics and microfinance practitioners believe that this has helped women to gain economic empowerment and improve their status in the family. Given the UN declaration, this is the proper time to take stock of current initiatives and analyze how women are benefited through microfinance. It is the appropriate time to explore more fully how microfinance contributes to women’s empowerment and gender equality. Therefore, the theme of the workshop is captured in the title “**Mainstreaming Gender: Microfinance for Women Empowerment and Gender Equality.**” This theme of the workshop, “*mainstreaming gender,*” is a very pertinent and problem focused area in which INAFI Asia plans to work consistently for some years in order to improve the gender situation in the region. INAFI Asia wants to take up this issue as part of its advocacy and campaigning work for the next few years.

With a view to accomplishing these tasks, INAFI Asia has decided to collect case studies on gender focused microfinance from its member organizations in Asia. These case studies were prepared on gender related themes that are very pertinent and relevant to each country context. The organizations that have already demonstrated their commitment and have been mandated to work towards mainstreaming gender across all development interventions were requested to prepare case studies based on their research findings. These case studies, then, were shared with other INAFI members, stakeholders, researchers, donors, and policy makers at INAFI Asia regional workshop held in Peshawar, Pakistan and will be disseminated in later conference that

will be held at Manila, Philippines in October 2005. These case studies will serve as a foundation for the composition of our Gender Policy and checklist, for the collaborative design of a gender action research project, and eventually for the identification of gender performance assessment tools.

INAFI is committed to cross learning of issues of microfinance and women empowerment. It has in the past held series of workshops in the region. In the INAFI Asia Board meeting held in Bangkok it was decided that the next workshop would be held in Pakistan. Sarhad Rural Support Programme (SRSP), which is operative in the North-West Frontier Province (N-WFP), agreed to help in organising the event. It was felt during the workshop at Bangkok that gender mainstreaming within the realm of microfinance would be the theme for the proposed workshop. The workshop has been held at Peshawar, the capital of NWFP in June 27-29, 2005 at the Pearl Continental Hotel.

The objectives of the workshop are focused on sharing of experiences of different organizations of Asia to develop more clarity on:

- Challenges and Issues in Microfinance from a Gendered Perspective.
- Analyzing Gendered Dimensions in Microfinance at the Client Level.
- Analyzing Gendered Dimensions in Microfinance at the institutional level.
- Development and implementation of Strategies to Mainstream Gender in Microfinance

The Workshop Design and Methodology was as follows:

The sessions had been designed very systematically. There were the following sessions:

- Inaugural
- Presentation of INAFI Asia Background Paper
- Case studies from Pakistan: Microfinance and gender norms in Pakistan, Gendered and up-scaling Microfinance institutions in Pakistan, Socio-economic vulnerabilities faced by women clients in microfinance
- Case studies from Regions: Gendered Microfinance from institutional perspective; Post Tsunami and Microfinance; Globalization, Microfinance and Gender
- Plenary Session on Gender Issues: Conceptualizing Gender, Women Empowerment and Gender Equality, Role of networking organization in mainstreaming gender
- Organization presentation of participating organizations
- Closing session
- Field exposure

Microfinance can in fact be beneficial for women and other marginalized groups if there is greater clarity in the underlying vision of microfinance programmes. This clarity would have to include a definition of women's empowerment that goes much deeper than simply examining women's access to microfinance or household-level poverty alleviation.

Providing a gendered framework for microfinance needs to be seen as a human rights issue. Poverty alleviation measured as increased income for a household is not sufficient. Often socio-economic inequalities within the household mean that women do not necessarily benefit from increases in household income, even where they are major contributors. Importantly, addressing gender inequalities in power and resources requires a holistic view, integrating productive and reproductive work, and addressing practical basic needs as well as strategic needs and interests. It also requires consideration of ways in which microfinance provision for men can be a mechanism for challenging gender inequality. Translating this empowerment vision into practical policies requires mainstreaming empowerment concerns throughout all aspects of programme implementation and decision-making, as well as effective women-targeted initiatives.

The INAFI Asia workshops will go a long way towards raising the above mentioned issues and facilitating their incorporation into the programs of INAFI member organizations. They therefore represent a prime opportunity to reach a large and receptive audience with the mainstreaming gender message along with practical examples of success.

Introduction

In the 1990s, microfinance for women became a major focus of economic and gender policy in many countries and within donor agencies. Current literature presents an extremely attractive vision of increasing numbers of expanding, financially self-sustainable microfinance programmes reaching large numbers of women borrowers, especially in the rural areas. Through the programme's capability to earn an income for women, microfinance programmes have been assumed to build the starting point of 'virtuous spirals' of economic empowerment, increased well-being for women and their families, and wider social and political empowerment (Mayoux, 2002).

However, recent research and experiences point towards a more practical perspective towards microfinance and gender equality, where the argument is made that although it is widely assumed that there is a clear and direct relationship between access to credit and an increase in the status of women within their households and communities, there are interlinked complex factors that govern women's empowerment, and thus the existing practice needs to be probed. It is not microfinance as such that is the problem, but the ways in which 'best practice' has become dominated by concerns of financial sustainability. Nevertheless, the various new methods tested in some of the microfinance programmes can direct practitioners to a range of ways in which microfinance's contribution to empowerment can be increased as part of a broader strategy for gender mainstreaming in microfinance.

Gender generally refers to a set of socially constructed norms governing the behaviours, roles and interactions between men and women. Gender equality recognizes that men and women have different capabilities and biological functions, but focuses more on the equality of opportunities and access to resources, and eliminating the power imbalances among men and women resulting from social norms and economic inequalities.

Understanding gender equality in the context of microfinance thus deals with considering all gender relations at the household and community level that influence women's access and control over credit and their asset ownership. It also involves analyzing how this access to credit through microfinance programmes can influence women's decision making power and bargaining power in the household, and ultimately in the broader socio-economic context.

