

# UN Women E-discussion: “Make Financial Markets Work for Women”

---

Submission by the ABA-UNDP International Legal  
Resource Center  
<http://ambar.org/ilrc>

6/9/2014

The following compilation has been prepared by the ABA-UNDP International Legal Resource Center (ILRC) in response to the e-discussion on making financial markets work for women. This report includes the professional and personal views of eight experts. They have shared this feedback on behalf of the ILRC, but in their own capacity. The views expressed herein have not been approved by the House of Delegates or the Board of Governors of the American Bar Association (ABA) or the United Nations Development Programme (UNDP) and, accordingly, should not be construed as representing the policy of the ABA or UNDP. Furthermore, nothing contained in this report is to be considered rendering legal advice for specific cases, and readers are responsible for obtaining such advice from their own legal counsel. The opinions expressed herein are those of the author(s) and do not necessarily reflect the views of the ABA or UNDP. For more information, please contact [Jacqueline.Gichinga@americanbar.org](mailto:Jacqueline.Gichinga@americanbar.org).

## Table of Contents

### **Tequila Brooks**

Making Working in the International Finance and Banking Sector Work for Women .....	3
--	---

### **Ingrid Busson-Hall**

Women’s Financial Literacy & Access to Financial Services and Products .....	5
---	---

Women’s Employment in the Finance Sector Recommendations	
---	--

### **Christine Kymn**

Best Practices & Lessons Learned.....	8
Recommendations	

### **Richa Naujoks**

Women’s Access to Financial Services and Products.....	12
Women’s Financial Literacy and Skills	
Women’s Employment in the Finance Sector	
Measuring the Gender Impact	

### **Helena Nord Lee**

Providing Financial Services to Women is Good Business.....	16
Women as Entrepreneurs	

## **Personal Perspectives**

### **Prince A.A. Assanga: Perspective from Cameroon**

Experiences.....	21
Best Practices	
Lessons Learned	
International Initiatives in Cameroon	
Recommendations	

### **Kkamogediso Mokongwa: Perspective from Botswana**

Women’s Employment in the Financial Sector.....	23
Board Membership	

Recourse, Education, and Inheritance  
Marriage and Divorce  
Pensions, Ponzi Schemes, and Pyramid Schemes  
Legal Aid  
Emerging Issues  
Recommendations

**Jacqueline Mugisha: Perspective from Uganda**

Women and ATMs, Visa Cards, and E Financial Network  
Markets.....32

## Tequila Brooks<sup>1</sup>

### Making Working in the International Finance and Banking Sector Work for Women

The International Finance Corporation (IFC) and other Bretton Woods Institutions have made a point of researching and designing programs to improve women's access to banking and financial services as part of a set of initiatives related to the Women's Economic Empowerment. Examples of the work being done by the IFC and other Bretton Woods institutions can be found on the website of the [IFC's Gender Secretariat](#), where research studies focus on how to better incorporate women in the working world as entrepreneurs and employees and the benefits of better inclusion of women in the business sector.

Despite the ascension of Christine Lagarde to the role of Managing Director of the International Monetary Fund and that of Janet Yellen to the role of Chair of the United States Federal Reserve, there appears to be inadequate comparative research about the role women can play as managers, executives and directors of the international and national finance and banking sectors, not just employees and consumers of banking products. The International Labor Organization (ILO), the IFC and World Bank should work together to gather the quantitative and qualitative information about ascension of women to board and upper level executive positions in the world's banks, especially in nations important to the international finance and banking sector such as the United States, Brazil, India, Singapore, Switzerland, Luxembourg and the United Kingdom - to name a few. It is not enough that international and national policy makers consider how to make banking accessible to women. They should consider that sharing control of the globe's purse strings is a critical component in women's economic empowerment.

One set of tools utilized by many nations to address access of women to management, executive and leadership roles in the private and public sector are those in the field of employment equity (Canada), positive action (European nations and the EU), affirmative action (United States, India, South Africa and Brazil) and quotas (Norway and India).

- For example, in Canada, the banking sector is regulated at the federal level, so all banks that operate in Canada are subject to the nation's federal Employment Equity Act and are

---

<sup>1</sup> This report was provided by ILRC Expert, Tequila Brooks. Ms. Brooks worked on a pro bono basis.

**Tequila Brooks** is an attorney and international employment policy specialist living and working in the Washington, DC area. She served as Labor Law Advisor with the North American Commission for Labor Cooperation Secretariat for five and a half years, where she co-authored a study comparing the laws impacting migrant agricultural workers in Canada, Mexico and the United States and was primary author and project coordinator of a tri-national clear language guide to labor and employment laws for migrant workers in North America. She also conducted and supervised research in the areas of employment discrimination, equal pay and employment equity law and policy and workers' compensation and occupational safety and health laws in North America, and was responsible for spearheading specialized focus groups and meetings on migrant worker issues, comparative workplace discrimination and equal pay law, women workers' issues and special issues involving women workers and long-term disabilities. Prior to joining the North American CLC, Ms. Brooks represented low income workers in workers' compensation and unemployment cases in the state of New Mexico. Since leaving the CLC, Ms. Brooks has provided foreign language legal services to international law firms in the area of corporate compliance and anti-corruption matters. In addition to serving as an expert advisor on gender and workplace issues for the ABA-UNDP International Legal Resource Center, she is a member of the ILO's Research Network on Improving workers' rights in globalizing economies and is a frequent contributor to the American Bar Association *International Employment Lawyer* and researches, blogs and writes and lectures about international labor, trade, sustainable development and human rights. Ms. Brooks is co-author of the NAFTA/NAALC monograph in the International Encyclopaedia of Laws (Kluwer, 20th Anniversary updates, *forthcoming 2014*). She has an LL.M. in International and European Labor Law from the University of Tilburg Law School in the Netherlands (2012) and an LL.M. in International and Comparative Law from The George Washington University Law School in Washington, DC (2010). She received her J.D. and M.A. in Latin American Studies from the University of New Mexico in Albuquerque, New Mexico and her B.A. in Liberal Arts from St. John's College in Annapolis, Maryland.

required to submit periodic reports on achievements and challenges in employment equity. Scotiabank's Employment Equity Report to Canadian officials for 2012 reported that while 66% of Scotiabank's employees are women and half of its professionals are women, only about one third of Scotiabank's senior managers are women.<sup>2</sup> The report shows improvement since 2008 when only 24% of Scotiabank's senior managers were women, but acknowledges that improvements must still be made.

- In other countries, like Brazil, more sound, publicly available research and information is needed about women's participating in executive and management positions in the Brazilian banking sector. A 2009 study published by the Amsterdam Institute for Advanced Labor Studies (AIAS) indicates that women constitute 36% of that nation's legislators, senior officials and managers.<sup>3</sup> While this study provides an overview of participation of women throughout the Brazilian economy, it does not separate information about the private and public sectors and does not provide detailed information about women's participation in upper level positions in the banking and finance sectors in Brazil.

In 2011, Rohini Pande and Deanna Ford produced an intriguing background paper entitled *Gender Quotas and Female Leadership* as part of the 2012 World Development Report on Gender Equality and Development.<sup>4</sup>

- Pande and Ford found that while career paths have broadened for women around the world, there has not been a proportionate increase in female leaders.
- They also found that gender quotas in Norway's legislative branch have led to more female legislators and more legislative attention to issues that are important to women. More research would have to be done, but it would be a productive task for the IFC and its Bretton Woods brethren to explore whether an increase of women in directorships on the boards of finance companies and banks would have a similarly positive effect on policies that afford greater access to banking and financial services for women.
- While it is a common stereotype that women tend to be less corrupt than men in leadership positions, Pande and Ford cite studies providing evidence that women have been less corrupt than men in the administration of local governments in India (p. 20). They also note that the lack of a female presence on company boards results partially from the lack of a female presence among top executives in companies.
- While Pande and Ford discussed companies in general, the ILO, IFC and World Bank could initiate research on whether this is also the case in particular in the banking and financial services sectors and, more importantly, what can be done about it.

Literature on the gender gap in leadership and management of the banking and financial sectors in the United States and United Kingdom tends to focus on the small number of women in leadership roles and obstacles to women's advancement.

---

<sup>2</sup> [2012 Employment Equity Narrative Report](#), SCOTIABANK, 4.

<sup>3</sup> Maarten van Klaveren, et al., [An Overview of Women's Work and Employment in Brazil](#), AMSTERDAM INSTITUTE FOR ADVANCED LABOUR STUDIES, December 2009, 50.

<sup>4</sup> Rohini Pande & Deanna Ford, [Gender Quotas and Female Leadership](#), WORLD DEVELOPMENT REPORT 2012, 2011.

