



International Network of Alternative Financial Institutions

Mainstreaming Gender Research Paper

Looking Through Thorough

**Poverty Reduction and Empowerment of Women
through Gender Mainstreaming in Development
Activities and Microfinance: Some Evidences from
Asian Experiences**

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Foreword

A large number of reviews during 1999 to 2006 noted that throughout Asia, countries have improved their development policies as reflected in trends in a number of sectoral and thematic analyses. The most noticeable improvement occurred in policies related to gender and efficiency of resource mobilisation for poverty reduction. Development research suggests that such factors tend to galvanise support for change and thus make the politics of policy reform easier for scoring higher on indicators related to the Millennium Development Goals (MDGs). Nevertheless, there is a widespread increase in a mismatch between policy reform and conditions of poverty, vulnerability and inequality, particularly that of rural women. The majority of states in Asia have not been effective in giving operational value to their policy initiatives/changes and sectoral strategies.

Women's movements, feminist researchers and numerous civil society organisations in the region have expressed deep dissatisfaction over the current poverty assessments for failing to incorporate women's concerns or overlooking gender relations of inequality. Furthermore, community perceptions are given great weight in participatory assessments, but these reflect social norms and values that tend to overlook gender inequalities in resources, voice and women's vulnerability to violence and economic risks. Measures like Gender Development Index (GDI) and Gender Related Empowerment Measures (GEM) adopted to indicate the level of women's development have not been able to capture the position gained by women in accessing livelihoods.

As a result, such indices have failed to grasp real achievements and also the barriers against women. Poverty diagnostic data are rarely gender segregated and likewise is the case of data on the informal economy and macroeconomic policies. The systems of national accounts in Asia are seriously affected by statistical invisibility of women. There is poor conceptualisation of women's economic roles and inadequate attention to home production, household work and unpaid family labour. Within these limits, this paper tries to explore the surface of this complex subject of whether poverty reduction was possible through gender mainstreaming, and whether it has any development effectiveness.

This is the purpose of this publication, in a nutshell, altogether shedding lights on what INAFI is doing on mainstreaming gender in microfinance. Presenting information or announcing progress on this front was the challenges as it is still today, and we believe, it would remain more in the future. I am pleased to share the views and the ideas of the authors with readers. Any suggestions or comments are welcome also. Thanks and regards.

Atiqun Nabi
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Summary

In the new concept of poverty reduction, access to livelihood resources, capabilities building, security against vulnerability and equality of gender have come to be viewed as one integral process of the national plans of macroeconomic and social policies to promote growth and reduce poverty. Scholars identify the dimensions of poverty that has serious gender dimensions, such as: lack of access to labour markets and employment opportunities and productive resources; lack of access to capabilities and public services as education and health; vulnerability to economic risks and to public and domestic violence, as well as constraints on mobility; lack of representation/empowerment, being without voice and without power at the family, community and national / international levels etc. Many researchers argued that development assistance has not done enough to dismantle patriarchal structures of power and to change women's gender identity of subordination both in productive and reproductive roles. Despite numerous cases of success in managing the village level governance and microfinance groups, rural women of Asia still have significantly less access than men to resources, assets, services, knowledge, technology and community decision-making.

The term gender mainstreaming emerged in the early 1980s, as a concern of the international women's movement for alternative strategies to move women's issues out of the periphery and into the mainstream of development decision-making. In the years following the Beijing Conference in 1995, gender mainstreaming has been referred to as a comprehensive strategy that involves the integration of women-oriented programmes and gender issues into development institutions. Gender mainstreaming is a process to achieve gender equality and overcome the costs of women's marginalisation. Mainstreaming requires: incorporation of gender concerns in planning, policy and implementation to provide effective rights and dignity to the disadvantaged; women inclusive social, political and economic institutions; transformation of cultural structures of power within the home and outside; ending domestic and public violence; and recognition of women's work (productive and reproductive) and contribution to economy as well as their economic activity etc.

Having a gender perspective means to be aware that for cultural, class, legal and/or other reasons men and women generally have different roles to fulfil, different access to and control over resources, different needs and priorities and as a result different constraints and opportunities and bargaining power in the way they relate. These differences between men and women in a household, community and society as a whole vary according to the area and target group considered. It is therefore necessary to check the local reality before designing a development tool such as microfinance and related services. Therefore, INAFI believes that the priority should be to provide financial products with characteristics and delivery mechanisms that are attractive to men and women and that they are advertised in such a way that men and women are aware of

their existence. Evaluating the impact of microfinance will then make it possible to revise the approach and add tools to increase the probability of fulfilling practical and strategic needs of women.

In such a context INAFI believes that mainstreaming gender in microfinance means MFIs must assess this changing reality and adjust accordingly. Women-targeted microfinance programmes are not gender-sensitive since they exclude men. Although these programmes may be justified as a positive measure to bridge the major gender gap, one must consider the possible perverse effects if men have no access to credit, such as hijacking of loans by men, household violence and/or delegation of income responsibilities from men to women. In view of above INAFI recommends that as a general rule the focus of microfinance should be to offer the most appropriate financial services to both men and women in every financial scheme.

So, in summing up, we can say that unequal gender relations affect the way in which the burden of poverty is distributed, and unequal gender relations can also be the cause of poverty among women and girls in otherwise non-poor families. Thus unequal gender relations need to be addressed both as a cause and as a factor in the intensification of poverty, and we should focus this while planning or executing development interventions or microfinance.

Introduction

Poverty reduction and empowerment of women through gender mainstreaming signifies performance in bringing about change in increased productivity, improved social development and enhanced gender equality in rights, resources and political voice that generally disadvantage women. The results of gender inequality are particularly noted in hindering development in terms of more poverty, increased deprivation and chronic failure in satisfaction of social needs, i.e., nutrition, health, education, dignity, social prestige, self-esteem etc. Thus, effectiveness of development programmes, or microfinance intervention cannot be measured exclusively in terms of improvements of income poverty, or in the achievement of project objectives that includes women as participants or beneficiaries. We must also focus on the impact of development inputs/interventions on processes of inclusion, enhancing capabilities and gender/social equalities.

To assess the poverty reduction effectiveness of microfinance or a given development intervention, two questions need to be answered. The number one is: What contribution does microfinance or a development intervention make to bring about change in gendered conditions for achieving reduction of poverty and women's inequality; and the second one is: What policies or programmes have been effective in closing the gap between development rhetoric and the reality of women's day to day existence and in setting new standards for gender-responsibility of public accountability system?

Let us see what researches done to know the answers of these two questions. A 1997 desk review of the World Bank projects found that projects that took gender relations into account in their design and implementation tended to achieve their objectives more often than projects that ignored gender issues¹. This was further supported by a more recent analysis done by the Bank, based on desk reviews and field studies. This analysis concluded that projects tended to have better on-the-ground impact when gender issues had been analysed at the country and project levels and gender-differentiated needs or impacts were recognised in project and programme design². If development projects initiated by the governments or MFIs, and the concerned officials do not take the lead in initiating measures to reduce present inequalities in gender relations, such changes are not likely to come about on their own, through so-called demand-driven measures, given that the men who dominate the social sphere would inevitably dominate the formulation of demand-driven measures. Project or product design and implementation by officials are necessary to ensure that the much-needed social changes, changes in gender relations, are made a part of poverty reduction process.

