

The private sector: a key player in reducing gender inequalities

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Enabling women to become agents of social and economic change in Pakistan is the main objective of the Kashf Foundation. Since 1996, it has been providing microcredit and loan offers specifically for women, as well as financial education and vocational training.

Gender mainstreaming as a driver of growth has been an attractive proposition for policymakers; research suggests that improving female participation rate in the labour force can have a significant impact on economic growth. According to a report by McKinsey¹, \$12 trillion can be added to global GDP by 2025 by advancing women's participation in the economy. Similarly, a study by the International Labor Organization reported that by closing the gender gap in participation by 25% by 2025, global GDP can increase by US 5.3 trillion². That said, despite the strong business case for gender mainstreaming, global gender inequality persists. Women face inequities in access to health, education, economic opportunities, and political inclusion. According to the Global Gender Gap report³ under the business-as-usual scenario gender equality will not be achieved for the next 99.5 years. The report also states that overall gender parity stands at 68.6% and the bottom 10 countries have closed just 40% of the gender gap. In terms of political empowerment, women account for just 25% of the available positions. Moreover, only 55% of women compared to 78% of men participate in the labor market.

In the current situation, the private sector can play an innovative and disruptive role to address gender parity. Successful examples from across the world are demonstrating the catalyzing potential of private companies with respect to inclusive growth. In the developing world, microfinance institutions such as Kashf Foundation in Pakistan, are playing a pivotal role in mainstreaming women through targeting social norms around women's economic participation via their gender focus in

terms of access and mind-set change in communities through role-modeling, gender centric marketing, advocacy campaigns, and social interventions.

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PAKISTAN AND WOMEN EMPOWERMENT

Gender equality is a big concern in Pakistan, a country with a population of nearly 207 million, 103 million of whom are women (about 49% of the total population). According to the World Economic Forum's Global Gender Gap Report, Pakistan ranks 151th out of 153 countries⁴. This report places the country 150th in economic participation and opportunity, 143rd in educational attainment, 149th in health and survival and 93rd in political empowerment⁵. To address issues of gender parity, Pakistan has to adopt an 'all-hands-on-deck' approach with both the public and private sector working together.

Founded in 1996, Kashf Foundation is Pakistan's first microfinance institution entirely dedicated to women's empowerment, developing a comprehensive and impactful model with respect to mainstreaming women. True to its raison d'être Kashf works toward a more gender inclusive society via women centricity with respect to its programs and operations, and its internal policies.

KASHF'S WOMEN-CENTRIC PROGRAM AND OPERATIONS

Women centricity is part of Kashf's institutional culture and is distinctive as it has been mainstreamed through all aspects of our work. Since inception, we have disbursed over 4.4 million loans amounting to over 1.2 billion⁶ USD to over 2.7 million women from low-income households.

Kashf's approach goes beyond the sole provision of microcredit for women and is considered a holistic change program that aims to build an enabling environment for women micro-entrepreneurs to thrive. To achieve this, we provide a myriad of products and services to address the multiple needs of low-income women. These include different types of microloans for businesses, emergency needs, livestock, specialized Shariah-compliant loans for the more conservative North Western province of Pakistan, and dedicated loans for more than 4000 low-cost-private schools. Complementing our loans offer is a host of capacity building interventions aimed at enhancing capabilities and bringing innovation. They include financial education, business development training, and vocational skills training.

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To help women with 'voice' and 'space', we undertake numerous participatory and praxis oriented capacity building interventions at the individual, community and societal level. They include gender justice training with clients, their husbands, and young boys from local communities, social theatre performances on pertinent social issues, and mainstream media campaigns that generate awareness on issues faced by women from low-income households.

To help provide formal social safety nets, Kashf mediates women-centric and pro-poor insurance programs which offer a comprehensive in-patient health insurance program, a hospital-cash product for rural and remote areas, and a credit-for life insurance. Kashf holds a leading position in the provision of micro-insurance in Pakistan with over 2.5 million policy holders.

