

MICRO FINANCE AND GENDER INEQUALITY

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ABSTRACT

This research paper examines the impact and relationship micro finance and gender inequality. The research paper focuses on the three various dimensions. Initially, it indicates the area of microfinance success that has been empowering the women out there. Second is the negativity of gender discrimination that operates within the zone and third is the challenges that has been faced by the micro finance in order to cater the gender inequality. Further, this study also analyzes the power of relations beyond the household zone and the context or result of micro finance activities. The research shows that the households which are under the supervision of females are having the lower level of valuable mean covering the total physical assets of household as compared to the supervision of male. The engagement of a donor helps them to struggle for the MFIs that concentrates on the gender differences mutually and also considers the organizational sustainability.

Key words: Gender Inequality, Micro-Finance, women empowerment.

INTRODUCTION

The term Micro-finance relates to the planning of financial terminologies and services to low-income, poor citizens covering the self-employed and customers. Whereas, micro-credit comes under the tree of Micro-finance, relates to the contributing of loans on a very small scale for the poor or low-income audience out there. The basic aim of this research paper is to identify the impact of relationship among microfinance and gender inequality. To achieve the aim, few objectives and goals would be set. Following are the objectives which would be discussed in this research paper.

- a. To Study Women Empowerment Economically:
- b. To determine the Growth fluctuations, Performance and Scaling

Background

Women could be an essential and a very important aspect for any country. Now, it totally depends on the country how to respectively cash out this talent. Investment in women empowerment economically leads a straight way towards the argument against the gender inequality, the obliteration of poverty and major growth within the economy. The women of the particular country make a dynamic contribution within the economy in terms of businesses, farming, entrepreneurship or being an employee within a particular firm. Also, by adapting the freelance work at home or by taking care of family members without getting a single penny in return. On the other, women also face the major drawback such as poverty effects, exploitation and lack of women empowerment or gender inequality. The gender inequality refers as the women might end up with the in-securities, low-income, lack of jobs and constitution carrying minimum level of those who are holding the senior posts. It brings the access to the important assets within the economy for example, acquiring loans, and lands respectively.

From the era of 1970s, many organizations along with the replacement of labor and women roots, analyzed by enhancing the accessibility to the financial credit. It was considered as the main tool of work success along with working women within the informal zones. The main purpose of the microfinance programs and different events is to cater for the women. It was organized to target the women in order to capture the gender equality strategies and poverty donations in the year 1990s and 1980s as well. With the expansion evidence of the gender equality and reduction in poverty hub, refers to the combination with the great level of repayments creditable rates that are met by the women. It reflects the basic consensus that is combined on the wants or demands of targeted women. It is not only about reaching towards them but also about empowering the women which has to become the second major target of MSC (Microcredit Summit Campaign). The performance criteria is totally based on the spectacular outreach, microfinance financial performance institutions and programs, utilizing the parameters for example risk of portfolios, sustainability of operations, return on assets that has been phenomenal equally. Return on finance, profitability and quality of Portfolios has been also improved in order to empowering the women from the year zone of 2001 till 2004. Once it has been reached, then it leads towards the question about the specifications of challenges regarding the gender equality in terms of micro financing (Srinivas, 2017).

The research questions would be: i) Is micro-financing positively affecting the gender equality? ii) The Challenges faced by the micro-finance iii) Business sustainability by women empowerment.

There are two type variables. First in dependent and the second one is independent.

Dependent Variable: Dependent variable totally relay on other measurable factors. The dependent variables are somehow anticipated to create some changes as an outcome of an experimental handling of the respective independent variable. It carries the observed effectiveness.

The dependent variable over here is the gender inequality which is completely on the micro-financing. If the micro-financing is efficient enough to decrease the gender inequality at some extent, then micro-finance would be considered as the positive variable and negative in the opposite situation.

Independent Variable: Independent variable refers to the stability and ineffectiveness through the other variables which an individual is trying to capture. It is also linked with the situation of an experimental approach which is systematically misrepresented from the investigators. It is termed as the presumed methodology.

The independent variable within this situation is micro-financing which is not dependent on any variable. The whole research paper is dependent on micro-financing. If it's reliable then the gender inequality issue could be resolved in the United States (Posso,2017).

LITERATURE REVIEW

This research paper analyzes the various difficult women empowerment factors that capture the relationship of gender inequality and micro-financing.

