

Financial Inclusion and Legal Discrimination Against Women

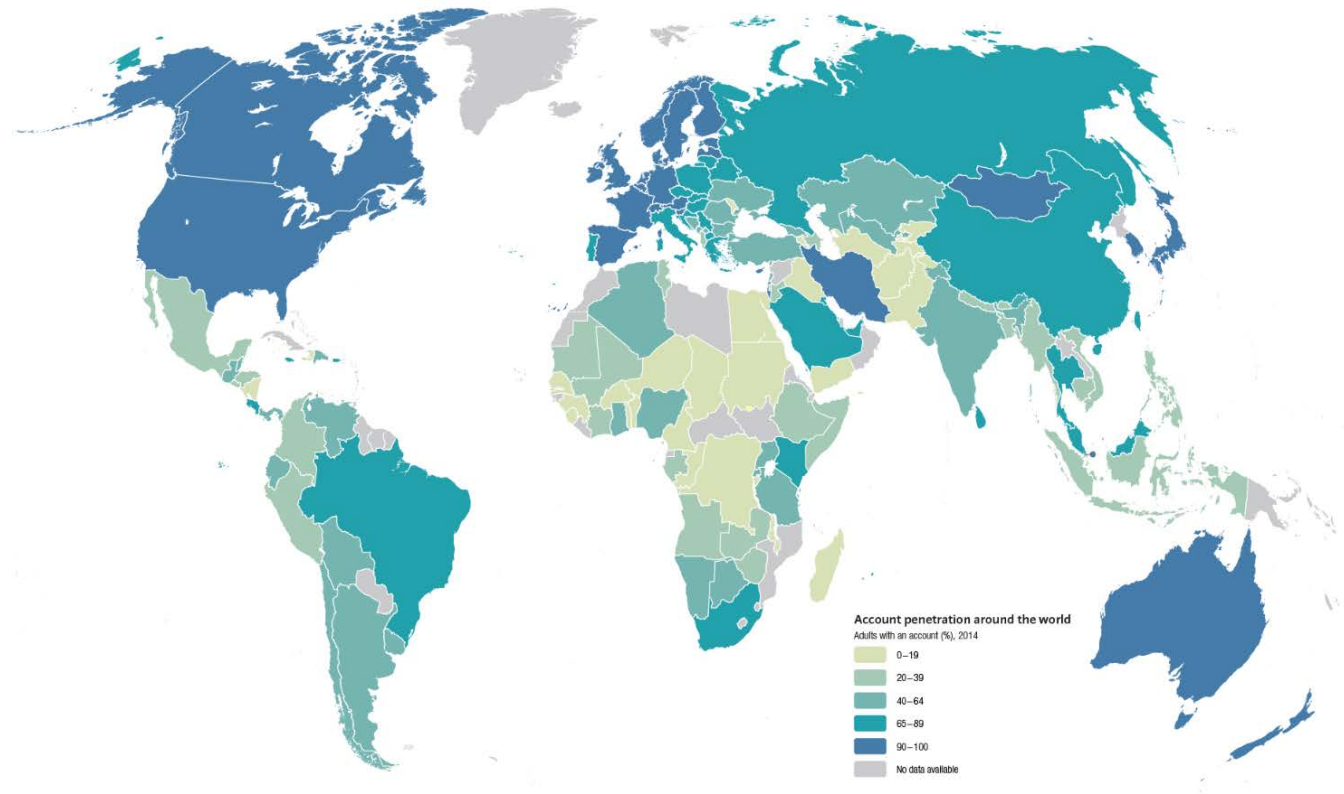
Evidence from the Global Findex Database

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Account Ownership Around the World



