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Beyond traditional VSLAs

CARE's shift toward comprehensive VSLAs addressing gender equality

Village Savings and Loans Associations (VSLAs) have been a core part of CARE's programs for more than 30 years. Over this time they have progressed well beyond simple savings groups providing access to microcredit, becoming pathways to greater prosperity for millions of members around the globe.¹

Why is CARE moving beyond traditional VSLAs?

Savings groups enable women in even the poorest and most marginalized communities to access microloans and save for their future. We know this represents a powerful economic tool in itself – a 2022 report noted that VSLA members experience an average increase in income of 2.75x over five years.ⁱ

However, it is widely recognized that women's economic empowerment is about more than just increased financial assets. It is also about power.ⁱⁱ Numerous studies have identified that financial inclusion and entrepreneurship training can improve women's business knowledge, but they don't see the same increase in profits as their male counterparts. The impact of socio-cultural norms and women's decision-making power are limiting factors.ⁱⁱⁱ Solely increasing access to financial assets and services does not necessarily equate to an increase in women's control over finances or their ability to make financial decisions without intentionally addressing the harmful and discriminatory social norms can limit women's access to, control over and benefit from productive resources, services, and technologies.^{iv v}

The barriers women face extend beyond their homes and communities, with systemic inequities placing them at further disadvantage. 265m fewer women than men use mobile internet in low- and middle-income countries.^{vi} In 2021, 74% of men but only 68% of women in developing economies had an account; in regions such as Sub-Saharan Africa the gender gap was double this, at 12 percentage points.^{vii} Women on average enjoy just 64% of the legal protections that men do.^{viii} The compounded challenges women face impact the extent to which they can improve their economic situation and participate equitably in markets.²

With more than 300 projects using the VSLA model in 2023, plus ongoing scale-up through government and private sector engagement, CARE's VSLAs have great potential to catalyze greater gender equality impact while further increasing the economic impacts women gain from their endeavors.³

CARE aims to address the barriers women face as they earn save and invest, using VSLAs as a platform for women to build power in all areas of their lives and lead their communities to prosperity.

¹ 19.4million people across 64 countries have been member of VSLAs.

² The global labor-force participation rate for women is 66%, compared to 92% for men. (World Economic Forum: [Global Gender Gap Report 2024](#), June 2024.)

³ The Win Win project in Burundi led to a 59% increase in revenue for households which intentionally addressed root causes of gender equality, compared to 29% for households which just participated in basic gender awareness-raising. (CARE: [A WIN-WIN FOR GENDER AND NUTRITION Testing A Gender-Transformative Approach From Asia In Africa](#), 2021)

What do we mean by comprehensive VSLAs addressing gender equality?

Comprehensive VSLAs engage beyond the individual level and beyond specific sectors with an intentional focus on gender equality. When CARE says we're creating gender equality with our VSLAs, this is what we mean.

