Gender Challenges to Financial Inclusion in Papua New Guinea

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According to the Global Findex Database 2014: Measuring Financial Inclusion around the World, in 2014 the number of adults without a bank account — 'the unbanked' — was approximately 2 billion (Demirguc-Kunt et al. 2015). Despite some significant gains between 2011 and 2014 when 700 million adults opened new bank accounts, the degree of financial inclusion for people in developing economies remains poor, with only 54 per cent of adults having a bank account compared to 94 per cent for those in high-income OECD economies (ibid.:4). There is also a gender gap, with 42 per cent of women being unbanked compared to 35 per cent of men (ibid.:2).

Financial inclusion has been on the international development agenda for over a decade, having been highlighted by the former United Nations (UN) secretary-general Kofi Annan in December 2003: 'The stark reality is that most poor people in the world still lack access to sustainable financial services, whether it is savings, credit or insurance. The great challenge before us is to address the constraints that exclude people from full participation in the financial sector' (cited in UN 2006:1). Ensuing from the Global Meeting on Building Inclusive Financial Sectors in Geneva in 2005, a series of high-level meetings have addressed the need for financial inclusion and led to the development of the UN 'Blue Book' *Building Inclusive Financial Sectors for Development* (UN 2006; see also UNCDF 2005).

More recently the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, endorsed by the UN General Assembly in July 2015, highlighted the need for financial inclusion as part of the development agenda when it stated 'many people, especially women, still lack access to financial services, as well as financial literacy, which is a key for social inclusion' (UN General Assembly 2015:12). There are compelling reasons for focusing on financial inclusion in the developing world, especially for the poor. According to the UN, 'access to a well-functioning financial system can economically and socially empower individuals, in particular poor people, allowing them to better integrate into the economy of their countries, actively contribute to their development and protect themselves against economic shocks' (UN 2006:4).[1]

Financial inclusion is also increasingly seen to be an important component of women's economic empowerment initiatives, particularly as women generally comprise a larger proportion of the 'unbanked'. As a recent Overseas Development Institute research report notes, 'women's financial inclusion, including access to banking and other financial services, is also vital to increase women's economic control and opportunities' (Hunt and Samman 2016:19). The Global Findex report argues that financial inclusion is critical not only for poverty reduction and for achieving inclusive economic growth, but also empowers women (Demirguc-Kunt et al. 2015:2). Some researchers go so far as to argue that 'financial inclusion of women is essential for gender equality' (Klapper 2015:3). One aim of women's economic empowerment programming is to give women access to financial resources, whether through income-generating schemes, access to credit or giving them skills to find employment, the reasoning being that this will make it possible for women to escape violent and dysfunctional relationships. Access to banking services enables women to protect their income and savings from their spouses. While having a bank account does not absolutely preclude a spouse gaining access, it does make this more difficult than if cash is kept in the house.

There are also wider benefits to be gained from savings accounts. The UN Foundation report *A Roadmap for Promoting Women's Economic Empowerment* finds a 'growing consensus that providing women and girls with access to reliable savings products is a smart investment' (Buvinić et al. 2013:33). This report notes that savings 'can make a big difference in the lives of the poor, helping to overcome inertia not to save and, in particular, women's status and authority is elevated by savings, whereas credit has yet to exhibit such impacts' (ibid.). Other research has indicated that savings show positive economic outcomes for women. Savings accounts are proven to increase the earnings of women who are self-employed (ibid.) and are a promising way for rural women to improve their productivity (Buvinić and Furst-Nichols 2014:10; Buvinić et al. 2013:33). Mayra Buvinić and Rebecca Furst-Nichols suggest that savings may also be particularly beneficial for women who are more likely to be risk averse — that is, those who may be uncomfortable taking on loan schedules requiring regular repayments that may be difficult to meet (2014:20). They also argue that savings generally benefit the smallest, subsistence-level women entrepreneurs and women with little household decision-making power, which makes savings an intervention that can apply to women across the board, regardless of their poverty condition and the social restrictions they face (Buvinić and Furst-Nichols 2014:20; Buvinić et al. 2013:34).

This paper draws on research undertaken in 2015 among coffee smallholders in Eastern Highlands Province of Papua New Guinea (PNG), focusing specifically on some of the challenges faced by women coffee farmers in accessing financial services.

Considering the importance given to financial inclusion in women's economic empowerment programming by donors and other development practitioners, this research highlights that attention is needed to increase women's literacy and numeracy. However, other factors play an important part, such as local gender norms which constrain women's decision-making and movements.