Gender mainstreaming in microfinance takes a holistic approach and should be transformative in its vision. Recognizing gender issues in microfinance, as in any project intervention, means more than targeting a programme towards women. It means recognizing the position of women in relation to men as actors in society: in the context of husbands and families, local community and authority, and more broadly their position in society at the national level as governed by laws and custom. Then it is necessary to act to support women to overcome the obstacles they face in these relationships, which prevent them from achieving what they wish for themselves with financial services.

In order to tackle gender in microfinance it is necessary to recognize and approach it from the outset. In recent years the success of some microfinance institutions in enlisting large numbers of women as their members has suggested that microfinance is an intervention uniquely beneficial to the needs of women. Microfinance, no more than any other intervention, is not blessed with the ability to right the power imbalances that result from inequalities in the way society treats men and women. It may be able to make such a contribution, but to do so requires a clear commitment and strategic approach to ensuring that it does.

The changes resulting from participation in microfinance programmes are not automatic and do not follow as a result of savings and credit alone or of group formation. Research shows that even in financially successful microfinance programmes, actual contribution to empowerment is often limited; most women remain confined to low-income activities. Many women have limited control over the income generated and/or what little income they earn may substitute for former male household contributions, as men retain more of their earnings for their own use. Goetz and Sen Gupta (1996:49, 60) found that, on average, only 37 per cent of loans provided by four different Bangladeshi credit organizations were either fully or significantly controlled by women, where significant control does not include control over marketing, and may thus imply little control over the income generated. Figures for BRAC were even lower, with only 28 per cent of loans controlled by women (Hunt, 2002). Women often have greater workloads that include both productive and reproductive tasks. Women's expenditure decisions may continue to prioritize men and male children, while daughters or daughters-in-law bear the brunt of unpaid domestic work. When women actively press for change and control over their own income, this increases tensions in the household and the incidence of domestic violence. Furthermore, putting the responsibility for savings and credit on women may absolve men of responsibility for the household. When group meetings focus only on savings and credit, this uses up women's precious work and leisure time, cutting programme costs, but not necessarily benefiting women.

Key Issues raised by Prominent Experts in Microfinance

Keeping some of these issues in mind the Inafi Asia Regional Workshop on "Microfinance for Women Empowerment And Gender Equality" held at Peshawar, Pakistan was opened with the keynote address from Mr. Conrado S. Navarro, Chair INAFI Asia, after the welcome note was delivered.

The Chairman, INAFI Asia and the Philippines was not able to attend the workshop because of political problems in his home country Philippines. Although he could not attend the workshop but was kind enough to send his patronage through a well versed written speech. His speech was read out by Mr Atiq-un-Nabi, Executive Director, INAFI Asia.

His speech focused on the need of focusing on mainstreaming women in microfinance rather than simply increasing the number of women borrowers. As he explained that in spite of the preponderance of women-oriented microfinance programs, the truth is that many of them do not actually pay enough attention to gender considerations. Many wrongfully think that for as long as their services are directed to women, they are already addressing gender issues in their programs.

In other words, to mainstream gender considerations in microfinance program goes beyond simply lending to women. It also involves ensuring that the money that are loaned to women, as well as that which they manage to save, actually result in "eliminating the power imbalances among men and women", power imbalances that result not only from economic inequalities, but also from social norms that have traditionally given men more control over resources and decision-making and, hence, more power than the women.

In fact, while microfinance started out as a tool to empower women, some studies have shown that only a small percentage of the loans obtained by women were "either fully or significantly controlled by (the) women". This means that while women have been "empowered" to obtain loans on their own, they have not been fully empowered to decide on how to spend those loans. In addition, a large percentage (in some cases, all) of the loans that women are able to secure actually go to paying for the education and health care of their children, or for food for

the entire family, or for other household necessities, and not for their personal needs.

In conclusion, the chairman of INAFI Asia highlighted the need to re-examine how gender considerations are addressed by our microfinance programs today. Furthermore, he hoped that in organizing this workshop, INAFI Asia participants will be able to review their respective microfinance programs and see to what extent they are truly contributing to the empowerment of women.

In accordance with Mr. Navarro's speech, Ms Sheepa Hafiza of Human Resource Development, BRAC said that . Improving the social and economic life of women is to ensure that women have access and control of over resources and taken decisions that affect their lives. Women she further said are involved in development, for instance in agriculture, but their contribution is not rewarded. Experience of BRAC in Bangladesh proves that poor women can manage business in a very effective manner. She concluded her brief speech by stating that BRAC is a pioneering endeavour in this field and it is hoped that INAFIs work would further supplement what her organisation had successfully implemented.

The Chairman, Rural Support Network, Pakistan, as well as, the Secretary Planning and Development Ministry, Mr. Shoaib Sultan Khan took the discussion in another direction and spoke about community mobilization and the implications on women and poverty alleviation. As he mentioned in his speech, The RSP movement has a vision of "fostering of grass roots organisations through a process of social mobilisation in the villages of Pakistan by harnessing people's potential to help themselves so that communities are empowered to identify, articulate and undertake social & economic development". To follow this vision, it was imperative to take the programme to scale for more effective impact as in the case of AKRSP and SAPAP experience. There are, he informed the audience, 10 such rural support programmes and all but one have their own endowments are operative in the country.