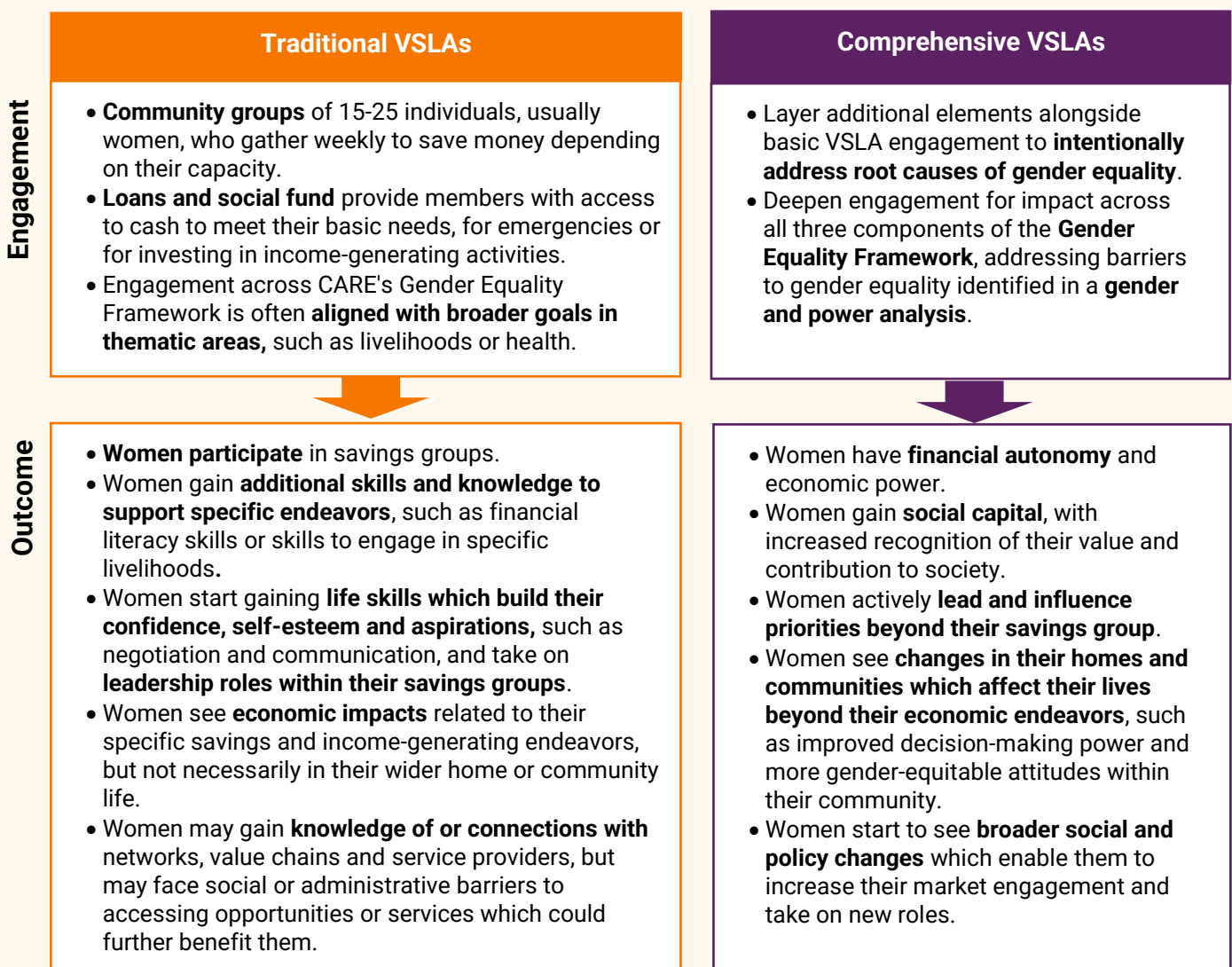
CARE's [Gender Equality Framework](#) (GEF) highlights action is needed across all aspects of women's lives to create lasting change. Comprehensive VSLAs can be defined in relation to the GEF in two ways:

- **Engagement across all aspects of the GEF goes beyond sectors to root causes:** This means actions to look at relations or structures are not just sector-specific, such as strengthening community input to the quality of health service provision or building linkages with agricultural suppliers, but intentionally addresses the social and structural barriers women face in accessing these.
- **Engagement on gender focuses on all aspects of women's lives:** This means actions to increase gender equality go beyond building women's agency to address root causes of gender inequality in homes, communities and society.

Of 448 projects using VSLAs which have reported impact since 2020:

- **98%** reported **gender equality impact** against any against gender equality framing indicator.
- Only **10%** of these reported impact on indicators linked to **relations or structures**.

What makes comprehensive VSLAs different to traditional savings groups?



“We believe VSLAs can be a platform for addressing systemic gender inequity in markets.”

