Building back better: For whom?
Identifying and getting to know vulnerable female segments under COVID-19
Kenya | Nigeria | South Africa

September 2020
#BuildingBackBetter #WEE #WFI #GenderData
Background
Initial evidence suggests that women are more affected by COVID-19 in various ways

Women’s jobs are **1.8 x more vulnerable** to this crisis than men’s jobs.

Kenya and Nigeria saw **30% to 50% average increases in SGBV** since lockdown.

In SA, 2.5 to 3 million people lost their jobs between February and April this year. Of those, **women lost approximately 2 million jobs**.

In South Africa, **51%** of women vs **45%** of men “Strongly Agree” with the statement “I have had to take a lot more responsibility for household chores and care of children and family during this pandemic.”

Different women, different challenges

To understand how to build women’s resilience in this crisis and beyond, we need a nuanced understanding of how women differ from one another.
Towards a more nuanced understanding of vulnerable female segments under COVID-19

- Who are the most vulnerable women?
- Through which touchpoints do they access financial products?
- How can these touchpoints be turned into support nodes?

- Which groups saw the biggest decrease in income?
- Which groups are least able to come up with emergency funds?
- How do vulnerable women support themselves during shocks?
- What channels are vulnerable women already using?
- How are vulnerable women using these financial products?
- How can we enable effective support by transforming distribution instruments into support nodes?

COVID-19 Tracker, wave 2 (2020)
Analysing and unpacking vulnerable female segments
Vulnerable female segments under COVID-19
Livelihoods with inconsistent income patterns show greatest vulnerability

- Self-employed: 93%, 19% have smaller income compared to last year
- Casual worker: 85%, 20% not possible to come up with emergency funds
- Involved in farming: 92%, 25% of adult women

Coping with shocks

Women rely on informal mechanisms, particularly their social networks

Mechanism used to deal with main shock experiences in the last year

<table>
<thead>
<tr>
<th>Category</th>
<th>Social network</th>
<th>Informal borrowing</th>
<th>Informal savings</th>
<th>Formal savings</th>
<th>Formal borrowing</th>
<th>Insurance</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-employed</td>
<td>19%</td>
<td>7%</td>
<td>6%</td>
<td>5%</td>
<td>2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Casual worker</td>
<td>8%</td>
<td>0%</td>
<td>3%</td>
<td>7%</td>
<td>1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Involved in farming</td>
<td>6%</td>
<td>9%</td>
<td>1%</td>
<td>15%</td>
<td>1%</td>
<td>2%</td>
<td>5%</td>
</tr>
</tbody>
</table>

As social networks are likely similarly affected by COVID-19, and savings and assets are rapidly depleted over the last few months, additional support is necessary.
Where do vulnerable women access their financial services?

Most vulnerable women use their mobile phones to access financial services

How are vulnerable women currently saving or accessing credit?

Mobile wallets and savings groups most used to save, particularly by self-employed

**How vulnerable segments save**

<table>
<thead>
<tr>
<th>Segment</th>
<th>Mobile wallet</th>
<th>Mobile banking</th>
<th>Savings at group or chama</th>
<th>SACCO</th>
<th>Savings at MFI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-employed</td>
<td>55%</td>
<td>25%</td>
<td>13%</td>
<td>3%</td>
<td>6%</td>
</tr>
<tr>
<td>Casual worker</td>
<td>40%</td>
<td>10%</td>
<td>3%</td>
<td>1%</td>
<td>6%</td>
</tr>
<tr>
<td>Involved in farming</td>
<td>33%</td>
<td>6%</td>
<td>12%</td>
<td>2%</td>
<td>39%</td>
</tr>
</tbody>
</table>

**How vulnerable segments access credit**

<table>
<thead>
<tr>
<th>Segment</th>
<th>Mobile banking</th>
<th>Digital loan</th>
<th>Loan from a group/chama</th>
<th>SACCO</th>
<th>Personal loan from bank</th>
<th>Shopkeeper loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-employed</td>
<td>15%</td>
<td>10%</td>
<td>16%</td>
<td>5%</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>Casual worker</td>
<td>6%</td>
<td>8%</td>
<td>10%</td>
<td>1%</td>
<td>1%</td>
<td>3%</td>
</tr>
<tr>
<td>Involved in farming</td>
<td>3%</td>
<td>4%</td>
<td>10%</td>
<td>4%</td>
<td>2%</td>
<td>2%</td>
</tr>
</tbody>
</table>

So what do we know about vulnerable Kenyan women?

