



UN CAPITAL DEVELOPMENT FUND (UNCDF)

International Women's Day Dialogue

On the Theme:

"Women as Builders of Digital Economies in Ghana – A Call to Action to Close the Gender Gap in Access to and Usage of Digital Financial Services in Ghana"

Keynote Address

**By Elsie Addo Awadzi
Second Deputy Governor, Bank of Ghana**

At

Labadi Beach Hotel, Accra

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Hon. Lariba Zuweira Abudu, Deputy Minister, Ministry of Gender, Children, and Social Protection

Mr. Charles Abani, UN Resident Coordinator, Ghana

Mr. Enea Stocco, Country Lead Ghana, UN Capital Development Fund (UNCDF)

Ms. Nandini Harihareswara, Senior Advisor, UNCDF

Ms. Arianna Gasparri, Technical Specialist, UNCDF

Other officials of UNCDF, other UN Agencies, and partner organisations

Officials of Bank of Ghana

Invited Guests, Distinguished Ladies and Gentlemen,

Happy International Women's Day!

1. I am delighted to be here today for such an important dialogue. About the same time a year ago, Governor Ernest Addison participated in the launch of the 2021 International Women's Day global advocacy campaign for "Reaching Financial Equality for Women" promoted by UNCDF, the Better Than Cash Alliance, UN Women, the World Bank, and others. The campaign included a 10-point action plan for governments and businesses to rebuild stronger after COVID-19 by prioritizing women's digital financial inclusion.
2. Bank of Ghana acknowledges the efforts that UN agencies such as UNCDF have made over the years and continue to make, to promote gender equality and women's socio-economic empowerment in Ghana, towards building a strong and more resilient economy.
3. Distinguished Ladies and Gentlemen, over two decades ago, the world recognized gender equality (Millennium Development Goal 3) as integral for socio-economic development. Since then, some progress has been made in relevant indicators, however, the truth is that there has not been much progress in the last 15 years.
4. According to the World Economic Forum's Global Gender Gap Report 2020 which benchmarks 153 countries on their progress towards gender parity in four dimensions: Economic Participation and Opportunity; Educational Attainment; Health and Survival; and Political Empowerment, globally, the average (population-weighted) distance completed to parity is at 68.6%, an improvement from its last edition. Progress has been more advanced towards closing the Educational Attainment and Health and Survival gaps – 96.1% and 95.7% respectively to date, both marginally improved since the previous year. The number of women in senior roles within the Economic Participation and Opportunity dimension has also increased marginally, in that, globally, 36% of senior private sector

managers and public sector officials are women (about 2% higher than the figure reported the previous year).

5. Despite the progress, the same report notes that there is still a 31.4% average gender gap across all four indicators that remains to be closed globally. On average, the largest gender disparity remains the Political Empowerment gap. Despite it being the most improved dimension, only 24.7% of the global Political Empowerment gap was closed in 2020. The second-largest gap is observed in the Economic Participation and Opportunity indicator, with 57.8% of this gap closed so far, which represents a slight step backwards since the year before.
6. Further details on the Economic Participation and Opportunity indicator are sobering. For example, women's participation in the labour market is stalling and financial disparities are slightly larger on average. Only 55% of adult women are in the labour market, versus 78% of men, while over 40% of the wage gap (the ratio of the wage of a woman to that of a man in a similar position) and over 50% of the income gap (the ratio of the total wage and non-wage income of women to that of men) are still to be bridged. Further, in many countries, women are significantly disadvantaged in accessing credit, land or financial products, which prevents opportunities for them to start a company or make a living by managing assets.
7. Projecting current trends into the future, the WEF 2020 report suggests that the overall global gender gap will close in 99.5 years, on average, and it turns out that lack of progress in closing the Economic Participation and Opportunity gap prolongs the time needed to close the overall global gender gap to some 257 years.
8. There is more disturbing news. On top of the gender disparities observed in key indicators, or perhaps precisely because of these disparities against women, women also tend to be at the receiving end of a disproportionate amount of the burdens brought about by socio-economic shocks such as those caused by pandemics, wars, conflicts, and climate change, all of which the world has faced recently and continues to face with intensity.
9. The COVID-19 pandemic, for example, led to a contraction of the global economy by 3.2% in 2020, according to the IMF's 2021 World Economic Outlook, with the equivalent of 255 million full-time jobs lost, businesses especially those in the informal sector eliminated, with more than 100 million people pushed into extreme poverty – the first increase in over 20 years, according to the UN's Sustainable Development Goals Report 2021.
10. The economic burden women bore in addition to the burden of childcare during school closures, and caring for sick relatives have taken a toll on many already disadvantaged women. While policy makers around the world pushed trillions of US dollars into the global economy to help alleviate the untold socio-economic hardships caused by the pandemic, very few of these interventions took into account the pre-existing gender disparities that had worsened as a result of the

pandemic. In many cases, therefore, many women are worse off now than they were before the onset of the pandemic.