After briefly discussing the historical evolution of his organization, he added that while people were initially surprised when the programme was introduced to them where they were expected to do every thing themselves rather than extending packages as normally done in development. Initially it was difficult to convince them that there are alternatives in development than what they are used to. They were advised that as in the "spiritual prayers" there are certain demands to be kept in mind there is a certain requirement to be fulfilled in the course of the "development prayer". They were categorically informed that AKRSP does not work with individuals but only works with cohesive groups of willing communities. The first dialogue to initiate AKRSP was with the male community members and no body could imagine having a dialogue with women. Later he said he received a letter from the women of the same village asking for development partnership as they were organised. Thus gradually the willingness of the communities was secured and a long partnership began to cement between them and the AKRSP. In the ten-year period the partnership endured to such a level that 90 percent of the households stood organised and as planned incomes were reported to have doubled in the area. The lives of over One million people was improved and not a single poor asked for charity as against the conventional wisdom of the time.

The RSPs, he said are in the business of social mobilisation for addressing poverty holistically and to scale. Poverty in Pakistan, he elaborated is rising in the country because the public sector makes huge investments but does not create the receiving mechanism for delivery of goods and services at the grass roots. As a result of this gap, he further said, government services do not reach the people, especially the poor. He also went on to say invariably the communities are not involved in planning or while delivering development. The combined effects of this only promote higher incidence of poverty and any strategy that lacks involvement of people is doomed to be unsuccessful.

In conclusion he expressed his concern that while the workshop focuses on gender mainstreaming in microfinance, his long time experience has taught him to always analyse the issue through a holistic lens and he would urge the participants to do the same. He further said in this regard that micro-finance although a powerful tool for empowerment is one way of dealing with poverty and this needs to be blended into the holistic approach for overall development. In this way the impact of the programme would be lasting and more appropriate for poverty reduction.

The Chairperson of Board of Directors, Sarhad Rural Support programme brought the audience back to issue of women's involvement in microfinance by highlighting the main obstacle for women in her region to be restricted mobility. According to an estimate only one percent of world's women own exclusive property rights. She further stated that nothing speaks louder than money. We are talking about empowerment but women of today and especially of this province are so isolated and lack resources. Micro-finance is a key tool for their social and economic empowerment. However, women need to be organised into broad-based organisations so that collective action leads to their betterment.

The keynote address was given by the Syed Manzoor Ali Shah, Secretary of Planning and Development, Gov't North West Frontier Province ¹. In his speech he stressed the importance of micro finance and the role of women. He said that women are more responsible and trustworthy than men. He said that there should be growing focus on the providing microcredit facilities to women. He gave his own experience where he saw such empowerment was possible only with women in uplands of NWFP by providing appropriate support. He said that the GoNWFP is committed to uplift of poor people especially women.

The Minister of Information joined the discussion in short while and in his speech he highlighted the effectiveness of starting small. He stated that, poor people, when they organise themselves, can move mountains. It is also said that small is beautiful. While topics like growth, economists can understand balance of payments and GNP; the marginalised segments of our population are more concerned with eking out a living under very harsh conditions. They would like to see development, which they can see and which makes a difference in their lives and not just in statistics. When we look at things with our Islamabad and Peshawar lens everything may look very rosy. However this could only be a mirage. It is important to go and live with the people and feel what they feel and see what they see, if we have to understand their happiness, their joy, their sorrow and their grief, their dreams and aspirations and their fears and worries.

He went on to stress the importance of discussing gender mainstreaming in the region of Peshwar by stating that the North West Frontier province of Pakistan is a poor and marginalised part of Pakistan. He felt that Peshawar is an appropriate setting to address the issues of gender inequality and poverty. He believes that the present workshop provides this kind of an opportunity because it brings together rich experience from around this region and this country.

From the above mentioned speeches the following key issues were identified:

- Mainstreaming gender in Microfinance has to go beyond simply increasing the number of women participants and address some of the barriers to women's active participation, access and control over the loan etc.
- Women's involvement in microfinance and the strides they have made in development

¹ Syed Manzoor Ali Shah, Secretary P&D, Govt NWFP gave the keynote address in the absence of the Chief Guest Mr. Asif Iqbal, Minister for information, GoNWFP. The minister was preoccupied with a very important budget session of the provincial assembly and could only join at the final stages of the inaugural session.

- needs to be celebrated while remembering we still have a long way to go.
- While women's empowerment is key in the discussion of gender and microfinance, the strengths of collective action and taking a holistic approach to microfinance and gender equality cannot be ignored.
 - If one is to discuss gendered microfinance, the issue of women's mobility and other socio-economic barriers that impede participation cannot be avoided.
 - In talking about women's empowerment in microfinance, one has to highlight their lived experiences, and look at the issue from a micro-perspective first.

The second session of the workshop focused on setting the scene for understanding the links between gender and microfinance both for the client and institutional levels through the background paper presentation by Mr. Atiqun Nabi, Executive Director, INAFI Asia Trust. In his paper he highlighted the need to look at microfinance both from the clients needs perspective and the dimensions at the institutional level for organizations providing loans to poor women. In his presentation he stated that microfinance can in fact be beneficial for women and other marginalized groups if there is greater clarity in the underlying vision of microfinance programmes. This clarity would have to include a definition of women's empowerment that goes much deeper than simply examining women's access to microfinance or household-level poverty alleviation.

The panel discussion following the presentation supported Mr. Nabi's analysis. Participants focused on the need to clearly define women's empowerment, links between women borrowers needs addressed in the products and services offered through the microfinance programme. Moreover the microfinance institutions need to create an enabling environment that can sustain their female staff and broaden their empowerment agenda more effectively.

After the dissemination on understanding the theoretical framework underlying the workshop agenda, the different participant countries presented their case studies to portray a clear picture on how microfinance has been empowering for women in their respective countries.