- For example, Catalyst found that in 2012, 23% of senior officers in finance and banking companies and that 18% of board directors in the US were women, although 40% of all banking and finance employees were women.<sup>5</sup>
- The Institute of Leadership & Management in the United Kingdom found that women encounter a number of obstacles to progressing to leadership roles in the banking industry in the UK.<sup>6</sup> These obstacles include discrimination in promotion, ineffective performance management systems that make who you know rather than what you can do important factors in advancement, lack of female role models, inflexible workplaces and the need for a strong presence of women on the boards of directors of companies in the banking and finance sectors.

In contrast to the banking sectors in New York and London, which were the epicenters of the global financial crash in 2008, India's banking sector emerged relatively intact.

- Aman Dhall and Ravi Teja Sharma of *The Times of India* attribute the better management of India's banks to the presence of a higher number of women in top executive and board positions.<sup>7</sup> Dhall and Shama point to the hiring of promising female business school graduates by international banks entering the Indian market in the 1980s and 1990s. Many of these women advanced to top executive and board-level roles. According to the article, in present day India, three out of the top eleven bank executives in India are women.
- Bankers attribute the success of women bank managers in India to affirmative action policies, an emphasis on human resources policies that benefit all employees and family support. The article indicates that many of the women who advanced to top positions in India's banking sector have paid help at home, making the reader wonder if there may be financial barriers to ascension in bank management.

While the global literature on women's participation at executive and board levels in the banking and finance sectors is incomplete and requires additional attention, it is clear that women do not participate at top levels in proportion to their participation as bank employees and customers. Existing literature points to a path ahead for research focused in particular on women in management and executive roles in the banking and finance sectors. More research must be done to identify the reasons for successful results in some countries like India and inadequate progress in other countries such as the United States and the United Kingdom. It is not just a matter of affording women more power to control the purse strings in the global banking and finance sectors.

As the biography of Liberian President Ellen Sirleaf Johnson shows, leadership in the banking and finance sectors can translate directly into leadership in the political arena, and vice versa. When she was not jailed for her political activism in Liberia, President Sirleaf Johnson spent much of her life in exile in top level positions at the World Bank and as Director of Citibank in Kenya. One factor in her success as President, as a leader against corruption who renegotiated a number of unfair contracts entered on behalf of Liberia by her predecessors may have been her extensive experience in the global finance sector.

---

<sup>5</sup> [Women in Financial Services](#), CATALYST, Mar. 3, 2014.

<sup>6</sup> [Women in Banking](#), INSTITUTE OF LEADERSHIP & MANAGEMENT.

<sup>7</sup> Aman Dhall & Ravi Teja Sharma, [What Makes Women Successful in Indian Banking Industry?](#), THE TIMES OF INDIA, Sep. 19, 2010.

## Ingrid Busson-Hall<sup>8</sup>

### Women's Financial Literacy & Access to Financial Services and Products

While I can appreciate the desire to address these topics separately, for me, they are inextricably linked. Most women-owned businesses struggle to get off the ground and grow due to inherent (if not endemic) challenges on both the demand and supply side. On the demand side, many women lack a basic understanding of finance and the capital markets. Further complicating matters, when seeking third party funding, whether from banks, venture capitalists or angel investors, women under-pitch their business ideas/models. On the supply side, which remains heavily dominated by male decision makers, the contributions and ideas of women are undervalued. The barriers to entry remain significant and can only be removed through education and confidence building initiatives whereby women can learn the language of finance and find greater confidence in their innovative ideas.

In my experience, women who actively build out and fully leverage diverse professional networks are far more confident and successful in tapping the full complement of financial products available to them to found, expand, and sustain their businesses.

The ability to successfully refer, develop, and cultivate business remains a key barrier to the economic advancement of women within and between industries, including entrepreneurs. While many women excel at building lasting relationships, asking for business is often difficult. The reasons for this range from fear to assumed negative perception and cultural norms. Creating a "safe" environment where all participants are on notice that their purpose is to network and refer business to one another provides clear opportunities to address this challenge. In this regard, I was tasked earlier this year by the leadership of the ABA Section of International Law to assist the ABA's Task Force on Gender Equity in the development of a women's business referral network that is intended to provide in-person networking opportunities, a database of searchable contacts, and virtual networking through social media.

In addition to their obvious benefits for women's networking, social media and other mobile technologies provide immense opportunities to enhance financial literacy and unleash the power of women's ideas. Twitter, for example, even if only used for social media "listening" purposes rather than active tweeting, offers invaluable directed knowledge transfer quickly, cheaply, and globally. For female entrepreneurs building an image around their business, tools like Pinterest and Instagram are essential to 21<sup>st</sup> century branding.

---

<sup>8</sup> This report was provided by ILRC Expert, Ingrid Busson-Hall. Ms. Busson-Hall worked on a pro bono basis.

**Ingrid Busson-Hall** is an Executive Director at Morgan Stanley in the Bank Regulatory Legal Group, where she advises business units and support functions through the global Morgan Stanley network on the implications of U.S. banking laws and regulations. Prior to joining Morgan Stanley, she was Associate General Counsel for Credit Agricole Corporate and Investment Bank where she managed a team responsible for all regulatory matters in the Americas. Previously Ms. Busson-Hall was an Associate at Skadden, Arps, Slate, and Meagher & Flom LLP in New York and Washington, DC. She is an active member of the ABA Section of International Law, currently serving as the Section's Deputy Liaison Officer and Co-Chair of the Section's 2014 Spring Meeting. Ms. Busson-Hall is the recipient of the Section's 2013 Outstanding Corporate Counsel Award. She earned her J.D., *cum laude*, and a Master of Studies in Environmental Law, *magna cum laude*, from Vermont Law School, and a B.A., *summa cum laude*, in Government and Geography from Clark University.

## **Women's Employment in the Finance Sector**

Until women are recruited, retained, and promoted in higher numbers within the financial services industry, success in improving women's access to financial products and the capital markets will remain limited.

Skills and knowledge about how to successfully navigate one's career must be passed to the younger generation. Young women especially must be mentored on the importance of speaking up and asking when they need a new assignment, have earned a raise, or merit promotion. Again, these are areas where many women struggle. The financial impacts are severe and perpetuate significant pay equity gaps between men and women.

## **Recommendations on Enabling and Incentivizing Women's Financial Inclusion**

There are so many public policy avenues that should be pursued to advance women's financial inclusion, including:

- Anti-discrimination laws such as the Equal Employment Opportunity Act, Fair Lending Act, and Equal Credit Opportunity Act;
- Introduce the basics of financial literacy in primary school, starting with the essentials of budgeting;
- Tax incentives/credits for women owned business;
- A public guarantee mechanism for women-based financing modeled on import-export banks; and
- Intensive mini-MBAs for women.

## Christine Kymn<sup>9</sup>

### Experiences, Best Practices, and Lessons Learned

As an economist researching issues important to women- and minority-owned small businesses, I have experienced a diverse spectrum of opportunities to learn about experiences, best practices, and lessons learned important to the issue of women and financial inclusion.

*Best practices and lessons learned through the voices of women business owners.*

Through presentations to the small business community and organizations for women small business owners, I have had the opportunity to speak directly with small business owners regarding financial inclusion. While women small business owners continue to vocalize challenges to financial inclusion, they also offer advice to their peers and share this information with researchers such as myself.

Two best practices women business owners consistently recommend are to build a strong network and to find a financial mentor. In fact, I consistently hear about these practices irrespective of gender, but these two practices may be especially important to women owners who may lag behind men owners in building valuable social capital. According to these women, networking provides not only business opportunities for women owners, but also particularly for women-based groups, provides a forum for concerns and advice from peers. In addition, women-based professional groups provide reciprocal support for women by leveraging the power of a collective voice on policy positions while also informing women of policies and regulations that may impact their financial opportunities and bottom line. In addition to broad networking, women entrepreneurs have also recommended finding a financial mentor. Owners have expressed that financial mentors offer valuable specific advice about how to sustain and grow a business while also providing social capital that links an entrepreneur with potential investors or other financial opportunities.

*Lessons learned from data. What women entrepreneurs can learn to better understand the financial landscape*

Understanding both gender differences in financing as well as why these differences occur could prove helpful to existing and prospective women entrepreneurs to make informed choices and strengthen advocacy efforts.

Relative to men-owned businesses, women-owned businesses start with less capital, are less likely to take on additional debt, and are more likely to indicate they do not need financing to start a business. ([SBA Office of Advocacy, Developments in Women-owned Business](#), 1997-2007 (Sep. 2011))

---

<sup>9</sup> This report was provided by ILRC Expert, Christine Kymn. Ms. Kymn worked on a pro bono basis.

