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Towards Women's Full Financial Inclusion: Five Lessons from Documenting the Data-to-Action Connection

By Mayra Buvinic and Stephanie Oula, Data2X

Women continue to lag significantly behind men in having a bank or mobile money account, despite the overall rapid growth in the number of bank and mobile money customers. Globally, close to 1 billion of the roughly 1.7 billion adults who remain unbanked are women. A seven percentage point global gap in account holdings favoring men over women and a nine percentage point gap in developing economies have remained unchanged between [2011-2017](#).

Convinced that good data can spur action to close the gender gap in financial inclusion, Data2X and partners formed the [Women's Financial Inclusion Data \(WFID\) Partnership](#)¹ to improve the availability, quality and use of gender data on financial services.

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¹ Partners include the Alliance for Financial Inclusion, the Financial Alliance for Women, the Inter-American Development Bank, IDB Invest, the International Finance Corporation, the International Monetary Fund, and the World Bank Group.



Through the documentation of national experiences and best practices on demand-side data from individuals and supply-side data from financial service providers (FSPs) in Chile, Egypt, Mexico, Rwanda, and Zambia, the partnership has learned valuable lessons about the power and limits of gender data to define policies and prompt action. Five cross-cutting themes have emerged:

1. Well-documented country examples are inspirational: they show what is possible, how it can be done, and foster South-South collaboration.

Chile and Mexico stand out as pioneers in collecting sex-disaggregated financial sector data. In 2002, following the government's adoption of performance-based budgeting, [Chile began to compile and publish gender data annually from all banks in the country](#). The Chilean bank regulator asked banks to provide anonymized sex-disaggregated data from individual borrowers and individual saving accounts annually. The resulting rich information shows women's preference for savings, tracks progress over time in women's access to bank accounts and loans, and pinpoints remaining challenges.

If Chile has been at the forefront of supply-side gender data collection, [Mexico has led the way in demand-side gender data collection](#) and, stimulated by this effort, has also started collecting supply-side gender data. Mexico's nationally representative demand-side surveys have been sex-disaggregated since 2012, providing critical information for financial inclusion policy design. Sex-disaggregated supply-side data collection began in 2016, and has provided valuable complementary information to assess progress in financial inclusion across regions and between public versus private sector banks. This data has shown, for instance, that women hold more bank accounts than men in public sector banks and in low income states and municipalities, while men predominate over women in holding

accounts in private sector banks and in richer states and municipalities.

As a direct result of the public documentation of these experiences, the Bank of Zambia (the Zambian central bank) learned from their regulatory peers in Chile and Mexico as they developed their own [sex-disaggregated supply-side data framework](#). The exercise of documentation can also reinforce women's financial inclusion as a national policy priority. For instance, the WFID case study on Mexico's historic work on gender data by the Inter-American Development Bank and Data2X, helped to institutionalize gender data as a policy priority for the incoming Mexican presidential administration and new regulatory staff.

2. If data is largely a technical issue, the translation of data into policy is inherently political. An enabling policy environment, including wider gender and financial inclusion commitments, and gender champions, paves the way for collecting gender data and translating this data into financial inclusion policies.

The countries leading in financial sector gender data all have explicit, sustained government commitments to financial inclusion and gender equality. These commitments translate into institutional and data mandates, resources for data collection and publication and, importantly, the engagement of FSPs on women's financial inclusion. Mexico's 2016 National Financial Inclusion Policy, for instance, includes a call for gender data, and was preceded by robust gender equality policies, including a 2006 gender equality law, as well as a strong evidence-based policy culture in government. Similarly, the Rwandan government's longstanding efforts on gender equality and financial inclusion, as well as a culture of data-driven policy-making, has resulted in increased collection of sex-disaggregated data from FSPs.

In addition to laws and policies, gender champions in government agencies play a key



role to stimulate the collection and use of women's financial inclusion data. Women deputy governors in the central banks of Egypt, Rwanda and Zambia have been effective high-level champions within their own institutions, governments, and peer networks for gender data-driven financial inclusion policies. An enabling policy environment fuels the production and use of gender data to define and monitor financial inclusion policies.

3. Both demand-side and supply-side data are important and complementary to provide a comprehensive assessment of the state of women's financial inclusion in the country.

Sex-disaggregated demand-side surveys provide data on women's and men's access to and use of financial services, including digital financial services in recent years. While these surveys measure gender gaps in financial inclusion, sex-disaggregated supply-side data depicts how men and women clients are using existing financial services once they have entered the formal financial system, measuring gender gaps in FSPs' portfolios. Both types of data paint a fuller picture of the gender dynamics of financial inclusion.

