



FinScope Myanmar Gender Note

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GENDER BACKGROUND AND INEQUALITY IN MYANMAR

Gender equality promotes overall well-being, and economic development, and is a key driver of inclusive growth across all countries and regions in the world. Equality is an internationally agreed upon Sustainable Development Goal,¹ which is not only a fundamental human right but also integral to sustainable development. However, women in Myanmar face spoken and unspoken exclusionary policies which undermine their capabilities and lead to underrepresentation in senior decision-making and political positions.² Barriers to leadership roles are reinforced by social and cultural norms – with entrenched expectations that men are natural leaders whilst women take charge of household and family caring responsibilities and supportive roles. About 3.4% of an estimated 72 000 police officers are women, but 2% occupy mid-level positions and women have been traditionally excluded from senior positions in government, though there have been some improvements in occupation of parliamentary seats to 12.9%. This is however much lower compared to Cambodia (21.1%), Lao People's Democratic Republic (25.2%) and Vietnam (25.8%).³

Myanmar has a Gender Inequality Index (GII) value of 0.456 and is ranked 106 out of 160 in the 2017 index, which qualifies it as a country with Medium Human Development⁴. The GII reflects gender-based inequalities in the dimensions of reproductive health, empowerment and economic activity. Men in Myanmar are more likely to own land, control productive resources and manage finances than women – which tends to indirectly limit the influence of women over household decisions. Myanmar census data shows gender-inequalities in access to motorized vehicles, communications and information and services, education and the labour market.⁵ Mobility, phone ownership, land ownership and unpaid work and access to information are some of the factors which limit women's financial inclusion and economic participation. This report highlights gender gaps in Myanmar and changes in financial inclusion for Myanmar women, based on FinScope 2013 and 2018 consumer survey data.

WHY WOMEN FINANCIAL INCLUSION MATTERS?

Financial inclusion enables individuals to expand business activities hence increasing household incomes and improving livelihoods. Having access to finance allows for planning for the future, managing cash flow and reducing vulnerability, yet women make up a greater percentage of people that are financially excluded. Financial inclusion has the potential to increase women's economic empowerment. Having access to productive resources and financial services/products is essential in

¹ <https://sustainabledevelopment.un.org/SDG5>

² <https://www.agipp.org/en/gender-inequality-myanmar#note3>

³ <https://www.adb.org/sites/default/files/institutional-document/209596/gender-equality-womens-rights-myanmar.pdf>

⁴ <http://hdr.undp.org/en/composite/GII>

⁵ https://myanmar.unfpa.org/sites/default/files/pub-pdf/4J_Gender_Dimensions.pdf

ensuring that women earn an income and have control of their livelihoods. Women's vulnerability can also be reduced such as through ensuring access to insurance, to mitigate or prevent risk, and also to credit, to empower people to have their needs met in unexpected emergencies.

DEMOGRAPHIC AND HOUSEHOLD CHARACTERISTICS

Of the 34.3 million adults above 18 years, 17.4 million (51%) are female and 16.9 million (49%) are male as illustrated in Figure 2.



Figure 1: Myanmar

Total adult (18+) population
34,3 million

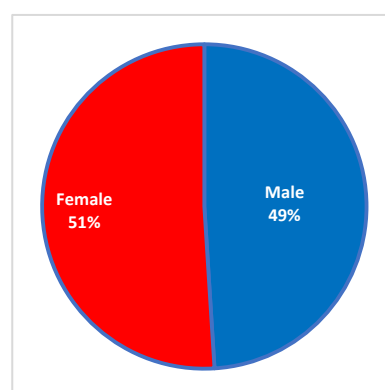


Figure 2: Myanmar Population Proportions

Households by sex of head and marital status

The proportion of male-headed households is much higher (81.5%) compared to female headed households (18.5%). Female-headed households are more prevalent in urban areas (24.1%) as opposed to rural areas (16.2%) according to FinScope 2018. As articulated by the United Nations Population Fund (UNFPA),⁶ that observed the prevalence of female headed households, what is particularly appealing is their clear intention to improve the situation which provides fertile ground for advancing financial inclusion:

“Efforts must be scaled up to advance female economic empowerment and the status of women in society. The contribution and participation by women in the social, political and economic changes that are currently taking place in Myanmar is paramount. Policies and programmes must reflect the

⁶<https://myanmar.unfpa.org/en/news/census-data-confirms-deep-rooted-gender-inequalities-throughout-myanmar-society>

needs of women as well as those of men in equal measure, making gender equality an integral part of Myanmar's development".