**Dr. Christine Kymn** joined the SBA's Office of Advocacy as a Regulatory Economist in April 2012. In this position, she evaluates the economic impact of proposed regulations on small businesses. Kymn previously served as a policy analyst in the Office of Management and Budget's Office of Information and Regulatory Affairs. There she specialized in environmental air, toxic chemical, and energy regulations, analyzing estimated costs and benefits. Kymn received a Ph.D. from George Mason University and a law degree from George Mason's School of Law. She was the recipient of the Robert A. Levy Fellowship in Law and Liberty, an interdisciplinary post-graduate program that brings the tools of economics to legal problems. She has taught economics at Washington and Lee University and was a visiting professor at the George Mason School of Law. Her fields of expertise include law and economics and public economics.

### *Startup capital matters*

These findings are relevant because, as one might expect, firms that start with higher levels of capital tend to have higher levels of assets, revenues, and employment. According to the Kauffman Firm Survey (KFS), between 2004 and 2008, 61.8 percent of women started firms with less than \$25,000, relative to 55.9 percent of men. (Source: Characteristics of New Firms: A Comparison by Gender. Kauffman Firm Survey, January 2009.) KFS further finds that firms that started with capital in excess of \$125,000 performed significantly better than lower-capital startups across asset levels, revenue, and employment. In addition, between 1996 and 2011, men started companies at nearly twice the rate of women. Finally, the KFS estimated three-year survival rate for newly established women-owned businesses between 2004-2007 was approximately 69.5 percent, compared to 75.1 percent for men-owned businesses.

Data indicate women and men rely on different types of capital in addition to differing on the level of capital. According to the 2007 Survey of Business Owners (SBO), both women and men relied primarily on personal/family savings to start or acquire firms, though women relied to a lesser degree than men (55.5 percent v. 62.1 percent, respectively). Women were much more likely than men to indicate they did not need startup financing (30.3 percent v. 19.5 percent). In addition, women were less likely than men to start or acquire firms with business loans from banks or financial institutions (5.5 percent v. 11.4 percent). Venture capital, grants, government loans, and government-guaranteed loans represented the smallest share of startup capital for both genders. Within that small percentage, women were less likely to receive venture capital than men (.1 percent v. .4 percent), while women received grants at a higher rate than men (.3 percent v. .1 percent). (Source: [SBA Office of Advocacy Fact Sheet, Gender Differences in Startup Financing](#); SBO, 2007; Women-Owned Businesses in the 21st Century. U.S. Department of Commerce, October 2011; US. Department of Commerce, Economics and Statistics Administration, Women-Owned Businesses in the 21st Century (Oct. 2010) (prepared for the White House Council on Women and Girls)

### *Industry sector matters for revenue generation.*

Generally, the 2007 SBO indicates that women-owned firms generate disproportionately lower sales than men-owned firms across all industries. Data also indicate that women business owners are not populating the highest revenue generating industries. Specific to revenue, in 2002 and 2007, the top four *revenue-generating* industries for both female-owned and male-owned employer firms were (roughly in rank order): wholesale trade, retail trade, manufacturing, and construction. By contrast, in 2002 and 2007, the top four *industry sector shares* for women-owned businesses were professional services, retail, health care, and accommodation. In 2002 and 2007, the top four industry sector shares for men-owned businesses were construction, professional services, retail, and health care. (2007 Survey of Business Owners, US Census Bureau)

### *Specialized knowledge matters.*

Further, while women are closing and in some cases surpassing the gap for advanced degrees relative to men, they continue to lag in areas noted for high entrepreneurship rates. In particular, women continue to lag men occupationally and entrepreneurially in the Science, Technology, Engineering, and Math (STEM) fields. For example, in 2008, women represented approximately 27% (Men: 73%) of all science and engineering occupations and 57% (43%) of all science and engineering related occupations. Engineering is notable as a particularly high patent generation field, and patent generation is often viewed as a good proxy for entrepreneurship. In 2007, WOBS accounted for approximately 26% of all firms in the Information Sector. In 2007, WOBS accounted

for approximately 29% of all firms in the professional, scientific, and technical services sector. Educational trends indicate women continue to catch up in these fields but the lagged impact to labor and business ownership remains at present. (BLS, Labor Force Characteristics by Race and Ethnicity, 2010 (August 2011), NSF, National Center for Science and Engineering Statistics, Scientists)

#### *Type of business matters.*

By contrast, running a home-based business may negatively contribute to both loan approval and level of capital injected, though results for this variable were mixed. There is also evidence that home-based business owners tend not to apply for additional credit. Though it is difficult to distinguish lifestyle trade-offs home-based businesses make in terms of financing, KFS data indicate that between 2004-2008, women were more likely to operate home-based businesses than their male counterparts (52.% v. 49.6%). (Alicia Robb, [Access to Capital among Young Firms, Minority-owned Firms, Women-owned Firms, and High-tech Firms](#), April 2013)

### **Recommendations**

Small business owners contribute significantly to the U.S. economy, and women business owners represent an important segment of these owners. As such, from a policy perspective, one aspect to understanding how to enable and incentivize women's financial inclusion could also be translated to understanding how maximize women entrepreneurs' contribution to the economy as a whole. Recent survey data estimates the percent of women business owners at 36.0 percent in 2012. (SBA Office of Advocacy, Issue Brief 2, [Demographic Characteristics of Business Owners](#) (January 2014). In 2007, Women-owned firms employed 7.6 million persons (6.4 percent of total employment) and generated \$1.2 trillion in receipts (3.9 percent of all receipts). (2007 Survey of Business Owners, US Census Bureau).

#### *Understanding Policy Levers for Access to Capital*

In the US, evidence is mixed for whether women small business owners experience disproportionate loan denials and may vary based on data and year specifications. Available research suggests that once differences in credit standing, firm size, and business growth potential are taken into account, these factors explain much of the differences in loan approval rates between women and men who are starting or own businesses. These findings are relevant from a policy perspective because they narrow the field on the appropriate policy levers for officials interested in increasing loan approval rates for women entrepreneurs. (SBA Office of Advocacy Issue Brief 3, [Access to Capital for Women and Minority Owned Businesses](#) (January 2014))

For instance, KFS data indicate women-owners were slightly more likely to have low business credit scores than men-owners (38.1% v. 31.6%) between 2004-2008. This finding, if supported more broadly and studied in greater depth, might lead to initiatives regarding establishing credit.

Personal wealth may also be a factor in access to capital for women entrepreneurs. In 2010, median net worth for female households was approximately 29% of male households, though female households had slightly higher owned-home equity (59,999 v. 55,000). Several studies have found that personal wealth, primarily through home ownership, decreases the probability of loan denials among existing business owners. (Cavalluzzo and Wolken 2005; Fairlie 2006).

Regarding fear of denial, prior studies have found that both minority and women small business owners feel disproportionately discouraged from applying for credit relative to their non-minority and male counterparts. (SBA Office of Advocacy Issue Brief 3, [Access to Capital for Women and Minority Owned Businesses](#) (January 2014)). These findings might be related to social capital gaps or could indicate financial outreach or education initiatives could prove beneficial. Further research is needed to better understand the preceding factors that may have led to these results.

### *Financial and Contracting Opportunities for Women*

Data indicate women-owned businesses rely relatively more on government financing than men-owned businesses, and several federal resources exist for women entrepreneurs. In 2009, SBA awarded \$16.28 billion in government contracts to women-owned small businesses (WOSBs). (SBA Office of Advocacy, *The Small Business Economy* (2010)). In February 2011, the SBA finalized a new Women-Owned Small Business (WOSB) Federal Contract Program. The program was created to provide greater access to federal contracting opportunities for WOSBs and economically-disadvantaged women-owned small businesses (EDWOSBs). Under the program, contracting officers were for the first time allowed to set aside specific contracts for certified WOSBs and EDWOSBs in working toward a statutory goal of awarding 5 percent of federal contracting dollars to WOSBs. (See <http://www.sba.gov/content/contracting-opportunities-women-owned-small-businesses>)

In addition to women-entrepreneur-specific programs and guidance, SBA also offers several loan and loan guarantee programs. For more information on these programs, see SBA's website:

- <http://www.sba.gov/content/women-owned-businesses>,
- <http://www.sba.gov/category/navigation-structure/loans-grants/small-business-loans/sba-loan-programs>
- <http://www.sba.gov/content/guaranteed-loan-programs-debt-financing-1>.

**Richa Naujoks<sup>10</sup>**

## **Women's Access to Financial Services and Products**

My background and experience are most focused on women's access to financial services and products in the US and specifically, New York; however, the issues and solutions appear to be similar across geographies.

### *Access to Capital for Women-Led Businesses (making the money)*

It is established that women entrepreneurs find it harder to pitch and get funded by equity investors. See, for instance, [The Impact of Entrepreneurship Database Program](#), which finds that ventures with women co-founders are less likely to attract venture financing, although more likely to turn a profit.

