



Secured Transactions for Financial Inclusion and Women's Economic Security and Citizenship

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Organization of
American States



Inter-American Commission of Women (CIM /OAS)

- Established in 1928 as the 1st intergovernmental body to ensure the recognition of women's HHRR
- First objective - extend the right to vote to women in the Americas
- CIM leadership in the promotion & elaboration of international legal framework and public policies on women's rights and gender equality is reflected in the adoption of:
 - Inter-American conventions on the Nationality of Women (1948)
 - Inter-American Convention on the Granting of Political Rights of Women (1948)
 - Inter-American Convention on the Civil Rights of Women (1948)
 - Inter-American Convention on the Prevention, Punishment and Eradication of Violence Against Women (2000)
- These binding legal frameworks have been essential tools for the recognition of women as subjects of human rights and active agents of the democratic system.
- Based on this legal framework, CIM has influenced public policy to advance the full citizenship of women and the elimination of discrimination and violence against women.



Current Status on the Rights of Women: Progress

There is a strong international and inter-American legal framework for women's human rights and gender equality

- This framework has been ratified by all countries in the region, in particular:
 - *Convention on the Elimination of All Forms of Discrimination against Women (CEDAW, 1979)*
 - *Inter-American Convention on Prevention, Punishment, and Eradication of Violence against Women (Convención of Belém do Pará (1994)* and a series of political commitments

- This framework has been replicated in most countries through:
 - Constitutional amendments – gender equality and parity
 - Laws on different aspects of human rights
 - Public policies for the implementation of this legal framework
 - Sanction mechanisms of discrimination and promotion of rights
 - Public awareness campaigns and training of state agents

33 out of 34 countries guarantee gender equality in their constitutions

33 out of 34 countries have national equality plans

9 countries have comprehensive laws on violence against women

Allocations to address violence range from .01% to 1% of national budgets



Current Situation: Challenges

...However, for many women in the region, the current situation and constitutional guarantees of equality have not yet been translated into a lived reality:

- Persistent gaps in the recognition of rights:
 - Sexual and reproductive rights
 - Rights of workers in the informal economy
 - Rights of LGBTQI

 - Intersection of gender with other aspects of identity– socioeconomic condition, ethnicity, area of residence, immigration status, age, physical capacity, sexual orientation:
 - Barriers to information about their rights - literacy , education, language
 - Barriers in access to justice
 - Prejudice of state agents / public servants

 - Persistent gaps in the implementation of the legal framework and public policies
- Acceso de las mujeres a la justicia
- Women's access to justice
 - Financing policies for gender equality
 - Lack of accountability



Situation of Women's Economic Rights

Persistent Barriers in the Labour Market:

- Overrepresentation of women in the informal sector and in the most precarious and less productive jobs
- The work of women generates less income, security, benefits and opportunities
- The unpaid work of women - domestic and care – is not recognized as a contribution to the economy.
- Women entrepreneurs have less access to financial services and other essential services to grow their businesses
- Women perform 66% of the global workforce and produce 50% of the world's food, but only earn 10% of the income and own 1% of property.^[6]

Women's Labor Force Participation in LAC: 56% Vs men's:71,1%^[1]

Women's Unemployment in LAC: 10,1% Vs Men: 6%^[2]
1.35 times Men's unemployment^[1]

Persistent Salary Gap in LAC approx. 17% [2% - 25,1%]^[2]

Poverty in LAC affects women 20% more than men^[3]

57% of poor women in LAC aged 15-24 do not perceive own income^[2]

Only 10- 30% of rural women in LA own agricultural land^[5]

[1] OIT (2013), Panorama Laboral 2013

[2]: CEPAL (2012) Annual Report 2012. Bonos en la mira.

[3]: Institute of the Americas (2012). "La pobreza asola a mujeres y niños en AL a pesar de las ganancias económicas".

[5]: World Bank. "Informe sobre el Desarrollo Mundial 2012: Igualdad de Género y Desarrollo"

[6]: IFC (2013). Women, Business, and the Law.



