POLICY BRIEF

# Boosting Agricultural Productivity in Mali Through Financial Inclusion and Gender Equality

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## Executive summary


- Economic performance has been low in Mali.
- Gender gaps in financial inclusion and agricultural productivity are prevalent in Mali.
- Attainment of sustainable development in Mali would require improvements in financial inclusion and agricultural productivity, especially for women.


- Two critical ways to improve financial inclusion are mobile money and gender norms.

- Improving the financial inclusion through mobile money has the potential to help in achieving the SDGs, as mobile money supports 11 of the 17 SDGs.

- An understanding of gender norms will help financial service providers in putting interventions in place to increase financial inclusion.

# Context and importance of the problem

Mali is a prominent fragile and post-conflict country (FPCC) in SSA. Since independence in 1960, the country has experienced four armed rebellions, accounting for a total of 20 years. Agriculture is the mainstay of the Malian economy, and accounts for about 40% of GDP, and 75% of total employment. However, women are severely disadvantaged in Mali. Women have lower participation in education and government, and receive lower income compared to men. Also, women have lower outcomes in agricultural productivity and financial inclusion. Financial inclusion has been rising, with mobile money accounting for the substantial proportion of the increases.

Mali's economic performance has been low, with slow rates of economic growth and high poverty levels. Improvements in agricultural productivity will be important for attaining sustainable development. Financial inclusion and gender equality have the potential to be critical drivers of such improvements in agricultural productivity. It is important to conduct empirical investigations to see if agricultural productivity can be enhanced through financial inclusion and agricultural productivity.

# Results and implications

## Summary of the evidence

Agricultural productivity of men is higher than productivity of women. The average value of harvest per hectare of women is 62% lower than that of men. Men are more educated than women and are more likely to be single. Women are involved in more polygamous marriages, and also more likely to be divorced or widowed. Thus, women are disadvantaged in education and marriage. Financial inclusion is higher for men than women, indicating gender gaps in financial inclusion. Female plots are smaller in size and are farther from homes. However, female plots are of slightly higher quality. Elements of gender bias in access to information exists, as men disproportionately have more information on input subsidies, and have received more vouchers for seeds and fertilizers.

The study conducted an empirical investigation of the effects of financial inclusion and gender gaps on agricultural productivity in Mali. Household-level data for agricultural households for the year 2017 was used. Empirical results showed that agricultural productivity of women is significantly lower than that of men. Thus, being female poses significant disadvantages to women farmers, indicating that gender discrimination exists in agricultural productivity. Improved financial inclusion (savings) improves agricultural productivity. Other important factors that improve agricultural productivity are: younger farmers, bigger plot sizes, more female workers, and higher use of agricultural inputs such as organic manure, pesticides and fungicides.

# Policy recommendations

Attainment of sustainable development in Mali would require improvements in financial inclusion and agricultural productivity. The prevalence of gender gaps, and the disadvantages that women face in Mali is reflected in poorer outcomes related to education, income, labour force participation, and participation in government. Two critical ways to boost agricultural productivity are through improvements in financial inclusion and gender equality. Two ways these can be achieved are through mobile money and gender norms.

Improving the financial inclusion gender gap through mobile money has the potential to help in achieving the SDGs, as mobile money supports 11 of the 17 SDGs (GSMA, 2017). Enhancing financial inclusion through mobile money services for women has a number of advantages:

1. Mobile money services enhance a convenient and less stressful life style. For women who bear the bulk of household financial decisions, mobile money offers convenience, leads to financial independence and gives them more control over financial decision-making (GSMA, 2017);

2. Mobile money reduces the risks women face in carrying cash around, and promotes privacy, thus, improving their welfare (GSMA, 2017);

3. Mobile money can increase savings by women, thereby providing needed funds for both essential and emergency expenditure (GSMA, 2017);

4. With improved savings and greater control over their finances, mobile money can lead to increased consumption levels, thereby helping in alleviating poverty (GSMA, 2017);

5. By digitizing transactions, women can use mobile money services to move from simply agriculture to engage in business ventures and earn higher incomes (GSMA, 2017).

Gender norms limit the ability of women to access, use and benefit from financial services (Arnold et. al., 2021; Koning et al., 2021). An understanding of these gender norms will help financial service providers (FSPs) in identifying why women are financial excluded, thereby formulating how best to intervene to increase women's financial inclusion and economic empowerment (Koning et al., 2021). With this knowledge, interventions can be put in place to increase financial inclusion of women. Such interventions can be organized into two: norm-informed and norm-transformative interventions (Koning et al., 2021):

1. For norm-informed interventions, gender norms and their impact take central place, ensuring that efforts to influence changes in the market system account for the different needs and capabilities of women that result from these norms;

2. For norm-transformative interventions, efforts are directed at changing norms to enable behavior change that leads to increased women's financial inclusion and economic empowerment (Koning et. al., 2021, p.5).

# Sources consulted

Arnold, J., M. El-Zoghbi and A. Kessler (2021) Normative Constraints to Women's Financial Inclusion: What we Know and What we Need to Know, Center for Financial Inclusion

GSMA (2017) Connected Women: Mapping the Mobile Money Gender Gap: Insights from Côte d'Ivoire and Mali

Koning, A., J. Ledgerwood and N. Singh (2021) Addressing Gender Norms to Increase Financial Inclusion: Designing for Impact, Technical Guide, Consultative Group to Assist the Poor

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