11. Building a more gender equal world has, therefore, never been as urgent as it is now, for us to build now (and not in 257 years as suggested by the WEF in 2020), a more sustainable and resilient world that will stand the test of time. With the multiple complex challenges the world faces, we are at this moment standing at the crossroads where we either do nothing intentional to eliminate the gender gap and thereby see the already fallout amplified for households, communities, nations and the global economy, or we take the bull by the horns now to do what it takes to make significant progress towards gender equality and achieve more positive outcomes for the whole world.
12. The good news is that the story is not all grim. There are, in my view, more opportunities today than ever before to strive towards more gender equality. Technology and digitization hold great promise especially for the developing world to leapfrog economic, political, and social advancement of women by leveling the playing field in a cost-effective way and help to achieve in particular, SDG5 on "Gender equality and women's empowerment". The digital economy provides immense opportunities for women to advance themselves through online education and skills acquisition, telemedicine, increased trading in goods and services with more digital payment options, telework where it is available, digital savings, credit, insurance, investment and pensions opportunities, all leveraging widely available technology.
13. The World Economic Forum's 2018 report on "Our Shared Digital Future: Building an Inclusive Trustworthy and Sustainable Digital Society" highlights the benefits of the digital economy to promote economic and financial inclusion and supports the view that the digital revolution, known commonly as "the Fourth Industrial Revolution", has the power to reduce inequalities across the world, although doing so depends on empowering everyone – regardless of geography, income, age or gender – and it requires concerted action and greater collaboration across all players. According to the GSMA's State of Mobile Internet Connectivity 2020 report, mobile connectivity continues to accelerate digital inclusion and drive increased connectivity with almost half the world's population now using mobile internet. By the end of 2019, there were 3.8 billion people using mobile internet (an increase of 250 million users since the end of 2018), with three quarters of all mobile internet users living in low- and middle-income countries.
14. In particular, it is widely acknowledged that digital financial services (DFS) have the potential to make a significant difference in bridging the gender gap in access to finance which has remained at nine percent in the developing world since 2011. DFS can help bridge the gap in account ownership, increase women's participation in the financial system and give them the opportunity to save formally or access credit. It can also help their business by lowering costs and giving access to a diversity of financial services. McKinsey estimates that DFS could turn 1.6 billion of the 2 billion unbanked people into formal financial services customers by 2025, thus adding US\$3.7 trillion to the GDP of emerging economies. Indeed, the World Bank's Global Findex database, for the first

time in 2017, reported the significant opportunities for leveraging digital technologies to increase access to and use of digital financial services by the unbanked, particularly women. This is supported by the UNCDF's 2021 call to action to "Reaching Financial Equality for Women" by prioritizing women's digital financial inclusion.

15. The reality however is that while the digital economy helps to overcome some of the barriers women face (lack of access to physical bank branches, mobility constraints, and privacy concerns among others) that prevent them from accessing formal financial services and from full participation in the traditional economy, some barriers remain even in the digital economy. In addition to those, there are also other barriers that are peculiar to the digital economy. This creates the so-called "digital gender divide" that inhibits women's full uptake of DFS.
16. A lack of literacy and digital skills, a general lack of trust in DFS, and a lack of affordability are key barriers to mobile internet adoption and barriers to the effective use of DFS. The GSMA's 2021 Mobile Gender Gap Report suggests that women are 15 percent less likely to own a smartphone than men, down from 20 percent in 2019, with 234 million fewer women than men accessing the mobile internet. The gap differs between regions and appears most pronounced in South Asia and Sub-Saharan Africa. In Sub-Saharan Africa, women are 14% less likely to own a basic mobile phone and 34% less likely to own a smart phone that can connect to mobile Internet, and in Ghana, women are 16 percent less likely than men to have a mobile phone that connects to the internet. Even when access is granted, the digital gender divide persists in usage. Among smartphone owners, women are 18% less likely to use mobile Internet. Female mobile users also feel less able than male users to learn a new activity on a phone by themselves. These factors translate into lower usage of DFS where they exist.
17. Beyond the social cost, excluding women from the digital economy can take a significant economic toll on low and lower-middle income countries. According to Alliance for Affordable Internet (A4AI), over the last decade, these countries have lost a total of US\$1 trillion in gross domestic product (GDP) to the gender gap in internet use. Based on current tax-to-GDP ratios in these countries, this loss represents an estimated US\$24.7 billion in lost tax revenue in 2020 and unless the gap significantly narrows, these countries will likely continue to lose billions more of economic activity (USD) each year if women continue to be excluded from the digital world.
18. Women have been the backbone of Ghana's economy and have from time immemorial contributed significantly to our socio-economic growth and development. According to the World Bank, 44 percent of micro, small, and medium enterprises (MSMEs) in Ghana are female-owned, and this sector accounts for about 92 percent of all businesses and contributes about 70 percent of Ghana's GDP. Ghana's private sector is dominated by women entrepreneurs, second only to Uganda, according to the 2019 MasterCard Index of Women Entrepreneurs. Our women farmers, food processors and vendors, market women, textile manufacturers, fashion designers, and dress makers, hair and beauty stylists, creatives, artists, jewelry makers, contractors, and professionals in