Women in Microfinance and Pakistan

Some of the key issues that came from the different organization presentations² in Pakistan was that for gender mainstreaming in microfinance, an organization needs to ensure sustainability and effectiveness of the programme, develop pro poor and pro women products, enhance scale, sustain high levels of recovery, try to access those below the poverty line, diversify their products and design new initiatives, such as micro enterprise lending, housing finance, micro leasing, credit bureau, information technology. Given the poverty levels and the gender inequalities in Pakistan, there is still a need to focus solely on women in microfinance, while trying to mainstream gender within the programme. Some organizations also focused on the positive impact of microfinance on women such as the SRSP experience. "The gender sensitive product development process has increased the women participation in the micro finance program substantially when compared with the past. Field studies shows that participation in SRSP programmes typically strengthen the position of the women in their family. Not only does the access to credit give a woman the opportunity to make a larger contribution to the family business, but she can also deploy it to assist the husband's business and act as the family's banker all of which increase her prestige and influence within HH.

² The different organizations were DAMEN, KASHF Foundation, SRSP organization in Pakistan.

Women in Microfinance and Bangladesh

The presentations from Bangladeshi organizations³ focused on linking gender to microfinance in a clear and defined way. Ms. Sheepa Hafiz presented how BRAC Conceptualise Gender. She defined gender as the social identity of woman and man, which includes construction of masculinity and femininity, and fundamental questions of identity. She further added that social construction of gender identity controls and determines the nature and extent of disadvantage, disparity and discrimination we face as individual and as a group. She defined gender equality as the equal valuing by society of both the similarities of and differences between women and men, and the diverse roles that they play.

The representative of Shakti Foundation stated that gender imbalance has not happened in a day. Cultural stigma and traditional values which has established an institutionalized imbalance gender relationship over a period of hundreds of years, will need conscious policies and strategies, as well as comprehensive and coordinated efforts by all development partners: NGOs, donor agencies and government, if men and women are to be treated as equals in family and society.

Both institutions stressed the need to address some of the overall socio-economic, political and cultural gender inequalities within the country before any effective measures within microfinance can be taken to mainstream gender within it.

Women in Microfinance and Sri Lanka

CEO of SEEDS made a presentation on Post Tsunami and Microfinance: How it affected women lives. He informed that Tsunami carried out devastation of families, infrastructure and social networks. It was largely the poor who lost their lives, their shelter and their meager belongings. Many of the victims -- fishermen, subsistence farmers, small traders, craftsmen and others -- were micro borrowers having gone through one or more loan cycles. It affected both individuals and institutions and currently a rebuilding process has started. SEEDS and other MFIs have gone beyond their own specific clientele to help the wider community affected by the tsunami to build, rebuild or resume family-sustaining businesses such as fishing, farming, petty trading and other micro enterprises.

His message to the audience focused on the post Tsunami scenario and how microfinance has been useful in rebuilding the country. As he mentioned, in post Tsunami Sri Lanka, the majority of the local MFIs such as SANASA, Samurdhi, Sewa Lanka, Agromart, SEED etc. are looking beyond minimalist micro finance as a post disaster recovery strategy. Their intervention include livelihood development, capacity building, psycho-social support, housing and other inputs. SEEDS and other MFIs have gone beyond their own specific clientele to help the wider community affected by the Tsunami to build, rebuild or resume family-sustaining businesses such as fishing, farming, petty trading and other micro enterprises.

SEEDS does not plan to target women only to regain their sources of livelihood for the following reasons. The massive loss of women's lives in the affected areas casting the burden of provider and caregiver on the men. SEEDS holistic approach to help entire families and communities in the task of post Tsunami recovery beyond survival.

Women in Nepal and Microfinance

The presentation from Nepal gave a general overview of gender in Nepal and how women's empowerment is measured and viewed in the Nepali context. The Nepali organization, SAP takes a socio-political and socio-economic approach to women's empowerment. They believe

³ The Bangladeshi participants were BRAC and Shakti Foundation.

that gender is not a separate project but it is an integral component of every program/project. Last but not the least “knowing is not enough, we must apply; willingness is not enough we must act”.

Women in Afghanistan and Microfinance

Mr. Amjar Arbab shared experience of micro finance operation in Afghanistan. He said that his organization started micro credit activities in Afghanistan from very scratch. He said that there was no foundation to build on. It was very amazing that his organization so far has been very successful in the micro finance sector in Afghanistan. There is a huge potential there and the micro finance will flourish gradually. You would be excited to know that in a country like Afghanistan most of the clients of his organization are women and recovery is more than 90%.

One of the major problems in Afghanistan is lack of local skilled personnel needed to run the micro finance or any community development project successfully. The gap is filled in by employing skilled persons from other countries. It is very difficult for the people from abroad to work effectively due to security reasons and unpredictable situation in Afghanistan. BRAC is more successful in Afghanistan because of the factor that most of its employees working in Afghanistan are local and it provide greater opportunity of internalization and sustainability. There is growing realization among the Afghan people that most of the money come for development of the local people are extracted down the drain.

Conclusion and Looking Ahead

One key learning of the workshop has been that there is a need for a space for open dialogue with people from many organizations with diverse working focuses to share their experiences. This has given an opportunity, to clarify on the rights of especially women with respect to improving their socio-economic living conditions.

As the CEO of RSPN stated “the women of NWFP are particularly constrained in terms of mobility and access to resources. Managing micro-finance in the conservative environment of the province offers a special challenge. The discussions of the current workshop would pave ways to take up the challenge of women empowerment in difficult conditions.”

Another key learning has been to help members of INAFI develop a better understanding of how to pursue microfinance to best match the needs of poor women in their country. As Mr. Atiqun Nabi stated, “women empowerment is a challenge for the coming years in which INAFI Asia will play an important role but would like to blend ideas that reinforces such an endeavour.”

