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Women's access to rural finance: challenges and opportunities

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The paper was authored by Idil Yalman, Gender and Financial Inclusion Specialist (ESP), Susan Kaaria, Senior Gender Officer (ESP) and Nomathemba Mhlanga, Agribusiness Officer (SFE).

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Abbreviations

BISP	Benazir Income Support Programme
CGAP	Consultative Group to Assist the Poor
FAO	Food and Agriculture Organization of the United Nations
ICT	Information and communications technology
IFAD	International Fund for Agricultural Development
NGO	Non-governmental Organization
UNESCO	United Nations Educational, Scientific and Cultural Organization


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1. Introduction

Improving rural women's access to financial services is a proven strategy for contributing to rural women's social and economic empowerment, as well as improving overall the livelihoods of rural households and communities (FAO, 2011). Having access to financial services allows rural women to procure the inputs, labour and equipment they need for their agricultural or rural off-farm activities (World Bank, FAO and IFAD, 2009). Accessible financial services also enable women to take better care of their children, as research shows that women spend most of their income and savings on their children's education, nutrition and health (Fletschner and Kenney, 2010; Burjorjee, Deshpande and Weidemann, 2002).

However, the availability of financial services is limited in rural areas, and the existing financial services intended for rural communities rarely benefit rural women (Taylor and Boubakri, 2013). Women's access to these services is constrained by sociocultural, economic/legal and in some cases educational barriers. At the same time, financial institutions also face constraints when extending services to rural women, partly due to a lack of general understanding of the rural and agricultural sector, including the gender dynamics both in rural areas and within the agricultural sector (CGAP, 2003; ILO, no date).

According to the World Bank's Global Findex database of 2017, approximately 1.7 billion adults worldwide are "unbanked" – lacking an account either at a financial institution or with a mobile money provider. Among these, approximately 980 million are women, representing 56 percent of all unbanked adults globally. According to the same database, the gender gap in financial inclusion has remained unchanged since 2011, currently 7 percentage points globally and an average of 9 percentage points in developing economies. Among these developing economies, the data varies: there are no significant gender gaps in financial inclusion in countries such as Argentina, Indonesia and South Africa, and even smaller gaps are found in countries like Brazil and India. Elsewhere, however, the gaps are much wider, reaching double digits in countries such as Morocco and Mozambique and as high as 30 percentage points in Bangladesh, Pakistan and Turkey (World Bank, 2017).

Although there are many strategies that aim to improve women's access to financial services, there are knowledge gaps in terms of successful practices that would allow women to fully benefit from access to these services (Demirgüç-Kunt and Klapper, 2013). Hence, this paper aims to give an overview of the variety of challenges and opportunities linked to the promotion of women's access to finance in rural contexts, while also presenting a number of good practices which can be adopted to foster inclusion.


bella Luna
WHITE RICE LONG GRAIN
25 PCT BROKEN
ORIGIN : INDIA
NET WT : 50 KGS

2. Challenges in promoting rural women's access to rural finance

This section analyses the challenges presented by both the demand- and supply-side aspects of rural financial markets, which are essential to improve rural women's financial inclusion.

2.1. Demand-side constraints

This subsection examines the main factors that lead to gender inequalities related to rural access to financial services, and duly discusses the multiple challenges faced by rural women. These factors are categorized into sociocultural, economic/legal and educational constraints. Overall, several issues are analysed such as women's time and mobility issues, their income and education levels, and their access to collateral and information.

Sociocultural norms and gender roles

In many parts of the world, sociocultural norms and perceptions define what men and women are capable of, what they are allowed access to, and what their social and economic roles are. These norms and their associated gender roles can become barriers to women's access to financial services, as described below (Taylor and Boubakri, 2013; Quisumbing and Pandofelli, 2009).

First and foremost, women are traditionally saddled with a combination of responsibilities in the productive, reproductive and social spheres. For rural women, a substantial amount of their time is consumed by household activities, which increases their daily hours of work compared to their male counterparts. This time burden (also called triple work burden) prevents them from participating in more productive activities, thus limiting their ability to engage in financial endeavours (Braun *et al.*, 2012; Fletschner and Kenney, 2010).

Women's gender roles limit not only their time but also their mobility, which further constrains their access to financial services. Because of sociocultural restrictions women are less mobile than men, which limits their ability to travel long distances to reach financial institutions in order to deposit savings or repay their loans, especially considering the limited opening hours of such institutions (Demirgüç-Kunt and Klapper, 2013; World Bank, 2007).