every field of endeavour, and many others have been some of the most unsung heroes of our history. Against all odds, they continue to soldier on and support their families, communities and our economy.

19. In our fast-growing and fast-evolving digital economy, however, we run the real risk of excluding many of these hard-working women and their valuable contributions to our socio-economic development. Opportunities exist for women to harness the benefits of technology and new markets across Africa under the AfCFTA and beyond Africa, thanks to technology and e-commerce platforms among others. These market opportunities offer hope to women to start, sustain, and scale up their businesses and compete around the world. To enhance more participation of women in Ghana in the digital economy, however, there is the urgent need to address supply-side and demand-side barriers by adopting gender-focused interventions to respond swiftly to the opportunities presented by the digital economy.
20. Let me pause here to introduce you to the stories of two remarkable young women I know personally that give me hope. Meet Abiba, a 21-year-old young lady from Bawku who was born and bred in Kumasi. Raised by a single mother who after losing her husband early on, raised and tried to educate all five of her children with the help of her small kenkey-making and supply business. Abiba, the last of her mother's five children is the first to have completed Senior High School. With fewer credits than could get her into university, she decides to find work to make ends meet. After traveling to Accra to find a job as a house help, she ended up taking a six-week coding course for girls, organized by Soronko Academy and sponsored by Rotary International. She acquired critical digital skills such as basic computer literacy, word processing, setting up an email account and sending and receiving emails, website development, social media use, and above all mentoring and coaching from seasoned women in corporate Ghana. Abiba was transformed into a digitally literate young lady, with some exposure to different career options and business opportunities. Abiba went back to Kumasi a few months later and taught her mother basic digital literacy skills that enables her to use mobile money for her kenkey business. She also taught her older sister Fatima, who is a fashion designer, how to use social media to market her designs and clothes globally and how to use mobile money to receive payments. Abiba herself, who continues to work as a house help, has dreams of furthering her digital education and become a website developer one day.
21. Then meet Asantewaa, who before the COVID-19 pandemic was employed by a hotel as a front office cashier. When the hotel closed its doors to guests at the height of the pandemic, she was suddenly out of the job market with no savings to fall back on for herself and her 3-year-old son. After a few months of untold hardship, Asantewaa decided to try her hands at bead making, an old art she had been introduced to as a child by her grandmother, but which she had never been interested in pursuing. After a few trials using money she borrowed from a friend to buy beads and other materials, she ventured out to show a handful of pieces on Instagram. The response was

encouraging, and the rest is history. She has since sold hundreds of unique pieces online with customers from far and near.

22. While Abiba and Asantewaa's success stories are encouraging, there are many for whom the digital economy remains a luxury. They either do not know the benefits it holds or do not know how to leverage it. How can we create more opportunities for the many Abibas and Asantewaa's out there to live their best lives and contribute fully to nation-building? For Abiba it was Soronko Academy and Rotary International and a domestic employer who gave her a chance to break through the digital divide. Soon she had paid it forward by transferring critical digital literacy skills to her mother and older sister. For Asantewaa, it took the pandemic to help her find her creative self, and with the help of a friend accessed a soft loan to start a small business which is now a thriving online business, thanks to her ability to access and use technology.
23. I dream, think, and work every day towards a day right here in Ghana where every waakye or kenkey seller, every market woman, every hairdresser and dressmaker, every caterer, every events planner, and every woman and girl will seize the opportunities that are already available to reinvent themselves and their businesses and to create lasting value for our economy using the power of technology and in particular digital financial services such as mobile money, the GH-QR Code, and other innovations that continue to evolve.
24. A lot has been done already in Ghana to make that possible. The Government's policy measures under the National Financial Inclusion and Development Strategy, the Digital Financial Services Policy, and the Cashlite Agenda, support financial inclusion broadly, and of gender inclusive finance in particular, including through digitalization of women-focused Village Savings Groups.
25. On its part, Bank of Ghana continues to introduce measures within its statutory mandate to promote financial inclusion including through an enabling environment that promotes the availability of and access to and use of DFS for all economic actors. Among other things:
 - Our investments in payments infrastructure through our subsidiary GhIPSS ensures interoperability in the delivery of DFS;
 - We have licensed a considerable number of Fintechs to partner with banks and other regulated financial institutions to encourage innovation in DFS for all segments of our economy including women;
 - Our tailored regulatory requirements such as our eKYC rules allows more women to open mobile money accounts and transact DFS using their mobile wallets, and our support for the use of the Ghana Card for all banking services (including DFS) will go a long way to expand more access to financial products such as loans for women;