Cheston Theory

According to (Gleans, 2010), the "Hard Facts" that demonstrates the lessons; that could be applied on the activities of micro-financing, and covered the gender quality especially. Further in the study, he stated that providing services to the women is a profitable dimension

in terms of business. This theory has been implemented practically by the Wells Fargo Bank and the outcomes about it were true and relevant. The market was hardly served and due to which it was witnessed on the basis of Wells Fargo's example. Within the market, there was barely any competitive edge and flexible entry was hardly available. The women out there brought the valuable assets perception, difficult challenges and wants. These aspects became difficult in order to cater the appropriate product designing which could need to be accepted within the market. The leadership of women captured the wide talent terminology as well, including the diversification and creativity. Facilitating women through a development perception established the massive amount of beneficial effects. The monthly incomes that have been dealing the women accrue mainly provide the advantages to the families by improving the nutrition factor, education sector and health issues etc. The industry of micro-financing has justified and examined that ladies lean to be a better remunerator and also improved the repayment structure method covering the microfinance institutions (Zhang, 2018). According to the Cheston theory, it has proven that working outcomes are better by women as compare to men within groups and also supported in creating effectiveness for the institutions out there. Further, he highlighted the fact that gender equality can improvise the development bottom zone. The respective literature totally certifies this aspect. The methodology of Micro-financing, however been viewed almost as a catholicon for improvising the livings and highlighting a gender attribute. Also, it has been considered in terms of specific concentration on targeting women Cheston (Gleans, 2010).

Is Micro-financing meeting the Targets?

According to (Buis, 201), this research paper analyzed the facts and figures that analyzed the advantages that lies within the households' expenses because the women are quite better in financially empowering the household expenses as compare to men. Women knew exactly where to spend, how to spend and what to spend. They also worked on the savings and tried their level best to spend less and save more. On the other hand, it also demonstrates the need for more genuine approaches in order to counter that factors that might be examined like inactiveness of the women empowerment and engagement within micro financing. Within this terminology, the empowerment of women linked with the increment in the respective incomes to get the outcome of the effective improvements within their families and within themselves. According to (Athmer, 2004), the research paper indicated the involvement within the practitioners' thoughts of the extension through which they could completely embrace the methodologies which were absorbed in ongoing procedure of the gender sensitivity thoughts and analysis. Further, there was enough proofs which has been utilized in designing the gender based products that were sensitive enough to be added with in the bottom-line establishment. It has covered all intends and objectives that must be at the same level with the mission of conducting any sort of microfinance program catering for the people who lie under the poverty-line. In the study of (world bank, 2014), There were the few questions that remained unanswered regarding the reasons behind the failure of micro-financing in improvising the gender equality and the pointers that needs to be adapted in order to solve the gender inequality issue within the United States (UN women, 2018).

Micro-finance and Gender Inequality Challenges

Without any doubt, there were various gender inequality challenges for micro-finance implementation and these basic needs had to be catered in a situation where microfinance was completely empowering the women. As per the study of SusyCheston (2006), the initial step that needs to be taken was to address the question regarding the procedure of enabling the massive access to the huge unreached women majority. This was one of the huge challenges that were faced by micro-finance all over the globe. Further, it was indicated the factors that

were tackled within the different countries for example, India had the supportive framework policy which catered for the large amount of women who were currently minimized by the access to a great range of the financial services. The second major and crucial challenge for micro-finance was to target women at primary level who were having the small access to assets already. Therefore, in term of financial outlook, by expanding the women debts, it might possibly have been playing its role in order to make women's net outcome negative at an initial level. The following table clearly stated the second challenge faced by the micro-finance.

Assets	Debts/ Outcomes
<ul style="list-style-type: none"> Minimum changes within the ownership of assets for women catering the households. 	<ul style="list-style-type: none"> Increment within liabilities Increased with in women burden of debt payment.
<ul style="list-style-type: none"> Few direct empowerments through being a major part of the microfinance platform for example, solidarity group, liability group and SHG etc. 	<ul style="list-style-type: none"> Expansion in pressure regarding the financial repayment. Increment in vulnerability.

