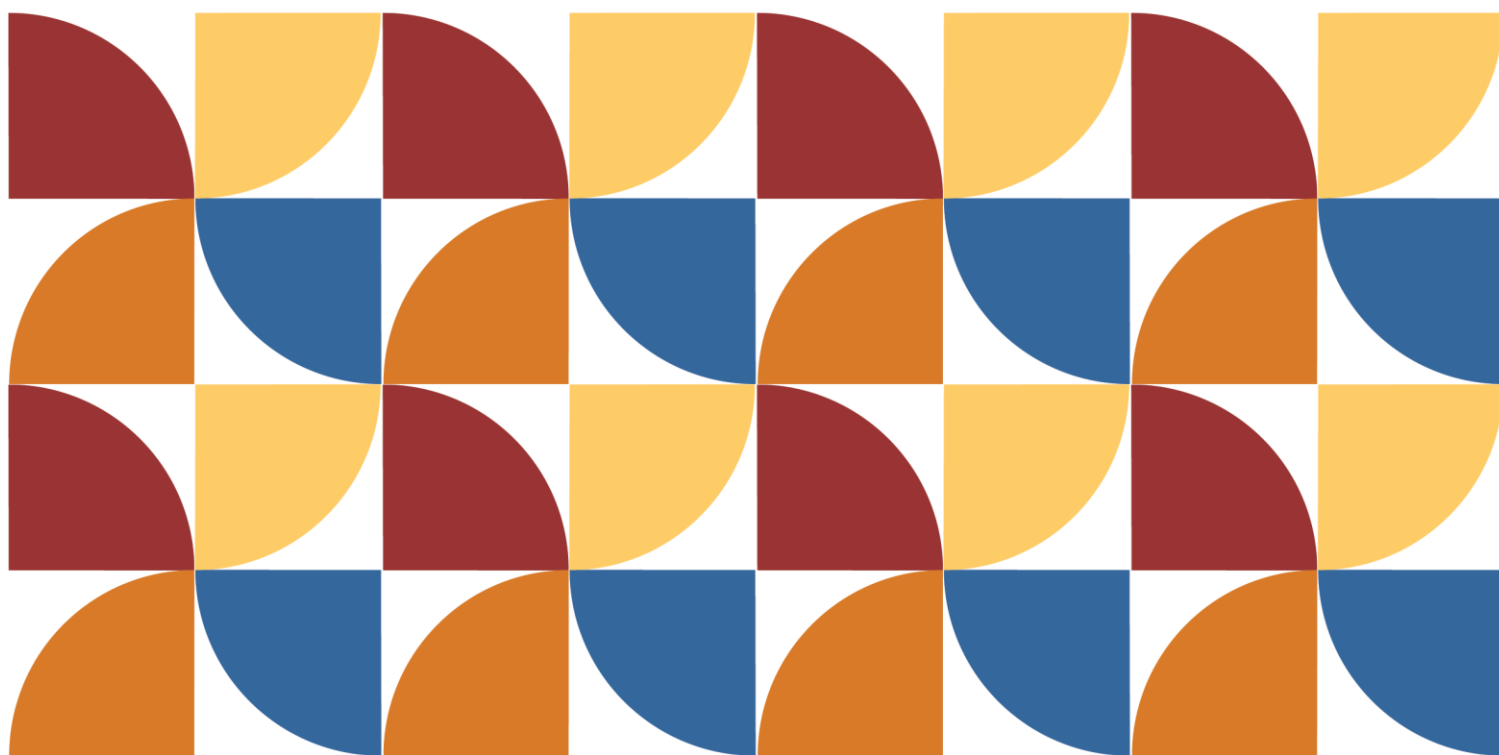


GENDER NORMS IN FINANCIAL INCLUSION

EXECUTIVE SUMMARY

OCTOBER 2022



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This executive summary provides a brief overview of the *Gender Norms in Financial Inclusion – Diagnostic Guidance*. To access the full report, click [here](#).

DISCLAIMER: Gender Norms in Financial Inclusion – Diagnostic Guidance

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The barriers to women's financial inclusion are complex and multifaceted, ranging from deep-rooted social norms to regulatory hurdles and supply-side challenges. However, there is growing recognition of the important role gendered social norms (gender norms) play in influencing how women access, use and benefit from financial services and of how gender norms contribute to consistently lower rates of financial inclusion among women.

Given this, CGAP, working with MarketShare Associates (MSA), developed a methodology for systematically unpacking the behavior of women as customers and users of financial services, assessing how these behaviors are shaped by gender norms, and in turn establishing how women's financial inclusion is impacted. This methodology is outlined in detail in "Gender Norms in Financial Inclusion–Diagnostic Guidance" and is summarized here.

