Financial Inclusion and Gender under AFP

An Assessment of Gender in Households and Village Banks
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I. What female villagers say: The survey

- AFP interviewed 141 women from villages that participate in the project
- The sample of women was balanced between poor, average income and better-off
- More than three quarters of the sample belong to ethnic minorities!
I.1 Main benefits of village banks for women

Academic literature suggests significant benefits for women by financial inclusion. Women are said to be better financial managers who prioritize family matters like health and education for their children.
I.I Main problems of village banks for women

- Main problem is capacity and courage (38%)
  - Illiteracy and innumeracy is prevalent among female villagers
  - Women from ethnic minorities face Lao language barriers
  - Courage is a function of capacity
  - Men often drive meetings i.e. propose ideas and make decisions

- 25% • Dominant Role of Men
- 21% • Female Capacities
- 17% • Female Courage
- 13% • Lack of Specific Provisions and Incentives at village banks
- 24% • Nothing
I.II Account ownership of women

- **92% of women have access** to village bank accounts
- Account ownership has different reasons and should not be over-interpreted
- Reasons for account ownership:
  - **Institutional regulations** that promote female account holding inherited from previous project
  - Some village banks were **taken over from the Lao Women’s Union**
  - Individual preferences/circumstances
I.II Reasons for individual account ownership at village banks

Male Account Ownership

- Coincidence
- Banked at other Institution
- (Financial) Illiteracy
- In Charge of Family Finance

Female Account Ownership

- Personal Independence
- In Charge of Family Finance
- Family Reasons
- Coincidence
- Own Business
- Village Rule
I.II  Household Financial Decision Making

Women and men make their financial decisions together!

The Planning Process

Level of Support on the Decision

Women Planned Alone  Joint Planning  Women were Excluded
Partly Agree  Fully Agree  Not Agree

Saving Product  Loan Product
I.II  Additional credit demand by women:

Two out of three women want an additional loan for:

- Agriculture & Breeding: 40%
- Small-Scale Production & Trade: 30%
- Housing: 10%
- Education: 5%
- Emergency & Health Treatment: 5%
- Consumption: 5%
I.II Effects of account ownership on loan demand

- Women without account are **less likely** to express demand for credit.
- But if they do, the requested amount is more than **eight times higher** than that of women with individual accounts.
- How do we interpret this data?
  - Real demand or lack of understanding?

![Bar chart showing the expressed loan demand for different account types: No Formal Access, Joint Account, Own Account. The chart illustrates that those with their own accounts request significantly higher loan amounts compared to those without formal access or joint accounts.]
I.II Demand for more women in village bank committees

- Currently 22% of committee members in AFP are women.
- Two thirds of women would like to see more women in village bank committees.
We interviewed 43 female village bank leaders about:

- Their own challenges in the decision-making process
- General challenges of women in village banks
II.1 Obstacles to female leadership perceived by female leaders

- **Capacity and courage** are the main factors that keep more women from becoming village bank leaders!

- **Traditional roles** are a secondary obstacle
While voice is not guaranteed, more than 50% of women committee members feel well integrated in the decision making processes.
II.I Why female leaders feel disadvantaged versus men

- When women have less voice, they often ascribe it to the fact of being a woman
- Female leaders do **not** blame **direct exclusion** by men
- **Capacity and knowledge** is the main problem

**Main reasons preventing equal voice**

- Lower Capacity & Knowledge: 55%
- New Member: 18%
- Courage: 9%
- Lower Position: 9%
- No Idea: 9%

If you have less voice, is it because you are a woman?

- Yes: 25%
- Partly: 10%
- No: 5%
II. Female leader’s view on women’s situation in general

- Not all female leaders consider women to be disadvantaged
- Main factors are female capacity knowledge and courage
- Only one out of six women perceives traditional roles and male behaviour as decisive impediments

Are women disadvantaged in any ways, concerning the Village Bank?

- Capacities & Knowledge, 27%
- No Idea, 37%
- Traditions & Male Ignorance, 16%
- Less Courage, 20%
II. Measures proposed by female leaders

- Building of **capacity and confidence**
- Female committee members emphasize their own importance as **role models**
Key Takeaways

- The **picture** of financial inclusion of women in rural Laos is **mixed**
  - Women are very well integrated in financial decision making of the household
  - But female participation in village banks is not ideal
- **Low capacity and a lack of courage** is the biggest problem for women to play a more active role as clients and leaders of village banks.
Thank you very much for your attention