¹ Murphy, Josette (1997): *Mainstreaming Gender in World Bank Lending: An Update, Operations, Evaluation Department, the World Bank, Washington, DC.*

² World Bank (IBRD) (2001): *Engendering Development through Gender Equality in Rights, Resources and Voice*, Oxford University Press (for the World Bank), New York.

Poverty and Gender Disparity

A large number of reviews during 2000 to 2006 noted that throughout Asia, countries have improved their development policies as reflected in trends in a number of sectoral and thematic analyses. The most noticeable improvement occurred in policies related to gender and efficiency of resource mobilisation for poverty reduction³ (Poverty Reduction Strategy Papers of various countries). Research suggests that such factors tend to stimulate support for change and thus make the politics of policy reform easier for scoring higher on indicators related to the Millennium Development Goals (MDGs). Nevertheless, there is a widespread increase in a mismatch between policy reform and conditions of poverty, vulnerability and inequality, particularly that of rural women. The majority of states in Asia have not been effective in giving operational value to their policy initiatives / changes and sectoral strategies. Hence, development policy's potential as a vehicle for fostering change in institutional norms and structures of poverty and inequality is undermined.

Asian countries have a lower HDI and GDI value⁴. This is exacerbated in most cases by unequal allocation of food, lower wage rates, and lack of inheritance rights of women. Despite numerous cases of success in managing the village level governance and microfinance or self-help groups (SHGs), rural women of Asia, particularly, South Asia have significantly less access than men to livelihood resources, assets, health care, education, technology and community management. The most extreme form of gender inequality is the fact that over 79 million women are "missing" in South Asia, largely due to familial neglect of girls, sex-selective abortions, social practices like dowry, property related murders, "honour killings", acid attacks and trafficking in women and girls⁵.

Evidence from many countries in the region shows that disparities between women and men in their access to and control over resources are associated with women's systematically lower access to community governance, health and education facilities and less than optimal participation in economic decision-making⁶. Existing materials reviewed reveals that the lower status of women is rampant throughout the region. The GDP per capita for women, for example, is extremely low and is often less than half, or one-third of that of men. In Pakistan it is 30 per cent; in India 38 per cent; in Sri Lanka 41 per cent; in Bhutan 51 per cent and in Bangladesh 58 per cent. The reason for the low GDP per capita for women and the reporting of women as economically less active (i.e., in the range of 29 to 44 per cent in the above six countries) is determined by their low social

³ World Bank (2006): *Annual Review of Development Effectiveness*, Oxford University Press, Washington, DC.

⁴ UNDP (2006): *Human Development Report*, Oxford University Press.

⁵ Mahmud, Simeen (2000): 'Women and the Economy in Bangladesh', background paper for *Human Development in South Asia, The Gender Question*.

⁶ Elson, Diane (1991): *Male Bias and Development Process*, Manchester University Press, Manchester.

status. Yet, when both household and “productive labour” for market are considered, women work considerably longer hours than men do. This gap is particularly pronounced in poor households. The time that women allocate to agriculture or land-based labour is three to four times greater than that of their male partners⁷. However, customary practices throughout Asia (with some exceptions in Sri Lanka and Bhutan) prevent women from exercising their right to own and control land. This results in their exclusion from the process of rural and agricultural development.

NGOs, women’s movements, feminist researchers and numerous civil society organisations in the region have expressed deep dissatisfaction over the current poverty assessments for failing to incorporate women’s concerns or overlooking gender relations of inequality. Furthermore, community perceptions are given great weight in participatory assessments, but these reflect social norms and values that tend to overlook gender inequalities in resources, voice and women’s vulnerability to violence and economic risks. Measures like Gender Development Index (GDI) and Gender Related Empowerment Measures (GEM) adopted to indicate the level of women’s development have not been able to capture the position gained by women in accessing source of revenue.

As a result, such indices have failed to grasp real achievements and also the barriers against rural women. Poverty diagnostic data are rarely gender segregated and likewise is the case of data on the informal economy and macroeconomic policies. The systems of national accounts in Asia are seriously affected by statistical invisibility of women. There is poor conceptualisation of women’s economic roles and inadequate attention to home production, household work and unpaid family labour. Within these limits, this research initiative only just tries to keep a tally the facade of this multifaceted area under discussion of poverty reduction through gender mainstreaming.

When we portray generally women as silent observers of the male appropriation of power and resources, it oversimplifies both the women’s voice of resistance and the range of ways in which they have addressed livelihoods. There are women who speak publicly about the continuing male dominance and control of livelihood resources. Of course, many women are silent but would speak if power and resource inequalities did not create obstacles. Some choose not to speak publicly but instead exercise informal resistance in what James Scott describes “off stage defiance” (1985, p 23) and “infra-politics of subordinate groups... a wide variety of low profile forms of resistance that dare not speak in their own name”⁸. There are also women who keep quiet and show nothing but compliance to male dominance; this is done as a result of fear of insult and physical assault.

⁷ Mencher, J (1993): ‘Women, Agriculture and Sexual Division of Labour: A Three State Comparison’ in S Raju and D Bagchi (eds), *Women and Work in South Asia: Regional Patterns and Perspectives*, Routledge, London and New York.

⁸ Scott, James (1985): *Weapons of the Weak: Everyday Forms of Peasant Resistance*, Yale University Press, New Haven, US.

Moreover, gender-based domination is complex. In the case of women, relations of domination have typically been both personal and community-based; joint reproduction in the family and home without any control over productive resources has meant that “imagining an entirely separate existence for the women as a subordinated group requires a more radical step than it has for poor peasants, working class or slaves”⁹. It is not surprising, then, that women do not publicly speak out against their oppression and subordination, since like any other subordinated group, they may be socialised into accepting a view of their position and interest as prescribed from above, in maintaining patriarchal control within and outside their communities.

However, macroeconomic analysis has shown some concern in bringing about limited change in formal institutions, while paying much less attention to informal institutions that govern day to day life, and working through informal constraints called codes of conduct or norms of behaviour. These form part of the tradition that we call culture and which affects women’s sense of the possible. “For those at the high end of hierarchy, it provides the means to maintain their high position, whereas for those at the low end, it can limit aspirations, create discrimination and block mobility”, famously commented D.C. North of Cambridge University¹⁰. Pierre Bourdieu of Stanford University also make this a point that culture, therefore is a form of capital which makes it possible for certain individuals and groups (men in this case) to maintain and enhance their social, economic and political power. This type of social order plays an important role in the reproduction / perpetuation of gender inequality¹¹.

Gender equality is seen globally as a goal only, a social desirability to achieve. Surely, that is a step forward in non-discrimination. But, Asian countries still lacks a critical mass of people who are willing to launch public action for women’s equality of access to livelihood opportunities, i.e., equality in employment or self-employment and control of property and assets etc and equality of receiving incentive or remuneration in employment.

Changes in Women’s Sources of Earnings

In assessing changes in women’s source of earnings in the last ten years, we start with the overall position of women in the workforce and changes therein. One major problem that is faced in interpreting the available data is that the time series are often not comparable over time or between countries. Definitions are changed and this in turn makes it difficult to compare time series. For instance, the reference period or the reference age for labour force participation rates have changed, leading to major swings in data. But, at a broad level, women’s labour

⁹Scott, James (1990): *Domination and the Arts of Resistance: Hidden Transcripts* (p 19), Yale University Press, New Haven, US.