Source: Global Findex (2014); <http://www.worldbank.org/globalfindex>

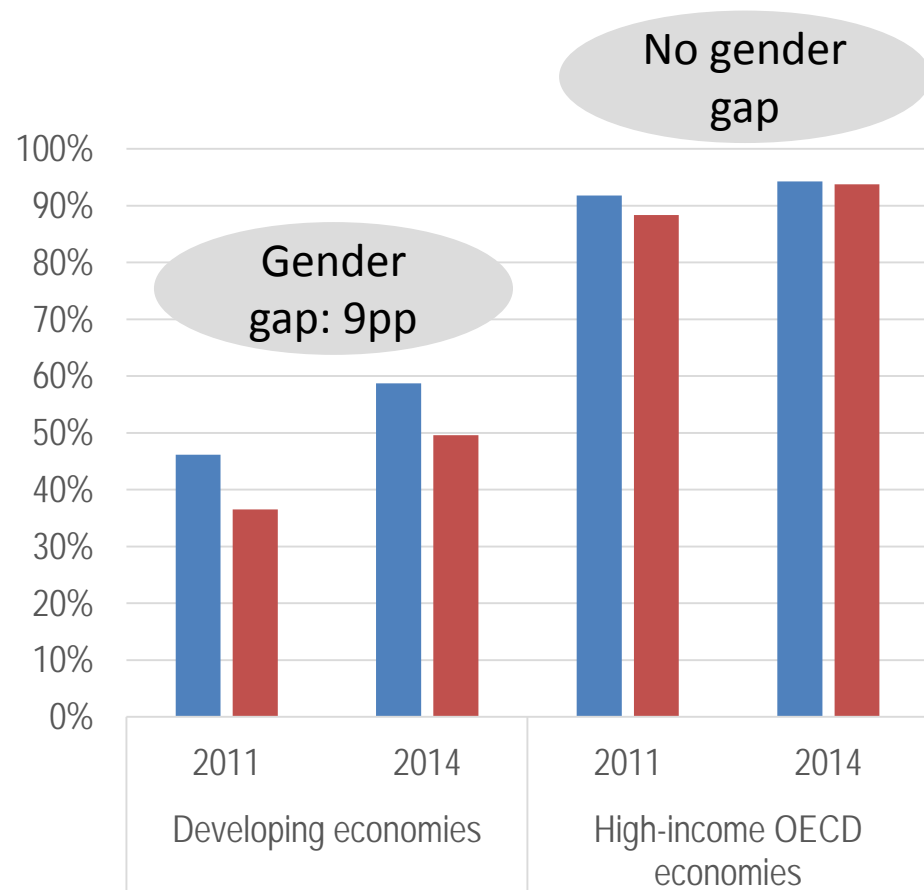
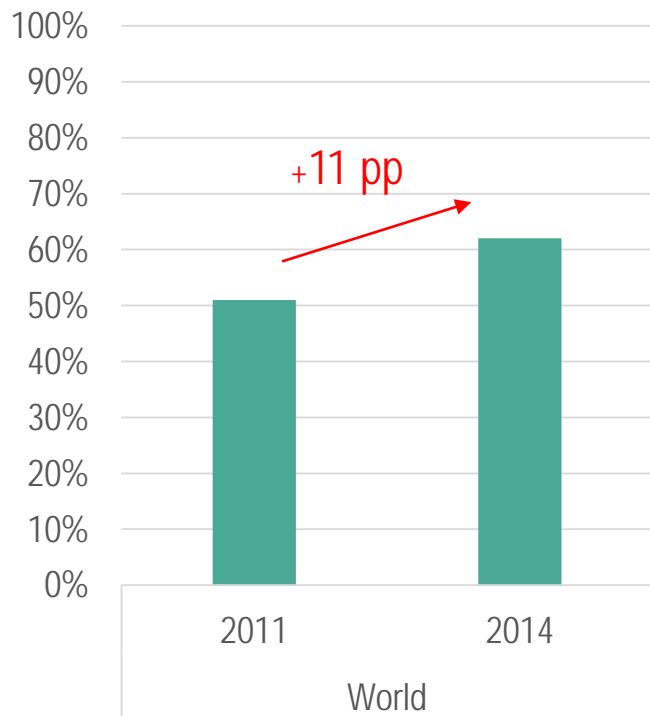
In 2014, the World Bank -- with funding from the Bill & Melinda Gates Foundation and in partnership with Gallup, Inc. -- updated and expanded the Global Findex dataset, an unprecedented study of financial inclusion based on interviews with almost 150,000 adults in over 140 countries worldwide.

Why should we care about financial inclusion?

- Financial inclusion can broadly be defined as the uptake and use of a range of appropriate formal financial products and services that are provided in a manner that is accessible and safe to the consumer and sustainable to the provider
- ***Growing evidence that financial inclusion has significant beneficial effects for individuals.*** It allows people to make financial transaction more efficiently and safely; helps people invest in their future and help them make ends meet when facing financial shocks.
 - **Payments** lowering cost (Aker et al., 2013; CGAP, 2011; Babatz, 2013); lower crime (Wright et al., 2014), lower leakage (Duryea and Schargrotsky, 2008; Muralidharan et al., 2014); build payments history (Turner et al., 2012; Turner and Varghese 2012; Cook and McKay, 2015).
 - **Savings** increased output and expenditures (Dupas and Robinson, 2013a; Brune et al., 2016); better control of finances (Prina, 2015); empowerment (Ashraf et al., 2010 and Karlan et al., 2014a)
 - **Credit** “modestly positive, but not transformative, effects” (Banerjee et al., 2015b; Augsburg et al., 2015; Tarozzi et al., 2015; Banerjee et al., 2015a; Angelucci et al., 2015; Attanasio et al., 2015; Crepon et al., 2015); (Karlan and Zinman, 2010); (Kaboski and Townsend, 2011 and 2012); Bruhn and Love (2014)

