

THE BUSINESS STANDARD

Gender gap in access to financial services drop to 4 percentage points

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The gap in access to financial services between men and women has dropped from seven to four percentage points globally for the first time in the past decade, according to the Global Findex Database 2021.

In developing economies, the gap is somewhat larger at six percentage points. 74% of men now have an account in developing economies, compared to 68% of women.

The information was disseminated at a webinar titled "Expanding Women's Financial Inclusion: Global Implications of the Findex Gender Note 2021" held on Wednesday.

The data show that women hold inactive accounts 1/3 more than men globally. Besides, the gender gap in ownership of smartphones has widened.

It is now 18%, up from 15% in 2021. 350 million fewer women than men owning a smartphone.

Brac Institute of Governance and Development (BIGD), in partnership with The World Bank's Development Research Group and the World Bank Group's yearlong Gender Equality and Development +10: Accelerate Equality initiative organised the event.

During Covid-19, most of the countries have allowed both men and women equally to open their first account in financial institutions to receive money from the government. Some 25 million women have opened their first financial institution account during the pandemic which is the highest ever inclusion in formal financial inclusion globally.

However, around 100 crore women still remain outside the formal financial system. 50% of whom are from only nine countries.

While presenting the global findings of the Findex Gender Note 2021, World Bank Lead Economist and Global Findex founder Leora Klapper said, "Financial inclusion matters for development. Expanding financial inclusion for women will encourage women to save, and help them make and receive digital payments to build their own credit history. It will also smooth their consumption and spending process, and help strengthen their family's financial resilience."

Mary Ellen Iskenderian, president and CEO, Women's World Banking, said, "We have now reached the highest level of women included in the formal financial system ever. But it is important to remember that we need to put up efforts to provide relevant products that engage women clients and keep them in the system. We must remain attentive to building greater trust, greater awareness and relevance between financial service providers and women they are supposed to serve."

Zaki Wahhaj from University of Kent, Canterbury, Caroline Wainana from African Population and Health Research Center, Munshi Sulaiman from Save the Children International, Lopita Huq from BIGD, and Xavier Giné from The World Bank described the motivating principles behind their studies.

The presentations were followed by a panel discussion featuring leading international and Bangladesh-based financial practitioners.

Momina Aijazuddin, regional industry head, MCT Financial Sector, International Finance Corporation, said, "To encourage financial inclusion of women, we need to move away from product-centric design, and adopt an approach that is more customer-centric, one that focuses on the needs of women clients. It is highly important that we work collaboratively on designing more gender inclusive financial products."

As a panel discussant, Sheikh Md Monirul Islam, chief external & corporate affairs officer, Bkash shared how the MFS institution is contributing to expand women's inclusion in the digital financial space of Bangladesh.