¹⁰North, D C (1990): *Institutions, Institutional Change and Economic Performance* (p 170), Cambridge University Press, Cambridge.

¹¹ Bourdieu, Pierre (2001): *Masculine Domination*, Stanford University Press, Stanford.

force participation rate shows women's economic participation in non-domestic work. An equivalent measure is women's economic activity rate: The share of the women population of ages 15 and above, who supply, or are available to supply labour for the production of goods and services.

Initial estimate shows that most countries of Asia, esp. in South Asia did not show much improvement, although none of them moved back in women's economic activity rates. There is a marked improvement in Pakistan, which, however, started at a much lower level of women's economic activity and this remains at 44 per cent, the lowest of all south Asian countries in comparison to men's economic activity rate. The highest comparative levels are attained in Bangladesh and in the Maldives, with 76 per cent and 80 per cent, respectively. What this shows is that progress in most of South Asia has been very slow or has only kept up with increases in the labour force; and there is a long way to go before they match the performance of southeast or east Asia, where for example, it is 85 per cent for Thailand and 86 per cent for China¹². Concerning the economic activity rate, there is the question of women's status, as contributing family workers, own-account workers or wage and salary workers. A high percentage of women as contributing family workers will be accompanied by a low portion of women as independent earners. Consequently, a reduction in the proportion of women as contributing family workers can be taken as an improvement in their status as independent income earners.

Changes in the method of calculation of the above data was found, which make it difficult to make comparisons, observed Susan Horton. Nevertheless, one broad conclusion is possible: There has been a movement of women away from "contributing family workers" towards both "wage and salary workers" and "own account workers" in most of South Asia, with only India showing almost no change in these proportions. This means that there is a movement in the direction of women being income earners away from being family workers. In Bangladesh there has been the development of the export-based readymade garments industry, which now absorbs about two million women as factory workers. In India, the movement out of family workers into income earners has been mainly into casual, home-based workers or "own account workers" in the above classification¹³.

Women in Agricultural

Hardly anybody show difference of opinion that an overwhelming majority of the economically active in agriculture are women. In 1997, close to 70 per cent of the women of working age in low-income, food-deficit countries were engaged in agricultural work. Yet women own less than 2 per cent of all land and receive

¹² UNIFEM (2003): *Not a Minute More: Ending Violence against Women*, New York.

¹³ Horton, Susan (1996): 'Women and Industrialisation: Overview' in Susan Horton (ed), *Women and Industrialisation in Asia*, Routledge, London.

only 5 per cent of extension services worldwide¹⁴. Particularly in South Asia, approximately 3 to 10 per cent of rural women own land which they cultivate. Land defines the social status and political power in the village. The exclusion of women from the allocation of intra household resources limits their power of control over land based income. This is further reinforced by socio-cultural perceptions of physical and biological constraints on women's work; and patriarchal property ownership practices where land / property is inherited from father to son or another close male relative in the absence of son in most of South Asia, with exceptions in Bhutan, partly in Maldives, and some pockets in North-East India/Bangladesh like Khasi, Garo and Jainta Hills. However, though little evidence is found whether women's lack of ownership and control of agricultural land affects productivity, it is desirable that women be recognised as cultivators in their own right, and this would enable them to get loans from the MFIs directly and become active partners in the acquisition of farm equipment and management of their farm.

Women in Informal Work

Throughout Asia, the informal workers have grown both in absolute and relative terms, to the formal sector workers¹⁵. This growth can also be seen in terms of growing casualisation of the workforce. In India, women and men informal workers constituted about 72 and 68.4 per cent of the workforce respectively in the country. High proportions of informal workers were found in trade, hotels and restaurants, followed by manufacturing¹⁶. In Bangladesh between 1983-84 and 1995-96, the number of women among the informal workers increased from 44 per cent to 75 per cent¹⁷. Interestingly, the growth rate for male labour force during 1995-96 to 1999-2000 stands at 1.2 per cent, while for women this growth rate in the labour force during the same period is 14.4 per cent¹⁸. According to 1991 figures for Nepal, the majority of informal workers are women: 83.7 per cent women and 69.5 per cent men and they were self-employed¹⁹. A study of Pakistan reported that approximately 1,00,000 women worked in brick kilns, but were not officially employed because, although the entire families worked, only the men were registered as the head of the households²⁰.

¹⁴IFAD (2002): *Assessment of Rural Poverty Asia and the Pacific*, IFAD, Rome.

¹⁵ILO (2003): *Key Indicators of the Labour Market*, ILO, Geneva.

¹⁶ILO (2004): *India: Country Strategic Opportunity Paper*. ILO, Geneva

¹⁷ Mahmud, Simeen (2000): 'Women and the Economy in Bangladesh', background paper for *Human Development in South Asia, The Gender Question*.

¹⁸ Government of Bangladesh (2002): *Statistical Profile of Women in Bangladesh* (p 137), Ministry of Women and Children Affairs, Bangladesh Bureau of Statistics and Ministry of Planning, Dhaka.

¹⁹ Mahbub ul Haq Human Development Centre (2000): *Human Development in South Asia 2000, The Gender Question*, Oxford University Press.

²⁰ Klein, H G and R Nestvogel (1999): *Women in Pakistan: General Conditions, Approaches and Project Proposals for the Development and Vocational Qualifications of Women in the Province of Punjab*, Vanguard Books, Lahore.

Women's entry into the workforce in Asia has largely been in the informal economy. Many experts noted three distinct outcomes, i.e., growth of the informal sector; greater feminisation of labour market with widening gender wage differentials (women being paid far less than men for the same or similar work); and re-emergence of home-based work as an important constituent of industrial production. Further, many researchers observed that the unorganised sector, i.e., non-agriculture accounts for over 90 per cent of all women workers, including waged workers, piece rate workers and the self-employed. The growing presence of women in the household industry of many Asian countries, esp. in the South Asian countries including Bangladesh and India showed a steady increase²¹.

Migration and Gender Disparity

In Asia as a whole there has been an increasing feminisation of migration, with women constituting 2.5 million or more than 26 per cent of total Asian migrant workers in 2004²². Of total migrants, it is also estimated that 30 to 40 per cent are "irregular" migrants, who have no legal status and consequently no protection of their rights. Two Asian countries in which women's migration is far greater than that of men are the Philippines and Sri Lanka.

The proportion of women migrants has ranged from 95.2 per cent of the total in 1996 to 88.8 per cent in 2000²³. Most of them fall into the "housemaid" and "unskilled" categories. Women migrate for livelihood needs to support themselves and their families. In the process women are able to emerge as independent income earners. While this is a benefit to women, it comes at a cost. Often the women who migrate as maids themselves have families and children. While they go to earn an income through looking after other people's families and children, they face the alienation of not being able to look after their own families and children. In addition to migration for meeting the household's basic needs for food, shelter and economic security, the needs or motivations for women to migrate include "elements of society that limit a woman's personal development, marriage with dowry, etc"; and "escape from stigmatisation / violence – incest, rape, former sex worker, divorced, widowed, etc"²⁴.