Account ownership for women increased – but the gender gap remained constant

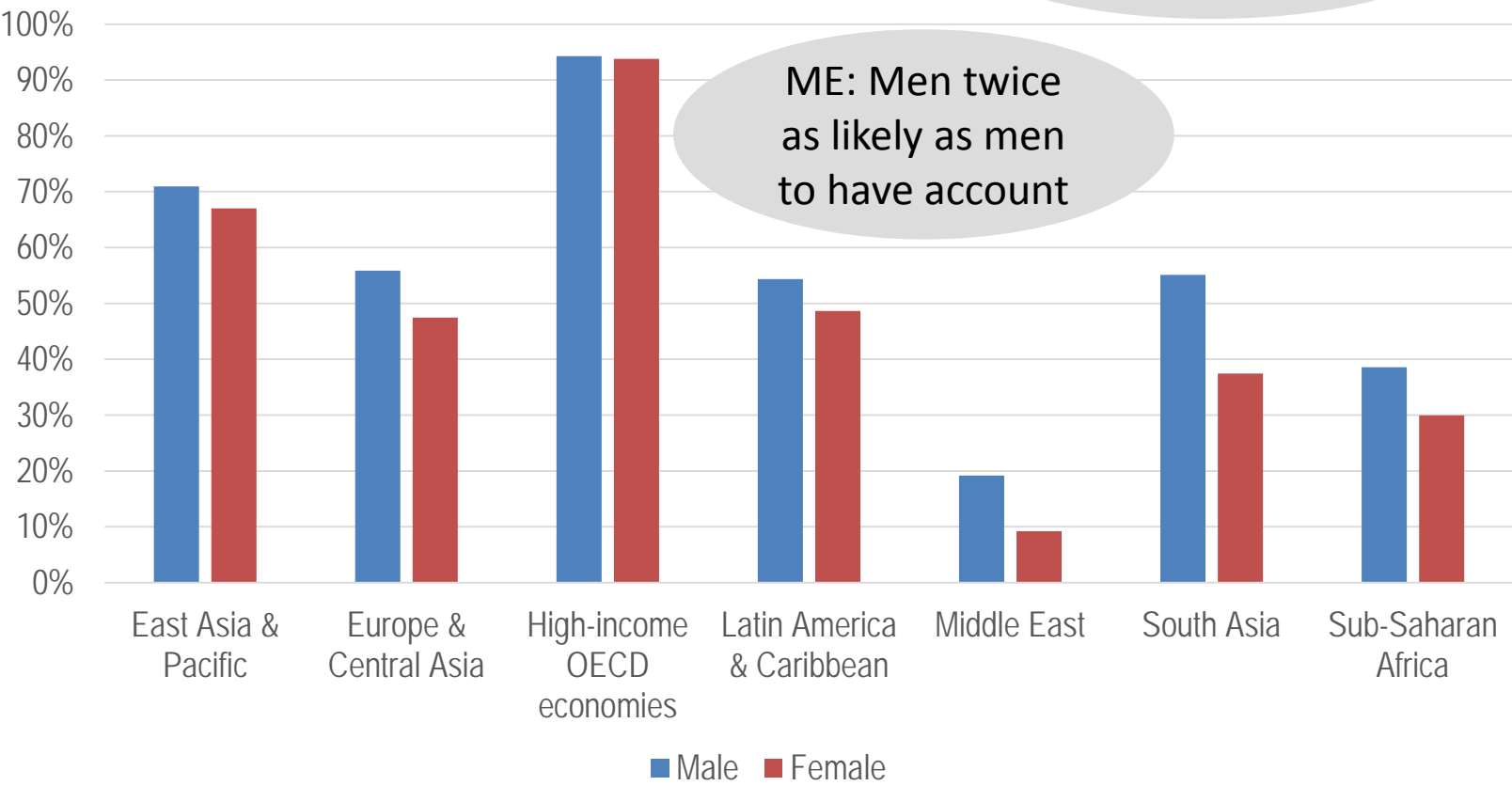
Account ownership
Adults with an account (%), 2014



■ Male ■ Female

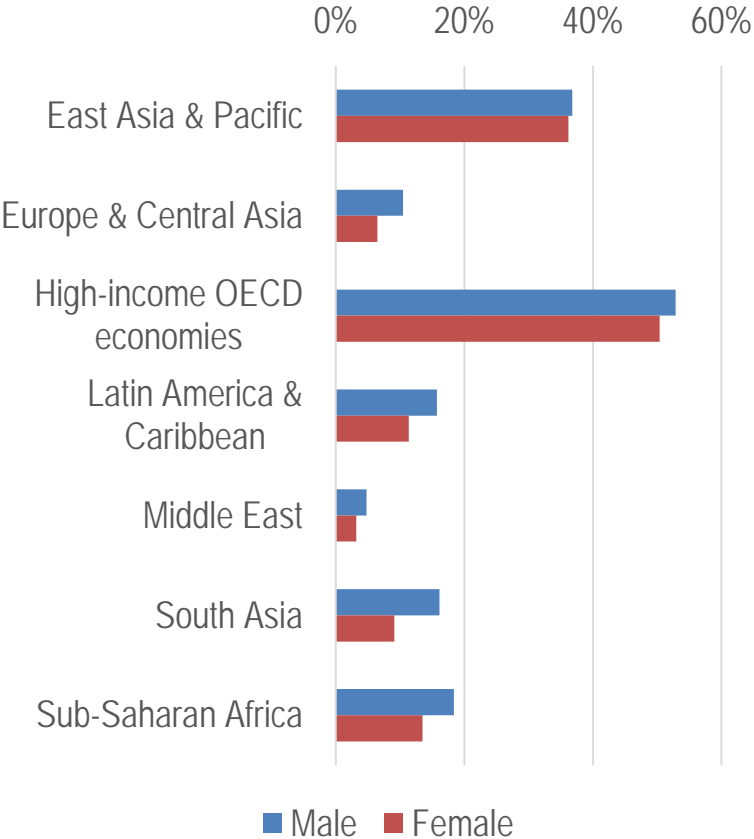
Gender gap in account ownership by region