For instance, in Mexico, while low-income women had increased access to accounts in development banks, supply-side data showed low rates of account usage, helping to explain the recent deceleration in closing financial inclusion gender gaps observed by demand-side data. In both Chile and Rwanda, supply-side data has shown that women have higher loan repayment rates – in Chile, the total outstanding non-performing loan record was 2.5% for men and 1.7% for women (2014); in Rwanda these figures were 6.9% for men and 1.5% for women (2013). In Rwanda, demand-side data first showed the problem of financial exclusion; the government responded with a policy establishing savings and credit cooperatives; supply-side sex-disaggregated data covering 2008-2017 then confirmed the success of the policy in reducing gender gaps in microfinance account ownership from 40 to 13.4

percentage points.

4. Sex disaggregation of supply-side data can be challenging, as the common experiences of countries reveal.

The role of national ID systems: Robust national ID systems were critical in Chile, Rwanda, and Egypt to sex-disaggregate existing supply-side data from FSPs - where information on customers' sex may not have been collected at account opening, but national ID numbers were. National ID systems can also help with duplicate accounts (where an institution needs to identify if it is one individual with multiple accounts, or several individuals with one account). Due to limited or legacy management information systems, many financial institutions track their customer data by product, rather than by individual customers. Without a customer-centric approach to their data systems, FSPs are missing out on critical opportunities to develop and refine tailored products and services for women clients.

Dealing with joint accounts and defining women-owned businesses: In many countries, banks struggle with sex-disaggregating joint account ownership, as well as identifying women-owned businesses in their systems. Without a national definition of "women-owned business," it can be difficult for banks and other FSPs to sex-disaggregate business accounts. As part of their sex-disaggregated data framework, the Central Bank of Egypt set a national definition of women-owned businesses in their reporting guidance to banks.

Data from digital financial services: As the future of financial services becomes increasingly digital, new gender data opportunities emerge at the intersection of supply-side data and big data. However, digital gender data poses its own set of unique challenges, including identifying the sex of the primary user of the mobile account (who may not be the owner) and depending on the country, multiple regulators to coordinate on data-sharing and reporting arrangements.



5. Gender data use can drive policy and market action. When governments and financial service providers collect and use sex-disaggregated data, financial policies and products become more women friendly, showcasing the power of data to spur action.

WFID is encouraging not only gender data collection by documenting the “how-to” of sex-disaggregation, but has also collected examples of how data use can lead to action. Instances of clear data-to-action links include:

- Supply-side data motivated Chilean banks to adopt a gender lens. In 2006, the state-owned commercial bank, [BancoEstado](#), launched CuentaRUT, a basic account offered to anyone with a national identification number. Supply-side data showed the impact of this account—the number of deposit accounts held by women grew by 73 percent in 2006, and increased by an average of 22 percent in the following years. Following the success of CuentaRUT, private banks launched their own simplified accounts, and BancoEstado went on to diversify its product offerings for women.
- The [Central Bank of Egypt \(CBE\)](#) started collecting sex-disaggregated supply-side data in 2018. The gender data reported showed a significant gender gap in mobile payment users—and therefore an opportunity to reach women with mobile payments. In response, CBE is encouraging increased mobile wallet use by changing regulations and allowing banks to digitize savings wallets.
- The Mexican pension regulator’s collection of sex-disaggregated supply-side data revealed a significant 17 percentage point gap in retirement savings, which motivated government programs to promote retirement savings, including formalizing domestic workers (the majority of whom are women) and providing them with pension benefits and insurance.
- In [Zambia](#), Stanbic Bank was confident that it was serving women clients well but when they

sex-disaggregated their internal data, it showed that women were only 26 percent of clients (although their loan performance was better than that of men clients). As a result, they developed a women’s banking program that includes mentoring, training, and networking for women clients.

With increased understanding of the importance and utility of sex-disaggregated data on financial services, and more concrete examples to show the way forward, a critical mass of countries can start to collect and use gender data to accelerate women’s financial inclusion.



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Q&A with the Editors of 'Women's Economic Empowerment: Transforming Systems Through Development Practice'

Linda Jones and Adam Bramm

Promoting women's economic opportunities in developing and emerging economies can lead to enhanced gender equality in the market and intra-household relations. However, women's economic opportunities are often restricted to unskilled, low-paid and even hazardous employment. Women also face gender specific barriers to employment mobility and enterprise development in the form of burdensome regulatory frameworks, gender biased business environments, unequal social norms and unpaid care responsibilities. How can we overcome these barriers and support women's economic empowerment?

[*Women's Economic Empowerment: Transforming Systems through Development Practice*](#) (2019) draws on experiences of the Mennonite Economic Development Associates (MEDA) in diverse contexts such as Libya, Ghana, Nepal, Indonesia and Guatemala. It presents proven market systems approaches for promoting women's economic empowerment, describes the circumstances under which each approach could be applied, and illustrates with examples and case studies.