Janet Jackson, UNFPA Representative for Myanmar

Almost all male heads of household are married (93%) as compared to female heads (7%). This can be explained by the higher proportion of women who outlive men. Hence, most female heads of household are much older citizens. 72% of female head of households are widowed compared to only 5% of men heads. The initiatives to upscale women are aimed at increasing their economic participation in the mainstream economy while reducing their financial vulnerability. Programmes linked to the economic empowerment of women should be advocated for and supported.

Rural vs Urban and Tertiary Education

Education remains one of the key equalisers or enablers for vulnerable groups. In Myanmar, 6.6% of the women showed signs of vulnerability as they skipped school due to a lack of funds (compared to 5.6% of men). Note that this 6.6% represents 1.14 million adults which is a very significant number of vulnerable women. Their prospects of entering a higher income bracket than their parents diminish when they cannot access basic education. On a positive note, 8.6% of women save for educational costs (compared to 6.3% of men).

There is a small gender gap (2%) where women "outperform" men in both urban settlement and higher education achievement.

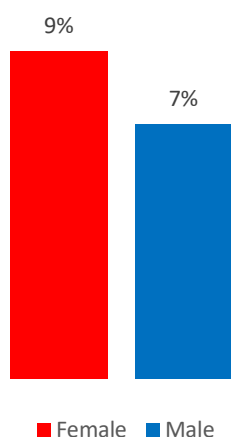


Figure 4: Tertiary/Higher Education gender gap

Figure 3 above shows the proportion of women in urban settlements (33%). However, more women live in the rural and remote areas with no access to proper infrastructure or access to facilities. FinScope results also show that amongst women, those living in rural areas earn much lower per month (\$68) compared to their urban counterparts (\$127).

SDG 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all: Quality education is closely correlated with financial inclusion. Though more women have tertiary education the bulk of women are still without secondary education.

SDG 11 Sustainable cities and communities: This is linked to the idea of making cities and human settlements inclusive, safe, resilient and sustainable. Given that more women reside in urban areas, the potential for urban settlements offers access to facilities and financial access points, which, when fully utilised could improve the lives of women.

Education vs Livelihood source

The improvement in gender equality in tertiary/higher education has nevertheless not translated into equal economic opportunities. For instance, data on the salaries and occupation of women and daily earning rates indicate that there is a disparity between men and women. 51% of women earn below the poverty line (\$1.90 per day). Only 16% of women earn above the national average of \$6.66, making them 30% more vulnerable to financial shocks compared to men. Thus, women would engage a myriad of formal and informal mechanisms to mitigate and cope with risk.

Table 1: Daily earning rates for men and women in Myanmar

	< \$1.90/day	\$1.91 - \$6.65	\$6.66 and over
Female	51%	33%	16%
Male	28%	42%	30%

Sources that Women use to Sustain their Livelihood

There are significant disparities in sources that are used to meet livelihood requirements between men and women in Myanmar, as illustrated in Figure 5 below. Almost half of the female population (49%) are dependents who rely on money from others (including remittances) compared to their male counterparts (17%). 26% of females earn their income from self-employment. Income from others and self-employment are the leading sources of income for females in Myanmar. This has a large role in determining the financial tools that are necessary to fulfil the needs of women. On one hand, the sources of income which are necessary to sustain the livelihoods of women must factor in the role and function of financial services (formal and informal). On the other hand, these sources should expose the needs that they have with respect to financial services. Fewer women are engaged in farming but they are largely in small and micro-enterprising posing as traders, business women and community and household businesses. This gives rise to the need for capitalization, payments, security, storage, etc. Through a deeper understanding the livelihood source of any group, such as

rural women, it becomes very important to unpack the needs of the group including their resilience, liquidity or capacity to meet goals.