- Our financial literacy programmes and our oversight of customer complaints against their financial services providers also help to promote the responsible use of DFS and promoted trust in the use of DFS;
- We continue to enhance our market-oriented mechanisms to support the delivery of credit on a sustainable basis to businesses, including women-owned MSMEs. These include ongoing enhancements to the credit bureau-based reporting system that ensures that banks and other licensed lenders price credit appropriately to take account of borrowers' credit behaviour. As women are generally known to be prudent borrowers, this system should benefit them in terms of the cost of credit facilities. Also, the Bank of Ghana's Collateral Registry registers all collateral (over movable and immovable assets) provided by borrowers to licensed creditors and facilitates the delivery of credit to borrowers (especially women) who might not have access to immovable asset collateral.
- We continue to monitor the extent to which banks are implementing the Sustainable Banking Principles that Bank of Ghana launched in November 2019 which among other things calls for banks to promote gender equity and financial inclusion. By this, we expect banks to promote gender diversity and equity in their human capital management and to have adequate female representation at all levels including building a pipeline of qualified and experienced high-performing female leaders. Likewise, we expect them to not only promote financial inclusion in their product and service delivery but also to ensure that the gender gap in access to finance is closed. There is sufficient evidence that the presence of women in banks' Boards of Directors and key management positions helps to promote access to finance for women.
- We have rolled out sex-disaggregated measurement indicators and collection tools that will be critical for understanding supply and demand side factors affecting gender inclusive finance, and which will help in recalibrating our policy and regulatory interventions as needed.

26. A lot remains to be done, however, to close the gap in access to finance (including digitally) for women as they seek new opportunities to fully participate in the fast-evolving digital economy.

- Firstly, it will take all stakeholders getting on board in a coordinated fashion to address all barriers that perpetrate the gender gap in financial inclusion and economic empowerment for women. Effective collaboration between the public and private sectors, civil society, and development partners is essential, and must be consistent and sustained until satisfactory results are realized. Empowering women should not be a charitable cause that one occasionally looks at to do some good and to check off boxes. It should be at the heart of public policy making and corporate strategies.
- Secondly, financial and digital literacy programmes must be designed specifically for women and girls and consistently rolled out in ways that are easily accessible to help demystify formal financial services in general and digital financial services in particular.
- Thirdly, digital financial services must be more widely available and designed with more women in mind to ensure that their unique needs are met. Too often products and services offered to

women are not designed with sufficient understanding of the diverse needs of women across all the various segments of the women market, be it informal versus formal sector, and micro, small, medium, and large, and across various sectors.

- Fourthly, a lot is required on the side of women too. They must understand various financing options available to them – such as savings or investment options, loans from banks and other licensed financial services providers, insurance to help manage their financial risks, and pensions, among other things – to meet different financial needs at various stages of their businesses. They must also embrace digital financial services to help formalise payments for their goods and services so as to help them build the relevant banking history needed to access critical financing for their businesses. Also, they need to understand what is required for them to access financial services to start and grow their businesses. Good governance, good financial management, compliance with regulatory and technical standards, among others, are all critical to help businesses access digital financial services on a sustainable basis as digital financial services providers are businesses too and need to manage their risks effectively to stay in business.
- Last but not least, policy makers and regulators must be intentional about designing and implementing gender-specific interventions – based on reliable sex-disaggregated data – to design interventions that help remove barriers that women face in accessing DFS, particularly interventions that promote availability, affordability, transparency and fair pricing, and integrity, in the DFS market.

27. In conclusion, I recall the stories of Abiba and Asantewaa. May it not be long after now (and certainly nowhere near 257 years), that generations of girls after them grow up in a Ghana where they do not only dream, but believe, and see, that there are no limits to who or what they could become and achieve for themselves and for the world. We all have the opportunity now to make that happen!

28. I wish us all fruitful deliberations today that lead to tangible progress in breaking the biases and other barriers that hinder women's full participation in the digital economy.

29. Permit me once again to recognize the tireless efforts of the UNCDF, the UN's Better Than Cash Alliance and other partners towards promoting sustainable interventions that prioritise women's socio-economic empowerment. The Bank of Ghana looks forward to continued collaboration going forward.

God bless women, God bless the men who stand with women, and God bless us all.

Thank you for your kind attention.