Because of the gender roles assigned to them, women are not viewed as legitimate clients by financial institutions. Despite being actively involved in agricultural production and various other economic activities, women are still primarily associated with the domestic sphere; they are seen as caretakers of the household and of children, but not as farmers. Financial institutions also tend to assume that women can rely on their husbands or other male relatives to gain access to financial resources. However, spouses and family members tend to have different needs and priorities in this regard, and tend to disagree on how to allocate their resources (UN Women Watch, 2012; UN, 2009b).

Income, access to collateral, and application procedures

Rural women's access to financial services is also limited by the fact that, in general, they do not possess productive assets or property which can be accepted by formal financial institutions as conventional forms of collateral. For example, evidence suggests that women are less likely to own, manage, control, or inherit property or land compared to men (World Bank, 2016). According to the Gender and Land Rights Database of the Food and Agriculture Organization of the United Nations (FAO), women's ownership of agricultural land worldwide is lower than that of men. The same database shows that women's land ownership is particularly low in developing countries (FAO, 2016). This lack of collateral makes it difficult for women to obtain loans or use other financial services. The World Bank's index on women, business and law shows that women are less likely to save and borrow money or own a bank account in countries where they face legal discrimination regarding ownership rights (World Bank, 2018). However, studies have found a strong relationship between rural land rights and access to agricultural credit as well as rural incomes linked to agricultural and rural off-farm activities (Foltz, Larson and Lopez, 2000).

In addition, women are usually not seen as potential clients by formal financial providers, as they often work in the informal sector and have lower income levels than men (Aterido, Beck and Lacovone, 2011; Quisumbing and Pandofelli, 2009). In African countries for example, the majority of economically active women work in the informal sector, which translates into lower wages compared to men and restricted access to assets that can be used as collateral (Taylor and Boubakri, 2013). As a result, women tend to rely on informal sources of funding to meet their financial needs (Hansen, 2013).

For the reasons presented above, it is often quite hard for women to build up a credit history. In certain contexts, women can face additional difficulties in this regard, as their credit history might be linked to that of their husbands or other family members. Formal finance providers consider a solid credit history to be an important factor in deciding whether or not to provide a loan, or in fact any other financial service (Taylor and Boubakri, 2013).

Another factor affecting the gender gap in financial inclusion is that women in many developing countries often do not have access to a range of official identity documents, such as identity cards or passports (Klapper, 2016; Napier *et al*., 2013). Oftentimes, due to institutional or regulatory provisions, formal proof of identity is a requirement for opening a bank account as well as gaining access to various other financial services. Furthermore, married women in certain countries, such as Chad, Guinea-Bissau and the Niger, are still required to have their husband's or male relative's permission in order to open a bank account, which further restricts their access to financial services (World Bank, 2018).

Education, financial literacy and access to information

Another main constraint in accessing financial services is the high illiteracy levels of rural populations which results in a lack of financial literacy and limited access to information on financial products and services (World Bank, 2014).

Education is an essential asset for rural communities, as it gives them the capacity to access useful technologies and information, as well as acquire new skills to develop their rural on- and off-farm activities and improve their livelihoods (UN, 2009a). This is why illiteracy is a key factor limiting rural women's ability to benefit from financial services, as all financial procedures such as instructions, rules, contracts, statements, cheques and letters are always communicated in written form (FAO, 2002). Therefore, it is indispensable to be able to read and write in order to manage financial transactions and affairs, keep records, and fill out and sign forms and invoices (FAO, 1999).

According to the United Nations Educational, Scientific and Cultural Organization (UNESCO), two-thirds of the world's adult illiterate population is made up of women, with women making up the majority of illiterate populations in every region of the world (UNESCO, 2017). Moreover, education levels tend to be lower in rural areas in particular all over the world, and illiteracy levels are the highest among rural women (World Bank, FAO and IFAD, 2009). According to the World Bank's Global Findex database, education levels play a crucial role in the use of formal financial services: recent data indicates that in sub-Saharan Africa, adults with a tertiary or higher education are over four times more likely to have access to formal bank accounts compared to those who only have a primary education or lower (UNDP, 2016).

