



Tuesday, March 6, 2018

B-6

Women-favoring laws will improve financial inclusion

By LEE C. CHIPONGIAN

Laws protecting women against harassment is key to ensuring financial inclusion success in a country, an ongoing study by the International Monetary Fund (IMF) said.

"Protection against harassment, including at the workplace, and more equal rights for men and women are strong avenues to enhance women's access to financial services," an IMF Working Paper "What is Driving Women's Financial Inclusion Across Countries" said. The topic is also discussed on the IMF Blog: Ending Harassment Helps #TheEconomyToo, by IMF managing director Christine Lagarde, with the paper's authors Corinne Deléchat, and Monique Newiak.

The working paper based its observations on 140 countries' policies, structural reforms and unique characteristics that would define its financial inclusion efforts, especially relating to women.

The IMF indicated initial results according to attitudes and social norms relating to women and "legal restrictions" are "strongly related to women's use of financial services."

"Introducing laws to protect employees, including women, against harassment is clearly desirable from a development perspective. It will also increase women's productivity and allow them to make more optimal economic choices," the paper said. "In addition, our results suggest that introducing these laws would benefit men's financial inclusion as well. In turn, more equal access to financial services would lead to increased economic welfare, lower income inequality and higher economic diversification, as demonstrated by previous studies."

To complement its own notes and previous studies on the matter, the IMF authors also tapped the micro-level information of the Findex 2014 survey to show individual demographic factors including age, gender, educational attainment, and income level which "are strongly related to an individual's financial inclusion."

The IMF paper emphasized on financial sector policies that support financial inclusion by increasing the number of sectors in the population that have access to financial services - "in turn, higher access to financial services would support further private sector activity, economic diversification and growth."

Based on some of the results of the paper, individual characteristics are "strongly associated with financial inclusion at the micro-level."

"Men, individuals at the higher end of the income distribution and those employed in the formal sector, as proxied by individuals having received wages in the last 12 months, have a higher intensity of using financial services," the paper said. "Interestingly, the relatively small coefficient on 'female' (albeit statistically significant) highlights that other inequalities of opportunity and factors are contributing to driving the large gender gap in financial access highlighted earlier in the text. For example, equalizing education levels for men and women could help narrow the gender gap in financial access significantly."

The IMF stressed that policies can play a significant role in advancing financial inclusion at all country income levels.

The paper added that legal protection "in the form of civil remedies against harassment in general, and at the workplace in particular, are significantly related to female financial inclusion."

"A legal environment that provides safe conditions to be economically active, will increase their economic participation and bargaining power, translating in higher demand to access financial services," it added. "More generally, social norms and societal attitudes towards gender matter for women's financial inclusion, in addition to legal rights. In line with other studies ... stronger legal rights and positive attitudes towards women, are related to stronger financial inclusion by women in both the global and emerging and developing economies."

* SEXUAL HARASSMENT

Manila Bulletin
Tuesday, March 6, 2018

B-6
Women-favoring laws will
improve financial inclusion

Financial inclusion has gained prominence as a global policy agenda as it complements other policy initiatives on reducing poverty, addressing inequality, and promoting financial stability and integrity.

Based on the 2017 Financial Inclusion Initiatives report of the Bangko Sentral ng Pilipinas (BSP), while there are no data yet on gender-specific numbers on financial inclusion, it said 31.3 percent adult Filipinos have a transaction account (citing Findex 2014) and 14 percent have a savings account (National Baseline Financial Inclusion Survey 2015).

The BSP said since 2000, it continues to create an enabling environment for financial inclusion in the country. Most policy initiatives already laid down are focused on promoting efficiencies, consumer protection and a level playing field.