

A Debate: Closing the DFS Gender Gap

Date: August 29, 2017

Time: 9:00 – 10:00 am (EDT)

MODERATOR

Lauren Hendricks, Executive Vice President for Global Strategy, *Grameen Foundation*

SPEAKERS

Rebecca Rouse, Director, Financial Inclusion, *Innovations for Poverty Action*

Gigi Gatti, Regional Director, Asia & Country Director, *Grameen Foundation*

Tanjilut Tasnuba, Team Leader, Social Innovation Lab, *BRAC*

Grace Majara, Senior Advisor – Financial Inclusion, *CARE International*

QUESTIONS

How can we design a transition program to raise commitment to change towards a digital culture within MFIs? What immediate (Quick-wins) and medium-term solutions can be implemented?

Gigi: Start internally. In our work with Grameen Foundation, we find that internal buy-in from management to the Front Line Workers / Loan Officers is a major factor in a transition program and also largely influences the ability to help the clients adopt to digital channels. A quick win is to start using mobile money payments for loan officer incentives, travel reimbursements, etc. Another quick win is to digitize learning methods such as creating videos that reinforce benefits and new procedures that are to be digitized.

What about the social aspects of the financial services that poor women normally use in their communities, i.e. solidarity groups, VSLAs, village banks, etc. For example, group meetings, solidarity, peer pressure, etc.

Gigi: Deep understanding the social aspects remain to be a critical factor in the success of adopting DFS for poor women. For example, it is important to know what influences women groups to change behaviours. Is it peer to peer learning? Who is the Influencer in the group? Leveraging on roles of leaders, silent influencers is important because they will need to play a role in knowledge dissemination and/or act as internal “thought leaders”. It is also very important to experiment with various channels of learning – some of which, may be completely un-digital. For example, calendars with DFS tips. In cases of the ultra poor who don’t have mobile access, one can start by having only one person (usually the savings officer) use the phone to perform some ledgering functions and eventually mobile money transfer to a group account.

Curious about the dollar values attached to the field et al study. What does 30% higher earnings translate to and is it substantive enough to make a difference in the woman's life?

Gigi: I think there is no one figure that can say what is substantive enough and it will largely depend on the country poverty profile. Grameen Foundation had developed the Progress out of Poverty Index (PPI), with scorecards for multiple countries. It is a free public tool and downloadable at <http://www.progressoutofpoverty.org/> and is now supported by the Innovations for Poverty Action since last year and is a good tool to measure poverty incidence before and after a program, loan or an intervention. It will not, however, be able to say whether it is "substantive" enough and I think that this requires a much more rigorous research on how substantive is defined (e.g. food security, access to health care, savings, other safety nets, etc.)

Grace, I know that VSLA can help address some gap, what do you think if VSLA are mostly composed by women and lead by men committee? Do you meet this case in Africa? How did you address that?

Grace: The VSLA training if done well deliberately mentions and emphasizes that $\frac{3}{4}$ of the committee members should be women. This has been commonly promoted across Africa especially by CARE. It is important to make this as part of the training and should be monitored closely during support supervision activities.

Are not DFS or financial transactions relates to need? And if so whenever men or women are in need they will find a way to it. Gender gap is demand driven i.e. for demand sake or gender sake?

Gigi: Yes, financial transactions relate to need and it is important to be able to identify those needs and address them. DFS is an enabler to be able to serve more people than traditional banking methods. However, coping mechanisms of men and women are not the same, access to mobile phones or even the banking infrastructure is not the same, literacy rates are not the same, and as brought up in the debate, social norms play a big factor. All of these, for example, contribute to the gender gap and it differs from country to country.

How can illiterate and innumerate poor women access the digital financial services? How can we involve this section of community in the digital financial inclusion?

Gigi: In India, we worked with innumerate and illiterate poor women and helped them understand that they can pay their loans thru a banking and/or mobile money agent. First, we created a video that the loan officer can play on his phone to help explain the concept. The loan officer plays the video while he goes on with his routine during the center meetings. He also reinforces the value of paying thru the agent or at least trying, during the center meetings. Audio is very important since they cannot read. We then worked very closely with the financial service provider so that women are equipped with cards that bear their group and individual names and the amount that they are supposed to pay. We then train the women to compare the receipt to the amount that is written in the card. I also think that numeric literacy is one of the skills that we can teach using digital learning videos for these women.