<table>
<thead>
<tr>
<th>Who are they?</th>
<th>How do they cope with shocks?</th>
<th>How do they access financial services?</th>
<th>Other considerations</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Farmers</td>
<td>Women relying on their social networks to cope with shocks making them particularly vulnerable to COVID-19</td>
<td>• The vast majority of women own and use mobile phones to access financial services</td>
<td>• Significant proportions of women are saving using their mobile phones</td>
</tr>
<tr>
<td>• Self-employed</td>
<td></td>
<td>• Community groups also popular, particularly with self-employed women</td>
<td>• More women accessing mobile credit than credit from a bank</td>
</tr>
<tr>
<td>• Casual workers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Over 60% of adult women in Kenya</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Vulnerable female segments under COVID-19

Livelihoods with inconsistent income patterns show greatest vulnerability

- Self-employed: 89% have smaller income, 42% not possible to come up with emergency funds
- Casual worker: 97% have smaller income, 4% not possible to come up with emergency funds
- Involved in farming: 84% have smaller income, 15% not possible to come up with emergency funds

Source: COVID-19 Tracker wave 2 (2020)
Coping with shocks
Cutting expenses, using savings and selling assets or livestock key resilience strategies for vulnerable women in Nigeria


*Other includes: did nothing, comparing prices, brand switching, cancelled other policies
In Nigeria, women’s resilience strategies are more self-reliant. These strategies are also likely affected by COVID-19.
Where do vulnerable women access their financial services?

Commercial banks and community groups most used in Nigeria, but figures low

How are vulnerable women currently saving or accessing credit?

Women not accessing credit from commercial banks

**How vulnerable segments save**

- **Self-employed**
  - Commercial bank: 2%
  - Village/community association: 3%
  - Savings group: 1%
  - Co-operative: 0%
  - Savings at microfinance bank: 0%

- **Involved in farming**
  - Commercial bank: 4%
  - Village/community association: 3%
  - Savings group: 5%
  - Co-operative: 1%
  - Savings at microfinance bank: 1%

**How vulnerable segments access credit**

- **Self-employed**
  - Village/community association: 2%
  - Savings group: 2%
  - Co-operative: 2%
  - Credit at microfinance bank: 1%
  - Moneylender: 0%

- **Involved in farming**
  - Village/community association: 4%
  - Savings group: 3%
  - Co-operative: 1%
  - Credit at microfinance bank: 0%
  - Moneylender: 2%

So what do we know about vulnerable Nigerian women?

<table>
<thead>
<tr>
<th>Who are they?</th>
<th>How do they cope with shocks?</th>
<th>How do they access financial services?</th>
<th>Other considerations</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Self-employed</td>
<td>• Women cutting expenses and using savings and farmers selling livestock or other assets so women more self-reliant</td>
<td>• Commercial banks and community groups popular with vulnerable groups</td>
<td>• Self-employed women not accessing credit significantly</td>
</tr>
<tr>
<td>• Casual workers</td>
<td></td>
<td>• Mobile phone ownership high in both groups</td>
<td>• Many women not accessing financial services</td>
</tr>
<tr>
<td>• Women involved in farming</td>
<td></td>
<td></td>
<td>• Mobile phone ownership high, though only 50% of farmers have mobiles</td>
</tr>
</tbody>
</table>

Over 60% of adult women in Nigeria
South Africa
Vulnerable female segments under COVID-19

Livelihoods with inconsistent income patterns show great vulnerability in general

- **Self-employed**
  - Have smaller income compared to last year: 77%
  - Not possible to come up with emergency funds: 82%
  - % of adult women: 5%

- **Casual worker**
  - Have smaller income compared to last year: 94%
  - Not possible to come up with emergency funds: 88%
  - % of adult women: 6%

- **Renting**
  - Have smaller income compared to last year: 90%
  - Not possible to come up with emergency funds: 100%
  - % of adult women: 2%

Coping with shocks

Casual workers rely less on their savings and borrow more than self-employed women

Source: Finsope South Africa (2018)
In South Africa, as in Nigeria, there is less reliance on social networks, but there is also more use of formal mechanisms such as insurance (though this is still quite low) and significant borrowing by casual workers.
Where do vulnerable women access their financial services?