The Research Setting

Coffee is one of the most important cash crops in PNG, with export revenues consistently topping US$100 million per annum. Total production for 2016 was nearly 1.2 million 60-kg bags (70,260 tonnes).[2] Globally, PNG ranked 18th in the world for coffee production for 2016/2017 (USDA and FAS 2017). Most of the coffee produced in PNG is the Arabica species, the main Arabica coffee–growing provinces being, in descending order of importance, Eastern Highlands, Jiwaka, Western Highlands, Morobe, Simbu, East Sepik, Southern Highlands, Enga, Madang, Oro, West Sepik, Milne Bay, Central and Gulf (CIC 2016:3). Importantly, coffee is the mainstay of the local economy, especially in the main Arabica-growing provinces of the highlands. In the period 1990–1995 Arabica provided 33 per cent of all income from agricultural activities — more cash income to rural villagers than any other commodity (Bourke and Harwood 2009:285). This situation is likely to hold true today, although fresh food production has increased greatly since that data were recorded. The coffee sector in PNG mainly comprises smallholders (approximately 400,000) and it is estimated that 3 million people in the country are dependent on coffee income (Imbun 2014:27).[3] Given the great significance of coffee to household incomes in the highlands and the large contribution of women to coffee production, this is a significant area in which to study women's financial inclusion.

The research was a collaboration between the Department of Pacific Affairs (formerly the State, Society and Governance in Melanesia Program) at the Australian National University and the Coffee Industry Support Project of CARE International in PNG. The research aimed to capture the various contexts in which smallholder coffee is produced in Eastern Highlands and so we chose four sites for fieldwork in three districts in Eastern Highlands — Goroka District, Unggai-Bena District and two sites in Okapa District. Goroka District and Unggai-Bena District are relatively close to and accessible to the provincial capital Goroka, while Okapa District is more distant and access is more difficult.

Although the research used both qualitative and quantitative methods, we report here mainly on the quantitative survey undertaken with 143 households. The respondents for the quantitative survey were chosen through multi-stage cluster sampling from comprehensive lists of coffee farmers obtained through Coffee Industry Support Project partners. The number of households across the sites were: Goroka District, 39 (including four single females and two single males); Unggai-Bena District, 37 (including four single females and two single males); Okapa District 1, 38 (including three single females and two single males) and Okapa District 2, 29 (including two single males). Computations were made to ensure that the probability of each name appearing in the sample was proportional to the population size of the respective hamlet and that each geographical site was represented.

The quantitative survey used three instruments: a questionnaire jointly administered to couples by a male and a female researcher, and separate male and female questionnaires administered by the male researcher and the female researcher respectively. The male and female questionnaires were identical except that the female questionnaire had an additional series of questions aiming to elicit these respondents' actual experience of violence — physical, sexual or emotional. To minimise the risk to female respondents, we refrained from asking any female respondent's spouse specific questions about violence. A small number of quantitative surveys were undertaken with single-headed households — that is, with women or men who had been divorced, separated or widowed.

We also conducted 36 key informant interviews with selected community members, including village leaders, church leaders, village court officials and women's group leaders. This enabled us to get an understanding of the context for the research.

The research focused on the issue of women's economic empowerment among coffee smallholders and the survey instruments were designed to capture data that could illuminate several key indicators of women's economic empowerment and their more general empowerment. Although the research did not focus specifically on financial inclusion, some of the data provide an understanding of the impediments to accessing financial services facing highlands communities, particularly women.

Financial Exclusion in the Pacific

Financial inclusion is of concern in this region and is a key policy objective of several central banks in the Pacific, including PNG (as well as Fiji, Samoa, Solomon Islands, Tonga and Vanuatu) (ADB 2016:12).[4] In PNG, the government, through the Bank of Papua New Guinea, became a signatory to the Maya Declaration at the Alliance for Financial Inclusion's annual Global Policy Forum in 2013 (BPNG 2013:ii).[5] PNG has also developed a *National Financial Inclusion and Financial Literacy Strategy 2014–2015* and financial inclusion has been mainstreamed as a government priority (BPNG 2013).

The financial services sector in PNG is characterised by 'diversity and modernity' according to some commentators (e.g. Banthia et al. 2013:26). However, according to the International Monetary Fund (IMF), while PNG compares favourably with low-income countries, its financial sector is shallow relative to many other middle-income countries in the region (IMF 2015:3).[6] PNG compares poorly with other developing Asian and some lower-middle-income countries on most indicators of financial access (ibid.:5). The IMF used a common indicator of financial sector depth — the ratio of domestic private credit to gross domestic product (GDP) — to compare PNG with other countries. With a ratio of domestic private credit to GDP of 35%, PNG was well below the average for East Asia and Pacific developing countries (124%), Pacific island small states (63%) and sub-Saharan African countries (48%) (ibid.:3–4). Other financial sector development and access indicators are also weak, including those related to the size and composition, and breadth and diversity of the financial services sector, as well as physical access to services (ibid.:4). The IMF report (2015:5) puts the number of automatic teller machines (ATMs) for 2013 at 371. More recently, the Bank of Papua New Guinea has put the number at 398 ATMs and 13,000 EFTPOS terminals (INA et al. 2015:16).[7] According to the Bank of Papua New Guinea, the number of licensed financial institutions in the country includes 4 commercial banks, 14 licensed financial institutions and 20 savings and loan societies (*The National* 29 April 2016).

