

CRITERION INSTITUTE

Key Concepts in Gender

A Primer for Investors

Interest is swelling in gender lens investing across the globe. With this swell is an increased use of gender-related terms and concepts. Similar to many fields, the terms we use and the way we use them when we talk about gender is important and meaningful. When terms are misused, this can cause unnecessary harm. Having witnessed and been a part of such interactions within our work with Investing in Women, the Criterion Institute created this guide with a few key concepts every investor should know. The intention is to support investors to best equip themselves with the knowledge and understanding of key concepts related to gender and gender equality.

All key concepts in this guide are highlighted in bold and italicized. Examples are scattered throughout, largely drawn from the work of Investing in Women, an initiative of the Australian Government.

This guide is not meant to be exhaustive. It is meant to provide a starting point, or primer for investors, hopefully triggering the pursuit of additional knowledge. The concepts defined in this guide draw heavily from a variety of sources listed in the references. Users of this guide are encouraged to visit the sources listed below to develop deeper understandings of gender dynamics in their own context, as notions of gender are fluid and contextual.

One of the best ways to further understanding and practice is to explore mutually beneficial collaborations with partners who have gender expertise. In gender lens investing we need to continue to work to bring gender and finance experts together to design strategies that address gender issues and advance gender equality.

If you have comments on this guide or would like to see more tools like this, please reach out to the Criterion Institute at info@critterioninstitute.org.

Best wishes on your gender lens investing journey.

Bias | *prejudice, preference, predisposition or inclination towards or against one thing, person or group relative to others, often based on prevailing stereotypes.*

In investing, as in life, we all have biases. Bias can cause us to mis-value an opportunity or risk in our analysis because of a predisposition not grounded in fact. We can correct bias, whether it is conscious or unconscious, in several ways including but not limited to expanding the variables we use in our financial analysis to determine valuation, as well as expanding the networks and partners we engage.

Many of the impact investing partners working with Investing in Women have taken steps to understand any biases they may have in their work, from analysing data on their recruitment practices and screening deals, to redesigning their investment theses with a gender lens.

Gender | *cultural or societal expectations and stereotypes that dictate appropriate roles, behaviours, and actions associated with a particular gender. Across the world, many people still hold that there are only two genders – men and women. This gender binary, the idea of only two genders is based on sex assigned at birth. While sex is biological, gender is socially constructed; gender is not the same as sex. All over the world, for centuries, many societies and cultures have recognized more than two genders. The Bugi in Indonesia, for example, recognize five genders. How a person’s gender is perceived often influences how others perceive and treat them and informs a person’s status in society. The social norms, and the power dynamics related to gender vary by place and change over time.*

Gender identity | *the gender by which any person identifies; it is a person’s internal and individual determination of their gender based on their feeling of being a man, a woman, both, neither, or somewhere else along the gender spectrum in a cultural context. A person’s gender may not match their assigned sex at birth. A person’s gender identity should not be confused with their sexual orientation; these concepts are fundamentally different and independent from one another.*

Gender expression | *How a person publicly expresses or presents their gender. People express their gender in a number of ways including but not limited to: the name and pronouns they use, how they dress, their behaviour and voice. Others perceive a person’s gender through these attributes. All of us, no matter our gender identity, express our gender in these ways, and these expressions may or may not conform to societal or cultural norms.*

Gender equality | *the practice of ensuring equal treatment of all people, no matter their gender. It refers to the state of being equal, especially in status, rights, or opportunities. Equality between genders is seen as both a human rights issue and as a precondition for, and indicator of, sustainable, people-centered development. Equality does not equate with sameness.*

Informally, even if we don’t mean it, the way we talk about gender is often reduced to a conversation about “women”. To integrate a gender lens into investing, and to promote gender

equality, understanding the complex ways in why gender influences our lives is important to see opportunities and risks, and ultimately to advance gender equality.

Seeing how gender operates in society, including in investing, is about understanding how power operates. It is about who we recognize as deserving or expert, whose perspective and experience we privilege relative to those we do not. It is one lens through which we can look at power and address it through our investment practice. Gender, however, is limiting as a single category. For us to truly understand how power operates, we must consider others as well (see intersectionality).

Many of us operate in silos. We find ourselves most often working with folks for whom we share relationships, language, experiences, etc. To expand our view on what is possible in gender lens investing, we need to work across silos and, in particular, find ways to work across gender and finance.

For example, in 2018, the Criterion Institute, with support from Investing in Women, organized a series of workshops across Southeast Asia that brought together experts in gender and finance in Jakarta, Ho Chi Minh City, and Manila. In these workshops participants were able to see how the expertise of others, with whom they do not work daily, could support their work. Specifically, understanding the vast amounts of data and knowledge gender experts have about the regions where they work meant investors were excited to seek partnerships with them to determine how they might integrate such data into their diligence.

Gender lens | a rigorous discipline with the goal of seeing and understanding how power, privilege and bias operate in a specific context, ideally with attention to how power might be disrupted.

A gender lens analyses the relationship between different gendered groups in society, their access to resources, opportunities, and the constraints they face relative to each other. Done with a view to intersectionality, a gender lens is important in understanding the different patterns of involvement, behaviour and activities that different groups have in economic, social and legal structures. A gender lens requires us to move beyond thinking just about women, and as women as a single group, to applying a gender analysis to systems, process, and structures of power. This includes how we invest – from how we assign value opportunities, risks, structures, processes and expertise.