Illiteracy and low educational levels result in a lack of financial literacy, which is a main factor limiting women's access to financial services. Financial literacy is crucial to understanding what financial products and services there are and how they work, as well as to keeping informed about one's rights as a client (Taylor and Boubakri, 2013). Even reasonably literate rural men and women face difficulties in accessing financial services, and often lack the financial literacy to comprehend them (Taylor and Boubakri, 2013; Cole, Sampson and Zia, 2009). Compared to their male counterparts, rural women are less informed about the financial services on hand and duly are unaware of their rights (World Bank, FAO and IFAD, 2009). This lack of financial literacy also creates discomfort among women, who then become doubtful about using financial products. Considering these constraints, rural women have a tendency to turn to informal networks (also composed of women) to learn about financial services (Fletschner and Kenney, 2010).

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2.2. Supply-side constraints

Moving on from the demand-side issues, financial institutions also face many challenges in increasing rural communities' access to rural and agricultural finance. This section examines the challenges financial service providers face in extending their services to rural communities for rural and agricultural development, as well as the difficulties of providing financial services to rural women specifically. Overall, these challenges consist of a lack of capacity of finance providers to design gender-tailored products and services, as well as existing services and products that are either inappropriate or delivered in an unsuitable manner.

Lack of capacity to design gender-tailored services and products

Financial institutions in rural areas often find it difficult to find well-trained and experienced professionals. They seldom have trained personnel able to design a diversified range of innovative agricultural financial services and products that respond to the specific needs of rural clients in general, and specifically those of rural women. Generally speaking, there is a lack of understanding of the rural and agricultural sector on the part of most formal financial institutions, and even less knowledge on gender-related client features that are common to rural and agricultural areas. This could partially explain why gender equality is generally not integrated as an objective within the institutional culture of most financial organizations. This lack of awareness and capacity can be a result of the scarce information available on the needs and priorities of rural clients –

and especially female clients – in terms of their business and household finances, such as when they actually need certain services and what their risk inclinations are, as well as many other determining factors. On the other hand, staff working in these institutions consists mostly of men, and in some instances women may not feel comfortable interacting with them. Moreover, very few women hold top management positions in financial institutions, so women are often absent from discussions on the planning and provision of financial services and overall decision-making processes in the financial sector. This lack of capacity to create gender-tailored services and products leads to the design of inadequate products and services for women (CGAP, 2003; World Bank, FAO and IFAD, 2009; ILO, no date).

Inadequate services and products

A financial service is deemed "adequate" when it is safe, reliable, convenient and cost-effective. Yet the kinds of financial services that are made available in rural areas tend to be limited and mostly inadequate for the specific needs of rural dwellers and especially women (Schlaufer, Dauner Gardiol and Huwiler, 2008; Evans and Ford, 2003). Furthermore, a wide number of financial services specifically target heads of households, who are typically male, assuming that women can rely on their husbands or other family members to access financial services (Fletschner and Kenney, 2010; UN, 2009b). In general, the inadequacy of these services and products can be explained by a lack of customization of financial services and products for women, resulting from poor client segmentation in the product design process (Braun *et al*., 2012; UN Women Watch, 2012; UN, 2009b).

Unsuitable delivery mechanisms

Another issue that limits the outreach of financial institutions towards rural dwellers (and especially women) is the unsuitability of the delivery mechanisms chosen to market their services. There is ample evidence that various types of finance providers (both formal and informal, ranging from commercial banks to microfinance institutions) tend to refrain from extending their services to rural areas and concentrate more on urban areas where risks and operating costs are lower (World Bank, 2007). Rural areas commonly have spatially dispersed populations, lower literacy and education levels, and inadequate infrastructure for communication, electricity and transportation. This translates into high transaction costs for the delivery of financial services in rural areas (CGAP, 2003), which discourages financial institutions from offering them at all (Demirgüç-Kunt and Klapper, 2013). Even when these services are offered, accessing them is physically difficult for rural clients, as women's mobility or time issues (mentioned above) are generally not taken into consideration. For example, financial institutions often set up ATMs in areas women cannot easily reach (Mayoux and Hartl, 2009), or only have limited opening hours, making it more difficult for women to find the time to travel to their locations (Taylor and Boubakri, 2013; Schlaufer, Dauner Gardiol and Huwiler, 2008).


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3. Good practices to promote rural women's access to finance

This section presents various examples of successful good practices for providing financial services for rural communities and disadvantaged groups such as rural women, by addressing the constraints, needs and priorities examined previously.

