
UNSGSA QUEEN MÁXIMA ASEAN WOMEN LEADERS' SUMMIT

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ASEAN Women Leaders' Summit: "Women's Role in Building a Cohesive, Dynamic, Sustainable, and Inclusive ASEAN Community in a Post COVID-19 World"

H.E. Mr. Nguyen Xuan Phuc, Prime Minister of Vietnam and Chairperson of ASEAN 2020,

H.E. Dato Lim Jock Hoi, ASEAN Secretary-General,

Esteemed Heads of States and Heads of Government of ASEAN countries, Mrs. Kwakwa from the World Bank Group, and all the inspiring women leaders in this region.

Thank you for the opportunity to participate in this first ASEAN Women's Leaders' Summit. It is really an honor to be here.

Women are bearing the brunt of the economic shocks emanating from the COVID-19 crisis. Early data suggest that women are twice as likely to lose their jobs as a result. Meanwhile, female-led SMES are 6% more likely to close compared to their male counterparts. Additionally, women comprise the majority of the informal sector in Myanmar, Laos, Cambodia, the Philippines, and Indonesia. Informal firms tend to be smaller, with limited savings and capital buffers, and are thus less equipped to deal with economic contraction.

There are also five million women economic migrants in the ASEAN region. In many instances their jobs are not subject to labor law or social protection. Overall, the crisis has put a spotlight on the existing gender inequalities and need for women's economic participation. It has made the call for a gender deliberate response much more urgent.

Governments across the region are using digital payments as a critical tool to support crisis response, particularly in the disbursement of social assistance. In most ASEAN countries where less than 50% of the population owns an account at a formal financial institution, these digital payments provide an very important entry point into the formal financial system. Yet, apart from merely providing emergency payments through accounts, this provides the opportunity to access a range of other value-adding financial services. These include savings, insurance, responsible credit, among others, that can provide and improve socio-economic well-being. Savings products are particularly important for women, allowing them to invest in their families and to weather financial shocks.

There are promising examples of how these emergency social assistance programs can be focused on supporting female beneficiaries. For example, in Indonesia, the Program Keluarga Harapan - or PKH - has scaled up digital payments to support emergency consumption among vulnerable households. PKH increased the frequency and amount of digital disbursements into bank accounts and expanded the program by 800,000 people.

The ASEAN region has also demonstrated leadership in developing and using digital and financial technology to help small businesses manage ongoing economic downturn. For example, Grab, a super-app with operations across Southeast Asia, has assisted over 100,000 small entrepreneurs digitize through sales and payments platforms, including for food merchants previously unconnected from e-commerce. This development is critical because it's estimated that SMEs comprise over 95% of all businesses and 50% of total employment in the region. Grab, through a partnership with the IFC, has recently released a roadmap for improved safety and product modifications with a focus on encouraging women entrepreneurs and platform users. Responsibly scaling e-commerce solutions for SMEs has proved critical for survival during this pandemic.

A preliminary study suggests that women are over-represented in informal online commerce in key markets in

Asia. A robust ecosystem of digital financial services, along with user-friendly platforms, can help women entrepreneurs better participate in and benefit from these new digital marketplaces. Public support programs could include specific measures to ensure women-led businesses have the networks and capability to take advantage of digital opportunities.

This could be a powerful use case for digital financial services among women.

The crisis has thus underscored the importance of an appropriate enabling environment to support the growth of digital financial services as a key component of response and long-term recovery strategies. What does this mean for policymakers in the room today?

- First, advancing on regulatory frameworks supportive of digital financial services . This includes ensuring a level-playing field for banks and non-bank actors to responsibly provide payments and other financial services, simplified customer onboarding, and rules on use of agents.
- Second, improving digital payment infrastructure such as payment systems interoperability and ensuring all government-to-person payments are digitized.
- Third, ensuring that women are not deprived of participation in the digital economy through equal access to this infrastructure particularly through IDs, mobile devices, and connectivity.
- Fourth, building regulatory capacity to assess the evolution of innovative financial services.
- And fifth, fitting digital literacy and smart financial consumer protection for the digital age, in order to ensure digital divides are not exacerbated.

The ASEAN Community, and the recently approved plan of action between ASEAN and the UN through 2025, offers an important platform to support women's economic empowerment as a key element of COVID-19 response. Now is the time to build on the many good existing ASEAN initiatives, including the ASEAN Working Committee on Financial Inclusion. We need to accelerate smart policies, invest and market incentives to drive women's financial inclusion throughout the region.

As the UN Secretary-General's Special Advocate for Inclusive Finance for Development, I look forward to deepening my engagement with ASEAN member states. My partners and I stand ready to provide support to advance needed reforms, in addition to sharing and exchanging international best practices. Thank you very much and I wish you all success.