The importance of migration can be seen in the role of remittances by migrant workers. It is the largest or second-largest source of foreign exchange in a number of South Asian / ASEAN countries, including Philippines, India, Sri Lanka, Bangladesh and Pakistan etc. World-wide remittances from migrant workers are greater than ODA and private capital flows to developing countries put together. Apart from Mexico, all major remittances earning countries in the world are Asian, and particularly India, ranked first in the world for remittances

²¹ UNIFEM (2002): *Proceedings of Workshop on Globalisation and Its Impact on Women Workers in the Informal Economy*, New Delhi, unpublished.

²² IOM (2006): *Labour Migration in Asia*, IOM.

²³ Ibid

²⁴ Ibid

now followed by the Philippines, while Bangladesh is progressing ranking eighth in the world²⁵. Migrant women play an important role in the economic development of both the migrant and immigrant countries through financial contributions from remittances, the improvement of their own skills and education; and also influence the societies of origin by spreading new norms of mobility and values about women's rights and opportunities.

Catalysing Poverty Reduction

In the new conceptualisation of poverty reduction, access to livelihood resources, capabilities building, security against vulnerability and equality of gender have come to be viewed as one integral process of the national plans of macroeconomic and social policies to promote growth and reduce poverty. Amartya Sen identify the following dimensions of poverty: lack of access to labour markets and employment opportunities and productive resources; lack of access to capabilities and public services as education and health; vulnerability to economic risks and to public and domestic violence, as well as constraints on mobility; and lack of representation / empowerment, being without voice and without power at the household, community and national / international levels²⁶. It is further argued that development assistance has not done enough to dismantle patriarchal structures of power and to change women's gender identity of subordination both in productive and reproductive roles. Despite numerous cases of success in managing the village level governance and microfinance groups, rural women of south Asia still have significantly less access than men to resources, assets, services, knowledge, technology and community decision-making.

The term gender mainstreaming emerged in the early 1980s, as a concern of the international women's movement for alternative strategies to move women's issues out of the periphery and into the mainstream of development decision-making. In the years following the Beijing Conference in 1995, gender mainstreaming has been referred to as a comprehensive strategy that involves the integration of women-oriented programmes and gender issues into development institutions. Gender mainstreaming is a process to achieve gender equality and overcome the costs of women's marginalisation. Mainstreaming requires incorporation of gender concerns in planning, policy and implementation to provide effective rights and dignity to the disadvantaged, women inclusive social, political and economic institutions, transformation of cultural structures of power within the home and outside, ending domestic and public violence, and recognition of women's work, productive and reproductive, and contribution to economy as well as their economic agency.

²⁵ International Organisation for Migration (2006): Dynamics and Strategies for Addressing Trafficking in Persons: A New Paradigm, Adult Scenario Migration, IOM, Bangladesh.

²⁶ Sen, Amartya (1993): 'Capability and Well-being' in Martha Nussbaum and Amartya Sen (eds), *The Quality of Life*, Clarendon, Oxford.

Unequal gender relations affect the way in which the burden of poverty is distributed, and unequal gender relations can also be the cause of poverty among women and girls in otherwise non-poor families. Thus unequal gender relations need to be addressed both as a cause and as a factor in the intensification of poverty.

Women's Capacity for Autonomous Action

Women's organisation defined as the capacity for autonomous action in the face of constricting social sanctions and structural inequalities. This, in turn, offers a framework in which constraint is seen as constitutive of gender norms and relations between women and men, which are entrenched and durable but no unchanging. Enhancing women's organisation requires action on a number of fronts. Property rights, access to finance including microfinance, building of women's outfits, effective participation in community forums, measures to curb domestic and public violence on women, tackling discrimination against the girl child in matters of nutrition, health care and education– all these are aspects of transforming gender relations²⁷. Studies on Microcredit in Bangladesh have shown that this does happen when women become income earners. They are able to use more of household income to improve their own wellbeing, thus reducing poverty within households. It further improves women's mobility, social visibility, dignity and self-esteem. The basis of this strategy lies in the recognition of some crucial interrelations between reducing gender inequality and reducing poverty.

- Since women experience greater poverty than men, it is necessary that women be enabled to improve their own well-being.
- There is substantial evidence to show that women's empowerment, or agency enhancement, can benefit not only women themselves but also children and men.
- Women's education, economic independence, increase in remunerative employment, political mobilisation and so on, altogether have a substantial effect in reducing the number of births, and also reduce child mortality rates for both girls and boys.
- Women's active participation in community management and control over productive assets can increase the efficiency with which households and communities can use their human, natural and other resources.
- Environmental regeneration requires both the active participation of women as community managers, and their increased economic participation in order to transform natural resource use patterns.
- Women's organisation can have an impact on society as a whole through raising issues of social transformation.

²⁷ www.ifad.org/gender/policy/action/htm

Over the last decade, there has been a slow, partial and even sporadic change in women's education, their representation in governance and their status as independent income earners in their own right. But is such a movement an advance for women? Does it represent a capability development, an increase in their well-being, and in their freedom of choice? Has it weakened the grip of patriarchy or does it function within the confines of traditional relations? We look at these questions taking two major sites of this transformation – first, women as wage workers in the garment industry in Bangladesh and second, women as own-account producers in the informal economy. In both cases, whether as wage workers or own account producers, there is the role of women as income earners, one which is different from their former and traditional status as dependent family workers. There is the increase in dignity that goes along with being a wage earner, often even the major income provider in the family. This is different from women's work in family agriculture. Women's contribution would have been considered in the general household labour and not even acknowledged as productive labour, given that men are generally the owners of land in Asia.

Women's earnings from wage labour in garment manufacture, although low, were still twice of what they could have earned in the informal economy or in rural areas²⁸. It was further found that 57 per cent of women garment workers determined how their own wages are spent and also that their husbands contributed 1.3 to 3.7 hours of household work per day²⁹. With both wage labour and own-account production, women have greater prestige in the family and also have a greater control over how their income is spent, which is what Nobel Laureate Prof Amartya Sen's theory of household bargaining as cooperative conflict would predict³⁰. Women are able to direct more of the household income towards their own and their children's well-being.

This advance should not blind us, however, to the inadequacies in the new forms of women's incorporation in global chains. The advance is disturbed, as in most of the Asian countries. Further, as the Asian crisis showed in East and South-East Asia, there can be reversals of this movement, with market downturns forcing women back into household and domestic roles as they perform the role of shock absorbers to macro-economic downturns³¹. The uncertainties and risks of own-account workers, low wages and sexual harassment for those in the workplace, all associated with the new ways of women's incorporation in global chains are only aspects of the lack of what the ILO calls decent work – "it involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for

²⁸ World Bank (1995): *World Development Report: Workers in an Integrating World*, Oxford University Press, Washington, DC.

²⁹ Ibid

³⁰ Sen, Amartya (1990): 'Cooperative Conflict' in Irene Tinker (ed), *Persistent Inequalities: Women and World Development*, Oxford University Press, New York.

³¹ Economic and Political Weekly October 29, 2005.

personal development and social integration, freedom for people to express their concerns, organise and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men”³².