One result of the lack of depth in the financial sector is that financial exclusion is all too common. Financial exclusion is defined as 'a situation in which a person does not have access to, or elects not to access, financial products or services which would enable them to make informed decisions or organise their money effectively' (Sibley 2007:24). A leading expert on financial inclusion for the Pacific, Jonathan Sibley, says the consequences of financial exclusion are significant and include increased transaction costs, lack of access to credit, lack of access to a range of transaction and payment services, and limited opportunities for secure savings. When seeking credit for emergencies, the financially excluded are exposed to higher costs and predatory loan arrangements (ibid.:24).

Reliable and up-to-date figures on financial inclusion in PNG are hard to find, with most of the cited figures being estimates rather than based on robust research with representative sampling frames. An excellent report of the Pacific Financial Inclusion Programme (PFIP), *The Financial Competency of Low-Income Households in Papua New Guinea* 2013 (henceforth the PFIP report), estimated financial exclusion to be as high as 80% (Sibley 2013:53). More recently, the Bank of Papua New Guinea estimated the number of account holders with formal financial institutions to be 435,316 (INA et al. 2015:10). Financial exclusion is especially stark in the highlands region, with the number of unbanked reported to be 92% (BPNG 2013:8).

Regardless of the accuracy of the figures cited above, the Asian Development Bank believes that people in PNG are the most isolated and unbanked in the world (ADB 2016:5). Low-income households are particularly poorly served, having limited access to formal financial services, and those living in rural and remote locations are especially badly affected. While men too can be excluded from the formal financial system, the situation for women is seen as dire, with the Women's World Banking study concluding, 'Papua New Guinea is a challenging place for women to start and grow businesses and to access financial services' (Banthia et al. 2013:23). According to the Bank of Papua New Guinea's *National Financial Inclusion and Financial Literacy Strategy 2014–2015*,[8] women in low-income households are less likely to:

- be able to communicate in English
- own and be able to use a mobile phone
- own financial products
- be involved in household financial management
- work in occupations that require a bank account
- know how they will support themselves when they are no longer able to earn (BPNG 2013:10).

As in other places in the Pacific, in recent years considerable effort has been made in PNG by key players to address financial inclusion. Through its *National Financial Inclusion and Financial Literacy Strategy 2014–2015*, PNG has set itself the ambitious target of 'one million new clients banked', half of whom are to be women (BPNG 2013:5).[9] Despite such policy-level initiatives, as well as efforts by financial service operators to extend banking services into more rural areas — for example, through SMS banking and 'in-store banking' — access to banking for many in rural communities is far from being realised, as our research with coffee smallholders shows. The situation for woman coffee smallholders mirrors the situation more generally for women in PNG, where women are much more disadvantaged in terms of financial literacy and English language capabilities.

Financial Exclusion among Coffee Smallholders

Compared to the figures cited above for the highlands, the coffee smallholders interviewed during our research have much higher levels of financial inclusion, with 25% having a household bank account.[10] Of course, it is important to recognise that, as the Global Findex report notes, 'while financial inclusion begins with owning a bank account, it does not stop there and it is only with regular use that people benefit fully from having an account' (Demirguc-Kunt et al. 2015:2).

Of the four research sites studied, Goroka had the highest proportion of households with bank accounts (39.4%), followed by Unggai-Bena (29%), Okapa Site 1 (15.2%) and Okapa site 2 (14.8%). Household bank accounts were operated mainly by the husband (Table 1).