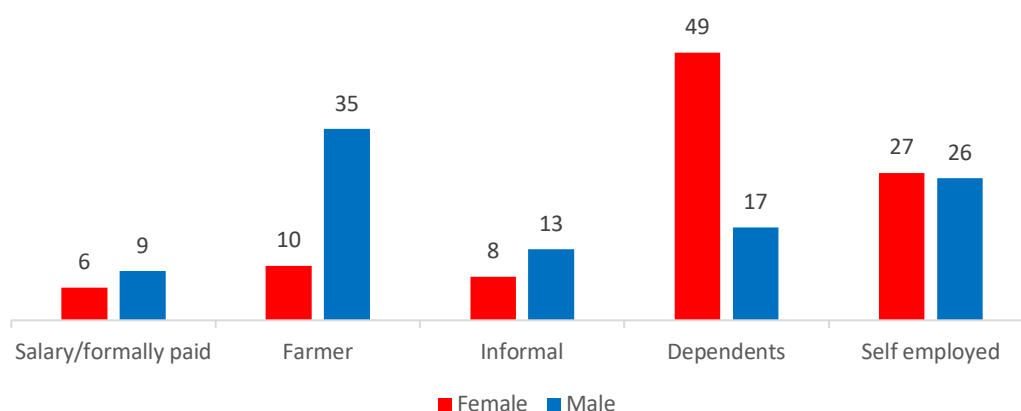


Figure 5: Main livelihood source for males and females

Sources of income and income levels are strong determinants of formal financial inclusion. The main source of income for both women in urban (51%) and rural (48%) areas is money from others which creates an opportunity for the integration of recipients into the formal financial system. The group dependents do not necessarily translate to remittance receivers. This is because a lot of dependents do not necessarily get 'money' from others but can receive non-monetary assistance such as the provision of food and shelter. For those that receive remittances, financial institutions can provide access to affordable products to manage and grow received money and hence reduce vulnerability to unforeseen changes in remittance income.

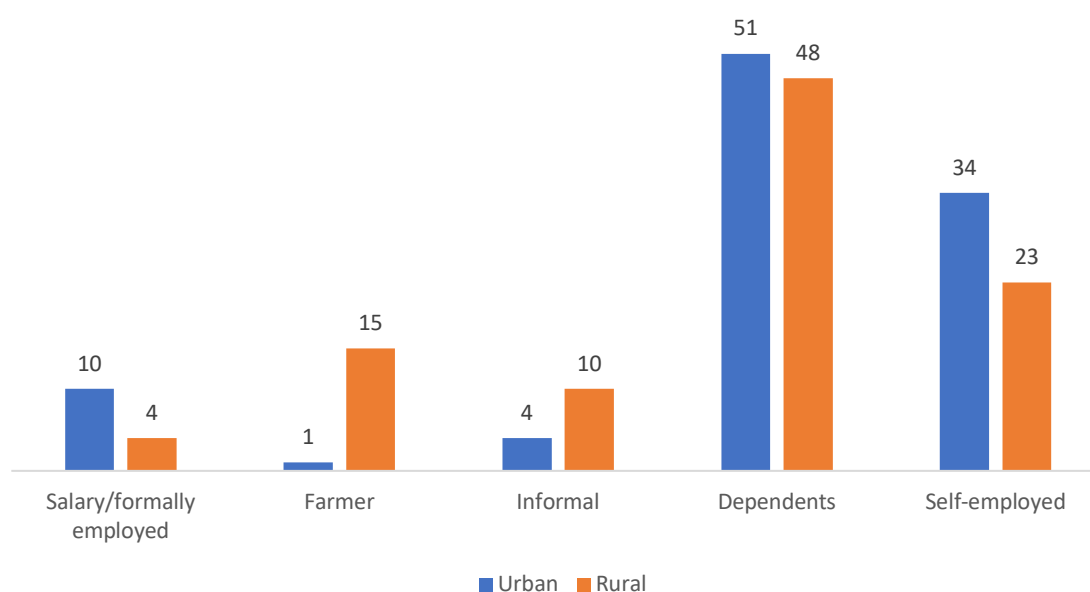


Figure 6: Main livelihood source for females by location

A larger proportion of women in urban areas are self-employed (34%) and salaried (10%) compared to rural women who generate income from farming (15%) and informal activities (10%). Salaried women in urban areas are likely to have formal bank products that they use for the receipt of wages compared to informal women in rural areas who depend on irregular income.