Vidhya Sriram, Senior Director, Global VSLA

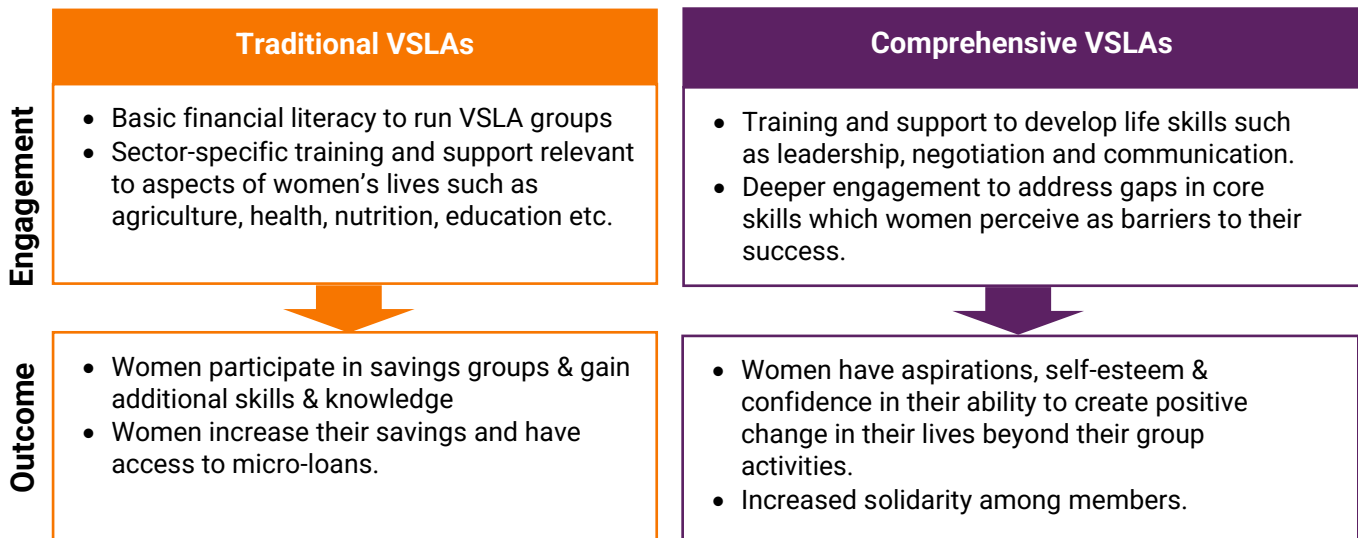
Beyond agency

To address gender inequity in markets, women must be able to raise their voices and lead change beyond their immediate group.

The most common way savings groups address gender inequality is by increasing women’s agency. Traditional VSLAs offer a safe space for women to build additional skills and confidence, with opportunities to raise their voice and lead change within their group.

For women to actively lead and influence priorities beyond their savings group, shifts are often needed in the norms and power dynamics which exist within their homes and communities. As VSLAs mature and intentionally address systemic barriers to gender equality, **engagement across other aspects of women’s lives offers opportunities for women to further build their agency and lead in other spaces** – such as taking on roles in local governance, social movements or value chains. This strengthens their social capital and increases recognition of their value and contribution to society.

Building women’s agency: Beyond sector-specific skills-building, these are efforts to build leadership, confidence, negotiation and communication skills, and self-efficacy among women in VSLAs.



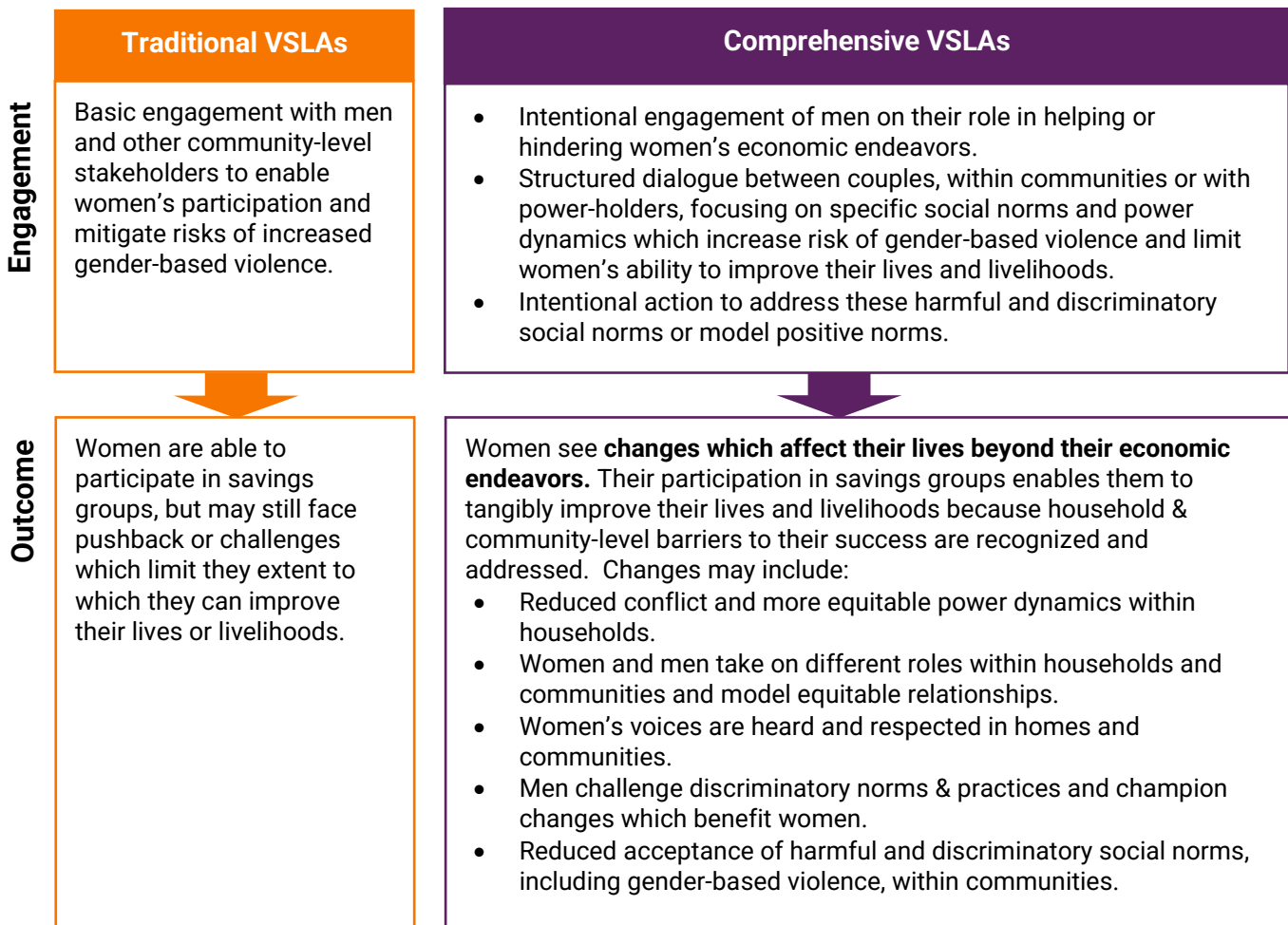
Gender equality in homes and communities