Table 1: Proportion (%) of household members operating a household bank account

District	Husband	Wife	Joint	Adult child
Goroka District	61.5	23.1	15.4	–
Unggai-Bena District	80	10	10	–
Okapa District 1	40	40	20	–
Okapa District 2	75	0	0	25
Overall	65.6	18.8	12.5	3.1

Women's lack of control over household bank accounts reflects to some extent the fact that women are less financially competent than men but also that women are marginalised from the main source of household income — coffee. Because the coffee is planted on the husband's land, he is considered its owner, and he invariably assumes responsibility for its sale. This means that women are not only less likely to travel to sell coffee, but also that men control the income from coffee, which, as noted, is by far the greatest source of income for households (Eves and Titus 2017a, 2017b).[11]

Women's financial exclusion is also pronounced when it comes to the ownership of individual bank accounts, with only a small percentage across all four study sites — 6.6% — having their own bank account. The proportion of women with bank accounts at the four research sites ranged from 10.8% (Goroka) to 0% (Okapa District 2) (Table 2). However, a woman having a bank account in her own name does not necessarily mean that she has control over it; in one case (from Unggai-Bena), a woman's bank account was controlled by her husband (see also Eves 2016a). In contrast to women, 35.2% of men across all four study sites had their own bank account. The proportion of men with bank accounts ranged from 37.8% (Goroka) to 4.4% (Okapa District 2) (Table 2).

Table 2: Proportion (%) of women and men at the four study sites with bank accounts

District	Women	Men
Goroka District	10.8	37.8
Unggai-Bena District	8.6	40
Okapa District 1	5.4	13.3
Okapa District 2	0	4.4

The Women's World Banking report found that women have a low awareness of the choices available for banking and, even when a range of options is placed before them, they are not in a position to make informed choices because of their low financial competency (Banthia et al. 2013:9, 36). The report also found that very high costs (including maintenance fees, withdrawal fees and interest rates) are associated with using the formal financial services on offer by the four main banks operating in PNG (ANZ, Westpac, Bank South Pacific and PNG Microfinance Ltd) (ibid.:35). Furthermore, complex and often prohibitive account opening and loan requirements are involved in accessing formal financial services, including travelling time, waiting time and transport fares (ibid.).

Women coffee smallholders gave the following reasons for not having a bank account: costs too much, 8.7%; no supporting documents, 3.2%; do not know how to access services, 22.8%; cannot read or write, 22%; my husband will not let me, 4.7%. Some other reasons were offered, such as banking facilities being too distant, they rarely went to town, their husband already had an account and security concerns about travelling. Several women indicated that all the money they earn is spent on living expenses — they simply do not have any extra money to save.

Accessibility of banking facilities is clearly an issue with the two research sites in Okapa District, where bank account ownership is very poor (Table 2). Naturally, the study sites only 10 kilometres from Goroka — Goroka District and Unggai-Bena District — had a much higher proportion of both men and women having bank accounts. The two sites in Okapa District are much more remote and travel from them to Goroka is difficult and time-consuming due to the poorly maintained road, despite their relatively short distance from Goroka (about 100 km). During the dry season, when the research team travelled there, the journey took about five hours, but during the wet season the road is reputed to be virtually impassable. Travel to banking services is further constrained at these sites by a paucity of vehicles, which limits the possibility of travel to Goroka and makes the cost of fares prohibitively high.

Savings

While owning a bank account was not common, saving nevertheless was. So, while 75% of the coffee smallholders interviewed did not have a household bank account, 87% of households saved money. Our data from Eastern Highlands show that saving is almost always done by hiding cash (Table 3). This agrees with the PFIP report (Sibley 2013:55), which found that low-income households mostly keep funds in cash and hidden to keep it safe. As a way of saving, however, hiding money is unreliable, since it can be stolen or raided by a partner wishing to engage in discretionary spending such as drinking or gambling. Also, if knowledge of the hiding place is known only to one spouse, if he or she should die the money will be lost.[12]

Table 3: Proportion (%) of non-bank savings across the four study sites

	Use someone else's account	Hide money	Other
Women	8.4	80.9	11.6
Men	2.6	89	9
Household	5.2	88.2	7

Despite their very high levels of financial exclusion, a large proportion of women (75%) saved their income. Of these, 8.4% used someone else's bank account, but by far the most common practice was to hide money — 80.9% (Table 3).

Men without bank accounts also saved money — 53.9%, though this was much lower than women. As with the joint household saving and women's saving, a high percentage of men saved by hiding money — 89% — while 2.6% said they used another person's account (Table 3).

Some of our findings, however, differ from the PFIP report. For example, Sibley (2013:55) found that ownership of a bank account facilitated household savings activity and that households without a bank account were 40% more likely to say the household did not save money than households that had a bank account. By contrast, we found that despite low ownership of bank accounts, there were high levels of savings activity among the coffee smallholders. Thus, despite only 25% of the smallholder households interviewed having a bank account, 87% of the households without bank accounts saved money. This is greater than the figure reported by the PFIP report, which found that 74% of households without a bank account saved (ibid.).

A major factor affecting women's financial exclusion among the coffee smallholders is their competency in the skills required to use financial services — or what is termed financial competency.