A group that is attempting successfully to level the playing field for women-owned businesses looking for capital is [Pipeline Fellowship](#). In their own words, Pipeline is "an angel investing bootcamp for women, [that] works to increase diversity in the U.S. angel investing community and creates capital for women social entrepreneurs." Pipeline (in the interest of full disclosure, Pipeline is a client of mine) runs training camps for women who would like to gain the tools to become angel investors. The idea is that more women in decision-making roles about investments will result in investments flowing to women-owned businesses. As discussed in this recent [Newsweek article featuring Pipeline](#), according to a study of a wide range of corporate firms by the Center for Talent Innovation, 56% of employees said the leaders at their companies didn't value ideas they don't personally see a need for. Getting women investors on the table means a funding source for ideas that women consumers can see the need. Incidentally, one of the reasons I think that supporting and actively engendering organizations like Pipeline will have an impact globally is the number of similar organizations and angel groups that have been spawned by Pipeline fellows after they completed their training, creating an entire ecosystem of women angel investors in New York and other cities.

There is also a small, but growing number of investors and investment funds that focus on minority or women-owned businesses to invest in. One such in New York is [Astia](#) which utilizes a combination of crowdsourcing for investment opportunities, investment and a network of mentors to grow women-owned businesses. A similar approach, in a PPP model with investors and

---

<sup>10</sup> This report was provided by ILRC Expert, Richa Naujoks. Ms. Naujoks worked on a pro bono basis.

**Richa Naujoks** is an attorney qualified in India and New York and works in the corporate transactions group at Nixon Peabody LLP, a leading US law firm. Richa has been practicing for over 10 years. Between two stints at Nixon Peabody, she worked and lived in New Delhi, advising the Indian Ministry of Corporate Affairs on matters relating to Corporate Social Responsibility and corporate governance. She also briefly worked in Kathmandu, Nepal, conducting trainings for women constituent assembly members on human rights in world constitutions. Back in New York since 2011, she focuses on corporate and financing transactions, with a focus on the healthcare, IT and food, beverage & agriculture sectors. Richa has a niche practice representing businesses and investors in the emerging area of impact investment, which involves everything from forming companies, advising on B-corp certification and formation, minority- and women-owned business certification, early-stage investment transactions, founder disputes through to venture investments, mergers/acquisitions and dissolution. A large portion of her impact investment practice centers around women-owned businesses and investors who invest in women-led/women-owned businesses. Richa is also one of the leaders of the firm's pro bono microfinance practice. Although the ideas and opinions expressed in this piece are her own, Richa has received valuable input for this submission from Joy Anderson, Criterion Institute; Conor Barnes; Jane Barratt, Vested Interest (Vi); Elizabeth Crowell, Astia; Suzanne Katz, Merrill Lynch Wealth Management; and Natalia Oberti Noguera, Pipeline Fellowship.

development agencies, including USAID, is being considered to fund innovative projects generally (more information can be made available once the project is launched – it is currently in process). There is a great scope for a similar approach but focused on women-owned businesses as investment targets.

#### *Access to Financial Planning Resources (keeping and growing the money)*

Women are increasingly becoming wealth creators, but both anecdotally, as well as based on reports (see, e.g., [Harnessing the Power of the Purse: Female Investors and Global Opportunities for Growth](#)), women are by and large less likely than men to have access to, and to utilize, financial planning resources. The impact of this is that the wealth created by women will likely grow at a slower pace than the same amount of wealth created by men. Merrill Lynch Wealth Management has a [site](#) focused on women and has additional reports available that measure the behavioral differences between women and men when it comes to investing their wealth including a need to see a social impact of the investment. In addition to Merrill Lynch's focused group on women, financial planning advisers are emerging that will focus on the different investment needs, strategies and focus of women wealth creators.

#### *Women-Owned Business Certification*

One way for women to be able to invest more in women is for women-owned and women-led businesses to become certified. The New York state provides Minority- and Women-Owned Business Enterprise (MWBE) certification. This is a means for the state to funnel public procurement contracts to MWBEs. According to the State, they "[help eliminate barriers for MWBEs seeking to participate in state contracts and provide information and resources that increase access to information and opportunities for minority and women-owned businesses throughout the State.](#)" There are several such State and City-level certification programs for women-owned businesses in the US. Additionally, private sector organizations (see, for example, [Women's Business Enterprise National Council's certification program](#)) certify women-owned or women-led businesses to allow for easy identification by women investors and consumers who desire to spend their financial resources in a way that also supports women. Especially paired with programs to increase the participation of women in the venture investment or angel investment space, certification is a powerful tool to allow funding to be focused towards women-owned and women-led businesses.

### **Women's Financial Literacy and Skills**

This is not an area in which I work too closely. However, I see a great potential to apply an emerging concept, that of social impact bonds, or pay for success bonds, to address this societal need.

#### *Social Impact Bonds*

[This article in the Harvard Magazine](#) explains social impact bonds and also discusses two social impact bonds issued by the Commonwealth of Massachusetts, for which my firm was the legal advisor to the Commonwealth. Essentially, the concept involves identifying a societal issue, for instance, the high rate of recidivism among youth aging out of the juvenile justice system. Even leaving aside the psychological costs, incarceration involves a high cost for the state per inmate. The idea behind social impact bonds is for a group of investors to fund an intensive project by a not-for-profit experienced in training and engaging at-risk youth to stay out of prisons. The investment is "paid back" by the state upon meeting specific targets of at-risk youth remaining out of the prison

system for specified number of years after leaving the juvenile justice system. Because of the high costs per inmate of incarceration, even repaying the investment with a modest rate of return can result in a net savings for the state (and the taxpayer). This is a classic public-private partnership that has been utilized in the UK, New York City and Commonwealth of Massachusetts in the areas of homelessness and prison recidivism. There has been no project aimed at addressing issues impacting women. I believe literacy/skills development/investment in women businesses are areas in which the social impact bonds concept can usefully be overlaid as a funding mechanism. For instance, research over years of microfinance suggests that a larger share of the profits from a woman-owned small businesses will be used for education, healthcare and other family needs, when compared with the profits of a businesses owned by a man. Improving the profitability of women-owned businesses through financial literacy, access to financial planning or merely access to investment to grow the business, should, I believe, have a positive impact on identified economic and developmental indicators in a specified low-income region. I strongly believe that it is worthwhile exploring the possibility of utilizing a social impact bonds funding mechanism for this purpose and would be interested in discussing this further with the group.

### **Women's Employment in the Finance Sector**

Although this is not an area I work in, as a woman employed in the finance sector, I have views gathered from observation and discussions with others, over the last ten years of working in a male-dominated industry.

#### *Increasing the Pipeline*

In order to get more women staying in the financial sector, we need to get more women entering the financial sector. I do not have concrete examples, but anecdotally, if a hedge fund is filling an entry-level position, they can as well be recruiting in business school graduating classes, as the graduating class of an intense mathematical program (which is historically likely to have fewer women in the graduating class and therefore, unsurprisingly, fewer women applicants to the hedge fund entry level position). I think universities need to question the parameters established by companies coming in for campus recruitment to ensure that they are also interviewing in those schools/departments that have a better representation of women.

#### *The Parenting Gap*

In my experience, in the corporate legal world, there is an equal to even higher representation of women at the entry level, which suddenly drops off in year 6-8 of practice, resulting in an large majority of partners, or decision-makers at corporate law firms in the US being men. I believe one of the key causes is that the woman classically is the one who takes time off or moves to a less demanding area of the profession such as in-house legal counsel or academia to allow sufficient parenting time.<sup>11</sup> I don't have solutions or even examples of what has worked. But I attended an interesting lecture last year (Kay S. Hymowitz discusses the plight of the alpha female: the unintended consequences of the feminism movement, Harvard Club, New York, Friday, March 22, 2013) where the speaker discussed Sweden's (in the speaker's view, largely unsuccessful) efforts at

---

<sup>11</sup> Another reason, equally difficult to resolve, is the vicious cycle of less women at the top in private equity funds and large companies, means fewer decision-makers at prospective "clients" who look and think like me, which means a lower chance of my getting business than my male colleague who makes an instant connection with the prospective client because they support the same football team. Of course, there are those who say women should learn to talk football but my hope would be to be able to increasingly be in a position to make the instant connection with a potential woman client by talking about what we thought of Sheryl Sandberg's book, rather than pretending to like football.

increasing the proportion of men who took time off for parenting. She would make a great resource for further discussion on the topic.

### *Women on Boards*

India recently joined the ranks of the select group of jurisdictions (mostly in the Scandinavian countries) that require public companies above a certain size to have at least one woman Board member (Section 149 of the new Indian Companies Act, 2013). The hope is that over time, women will play a larger role as Board members in hiring of executives, including interviewing qualified female executives, with a trickle-down effect through the ranks of an organization.

