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Introduction

In many developing areas, two major barriers inhibit the empowerment of women: access to credit and access to water and sanitation. Beginning in the 1970s, Grameen Bank advanced microcredit, or small loans, as an anti-poverty intervention, primarily funding small businesses run by women. Many microfinance institutions (MFIs) target women or even exclude men because women are more likely to be credit constrained, women are more likely to be marginalized, and, when women control a greater share of household resources, children are better educated and better nourished (see, e.g., Thomas 1990, Rangel 2006). Some newer microcredit programs support investments in water and sanitation services. Because women are typically responsible for fetching water, cooking, cleaning, these newer programs can potentially empower women who normally are excluded from water and sanitation management to have a bigger voice. However, for those benefits to be realized, such programs must be carefully designed to minimize barriers to repayment and the reinforcement of existing gender hierarchies. Measuring the success of WSS microlending requires a thoughtful, holistic approach.

Documenting Success

Microfinance institutions pride themselves on the number of women they have reached—as of 2010, 75 percent of MFI clients were women (Butler 2012). Despite this, it is difficult to assess the contribution that microfinance has made to gender equality and the empowerment of women. Gender empowerment is a process in which women (or men) gain control over material assets (e.g. water, land, money, labor), intellectual resources (e.g. knowledge and ideas), and ideology (e.g. beliefs, values and behavior) (Fernando 2006). One of the central arguments in favor of microfinance is that it creates a way for women to assume leadership roles, establish educational programs and come together as a group to facilitate social change (*ibid.*). However, microfinance alone is not sufficient to create social equality for women. Simply gaining access to resources may not challenge or overcome existing social structures that impede women from gaining control and ownership over such important resources.

MFIs sometimes focus on repayment rates or the fraction of women borrowers as a measure of an effective loan program. While low repayment rates are cause for concern, high repayment rates and a large number of women borrowers do not necessarily mean women have been empowered or assumed leading roles in their communities. In group loan models, women may be the technical loan borrowers but the entire family is often deemed responsible for paying back the loans. Some studies also show that a

“significant portion of credit given to women was actually controlled by men” (Fernando 2006). Therefore, looking solely at repayment rates disregards important data on the role of women and the ability of women to improve their socio-economic status and to control and repay loans. Moreover, it is difficult to measure and discuss effects on empowerment and gender equity when neither the programs nor the studies consider the borrowers’ or the communities’ perspectives—which cannot be reflected simply in loan repayment rates, the most commonly reported measurement of success in microfinance projects.

Since the burden of water gathering and other water-related activities often falls on women, women’s time use is one meaningful indicator of both wellbeing and empowerment. Previous research has argued that household time allocation responds to improvements in WSS (Meeks 2012) and that, with increased bargaining power, women devote more time to leisure (Schultz 1990). However, WSS-related changes in household time allocation may or may not enhance women’s bargaining power. Instead of gathering water, women may spend the free time working in the fields with their husbands or on other household chores (Ivens 2008). While some may argue this is positive change, as women are engaging in other work with their free time, others argue that it gives men in the community increased bargaining power to determine what women will do with this freed time (Fahaj 2012). In any case, understanding time use is key to understanding the impact of WSS projects on gender empowerment.

Another way to measure gender empowerment is to measure a woman’s control over household expenditure. This measure directly captures gender balance and it is correlated with other interesting outcomes like investments in the welfare of children (Thomas 1990; Rangel 2006; Fernando 2006; Weigelt 2012). While increased control over household expenditure is a positive aspect of improving access to credit for women, it is still difficult to assert that existing social hierarchies have been changed or even challenged, despite the improvement in the quality of life of women. Political outcomes might be informative on this point; the number and positions of female political leaders and the number of female voters offer some information about the power and status of women in their communities.

Observed Benefits of WSS Micro Lending

While more research needs to be done to assess just how much can be changed, initial reports from micro-lending to women’s self help groups in Tamil Nadu, India, indicate that women-led WSS investments yielded better water access in the community, lower diarrhea incidence, and less time spent collecting water (Arney, et al. 2008).

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In addition to the direct benefits, the use of microfinance in the provision of water and sanitation services plays into the women's empowerment discussion in indirect ways. Improved access to water and sanitation for women and girls includes direct benefits like better health, enhanced dignity and safety, increased school attendance due to fewer illnesses and improved female sanitation facilities, and reduced physical stress from heavy water loads (Ivens 2008). As important as the direct benefits of improved quality of life are, the indirect or consequential benefits are sometimes overlooked. When WSS projects are designed to allow women to partici-



Photo 1: Family playing by the Yamuna River. Photo credit: Michael Foley

ate in planning and implementation, they can take control of intellectual resources. Including women in the decision-making process is shown to increase self-esteem and self-confidence—which can be important factors in, and indicators of, women's empowerment (Ivens 2008).

