KEYNOTE SPEECH AT THE G20 SIDE EVENT: ADVANCING WOMEN’S ECONOMIC EMPOWERMENT THROUGH FINANCIAL INCLUSION: WHY DOES FINANCIAL INCLUSION MATTER FOR WOMEN?
30 Nov 2018

Excellencies, Ladies, and Gentlemen,

I am very pleased that you could join us here today. Your presence sends a clear signal that global leaders are committed to women's economic empowerment across G20 countries and beyond.

**Why does women's economic empowerment matter?** The answer is simple. Women make up fifty percent of the G20 population. Women are half of your constituents, half of your market base, half of the force that is driving your economy. And they invest more in their families.

However, in many parts of the world, including G20 countries, women are unable to fulfill their full economic potential.

For a host of reasons, including restrictive norms, policies, and structural barriers, women have less access to financial services, simply because of their gender.

This imbalance has enormous economic consequences. It is estimated that if women's participation in the economy were equal to men's, the annual global GDP would increase as much as 28 trillion dollars by 2025. That's 26% more than if we continue along the path we are on now. So for all of us seeking growth, it is an obvious choice to include women.

Access to financial services is essential for them. Savings, credit, payments, and insurance are valuable tools to build savings, guard against unexpected shocks, and grow businesses.

Thanks to global efforts, 1.2 billion adults have gained access to the formal financial system only in the last seven years.

While we can celebrate this progress, women still trail behind.

According to the World Bank's Global Findex survey, the financial inclusion gender gap remained at 7% globally between 2011 and 2017, and 9% for emerging economies. In many parts of the world the disparity is even widening.

The gender gap varies. In the G20, some countries have no gender gap, but some have a gap greater than 20%.

And a country's level of income does not determine its financial inclusion gender gap. Legal, cultural, and social barriers as well as the economic situation, can all impede women's inclusion.

We see countries like Indonesia, where women are more likely to have an account than men. India has successfully reduced the gender gap in financial access from 20% to 6% in just three years. So this is possible. When I visited both countries earlier this year, I was so inspired by the variety of homegrown financial innovations, most of which are powered by technology.

These countries show that with a firm commitment from public and private sector leaders, and well-designed policy initiatives and financial services, we can achieve our vision of equal access to financial services.
There are a couple of key steps that leaders can take to shape gender-inclusive financial systems both domestically and globally:

The first step to solving a problem is identifying and understanding it. To that end, I encourage all of us to focus on collecting robust gender-disaggregated data on financial services. Right now, this data is lacking. Out of the over 100 countries included in the IMF’s Financial Access Survey in 2017, only 27 provide gender-disaggregated data. Of these, only three are G20 countries.

I am eager to work with all of you to ensure all countries can report gender-disaggregated data. Having this data will help us understand needs, and measure progress. And it seems to be something easy to attain if we want it!

Second, as leaders, you are uniquely positioned to make substantial structural transformations that can level the playing field for women:

- **Legal and regulatory barriers** that restrict women’s access to financial services. In many countries, women cannot open a bank account without permission from a male family member. Some countries prohibit women from inheriting or controlling assets. These realities present a major obstacle to their financial and economic independence.
- **Universal identification:** In many countries, women are less likely than men to have the identification documents required to open formal financial accounts. Thanks to India’s new identification system, Aadhaar, more Indian women than ever can open accounts. President Macri alluded to it during his allocution.
- **Digital gender divide:** In low- and middle-income countries, they are, on average, 10% less likely to own a mobile phone than men and 26% less likely to use mobile internet.

Lastly, to those of you who have successfully advanced women’s financial inclusion, I ask that you showcase your examples and inspire others, within the G20 and beyond.

As we all work to advance our economic agenda and realize our countries’ full potential, let us always keep gender equality in the forefront of our efforts.

The G20 has shown great efforts to remove longstanding stumbling blocks that have held women back. The establishment of the W20 was a defining step, and I am glad that financial inclusion is a key pillar of the initiative.

This year marks the tenth anniversary of the G20 Leaders’ Summit. I hope that at future Summits, we will return to celebrate more success stories of women’s financial inclusion. Your commitment and influence will be central to making this happen.

Thank you.