### *Talking about it*

I believe one of the ways in which women are disenfranchised is public opinion. I don't necessarily mean that the media does not talk sufficiently about the gender gap (although that is true), but that public opinions are often expressed in a way that I as a woman cannot immediately identify with. Or that aspects of a public issue are highlighted that I have less interest in, leaving out portions that I would be more interested in knowing about. Part of the issue is that the media is and is writing for the mainstream readers who are men. As a woman and a minority, there are very few op ed writers who are approaching any issue from the perspective I would. The [Op Ed project](#) is "working with top universities, foundations, think tanks, nonprofits, corporations and community organizations, we scout and train under-represented experts to take thought leadership positions in their fields." I think the idea is especially powerful when it comes to women, because there tends to be a belief that someone else can say it better than I can, and just from personal observation, I believe women need more encouragement to raise their voice in a public forum.

### **Measuring the Gender Impact**

This is not an area in which I work too closely but in the words of Joy Anderson from Criterion Institute, measuring the gender impact needs to move from counting to valuing. Criterion Institute is one of the thinkers that came up with gender lens investing, which measures (or values) the gender aspect of an investment. In their words, "[gender lens investors use gender as a category of analysis when making investment decisions.](#)"

## Helena Nord Lee<sup>12</sup>

### Providing Financial Services to Women Is Good Business

A lot of studies, e.g., from Goldman Sachs (2014) and the Women's World Banking show that it is good business to provide financial products (bank accounts, loans, insurance) to women.

- According to Mary Ellen Iskenderian, President and CEO of Women's World Banking, there are 1 billion women in the developing world that don't have access to financial services (her video about this can be found on YouTube).
- The Women's World Banking has for more than 35 years worked with financial institutions to show them the benefit of investing in women as customers and as leaders. [Women's World Banking](#) provides these institutions with in-depth market research, sustainable financial products and financial education tools to meet women's needs.

The Swedish Agency for Economic and Regional Growth (Tillväxtverket) created a program to promote women's entrepreneurship in 2007, and one of the components of the program was to make women entrepreneurs more visible.

- In 2008, 800 women entrepreneurs were selected as Ambassadors for Women's Entrepreneurship to make women entrepreneurs more visible. At the end of the program in 2011, the Ambassadors had met more than 100,000 people. The program has now been extended to 2014. See more about the program at [www.ambassadors.se](http://www.ambassadors.se).

Also women Angel investors (private investors who contribute their money and their competence to new businesses) promote the message that it is good business to invest in women businesses.

- Here is an example how women investors are promoting investing with a "gender lens," see <http://clearlysocialangels.com/news-blog/women-impact-investors-international-womens-day/>.
- There is also an interesting TED talk video on that subject by Jackie Vander Brug, see the link on the same page. She defines investing with a "gender lens" as making decisions that support gender equality, while seeking financial returns. Vander Brug gave an example of a women fund manager who decided to invest with a "gender lens." The fund manager made only two small changes. She decided to meet a female entrepreneur for every male entrepreneur she met. In addition, she appointed more women to her board. These changes resulted in 40% of her portfolio being in women founded companies and the fund's performance being very high compared to other funds within the same sector.
- Goldman Sachs in its study (2014) concludes that investing in women is the most effective way to reduce inequality and facilitate economic growth.

---

<sup>12</sup> This report was provided by ILRC Expert, Helena Nord Lee. Ms. Nord Lee worked on a pro bono basis.

**Helena Nord Lee** is a Swedish trained lawyer. Ms. Nord Lee has 20 years of experience from working at the United Nations, Swedish Courts and Swedish Law firms. She is specialized in international contract law and public procurement. She is currently residing in the United States with her family. She takes a special interest in how women can change their futures through financial education.

In summary, there is a huge market out there for financial institutions and others to do good business and change the world at the same time. The question is what is holding financial institutions and others back from doing this?

Here are some issues that I believe impact financial institutions and others when making decisions about financial products:

- A. Equal treatment under the law: Legal issues may act as barriers: women not having the right to open a bank account, not having legal protection of ownership or risk losing their assets if they divorce. Clearly, if women are treated differently from men under the law, financial institutions and others will have to take that into account when providing financial services.
- B. Credit risk: Currently, financial institutions measure credit risk by looking at a person's credit history, collateral and profitability (if company). It is difficult for women to meet this standard since they may not have a documented credit history, any collateral or documented proof of profitability. Women often work in the home or other places that are not documented. Generally speaking, women earn less and own less. However, there are claims that women are considered as reliable customers with a low default rate but there are no statistics to support this. If default rate data could be gathered that might be a way to support the claim that women in general have a low default rate. Angel investors are not assessing risk in the traditional way described above. They assess the ideas and the people involved in the venture. This may be considered more risky but it at least shows that there are different ways of assessing financial risk.
- C. Profitability: There are some studies saying women owned companies have a lower profitability rate. However, the Swedish Agency for Economic and Regional Growth (Tillväxtverket) claims that if you compare women and male owned companies within the same sector there is no difference with respect to profitability. The Agency's claims that the difference in profitability is due to sector and not gender. Swedish statistics show that women tend to start companies within sectors that are familiar to them and where they have experience, such as service, health and culture/entertainment. I note that these are traditionally low profitability sectors. The choices women and men make with respect to which sector to start a business in are sometimes based on traditional cultural values. According to Swedish statistics, the same cultural values come into play when choosing education.
- D. Male decision makers: There have been some articles in the Swedish press about "men investing in men." The explanation to this may be that a male decision maker may not have any experience in the sectors women are normally involved, which may lead the male decision maker to, e.g., turn down an application for a loan. I refer again to the story mentioned above about the women fund manager who decided to invest with a "gender lens." She decided to have more women decision makers on her board and as a result the fund invested in more women founded companies.
- E. Financial products for women: Women and men do not necessarily need exactly the same financial products. The Women's World Banking is educating financial institutions in what kind of financial products women need. The Bank has developed tools for financial institutions to use. The Bank suggests that financial products for women include savings

and insurance. An example of product development is a project in Nigeria—Women’s World Banking. Diamond Bank Storms the Market: A Beta Way to Save. (2012). The Goldman Sachs study (2014) states that it would be useful to offer loans with credit terms more suitable for women such as alternative options of fulfilling collateral requirements and longer term loans.

## **Women as Entrepreneurs**

According to Goldman Sachs study (2014) to move forward, programs that combine providing credit to women owned companies with capacity building support, are needed. New entrepreneurs, women or men, have a higher likelihood of succeeding if they are supported. The support women need may, however, be different from the support men need.

- A. Women role models: There is a lack of women role models since it is mostly men who start their own companies. I refer to the Swedish Ambassador program mentioned above with respect to creating role models. Another example is the Golden Rules of Leadership, an initiative to create gender equal leadership and entrepreneurship. This initiative was started by Hilary Clinton in 2012 (International Council of Women’s Business Leadership).
- B. Mentors: Mentorship is one way of providing support. I note that the idea behind Angel investors is that they do not only provide capital, but experience (and contacts). The entire idea of Angel investing is based on the idea that it is a combination of capital and mentorship. Goldman Sachs 10,000 Women initiative is an initiative that includes mentorship in its program.
- C. Education: Studies show clearly that it is more likely that a business survives if the owner is provided support in form of education in business, accounting and finance. As for women, the Goldman Sachs study (2014) states that women also have a need to be educated in, e.g., the loan application process. The Goldman Sachs study (2014) Appendix 2, lists a number of initiatives that offers training to women entrepreneurs, e.g., the Goldman Sachs 10,000 Women initiative (2008). Another initiative (not included in the Goldman Sachs study) is Coursera that offers free on-line courses within business, accounting and bookkeeping. However, the person would have to know one of the languages that the course is offered in and have a possibility to connect to the Internet (at least with a cell phone), see [www.coursera.org](http://www.coursera.org).
- D. Why would women want to be business owners?: Women’s reasons for starting a business may be different from men’s. Having this knowledge would make it easier to establish what kind of support women need.
- E. Practical access to capital/networking: There is a need to put women in contact with people providing capital and with other women business owners. I have noticed that in Sweden more and more network events are organized for women business owners. In Sweden, the numbers of women Angel investors have increased and, moreover, the numbers of women applicants of capital from Angel investors have increased. Corinne Heijn is an entrepreneur who created a business network for women, [UnitedSuccess](#).

## Reference List

Suzanne Biegel, [Women in Impact Investing and International Women's Day](#), CLEARLY SOCIAL ANGELS, Mar. 5, 2014.

Elmoznino, et al., Study about Angel investment by the research institute Ratio and Connect Sverige, 2014.