Moving forwards the struggle of women workers for respectable work, some major issues need to be confronted. First is that the gender differentiation of the labour force between a core of men who have somewhat respectable work standards and a flexible mass of women workers who do not have these standards, largely proceeds on the basis of skill. Women are kept out of skilled categories or their labour, even though skilled, is classified as unskilled. This skill-based gender differentiation of the labour force needs to be confronted and changed, if the conditions of women workers are to change.

Women’s Family Interests and its Impact

Conceivably because of women’s gender responsibility of provisioning the family, i.e., acquiring and processing food, women tend to spend more of the income they control for family consumption goods. This is in contrast to the behaviour of men who tend to spend more of the income they control, on themselves, cigarette or alcohol entertainment etc, and consequently neglect the consumption needs of children and others in the family. What this shows is that the well-being or poverty-reducing impact of an increase in family income is greater when the increased income is controlled by women than when it is controlled by men. The poverty-reducing impact of development interventions increases when women’s activity is enhanced within the family. Studies by Jean Dreze and Prof Amartya Sen show a clear correlation between women’s educational status and infant and child mortality³³. This probably works in two ways. On the one hand, women are able to use the knowledge they acquire from education and mobility, and on the other hand, women’s education is likely to increase their role in family decision-making. Both of these routes together lead to an improvement in infant and child nutrition status.

Women’s Land Tenure and Effectiveness of Resource Use

Growing range of econometrically influential studies shows that land and asset ownership by women have significantly better outcomes for their activity as well as for child survival, education and health, than those owned only by men. Not being landowners is at least part of the reason why women are not perceived as farmers even when they do much of the farm work. As a result, agricultural extension and information on new technologies are almost exclusively directed to men in many Asian countries, even when women are traditionally responsible. Although vegetable cultivation is almost universally women’s work in Asia, projects that aim to diversify agricultural production by promoting commercial

³² www.ilo.org/public/english/decent

³³ Dreze, Jean and Amartya Sen (2002): *India Development and Participation*, Oxford University Press, Delhi.

vegetable cultivation as in Bangladesh often train, or used to train, the men. It is often wrongly argued that “something” is inevitably lost when the knowledge is “passed on” to women. But, if women were accepted as owners and hence as farmers, it is more likely that they would be targeted for training as farm managers, and not only as home managers.

In the midst of increasing feminisation of agriculture in the Asian countries, women lack title to land which is one of the causes for the persistent gender inequality. Many analyses regarding this emphasises that women’s lack of title to land makes it difficult for women farmers to access institutional credit. Thus, new deal for women in agriculture, along with necessary inputs and credit support could increase the efficiency of resource use and thus contribute to increasing production. This is borne out by an ongoing IFAD project in Bangladesh, the Aquaculture Development Project. In this project women were exclusively trained in fish aquaculture and provided credit for commercial fish culture in ponds owned by their men. With this knowledge and credit women were able to transform pond aquaculture from a semi-subsistence mode to a regular commercial mode, with an increase in productivity of more than 50 per cent, observed Dev Nathan and Rownak Jahan in their book “Women as Fish Managers”³⁴. Women in Andhra Pradesh, India also used microcredit to take on lease, lands that were being irregularly cultivated and develop them into regular cultivation with higher productivity than earlier.

Changing the managing practices and ownership status of household resources can help increase productivity particularly where these resources are underutilised. In Pakistan and Nepal, large migration of men has left women as de facto farm managers. But there management decisions are constrained by their inability to access credit on time as the land remains in the names of men, and their signatures are needed before credit can be given. There are reported consequent losses also due to failure to procure and use inputs on time.

Collection of fuel wood and fodder from forest lands, and water from faraway places was the last part of the household labour that Asian women usually do. It ended from the very low opportunity cost of women’s labour which resulted in the overuse of women’s labour and the fuel wood, fodder or water that were collected with that labour. More detailed analysis of the connections between gender equality and fuel, fodder or water collection and consumption patterns brought out the proposition that the low opportunity cost of women’s labour limits the adoption of improved stoves, getting animal feed, or accessing water and that women’s entry into income-earning activities would promote this fuel, fodder or water accessing transition.

³⁴ Nathan, Dev and Rownok Jahan (2004): ‘Women as Fish Managers’, Aquaculture Development Project, Bangladesh, Supervision Mission Report, UNOPS, Kuala Lumpur and IFAD, Rome, June.

Case 1: Women's Control over resources

Aquaculture in fish ponds is an important livelihood in Bangladesh. But like land, ponds too are entirely owned and controlled by men. Two recent initiatives, however, show how women can get access and control over aquaculture activities in fish ponds. In the mid-1990s, the government of Bangladesh gave user rights of fish ponds to women in the Ox-bow Lakes Project of Government of Bangladesh-IFAD and DANIDA. They were also provided training and credit through an NGO. Since getting user rights to these ponds, women have had to fight to retain control over them. There have been frequent attempts by men, connected to the ruling political parties, to take over these fish ponds. So far, in a majority of cases, women have retained these ponds and used the income from fish culture activities to improve their own well-being and that of their households. More recently, in the Aquaculture Development Project of Faridpur (Government of Bangladesh and IFAD) women, whose husbands owned ponds, were given capital and training for aquaculture. With this they increased household income from fish ponds, and their own control over this income. Though the ponds remained in their husbands' names, the fish enterprise was clearly under their ownership. As one woman put it, "the pond belongs to my husband, but the fish belong to me". Both of the above are instances of changes in the way resources are managed: in the first case, what was government-owned has been handed over to women; in the second case, women used capital and knowledge to take over effective management of ponds from their husbands. Source: Nathan, Dev and Rownok Jahan (2004): 'Women as Fish Managers', Aquaculture Development Project, Bangladesh, Supervision Mission Report, UNOPS, Kuala Lumpur and IFAD, Rome, June.

Evidences of Changing Role of Women

There are many examples, from many parts of the world, of the transformational role of women. The struggles of Argentinean and other Latin American women (Mothers against the Disappeared Ones) were instrumental in securing widespread human rights for their societies as a whole. The activities of the Self-Employed Women's Association and the Working Women's Forum in India, the Grameen Bank, BRAC, Proshika etc in Bangladesh and many other women-centred NGOs have brought to centre stage the role of the informal sector and of women's contribution to economic development. They have transformed the definitions of employment and trade union and initiated many regulations that have improved the conditions of work and life. Strategic gender impact and women's social transformational roles have also been observed in many donor funded projects in Asia, for example:

- In a project in India, self-help groups of women took up contracts for local construction and, with the help of supportive bureaucrats, were instrumental in the elimination of contractors for such works in all indigenous peoples' areas of the state. More recently, federations of SHGs in the project have taken on multiple functions in addressing social

and administrative issues at the block and sub-divisional levels. They have taken up issues like construction of toilets, repair of roads, improvements in drinking water and electricity supply – all matters of good governance at the local level³⁵.