The methodology was developed by incorporating a financial inclusion lens into existing social norms research methods. It was further developed and tested in several contexts between 2019 and 2022, including in Turkey and Egypt by CGAP with MSA as well as through a collaborative learning effort—the "Co-Lab"—with funders and market facilitators in six countries, facilitated by CGAP and FinEquity.¹

The primary audience for the Diagnostic Guidance includes **funders** and **facilitators** who support women's financial inclusion efforts and who want to gain behavioral insights into the uptake and usage of financial services among women to help them design appropriate and relevant market-based solutions that consider how uptake and use are affected by gender norms. Others who might find the guidance useful are **research firms and technical assistance providers** who want to understand the process, the resources necessary, the appropriate methodologies, and how the diagnostic is done in practice, and **market actors** (policymakers, regulators, financial service providers (FSPs), support service providers, etc.) who want to better understand how gender norms influence women's behavior.

¹ Access to Finance Rwanda (AFR); Bill & Melinda Gates Foundation (Bangladesh); Financial Sector Deepening Zambia; GIZ (Tunisia); UNCDF (India); and FAO, IFAD and WFP (Malawi).

OVERVIEW

Social norms are defined as *expectations of behavior held by a collective group of people that govern social behavior* (MarketShare Associates 2016). Social norms are gendered (gender norms) when different norms apply to women and men, and impact women and men in different ways, particularly regarding their engagement in economic activity. Conducting a gender norms diagnostic allows funders, facilitators, and market actors to develop a deep understanding of how women’s experience in the home, community and workplace is different than men’s as a result of gender norms. Incorporating this understanding in the design of interventions to improve financial services and delivery channels can lead to more effective financial inclusion for women.

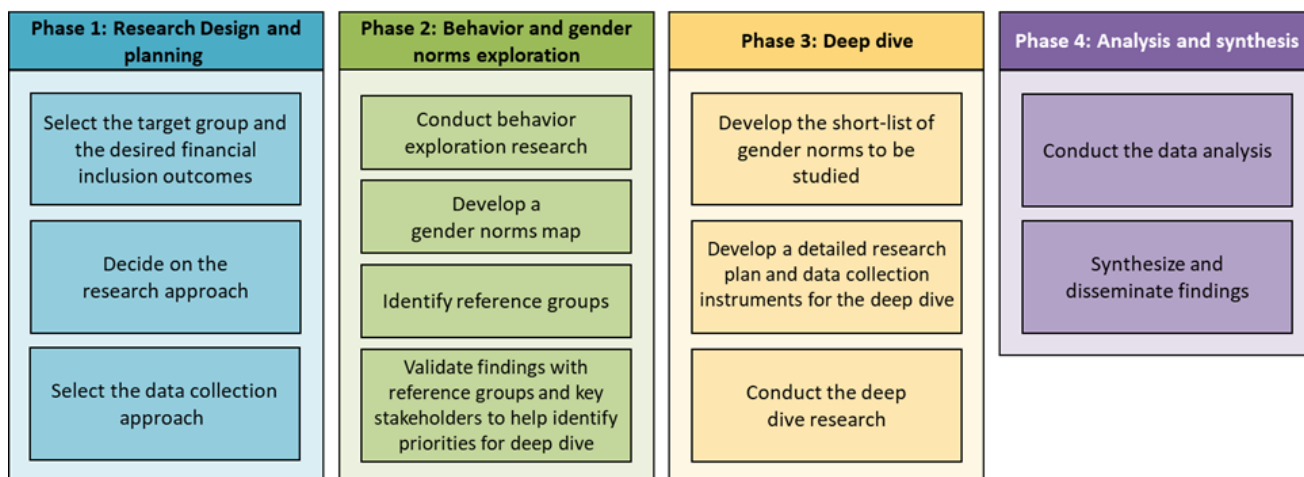
While the behaviors of all actors in the market system (including policymakers, financial services providers, agent networks, etc.) are governed by norms, the diagnostic methodology focuses specifically on, and provides tools for, understanding women’s behavior when accessing and using financial services.

Carrying out a gender norms diagnostic requires significant time and resources. The timeframe for the research undertaken to date ranged between 6 and 12 months. Costs varied depending on the context and the scope of the study. As an example, the Co-Lab partners spent between \$30,000 and \$200,000, while the average cost was approximately \$100,000.

SUMMARY OF THE DIAGNOSTIC PROCESS

The gender norms diagnostic process begins by identifying and defining the target group of women excluded or underserved by the financial market system, e.g., women entrepreneurs engaged in cross-border trading. It then determines the desired financial inclusion outcome(s), e.g., increased use of digital financial services. The next step is to identify women’s behaviors that result in lower access and use of financial services, and the gender norms that influence those behaviors. By then examining specific gender norms in depth to fully understand how, and by whom, they are enforced and the potential for change, information is collected to help design more effective interventions to increase women’s financial inclusion and contribute to women’s economic empowerment. This diagnostic process is broken down into four research phases as summarized in Figure 1.

