Chapter 2

State of the Policy Environment

Discourse around the critical linkages between poverty reduction, growth and financing for development from a gender perspective has been prevalent for decades. Yet, notwithstanding the studies, debates, agreements and measures to stimulate and finance development, progress on gender equitable access to finance remains slow. Global and national finance-related mandates, policies and corresponding programmes and services still reflect significant gender gaps. The policy deficits resulting from the failure to capture women's and men's concerns in the regulatory and operational systems guiding the financial sector require closer attention in the aftermath of the 2008–2009 global financial crisis and the current sovereign debt crisis. This chapter examines the gender policy concerns, including gaps and barriers, with a view to increasing the understanding of policy-makers and financial sector operatives on the valuable role inclusive policies can play in encouraging sustainable economic growth.

2.1 Outstanding policy gaps

When the Commonwealth Secretariat launched the Gender Management System (GMS) in the late 1990s, it acknowledged the changing role of Commonwealth finance and planning ministries. It also recognised barriers that constrained the engendering of the work of these ministries and resulted in near gender-blind macroeconomic policies that largely excluded women as full and active participants in economic sectors. There is now considerable literature on gender barriers within and across sectors and more specifically in the finance sector. Key among these challenges, which remain pervasive two decades later, are:

- Insufficient analytic clarity regarding the work of finance ministries and, in particular, their changing role during the recent period of globalisation;
- The absence of a clear understanding of how gender is linked to the role and mandate of finance ministries;
- Non-conducive institutional structures and the ethos with which finance ministries function, especially given the

weak adoption of gender responsive budgets as an accountability tool;

- Poor understanding of the attitudes and biases prevalent among those who work within finance and other ministries and how these have evolved over time; and
- Insufficient knowledge and capacity among national women's machineries and civil society organisations to advocate effectively for a gender focus in macroeconomic policy debates.

It is acknowledged that significant changes have taken place since the 1990s to better analyse and capture women's views, voices and concerns in the debates around the development of financial markets and policies. The following are some of the fundamental and persistent gender biases that underpin barriers to gender inclusive and responsive operations of financial institutions and remain unaddressed by financial legislation, regulation and policies.

2.1.1 Women are under-represented in decision-making institutions

Women continue to be under-represented among main decision makers in financial markets and institutions and have less access to business, social and political networks and decision-making channels that can influence policy formulation. This results in a tendency to marginalise women's issues, priorities and concerns in policy processes and programming, especially with respect to government lending, investment rules and regulations and private sector financial activities. The private sector is not structured any differently, and corporate decision-making on finance takes place in almost all-male domains.

Regardless of the gender imbalance in the governance of global institutions, the consequences of decisions taken are borne by both women and men in their diverse roles as producers, employees, consumers, taxpayers, borrowers, users of public goods and services, home managers, community care providers and economic agents. Data reveal though that, overall, the negative effects are experienced more by women due to a range of factors (Women's Enterprise Task Force 2009).

Tax policies also fall into the same category, with women absent from decision-making forums but having to bear the consequences of such decisions. For instance, value added tax (VAT) has a disproportionately negative impact on women, who are often

responsible for household consumption and therefore experience relatively greater taxation of their income. VAT is levied on women and men to the same degree and the difference in purchasing power, which often favours men, is not taken into account in VAT-related taxation policy formulation.

2.1.2 Inequitable economic positions and gender-based distortion of markets

Globalisation of finance has created opportunities and advantages through increased competition and supply of credit to diversified target groups including women. Access to financial services has thus improved and women have gained some entry to foreign exchange markets in order to receive or send remittances. Women's participation in waged employment has also increased.

These gains, however, must be balanced against attendant losses encountered by women. The distortions and imperfections of financial markets are characterised by asymmetric information, agency problems and adverse selection processes that are often gender biased. In the credit market, differential transaction costs on both the supply side (credit institutions) and the demand side (borrowers) vary for female borrowers in comparison with male borrowers. These costs tend to limit the net gains accruing from transactions for women, making them less attractive as clients, while at the same time financial services are practically less accessible and more expensive for women.

Three categories of constraint that have a bearing on transaction costs are gender inequality in property rights, gender segmentation of financial markets and discriminatory norms in financial markets. Failure of policy measures to take these into account will continue to limit women's equal participation in and benefits from financial markets.