Financial Competency

Financial competency is an important factor impinging on financial inclusion, since poor competency deters people from accessing the financial services available. Even if formal financial services are widespread and financially inclusive (offering the kinds of products and services that those with low incomes require), they will have very little impact if people are not capable of, or do not feel confident, using those services. 'Financial competence', according to Jonathan Sibley (2010:18), 'comprises the set of money-related knowledge and activities adults need to be able to engage in to participate effectively in the money economy in which they reside'.[13] He suggests that competent participation in the money economy 'requires an appropriate level of knowledge and skill, an appropriate attitude to money, and the adoption of positive financial behaviours (including financially inclusive behaviours), enacted within an accessible financial system trusted by those participating in the system' (ibid.:21).

The PFIP report examines in detail the levels of financial competency in PNG, finding: 'most low-income households in Papua New Guinea are not demonstrating competent financial behaviours' (Sibley 2013:14), that men demonstrate much higher levels of financial competence than women and that urban households demonstrate higher levels of financial competence than rural households (ibid.:16). The report concludes:

> The financial competence of low income households in Papua New Guinea is generally lower than required for adults who are responsible for managing the finances of their households to be able to interact effectively with the formal financial system and the money economy generally. (Sibley 2013:75)

The findings of our research among coffee smallholders echo the PFIP report, as well as other data on education levels in PNG. For example, according to the United Nations Development Programme's human development indicators 2015 for PNG, the expected years of schooling is 9.9 years, with the mean years of schooling for females 3.2 years and for males 4.8 years. Of the adult population (aged 25 and older), 7.6% of females and 14.5% of males have at least some secondary schooling.[14] These data indicate that while the overall educational profile for PNG is rather bleak, the situation for women is even more bleak. Poor educational attainment negatively affects both men's and women's capacity to exhibit financial competency; the situation for women is especially poor.

Of the women interviewed as part of our research, 52.2% attended school.[15] For the majority of these, this meant reaching somewhere between grades 1 and 8, with a total of 63 having done so. Even though many more women than men reached grade 6, men are more financially literate and have much greater competence in English than women. This may be because the freedom of movement of women and girls is generally heavily controlled by parents and husbands. While both men and women experience financial exclusion, some of the factors influencing women's financial exclusion differ from those affecting men. These include local gender norms (Gammage et al. 2016:1; Kabeer 2016:297). For example, gender norms about women's movement and the constraints that men sometimes place on the movement of their partners affects women's ability to travel to urban centres where financial services are offered. Our research found that controlling behaviour by men was common. Often men's controlling behaviour is motivated by sexual jealousy and their endeavours to restrict their wives from contact with other men.

This is illustrated in our data which show that less than a quarter of women decide alone whether they will travel to another village or to Goroka. In response to the question 'Whether you can travel to another village (*Sapos yu laik go kam long narapela ples*)', only 22% of women said they decided alone, 31% decided with their husband and in 42% of cases the husband decided after discussion. In response to the second question 'Whether you can travel to Goroka (*Sapos yu ken go long Goroka*)', 24% of women said that they decided alone, 34% decided with their husband and in 40% of cases the husband decided after discussion.

When women were asked whether their partner insisted on knowing where they were at all times, 15% said this was always the case, 11% said it was frequently the case and 14% said it was rarely the case. When asked if this had happened in the past 12 months, 38% said that it had.

Ultimately, men wanting to know where their wives are at all times and determining their movement to other places obstructs women from travelling to places, such as urban centres, where they can increase their familiarity with money and the skills needed to manage it. Men generally travel freely, whenever and wherever they like, and this makes them more likely to develop numeracy skills outside formal schooling. Also, they may develop numeracy skills through gambling, especially playing cards. While women also play cards, it is far more common to see men doing so.

More than three-quarters of the men interviewed had some formal education, compared to about half of the women (Table 4). Despite more women than men attending primary school, more men received secondary education.

Having English language skills is critical for financial inclusion; as the PFIP report notes, 'the ability to communicate in English appears to have a pervasive influence on engagement with the formal financial system' (Sibley 2013:18). Further, the report finds that 'lack of functional English literacy appears to be a barrier … to the development of financial competence' (ibid.:14). Given that English is PNG's national language and the language used by formal financial services, the lack of proficiency in English profoundly affects whether a person can access the financial services and products available. Women are much more disadvantaged in this respect than men (Table 5).

Table 4: Proportion (%) of women and men with formal education at primary and secondary level

	Women	Men
Formal education	52.2	77.7
Primary (grades 1–8)	87.3	78.2
Secondary (grades 9–12)	11.3	21.8
Lower secondary (grades 9–10)	8.5	17.8
Upper secondary (grades 11–12)	2.8	4.0

Table 5: Proportion (%) of women and men who indicated competence in English

	Women	Men
Understand	46.2	61.8
Speak	24.2	42.8
Read	32.3	50.4
Write	25.6	45.4

Men's greater English language competence than women's is probably because men are more likely than women to travel to urban centres where English is spoken. As we indicated above, women's movement is sometimes constrained by the controlling behaviour of men.