Men tend to rely on income obtained from farming (35%) as compared to women (10%). Land is a critical economic resource for both men and women in Myanmar who depend on agriculture for their livelihoods. Ownership, access and control over land affects household produce, food security and income allocation within the household. Men own twice as many title deeds as women, as shown in figure 7. Formal participation in the labour force is skewed towards men. There is a very small proportion (6%) of women who are formally employed.

SDG 1 End poverty in all its forms everywhere

SDG 5 Achieve gender equality and empower women and girls: Gender equality transcends areas such as sources of income and livelihoods. Given that women in Myanmar are more vulnerable to poverty as 51% of them earn below \$1.90 a day. This is also linked to sources of livelihoods as predominantly in the informal sectors of economy or dependent on others.

SDG 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all: As reported, most Myanmar women do not have decent work and are instead generally dependents.

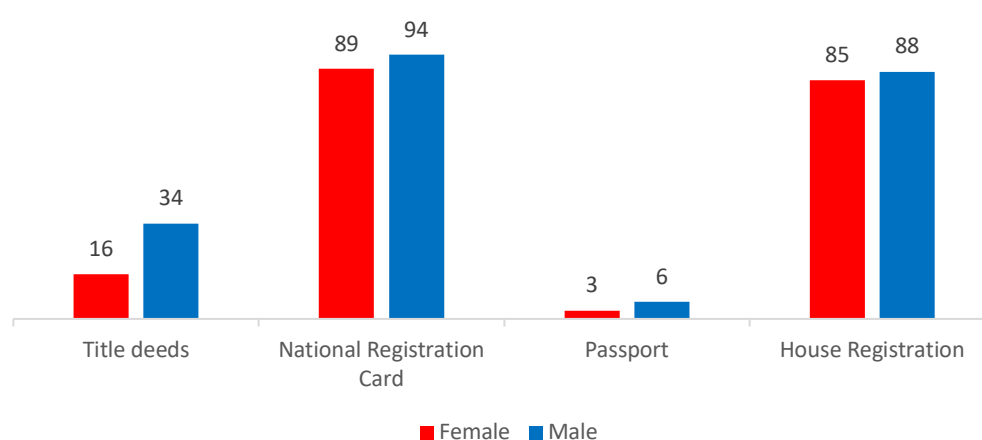


Figure 7: Male vs female ownership of key documentation

As mentioned earlier, a greater proportion of women have no key documentation such as title deeds which can be used as collateral for credit (MADB) as they have less ownership rights to land and property. This may explain the different financial product uptake by women compared to men in key financial service providers such as the MADB.