2.2 Financial crises and vulnerable populations

In the immediate aftermath of the global financial crisis in 2009, the number of working poor reached 40 million, with 52 per cent of women (compared with 49 per cent of men) placed in the category of 'vulnerable unemployment' in sectors characterised by long hours, low wage standards, no employment protection and other forms of uncertainty resulting from the informal and irregular nature of labour (ILO 2011).

Table 2.1 Gender-biased distortion of markets

Type of gender-biased distortion	*Transaction costs for credit institution*	*Transaction cost for female borrowers*
Information constraint	Women are perceived as risky and not creditworthy enough; data collection is usually not sex disaggregated, resulting in poor understanding of gender differences in borrower profiles; information processing is often shaped by male perspectives.	Women have lower literacy rates and are less mobile, which results in less access to financial market information.
Negotiation constraint	Women have less experience in taking formal credit, which requires more time from bank personnel; women have less prior or formal experience of working in the sectors in which their business or proposed business operates, making it difficult to assume a strong negotiating position.	Women may require their husband's permission, have higher opportunity costs to travel to a bank and may face discriminatory attitude from bank personnel.
Monitoring constraint	Women's economic activities may be more difficult to monitor since they are often in different sectors and on average run smaller enterprises than traditionally male-dominated sectors that are financed through credit.	Women may find it difficult to control their loans in the household when other family members (particularly men) determine it is their right to exercise control over this money.
Enforcement constraint	Women often lack formal property rights, which makes it difficult for creditors to claim non-movable collateral when a loan is not repaid.	Women may be more susceptible to pressure, intimidation or violence from creditors or their agents.

Source: Adapted from Baden (1996)

The differential impact of the global financial crisis on women calls for a closer look at sources of financial instability such as currency risk, capital flight risk, contagion risk and sovereignty risk. While it is long established that uncertainty is an inherent feature of economic processes, the question is the adequacy and appropriateness of measures and institutional frameworks guiding national and international financial markets. Some forms of austerity measures and financial consolidation on social spending tend to shift the burden of financial risks to vulnerable segments of the population, including women.

The International Labour Organization (2011) identified certain sectoral trends that are adversely affected by budget cutbacks. For example, more women than men work in public sector jobs and charity organisations. Rollbacks in social protection spending such as child benefit allowances and state-funded education programmes and the closure of childcare centres particularly affect female-headed households and single mothers on low incomes.

At the household level, effective functioning of the care economy largely relies on women's inputs, which tend to be extensive and intricate. Austerity measures negatively affect the quality of health and hygiene, human capital formation of the young and the quality of care, results that are not only inequitable but also inefficient. In addition, the recovery of the monetised economy is protracted and can stall (when non-monetised savings resulting from greater unpaid care labour increase over and above investment), which has further long-run implications for the care economy and women's central role within that sector. Consequently, effective demand in the monetised economy suffers. Safeguard measures in financial institutions need to better address how financial instability can be prevented, taking into account the associated risks of over-burdening the care economy and its managers, who are predominantly women.

2.3 Inefficient resource allocation

Inefficient resource allocation and the financial exclusion of women and other vulnerable groups are partly, though not entirely, due to the propensity of these groups out of either necessity or choice to operate smaller and informal businesses (IFC 2011a). There are, of course, gender-specific constraints discussed earlier that act as barriers to women, such as legislative restrictions or access to land. However, other important factors that determine credit worthiness and financial resources include firm size, performance and the type of sector the business operates in.

Women-led businesses tend to be small in size and operate in the services sector, which means returns to creditors and other stakeholders is lower, particularly during times of economic crises. Financial institutions and other types of lender may perceive these businesses to be riskier. A weak investment climate for formal and

informal businesses will affect women disproportionately, undermining their overall profitability. Survey results reveal that male-run businesses of similar size do not face the same problems growing their businesses, though they may feel industry- or sector-related downturns in equal measure (IFC 2011a). Policy-makers then must consider the regulatory, cultural and institutional barriers to access to resources, including credit (ibid.).