- Such matters of good governance were also taken up by well established women's SHGs in another Indian State – insisting on proper provision of social services, like drinking water and bus services³⁶.
- Women's individual access to productive resources, directly and not mediated by men, has been most successfully addressed in microfinance schemes, but rarely touched in other areas, particularly land and common resources, like forests and water. Rural women in significant numbers have bought or based agricultural land in their independent names in four districts in Bangladesh. The Aquaculture Development Project in Bangladesh is now trying to formulate measures to transfer effective control of household ponds to women³⁷.
- Gender discrimination is deeply embedded and reinforced by social and cultural systems. To overcome these constraints projects like Dir and northern areas in Pakistan, East Java in Indonesia, several projects in Bangladesh, and the Mewat project in Haryana, India will have to be innovative and negotiate with local religious leaders and scholars in order to get support to form women's organisations³⁸.
- In some cases, women have been able to move out of "a culture of apathy"³⁹. They now aspire to change themselves, their men and most of all their children. As confirmed by women, men and children in the *adivasi* villages in North-Western Bangladesh, there was substantial reduction in the drunkenness of men and violence within the home. Women emphasised that prior to joining the groups, "we were socially considered ignorant beings; we did not know how to carry ourselves and where a bus was going, now we know about the bus and....Men are listening to us now. Our social prestige / respect in the community has improved because of our outside work, increased income, work in *samity*, dealing with outsiders like Ashrai (a Bangladeshi NGO) staff, traders etc. People from the neighbouring villages admire us for our work and ability to do

³⁵ Nathan Dev, N Madhusudan, D Anasuya and V Krishna Rao (2003): *Adivasi Development in India: Lessons from IFAD Projects in Andhra Pradesh*.

³⁶ UNIFEM and SEWA Bharat (2002): *Proceedings of Workshop on Globalisation and Its Impact on Women Workers in the Informal Economy*, New Delhi, unpublished.

³⁷ Nathan, Dev and Rownok Jahan (2004): 'Women as Fish Managers', Aquaculture Development Project, Bangladesh, Supervision Mission Report, UNOPS, Kuala Lumpur and IFAD, Rome, June.

³⁸ IFAD (2002): *Assessment of Rural Poverty Asia and the Pacific*, IFAD, Rome.

³⁹ Douglas, Mary (2004): 'Traditional Culture – Let's Hear No More about It', *Culture and Public Action*, Stanford University Press, Stanford.

these things. Men no longer order us to do things and where to go and not to go. Now we have acquired a social visibility and self-respect as *adivasi* women”⁴⁰. Dealing with project and other officials on somewhat more equal terms, negotiating the intricacies of running the procurement centres, learning to keep accounts, learning to deal with the market and officials, and with their own men, has not only led to material benefits in improved well-being, but it has also increased these women’s activity and “capacity to aspire”⁴¹. This development of their capacity to aspire is the biggest guarantee that the achievements of the project will be sustained as women dare to take bigger strides for themselves and their families.

Political Value of Women

There is persistent belief that inclusion of women into the political process or governance would change the way in which the politics of development is carried out. Women are supposed to be more concerned about the common good – their style of development would be less corrupt and more cooperative. There are hardly any regional or national studies carried on the subject. A macro picture based on case studies suggests that a well-established “feature of institutionalised corruption makes it also rather unrealistic to expect women to be more clean politicians than men. Corruption is apparently a well-oiled machinery. In such circumstances, a representative would need a lot of resources, material as well as non-material, to fight corruption and women are even more unlikely to have command over such resources”⁴². Evelin Hust further raises an important question that is asked in the countryside of South Asia, particularly in Bangladesh after women’s elections to local elected bodies like the *Union Parishads* are introduced nowadays, and that is: everybody is complaining about corruption, and women with their one-third representation and resource-poor conditions within the home and outside, are expected to carry out the heavy burden of ending corruption. This is an overly idealistic hope, as Hust put it in the book (p 200), and should not be put solely on the shoulders of women. This has resulted in silencing, even ousting many women leaders (*Women Union Parishad* members in Bangladesh, and *sarpanch* in India) by the male patriarchs of the village. Ending corruption, like ending violence, is a task for the entire system of macro-governance and community management. In spite of numerous obstacles to women’s local political value, there is evidence around South Asia that women members and leaders in the local governance do manage to articulate their perspectives in matters such as land transfers to women, education, water supply issues, roads, fuel, health care and toilets for women⁴³. Women may have

⁴⁰ Informal interview of an *adivasi* woman during a field visit in a remote Tanore village with the author while he was a participant of Ashrai review mission of its recent evaluation, July 2006.

⁴¹ Appadurai, Capacity to Aspire: Culture and the Terms of Recognition’, *Culture and Public Action*, Stanford University Press, Stanford.

⁴² Hust, Evelin (2004): *Women’s Political Representation and Empowerment in India: A Million Indiras Now?*

⁴³ United Nations Research Institute for Social Development (2005): ‘Gender Equality for Justice in an Unequal World’, UNRISD, Geneva.

low political efficacy because of their inadequacy in proportional representation and poor endowment in resources. Yet, all the available data indicates that in the local governance where women have effective presence, they are grounded in claims of gender strategic identity and seek to eliminate the subordination and discrimination stemming from patriarchal structures of power.

Gender-based Violence has any Ending?

During the World Conference on Women Beijing Plus10, NGOs and civil society groups expressed concern at the incidents of violence against women that as long as there is gender-based violence, it is difficult to claim progress in human development⁴⁴. Gender equality requires protection from gender-based violence in domestic and public spaces, “Violence and aggression against women in public is seen as linked to the rise of conservative forces in society that aggressively and consciously act to prevent women’s public appearances and participation”, observed Farida Shaheed and Yasmin Zaidi⁴⁵. There are, however, two inter-related questions of violence: Do development and/or microfinance interventions reduce violence over time, and how to deal with violence that comes up in implementing development projects or microfinance activities? There are, for instance, reports that the organisation of women into savings and credit groups has led to incidents of violence by men of their households. The violence was reportedly because of failure of women to perform their set household duties, like serving food to men on time. But in one way or the other such violence reflects a reluctance of men to come to terms with the changes in women’s social visibility and in gender relations that tend to come about with changes in women’s income status. At the same time, there are also reports that such violence tends to go down as the functioning of these women’s groups gets established and as the importance of their economic contributions to the households are realised and accepted by men.

The costs of violence have been estimated in many studies to include economic loss experienced by the individual like absence from paid work and/or lost productivity, expenses related to physical and mental health, lost lifetime earnings etc. Domestic violence can push economically fragile households into an economic crisis, and women may lose, on average, four to five working days after an incident of violence. Violence against women has also personal and social effects. It reduces quality of life, reduces mobility and participation in democratic processes, and it has effects on children. Many MFI workers reported women are afraid to travel alone outside the village for fear of being raped, thus limiting women’s freedom and preventing them from participating in community and income-earning activities. Building a coalition against violence is not usually seen as part of development projects or microfinance activities in the poverty

⁴⁴ Economic and Political Weekly October 29, 2005

⁴⁵ Shaheed, Farida and Yasmin Zaidi (2005): *Pakistan: Ten Years into the Beijing Platform for Action – A Civil Society Perspective on Some Critical Areas of Concern* (p 14), NGO Organising Committee, Beijing Plus 10, Pakistan.

reduction programmes. But as has been argued in many places, violence against women is a development problem, and it is a problem affecting women's activity. Building a coalition against such violence is necessary to addressing the strategic interests of women and to enhance their economic activity.