Proximity

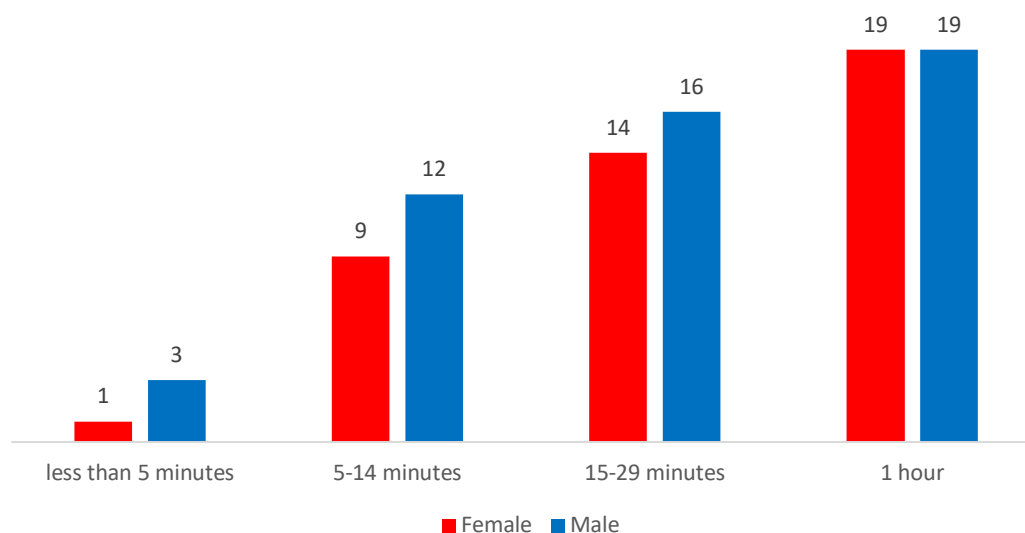


Figure 7: Time taken to reach the nearest bank branch

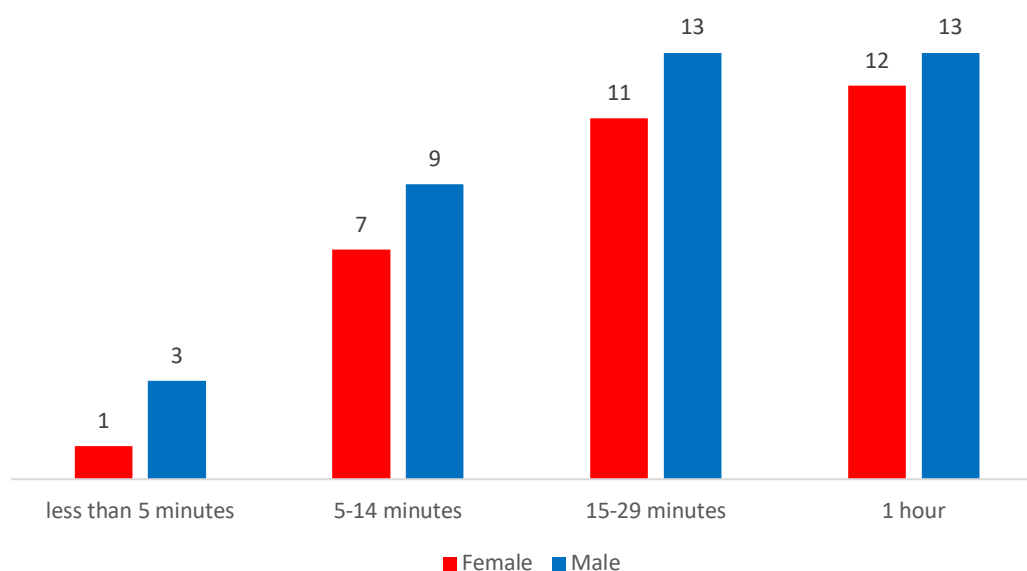


Figure 8: Time taken to reach the nearest ATM

It takes a slightly longer time for women in Myanmar to access the nearest bank branch or ATM compared to men as illustrated below in Figure 7. Fewer women access branches in under 30 minutes which can be attributed to fewer of them having a driver's license (4%) compared to men (22%).

Access to financial services can be further extended to unbanked and underbanked populations through mobile money solutions using feature or smartphones and agents. The graph below shows phone ownership and usage for men in comparison to women in Myanmar.

SDG 9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation: As can be noted, less women access financial access points than men overall – the infrastructure is far from sufficient. Mobile technology remains an untapped opportunity given the high penetration of mobile phones among women.