Figure 1. Summary of the gender norms diagnostic phases



Not all gender norms diagnostic research will include all activities, and different methods may be used during the data collection, such as qualitative, quantitative, or mixed methods. Some of the phases described in Figure 1 may overlap and may not happen in succession and some steps may be carried out in a different phase.²

The objective of **Phase 1** is to determine the scope of the study and how the diagnostic will be carried out. The first step is to define the **target group** (i.e., by geography, age, economic status, ethnicity, marital status, employment type or other characteristics) and the desired financial inclusion outcomes of the target group. In Egypt, for example, the target population for the research commissioned by the CGAP was ‘women micro and small entrepreneurs operating in the retail sector’ and the **desired financial inclusion outcome** was ‘Increase use by women-owned MSEs of financial services to adapt their operations during and post-crises.’ *Engaging key decision makers when determining the desired financial inclusion outcomes can encourage early buy-in. This is important not only during the diagnostic process but also when subsequently intervening to facilitate increased women’s financial inclusion.* A key decision to make when determining the scope of the study is the size of the research sample. The minimum sample required will depend on the number of characteristics of the target group the research is seeking to understand. Another key decision to make is whether to take a purely **qualitative approach vs. a mixed methods approach** that collects both qualitative and quantitative data. A mixed methods approach is ideal when time and budget allow, given the greater insights it provides, but will not always be suitable. In some cases, a gender norms diagnostic can be added to other research that is already planned.

The objective of **Phase 2** is to explore the behaviors that result in women being excluded or underserved by the financial sector and the gender norms influencing those behaviors. **Behavior exploration research** seeks to understand how the target group behaves in relation to the desired financial inclusion outcome(s). Once the how has been explored, the next step is to unpack why the target group is behaving in a particular way and identify the many influencing factors that shape the behavior. Knowing whether a behavior is influenced more by gender norms rather than internal or structural constraints helps determine the type of intervention. In the case of female micro and small entrepreneurs in Egypt, the preliminary research and quantitative exploration identified a series of financial behaviors of women-owned MSE’s, one of which was that they did not use formal credit. This behavior was driven by a number of constraints: the structural constraint that ‘interest rates are too high, potentially above the profitability of the business’; an internal constraint of ‘limited financial literacy and/or business acumen’; and the gender norm that ‘women should not assume financial risk’. It is important to note that financial inclusion interventions that draw on insights from a gender norms diagnostic should not just factor in the behavior of the target group, but also the behavior of the reference groups that hold these expectations of women and enforce the norms. Reference groups may range from spouses to specific members of the household to community influencers that shape and perpetuate norms.

The objective of **Phase 3** is to investigate a small number of gender norms in greater depth to move beyond the how and why women behave the way they do with regard to the use of financial services to understand more deeply how gender norms influence their behavior and who shapes these gender norms and the consequences for women when these norms are shifted. Having a limited number of prioritized norms allows funders and researchers to analyze behaviors and gender norms in more detail, which leads to more useful findings. In the research in Egypt, the four norms that were prioritized were selected for their strength and relevance to the desired financial inclusion objectives the funder was aiming for. The four norms prioritized for the deep dive included: Women should not assume financial risk; Women should invest all business earnings in the

² Note that the gender norms diagnostic is an iterative process driven by an inquisitive mindset; as such, it is important to be flexible and to keep an open mind as new findings emerge, and assumptions are proven or disproven.

household; Women should not make financial decisions independently; Women should take on the majority of household and childcare responsibilities

The objective of **Phase 4** is to conduct a full analysis of the data and synthesize the findings to share with relevant stakeholders, including those involved in the research as well as potential partners, academics, other funders/facilitators, etc. Gender norms diagnostics generate a wealth and depth of information that can easily overwhelm researchers and other stakeholders participating in the diagnostic process. The findings of the gender norms diagnostic process must be synthesized effectively to resonate with target audiences. A good analysis must offer insights that can be used by the relevant stakeholders to design and implement interventions. For example, in Egypt, the findings were shared with an Egyptian MFI which was a partner in the research as well as local stakeholders working on financial inclusion with a focus on the country's female micro and small entrepreneurs.

NEXT STEPS

Generally, when funders or facilitators decide to intervene to increase women's financial inclusion and economic empowerment a full market system analysis is conducted to understand where the constraints and opportunities are for intervention. Understanding women's behavior and how gender norms influence this behavior and the access and use of financial services significantly contributes to the overall market system analysis. However, gender norms also influence the behavior of other market actors which in turn contributes to women being excluded or underserved. It is therefore important to also consider and understand how gender norms influence these other actors within the financial market system. To do this, it is useful to engage with other stakeholders throughout the diagnostic process both to validate the findings, and to conduct a limited diagnostic process of other market actors, similar to that carried out with women, to understand more broadly how gender norms affect women's financial inclusion. Without this understanding, it is difficult to design effective interventions.

Only when the influence of gender norms on all actors in the financial market system has been fully considered and understood can funders and facilitators determine where there are opportunities to intervene to affect norm change to increase women's financial inclusion and empowerment.