Women's facility in understanding and speaking Tok Pisin was marginally better than men's, 100% of women saying that they understood Tok Pisin and 97% saying they could speak it. However, women's ability to read and write Tok Pisin was significantly lower than men's (Table 6).

Table 6: Proportion (%) of women and men who indicated competence in Tok Pisin

	Women	Men
Understand	100.0	95.4
Speak	97.0	94.7
Read	48.1	76.0
Write	40.6	71.0

The much lower levels of competence of women in reading and writing inhibits their ability to learn new information. Leaflets, pamphlets or other printed materials provided by the government or non-government organisations are inaccessible to nearly half of all women coffee growers if written in Tok Pisin, and inaccessible to two-thirds if printed in English.

Proficiency in Numeracy

According to Jonathan Sibley (2007:24), there is a correlation between financial literacy and positive financial behaviour. The lack of financial literacy not only causes people to exclude themselves from the formal financial system but it can, as he says, 'result in people making inappropriate decisions due to lack of knowledge or understanding' (ibid.).

To test competency in numeracy as a gauge of financial literacy, the coffee smallholders in the study were asked to complete three examples of basic arithmetic: (A) How many coffee bags is 10 + 3 + 8?, (B) If you sell 4 carrots for 30 toea each how much change would you give from 2.00 kina?,[16] (C) How much is 20 × 4? (Table 7).

Table 7: Proportion (%) of women and men who could answer three numeracy questions

	Women	Men
Numeracy A	49.3	75.6
Numeracy B	47.1	72.5
Numeracy C	41.9	65.4

Much as the PFIP study found (Sibley 2013:51), our data show that men exhibit much higher levels of financial competence than women. Men's proficiency in correctly answering the three questions ranged from 65% to 75%, whereas women's ranged from 42% to 49%.

Although men sometimes remark that women are better managers of money than men, this probably refers to women's more responsible attitude towards money rather than to their financial competence. Women tend to direct financial resources towards the household and the focus of much of their income generation and saving is their children, whereas a significant number of men direct the money to themselves.

Gender norms (and cultural values associated with being a good mother) shape women's propensity to invest in household, rather than personal, consumption (Kabeer 1997:286). Women subordinate their own wellbeing to that of the family — though it is true that children are seen as a form of insurance against insecurity, especially in old age (ibid.).

Conflicts over Money

Money is a major cause of conflict and violence in coffee smallholder households. We found money was the most common reason for arguments, with 38% of women and 38% of men saying this is what they argue about.[17] Such conflicts are often over the husbands' inequitable distribution of coffee money and their squandering of it on their own personal consumption — on drinking, gambling and other women — rather than contributing to the household (see also Eves 2016a, 2016b). Women accuse men of being preoccupied with themselves, for as one female key informant remarked: 'They just think about drinking, pleasure, eating, playing cards. That's all.' (*Oli tingting long dringk, hamamas, kaikai, play kad. Em tasol.*) Another female respondent claimed that coffee income only produces marital discord, remarking that 'the only thing that has come about from coffee is arguments (*kros-pait*)'. As another female key informant explained:

> There are lots of conflicts over coffee money. If a man takes coffee to sell it and then doesn't bring any money home, his wife will be cross — 'Ah, you go to sell the coffee and you don't bring any money back. All the time you go and sell coffee, drink beer and then return. You just throw it away on the road. You sell coffee and you don't come straight home, you go and sit down and play cards.' This is a problem and there are many arguments and many conflicts about this.

Given women's very large role in the work that produces coffee income, it is not surprising they resent it being squandered and are forthright in querying their spouse's actions. Women are key contributors of labour in various parts of the coffee value chain, including land preparation, planting coffee, weeding, mulching, picking, carrying cherry to processing, pulping, bagging cherry, washing cherry, cherry fermentation, drying and carrying coffee parchment to storage. There are women who do all the coffee work, but receive almost none of the income. For example, one woman interviewed at Okapa said that she does all the work in the coffee garden as well as selling the coffee parchment. Her husband calculates how much she should get from the sale and allows her to use only a small amount (10 kina or AU$5) of the money she has received from the coffee buyer to spend on household goods. Another woman commented that women are often questioned by their husbands if they have been to town to sell coffee:

> When we go and sell coffee and return home the men will ask 'How many kilo? How much did you make? How much did you spend?' They don't want women to go and sell the coffee. They will talk about it a lot and sometimes the woman will be hit with a bush knife.

