

Capital Sisters International  
Micro Loans for Women In Poverty

The Role of International Women's Networks in Promoting Economic Opportunities for Women



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Tokyo Japan – March 24, 2010



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**“Poor people stay poor, not because they are lazy but because they lack access to capital.”**

Milton Friedman, Economist



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**The Role of Women Leaders in Economic Activity**

- Is there a role for women leaders in promoting economic activity and if so, what kind of role should women leaders play?
- How does an international network help women leaders play a key role in the economic world?
- What role can women's networks play in advancing women's economic prosperity?

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**Is there a role for women leaders in promoting economic activity and if so, what kind of role should women leaders play?**

- Never in history has there been a more important time for women leaders to step up and lead...by promoting, investing, and engaging in economic activity around the world.
- Never in history has there been a more opportune time for women leaders to help level the playing field for women everywhere

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**Financial Exclusion Marginalizes Women**

- Females own less than 1% of the world's private property, less than 1% of the "means of production", and less than 10% of the world's income
- In many countries, females are denied property, inheritance, and divorce rights
- Market failures and cultural practices discourage women's entrepreneurship
- Public policies and economic development programs can reverse these trends

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**The Global Poverty Crisis Disproportionately Affects Females**

- Half of the world's 6 billion people live in poverty
- **75% of the people who live on \$1 a day are female**
- 85% of the world's population lives in developing countries
- Most women in developing countries lack access to credit, and work in an unregulated, unprotected, underground economy called the "informal sector"
- In many countries, over 40% of the population is under 15; 30,000 children under 5 die each day from preventable deaths
- 20% of the population in the richest countries make 86% of the world's purchases. The poorest 20% consume 1.3%

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## Gender Bias Limits Women's Opportunities

- Societal preferences for males is deeply entrenched around the world
- Females are viewed as an economic liability



The mission of Capital Sisters International is to raise funds for micro lending institutions that serve impoverished women in developing countries who want to start or grow a business.



## How does an international network help women leaders play a role in creating a more inclusive economic world?

Women leaders can advance economic prosperity for females much more powerfully if they **align with other women leaders**

They can be the voice for those who have no voice...**that is Leadership**



## An Example of Advancing Gender & Microfinance Issues with Support from International Networks

In my roles as the US Focal Point for WLN and Founding CEO of Capital Sisters International, I was able to:

- Help the APEC Advisory Group on Gender Integration create the Gender Focal Point Network
- Support Mexico (the 2002 APEC Host economy) in establishing a Microenterprise Subgroup in the APEC SME Working Group
- Organize workshops on Microfinance Best Practices
- Make recommendations in Statements to Ministers and Leaders
- Partner with the International Alliance for Women (TIAW) to raise funds for 44 Village Banks in 6 APEC economies – giving thousands of impoverished women access to tiny business loans



## Enterprise Solutions to Alleviate Poverty



Microfinance institutions extend micro loans, often less than \$200, and other financial services (such as savings), to very poor people for self-employment projects that generate income allowing them to care for themselves and their families. (Microcredit Summit)

Women build their businesses, employ others, and repay their loans so that others can finance their businesses – creating sustainable village economies



### TIAW VILLAGE BANKS IN THE APEC REGION



	Mexico	Thailand	Philippines	Peru	Chile	Indonesia
2002	1		1			
2003	3	2				
2004						
2005					1	
2006	1	1		1		
2007	4	1	3			
2008	4		6	7		
2009		2	2			4
Total	13	6	12	8	1	4
Total TIAW Village Banks in APEC Economies						44



## Meeting Demand for Micro Loans

- Microfinance institutions are only reaching about 10% of the global demand for micro loans
- Predatory Moneylenders in the informal sector charge interest rates that are 3 to 5 times higher than commercial rates
- Adopting more enabling policies and practices leads to an Inclusive Financial Sector, and more prosperous communities
- Giving impoverished women access to credit for income generating activities allows them to provide for their families and live with dignity



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### Best Practices in the Microfinance Industry APEC Microfinance Workshop

Category:	Guiding Principles
Access to Finance	Expand access to appropriate financial services – customize products to take women’s needs into account (e.g., collateral substitution)
	Gender equality should be an integral criterion for donor and investor funding decisions along with requirements for sustainability
	Establish a gender baseline and collect sex disaggregated data to monitor regulations and practices - identify and eliminate gender based discrimination

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### Best Practices in the Microfinance Industry APEC Microfinance Workshop

Category:	Guiding Principles
Business Development Services	Facilitate access to legal and other professional advice and training, market information, product design expertise, service centers, product pooling venues, communications technology, etc.

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### Best Practices in the Microfinance Industry APEC Microfinance Workshop

Category:	Guiding Principles
Enabling Environment	Overcome the informality hurdle – recognize the importance of micro-enterprises to the private sector
	Remove access barriers faced by informal sector microenterprises, especially women-owned enterprises

Credits: USAID’s Microenterprise Office, Development and Training Services (DTS), Women’s World Banking, and Capital Sisters International

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### Conclusion: What role can international women’s networks play in advancing women’s economic prosperity?

- Collaborate across the public, private and NGO sectors to advance the status of women
- Educate policy makers & advocate for more inclusive development
- Help increase the numbers of women in policy making roles
- Promote enabling public policies that increase access to financial services for women
- Expand access to micro loans and business development services

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### Women Leaders Drive Change for a Better World



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### When Women Leaders Promote Inclusive and Sustainable Economic Development Everyone Wins!



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