Campaigning Mainstreaming Gender

Background Paper For Lateral Learning Workshop

ABOUT INAFI

Initiated and promoted by representatives of NGOs and MFIs of the three most economically depressed regions of the world established the **International Network of Alternative Financial Institutions** (INAFI) in 1995 as a not-for-profit and registered it as an NGO under Peruvian law. Later, in May 2003, all three regions (INAFI Africa, INAFI Asia and INAFI Latin America) merged together to establish INAFI International Foundation, which is registered in The Hague, The Netherlands, and functions as the global arm of INAFI. INAFI is comprised of three regional networks operating with separate governance and management under the broad guidelines and framework of the International Foundation. The African regional secretariat is based in Nairobi, Kenya, INAFI Asia is headquartered in Dhaka, Bangladesh, and Latin American operations are coordinated from Costa Rica. The International and four regional secretariats are registered individually in their respective regions, and are legal identities.

INAFI Asia is the pan-pacific arm of INAFI International working since 1996. Four national chapters: INAFI India, INAFI Bangladesh, INAFI Nepal and INAFI Philippines are in this region. All of these chapters are independent in making decisions, but have a very warm linkage with other regions of global INAFI and chapters. As of December 31, 2003, INAFI International has 109 member organizations all around the globe in its four regions. It serves approximately 9 million borrowers and 12 million savers, and has a combined portfolio of over US\$ 645 million in credit and US\$ 293 million in savings. As of May 2003 INAFI Asia has a total of 40 member organizations in its four national chapters serving a total of 8 million borrowers and 10 million savers, and has a portfolio of over US\$ 466 million in credit and US\$ 203 million in savings

INAFI network is not committed to a particular institutional approach or microfinance model. The network represents a range of institutional approaches that promote development and poverty alleviation through different microfinance methodologies, ranging from focused microfinance service delivery to the provision of multiple services through different windows, and integrated service delivery. Although microfinance is an essential component of the particular development strategy adopted by individual member organizations, these institutions are also concerned with the broader aspects of social and human development. But many find themselves competing with one another to retain market positioning, pushing them to screen out the poorest to mitigate risk and protect their portfolio.

Vision:

INAFI and its member organisations envision a world where it is possible for development practitioners to use their knowledge and expertise to design and implement microfinance activities and programmes that will suit the expressed needs of their clients. INAFI aims to enable the poor to bring themselves out of poverty and ultimately make it possible for them to experience the minimum life standard that any human being deserves.

The mission of INAFI Asia is to contribute to poverty alleviation through the development of a holistic financial services approach that ensures significant outreach with a focus on the ultra poor and entrepreneurial poor, and addresses the broader aspects of human and social development. INAFI Asia's objectives are to contribute in making alternative financial and non-financial services into efficient instruments to tackle the fundamental causes of poverty and to support sustainable development. INAFI Asia aims to contribute to finding solutions for common problems and to improve capacity and performance of member organisations. It also

aims to establish and maintain the proper relations with regional and national organisations that pursue similar objectives.

Working Strategy of INAFI Asia

INAFI policies strategies can be divided into four key groupings:

- Pro-poor methodologies: Measuring social impact, mainstreaming gender, ensuring demand-driven service delivery, and commitment to poverty alleviation.
- Capacity development: Education and information dissemination, research and development, product and service diversification, capital provision, regulation and supervision, and human resource development.
- Network unification and strengthening: Definition of alternative, vocalizing network values, and pursuing expansion.
- Advocacy: Increasing communication, lobbying, re-branding microfinance, forging private sector alliances.

Statement of the Problem

The link between gender inequality and poverty has become de facto knowledge in development circles. Cited as the 'feminization of poverty,' it is clear that while gender is not the only kind of inequality or the only determinant of poverty, gender inequality plays a critical role in how poverty occurs and why it happens.⁴ Poverty is a multi-dimensional problem that encompasses lack of income, but is even more so connected with poor health, lack of education, and weak support structures. In most Asian countries, traditional and religious customs place women primarily inside the home and in reproductive roles, where they are dependent on their husband or his family for survival and have few other security structures. Both within the family, the community, and labor markets, cultural norms have raised barriers to women's participation.

Over the past few decades, as the international community has gradually recognized the link between gender inequality and poverty, it has responded by incorporating gender concerns into academic studies and development targets. The last several United Nations Human Development Reports have steadily focused attention on the status of women, with a concentration on human and social development aspects such as the education and health of women, and their instrumental effects on infant mortality and child education. The Millennium Development Goals have followed this approach with the third goal being the promotion of gender equality and empowerment of women. The subheading specifically mentions education and health as the priorities for accomplishing this goal.

In the 1990s, microfinance for women became a major focus of economic and gender policy in many countries and within donor agencies. Current literature presents an extremely attractive vision of increasing numbers of expanding, financially self-sustainable microfinance programmes reaching large numbers of women borrowers, especially in the rural areas. Through the programme's capability to earn an income for women, microfinance programmes

⁴ Kabeer, Naila, "Gender Mainstreaming in Poverty Eradication and the Millennium Development Goals: A Handbook for Policy Makers and Other Stakeholders," The Commonwealth Secretariat, International Development Research Centre, 2003.

have been assumed to build the starting point of 'virtuous spirals' of economic empowerment, increased well-being for women and their families, and wider social and political empowerment (Mayoux, 2002).

However, recent research and experiences point towards a more practical perspective towards microfinance and gender equality, where the argument is made that although it is widely assumed that there is a clear and direct relationship between access to credit and an increase in the status of women within their households and communities, there are interlinked complex factors that govern women's empowerment, and thus the existing practice needs to be probed. It is not microfinance as such that is the problem, but the ways in which 'best practice' has become dominated by concerns of financial sustainability. Nevertheless, the various new methods tested in some of the microfinance programmes can direct practitioners to a range of ways in which microfinance's contribution to empowerment can be increased as part of a broader strategy for gender mainstreaming in microfinance.

This paper has been prepared to help practitioners attending the Lateral Learning Workshop to address some of the questions and recent challenges that have arisen in gender. The microfinance sector has been instrumental in categorizing equality according to the economic agency of women.