When this woman says euphemistically 'they will talk about it a lot', she means that arguments will ensue and that these sometimes turn violent.

Conflicts over coffee money are not new in the highlands region. Several anthropologists who worked in the highlands in the late 1970s and early 1980s wrote that much of the money earned from coffee was squandered on beer. Marie Reay reported frequent fights between husbands and wives over the spending of money obtained from coffee on alcohol, since women expected some monetary rewards for weeding and picking coffee (Reay 1982:171). Many men gave only a minor share of the proceeds to their wives, but a few gave their hard-working wives a small stand of coffee, allowing them to sell the parchment themselves and to control the money from the sale (ibid.). Much as today, Reay also reported that women complained bitterly about their husbands squandering coffee income on alcohol and leaving none for school fees and clothing for the children (ibid.). Moreover, Reay noted that men who needed cash for alcohol had no compunction about stealing their wives' share of the money to purchase it (ibid.).[18]

Discussion and Conclusions

Financial inclusion is increasingly seen as an important platform of women's economic empowerment. Even though there is considerable debate about what constitutes economic empowerment, a consensus exists that access to and control over resources is a central feature (Porter 2013:10). Thus 'access to and control over resources', which includes 'ownership of land and property, ownership of other productive assets, independent income, extent of role in managing/keeping family's cash, savings, and access to credit', is often used as a key economic empowerment indicator (Bishop and Bowman 2014:261; see also Gammage et al. 2016:8). Financial inclusion covers the latter three dimensions (managing or keeping family's cash, savings and access to credit) of this indicator.

Importantly, having a bank account enables women to secure the family's and their own cash in a way that makes access to it difficult for their spouse. If cash is hidden in the house, the spouse may either search it out and take control of it or coerce his wife into handing it over, which is less likely if it is deposited in a bank account. Even those husbands who actually give their spouse some of the coffee income are not ashamed to pester their wives to hand it back, or to take it back by force, to use for their own discretionary spending.

Through savings, women can build up funds to use as capital for business development, to meet health and education expenses or to buttress against shocks to their income and livelihoods caused by natural disasters, financial crises and other events beyond their control. Research by the Women's World Banking has shown that 'women are inherent savers, managing to save on average 10 to 15 percent of their earnings despite low and often unpredictable incomes' (Women's World Banking 2015:2). This research also found that most women valued the opportunity to make formal savings for a number of reasons, including helping them avoid the temptation to spend, as well as the privacy and security provided by banks (ibid.:40). Our research among the coffee smallholders of Eastern Highlands also confirms that women endeavour to save money, even if they do not have a bank account.

Several factors impinge on women's ability to access and save in the formal financial system, including distance from banking facilities and the costs associated with accessing these facilities, but also local gender norms about women's movement. An important conclusion to be drawn from the research among coffee smallholders is that efforts to increase women's financial inclusion must address their literacy, especially their numeracy and English language competence. As we noted, just over one-fifth of women (22%) indicated the reason they do not have a bank account is because they could not read and write. English is the national language and the language of the formal financial services, and women's ability to access financial services is severely constrained by their lack of English language competence. Doubtless the essential problem is the poor educational levels of women, which leaves them without the financial competency and language skills needed to access banking facilities. Thus an important focus for governments, donors, non-government organisations and others seeking to improve women's financial inclusion is the improvement of women's educational levels. Regardless of how well developed financial services are, they will not be used if women are not financially competent, or do not feel confident in using them.

Author Notes

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Endnotes

1 The UN defines inclusive finance as 'safe savings, appropriately designed loans for poor and low-income households and for micro, small and medium-sized enterprises, and appropriate insurance and payments services' (UN 2006:7).

2 International Coffee Organization, www.ico.org/prices/po-production.pdf.

3 PNG's Coffee Industry Corporation defines smallholders as those with holdings of less than 5 hectares (CIC 2016:4).

4 It is also a significant concern of aid donors to the Pacific. For example, the Australian government, through the Department of Foreign Affairs and Trade, has made substantial investments to increase financial inclusion, including AU$24.15 million for the Pacific Financial Inclusion Program for the years 2009–2017. The European Union has also made a significant financial contribution of Euro 6 million for increasing financial inclusion in the highlands region of PNG (http://www.pfip.org/newsroom/press-releases/2014-2/eu-to-contribute-euro-6-million-for-uncdfundp-financial-inclusion-in-png-highlands/).