3.1. Innovative approaches and tailored services

Gender-sensitive design of financial services

An inclusive financial sector entails the removal of gender-based discrimination in the design, promotion and delivery of all financial services. In broad terms, this implies that each segment of the population has the means to access financial services, which requires assisting certain population groups who tend to get excluded due to their location, income level, gender, or type of activity (Taylor and Boubakri, 2013). A diversified and inclusive sector involves various financial service providers offering different types of services adapted to the needs of rural communities.

To achieve this, financial institutions need to design and adapt their strategies for their rural clients through an understanding of the challenges associated with the rural and agricultural sector, and most importantly the gender dynamics both in rural areas and within the agricultural sector (Hansen, 2013). Finance experts and policy-makers need to be aware of how different groups use financial services, what they expect from these services and what their preferences and behaviours are, in order to meet their needs effectively

Gender-sensitive banking services and alternative collateral in Nigeria

In 2005, Access Bank PLC in Nigeria decided to target the niche market of small and medium-sized enterprises (SMEs) headed by women entrepreneurs by offering customized credit lines and complementary services. By 2009, the bank had opened over 1 300 new accounts and disbursed over USD 33 million in loans to women entrepreneurs (with an average loan amount of USD 98 000) and had trained over 650 women in business and management skills (AfDB, 2013; IFC, 2009). In addition, this leading bank adopted flexible collateral options to improve women entrepreneurs' access to loans by accepting jewellery and equipment, and using asset debentures secured by the creditworthiness and reputation of the borrower (Taylor and Boubakri, 2013).

(IFAD, 2016). Accordingly, the design of financial products and services, their delivery and their marketing strategies should all be carried out in a gender-sensitive manner (Fletschner and Kenney, 2010; Mayoux and Hartl, 2009).

All in all, creating gender-sensitive products requires a customer-driven approach based on a detailed understanding of local contexts. Even within the same geographic area, the diverse needs of men and women must be taken into account according to their economic activities, access to resources, education levels, age, marital status and even ethnic backgrounds (Women's World Banking, 2011; World Bank, FAO and IFAD, 2009).

Alternative collateral and group-based approaches

Financial institutions can promote alternative forms of guarantees such as warehouse receipts, future harvests, or mortgages on moveable assets (e.g. farm machinery, livestock) – but to achieve this, the development of clear and transparent collateral laws is essential. Microfinance institutions have been successful in extending financial services to low-income and poor women by providing access to credit without formal collateral; however, these practices have not spread to most agricultural activities (World Bank, 2007). According to the Global Banking Alliance for Women, several banks such as Access Bank PLC in Nigeria, NBS in Malawi and DFCU in Uganda have achieved positive results by accepting unconventional collateral from their clients, and believe there is great potential to upscale these types of alternative practices.

Group-based approaches can also help address the obstacles limiting women's access to financial services. Numerous microfinance institutions have been promoting group lending with joint liability, which enables asset-poor customers to make use of social collateral instead of physical collateral. The joint liability allows these institutions to reduce costs, maximize repayment performance, and ensure close monitoring through peers. Evidence suggests that group-based approaches work better in rural areas than in urban areas. This could be due to the fact that social networks in rural areas are denser compared to urban areas, which leads to higher social collateral in rural areas. For instance, the Grameen Bank in Bangladesh has adopted a joint-liability approach by which it provides loans to small groups composed of five women each. As a condition, each member of the group has to guarantee each other's loans, which are paid in small equal instalments each week (Postelnicu, Hermes and Szafarz, 2013; Mayoux and Hartl, 2009).

Innovative delivery mechanisms and the use of ICT

Innovative delivery mechanisms are needed to enable financial institutions to reach rural populations effectively. As mentioned previously, reaching clients in rural areas is often challenging and delivering services can become costly, as these areas are not densely populated and lack proper transport infrastructure. A proven method that effectively reduces transaction costs even in remote areas is the use of information and communications technology (ICT). As reported by the World Bank (2007), the progressively decreasing cost of ICT has made it more accessible to rural populations, including farmers. Moreover, the use of ICT has significantly improved women's access to finance in rural areas. For instance, in many countries such as Brazil, South Africa and the Philippines, financial institutions are now able to reach their rural customers using post offices, petrol stations and various stores to handle their transactions at very low cost. This method has been particularly beneficial for rural women who must travel long distances to reach financial institutions (IFAD, 2016; FAO, 2011).