[Giving Credit Where it Is Due: How Closing the Credit Gap for Women-owned SMEs Can Drive Global Growth](#), GOLDMAN SACHS, Feb. 28, 2014.

[International Council of Women's Business Leadership](#), U.S. DEPARTMENT OF STATE.

[Promoting Women's Entrepreneurship](#), TILLVÄXTVERKET, March 26, 2014.

Barbara Stewart, [New Report Unveils How Women are Getting Started in Investing](#), YAHOO! FINANCE, Mar. 8, 2014 (An interesting woman portfolio manager who spends her time researching questions relating to women and investing).

## Websites

[Coursera](#).

[Swedish Statistics](#).

[UnitedSucces](#).

[Women's World Banking](#).

# Personal Perspectives

---

## Perspective from Cameroon

Prince A. A. Assanga<sup>13</sup>

### Experience

The universal crusade for the financial inclusion of women in the domain of access to finance implies a wide range of issues, ranging from insurance, credit cards, savings and even pension is gaining a lot of momentum. The growing desire for women oriented friendly products is highly applauded

In practical terms, how these efforts impact Cameroonian women leaves much to be desired. In Cameroon, a large number of the female population live in rural areas with little or no education. My mother and late grandmother are excellent examples. This is completely at variance with Article 26 [1] of the Universal Declaration of Human Rights.

Cameroonian women still lack the basic and necessary finance to start a business to facilitate access to her financial empowerment, independence, and gender equality as men culminating to the fundamental abuse of her economic and social rights, again at variance with the UN Convention on All Forms of Discrimination Against Women (CEDAW) which provides amongst other things, the right to bank loans, mortgages, and other forms of financial credits, the right to organize self-help groups and cooperatives in order to obtain equal access to economic opportunities through employment or self-employment

This explain the influx of women in petty trading commonly referred as *buyam-sellam*, telephone booths, roadside shops and stores and other menial jobs. It is hoped that this situation shall receive government attention and empower the women accordingly

### Best Practices

The Government of Cameroon has created a Ministry of Small and Medium Size Enterprises [SMSE] it is again hoped that the objectives of the Ministry shall be met and the government program of Greater Achievements and Operation 2035 shall address these concerns and improve the lot of women and the girls by increasing their economic power, gender equality and entrepreneurship

Though unemployment may be high, Cameroon being a state signatory to International Labour Organisation (ILO), Cameroon is devoted to implementing that convention thereby advancing opportunities for women and men to obtain decent and productive work conditions of freedom, equality, security and human dignity assisted by Ministry of Employment and Social Security in compliance with CEDAW on the following:

- Right to work;
- Right to equal remuneration;

---

<sup>13</sup> This report was provided by ILRC Expert, Prince A.A. Assanga. Mr. Assanga worked on a pro bono basis.

**Atem Anthony Assanga** is a crown prince by native laws and customs in Cameroon. He is licensed as an Advocate, Solicitor, and Notary in his country, and is also licensed to practice law in Nigeria. In Cameroon, Mr. Assanga is qualified to appear before the Supreme Court, Courts of Appeal, High Courts, Magistrate Courts, and Customary Courts. He has 11 years of active professional experience, and is considered an expert in criminal law and serves as the head of the Assanga Law Chamber. He has contributed articles and expertise to the International Legal Foundation and the ABA-UNDP International Legal Resource Center (ILRC) on a wide range of topics. He was selected to organize and give lectures on the "Right of Women and the Girl Child to Inherit Property under Cameroon Law."

- Right to protection of health and to safety in working conditions;
- Right to same employment opportunity;
- Right to own property;
- Right to choose a profession.

### **Lessons Learned**

Through the informal sector, Cameroonian women have undergone some training in entrepreneurship in relation to starting a business, staying in that business, acquiring business development skills in consequence thereof. Through the above cited achievements, some lessons have been learnt as well in the domain of:

- identifying areas of their involvement in small and medium size enterprise;
- the desire to address specific issues relating to women empowerment and access to finance;
- getting government attention to create a Ministry of Small and Medium Size Enterprise and Ministry of labour and social Security;

### **International Initiatives in Cameroon**

The following international initiatives have received high government approval in Cameroon to improve gender equality and empowerment:

- UN Women Gender Responsive Budgeting (GRB) initiative;
- Clinton Health Access Initiative (CHAI);
- Rainforest Alliance;
- LUKMEF Cameroon;
- UN Women Cameroon;
- International Women's Day;
- Women in Alternative Action (WAA);
- UN Women COMMIT Initiative.

### **Recommendations**

- Empower women and girl child by giving them loans, in their names to increase their economic and financial status
- Promote quality education and scholarships
- Ensure food security
- Ensure protection
- Create jobs
- Provide clean energy and water
- Right to enter into contracts/agreements in their names
- Right to contract a consensual marriage
- Provide severe punishment for crimes against women and girls

## Perspective from Botswana Kkamogediso Mokongwa<sup>14</sup>

The Platform for Action of the Fourth World Conference on Women recognized that the empowerment of women was a critical factor in the eradication of poverty. It highlighted the differences in women's and men's access to, and opportunities to exert power over economic structures in their societies. It goes without saying that women's access to and control of resources is the *sine qua non* for achieving gender equality and to the equitable distribution of resources. Therefore, women's access to financial services and products is key to the betterment of women's conditions.

According to the African Development Bank (AfDB), financial exclusion in Sub-Saharan Africa is as high as 76%. Judith Frickenstein, a Financial Sector Advisor at GIZ's program to support the partnership "*Making Finance Work for Africa*" reiterated that:

“Financial inclusion is a major driver of economic development in Africa. However, access to financial services by individuals and enterprises is still limited across the continent. Gender plays a particularly important role, as women are much more financially excluded than men.”

Botswana is one of the fastest growing economies in Africa, with 39% of women holding leadership positions. However, the rural women in Botswana have not felt the positive impact of the development from the light emanating from the diamonds, depicting Botswana as a “Shining Example.” It is my argument that in order for Botswana to take her pride of place as a constitutional democracy, she must treat her women right.

Women's access to financial services and products both economic and financial (houses, money, bonds and equities, emoluments, credit, and remittances, among others) are necessary for sustaining women's livelihoods.

Research has revealed gender-related funding gaps in most African countries and these gaps exclude women to access financial services. (Thorsten Beck, *Access to Finance in Sub Sahara*, 2013). These barriers impact on economically active women in Africa because most women operate in the informal sector. In Benin, Chad and Mali, existing data shows that the informal sector accounts for 95 % of women workers outside agriculture in (Chen, 2001).

---

<sup>14</sup> This report was provided by ILRC Expert, Kamogediso Mokongwa. Ms. Mokongwa worked on a pro bono basis.

**Kkamogediso Mokongwa** is a counsel attorney and legislative drafting consultant based in Botswana. She also serves as a researcher for the Women and Law in Southern Africa (Botswana) and Emang Basadi NGOs and as a Country Researcher (Botswana) at the Institute for Security Studies. Ms. Mokongwa is a member of the Botswana/Namibia Commission for Demarcating and Delimiting, which assesses the border along the Linyanti/Kwando/Chobe River. She previously served as Parliamentary Counsel in the British Virgin Islands (2007-2009). Ms. Mokongwa received her Master of Laws from the University of the West Indies and a LL.B. from the University of Botswana.

In Botswana finance exclusion has led women to resort to “*Metshelo*” with their emerging problems. Under *Metshelo*, women form groups and contribute a sum monthly as a means to raise money for investment.

It has been revealed that in most African countries, lack of titles to property, lower wages among others; contribute to the lack of delectableness of women as prospective clients for formal financial institutions. Consequently, women resort to short-term funding with high interest rates offered by the informal financial services providers, and thus continues the poverty circle. AfDB noted that the situation in Benin, Chad and Mali is similar to the situation in Botswana.

Women and Law in Southern Africa (Botswana) did various researches in Botswana among them: *Access to and control Over Resources* (WLSA-Botswana, 1997: Puseletso Kidd, K. Makgekgenene, A. Molokomme, L.L. Molamu, I.S. Malila, G.N. Lesetedi, K. Dingake, and K. Mokongwa; *Botswana Families & Women's Rights in a Changing Environment*. Gaborone).

Research findings revealed that women in Botswana were denied access to land due to cultural practices that exist in Botswana as a patriarchal country. Further, access to justice contributed to the financial exclusion of women from the financial sector.

Another issue that emerged in the finding is that marital *power* denied women access to most services including financial services and products because of the ‘spousal consent’ requirement.

### **Women’s Employment in the Financial Sector**

The Governor of the Bank of Botswana is a woman and should be a plus for the womenfolk. According to an International Business Report by Grant Thornton (Botswana), 39% of senior management roles are held by women, a 7% increase from last year.