Mobile phone ownership and usage

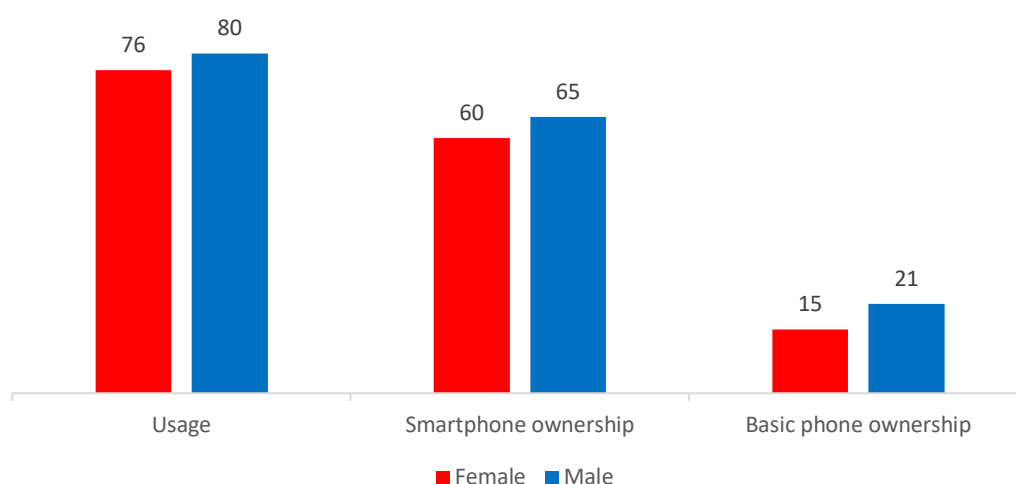


Figure 9: Male vs female phone ownership and usage

Women trail in their feature phone ownership (15%) compared to men (21%). 60% of women own a smartphone compared to 65% of men. Men also have a higher phone usage (80%) than women (76%). Given the high prevalence of mobile phones, mobile-based financial solutions could be used to easily reach more women. However, technical capabilities (such as how to use USSD and phone applications) of effectively using mobile-based solutions need to be checked before any interventions are rolled out.

FINANCIAL INCLUSION CHANGES SINCE 2013

As outlined above, women in Myanmar make up a slightly larger proportion of the total population, reside in remote areas, are more likely than not to be unable to complete education due to a lack of funds, earn below poverty line and depend on income from others. The following analysis compares women financial inclusion between years 2013 and 2018.

The formal (non-bank) institutions are likely most responsible for lifting more women into a position of financial inclusion in 2018. MFIs have been very important in advancing female inclusion in the

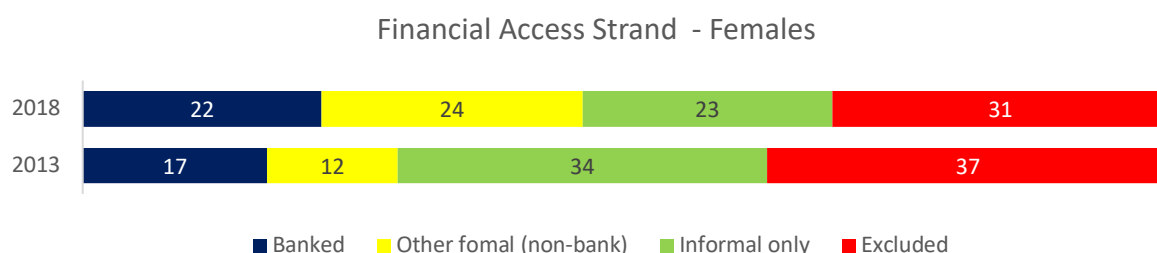


Figure 9: Financial Access Strand for women

formal financial system.

Positive developments can be observed when comparing the levels of financial inclusion for 2013 and 2018. Overall, a decline of 6% was observed for 2018 in the proportion of women who are financially excluded. The biggest contributor to this traction was the uptake of other formal (non-bank) financial services especially formal credit.