Account ownership by gender
Adults with an account (%), 2014

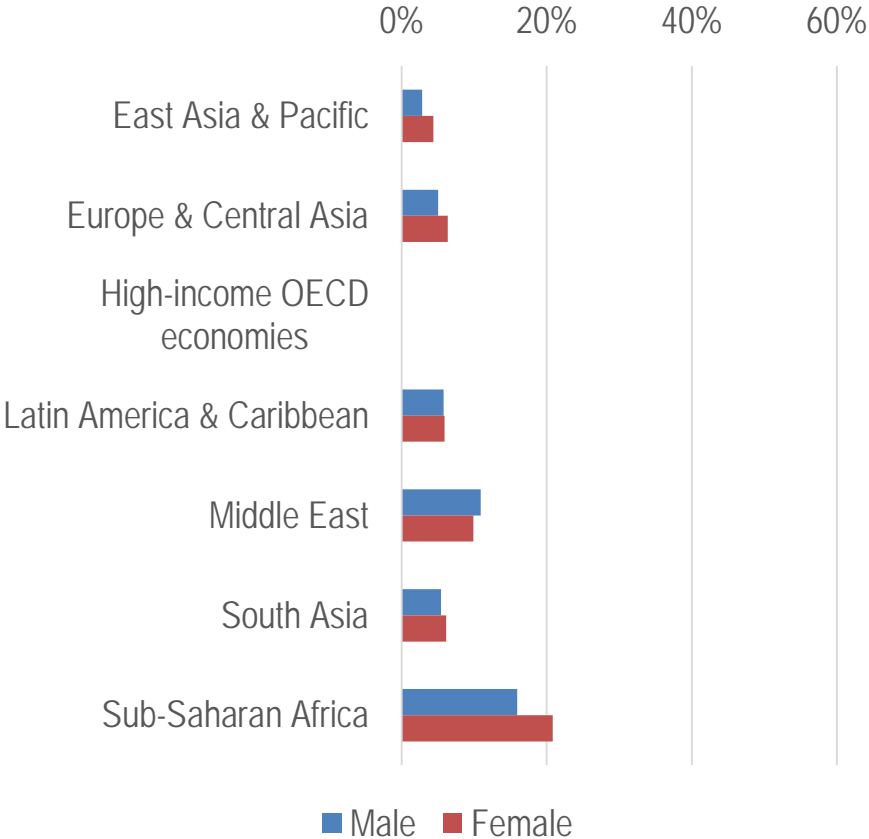


Gender gap in savings by region

Formal savings by gender
Adults saving in past year (%), 2014

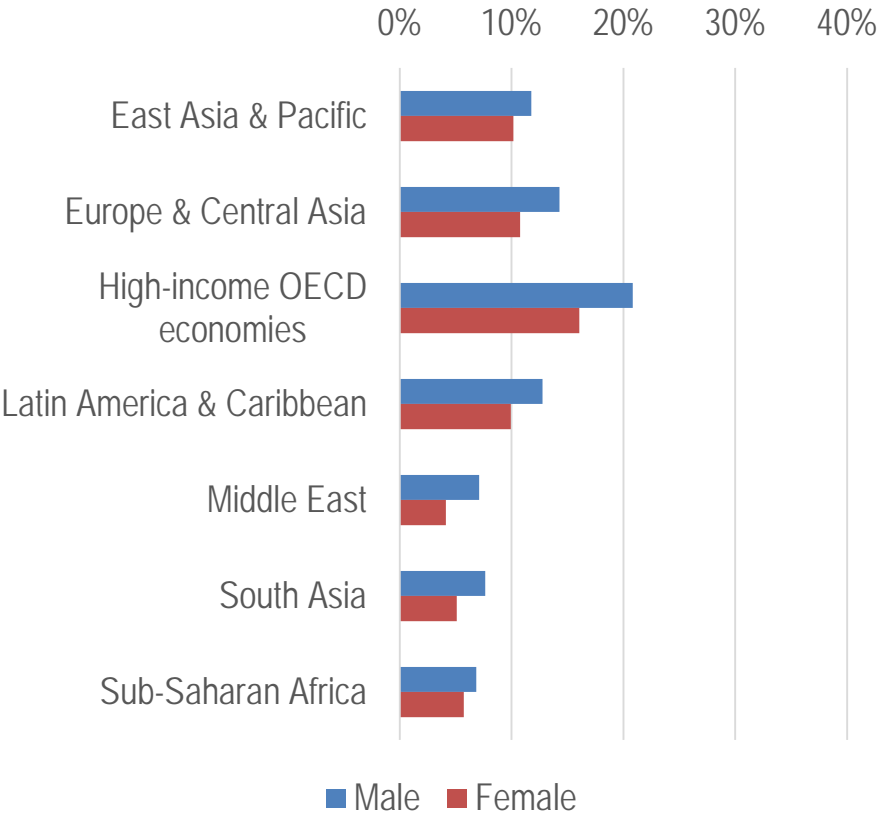


Informal savings only by gender
Adults saving in past year (%), 2014

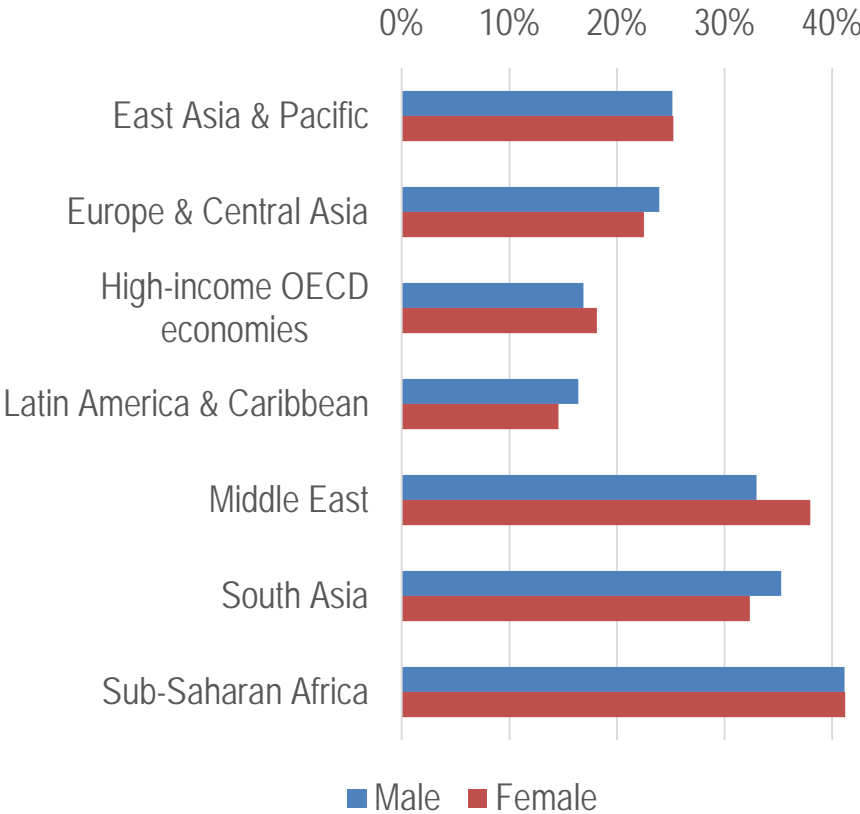


Gender gap in credit by region

Formal credit by gender
Adults borrowing in past year (%), 2014

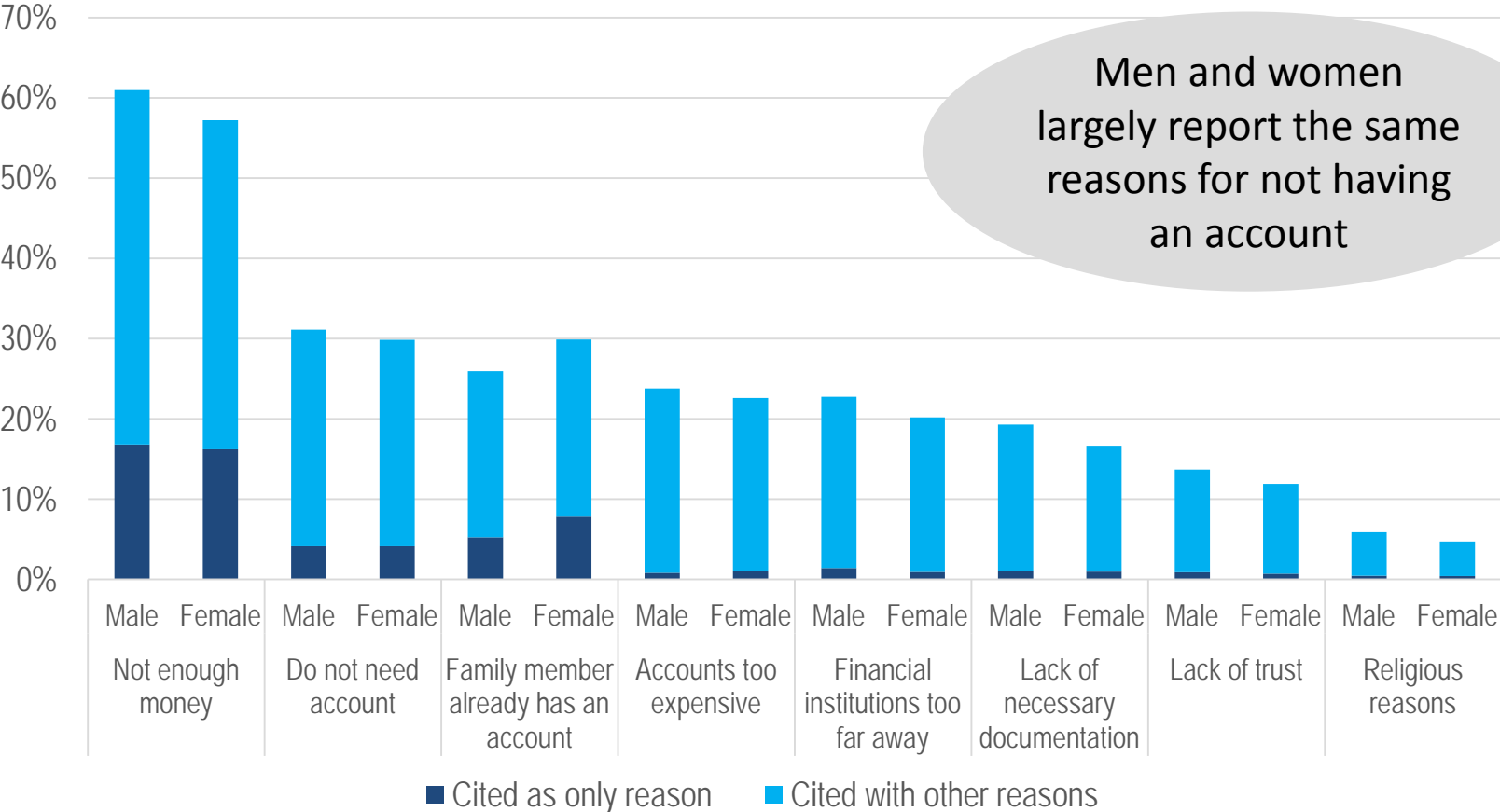


Informal credit by gender
Adults borrowing in past year (%), 2014



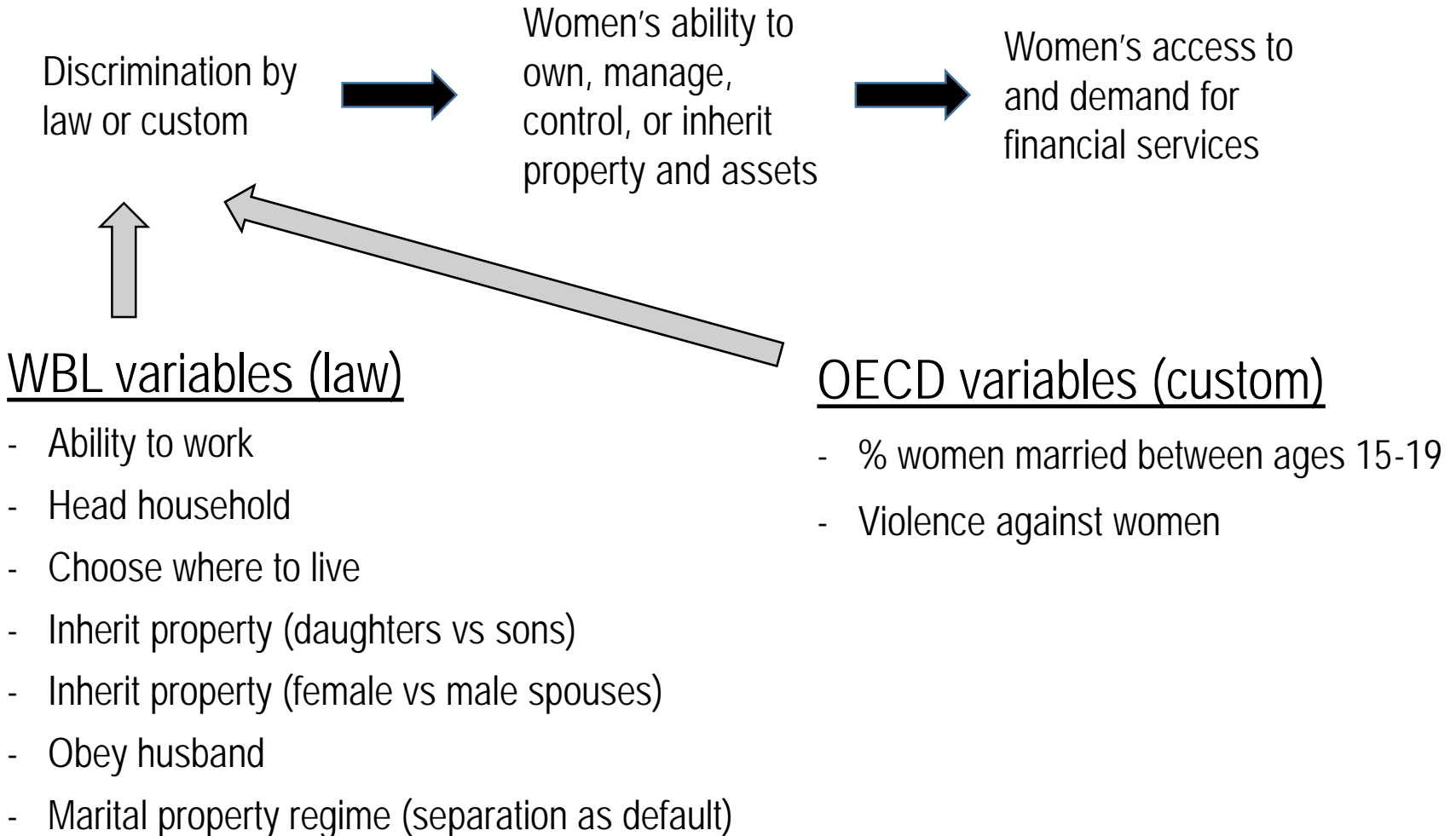
Self-reported barriers to account ownership

Self-reported Barriers to the Use of an Account at a Financial Institution by Gender
 Adults without an account reporting barrier as reason for not having an account, 2014



Note: Respondents could choose more than one reason.

Legal discrimination against women



Legal discrimination against women