Microfinance and Change in Gender Relations

Major advances in women's income have been through the institution of microfinance and their participation in the local markets. Starting in Bangladesh, through the innovations of Grameen Bank and BRAC, microfinance institutions (MFIs), whether in the form of NGO-run credit groups or the Indian variety of self-help groups (SHGs), have now become an omnipresent feature of women's livelihood programmes. By December 31, 2005, 3,133 microcredit institutions reported to the Microcredit Summit Campaign, reaching 113,261,390 clients with a current loan, 81,949,036 of whom were among the poorest (in the bottom half of those living below their country's poverty line or below US\$1 a day) when they started with the programme, and amongst the all, 91 percent of the poorest families reported are in Asia, a continent that is home to some 67 per cent of the world's people living on less than US\$1 a day, as reported in the "State of the Microcredit Summit Campaign Report 2006" (p 14). The report also informs in its Appendix 1 that microfinance in India covered by National Bank for Agriculture and Rural Development (NABARD) alone over 33,578,475 poor households accessing banking services through SHGs and the SHG-Bank Linkage programme is the largest in the world in terms of its outreach. Apart from that The report adds that Grameen's active microcredit clients in Bangladesh is 5,580,000, Association of Asian Confederation of Credit Unions (ACCU) Thailand 5,069,184, Bangladesh's Rural Development Board (BRDB) 4,015,467, Association for Social Advancement (ASA) Bangladesh 4,180,000, BRAC Bangladesh 4,160,000, National Family Planning Coordinating Board (BKKBN) Indonesia 2,334,387, Proshika Manobik Unnayan Kendra Bangladesh 1,587,166, Vietnam Bank for Social Policies (Vietnam Bank for the Poor) Vietnam 4,125,000, Samurdhi Authority of Sri Lanka Sri Lanka 640,104, Central People's Credit Fund (CCF) Vietnam 1,210,000, and Bank Rakyat Indonesia (BRI) has 3,313,532 active clients⁴⁶.

Many studies suggest that in Bangladesh, microfinance institutions have promoted women's entry into income earning occupations and have had an impact on poverty reduction and women's empowerment. The rise of women's micro-enterprises, poultry rearing, vegetable growing, and so on, has made women's income a permanent component of household income and weakened the traditional relationship of the secluded women dependent on the male provider. Further, the incomes earned from microcredit financed activities of women are not just temporary or irregular. They have become an integral part of

⁴⁶ Data presented here are not complete information, and the figures represent only top 10 Asian MFIs as reported by Microcredit Summit Campaign in their State of the Microcredit Summit Campaign Report 2006, Washinton, D.C.

the household budget. Thus, there is a change in the picture of men being the breadwinners which is one part of the gender relations of patriarchy. The change in one part of this relation that of dependence cannot but have impacts on the other part of the relationship, which of women's seclusion, consequently weakening the position of patriarchy. The weakening of seclusion itself has been noticed in a number of ways, say for instances, women's greater presence in the market as buyers; though only very restricted as sellers; women's participation in various types of agricultural fieldwork; women's unescorted movement; though often in a group and not alone, to the markets; to schools, to attend training, and so on.

Change studied found a weakness is that, by and large, there is still the expectation that women are solely responsible for domestic labour and for maintaining the rhythm of family life. We noted a few instances of men taking up some domestic responsibilities, particularly when women are away on training, or doing some subsidiary domestic work, like cleaning food for cooking, though not taking responsibility. But these are still very few instances. More widespread is the acceptance of some disruption of family life, such as meals being late when there is a meeting. But, overall, it is still true that women are almost entirely responsible for domestic work, which means that the price they have to pay for some improved well-being, and increased self-respect and influence in household matters, is that of increasing their hours of work. Nevertheless, the price women have to pay for their successes is that of working longer hours. This is no doubt a critical weakness of the change in gender relations that poor, rural women are going through, a weakness that will continue until the conjunction of domestic with other, productive labour is challenged. Importantly, some men are beginning to realise the opportunity cost of women's labour and this makes them ready to share some of the domestic tasks, like fetching water, drying paddy and taking care of children.

Case 2: Women getting hold of Land and Assets

Microfinance has become a source of capital for women to acquire access to land. MFIs in Bangladesh in fact discourage women from using loans to acquire land, since the return from land is neither quick nor regular. But women nevertheless use loans to lease land, often leveraging their own capital with finance from their husbands. There are few purchases of land, but leasing in land has become quite common for women members of credit groups. Of 261 women of several microfinance groups in rural Bangladesh, 117 reported land acquisition through purchase or lease. In 87 instances (including three of inheritances), land was in women's names. Ten of these instances were those of two groups of women leasing land for vegetable production. In four instances, land was acquired in the joint names of husband and wife, while in 26 instances the land was in the name of the men alone. Source: Nathan, Dev and Rownok Jahan (2004): 'Women as Fish Managers', Aquaculture Development Project, Bangladesh, Supervision Mission Report, UNOPS, Kuala Lumpur and IFAD, Rome, June.

INAFI on Mainstreaming Gender in Microfinance

The success of certain financial intermediaries lending to poor people particularly in Asia has put microfinance high on the agenda of development, which is the provision of savings, credit and/or other financial products. Different types of financial intermediaries extend microfinance, most of them are geared exclusively to women that are not homogenous groups and there is no magic recipe to cover the characteristics of products and delivery mechanisms demanded by these different groups. However, most women, the microcredit borrowers operate in the informal sector generating income from a range of activities that are concentrated and dominant in more traditional manufacturing activities such as livestock rearing, knitting, dressmaking, handicrafts, as well as in retail trading. Though women becomes the target of the MFIs but the poorest or the hardcore poor who represent about half of the poor and subsist on a per capita income that is less than half that of the poverty line are left-out. For the most part these hardcore poor are so destitute that either they consider themselves unable to service debt and therefore shy from borrowing or group members ostracise them when group guarantee is required. This is all-about scenario in microfinance practice almost everywhere in the world. Then why the gender perspective comes in INAFI?

Having a gender perspective means to be aware that for cultural, class, legal and/or other reasons men and women generally have different roles to fulfil, different access to and control over resources, different needs and priorities and as a result different constraints and opportunities and bargaining power in the way they relate. These differences between men and women in a household, community and society as a whole vary according to the area and target group considered. It is therefore necessary to check the local reality before designing a development tool such as microfinance and related services. Some people are concerned about men hijacking loans taken out by women. In some cases men use loans given to women either because women are forced to hand them over or because they consider this alternative a better choice. However, some people say it seems that women's control over loans increases over time but only "up to a certain point" after which "control appears to diminish". So, the question comes automatically what is the best way to ensure that women maintain control over their loans, invest in the most profitable activities and maintain control of the benefits from that investment?

There are no easy or clear answers to these questions but the fact remains that women continue to borrow and to repay even when loans are hijacked by men and tension in the household increases because it is also true that microfinance brings about many tangible direct results for many male and female customers in the shape of increased incomes, education, health and nutrition. Some women also become empowered which will not remain unnoticed and un-copied. Therefore, INAFI believes that the priority should be to provide financial products with characteristics and delivery mechanisms that are attractive to men and

women and that they are advertised in such a way that men and women are aware of their existence. Evaluating the impact of microfinance will then make it possible to revise the approach and add tools to increase the probability of fulfilling practical and strategic needs of women.