To address gender inequity in markets, we have to first acknowledge the importance of addressing the power imbalances women face on their homes and communities.

Traditional VSLA projects invariably engage with stakeholders and community members in various ways to **enable participation**.

Comprehensive VSLAs projects place a strong emphasis on the **unequal power dynamics and prevailing norms which prohibit women from fulfilling their full potential** within households and communities. These address relations and also consider informal structures, such as harmful and discriminatory social norms in communities, creating change for women in their immediate sphere.

Addressing barriers to gender equality in households and communities: These are intentional efforts to change relations by addressing unequal power dynamics and to shift informal structures within communities. Common approaches identified include addressing GBV risks, shifting harmful & discriminatory social norms, engaging men & boys for gender equality, and enabling gender dialogue at household or community level.



Systems-level change

Addressing gender inequity in markets requires systemic change.

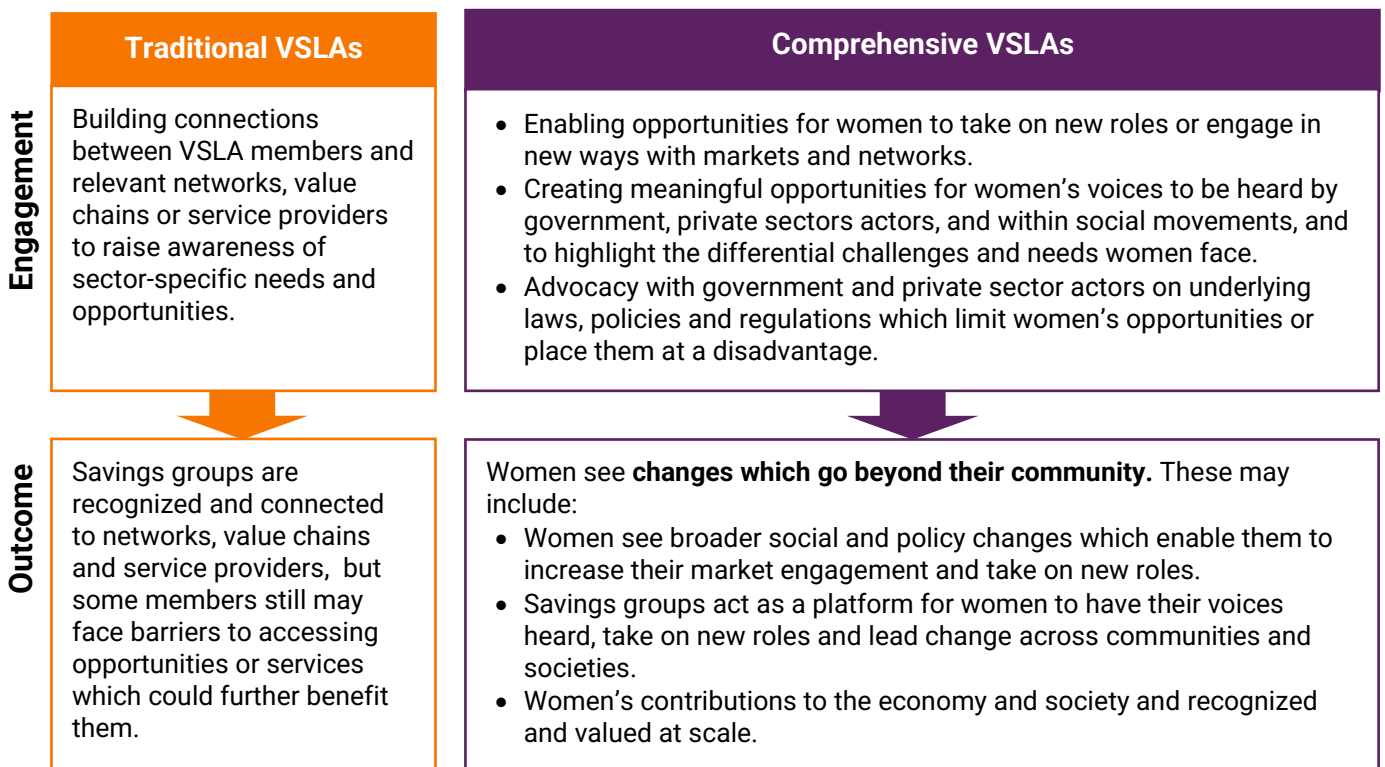
Traditional VSLA projects may engage with sector-specific services, such as health or agricultural service providers, to build linkages with VSLAs. They may advocate for policy changes relevant to a specific sector, such as regulations relating to financial institutions. They may connect VSLA members to other movements for change, such as unions. However, these may not consider the barriers women face in benefitting from such changes and opportunities.