Moreover, the third major challenge according to the (Susy, 2006) was the pressure of liabilities and poverty burden by microfinance on women completely. It was considered that women are worthy in terms of repayment structure as compared to men and by giving loan to women, there are less chances of risking the credit terminologies. The fourth problematic issue was examined that microfinance has motivated and supported women on traditional basis within the groups. The groups such as solidarity groups, joint-liability groups, self-helping groups etc. It has done a small level enhancement to women's accessibility to a great requirement of individual loans in order to cater the running and developing the medium level and small sized enterprises. The fifth is the problem regarding the gender repressiveness. Many MFIs needs to address the financial methodologies by loan officers and field workers, who lean to be men instead of women. There are many issues that have been raised in a type of situation which required the attention on urgent basis from the customers throughout and the attention in terms of gender point of view and protection. Additionally, these criteria analyzed the factors that there are few women as CEOs (Chief Executive Officers) and Female MFI heads and senior management of Women in MFI. Further, Morgan (2007), argued on the pointer of making it difficult in terms of recruiting women for the leadership positions holding in micro-finance. Another factor could be the increased level in the professionalism and the outcome has been increased in size, complexity and scale. Both of the cases tackled the difficulty to analyze the women who do have the past experience and have the required qualification which is important to fulfill the job terminologies. The 6th and the most crucial challenge was that many micro-finance programs were working by the deliverance mechanism totally based on the grouping. There was a great challenge in order to cater for extra mechanisms that had been increasing the extra load on women in order to develop bankable ideas through attending meetings held weekly. The net outcome is a significant increment in the transaction costing (Srinivas, 2017).

METHODOLOY

The major problems that have been analyzed through the research were related to the gender criteria and the related interventions were highlighted in microfinance that are quite important to improvise the livings with in a suitable manner. Whereas, some micro-finance sectors have

not completely integrated the gender inequality problems lies under their operations examined practically (Ithin, 2013). The women who are not having the rich background unknowingly consider themselves within in vivacious and informal zone already with the over loaded burden of their work. A detailed approach utilizing the quantitative data has been adopted in order to analyze whether the accessibility to micro-financing plays a vital role for the reduction of gender-inequality. For this research paper terminology, the secondary data has been utilized in order to obtain the different surveys, research papers, journals and studies etc. from the year 1995-2017. To identify and explore the interventions at the same time sought to work on individual's living strengths transformation for relationships based on genders that had been examined in South America. The initial research was based on the analysis of 468 different studies and research papers. Further, the identifications were reviewed in order to intervene the met criteria for comprehension. The data gathering was totally based on the accessibility to MFIs, the complete balance sheet and characteristics based on demographic regions (watts, 2005).

The sample size regarding the identification of relationship among the Micro-financing and gender inequality was around 500 from adopting the methodological aspects by Morgan and Krejcie (1970). The basic strategy was to target the areas having the accessibility to microfinance institutes. The research of Morgan has shown that 253 out of 500 women had got the MFI loans in order to cater the house hold and livings. The other 247 women are unaware about the MFI loan policy and had never enjoyed take loans from the respective micro-finance institutions. The loans like interest rate, loan structures, collateral and etc. Also covers up the repayment criteria in order to analyze that whether the significant difference are there in order to affect the results (Kabeer, 2005).

The various researches and studies showed that around 81.6% are women that borrows loan from MFI and it is not shocking at all that MFIs usually reaches the women because women are the main consumers of MFI. The study also showed that the MFI usually targets maximum level of poor people. Once the loan has been offered, then the structure of loan payment is based on quarterly, monthly, biweekly, weekly and daily. The basic purpose was to minimize the defaulters. This implication is especially for the operational costing of microfinance department that are catering for the minimum size of many of these loans. However, the officers who look after the loan departments have the deadening objective in order to keep tracking their clients by enforcing the repayments in the agreements of loan contract (Voola, 2013).

RESULTS

The outcomes of the decomposition of analysis figure out the explanation of gap in the variable outcome among the households of two different categories. First household is considered to be under the supervision of female while another one is considered to be under the supervision of male. The research shows that the households which are under the supervision of females are having the lower level of valuable mean covering the total physical assets of household as compare to the supervision of male. Following are some of the interpretations that have been examined in order to find out the impact of micro financing and gender inequality (Ariane, 2016).