Country-level regressions: Women more likely to have accounts and use formal savings or credit in countries with supportive legal frameworks and attitudes towards women

		OLS									
		Account		Formal Savings		Informal Savings only		Formal Credit		Informal Credit only	
		Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
(1)	Married woman work	0.084 (0.137)	0.104* (0.059)	0.074 (0.237)	0.107* (0.056)	-0.003 (0.922)	0.005 (0.844)	0.051*** (0.003)	0.051*** (0.003)	-0.038 (0.376)	-0.033 (0.403)
(2)	Married woman can be head of household	0.101** (0.022)	0.130*** (0.002)	0.054 (0.267)	0.094** (0.031)	-0.003 (0.895)	-0.000 (0.989)	0.036*** (0.009)	0.049*** (0.000)	-0.019 (0.567)	-0.027 (0.384)
(3)	Married woman can choose where to live	0.118** (0.013)	0.138*** (0.003)	0.096* (0.072)	0.148*** (0.001)	-0.002 (0.926)	-0.008 (0.739)	0.053*** (0.000)	0.057*** (0.000)	-0.054 (0.147)	-0.049 (0.150)
(4)	Are married women required by law to obey their husbands?	-0.105* (0.070)	-0.160*** (0.004)	-0.095 (0.136)	-0.149*** (0.009)	-0.021 (0.464)	-0.019 (0.485)	-0.035* (0.058)	-0.047*** (0.008)	0.068 (0.125)	0.068* (0.095)