Human capital, characterised not only by years of formal education but also by financial literacy and professional experience, including business skills and managerial development, is often cited as a reason why women lack access to credit. Yet, human capital remains one of the key measures of a country's productivity. Though governments have generally allocated basic social spending equitably, particularly in the area of education (Lesotho and Sri Lanka are two examples), in the area of financial literacy women lag behind their male counterparts.

To rectify and remediate these policy gaps and reduce gender deficits of macroeconomic policies in the context of complex and dynamic globalisation phenomena, it is important to incorporate gender equality measures into the conceptual, financial and operational frameworks that guide global and national financing for development policies. The Monterrey Consensus of 2002 was a good starting point for seeking the necessary changes that would create the appropriate platforms to promote equity and women's empowerment as pre-requisites for ensuring that people benefit from global advancements and accelerated transformation on the basis of equality.

From a gender perspective, the Monterrey Consensus did not particularly redress the orthodoxy of the Washington Consensus.[4] Due to its limited scope, it did not re-invent the economic and financial paradigms that structure the definition, search for solutions and actual delivery of development financing. Gender omissions and ambiguities in the Monterrey Consensus limit its capacity to assist countries to respond to the urgent needs of its citizens (both female and male). This is particularly true of unresolved macroeconomic policy challenges such as mobilising domestic and international financial resources.

- *Mobilising domestic financial resources*: To create stability and a favourable climate for private and foreign investment, macro policies often erode the tax base and place the burden of raising

financial capital and resources for large-scale development on all citizens regardless of gender. The cutbacks in spending on basic services that governments must make in order to achieve strict deficit controls often have a more negative impact on women. Concerted efforts are therefore required to apply corrective measures to these policy prescriptions and practices if benefits from financial products and services are to be equitable.

- *Mobilising international development resources:* To increase foreign direct investment (FDI) flows, government policies aim at creating a favourable environment for the rise and growth of both national and foreign enterprises. This often entails the adoption and support of fiscal exemptions, networks of sub-contracted employment and deterioration of employment standards – particularly in export processing zones (EPZs). These measures translate into severely lowered social standards and an erosion of workers' bargaining powers, which results in a fall in real income earnings and poorer living standards for families.

Case Study I: Country Report – Sri Lanka

Sri Lanka is positioned roughly mid-way in the UN Human Development Index, at 97 out of 186 countries (UNDP 2011). It is classified as a lower-middle income country and, with a population of 20.5 million people, GDP per capita at purchasing power parity (PPP) stands at US$4,646.

Sri Lanka ranks 31 out of 135 countries in the Global Gender Gap Index[5] with a score of 0.721 out of 1 in the gender equity rankings. In the Asia Pacific region, its gender equity rank puts it in 4th position after New Zealand, the Philippines and Australia. In the Gender Gap Sub-indexes, the gender gap remains at its widest discrepancy for earned income, with male estimated earnings at US$7,070 compared with females at US$2,542 (a score of 0.36 out of 1 in the equity rankings). About 38 per cent of women aged above 15 years old participate in the labour force compared to 80 per cent of men, with wage equality for similar work ranking 0.74 out of 1 (Hausmann et al. 2011).

With regards to economic participation, the Women's Economic Opportunity Index assesses three areas that indicate women's access to financial services: initiatives to provide financial accounts, such as savings and deposits; improvements in providing access to credit for women entrepreneurs; and training programmes on types of financial facilities and services, including risk management (Economist Intelligence Unit 2010). Sri Lanka scored mid-way on its ability to remove the barriers that prevent women from accessing these services, keeping in mind that the indicators refer only to women who are employed in the formal sector.

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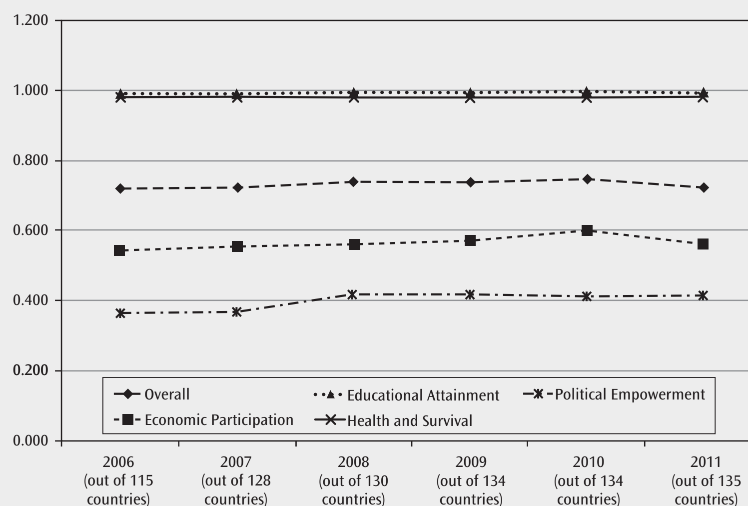
Case Study I: Country Report – Sri Lanka (cont.)