If women are given loans to build and maintain water supply and sanitation systems, they will have the opportunity to gain ownership over water and sanitation resources. This increased ownership has great potential to improve the bargaining power of women, assuming the loan repayment program and training programs are strong and flexible enough to ensure women are able to repay the loans.

Challenges and Risks

While microcredit for WSS can be highly beneficial to women, it can also have negative consequences that should be considered in the project design stage. Each project and community is unique and the project should be designed to fit the context. Looking at previous implementations exposes pitfalls that can be avoided by future projects.

Fernando (2006) criticizes microfinance for reinforcing the existing social hierarchies in society rather than challenging them. In fact, microcredit can have the perverse consequence of making women more dependent when the investments funded by the loan do not provide sufficient income to repay it. In Tamil Nadu, India, a non-governmental organization called Gramalaya found through its loan

program that women are sometimes forced to turn to their husbands to repay loans, arguably taking a backwards step on the path to empowerment.

Although the exact reason for the women's inability to repay the loans remains unknown in this case, research indicates that revised loan terms, thorough borrower education, and borrower outreach all tend to improve repayment rates, especially in WSS. For instance, if borrowers do not understand how to save money to repay the loans, either from selling water, setting aside money that would have been used for healthcare expenses, or participating in income generating activities during time freed from easier access to water and sanitation, they are more likely to default.

Surprisingly, WSS investments have also been shown to undermine women's empowerment in another way, actually increasing the burden of water fetching for women. Installing pour and flush latrines improves a community's access to sanitation services significantly; however, women usually assume the additional burden of fetching the extra water needed for the latrines, perhaps leaving them more dependent than before (O'Reilly, Gender Empowerment in Water and Sanitation Projects 2012). O'Reilly concludes that in order for women's participation in and access to WSS provision to lead to empowerment, the process must recognize the "relational system" of gender, acknowledging the separate roles of men and women and challenging the power structure between them. One solution might be to design micro-credit projects that provide income to those fetching water and cleaning latrines. In addition to upsetting the balance of power between men and women, providing income would help borrowers to repay their loans.

Creating income streams for women involved in WSS projects can be complicated by local traditions or laws. In some areas, women often are not able to own land and therefore do not have a legal right to water. This fact can hinder WSS businesses, blocking women's investments in latrines, water treatment technology and more. It can also stymie women attempting to manage or treat water sources. This problem is one that requires institutional change, though empowerment gains through microfinance can be helpful in enabling advocacy. Gaining the legal right to water sources or gaining ownership of water infrastructure may challenge the current power structure in societies where women often do not have ownership of land or physical resources.

Conclusions

While simply gaining access to credit and to WSS services does not translate directly into female empowerment, both can be a starting point for women to gain additional bargaining power in society if programs are well-designed. Projects must incorporate gender sensitivity and educational outreach in order to ensure that women are given a voice in the development of WSS services, and ultimately benefit from loans for such services. Each gender should be considered a separate stakeholder in project development and resource management. The Gender and Water Alliance (GWA), for example, advocates that donors and governments include gender impact



assessments for all water projects to ensure gender equality is maintained through project development, implementation, and capacity building efforts (Lidonde et al. 2002).

Additionally, the importance of sufficient communication, training and capacity development for women borrowers should not be discounted. Resources must be available to train women how to save money to repay loans. Simply providing access to credit for resources like water and sanitation services, which are typically not income generating activities, requires capacity development in savings skills to be successful. Gender inequality is a function of social inequity and in order to address both, project interventions must recognize all stakeholders and be properly designed to mitigate any negative impacts, such as inadvertently creating more work for women.

In order to accurately evaluate the impacts of microfinance and improved access to water and sanitation on women, monitoring and evaluation of WSS microcredit schemes should include collecting sex-disaggregated data on indicators relating to women's empowerment and community and family health. Lenders and project implementers should include indicators that demonstrate more informative measures of gender empowerment, instead of simply reporting on the number of female loan borrowers. Given the intangible and indirect nature of some WSS benefits, qualitative information from interviews and other sources should also be taken into account.

More work remains to be done in fully quantifying microfinance's existing and potential impact on women and access to WSS. As data collection on existing microfinance projects and program design improve, microfinance's positive impacts in the WSS sector may exponentially grow.

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