Gender lens investing | the incorporation of a gender analysis into the practice of investments and the systems of finance. This includes how value is assigned, how relationships are structured, and how processes work.

Thus, looking at gender patterns can be one way to see where differences or disparities can be material risks (beta) or opportunity (alpha) in finance. For instance, Criterion is looking at the ways in which GBV is material to finance. From the work of great academics like Dr. Valerie Hudson, the founder of the [WomanStats](#) Project, the largest database on the status of women in

the world, we know that [the overall level of violence against women is a better predictor](#) of state peacefulness and international relations than indicators that measure the level of democracy, wealth and the like. Our goal is to demonstrate the various ways through which knowledge and data about gender patterns can better inform investments to manage risk and further gender equality.

Gender Norms | *the gender binary (male-female) influences what societies and cultures consider “normal” or acceptable. These relate to the behaviours, dress, appearance and roles for women and men. Gender norms continue to dictate that anyone variant from what is deemed acceptable will experience discrimination and oppression at an individual and systemic level. Gender norms can contribute to power imbalances and gender inequality in the home, workplace, markets and in society as a whole.*

A [2013 study](#) by the ISEE and CGFED demonstrated how prevailing gender norms impact perceptions of young Vietnamese, leading to harmful effects in their lives. Those surveyed suggested that being uncomplaining, passive and hard-working was associated with being female, whereas being generous, hot-tempered and decisive were associated with being male. Such perceptions, where behaviours and attitudes are so strongly associated with one gender over another, act as root causes of gender inequality and stigma for those who do not confirm to such rigid conceptions of gender. Some of the IW impact investors partners in Indonesia and the Philippines have formed salons and community groups to openly discuss and consider strategies to tackle such harmful misperceptions amongst their peers.

Intersectionality | *a framework for understanding and identifying interconnected facets of our lives that compound or exacerbate our experiences of privilege or oppression (i.e. gender, race, class, religion, ability). Intersectionality is the idea that, for instance, racism cannot be separated from gender discrimination.*

Like many systems the world over, impact investing and gender lens investing historically ignored the differences and disparities within and between people of different genders, and therefore have not been adequately built to address the systemic and structural oppression that lives within them. Ignoring intersectionality in gender lens investing is a shortcut that hampers gender equality and can attract criticism of tokenism.

The good news is that humans created these systems, which means we have the power to change them. For those of us who work to change systems of finance to create social change, we need to ensure our work is intersectional – that we do the analysis to understand how different groups of people will be impacted by our investments, how the contracts we sign and the cap tables we present reinforce privilege and oppression, and how who we hold up as experts in our work does that same.

Instrumentality | *the treatment of a person as a tool for someone else’s benefit; when a person’s gender is used as a means to an end, rather than an end unto itself. An instrumental approach to gender considerations does not hold advancing gender equality as an intended outcome.*

Instrumentality happens all the time in investing. Instrumentality can look something like an investor being interested in investing in girls' education initiatives as a means to improve economic productivity in a region. Rather, it is important to acknowledge outcomes like educational attainment as end in and of themselves.

Oppression | *unjust or cruel exercise of power. Usually entails the subordination of one group (or person) to another. Systems oppression recognises that our societies and cultures have been built on the oppression of certain groups over others. Oppression is thus baked into not only our behaviours, but our institutions and systems.*

Power | *the possession of control, authority, or influence over others, often associated with privilege.*

Privilege | *an advantage or entitlement given or available only to a particular person or group at the exclusion or oppression of others. Privilege is often based on how has power in a particular context.*

Sexual orientation | *How a person might define their sexual interest or attraction and can be a defining sense of identity. Sexual orientation covers the range of human sexuality from lesbian and gay, to bisexual and straight. Sexual orientation is often used to describe different types of sexual attraction.*

People often confuse sexual orientation with gender identity. While these communities may often consider these concepts together, for instance the use of the acronym SOGI or SOGIE in Southeast Asia to describe sexual orientation and gender identity (and expression), these concepts are different and distinct from one another. Investors considering concepts of gender identity, expression and sexual orientation should be aware of the difference in their work.

Tokenism | *a minimal or symbolic effort to advance social justice, often associated with recruiting a small number of people or single person from underrepresented groups to give the appearance of diversity and equality.*

Because dismantling systems of power is hard work, commitments to change are important. Across investing, there are many examples of tokenism that have taken place in our community. Implementing quotas for in whom we invest or hire are important for human rights, yet they alone will not advance gender equality and address the systemic oppression that has existed in investments since the practice began. We believe it is important to consistently apply a gender lens to our work, setting quotas and KPIs to keep our focus on these important issues. Once we all dive into this week, we will increasingly be able to see possibilities to further gender lens investing to contribute most broadly to advancing gender equality around the world. We are grateful to have been able to present this guide as a part of your journey.

We acknowledge that offering definitions of concepts and terms is in and of itself an act of power. This guide was created from a North American vantage point by people of a relatively privileged class. With this acknowledgement, we wish to respect the sovereignty of people around the world to define concepts related to gender on their own terms. We encourage all those who use this guide to do the same.

References

If you visit any of the sites referenced below, or find others that you find useful, please consider donating to these organizations. Organizations focused on gender equality and human rights, especially those at the grassroots, are often underfunded.

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