The female unemployment rate stands at 8 per cent of the female adult labour force, compared with 4 per cent for men. Nearly 30 per cent of women participate in non-agricultural paid labour, and access to land ownership stands at 0.50 (on a scale of 0 to 1). Women's access to bank loans is 0.00[6], whereas women's access to finance programmes is 3[7]. This highlights some interesting contradictions: fair levels of access to credit and yet restricted access to other finance instruments, as well as restricted access to land and to property other than land, combined with low levels of participation in ownership of firms, and yet scoring 5 (out of 7, which is the best score) in ability to rise to position of enterprise leadership.

The figure below provides a compelling visual representation of these trends. The health and survival indicators reveal consistent high levels of progress in the past five years, and the political empowerment indicators show a slight rise from 2007 with steady progress. But there is a slight decline in economic empowerment year-on-year from a world ranking of 89 (out of 134 countries in 2010, itself an improvement over 2009 and 2008 where the country stood at 99th position) to 102 (out of 135 countries) in 2011.

Figure 2.1 Evolution of Sri Lanka's gender gap index and sub-indexes, 2006–2011



Source: Haussman et al. 2011

Broadly speaking, then, Sri Lanka has moved steadily to close the gender gaps in health and education but with indicators that point to significantly low levels of women's economic and political participation. Its gender achievements thus far are the result of sustained and broad-based social welfare programmes for state-sponsored education, health care and food rations that have been the mainstay of government policy since independence in 1948. However, despite these investments, the barriers that curtail women's participation in the economy and the type of work that is recognised and adequately remunerated have not been removed.

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Case Study I: Country Report – Sri Lanka (cont.)

In the Commonwealth Asia and Pacific region, Sri Lanka joins Australia and New Zealand in being able to invest equitably in its human capital and is often cited as a model in terms of state-sponsored poverty alleviation programmes that reflect the government's vision and programme of work. On the other hand, the Budget Speech for 2011 still did not refer to gender outside the context of social welfare and thus did not set out clear appropriations of funding for the implementation of measures to remove barriers that prevent women's access to full economic participation and advancement.

The guiding policy document for Sri Lanka's economic development is 'Regaining Sri Lanka: a vision and strategy for accelerated development',[8] which was formulated in 2001 to prioritise the country's recovery from the debt crisis and stimulate the economy by creating a favourable environment for privatisation and deregulation. As this document demonstrates, however, national economic planning has not been supported by adequate gender analysis. Particularly within production sectors, agriculture and industry, access to and participation of women in government-supported programmes is low, and these are key sectors in the government's plan for national economic recovery. The assumption that this vital policy document is gender neutral is likely to overlook the gender differences that amount to tangible disadvantages women face, particularly in these sectors.

Part of the problem is the cultural root of gender discrimination. To take one variable as an example, the differential in earned income between women and men stems from a dated assumption that men are the sole economic provider, neglecting the statistics on the number of female-headed households, the rising costs of living, growing urbanisation, immigration and women's unpaid contribution to the economy.

Sri Lanka is characterised by low levels of financial inclusion, ranking 63rd in the Index of Financial Inclusion (IFI) out of 100 countries surveyed, with no change in the rankings from the previous year (Sarma and Pais 2008). Women's access to bank loans, to property other than land, and to land ownership is still fairly unequal (Hausmann et al. 2011). In 2011, 67 per cent of Sri Lankan women had an account with a formal financial institution compared with 70 per cent of men. This figure is still significantly higher than 23 per cent of women in lower middle-income countries and 25 per cent in South Asia (Demirgüç-Kunt and Klapper 2012[9]).

