

About us

The Microfinance Centre is a regional microfinance resource center and a network of 103 members, including 78 MFIs, in 27 countries of Europe and Central Asia, and serving over 800,000 low-income clients.

We promote client-centered and responsible financial inclusion through our work on:

Know-how: Building capacity for more balanced and effective microfinance.

Innovation: Creating practical solutions for MFIs to improve financial education, social performance management and client protection.

Policy: Using research to map the regional landscape of access to finance, over-indebtedness and entrepreneurship.

Knowledge management: Creating dialogue among practitioners and sharing lessons learned through publications and annual conferences.

Gender in microfinance research in Bosnia and Herzegovina (2008)

This study revealed that in the Bosnian microfinance sector, there is little understanding of the unique financial needs of women, and no targeted services. So-called “women-focused MFIs” differentiate themselves by using a group lending methodology, but tend to know little about their needs, their use of services, and how they benefit.

At the same time, men comprise the majority of MFI clients, and receive larger loans for similar activities as women. The assumption is that men run more dynamic businesses, and have higher risk thresholds, and thus need higher loan amounts. Female-owned businesses are seen as slow-growth, as women invest profits not in the business but in the family.

Participating MFIs did not have dedicated gender policies to guide their work with women clients. While they complied with national laws around non-discrimination, most saw explicit women’s empowerment agendas as discriminatory towards men, and were unaware of the concept of gender mainstreaming.

Interviewing the female clients, they underlined the benefits the economic activity resulted in the increased sense of self worth, pride and independence. In many cases it provided financial independence, and brought them recognition within their families and local communities. However, women are at breaking point, as a woman having her own business also lacks time for herself, her children and the family in general, which is not widely recognized. No time for vacation, less attention paid to health and accumulating stress are downsides of running a business.

Client interviews revealed key expectations gaps. Women prioritized service quality over differentiated products. They relied on a close relationship with their loan officer to ensure that the product would meet their needs and capacities, and as a source of business advice and support. In contrast, male clients valued speed of service and professional information about products. They relied on their own judgement to choose products, and spent less time applying for loans.

Without this detailed understanding of the different needs of men and women, MFIs are unable to achieve cost optimization and process effectiveness. Indeed, female clients who require more loan officer input to address their needs are by definition less profitable to MFIs, thus tend to be excluded.

At the same time, the perception of women’s well-being has changed in the post-war era. Initially, widows and single mothers (whose husbands were economic migrants), tended to improve their economic situation and independence through remittances and starting their own businesses. As such, MFIs perceive women as better off, in contrast to men, who had no economic opportunity and were exposed to poverty. Within this context, most Bosnian MFIs in Bosnia have focused in recent years on expanding outreach to male clients.

Today, however, women are at the point where the empowerment support they receive from MFIs is more important than ever. Overloaded with business and family responsibilities, they are often unable tackle challenges alone. Given this, there is a clear role for MFIs to provide financial and non-financial support.