(5)	Daughters have equal inheritance rights to property from their parents?	0.051 (0.272)	0.097** (0.032)	0.006 (0.914)	0.045 (0.342)	0.029 (0.192)	0.025 (0.261)	0.014 (0.342)	0.026* (0.074)	-0.065* (0.066)	-0.053 (0.105)
(6)	Female surviving spouses have equal inheritance rights to property?	0.052 (0.274)	0.096** (0.036)	0.010 (0.843)	0.042 (0.377)	0.035 (0.117)	0.032 (0.150)	0.016 (0.297)	0.025* (0.090)	-0.080** (0.024)	-0.064* (0.051)
(7)	Separation is default marital property regime	-0.009 (0.834)	-0.039 (0.331)	0.070 (0.118)	0.031 (0.456)	-0.024 (0.228)	-0.016 (0.411)	-0.025* (0.054)	-0.026** (0.035)	0.047 (0.132)	0.041 (0.154)
(8)	% of women married between 15-19	-0.157 (0.338)	-0.219 (0.163)	-0.066 (0.733)	-0.190 (0.281)	0.064 (0.459)	0.035 (0.672)	-0.028 (0.587)	-0.068 (0.180)	-0.106 (0.386)	-0.165 (0.166)
(9)	Violence against women (Fraction in 0.08 steps)	-0.110 (0.184)	-0.133* (0.091)	-0.173* (0.072)	-0.214** (0.013)	0.038 (0.375)	0.020 (0.640)	-0.047* (0.070)	-0.058** (0.021)	0.097 (0.111)	0.094 (0.117)