Of the bottom 40 per cent of the population, in terms of income, 58 per cent of Sri Lankans have an account with a formal institution, whereas only 28 per cent saved with a financial institution, and 18 per cent received a loan from a bank compared with 13 per cent that received a loan from a friend or relative. About 9 per cent saved using a savings club (IFC 2011a).

Efforts have been made to address financial exclusion. Rural financial institutions are mandated to provide access to services and trained to work with vulnerable populations, particularly women in villages, agricultural estates and fishing communities. The government provides subsidies to community-based organisations and formal financial institutions on extending access to credit, banking services and payment systems through:[10]

- Regional Development Banks (RDBs) and other Licensed Specialised Banks (LSBs). The Regional Development Bank, established in 2010, and the SANASA Development Bank are supervised by the central bank.
- Samurdhi Bank Societies (SBSs) established in 1996 as part of the government's poverty alleviation programme and regulated by the Samurdhi Authority of Sri Lanka.
- Thrift and Credit Cooperative Societies (TCCSs, and SANASA partner societies) have been regulated by SANASA since the 1970s although TCCSs in the North remain independent.

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Case Study I: Country Report – Sri Lanka (cont.)

Of the approximately 4 million potential household clients, less than 50 per cent are financed through micro-credit. Microfinance institutions have about 10,000 service centres, spread unevenly throughout the country. RDBs and LSBs, on average, transact 86 per cent of their business lending through microfinance, with a client base of 1.85 million and a credit line of about US$250 million. SBSs have over 1,000 service centres, with a deposit base of US$5.8 million, and have about 2.3 million members and 227,000 non-member clients. SANASA primarily lends through TCCSs and has nearly 200,000 borrowers (GTZ ProMiS[11] and BWTP 2010).

Together with the Sarvodaya Economic Enterprise Development Services (SEEDS) and other microfinance lenders, these institutions seek to promote household savings, enhance productivity and mitigate the effects of unemployment. Even with the strides these institutions have made towards poverty alleviation, however, the sustainability of the sector is uncertain as most government-supervised microfinance programmes have subsidised interest rates, weak repayment rates and high recurrent costs.

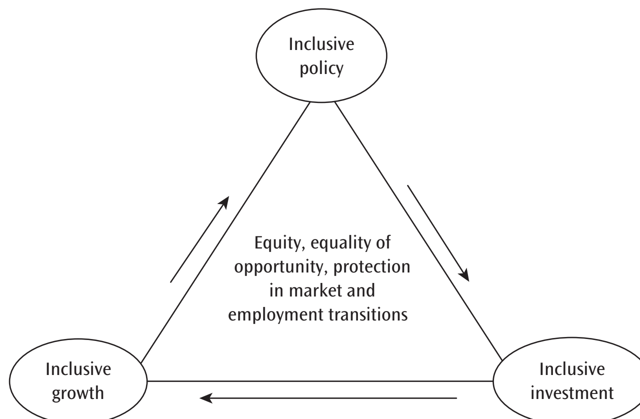
The challenge remains now for Sri Lanka to grow out of this government-subsidised sector of lending as well as over-reliance on foreign donors to build on financial inclusion through private sector development, given that microfinance lending currently only covers about 17 per cent of business and enterprise growth. Although target SME loan schemes have been launched – in conjunction with addressing lack of access to credit, improving financial literacy and encouraging entrepreneurs – lack of adequate forms of collateral, reliable credit registries and ratings systems are major barriers to access. Sri Lanka is well placed for the type of critical engagement that the framework of GRI can provide.

2.4 Addressing systemic and institutional issues

Reforming co-ordination of policies among relevant ministries and institutions is a key challenge that is geared at achieving greater transparency, cohesiveness and participation for all. From a gender standpoint, the deficiency of policy measures in this regard is their failure to integrate gender considerations into the design of options for restructuring the international financial architecture.

A key question that financial policies must answer is whether inclusive growth is an explicit and deliberate target or focus. Gender equality considerations need to be incorporated into regulatory policies such that the financial services sector may develop in a more inclusive way. Furthermore, measuring the effectiveness of government policies should entail benchmarking inclusion at the levels of political leadership and governance, co-ordination and supervision, implementation, monitoring and evaluation.