However, there is a caveat that any research in Botswana is to the exclusion of the Basarwa women as they do not feature anywhere. Anecdotal data suggests that the labour-intensive activities and strategies in the livelihood of the Basarwa are mainly limited to unpaid family labour, piece-jobs and a few cattle where the government has made efforts to empower them. But even then the issue of sustainability is not visible in most Basarwa settlements. It is difficult to talk about the exclusion of Basarwa women in the financial sector when they are excluded in almost all economic activities in the country.

Botswana has done very little in measuring the contributions, if any, made by the rural women particularly the Basarwa women. This is despite the fact that Botswana has ratified CEDAW and the Optional Protocol and the Convention for the Protection of National Minorities.

### **Board Membership**

Both private and public board memberships are male dominated. Anecdotal data reveals that females make 3 % of board membership. Further, Basarwa are marginalized as they are the least

educated in terms of formal education and their inability to access any information, not only due to low literacy, but because they are so far removed from where services are offered. They cannot therefore apply for board memberships.

### **Recourse, Education, and Inheritance**

The following are basic facts about Botswana:

- Location - Southern Africa
- Surface area - 582, 000 km<sup>2</sup>
- Adult literacy - (total) 68.9% (1993)
- Male literacy - 66.9% (1993)
- Female literacy - 70.3% (1993)
- *Females* - 51.9%
- Average household - size 4.7 persons (1991)
- Population Density - 2.6 persons/km<sup>2</sup><sup>15</sup>

In 1993, female literacy was at 51.9% and currently it is at 86%. In a paper entitled *The Status Of Gender Information, Addressing The Status Of Gender Information*, it emerged that a lot needed to be done in improving the lives of women. The presenter Mr. Rathapo indicated that gender information networking was the answer to providing access to gender information in Botswana. Despite that fact that in Botswana information is not gender disaggregated, even with the high literacy level, relevant information is never available to people when they need it.

Further, statistics on vocational and technical schools reveal that only a proportion of women undergo technical training with a notable impact on women's access to job opportunities and ultimately to financial resources.

#### *Legal Status of Women*

At a seminar entitled "*Women and the law in Botswana*" held in 2000, four women activists presented a picture of the status of women. Dr. Athalia Molokomme, an erstwhile law lecturer at the University of Botswana now the Attorney General of Botswana, gave a summary of women's legal status under Botswana family law. She revealed that family law subordinates married women to their husbands and leaves important decisions about property, and children, to the husband; single women faced problems of maintenance for themselves and their children. Anecdotal data reveals that the status quo still maintains. It now begs the question what is it that needs to be done!

It must be noted that the government has attempted to educate the Basarwa children by isolating them from their culture. This has had no measurable impact of this.

There is therefore a need for the GOB (Government of Botswana) to meet Basarwa at the negotiating table to allow them to suggest strategies. An attempt to resolve the issue of the Basarwa

---

<sup>15</sup> National Development Plan 8.

through the courts, which lack the understating of the Basarwa legal and cultural systems is not the solution.

The GOB has poverty and education programmes for Basarwa. These coupled with the rural area development policies should go a long way in the betterment of the conditions for the rural women and the poor, particularly the Basarwa. However, these are under the hands of district councils which are ill-equipped to discharge the mandate. Further, evidence suggests that ethnic discrimination remains a major challenge. Since Botswana attained independence in 1966, Basarwa have not had a member of parliament mainly because of the issues of illiteracy and ethnic discrimination, among others.

### *Inheritance-Case of the Basarwa*

The issue of inheritance in Botswana is etched in customary law, which is unwritten. Customary law, which is patriarchal in nature and a semi-autonomous social field, dictates that an heir has to be male and therefore denying women access to land, cattle, etc. This could be overcome by writing wills. But will writing is not a norm in Botswana as we found out during our workshops at Women and Law in Southern Africa (WLSA).

Relating to the Basarwa, they have a unique land tenure system which cannot be located in the land tenure systems in Botswana. Most of them have been moved from their ancestral land to settlement at the whims of the GOB.

Suffice it to say inheritance issues raised above do not pertain to the Basarwa as they are themselves inherited as human chattels, passed from one generation to the other, not only by farm owners but even in households. Their children nurture their peers and tender houses when their peers are at school. The slavery-like practices are maintained in the cattle post to keep them illiterate as 'badisana' (cattle-tenders). It goes without saying that will-writing does not arise in the lives of Basarwa.

Researching the Basarwa legal and cultural systems would assist in the planning and the formulation of Basarwa specific policies and laws for the betterment of their conditions. The existing policies such as the Rural Area Dwellers and their related programmes have failed.

In the case of the *Basarwa of CKGR v The Government of Botswana*, the GOB attempted to relocate the Basarwa for the environmental protection purposes, but the Basarwa viewed it as an eviction from their ancestral land. Therefore, any strategy to address the issue of land inheritance is *still at an impasse*.

In a doctoral research conducted by K. Nthomang, entitled: *Understanding the Development Experiences and Aspiration of One Basarwa Settlement in Botswana: Failed Implementation or Relentless Colonialisms*, in the settlement of Kanaku, Southern Administrative District of Botswana (Mabutsane-subdistrict). The researcher, a lecturer in the Department of Social Work, University of Botswana) and a member then of the Basarwa Research Committee (BRC) became aware of the

injustices experienced by the Basarwa the name of "development." He noted concerns about the situation of the Basarwa, relating to the context, process and application of development policies and programmes.

His findings revealed that Basarwa are stigmatized, disempowered and held with contempt by the dominant Tswana groups and the government offers them little hope to realize their aspirations for development programmes. In short, it is difficult to discuss the issue of Basarwa women being disadvantaged relative to men.

## **Marriage and Divorce**

I trained as a nurse and as a lawyer. In 1992, I joined the Government as a magistrate, law reporter, prosecutor, Secretary to the Legal Practitioners' Committee. Ultimately, I settled in the Drafting Division and have been a legislative counsel for a period exceeding two decades. I was also a member of the Commission negotiating the Botswana/Namibia border along the Linyanti/Kwando/Chobe River.

I joined Emang Basadi and Women and Law in Southern Africa, Botswana NGOs. I researched and presented at a national conference on the laws that negatively impacted on women in preparation for the Dakar and Beijing conferences.

In my personal experience and research findings, marriage, whether in or out of community of property, is not the issue. The main issue is the power relations, the marital power, whether, legal or not, real or imagined.

During the tenure of my marriages I couldn't access loans because I was a minor. Having trained as a lawyer and being a women's rights activist, the societal pressure to view the male as the head was overwhelming and I succumbed.

### *Two Pronged Marriages in Botswana*

There are two aspects to most marriages in Botswana. The traditional aspect involves the '*Patlo*' and the '*Bogadi*'. These are the traditional rites of passage to validate a marriage. Given that I, like most women, needed recognition and to be governed by statutory laws, I proceeded to marry under the statute law after the *Patlo* and *Bogadi*. Personally, I wanted to test out what plays out in the traditional way and when the traditional marriage rites are excluded. I married according to tradition and eliminated traditional rites in the second marriage. The effect is the same.

My conclusion is that all a woman needs is confidence to deal effectively with any power relations, patriarchal or otherwise. Anecdotal data from the lesbian couples I interviewed, also suggests that the dominant female behaves the same way a man would. There is still abuse in lesbian relationships. It would seem that dominance is key and where not managed properly, it can evolve into abuse.

It has been argued that a “*Patlo*” in Setwana validates a marriage. Most women invest with men after *Patlo* believing they are married and data suggests otherwise and then the cycle of poverty repeats itself. What it them means is that the parties were cohabiting, an institution not properly defined in any Botswana system, legal or otherwise. The legal consequences of cohabitation are never on the agenda. Additional, no theoretical research was ever done by the policy makers to addresses the marriage regimes separately. This is exacerbated by marital power, a semi-autonomous social field itself.

In an attempt to assist women, the GOB enacted the Abolition of Marital Power Act in 2004 to abolish marital power in statutory marriages only. Therefore, marital power is still valid in customary marriages and in all cultural practices. Given that most women live in rural areas, there is need to address the marital power concept under customary law. Even women married under statute law have not felt the impact of the abolition as it is mostly falls under ‘*Lawyers’ Law*’.

In terms of cultural practices, a married woman remains a minor, subject to her husband’s marital power whether married according to custom or statute.

If indeed the abolition of marital power on paper worked, the GOB would not have enacted a law in 2014 to empower a spouse to opt out community of property.

In my view, a piecemeal address of the concept of marriage means it will remain an enigma into perpetuity.