Furthermore, other innovative strategies have been adopted by many financial institutions in recent years, such as the use of mobile technologies. In the African continent, mobile phones have been successfully promoted to millions of people, enabling them to use financial services, make transactions and access savings, for example. This is considered to be a cheap, secure and reliable method which fosters the inclusion of actors who are traditionally excluded from the financial system, such as farmers (Demirgüç-Kunt and Klapper, 2013). According to the International Fund for Agricultural Development's Rural Development report (IFAD, 2016), mobile phones in combination with postal networks has become the most commonly used channel to receive remittances in numerous African countries.

Mobile phones allow women to make loan payments and transfer money without needing to travel long distances, which addresses their mobility issues. These phones can provide rural women with financial independence, access to services and information. However, according to the GSM Association, approximately 1.7 billion women living in developing countries do not yet own a mobile phone. Globally, men are more likely to own one; the largest gender gap in ownership is in South Asia, with a difference of 38 percent. Mobile phones can also provide privacy and safety for their clients; in fact, certain institutions require women to have their mobile phones registered in their own name in order to open a bank account (Klapper, 2016). In this way, the use of mobile phones becomes a secure method for women to manage their finances, and it also gives them the ability to open a bank account without the need for identity documents. Indeed, innovative delivery mechanisms have been used in most African countries to enable farmers to identify themselves and register their properties, which gives them better access to financial services (Hansen, 2013).

Using ICT for agricultural loans in Kenya

Throughout East Africa, the non-profit organization One Acre Fund has been providing trade credit inputs (such as seeds and fertilizer) to smallholder farmers who are mostly women. This initiative has been accompanied by specialized trainings on improved crop management techniques for the beneficiary farmers. Since 2014, the non-profit has enabled farmers in Kenya to make digital loan repayments using the mobile money service M-Pesa instead of using cash, which has facilitated the financial inclusion of the poorest farming communities. Since the introduction of the digital repayment method there has been a significant reduction in repayment fraud of up to 85 percent, which has greatly benefitted female clients and demonstrated the safety of this new digital arrangement (Better Than Cash Alliance, 2017).

Another example of innovative practices can be seen in Malawi, where several banks have introduced biometric cards that enable the holders to open a bank account without an identity card. Like the mobile phone method, the biometric cards also allow for greater privacy, as the card holder is the only person able to access the account. The practice has proven to be successful, as it has facilitated the opening of formal bank accounts for a considerable number of women (Klapper, 2016; Napier *et al*., 2013).

Improving financial literacy and access to information

As previously mentioned, rural women in developing contexts often have low levels of financial literacy as well as scarce knowledge on how to use digital technologies. Hence, improving financial literacy and access to information for rural women must be viewed as a top priority in promoting the use of ICT to access financial services. To achieve this, rural women's literacy and numeracy levels must first be taken into account before implementing any financial literacy programmes that target them. For instance, financial institutions need to adapt their application procedures, contracts and overall communications according to the literacy and numeracy level of their clients. In cases where rural women are targeted, the language used by the institutions needs to be simplified in a way that can be clearly understood by less-literate or entirely illiterate clients (Fletschner and Kenney, 2010; Mayoux and Hartl, 2009).

Ultimately, it is still necessary for financial institutions, governments and Non-governmental Organizations (NGOs) to organize financial literacy trainings for rural clients, especially women, that promote learning and at the same time help create capacity-building networks among the targeted groups (Taylor and Boubakri, 2013; FAO, 2011). Improving women's financial capabilities and skills can eventually contribute to their economic empowerment (Napier *et al.*, 2013). Indeed, financial literacy trainings help women to clearly understand the features and conditions of the financial products available, which allows them to then make informed decisions on how to use those products (Mayoux and Hartl, 2009). This has been shown in India, where women were more confident in taking loans and had positive business outcomes following financial literacy programmes (Field *et al.*, 2010, cited in Napier *et al.*, 2013). Financial literacy trainings, therefore, can be a way to decrease economic inequalities between men and women, but also to reduce the information asymmetries between financial intermediaries and rural clients, including women.