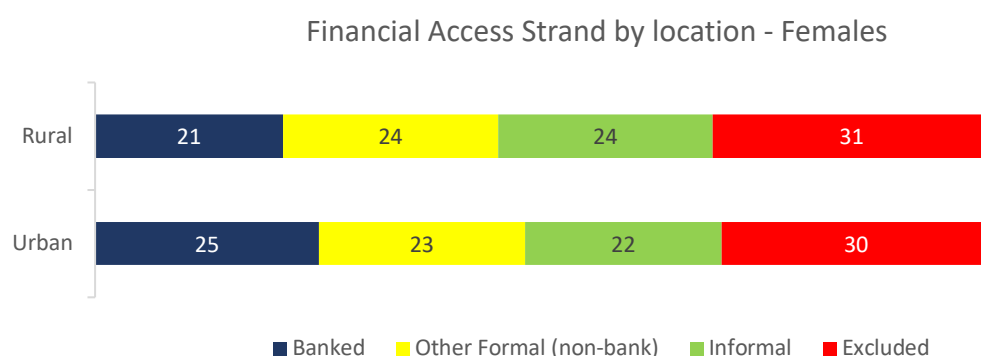


Figure 10: Financial Access Strand for women - by location

An uptake in bank products/services is higher amongst urban women (25%) compared to rural women (21%) due to better access to infrastructure, higher levels of salaried women and less dependency on irregular income from farming. Formal financial inclusion is higher for women in urban areas compared to rural areas where financial services are supplemented by an uptake in informal products/services. There is higher uptake in MFI products amongst women (14%) than males (11%).

About 39% of all savings by Myanmar women are either stored at home or saved informally (such as with saving groups).

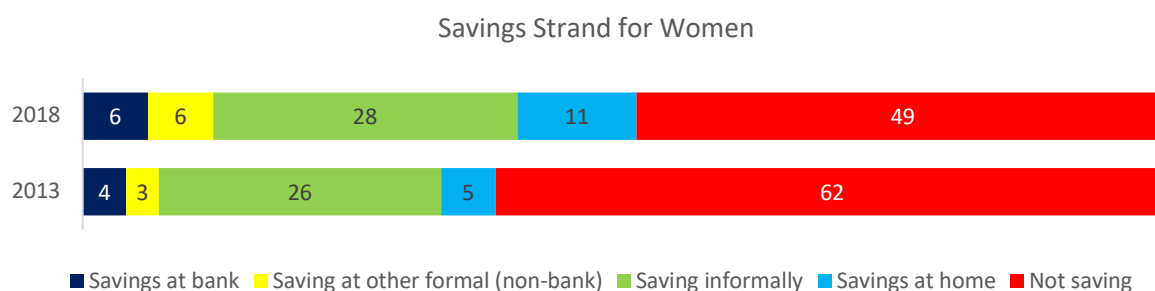


Figure 11: Savings strand for women

One key insight with regards to savings and investments is that more women are saving. Given almost half of women are dependents, the 'saving' mindset amongst women increases their chances of being resilient during difficult times or when faced with financial shocks. They may also save to meet set goals. However, it is imperative to note that women are saving more using informal mechanisms (28% in 2018) with a further 11% saving 'under the mattress' at home. Put differently, in Figure 11 above in 2018, 51% of women were saving of which 39% of all savings were out of the formal system. This presents an area for female oriented savings products that speak to both the occupations of most Myanmar women as well as the motivations for their saving decisions.

"More women use formal credit in 2018 than in 2013"

