

Highlights from studying promotion of Women's participation in SACCOs

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1. Introduction

In Uganda, SACCOs (Savings and Credit Cooperatives), when well governed, can be an efficient means of providing financial services to the rural poor, thereby contributing to poverty alleviation. In order to be fully effective, they need to reach out equally to rural men and to rural women. Improved financial inclusion of women benefits not only women, but society as a whole.

Thus, the GTZ Financial System Development (FSD) Programme commissioned a study to identify barriers to women's participation and influence in SACCOs, and to examine how these can be mitigated. Kamuhanda (2009) establishes facts on women's participation in SACCOs, analyses why women are underrepresented in membership, management and governance of the examined institutions, and finally, provides recommendations for increasing gender equality within SACCOs.²

2. Background

Development will only be sustained if women and men participate and benefit equally from political, economic, social, and cultural development processes, and if they fully exploit their potential. A number of international agreements such as the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW, 1979), the Cairo Programme of Action (1994), the Beijing Platform for Action (1995), the Millennium Development Goals³ (Goal 3), and the Paris Declaration on Aid Effectiveness (2005) recognize this fact.

In Uganda, lack of access to financial services is one of the obstacles to development. This is especially true for the rural population as growth in the financial sector has tended to concentrate on the more densely populated urban and peri-urban areas. Only 38% of Ugandans have access to financial services; people living in rural areas are more likely not to be served (65%) than those living in urban areas (52%); and women (66%) are more likely not to be served than men (58%) (FinScope2007).

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² Hard copies of Kamuhanda (2009) can be ordered via email.

³ For more information about the Millennium Development Goals, see Kalyebara (2010, in this volume).

Despite the attention and support from Government, SACCOs have been found to serve mostly men. FinScope (2007) revealed that only 35% of all SACCO members are female. In addition, there are fewer women on SACCO boards and management, which affects women's effective participation in decision making at both levels.⁴

3. Methodology and data

The study was limited to the eight SACCOs supported by GTZ/FSD Programme located in different regions of the country (Western, Central and Northern Region). The fact that these SACCOs are from different regions provided an opportunity to capture gender issues from different cultural perspectives.

The field study draws on both quantitative and qualitative data collection methods. Both primary and secondary data was collected. Primary data was collected through focus group discussions with SACCO members and board members and key informant interviews with managers, staff, and female board members. Secondary data was collected through reviewing existing documents to collect sex-disaggregated data from SACCOs on membership composition, board composition, management and staff composition, number of borrowers, savings portfolio and loan portfolio.

To further get a balanced view of the gender issue, the study sought perspectives from different other stakeholders such as providers of capacity building services to SACCOs and key individuals from women's organizations. In most cases, separate interviews were organized for male and female respondents.

The major challenge was the absence of sex-disaggregated data both at industry and SACCO level. Sex-disaggregated data could be collected at SACCO level, but again only for individual accounts. In addition, data from branches was missing for some of the SACCOs. The study took place immediately after the introduction of the MIS system and some SACCOs had not yet entered data from their branches, while others were not yet conversant with the use of the system.

Regarding data analysis, primary data was partially analyzed as it was being collected from the respondents. Secondary data was re-analyzed and comparisons were made among SACCOs.

4. Discussion of findings

The findings indicate that at the membership level, females account for less than 30% of the individual members except for two of the examined SACCOs. Individual females account for less than 30% of the

⁴ Discussion with staff of key stakeholders like AMFIU and UCA.

savings portfolio in almost all the SACCOs. All SACCOs, except for one, have less than 25% of their borrowers being females with individual accounts. In all SACCOs, the outstanding loan portfolio by females is less than 23%. Barriers for female participation at the membership level include:

- gender division of roles at family level that assigns financial management to men;
- male domination and over-control of women, denying them freedom to make income choices or open accounts;
- spousal interference of men in women's income generating activities that drives women to hide their financial dealings by avoiding use of SACCOs;
- women's lack of property rights hindering them from borrowing due to lack of collateral;
- inadequate understanding of SACCOs by women; products, policies and procedures that exclude women or make SACCOs unattractive to them;
- fear and mistrust of SACCOs by women due to illiteracy and low self esteem; lack of business skills among women; and
- politicization of SACCOs.

At the governance level, only one SACCO has a female board chairperson, and only two have female treasurers. No more than three out of the eight examined SACCOs meet the minimum requirement of at least one third female board members stated in the bylaws. Barriers for female participation and influence on the board include

- women being a minority at membership level;
- negative stereotypes about women's ability to lead;
- low self esteem due to low education; and
- lack of leadership skills.

At the management level, only one SACCO has a female overall manager, and none has female credit officers. Females mostly hold the lowest positions like SACCO assistants, cashiers, and support staff. Barriers to females' participation in management and credit officer positions include

- low education,
- lack of relevant skills and
- negative stereotypes about women's ability to effectively hold management and credit officer positions.

5. Conclusion and Recommendations

The study confirmed that SACCOs are indeed male dominated institutions at all levels, i. e. membership, governance, and management. Their products and services, delivery mechanisms, and operating environment tend to favor men more than women. The study revealed that women's historical, social and economic disadvantages hinder them from participating in and benefiting of SACCOs equally with men.

The recommended interventions to address gender inequality in SACCOs are a combination of Gender and Development (GAD) and Women In Development (WID) approaches. In line with the Uganda Gender Policy (2007), gender mainstreaming in SACCOs and targeted measures for women's empowerment are addressed. More concretely, four areas of intervention are recommended:

Firstly, SACCOs need to be supported in gender mainstreaming, which includes the integration of gender issues into their strategic and business plans, the generation of gender-disaggregated data, as well as the development of gender-sensitive indicators, gender responsive budgets and monitoring and evaluation frameworks. In order to do so successfully, political will needs to be created through the provision of gender trainings to SACCO staff, management and board.

Secondly, in order to increase women's participation at membership level, SACCOs could be supported in a number of ways: To overcome obstacles arising out of patriarchy, men should be engaged, for example through a media campaign where men talk about the benefits of living with financially empowered women. To attract more women to SACCOs, women-friendly financial products can be developed, female board members can be deployed to mobilize and sensitize fellow women, and staff can be trained in customer services to make the SACCO environment friendly for women. And it should be ensured that financial literacy programs are gender sensitive and reach rural women as well as men.

Thirdly, for increasing women's participation at governance level, support in awareness and confidence building of women, leadership trainings for women, and exposure visits to other SACCOs with strong female board members are recommended. Also, board operational procedures such as frequency, timing and venue of board meetings could be changed in order to make them suitable for women in line with their reproductive roles.

Lastly, women's participation at the operational level, especially in management and as credit officers, could be supported through trainings for promising female staff and through better linking of female microfinance students to microfinance institutions.

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