

Feature Article:

Women's leadership gains traction in microfinance

Vientiane, 2nd March 2015

Australia is committed to encouraging women to take a more important role in the governance of Lao institutions.

Through the Laos Australia Rural Livelihoods Program (LARLP), Australia supports women's emergence in leadership positions of large development programs through the two Financial Inclusion Programs, Making Access to Finance more Inclusive for Poor People (MAFIPP), implemented by Bank of Lao PDR with technical assistance from UNCDF and the German Development Cooperation project 'Access to Finance for the Poor', implemented by Deutsche Gesellschaft fuer Internationale Zusammenarbeit (GIZ).

Cedric Javary, the advisor on the MAFIPP Program, describes gender equality as critical to the program's work. "We encourage our partner microfinance institutions to consider gender balance at management and Board of Directors level: throughout the world, we see that organisations that have women and men from diverse backgrounds as decision-making positions achieve better results, because they are able to draw upon a larger pool of talent and diverse viewpoints. Women representation at management is now very satisfactory within our current five partner institutions having at least one third of women. Often they are now even the majority on these boards."

"Now our focus is directed toward some of our government partners to balance their board representations in a similar way" he said.

Dennis Fischer, a specialist attached to AFP, said that "Women who have been elected in leadership positions in the Village Banks receive targeted capacity development from the AFP project. Often, with increasing capacity comes an equal rise in confidence".

Both programs have been supporting the Lao Microfinance Association (LMFA) to become a leading voice in the sector and to raise the capacities of its member institutions.

For Mrs Vanhsy Chindavong, Chairperson of the LMFA since 2013, it is up to women to decide whether to take another step forward to becoming leaders: "Men and women are equal. Women leaders can be knowledgeable and experienced. We excel, both at home and at work" she said.

Like many women in Laos and elsewhere in the world, Mrs Vanhsy has worked her way up. She has been working in the development field for many years providing microfinance expertise to both government and non-government sectors before reaching her leadership position in the MFA.

"It's safe to say the number of women leaders in our field is small" said Mrs Ninthasone Xayyasavanh, Deputy Chair of Board of Director and the co-founder of Champalao Microfinance Institution. "One reason is that to some extent certain cultural norms set roles for men and women from the start. Until today, most people would attribute household chores to women before men, for example" Mrs Ninthasone added.

Cultural norms and the lack of access to education and training for women are some of the main obstacles to overcome to ensure greater participation of women in financial decisions at both household and organisational levels.

At the community level, Village Bank Committees (an AFP supported activity) and Network Support Organizations reflect on similar challenges they face in the implementation of their work.

“Often the most effective solution is for women to receive more education, especially those from ethnic communities” says Savanthai Chanthavong from Sobkong Village in Vilabouly district, Savannakhet province, who is a board member. “Lacking the ability to write and read excludes them from participation.”

Her colleague, Houa Soulaseum from nearby Phoukham Village, supports this view. “In other ethnic groups such as the Phuthai, women can write and read but there are still some cases in which women are not allowed to participate in important decision making such as those about family and business finance matters.”

Savanthai agrees. “I know women that raise pigs and they know how to go about managing their expenses well. But when they want to sell the pigs, they need to wait for their husbands to decide about the prices. I think they lose time and opportunities because of this.”

“So we use our positions to showcase how this traditional view of things is growing outdated, especially during our regular village banking meetings” concluded Savanthai. “The next challenge is overcoming people’s reluctance to change, but that will come with more effort and time.”

This article is part of a series prepared by Laos-Australia Development Learning Facility, an Australian Aid Project, leading up to International Women’s Day on March 8th.



Mrs Vanhsy along with other women in leadership positions of MFIs attending the Deposit Taking Microfinance Institution Forum in Vientiane on Feb 25th, 2015

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