Conceptualizing Gender and Microfinance

Gender generally refers to a set of socially constructed norms governing the behaviours, roles and interactions between men and women. Gender equality recognizes that men and women have different capabilities and biological functions, but focuses more on the equality of opportunities and access to resources, and eliminating the power imbalances among men and women resulting from social norms and economic inequalities.

Understanding gender equality in the context of microfinance thus deals with considering all gender relations at the household and community level that influence women's access and control over credit and their asset ownership. It also involves analyzing how this access to credit through microfinance programmes can influence women's decision making power and bargaining power in the household, and ultimately in the broader socio-economic context.

Gender mainstreaming in microfinance takes a holistic approach and should be transformative in its vision. Recognizing gender issues in microfinance, as in any project intervention, means more than targeting a programme towards women. It means recognizing the position of women in relation to men as actors in society: in the context of husbands and families, local community and authority, and more broadly their position in society at the national level as governed by laws and custom. Then it is necessary to act to support women to overcome the obstacles they face in these relationships, which prevent them from achieving what they wish for themselves with financial services.

In order to tackle gender in microfinance it is necessary to recognize and approach it from the outset. In recent years the success of some microfinance institutions in enlisting large numbers of women as their members has suggested that microfinance is an intervention uniquely beneficial to the needs of women. Microfinance, no more than any other intervention, is not blessed with the ability to right the power imbalances that result from inequalities in the way society treats men and women. It may be able to make such a contribution, but to do so requires a clear commitment and strategic approach to ensuring that it does.

Challenges and Issues in Microfinance from a Gendered Perspective

Microfinance programmes, in fact, can contribute significantly to women's economic, social, and political empowerment. Access to savings and credit can initiate or strengthen a series of interconnected and mutually reinforcing components of empowerment. Women can use savings and credit for economic activity, thus increasing incomes and assets, and control over these incomes and assets (Mayoux, 2002).

Analyzing Gendered Dimensions in Microfinance at the Client Level

In terms of analyzing the gendered dimensions of microfinance this workshop will address some of the following questions and challenges at the client level:

- Who controls decision-making regarding the use of credit?
- Who has control and ownership of assets in the household?
- Who manages enterprises supported by credit, and whose paid or unpaid labour is used?
- Who controls the purchasing of inputs for these enterprises and the marketing of products?
- Who keeps, decides on, and uses any income generated?

These questions are important in understanding how women's economic contribution through microfinance may increase their role in economic decision making in the household, and may lead to greater well being for women and children as well as men. This might also lead to change in gender roles and increased status within households and communities. Through microfinance, women can access wider information and support networks for economic activity. The group dynamics can also help support women in disputes within the household and community, and link to wider movements for change in women's position.

Analyzing Gendered Dimensions in Microfinance at the Institutional Level

The changes resulting from participation in microfinance programmes are not automatic and do not follow as a result of savings and credit alone or of group formation. Research shows that even in financially successful microfinance programmes, actual contribution to empowerment is often limited; most women remain confined to low-income activities. Many women have limited control over the income generated and/or what little income they earn may substitute for former male household contributions, as men retain more of their earnings for their own use. Goetz and Sen Gupta (1996:49, 60) found that, on average, only 37 per cent of loans provided by four different Bangladeshi credit organizations were either fully or significantly controlled by women, where significant control does not include control over marketing, and may thus imply little control over the income generated. Figures for BRAC were even lower, with only 28 per cent of loans controlled by women (Hunt, 2002). Women often have greater workloads that include both productive and reproductive tasks. Women's expenditure decisions may continue to prioritize men and male children, while daughters or daughters-in-law bear the brunt of unpaid domestic work. When women actively press for change and control over their own income, this increases tensions in the household and the incidence of domestic violence. Furthermore, putting the responsibility for savings and credit on women may absolve men of responsibility for the household. When group meetings focus only on savings and credit, this uses up women's precious work and leisure time, cutting programme costs, but not necessarily benefiting women.

Thus at the institutional level, the following questions need to be addressed to combat gender inequalities in microfinance:

- Are NGOs that provide credit to women sensitive to women's gender specific social needs, i.e., do the NGO workers pay attention to the constraints women face in being

assertive, confident, and having a voice in the household in terms of deciding how and where to use the credit resources?

- Analysis of loan use: Do the institutions focus on women's empowerment by trying to move women out of traditional usage of the loans to up-scaled income generating activities that challenge the male dominated economic sphere and gender norms? Do the institutions focus on gendered dynamics of loan repayments?
- Do the institutions integrate health needs, and examining children's education and schooling needs into their mandates?
- What are some of the measures taken by the institutions to encourage asset building by the borrowers?
- Do the institutions pay attention to women's mobility issues and how accessing the loan might increase their workload and responsibilities?
- Do the NGOs pay attention to women's actual access to the markets and their ability to use the productive economic sphere to generate profits from the loans?
- What are the dynamics of placing women in managerial roles and how do the NGO workers respond to the resistance at the household and community levels?

Development and Implementation of Strategies to Mainstream Gender in Microfinance

Among microfinance programme participant households, when men control the main sources of cash income because they undertake paid employment, if a programme offers a woman credit that she uses to buy household necessities, it is the husband's income that is the most likely source of repayments. The woman's ability to access this is often dependent on the quality of her relationship with him. In this way social norms operate in ways that leave her vulnerable in such a relationship, rather than in one where she has socially sanctioned rights to claim the money for repayment.