Improving financial literacy in Pakistan

In collaboration with the Consultative Group to Assist the Poor (CGAP), the Continuum Innovation research team in Pakistan conducted research to come up with product innovation techniques for the Benazir Income Support Programme (BISP), the largest aid programme in Pakistan which provides financial support to low-income families through cash payments. Their field work revealed that the majority of female BISP beneficiaries were illiterate. Not only were women unable to read or write, but they also could not understand symbols, icons, illustrations and instructions. Beneficiaries also had difficulties dealing with English numbers, as Urdu (their spoken language) is written from right to left. Even though the women could not read or write, they had learned to look at things from right to left, and likewise they entered their PIN codes from right to left when using ATMs. However, the ATM screens displayed asterisks instead of the numbers they entered, which made it more difficult to understand the discrepancy and correct it. When the research team found out that the recipients of the BSIP were illiterate, they had to come up with ways to give them financial literacy training without using words, diagrams, icons, and even without verbal instructions. The team's solution was to use series of photographs to illustrate how to use the ATMs step by step. In this way they were able to teach women how to use their bank cards to make transactions and withdraw money (Lehrer and West, 2014).

In addition to the aforementioned strategies, additional practices must be adopted at an institutional and policy level to ensure the sustainability of initiatives to improve women's financial inclusion.

3.2. Improving strategies and the policy environment at an institutional level

Institutional capacity and gender-sensitive practices

In order to benefit from all the examples of good practices mentioned in the previous section, it is necessary to address another fundamental issue, i.e. the necessity to mainstream gender at the heart of financial institutions. The rationale of gender equality must be promoted and integrated in the institutional culture and should be clearly stated in the objectives and activities of every financial organization (Mayoux and Hartl, 2009). This starts with the promotion of a "women-friendly" and empowering culture at the core of financial institutions. In addition, staff working in these institutions must be trained in how to interact with female clients. If the staff structure of a given institution is male-dominant, the institution should consider hiring female professionals and consulting a gender specialist to assess how the institution properly addresses gender equality overall, and whether any improvements are needed in its structure, practices and services. Another important point to focus on is the involvement of women in decision-making processes in the financial sector. The participation of gender experts and women's organizations in the design of financial regulations, products and services must be ascertained (UN, 2009b; World Bank, FAO and IFAD, 2009).

Government policies and legal frameworks

Efforts to remove some of the constraints created by unfavourable policies and legal frameworks are necessary in order to improve women's financial inclusion. Addressing these constraints requires policies and legal frameworks to be clear, adapted to the rural context, and favourable to traditionally excluded people (CGAP, 2003; Schlaufer, Dauner Gardiol and Huwiler, 2008). In order to improve these policies, the many roles, responsibilities and needs of women must be taken into account, and a specific budget should be allocated to investments destined for female farmers (ActionAid, 2011). Local and national governments should also be involved in the process of improving women's access to economic opportunities, by facilitating the cooperation between private and public actors such as financial institutions, NGOs and community-based organizations (UNECA, 2007). By fostering cooperation between private and public actors – including different types of rural finance providers – government policies can help reduce certain constraints, while ensuring that the needs of all women from different economic and social backgrounds are covered (Mayoux and Hartl, 2009).

Government policies in India to boost financial inclusion

In India, the gender gap in financial inclusion has been reduced significantly since 2014, owing to government policies that enabled the financial inclusion of traditionally excluded groups and poor households. In 2014, the Government of India launched the Jan Dhan Yojana scheme (also called the PMJDY) led by Prime Minister Narendra Modi, which consisted of boosting financial inclusion in the country through instructing state-owned banks to open at least one bank account for every unbanked household. Along with this scheme, India's biometric identity system (the Aadhaar), also directed by the Government, managed to address the constraints related to the lack of identity documents, making it easier for individuals to verify their identities and open bank accounts. As a result, the gender gap in financial inclusion that stood at 20 percent in 2014 got reduced to 4 percent in 2017, and women's account ownership specifically was increased by 30 percent in just a few years (CGAP, 2018a; World Bank, 2017).

Monitoring and data collection to avoid negative impacts

Although efforts to increase women's access to financial services generally result in positive outcomes, improving access to finance for women can also have adverse effects (FAO, 2011). For instance, certain studies note that men contribute less to household expenses when women financially support the well-being of the household. In addition, women who take out loans do not necessarily have control on how to use the money, which means that men may use women's loans to invest in their own activities and then repay the loans with that activity's earnings (World Bank, FAO and IFAD, 2009). Other studies underline how women's access to financial services can increase domestic violence and add to women's workloads. When it comes to group-based approaches, women's social networks can be adversely affected if a member has problems with repaying an instalment or cannot contribute to common savings (UN, 2009b).