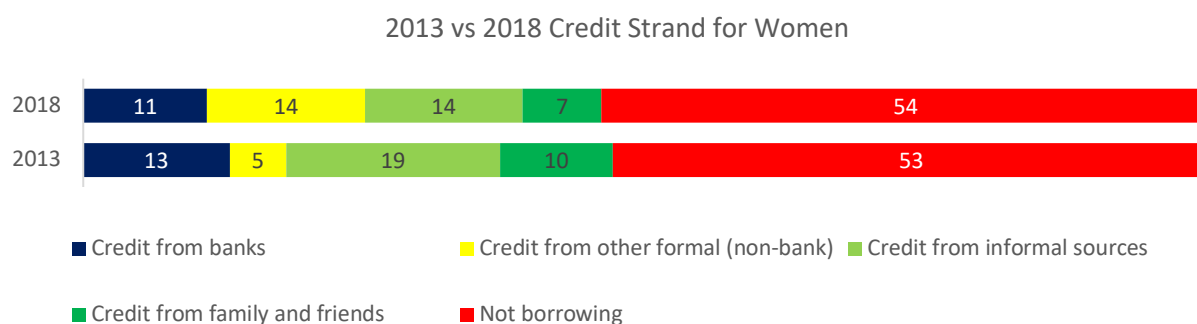


Figure 12: Credit Strand for women

Compared to 2013, women have reduced their use of informal sources of savings (-5%) and have displayed a greater willingness to use other formal (non-bank) (+9%) sources such as MFIs. The reduction in the dependency informal mechanisms may be viewed as progressive for the developmental objectives of an 'inclusive society' as espoused in the Sustainable Development Goals (SDGs). The increase in the proportion of women in 2018 with other formal credit was largely driven by MFIs and an uptake of cooperative credit. The findings show a shift of women accessing largely informal mechanisms in 2013 to formal credit in 2018 driven by these institutions. The MADB remains

the main driver of bank credit. Although overall bank credit has decreased between 2013 and 2018 for women, the absolute numbers show a stagnant bank credit size.

Risk and risk mitigation

Looking at women specifically, health risk was a common factor amongst different livelihoods although the highest group within the broad category of 'women' that claim health as the biggest risk affecting their income were 'salaried women' at a rate of 57%. This group is also the highest formally insured group, as 9% have formal insurance. By way of comparison, other groups of women such as those which are informal (2%), dependents and farmers (3%) fall below half in proportion. The most common coping mechanism across all groups regardless of location was 'doing nothing', ranging from two in five women for those who were salaried and up to two in three for those in the informal and self-employed sectors.

LIMITS TO FORMAL FINANCIAL INCLUSION FOR WOMEN IN MYANMAR

- A large proportion of women in Myanmar are dependent on others for their livelihood, followed by self-employment and farming. These sources of income provide inconsistent and irregular amounts of money. Consequently, they seemingly do not think that there is a sufficient justification for them to set up an account in their personal name.
- Legal and regulatory barriers – Women lack adequate documentation and identification to open formal accounts and have fewer assets in their name to use as collateral.
- Technological barriers – Fewer women own both feature and smart phones compared to men and use phones less. This limits the extent to which they are willing to use mobile-based financial solutions.
- Social and Cultural norms – Cultural and social norms impact women and affect their ability to access equal employment and salaries, formal financial services and participation in community development.

RECOMMENDATIONS

- Based on the findings highlighted above, there is a need for policies and strategies that encourage formal female economic participation. The micro and small enterprise sector, which is the biggest source of livelihood after dependency on others, could be better promoted to help to emancipate women economically. The role of microfinance in the SME area for women has a large potential to transform women-led enterprises.

- The promotion of an increased rate of participation of women in economic development can be procured through programs that support entrepreneurship and mentor women. This may serve to equip them to upscale their operations and improve their earning capabilities.
- An expansion of both the access and usage of financial services through the provision of appropriate financial products and services for female dependants must be accompanied by the promotion of financial education and financial literacy programs to enable new customers to understand how to fully utilize financial products.
- The potential of mobile money remains a potential enabler in turning informal transactions into formal ones. Given the high penetration of mobile phones, the tailoring of services to better coincide with the needs of women can improve their formal participation in financial markets given that they are mainly dependents (with remittances being a major component) and are traders which offers a platform for formal payments and savings. The needs of women are essentially like their male counterparts in many areas such as health, education and the availability of liquid assets.

AREAS FOR FURTHER RESEARCH

Informal businesses and self-employment stand out as the main sources of income with a high representation of women who do not fall into the 'financially dependent' category. It is therefore worth exploring specific research on female-owned businesses to better understand the dynamics and appropriate ways to improve their livelihoods.

Understanding the dependents group will enhance the interventions that transform the group into the economy. Some dependents receive remittances. Understanding the cost of these remittances and values can give insight into whether cheaper and more efficient tools are available and, if so, whether they are being utilised. The needs of dependents will also require special attention depending on the extent of the segmentation of this group. Two main groups of analysis would be senior citizens and the youths who are still looking for employment. These two groups have distinct needs and hence a different level of uptake in financial services.