Figure 1: Gender Based Obstacles in Microfinance and Micro Enterprise

	Individual	Household	Wider Community/ National Context
Financial	women lack access to banks/financial services in own right and women do not have property rights and asset ownership	men's control over cash income men's expenditure patterns	perception of men as controllers of money/loans
Economic	women undertake activities that 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
Social/ Cultural	women are placed in subordinate position and have a lower status than men in society women not literate or educated; girls'	limited role for women in household decision making polygamy results in conflict/competition and discrimination between wives	banks and financial institutions do not view women as a potential market women's mobility constrained by social norms

	education not prioritized	violence towards women	
Political/ Legal	non-implementation of laws law and order force is weak and ineffective the justice system does not support women's rights 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

Given these constraints, however, particular strategies can be developed to tackle the gendered obstacles within microfinance. These would broadly fall into the following three categories:

- strategies that address women directly with awareness, literacy, and related skills development.
- strategies directed to men in the community in which the project is working in order to affect men's behaviour towards women within the household and local community.
- strategies aimed at affecting social norms and legal frameworks, which might include for example advocacy, and working through the media and lobbying for change, for example, women's rights to property.

Lateral Learning Workshop: Mainstreaming Gender

The United Nations has declared 2005 “UN International Year of Microcredit 2005.” Experience has revealed that most microfinance clients are women and are managing financial resources for their family. Many people believe that it has helped women to gain economic empowerment and improve status in the family. This is the proper time to take stock of current initiatives and analyze how women are benefited through microfinance. It is the appropriate time to explore more fully how microfinance contributes to women’s empowerment and gender equality. Therefore, the theme of the workshop is captured in the title “**Mainstreaming Gender: Microfinance for Women Empowerment and Gender Equality.**” This theme of the workshop, “**mainstreaming gender,**” is a very pertinent and problem focused area in which INAFI Asia plans to work consistently for some years in order to improve the gender situation in the region. INAFI Asia wants to take up this issue as part of its advocacy and campaigning work for the next few years.

With a view to accomplishing these tasks, INAFI Asia has decided to collect case studies on gender focused microfinance from its member organizations in Asia. These case studies will be prepared on gender related themes that are very pertinent and relevant to each country context. The organizations that have already demonstrated their commitment and have been mandated to work towards mainstreaming gender across all development interventions will be requested to prepare case studies based on their research findings. These case studies, then, will be shared with other INAFI members, stakeholders, researchers, donors, and policy makers at INAFI Asia regional workshop held in Peshawar, Pakistan and Manila, Philippines. The date of the Pakistan workshop has been fixed from June 27-29, while the Manila workshop will be held in October, 2005. These case studies will serve as a foundation for the composition of our Gender Policy and checklist, for the collaborative design of a gender action research project, and eventually for the identification of gender performance assessment tools.

Conclusion

Microfinance can in fact be beneficial for women and other marginalized groups if there is greater clarity in the underlying vision of microfinance programmes. This clarity would have to include a definition of women's empowerment that goes much deeper than simply examining women's access to microfinance or household-level poverty alleviation.

Providing a gendered framework for microfinance needs to be seen as a human rights issue. Poverty alleviation measured as increased income for a household is not sufficient. Often socio-economic inequalities within the household mean that women do not necessarily benefit from increases in household income, even where they are major contributors. Importantly, addressing gender inequalities in power and resources requires a holistic view, integrating productive and reproductive work, and addressing practical basic needs as well as strategic needs and interests. It also requires consideration of ways in which microfinance provision for men can be a mechanism for challenging gender inequality. Translating this empowerment vision into practical policies requires mainstreaming empowerment concerns throughout all aspects of programme implementation and decision-making, as well as effective women-targeted initiatives.

The INAFI Asia workshops will go a long way towards raising the above mentioned issues and facilitating their incorporation into the programs of INAFI member organizations. They therefore represent a prime opportunity to reach a large and receptive audience with the mainstreaming gender message along with practical examples of success.



Draft programme schedule

INAFI ASIA TRUST
UN INTERNATIONAL YEAR OF MICROCREDIT 2005
CAMPAIGNING MAINSTREAMING GENDER IN MICROFINANCE
INAFI ASIA REGIONAL WORKSHOP

On

“Microfinance for Women Empowerment and Gender equality”

Place: Peshawar, Pakistan

Date: June 27th-29th. 2005

Programme Schedule of the International workshop

Sunday, 26 June

5:00pm –7pm: Arrival of Participants and Registration

Day –1

Monday, 27 June

8.00am – 9.00am

Registration

Inaugural Session

9:30 am –11:00 am

Welcome and Opening Address

Mr. Masood-UL-Mulk

Member Board of Trustees INAFI Asia and
CEO, SRSP, Pakistan

Address of Mr. Conrado S. Navarro

Chair INAFI Asia to be read by

Mr. Atiqun Nabi, Executive Director, INAFI Asia

Address by Ms. Sheepa Hafiza,

Director, Human Resources, BRAC

Address by

Mr. Shoaib Sultan Khan

Chairman, Rural Support Network, Pakistan
Secretary Planning and Development Ministry

Mrs. Munawar Humayun

Chairperson, Board of Directors

SRSP, Pakistan

Address by Secretary Planning and Ministry

Syed Manzoor Ali Shah

Speech by the Chief Guest

Mr.Asif Iqbal, MP

Minister for Information, NWFP

Tea break:

11:00am – 11:30 am

Session 2

11:30-1:00

Chair:

Ms.Munawar Humayun

Chairperson, SRSP, Pakistan

Presentation of INAFI Asia Background Paper

Mr. Atiqun Nabi Executive Director, INAFI Asia Trust

Panel discussion

- Ms. Sheepa Hafiza
Director, Human Resources, BRAC
Bangladesh
- Ms. Sadaffe Abid
Chief Operations Officer, KASHF
Pakistan
- Ms. Aneela Quamar
Director, Khwendo Kor