Figure 2.2 Inclusive growth planning chain



Inclusive growth should have distinct features that highlight both the pace and pattern of growth. The conceptual assumption for this position is that rapid and sustained poverty reduction requires an inclusive growth model that allows people (both female and male) to contribute to and benefit from economic growth as an overarching policy objective.

This concept of inclusiveness as defined by the Commission on Growth and Development encompasses the notions of equity, equality of opportunity and protection in market and employment transitions (Ianchovichina and Lundstrom 2009). The failure of existing financial policies to fully accommodate these fundamentals to inclusive growth planning points to gaps in efforts to promote successful growth strategies. Consequently proactive and forward-looking policies need to emphasise equality of opportunity both in terms of access to markets and resources as well as the existence of an unbiased regulatory environment for businesses and individuals. The systematic inequality of opportunity in financial markets should be deemed 'toxic', with the potential to derail the economic growth process either through political channels or social conflict and stratification.

Case Study II: Country Report – Uganda

Uganda is a key country for assessing the links between gender and economic growth within the context of promoting financial inclusion, decision-making and entrepreneurship. Ugandan women and men are both recognised to play significant, if different, roles in their contributions to the country's economy. These differences are the result of complex social, cultural and political practices that specifically disadvantage women and other marginalised social groups.

Uganda is characterised by low values of financial inclusion, ranking 48th in the Index of Financial Inclusion (IFI) out of 49 countries surveyed, with no change in the rankings from the previous year (Sarma and Pais 2010). The index takes into account three aspects of the population's ability to access financial services: accessibility, measured in terms of banking penetration; availability of banking services; and frequency of usage (Sarma and Pais 2008).

Access to credit in Uganda is noted to be diverse and variable considering the overall level of the country's economic and social development (FinScope Uganda 2006, in Johnson and Nino-Zarazua 2011). The Ugandan financial sector is comprised of:

- *Formal financial institutions, regulated by the Bank of Uganda*: Commercial banks and credit institutions; microfinance deposit-taking institutions.
- *Semi-formal institutions, licensed or registered under an Act of Parliament*: Credit-only microfinance institutions (companies limited by shares or by guarantees) supervised by the Bank of Uganda; and Savings and Credit Cooperatives (SACCOs).
- *Informal institutions*: savings clubs, private moneylenders, friends and family as lenders, Rotating Savings and Credit Associations (ROSCAs) and Accumulating Savings and Credit Associations (ASCAs).

Gender bias still permeates traditional financial institutions. Low levels of financial literacy mean women in particular are unable to seek access to credit from reputable financial institutions and/or run the risk of borrowing with high repayment rates. They are also unable to benefit from good credit records, access information about how to formally register a business, formulate a business plan or carry out a thorough audit of their financial statements. In addition, users of financial services are required to meet a series of requirements such as the need for collateral and guarantor, documentation, minimum account balance, banking fees and transaction costs, many of which are beyond the reach of poor people.

Formal financial institutions often require women to provide a co-signatory, usually the husband, although there is no legal justification for this. Collateral in the form of land, which is not easily accessible to Ugandan woman, poses a challenge to, for example, the sustainability of female-headed enterprises. Financial institutions do not favour other forms of collateral such as stock, merchandise and machinery, a distinction that resides in dated personal property and security laws. The only way to access this form of financing is to use a 'formalised' asset, i.e. those assets belonging to a registered business. The process of incorporation under Uganda's Companies Act limits this as a form of access to credit for women since informal businesses, where most women are invested, are not registered as companies.

Uganda ranks 25th (out of 135 countries) in the index for political participation, gaining 4 places as the percentage of women parliamentarians increased from 31 per cent to 35 per cent (Haussman et al. 2011). And yet, while the gender parity index in the area of education is 0.998 (out of 1), Uganda ranks 117th (out of 135 countries) in overall educational attainment. Though Uganda has made great strides in halving the poverty rate recorded in 1992–1993, when it stood at 56 per cent of the population, it remains a poor country, with per capita income of US$1,129 at PPP and slow progress made on the health and survival indices as the result of uneven access to basic social services (ibid.).

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Case Study II: Country Report – Uganda (cont.)