The cultural norms and rules defining social relationships among different groups in Botswana still place men in positions of dominance over women. As a member of Emang Basadi and WLSA, our team found it difficult to amend a law that is not written. We felt resistance from the women, shunning us as ‘the educated’ women with western influence.

### *Divorce*

The divorce process in Botswana is protracted. Before the *decree absolute* is granted, I myself couldn’t access loans and other finance related services as my ex-husband’s consent was a prerequisite. I was a deserted wife (ran away from abuse) and I had to search for a place where to sojourn with my son and I found peace. All the law I know of and drafted were of no help to me. A restraint order wouldn’t serve a purpose in Botswaa.

My ex-husband remained and still remains with all the household utilities, the house, and everything I ever owned. I filled for divorce in June 2011 and the *decree nisi* was granted in April 2012. Yet the dissolution of the property remains intangible.

### *Pension*

The GOB took six months to process my pension benefits. I retired in June 2012 and my pension benefits were only made available in December 2012. In December, when finally I received my pension, there emerge EurexTrade, a Ponzi scheme, with its ugly head. I transferred the remaining funds before paying the loans for vehicles and other necessities to Eurextrade, a Ponzi scheme.

## **Ponzi Schemes and Pyramid Schemes**

The issue of Ponzi schemes and pyramid schemes needs to be addressed as a matter of urgency. The major obstacle to establishing a business is that I had to produce a six months' bank statement revealing my activities coupled with the fact that two years later, my property is still tied up in divorce. I am still awaiting the judgment to evict my former spouse to vacate the house for sale.

Since he remain occupying the house, he denies valuers and potential buyers access because he is the sole beneficiary of the house. It becomes apparent that access to justice is paramount in accessing financial services and products.

May I further state that all the properties we shared during the divorce were exclusively bought by me before I married him, including a piece of land from my former marriage. In the meantime, the banks are charging the interest for the loans I took. It is a high price to pay for martyrdom for the womenfolk.

It should be noted that financial literacy is not related to formal education and it excludes the knowledge about ponzi scheme. The GOB failed to warn women about the Ponzi schemes such as Eurextrade as it saw it as a personal matter. The Non-Financial Banking Sector is yet to address the issue. More often, they are faced with the lack of seasoned legislative counsel to draft the *Drafting Instructions* to expedite the process.

If any Ponzi scheme emerges, women may continue financing terrorism, as it later emerged that Eurextrade is linked to a well-known terrorist group. In the past, the GOB has, bailed out cattle and and companies owners during calamities. But given that these activities are made oriented, in the ears of the GOB only the 'voices' of males are significant.

## **Legal Aid**

In 2011, the government established the legal aid project which is a commendable effort. That notwithstanding the protracted divorce proceedings are still the norm because the Legal Aid Department is not well resourced with seasoned counsel and it hives off most cases to lawyers in private practice. This therefore calls for a well-equipped legal aid scheme to assist women to divorce quickly to enable them to join the financial market. This, coupled with the establishment of divorce courts in terms of the existing statutory provisions would assist women to use their own funds, given the fact that they are excluded by the financing institutions.

Currently the distance, for instance from where I sojourn in Tsabong to the High Court at Gaborone or Lobatse (500 km) is inhibitive to most women to initiate divorce proceedings. The claws of the notorious phenomenon 'marital power' still haunts women.

## **Emerging issues**

### *Confidence and Family Ties*

In his paper, Mr. Rathapo further indicated that even though some discriminatory laws were repealed and some positive steps taken towards gender mainstreaming, the position of women in Botswana generally remained as was in 1987, as indicated in the National Policy of Women in Development. I must state that even in 2014, the position of women is still as was in 2000.

### *Examples of Women Dedicated Financial Products in Africa*

Exim Bank (Tanzania) has developed a special product known as the Tumaini Account targeting women clients. The Tumaini product takes advantage of the fact that women are good savers, and strive to provide their families with education and healthcare services.

The programme offers both small and medium enterprises loans by using the savings balances in Tumaini accounts as a guarantee.

### *Access Bank (Nigeria)*

Access Bank developed a “women-friendly” flexible collateral options. Women entrepreneurs pledge their jewelry and equipment, using, among others, asset debentures to enable them to access loans. This program has loaned out USD 35.5 million and helped 1,300 women to open deposit accounts.

Further, it has offered training to 600 women on financial management skills. Banks in Rwanda and Gambia replicated the model.

### *SELFINA*

SELFINA offers micro-leasing to female clients which in turn allows them to own the assets in the end, and to use it as collateral when they are in need of liquidity. The benefits of micro-leasing are two-fold: a direct benefit that allows women to utilize the equipment for business growth; an indirect benefit that helps women to build a reputation of repayment. SELFINA has about 25,000 female clients. (Source: Global Banking Alliance for Women).

Access Bank Nigeria, NBS Malawi and DFCU Uganda whereby the institutions have started to accept alternative collateral such as jewelry or account receivables led to promising results and show a great potential for implementation at a large scale.

## **Recommendations**

- Microfinance institutions should increase women’s access to finance by uplifting credit collaterals required from women;

- Financial institutions should play their good governance part and assist in the plight of Basarwa;
- The establishment of well-resourced financial inclusion units to research on key policy decisions such as marital power, dominance and cultural practices, and financial literacy;
- Financial institutions should create awareness on women's rights;
- Policies, customs, practices, laws, rules and regulations and regulatory frameworks governing land should be reviewed to promote the rights of women and the girl-child accordance with CEDAW;
- Botswana should revise the land tenure system to ensure fair distribution;
- Affirmative action should be adopted in all the bodies including land boards to address gender imbalances in public and private board;
- Marital power should be abolished in all marriages, including customary law marriages;
- Laws should be revised that whatever property a woman has before marriage automatically remains hers to her exclusive use;
- The Government should revisit the issue of access to justice which is at the core of the disempowerment of women;
- The Legal Aid Department should be fully fledged and resourced; and
- Marriage laws should be reformed as a matter of urgency.

In conclusion, Cynthia Webber of the Mississippi University in *The Meaning and Measurement of Marital Power* indicates that any research on marital power is impeded by methodological problems. This analysis is more so relevant in Botswana.

## References

- [“Measuring the Impact of Mexico’s Seguro Popular.”](#) The World Bank, Policy Research Working Paper Series 5785.
- Bardasi, E., C.M. Blackden, J.C. Guzman, 2007. [“Gender, Entrepreneurship, and Competitiveness in Africa.”](#) The Africa Competitiveness Report: Chapter 4.
- Burjorjee, D.M., R. Deshpande, and C.J. Weidemann. 2002. [“Supporting Women’s Livelihoods Microfinance that Works for the Majority. A Guide to Best Practices.”](#) United Nations Capital Development Fund, Special Unit for Microfinance.
- Buttner, E.H, and B. Rosen. 1988. [“Bank Loan Officers’ Perception of the Characteristics of Men, Women and Successful Entrepreneurs.”](#) Journal of Business Venturing Vol. 3: 249-258.
- Chen, M. 2001. [“Women and Informality: A Global Picture, The Global Movement.”](#) SAIS Review, Winter/Spring, volume 21, number 1: 71-82. EIU. 2010.

## **Perspective from Uganda**

### **Jacqueline Mugisha<sup>16</sup>**

#### **Women and ATMs**

In Uganda, majority of women do not know how to read and write and more so to use e-banking services. Most cases of people who need help for instance with an ATM are women mostly likely being helped by the security guards which is not secure. This is with regard to withdrawals alone, when it comes to deposits the number goes high. Therefore, my first submission is that there is need for a policy requiring banks to put extra effort to educate women clients in e-financing. Messages could be shared by using text messages on client phones. Messages could also be made part of the school curriculum.

#### **Women and Visa Cards**

In Uganda, majority of women do not own visa cards maybe because they have not been educated about the advantages and disadvantages of using the same for business. This is another area that requires policy intervention so that women can have their more access to financial markets. The same is true of capital markets.

#### **Women and E Financial Network Markets**

These days it is common to hear about people managing internet based accounts. Several women have participated in such schemes and become victims of e-network based trading, financing and income earning. Training women in this area would be beneficial since e-based financing presents a lot of advantages to women for it can be a safe alternative for women in situations where men and women relations around finances is not equal.

---

<sup>16</sup> This report was provided by ILRC Expert, Jacqueline Mugisha. Ms. Mugisha worked on a pro bono basis.

**Jacqueline Mugisha** is a lawyer by profession, serving as an advocate within the Republic of Uganda. She currently works at Plan International as a law and policy analyst, while pursuing a PhD in Business Administration at Atlantic International University. She has extensive experience in human rights programming, including programs about the socio-economic rights of women. In 2008 Ms. Mugisha led the production of Kenya's civil society report, which parallels the report by the UN Committee on Economic, Social and Cultural Rights.