Lunch Break

1:00pm-2pm

Session: 3

2: pm –3:30pm

Case Studies from Pakistan

Chair

Ms. Sheepa Hafiza

Director, Human Resources, BRAC Bangladesh

Microfinance and gendered norms in Pakistan

DAMEN

Gendered and up-scaling Microfinance institutions in Pakistan

Ms. Sadaffe Abid, Chief Operations Officer, Kashf Foundation

Socio-economic vulnerabilities faced by women clients in microfinance

Mr. Waseque,
SRSP

Open Discussion

Tea Break

3:30pm-4:00 pm

Session 4

4;pm-5; 30pm

Case studies from the Region

Chair

Mrs. Mariam Bibi

Chief Executive , Khwendo Kor

Gendered Microfinance from Institutional Perspective

Ms. Sheepa Hafiz

Director Human Resources
BRAC, Bangladesh,

Post Tsunami and Microfinance: how it affected women's life

Mr. Shakila Wijewardena
Managing Director SEEDS, Srilanka

Globalisation, Microfinance, and Gender

Ms. Asma begum

Coordinator Planning and Monitoring
SHAKTI Foundation, Bangladesh
Open Discussion

Day 2

Tuesday June 28
9:00-9:15am

Highlights of day 1

Session 5

9:15 – 11:00

Plenary Session on Gender Issue

Chair
Shandana Khan
CEO, RSPN

Conceptualising Gender

Ms. Sheepa Hafiza
Director, Human Resources, BRAC

Women Empowerment and Gender Equality

Representative from Pakistan

Mrs. Aneela Quamar

Representative from Srilanka

Mr. Shakila Wijewardena

Representative from Nepal

Mr. Narendra Prasad Joshi

Role of networking organisation in mainstreaming gender

Mr. Atiqun Nabi
Executive director, INAFI Asia
Representative from Pakistan microfinance

Tea Break

11:00am-11:30am

Session 6

11:30-1:00

Organisation presentation Participating organisations

Chair

Mr. Masood-ul-Mul
CEO, SRSP
Organisations presentations
SAFWCO
DAMEN,
Khwendo Kor
ACE,
Bureau Tangail,
TMSS
SARNO
SAP-Nepal

Lunch break

1:00pm-2:00pm

Continued Session- 6

2:00pm-3:00pm

NRSP

CDF

SUNGLs

OPP

TRDP

Session 8

3:00pm –4:00pm

Closing Session

concluding remarks

Mr. Masood-ul-Mulk, CEO, SRSP

Representative from the Participants (national)

Representative from Participant (international)

Way Forward

Atiqun Nabi

Executive Director, INAFI Asia

Vote of Thanks

Ms. Mahbuba Haque

Programme officer, INAFI Asia

Day 3

Wednesday, June 29

Field Exposure and Sight seeing

Annex-1: Participants List

<i>S#</i>	<i>Country</i>	<i>Organization</i>	<i>Participants</i>
1	Bangladesh	INAFI Asia	Mr. Atiqun Nabi Executive Director
2		INAFI Asia	Ms. Mahbuba Haque, Programme officer
3		BRAC	Ms. Sheepa Hafiza Director Human Resources BRAC
4		SHAKTI	Ms. Asma Begum Coordinator Planning & Monitoring
5			Ms. Nilufa Begum Senior Manager
6		TMSS	Md. Ataur Rahman Director, Institutional Activities
7			Mr. Azizul Haque, Deputy Director
8		Buro, Tangail	Mr. Md. Munirul Islam Programme Officer
9	Nepal	Women Cooperative Society Ltd.	Ms. Saraswati Shrestha Executive Chairperson
10	Sir Lanka		Mr. Shakila Wijewardena Managing Director/CEO
11	Pakistan	ACE	Mr. Sadiq Hussain Project Coordinator
12		TRDP	Mrs. Pathni Senior Programme Officer
13		TRDP	Mr. Naru Mal General Manager Finance & Administration
14		SAFWCO	Suresh Kumar General Manager Economic Development
15		SAFWCO	Mr. Sulman Abro Chief Executive
16		Kashf Foundation	Ms. Sadaffe Abid COO
17		Khwendo Kor	Ms. Aneela Qamar Director Programmes
18		Khwendo Kor	Salma Amir
19		Khwendo Kor	Ms. Maryum Bibi Chief Executive Officer
20		FMFB	Mr. Inshan Ali Nawaz Chief Operation
21		PRSP	Mr. Farooq Haroon Chief Executive
22		DAMEN	Ms. Naghmana Chief Executive

23		OPP	Mr. Anwar Rashid Chief Executive
24		SUNGI	Mr. Ajmal PM, Micro Finance
26		FSSP	Ms. Zaibunisa Programme Officer
27	Pakistan	CMF	Mr. Azam Farooq Coordinator
28		CMF	Mr. Tahir Khan Training Coordinator
29		ANCON Consultants	Mr. Atif Sandhu Consultant
30		Ford Rhodes Siddat Hyder	Mr. Farhan uddin Khilji
31		NRSP	Mr. Sharif Khan RGM, Mardan
32		NRSP	Ms. Mubashra Atif Programme Manager Gender
33		Oryx Leasing	Mr. Saqib Siddiqui
34		IFAD	Rashida Syed
35		Agha Khan Agency of Micro Finance	Salim Jiwani
36		SDC	Ayesha Khan
37		DFID	Aalya Glockler
38		DFID	Catherine Arnold
39		Ministry of Finance	Tahir Ali Shah
40		RSPN	Mr. Shoaib Sultan Khan Chairman RSPN
41		SRSP	Mrs. Munawar Humayun Chairperson, BoD
42		SRSP	Mr. Masood ul Mulk Chief Executive Officer
43		SRSP	Mr. Sarmad Khan PM, PMER
44		SRSP	Mr. Wasiq Ali Khan PM, Micro Finance

International Network of Alternative Financial Institutions INAFI 
Navana Shefali, Apt # 2D, House #14, Gulshan # 1, Dhaka - 1212 Bangladesh
Tel: 880-2-8853576,8811613; Email: inafi.asia@inafiasia.net
Website: www.inafiasia.net