Casual workers have less access to financial services, but both groups have high mobile ownership.

Source: FinScope South Africa (2018)
How are vulnerable women currently saving or accessing credit?

Formal savings dominate even though figures are low and few women are accessing credit.

**How vulnerable segments save**

<table>
<thead>
<tr>
<th></th>
<th>Self-employed</th>
<th>Casual worker</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Money market account</strong></td>
<td>13%</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Deposit account</strong></td>
<td>11%</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Investment or savings policy</strong></td>
<td>5%</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Education policy or plan</strong></td>
<td>8%</td>
<td>2%</td>
</tr>
</tbody>
</table>

**How vulnerable segments access credit**

<table>
<thead>
<tr>
<th></th>
<th>Self-employed</th>
<th>Casual worker</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Personal loan from a bank</strong></td>
<td>6%</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Loan from a retail store</strong></td>
<td>4%</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Lay-by</strong></td>
<td>4%</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Stokvel, burial society</strong></td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Mashonisa or loan shark</strong></td>
<td>0%</td>
<td>4%</td>
</tr>
</tbody>
</table>
So what do we know about vulnerable South African women?

<table>
<thead>
<tr>
<th>Who are they?</th>
<th>How do they cope with shocks?</th>
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<th>Other considerations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-employed</td>
<td>Self-employed women using savings</td>
<td>Commercial banks and investment companies popular with self-employed but most self-employed not using them</td>
<td></td>
</tr>
<tr>
<td>Casual workers</td>
<td>Casual workers borrowing money</td>
<td>Mobile phone ownership high in both groups</td>
<td></td>
</tr>
<tr>
<td>Renters</td>
<td>Both groups using insurance</td>
<td></td>
<td>Self-employed women not accessing credit significantly</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Formal savings popular</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Mobile phone usage high, but women are not using it to access financial services</td>
</tr>
</tbody>
</table>

Just over 10% of adult women in South Africa
Conclusions
What have we learnt about vulnerable women, and what is the way forward?

- Kenyan women rely on social networks, while Nigerian women are more self-reliant and more South African women rely on formal mechanisms such as insurance.

- **Self-employed women** could form a core target segment for support. They are vulnerable in all three countries but are relatively well connected to financial services. Support measures should consider the specific constraints faced by women-led businesses.
  - Few use commercial banks to access credit. This could be a key starting point.

- Many vulnerable women are currently not reached through financial touch points, so wider options should be considered: The vast majority of vulnerable women have mobile phones, and in Kenya are already using them to access financial services.

- Most women in Nigeria and South Africa have mobile phones, but they do not use them for accessing financial services; thus if mobile services are used for support, effective communication is key (though communication is important no matter the channel used).

- Digitalisation emerges as a possibility for support; mobile phones show the highest promise. However, support needs to be accompanied by appropriate communication to women.

- More research is needed on the additional barriers to access of these options.
Take additional barriers into consideration
How possible is it to reach these vulnerable women through mobile phones, and how do we do better?

What are the challenges in reaching women with mobile support?

- Gender gap in financial access
- Gender gap in official IDs
- Gender gap in mobile phone ownership
- Programme design that fails to identify or seek to close gender gaps
- Insufficient gender data and analysis to inform decisions

How can we empower women through the rapid scale-up of digital cash transfers?

- Digitise
- Direct money into her account
- Design programmes for women’s empowerment

Source: CGAP (2020)
Towards a more nuanced understanding of vulnerable female segments under COVID-19

Who are the most vulnerable women?

The most common vulnerable groups across the three countries were: Self-employed, casual workers, women involved in farming.

Through which touch points do they access financial products?

Mobile phones, community groups, commercial banks.

How can these touch points be turned into support nodes?

MNO services, potentially savings groups, Government supporting digitisation and liquidity, Ensuring effective communication with vulnerable women.

COVID-19 Tracker, wave 2 (2020)

About Cenfri
Cenfri is a global think-tank and non-profit enterprise that bridges the gap between insights and impact in the financial sector. Cenfri’s people are driven by a vision of a world where all people live their financial lives optimally to enhance welfare and grow the economy. Its core focus is on generating insights that can inform policymakers, market players and donors who seek to unlock development outcomes through inclusive financial services and the financial sector more broadly.

Engage with us

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