Gender-focused microfinance is not about providing credit to women. It is about making microfinance gender-sensitive. INAFI believes that this could be done by taking into account the needs and constraints of both men and women when designing and delivering microfinance. The objective of a gender-sensitive approach is to ensure that the finance provided is just as attractive to women as it is to men. A gender-sensitive approach is inclusive rather than exclusive. Designing an inclusive microfinance institution means finding the lowest common denominator of the targeted customers. For example if women are not allowed to leave their village for cultural reasons then microfinance has to be provided in the village so that women are included as potential customers. Women may prefer different credit terms and conditions, different delivery mechanisms and even different financial products, such as savings products, insurance, etc. Being gender-sensitive is recognising that men and women are varied have different needs and priorities which evolve over time.

In such a context INAFI believes that mainstreaming gender in microfinance means MFIs must assess this changing reality and adjust accordingly. Women-targeted microfinance programmes are not gender-sensitive since they exclude men. Although these programmes may be justified as a positive measure to bridge the major gender gap, one must consider the possible perverse effects if men have no access to credit, such as hijacking of loans by men, household violence and/or delegation of income responsibilities from men to women. In view of above INAFI recommends that as a general rule the focus of microfinance should be to offer the most appropriate financial services to both men and women in every financial scheme. The issues to be addressed are:

- Loan use and eligibility criteria: Since it is desirable to encourage more of the poor, including women, into activities with higher returns, one should not bar them by setting eligibility criteria and loan use. What really matters is the ability of the customers to repay the loan. It is therefore important to ask if the loan use and eligibility criteria meet the credit needs of poor men and women, who may need to utilise their loans for a variety of purposes (consumption and investment) rather than for a specific targeted use.
- Interest rate: Interest rates should be charged so that they cover all costs to secure the sustainability of MFIs. However, in a disadvantaged area where clients are poor women, operational costs may need to be subsidised.
- Loan size: Women are generally poorer than men are and therefore they tend to be attracted to smaller loan sizes than men. It is therefore

important that the loan sizes, repeat loan and loan graduation systems are appropriate for both poor people seeking credit at low levels.

- Loan duration: Loan duration can be as important as size in reflecting the customers' type of business. Many poor customers, particularly women, tend to be in trading and may want shorter loan terms.
- Approval time: Women more often than men face temporary crises or setbacks needing rapid access to credit. There may be a business opportunity that is limited in time. It is therefore considered best practice that small loans should be approved in no more than one week.
- Repayment terms: Women's business ventures are generally less profitable than those of men, and this, increases the risk of women being unable to repay. Ease of repayment reduces this risk. However, the cash flow also needs to be taken in consideration for the purpose of defining realistic repayment terms.
- Savings: Women require liquid savings, with easy access to them, and want to be sure they are safe and offer a positive return. However, a woman may sometimes prefer contractual savings instruments so that they cannot be forced by their families to take their savings out.
- Forced savings: Most of the MFIs require regular savings to accustom future borrowers to be financially disciplined and to serve as collateral. Only once a percentage of the loan is saved is the loan granted. There is dissatisfaction among customers regarding difficulties in withdrawing forced savings. This is particularly true for women who need rapid access to their savings when facing temporary crises or setbacks. It is therefore important to make reasonably easy provision to withdraw savings.
- Other financial products: There should be provision for hire purchase for the poor. They should offer a fixed regular savings policy which, when the policy matures, returns the savings with a profit. Life assurance is also a priority for women. They should also be allowed to invest from savings. Microfinance is about innovation and flexibility and there are many possibilities for project development – health insurance, pension plans, etc.
- Outreach: Poor women have to balance multiple roles. They are mothers, economic producers and community workers. This means that they have limited free time to travel to a MFI and to take part in procedures to access credit. The travel cost may also be a barrier for the poor. So, MFIs should go to their customers with mobile units for these reasons.

- Lending method: Group lending is the main lending method used today by MFIs for good reasons. However, it should not close the door to other alternatives. In certain areas women may favour individual lending to group lending.
- Customer satisfaction: Another aspect that can be analysed is how microfinance products, and the way they are delivered, respond to what the customer wants. This should be a continuous process and MFIs should be encouraged to assess how their services can be more gender sensitive.
- Training: A gender-focused microfinance should follow not a minimalist approach (finance only) but a credit plus approach (offering training or education of one sort or another).

While rules and laws are easier to change than customs, these changes are an important part of the process to ensure more equity between men and women and in society. As part of promoting microfinance INAFI attempts to lobby to change discriminatory laws such as on ownership of land and assets in general and in case of inheritance, separation and divorce in particular so that women's position in the society improves. INAFI seeks to remove the barriers to microfinance development while encouraging regulation of informal MFIs, particularly for those on-lending voluntary savings. A campaign to enhance the image of small entrepreneurs including women and their right to respect would probably be useful.

Conclusion

The lesson learnt from the analyses presented in this paper, however, is that it is necessary to go beyond conventional project approach of development interventions of women, or offering straight-jacket microfinance products and services but to mainstreaming gender concept into development practice to reduce poverty at sustainable level. It means not just considering the empowerment of women in order to benefit their families and communities, but also pay attention to the benefits of enhancing women's activity for the well-being and self-esteem of women themselves. For instance, one of the impacts we need to consider is whether there is an increase in women's self-esteem and their perceived contribution to the food security and economy of the household. In other words, there is need to first address question of the empowerment of women and then well-being of their families and communities. Empowerment refers to the expansion in women's ability to make strategic choices in terms of rights to assets, markets and services.

The situation of economic security is worsened by the fact that policies and institutions do not realise that promoting women's control over their incomes and resources would help boost growth and development. This is one of the main

forms of gender inequality across the world and systematically neglected in social policy and income statistics. Access to capital can enable women to get control over land and related productive assets. But what is done in these projects in small numbers can be generalised by a law that ends the traditional systems that deny women's rights to land. Passing such laws are only the first step. The rights will still need to be established in practice. "Without reasonable income security, people lack real freedom to make rational choices and be socially responsible. Without collective and individual voice, the vulnerable will remain that way". Women's direct or unmediated access to land and property are important not just as direct resources that can be used in earning an income, but also as assets that increase women's risk-taking abilities.

In mainstreaming gender for effective poverty reduction, attention should be given to first forming a women's committee, then only forming a village development committee with adequate number of women in such a committee. To see that women's empowerment is effective and participatory approaches are not reduced to rituals, concerted efforts are to be made at enhancing women's participation in the village institutions / decision-making processes in the community, and redefining gender roles by addressing structural factors that influence women's position of inferiority.

Another area of attention is to creating empowering agency for women and expanding capability space. With little education and no knowledge other than traditional agriculture, poor and illiterate women have few options other than being street hawkers, becoming maids or entering the commercial sex sector. Education and knowledge increase the options of those who are displaced. Knowledge and technical skills then are the critical factor in expanding the capability space of individuals. Along with knowledge, unmediated or independent control and access to assets can enable women, even those subject to violence at home, to take land and other productive assets on lease and use their knowledge and access to capital to build a new income earning opportunity. These further require greater emphasis on policy measures for empowering agency of women as against the policy of protective dependency of women and awareness among men on the cost of gender inequality in the family and society. Commitment to gender equality and to overcome inequality of women is critical to provide legitimacy to human development and attaining global MDGs.