5 The Maya Declaration is a platform that allows members of the Alliance for Financial Inclusion (AFI) to set concrete financial inclusion targets, implement in-country policy changes and regularly share progress updates. Countries that sign the Maya Declaration are making a public commitment to address and champion financial inclusion in their country (www.afi-global.org/maya-declaration). As of June 2016, AFI member institutions have made 58 Maya Declaration Commitments. This represents 51 per cent of AFI's growing membership, from 116 financial regulatory and policymaking institutions and 94 developing and emerging countries (AFI 2016). The following institutions in the Pacific have signed the Maya Declaration: Bank of Papua New Guinea, Central Bank of the Solomon Islands, Reserve Bank of Fiji, Reserve Bank of Vanuatu, Central Bank of Samoa and National Reserve Bank of Tonga (ibid.:61). There has been some cooperation between Pacific island nations with the formation of the Pacific Islands Financial Inclusion Working Group in 2009. In 2014 this group was renamed the Pacific Islands Regional Initiative and comprises one of three regional initiatives operating under the AFI umbrella (ibid.:17; see also www.afi-global.org/sites/default/files/publications/2016-08/FS-PIRI-105x297-digital.pdf).

6 Notwithstanding its shallowness, PNG nevertheless 'hosts one of the most profitable banking sectors in the world' (IMF 2015:8).

7 Per 100,000 adults PNG has 8.4 ATMs, compared to 23.1 for Lower Middle Income Countries and 25.9 for Developing Asia (IMF 2015:6).

8 The strategy has a clear gender focus — including mainstreaming gender across all working groups, 'with focused attention on women's access to financial services, greater gender balance in inclusive financial sector intermediaries (i.e. governance, management and staffing), and creating an enabling policy, regulatory and legislative environment that promotes and enhances the development of women-centric financial services' (BPNG 2013:14).

9 According to the *2016 Maya Declaration Progress Report*, 710,815 new deposit accounts were opened in the period from 2013 to 2016 (March), of which 27% were opened by women (AFI 2016:48).

10 Given that two of the study sites were near Goroka, much higher levels of financial inclusion would be expected.

11 Some men also invoke security concerns about women's safety in carrying out the sale of the coffee, suggesting that women are more likely to be robbed when they travel to Goroka to sell coffee. Regardless of the accuracy of this claim, it effectively means that women are not only marginalised from a household's major source of income, but their travel to the urban centre of Goroka is curtailed. The main source of income for women in the last year across the four sites was the sale of vegetables at marketplaces (40.7%), followed by the sale of coffee (27.5%). The next highest category was 'other' (11%). A small number of women had income from paid employment (4.4%), the sale of bags of garden produce to wholesalers (2.2%) and owning trade stores (2.2%). While men seek to control coffee income, this is not the case with garden produce. If a woman plants sweet potato or other vegetables for sale, the money is hers because of the 'woman's hard work' (*had wok bilong meri*) in

growing it. This is largely because men do not think that selling vegetables brings in much money. Indeed, during the fieldwork, men sometimes referred to coffee income as 'heavy money' (*hevi moni*), meaning that coffee produces substantial amounts of money compared to the much smaller amounts perceived to come from the sale of other cash crops, such as vegetables.

12 While undertaking research in Solomon Islands, as part of the Do No Harm project, we heard women referring to this kind of money as 'dead money'.

13 According to Sibley, 'this encompasses all aspects of using money and the institutions and systems within which money exists including, for example, paying and receiving money, managing expenses, managing income, saving and borrowing money, planning the use of money and seeking advice or help when required' (PFIP n.d.).

14 United Nations Development Programme Human Development Reports. Papua New Guinea Country Profile 2015.

15 The question asked was: Have you been through formal education? (*Yu bin go long skul?*).

16 Kina is the currency of PNG; one kina comprises 100 toea. At the time of fieldwork, one kina was worth about AU$0.49.

17 This was followed by sex, other women, drinking, gambling, in-laws and mobile phones. Arguments over gambling (12.4%) and drinking (14.3%) are often conflicts over money, since these activities squander resources that should be invested in the household. Nearly a fifth of women (19.4%) said that they argued over other women. Much as gambling and drinking can be seen as arguments over money, arguments over women can be seen in this light, as men either give money to women in extramarital relationships (who they may wish to take as a wife) or pay for sex from women.

18 Other Do No Harm research undertaken in Jiwaka Province, where coffee growing is also common, indicated that women endeavour to hide money to keep it from being wasted by their husbands. One former policewoman said that whether a woman's strategy of hiding money is successful depends both on the type of woman she is and whether the husband has been able to ascertain where she hides her money. According to this key informant, if a woman is afraid of her husband or is a generous person, the prospects of successfully keeping the money are reduced. Some men use their own strategies to gain access to their wife's money when their demands fail. A man will carefully observe his wife's movements and try to determine where she may have hidden her money.

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