Bearing these concerns in mind, financial service providers need to set up monitoring schemes and collect sex-disaggregated data to evaluate their efforts to improve women's access to financial services (ActionAid, 2011; World Bank, FAO and IFAD, 2009; Mayoux and Hartl, 2009). There are still major gaps in data and research regarding these issues that need to be improved (World Bank, 2014; IFC, 2013). Improving the availability of data would help governments to design strong and evidence-based policies and evaluate how effective these policies are in terms of financial inclusion (Murray, 2016). Several documents encourage the use of monitoring and evaluation indicators for gender-sensitive rural finance, in the form of detailed checklists for undertaking assessments in different types of institutions using different products (World Bank, FAO and IFAD, 2009). This work can be done by promoting a comprehensive network of professionals such as finance and gender experts, who are able to identify, develop and monitor the good practices that generate positive outcomes for men, women and rural households in general. According to Taylor and Boubakri (2013), this effort to make data available on rural women's financial needs and constraints is indispensable for decision-making at a policy level. They argue that financial institutions need to promote and actively participate in the collection of sex-disaggregated data in order to implement gender-sensitive innovations.

Finding ways to collaborate with other initiatives

In order to come up with more innovative strategies to promote and improve financial inclusion for rural men and particularly rural women, it is essential to explore possibilities for collaboration with other rural development initiatives. The idea of combining financial inclusion and social protection programmes is fairly recent (Tyler, Sridharan and Ravi, 2012); the latest studies show that social protection has a positive influence on the use of financial services, particularly savings and credit (IFAD, 2016; FAO, 2015). To elaborate further, IFAD's Rural Development Report of 2016 and FAO's State of Food and Agriculture (SOFA) 2015 both point out that social protection programmes can be used to address the constraints faced by rural men and women in accessing financial services such as credit and savings, given that the beneficiaries of social protection programmes are the same people who lack access to financial services (FAO, 2015).

The reason why this collaboration might be beneficial is easily explained. The rural poor are mostly dependent on agriculture for their income, and (as already stated previously) this income is irregular due to the seasonal nature of agricultural activities. As the SOFA 2015 states: "in rural areas, the poor and vulnerable are often locked in a vicious circle where they must borrow money in the lean season to buy food at higher prices but have to repay after harvesting their crops, when prices are lower" (FAO, 2015). In rural contexts, social protection can provide regular and predictable cash transfers to poor households and enable them to smooth their consumption in between harvest periods, as well as to build assets (IFAD, 2016). It has been proven that when their savings are increased, the rural poor and especially women tend to invest more in their productive activities. Furthermore, social protection instruments combined with financial graduation models can contribute to reducing poverty in the long run, through building social and economic assets that strengthen the resilience of rural households. Studies concerning six social protection programmes in sub-Saharan Africa revealed that households who received social benefits were considered financially trustworthy, which in return increased their creditworthiness and reduced their debt levels (FAO, 2015).


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4. Conclusion

In conclusion, improving rural women's access to finance is crucial for their economic and social empowerment, as well as for supporting the well-being and development of their households and communities. However, the availability of financial services is quite scarce in rural areas, and the existing financial services explicitly intended for rural communities rarely benefit rural women. Rural women face several constraints that limit their access to financial services, such as sociocultural, economic/legal and in some cases educational barriers. On the other hand, financial institutions also face constraints extending services to rural women. Various good practices can be adopted in order to overcome both the demand- and supply-side challenges in order to improve the provision of financial services for rural communities and underserved groups, such as rural women. Some of these practices include the design of inclusive packages of financial products and services intended for women, as well as the promotion of alternative collateral and the use of ICT. The promotion of access to information and the improvement of financial literacy for women are also key practices. Aside from these strategies, there must be changes in the policy environment and at the institutional level to ensure the sustainability of these initiatives. These changes consist of building capacity and raising awareness for the sustainable adoption of gender-sensitive practices as well as the collection of sex-disaggregated data. All in all, these efforts should aim to ensure that by increasing rural women's access to finance, their empowerment and well-being are likewise strengthened.

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Women's access to rural finance: challenges and opportunities

This technical paper aims to provide a review of the main demand- and supply-side constraints for women's access to rural finance, and to present the key strategies, good practices and core policy recommendations, for promoting women's financial inclusion.

Economic and Social Development Department
Web address: www.fao.org/economic/es-home/en/
Food and Agriculture Organization of the United Nations
Viale delle Terme di Caracalla
00153 Rome, Italy

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