I had the opportunity to connect with Editors Linda Jones and Adam Bramm about the motivation, process and findings of their forthcoming collection of work.

Q: The book features research from diverse contexts such as Libya, Ghana, Nepal, Indonesia and Guatemala. What was your inspiration and motivation for publishing this impressive collection of work?

MEDA as a collective and MEDA staff individually (with experiences beyond MEDA) have worked globally in women's empowerment in market systems for over two decades. MEDA began its work in women's empowerment in the 1990s as part of the microfinance movement, and then very intentionally across sectors (e.g. enterprise development, financial inclusion, agricultural value chains, etc.) since the early 2000s. We were motivated by this work, but even more importantly by women and partners around the world, to share our experiences and learning.

Q: The book presents "proven market systems approaches for promoting women's economic empowerment." How is a market systems approach distinct from other approaches promoting women's economic empowerment programming or policy?

A market systems approach means that we do not look at challenges and opportunities in isolation but consider the functioning of a system to achieve sustainable results. For example, if an identified challenge is quality production, and we get to work on that while ignoring market demand, availability of inputs and services (e.g., finance), and regulating policy standards, then we may be setting up an initiative for failure. While we cannot fix every challenge in a market system, we can identify the ones that need to be or can be addressed and which can be dealt with at another point in time.

Q: The advanced book information notes that "The ultimate goal of the book is to support and inspire long-term and dynamic policy change and research that is led by women and men, and is both gender-inclusive and gender-



responsive. What does gender-inclusive and gender-responsive change mean in the context of this work? Why is it important?

Gender-inclusion, very simply, is making sure that all people—irrespective of their biological sex or gender identification—are included in the social, political, and economic processes that affect their lives. Gender-responsive actions go beyond simple awareness of or sensitivity to gender and gender-related issues to an active mainstreaming of these issues that informs actions that result in greater gender equity and gender equality.

Q. Who should read this book? Was it published with a particular audience in mind?

The book was designed to support international development practitioners who are currently working on, or would like to integrate more, gender-inclusive initiatives in economic development. Our market systems lens attempts to provide a framework for identifying the unique barriers to women and girls by understanding the greater social, political, and economic context and working within that system to incentivize market actors and redirect market resources to sustainably reduce poverty, generate greater economic empowerment, facilitate gender equality.

Linda Jones is Vice President, Partnerships and Innovation at MEDA.

Adam Bramm is the Associate Director, West Africa, North Africa and Middle East Region at MEDA.

Fall Lineup: Women's Empowerment in Development (WED) Lab Seminar Series

The WED Lab at McGill University's Institute for the study of International Development (ISID), run in partnership with the International Development Research Centre (IDRC), will resume its women's empowerment seminar series this month!

Facilitated by Rebecca Tiessen (University of Ottawa), the first seminar in the fall lineup will share information on ["Using Qualitative Feminist Methodologies to Study Women's Empowerment and Gender Equality"](#), with a focus on innovative and participatory methodologies. A diverse panel of researchers from civil society and academia will discuss the practical, ethical and methodological considerations and challenges they have encountered conducting research on women's empowerment in developing country contexts. This seminar will take place on September 9, 2019 from 1:00-3:00pm (EST) at the IDRC office in Ottawa.

Then, on September 24, 2019, Katy Fallon (Stony Brook University) will facilitate the fifth seminar in the series, on the topic of ["Social Norms and Women's Empowerment"](#). This seminar will explore the role that social norms play in dictating women's choices, access to jobs, and in the impact of policies and programs intended to encourage women's labour force participation. While women and girls' access to education and healthcare has been consistently improving over time, this has not translated into gains in the labour market. Women remain stuck in low quality,



informal work, responsible for the vast majority of unpaid work and care responsibilities, and even policies and programs specifically designed to promote gender equality often come up short in results. Norms are context specific, difficult to identify, and difficult to measure, and yet they have significant impacts on women's lives. Panelists participating in this seminar will discuss the role of norms in their experience as researchers and practitioners working on women's empowerment in low-income countries, and that way those norms shaped not only the lives of women but their own work.

For more information about [upcoming seminars](#), or to register, visit the WED Lab website. The website also houses recordings, PowerPoints, recommended readings and other materials from past seminars.



www.womensempowerment.lab.mcgill.ca

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OUR PARTNERS



The GrOW Research Series brings together scholarly research on women's economic empowerment and growth in low-income countries, and provides a conceptual and empirical basis for policy-making. It is also the official research platform for the Growth and Economic Opportunities for Women (GrOW) program. This series is housed at the Institute for the Study of International Development (ISID) at McGill University in Montreal.

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