



**Pacific Financial
Inclusion Programme**

PoWER Research Highlights

Women and girl's economic participation and empowerment in Solomon Islands

Background

Women and girls face barriers in the enabling environment, in the supply of and in their demand for financial products and services, as well as in their socio-cultural context. To address these challenges, UNCDF has developed a global strategy on women's economic participation and empowerment called Participation of Women in the Economy Realized (PoWER). As part of this strategy, UNCDF has developed a country diagnostic to evaluate access, usage and agency¹ over financial services in ways that contribute to the greater economic empowerment for women and girls.

In 2019, Pacific Financial Inclusion Programme conducted the diagnostic in Solomon Islands, examining demand and supply-side barriers, as well as ecosystem constraints. These research highlights share evidence collected from desk research, 27 key informant interviews, six focus group discussions and a survey of 400 women and girls carried out in Honiara and the surrounding areas.

Insights

Demand; The usage of financial services by women and girls in Solomon Islands.

Women experience the following challenges in accessing and using financial services:

- Being less literate than men, they have relatively limited awareness and understanding of formal financial services.
- Being far removed from access points, distance is a key barrier to the adoption and usage of formal financial services.
- Having limited control over the benefits of financial services, because sociocultural norms see the man as the controller of the household finances.
- Experiencing a high level of discomfort engaging with staff in the formal financial sector, who tend to be men.
- Having limited liquidity.
- Lacking access to required documentation and collateral to access savings and credit products.
- Having a preference, as a result of all the above, for saving and borrowing informally, through friends, wantok (traditional system of communities and tribes), money lenders, and savings and loans groups.

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¹The definition of agency in the financial inclusion context refers to controlling the benefits of financial products and services use.

Insights

Supply; how financial institutions are serving female customers.

- Banks in Solomon Islands are not driven by an ambition to serve women. Therefore, financial products and services have not been designed to suit women's needs and preferences.
- Financial service providers are reluctant or lack incentive to expand and deepen services to women's needs.
- Financial institutions lack capacity and training to apply a much-needed gender-lens to customer service.

Enabling ecosystem; Policy and regulations in Solomon Islands.

- There has been limited coordination and collaboration amongst actors advancing financial inclusion. Programme funding often lacks continuity, limiting the effectiveness and sustainability of programmes.
- The regulatory environment for enhancing women's financial inclusion in the country is mixed.
- Lack of gender-disaggregated data limits policy development for gender financial inclusion, leaving financial service providers uninformed of the segment.
- While digital financial services have the potential to drive inclusion for women, poor network coverage and limited digital literacy are significant barriers.

Recommendations

- There is a need for an effective overarching platform or mechanism to coordinate efforts and enable continued focused funding for women's financial inclusion. Such coordinated efforts can aim to address common vision setting, shared learning and partnership building.
- Broker partnerships between financial service providers and the organizations supporting women's financial literacy and gendered behavioural change, as well as among the organizations working on these demand-side issues for peer learning.
- Reinforcing the function and capacity of financial inclusion working groups can enhance coordination and collective action for women's financial inclusion.
- There is still a need for financial and digital literacy training for women. These trainings should be offered only in conjunction with actual products and services offered by financial service providers.
- Drawing on the insights from research, make a case for the viability of the female market, and provide guidance on product design and customer engagement, as well as support go-to-market.
- Addressing the overall challenge of business viability in terms of reach, products and services for women requires creating a space for innovation and learning from other markets.

This research highlight was produced in partnership with

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More information on the PoWER strategy can be found on www.uncdf.org/power/homepage. Or contact the UNCDF Pacific Financial Inclusion Programme for further information at pfip@uncdf.org for more information on PoWER in the Pacific.

Facts and Figures



Solomon Islands



Adult population:
611,343¹

Understanding across different financial products of sampled women¹



71%

Don't know what an ATM is.



48%

Don't know what a mobile money agent is.



48%

Don't know what insurance is.



Women are particularly disadvantaged due to time poverty. The average reported time to reach the closest bank branch, ATM and bank agent is 4.9, 4 and 1.5 hours respectively, and women tend to have more domestic responsibilities.



Additionally, women are burdened by the high cost of travel. The average cost of travelling to the nearest bank branch, ATM and bank agent is USD 19, 13 and 15 respectively. Women face greater challenge in affording this, as they tend to work in informal sector have less and inconsistent income.

¹World Bank, 2017

²Dalberg Research/Tebbutt Research, Demand - side survey