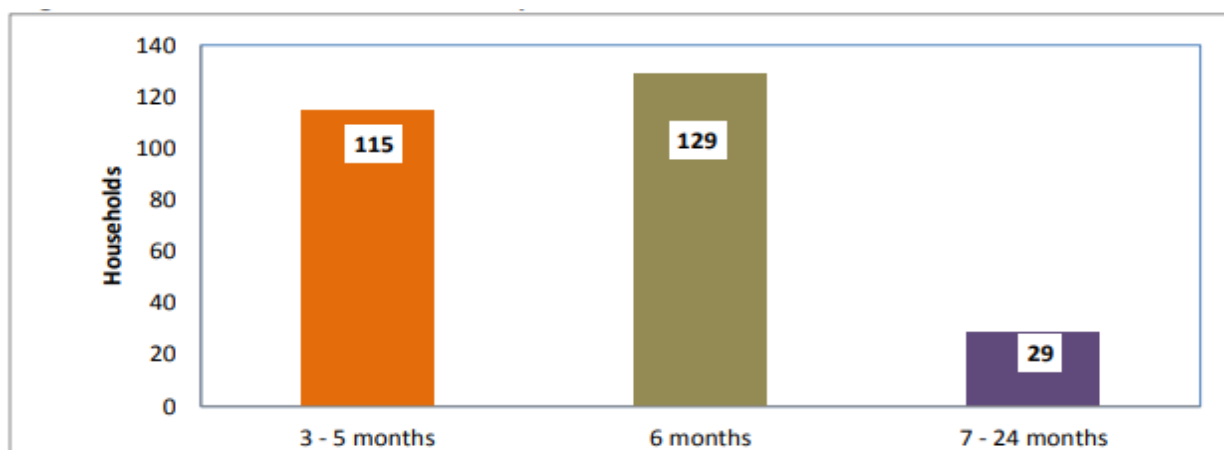


Figure 1: Microfinance Loan Maturity Source: Survey Data

The above survey data is of micro-finance loan maturity level. The respective costs of the loans is termed from MFI which is generally interpreted to be at the high level of relative term which lead to commercial bank funding and loans. The research based on this survey data perceived the rate of interest on monthly basis that has been charged on these respective loans of around 5% approximately. The range it carries is of around 0.5% - 19. The rate of interest that has been received monthly relies under the 5% of interest rate approximately that converts within a rate of percentage annually of around 79.6%. Roughly, it had been observed that 77% of the people have responded to the survey questions because they had the accessibility MFIs credit terminologies who do not even know the actual rate of interest that has been charges on these respective loans. According to the survey report, there were around 268 individuals out of which 206 individuals have responded to the survey questions (Nkalu, 2018).

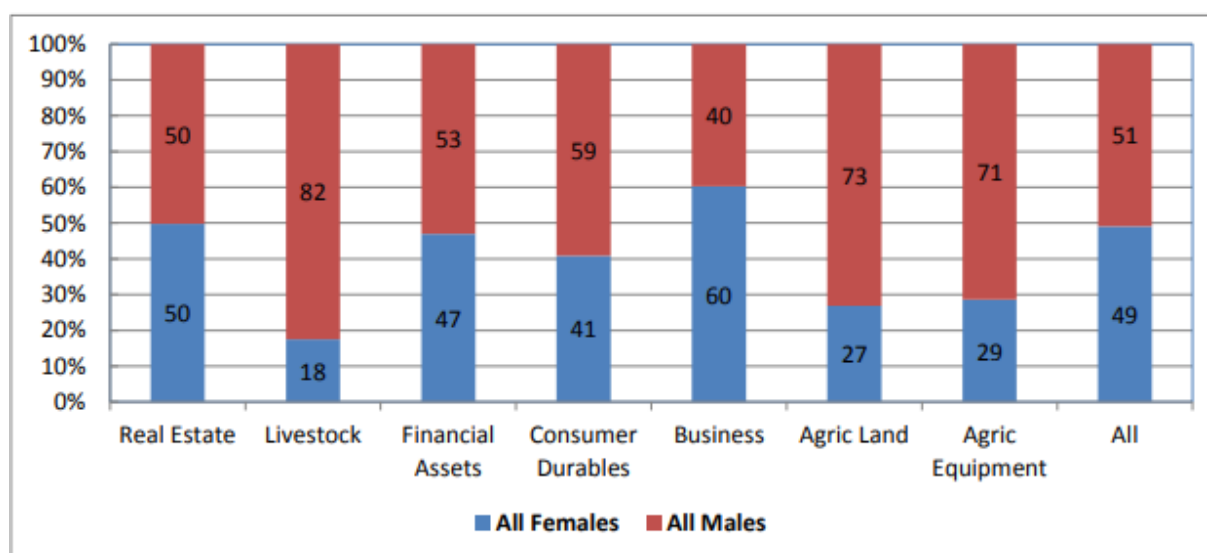


Figure 2: Female's Share in Total Wealth by Asset Type – Entire Sample Source: Survey Data

The above data refers to the comparison of intra-households that reveals that the females who are responsible for the house hold chores and get the micro-finance for it, leads to have a

comparatively higher household wealth share than the females who did not get the micro-finance credit on average basis. This shows that the micro-financing plays a vital role in terms of living a better life. According to the survey the share of ladies in the complete gross wealth value accommodates for household expenses along with micro-credit is around 52% as compare to the females in households who do not have micro-financing facility carries 48%. The second category of households does not even carry the financial assets (Reyes, 2006).