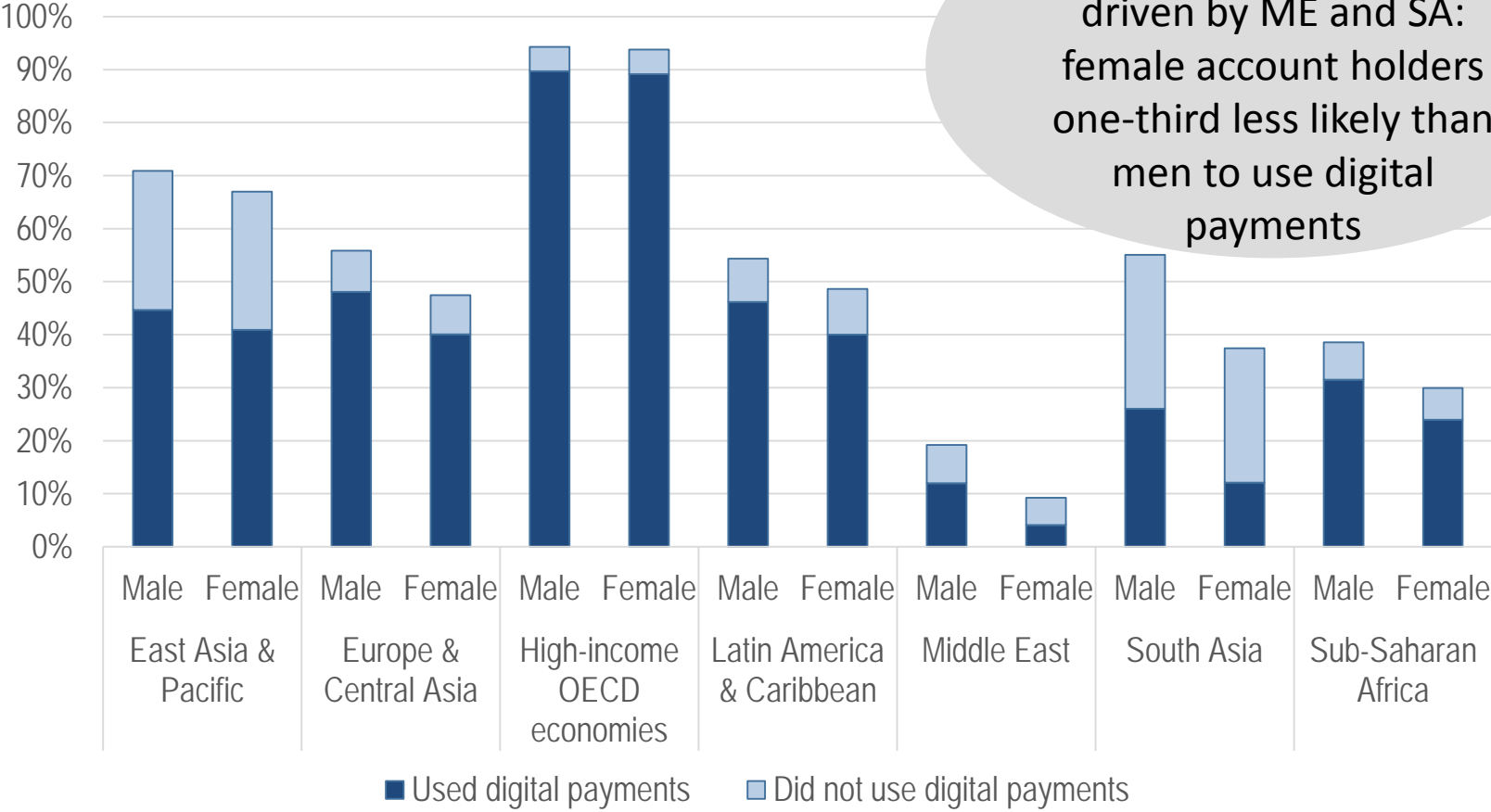
Legal discrimination against women

Individual-level regressions: Women more likely to have accounts and formal savings in countries with supportive legal frameworks and attitudes towards women

		Probit	Mlogit						Ologit	
		Account	Savings (Base Category: None)			Credit (Base Category: None)			Savings	Credit
			Formal	Informal only	P-value diff	Formal	Informal only	P-value diff	0 none, 1 informal only, 2 formal	0 none, 1 informal only, 2 formal
(1)	Married woman work x female	0.162*** (0.000)	0.254** (0.016)	0.039 (0.563)	*	-0.014 (0.913)	0.003 (0.959)	0.039 (0.486)	-0.030 (0.527)	
(2)	Married woman can be head of household x female	0.096*** (0.002)	0.238*** (0.002)	-0.021 (0.701)	***	0.072 (0.380)	-0.078** (0.072)	0.052 (0.264)	-0.046 (0.223)	
(3)	Married woman can choose where to live x female	0.136*** (0.000)	0.269*** (0.003)	-0.077 (0.189)	***	0.104 (0.298)	-0.025 (0.600)	-0.039 (0.418)	-0.047 (0.245)	
(4)	Are married women required by law to obey their husbands? x female	-0.209*** (0.000)	-0.185 (0.132)	0.111 (0.146)	**	-0.119 (0.337)	0.104** (0.092)	0.069 (0.291)	0.118** (0.021)	
(5)	Daughters have equal inheritance rights to property from their parents? x female	0.089*** (0.007)	-0.035 (0.673)	-0.089 (0.143)		-0.000 (0.999)	-0.008 (0.862)	-0.070 (0.181)	-0.031 (0.435)	
(6)	Female surviving spouses have equal inheritance rights to property? x female	0.087*** (0.009)	-0.061 (0.464)	-0.084 (0.167)		-0.022 (0.789)	0.004 (0.926)	-0.081 (0.123)	-0.031 (0.436)	
(7)	Separation is default marital property regime x female	-0.052*** (0.051)	-0.045 (0.466)	0.071 (0.147)	*	0.148** (0.029)	0.017 (0.679)	0.009 (0.833)	0.063** (0.074)	
(8)	% of women married between 15-19	-0.220** (0.022)	-0.697*** (0.002)	-0.140 (0.369)	**	0.192 (0.423)	-0.266** (0.046)	-0.261* (0.052)	-0.133 (0.253)	
(9)	Violence against women (Fraction in 0.08 steps)	-0.190*** (0.001)	-0.645*** (0.000)	-0.209** (0.035)	***	-0.378*** (0.006)	-0.067 (0.446)	-0.294*** (0.000)	-0.068 (0.382)	