Comprehensive VSLAS projects place an emphasis on honestly identifying the **differential challenges** women have in access to markets, each other, information and services, and taking action for positive change.

There are many ways VSLAs can be a **platform for broader change beyond their communities**. The solidarity built within groups enables women to find their own solutions together and negotiate with a stronger collective voice. As a group they can be both a potential supplier and a powerful market for private sector actors. Their collective experiences offer a powerful testimony to policymakers to support advocacy on underlying laws, policies and regulations which limit women’s opportunities or place them at a disadvantage.

Beyond focused efforts to shift social norms in households and communities, intentional efforts to **shift social norms at scale** can also play a key role in many areas of engagement to address systems-level change.

Systems-level change: These are intentional efforts which build on VSLAs to address gender inequity in markets and government service delivery. This may involve strengthening the ability of VSLAs to engage with networks and take collective action, building market engagement for women and advocacy with government and financial systems.



Layering gender equality actions alongside VSLAs: Tools to support teams

Curricula:

- [Social Analysis & Action \(SAA\)](#)
- Couples' dialogue from [Indashyikirwa](#) project
- Household dialogue from [Uganda](#)
- Family Business Management Training from [Papua New Guinea](#) (*internal link*)
- [Collective Investment](#) (*internal link*)

Guidance notes:

- CARE's [Guidance Note on Engaging Men & Boys for Gender Equality](#)
- CARE's [GBV Guidance for Development Programming](#)
- CARE's [Advocacy resources](#) (*internal link*)

ⁱ CARE: [VSLA By the Numbers – A Comprehensive Analysis of the Impact and ROI of VSLAs](#), Oct 2022.

ⁱⁱ SEEP Network: [Women's Empowerment and Savings Groups – What Do We Really Know](#), Dec 2019

ⁱⁱⁱ Development Learning Lab: [Promoting women's economic empowerment through business trainings: What works?](#), 2024.

^{iv} Rietveld, A. M., Farnworth, C. R., Nawaz, M., Timler, C. J., Tittone, P. A., van der Burg, M., & Groot, J. C. J. (2023). [Understanding diversity in gender norms within farming communities: A Q-methodology approach applied in Uganda](#). *NJAS: Impact in Agricultural and Life Sciences*, 95(1).

^v Eckhoff, S., Majara Kibombo, G., Natukunda M., Pennotti, C. & Vandergaag, K. 2019. [What works to increase financial inclusion and women's financial autonomy? Intentional designs showing promise](#). *Development in Practice*, 29(8): 974-987.

^{vi} GSMA: [The Mobile Gender Gap Report 2024](#), May 2024.

^{vii} World Bank Group: [The Global Findex Database 2021](#), 2021.

^{viii} World Bank Group: [Women, Business and the Law 2024](#), 2024.

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