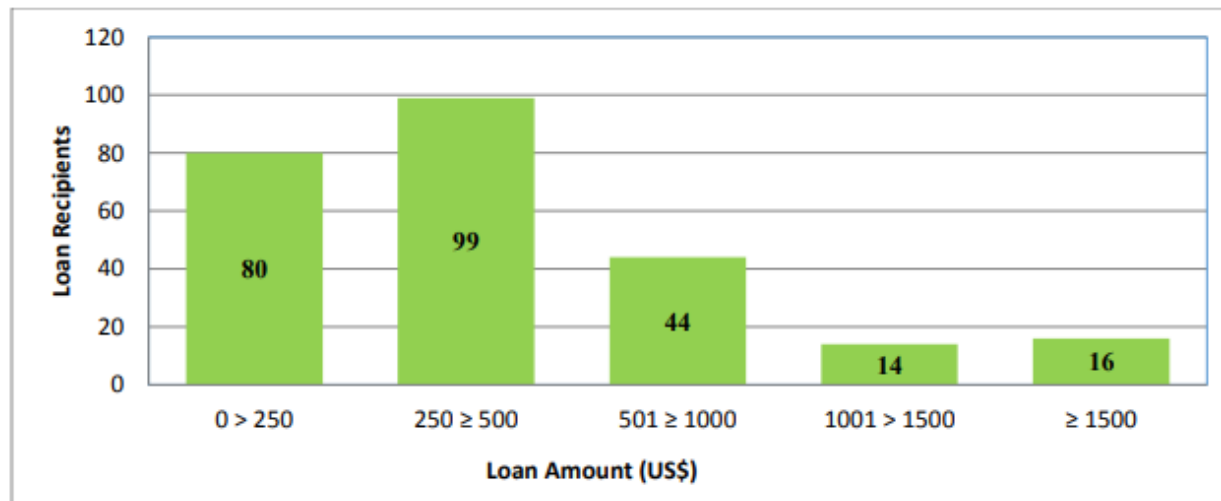


Figure 3: Loan Amount (US Dollars) Source: Survey Data

The type of loans in United States of America were provided to those specifically who needs to get involved and engaged with in medium and small scale of business and its different activities. Also, on the other hand, loans have been given to cater the daily expenses of households. Approximately, around 63% of loan has been applied to the loan. Also, on the other hand, loans have been given to cater the daily expenses of households. According to the survey, approximately, around 63% of loan has been applied to the loan which the effected public has already received in order to tackle their business activities. 11% of the loan has been used to cater all the household expenditures such as education, health expense and consumption have been specifically being highlighted. The rest 26% have been applied covering both household expenditures and home enterprise as well. The major reason behind this is the occurrence of the strict rule from MFIs. It requires the proper recipients in order to apply for micro-finance for their business and that are even difficult to get in practically (szafarz, 2013).

DISCUSSION

There are various commitments that internationally support the women's empowerment economically, which include many plans such as convention of eliminating the discrimination forms against women or an international labor serial authority participation on gender inequality issue. The women of UN do support the women empowerment aligned with these, also with the evidence of body growing that highlights the factor of gender inequality specifically which plays a great role in advancement of different economies and healthy development (Appiah, 2016). This research has showed. Apart from discussion on the women empowerment; the fund raisers out there force MFIs for the sustainable reduction in operating subsidiaries. MFI need to carefully work on these approaches for cost reduction respectively. On the other hand, commercialization in past has been concentrating on the middle line to develop more robotic operation methodologies. The facts that have been collected from the

survey analyzed that the average size of loan for females is significantly lower than the men counterparts. In addition, there is a need to make sure that the poor people and their households are having the accessibility to the lower-cost financing in order to get the maximum positive effect on gender inequality (Afrane, 2016).

CONCLUSION

This research paper has already examined the actual importance of the accessibility to the micro-financing for the gender inequality utilizing both the econometric and comparative analyses covering up the male and female households across the globe. Considering that the gender inequality dimensions are the important factors, and to make them effective, there are some MFIs terminologies that need to be considered in order to make the micro-financing positively supports the gender inequality. Initially, the MFIs structural set-up that needs to be maintained as there will be lots of gender inequality issues and to accommodate them, the organization has to ensure the regular evaluation process. Secondly, the MFI sustainability which plays a vital role to run the profit making institutions and which are being targeting the females throughout. Last but not the least, the engagement of a donor that help them to struggle for the MFIs that concentrates on the gender differences mutually and also consider the organizational sustainability.

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