Gender gap in use of digital payments

Use of Digital Payments by Gender
 Adults with an account by use of digital payments (as % of adults), 2014

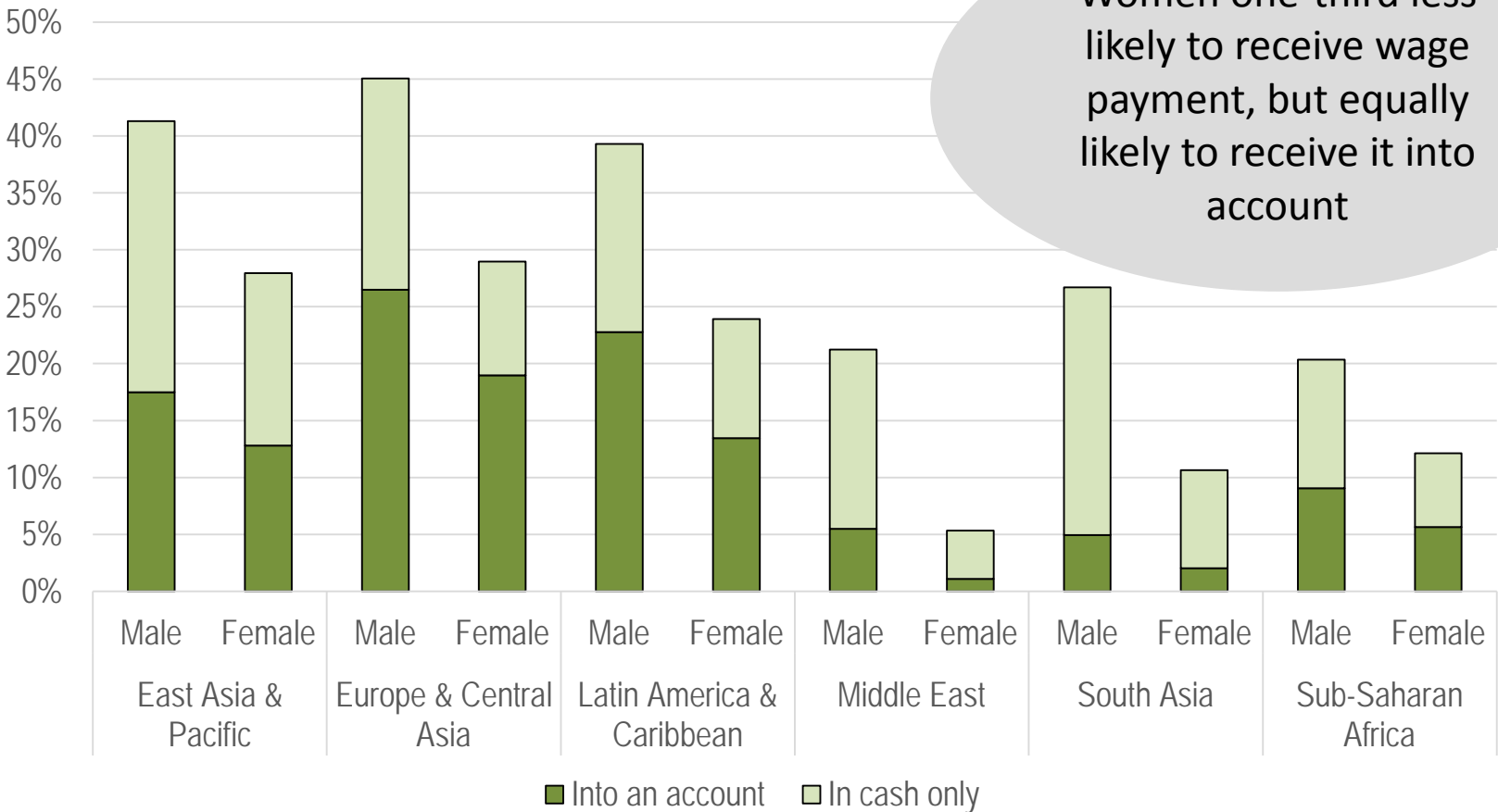


Gender gap in developing countries driven by ME and SA: female account holders one-third less likely than men to use digital payments

Wage payments

Wage Earners and How they Receive Wage Payments by Gender

Adults with an account by use of digital payments (as % of adults), 2014



Conclusion

- Women are less likely to use financial services
- Legal discrimination against women can help explain this gender gap
- Ways to expand access and use of financial services to women
 - Remove legal/societal barriers
 - Provide regulatory framework conducive to use of financial service
 - Digitize payments to bring women into the financial system

www.worldbank.org/globalindex

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