Through various policies and programs, Kashf has been successful in creating equal opportunities for women and men. We are the only microfinance institution in Pakistan with a 50% gender ratio in its staff base across all tiers.

An assessment made by Semiotics in 2019 of our programs showed that over 43% of our clients reported an increase in profits due to their loans and 61% of our clients reported an increase in savings as a result of improved business performance. Moreover, 83% of self-employed clients felt that their capacity to handle their business has improved after the training courses and 78% of business training beneficiaries experienced an increase in sales. With respect to social indicators; 50% of women cited an improvement in their relationship with their husbands, 69% of clients reported enhanced capabilities as result of the Kashf loan, and a similar trend was reported by clients with respect to their perception of self-worth.

GENDER PARITY FOR OUR STAFF TOO!

Aligned with Kashf's mission of women empowerment, our institution has demonstrated gender inclusion and diversity with respect to our workforce. Through various policies and programs, Kashf has been successful in creating equal opportunities for women and men. We are the only microfinance institution in Pakistan with a 50% gender ratio in its staff base across all tiers; this is almost twice the labor force participation rate for women in the country⁷ Moreover, 50% of our employees report to a female boss and our institution has 37% female representation on our Board of directors. This is a testament to our commitment to recruiting, retaining, and developing women's careers. In the last year, 50% of employees hired institutionally were female and the attrition rate for females was 3.7% and for males 3.8%. In terms of internal promotions, 5% of all promotions were given to women in 2019 and around 50% of all Kashf staff reported to a female manager.

Some salient policies in place for gender mainstreaming and diversity management include equal opportunity recruitment which is done in the field via college drives and presence at career fairs in both women's and men's educational institutions. Once hired, both female and male employees undergo an extensive orientation process which includes sessions on Kashf's values and gender centric approach. This is followed by on-job training for both women and men after which they are certified via a testing process. Once an employee becomes a permanent member of our company there are also multiple programs to help address life-cycle changes. A salient initiative in this regard for women is the "not without my mother-in-law" program where prospective in-laws of Kashf female employees provided with an overview of the institution, and counsel is provided to our staff on how to manage new demands that will emerge as they embark on a new phase in their lives.

Additionally, Kashf is one of the first institutions in Pakistan to offer paternity leave to allow fathers time off with their newborns. We also offer a day-care facility at our Head Office and all individual branches⁸. To ensure equality in leadership positions, Kashf has a comprehensive gender responsive training program in order to pipeline staff for internal promotions specifically segregated by the leadership gaps of each gender: for women it is mostly about decision-making and negotiation, while for men we focus on delegation and work-place management. Breaking the glass ceiling for women employees is another key imperative which is reviewed annually through the compensation and performance management system in order to remove inherent assessment bias.

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In addition to the above, one of the key environmental and logistical constraints for women in the long run is access to transport. To address mobility constraints, Kashf has started a female motor

bike/scooter scheme by offering interest free loans to our female staff; this is again a first, as it will encourage women to use a cheaper form of transport which is hitherto denied to them as it is not considered culturally appropriate. Launched two years ago, the WoW program has provided scooters to 30 women to date, and there are applicants still in various stages of obtaining one.

Kashf Foundation is committed to serving and empowering female entrepreneurs from low-income households and designing policies and programs that cater to an ever changing, dynamic environment to strengthen the role of women in Pakistan.

1 Mckinsey Global Institute, How Advancing women's equality can add US\$12 trillion to Global Growth, September 2015.

2 International Labor Organization, Economic Impacts of Reducing the Gender Gap, 2017.

3 World Economic Forum, Mind the 100 Year Gap, 2019.

4 Pakistan has been ranked in the bottom five for the past four years.

5 World Economic Forum, Global Gender Gap Report 2020, 2019.

6 With a conversion rate of 1 dollar=PKR 100

7 International Labor Organization, Economic Impacts of Reducing the Gender Gap, 2017.

8 Based on staff need