Despite these challenges, Uganda has achieved significant milestones towards closing the gender gap. Though classified as a low-income country by the World Economic Forum (Hausmann et al. 2011) and UNDP (2011), Uganda ranks 29th out of 135 countries on the overall Gender Gap Index, 26th in labour force participation and 6th in wage equality for similar work. The female adult unemployment rate is 4 per cent of the female labour force compared to 3 per cent of male adult unemployment (ibid.).

Women's access to bank loans, to property other than land and to land ownership is still fairly unequal (Hausmann et al. 2011). In 2011, 15.1 per cent of Ugandan women had an account with a formal financial institution compared with 25.8 per cent of men and significantly lower than 20.4 per cent of women in low-income countries and 21.5 per cent in sub-Saharan Africa overall (Demirgüç-Kunt and Klapper 2012).

In general, the figures for access to financial services across the Ugandan population are low, lower than in most low-income countries, including other countries in sub-Saharan Africa. Of the bottom 40 per cent of the population in terms of income, only 8 per cent of Ugandans have an account with a formal institution, and 46 per cent received a loan from a friend or relative compared with 9 per cent of the population aged 15+ that can access a loan from a formal financial institution. About 19 per cent of Ugandans aged 15+ saved using a savings club compared with 16 per cent of savings placed with a formal financial institution (IFC 2011a).

Uganda ranks 161 on the 2011 Human Development Index (UNDP 2011). Despite low levels of financial inclusion and considerable levels of poverty, over 31 per cent of the population is engaged in some form of entrepreneurial activity, seen as the most viable way to make a living, particularly during periods of economic crises.[12] The levels of entrepreneurialism, defined as self-employment in any kind of remunerated activity that also includes informal sector employment, has been constant in Uganda over the last six years (IFC 2011a).

Women still remain a largely marginalised group when referring to actual contribution to the economy due to a number of factors, which also dictate their levels of financial inclusion. The mean age of marriage is 20 years of age and women have on average six children. Uganda has been identified as a country with a high percentage of unmet contraceptive needs (UNDP 2011). Women's school career from primary to secondary education spans 10 years, a year less than men's schooling (Haussman et al. 2011). Statistics reveal that women, and especially single household heads, are more vulnerable to volatile income and unemployment.

Women's lack of control over productive resources, assets and any resulting income from labour activities is a pervasive and systemic problem (UNDP 2011; IFC 2011a). Roughly 60 per cent of Ugandan women work in the agricultural sector, yet less than 20 per cent of them own land; and 39 per cent of businesses with a registered premise are owned by women, yet they received less than 10 per cent of commercial credit. Legislative reform to correct inequalities in land and property ownership and marital laws where cultural dynamics dominate is proceeding at a gradual pace.

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Case Study II: Country Report – Uganda (cont.)

Uganda's Participatory Poverty Assessment Papers[13] reveal that the notion of ownership of assets by women is underpinned in the country's laws. Men fear that if their wives or partners work, they will become promiscuous, unruly or disrespectful and pose a threat to the traditional family structure of man as the breadwinner. Conversely, men will shift the burden of income generation onto women once they perceive their ability to generate income is to their advantage. Women who are 'permitted' to work must also shoulder not just the domestic chores but also the financial burden of school fees, food, medicines, taxes, clothing and other household provisions (Brock and McGee 2002).

The government has sought to address these issues in its five-year National Development Plan (NDP) 2010–2015, replacing the Poverty Eradication Action Plan (1997), which aims for Uganda to become a middle-income country through proposals focused on infrastructure and private sector development. Steps towards achieving gender equality feature frequently in this policy document, fully recognising that legislative and economic barriers act as barriers to financial inclusion. The government is striving to address some of these through partnerships with the IFC, for example, which in 2008 helped local banks through a credit line dedicated specifically to women entrepreneurs.

The government also began rolling out Regulatory Impact Assessments as critical tools in policy-making to assess the economic, social and environmental impacts of any proposed legislation or policy. These are seen as opportunities to mainstream gender into all policy-making and impact analysis processes. As part of these ongoing reforms, the Ministry of Gender, Labour and Social Development remains an important institution to advocate for GRI in private sector development. Through partnerships and with its constituent stakeholders, the Ministry promotes women's participation in key sector development policy and implementation.