Despite the persistent gender gaps and obstacles faced by women, the economies grow with their work. Closing the gap between male and female employment rates could have huge implications for the global economy, per capita income, GDP growth and poverty reduction.

- Parity in paid employment rates, would increase:
 - GDP of the US by as much as 9%, Eurozone GDP by 13% and Japanese GDP by 16%.
 - Per capita income in 15 major economies, including Brazil and Mexico, by 14% in 2020 and 20% by 2030. (1)

- A World Bank study the growth in female income accounted for 30 % of the reduction of extreme poverty in the region. (2)

- Increasing the share of household income controlled by women, either through their own earnings or cash transfers, changes spending creating a **virtuous circle** that fuels economic growth.(3)

Sources: (1) IFC and ONU Women (2014). Hechos y cifras: empoderamiento económico.
(2) World Bank (2012) the Effects of women's economic power in Latin America and the Caribbean
(3) Goldman Sachs (2014). Giving credit where it is due. How closing the credit gap for women-owned SMEs can drive global growth.



Some Figures in Jamaica



- **The informal sector** , a primary employer in Jamaica, engages 38.3% of the labour force in 2012 compared to 39.6% from the formal sector. A majority of informal sector workers were male (60%). This indicator does not include agricultural and domestic workers. (1)
- In Jan 2014, women comprised 45.1% of the labour force, yet are concentrated in the lowest-paying sectors of the economy. (2)
- Although women's employment rate has slightly increased, the **unemployment rate** for women stands at 17.4% and 10.1% for men by Jan.2014. (3). Unemployment youth were mainly females (56.6%) and the largest age group was those aged 20-24 (46.9%). (4)
- **Women and children are the poorest** and most vulnerable sector of the population. Female-headed households are larger and consume 17% less than male-headed households. (5).
- Regardless of social position, women continue to bear the burden of domestic responsibilities, including the nurture and care of children and the elderly. (5)
- In some 45.5% of households, women are solely responsible and face great pressure on all sides(5)

(1) : ILO (2014). Labour Market Transition of Young Women and Men in Jamaica. The Statistical Institute of Jamaica (STATIN).

(2) STATIN, <http://statinja.gov.jm/LabourForce/>and Jamaica Gleaner Spt. 30, 2014 . "Push for greater gender equality" <http://jamaica-gleaner.com/gleaner/20120930/focus/focus6.html>

(3) STATIN . (4) ILO (2014). http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_250104.pdf

(5) Jamaica Gleaner (Idem) and Jamaica Survey of Living Condition 2009



MSMEs are responsible for the majority of employment. It is estimated that in the Americas, MSMEs represent between 90 and 95% of registered companies but contribute, on average, to 40% of the countries' GDP. More than a third of these companies which represents 50 to 70% of the jobs created, are headed by women.⁽¹⁾

- According to an IDB study (2013), while women accounted for 58% of own-account enterprises, their participation in Micro and Small enterprises is much smaller, around 42% and 21%, respectively. ⁽²⁾
- According to an IAHR report (2011), although women in Jamaica make up two-thirds of small businesses (65%), they receive a little less than half of government loans. At micro level, women received 62% but this number decrease as the loan amount grows. ⁽³⁾

Sources:

- (1) OAS (2012). Credit where credit is due: How collateralized lending in the Americas helps MSMEs growth.
- (2) Ministry of Industry, Investment and Commerce of Jamaica (2013). <http://www.miic.gov.jm/PDF%20Files/MSME%20ENTREPRENEURSHIP%20POLCY%2014TH%20DRAFT.pdf>
- (3) CIDH (2011). El trabajo, la educación y los recursos de las mujeres: la ruta hacia la igualdad en la garantía de los derechos económicos, sociales y culturales.



- Women-owned MSMEs face the same challenges as every other MSMEs. However, these challenges are usually amplified, and/or harder to overcome.
- Access to finance is cited by more women-owned SMEs in the developing world, as a major constraint to create or develop their business. In addition to traditional stereotypes, access to finance by women is limited by:
 - Lack of collateral, Weak property rights and laws, Regulations and discriminatory practices, and Barriers related to firm-specific/owner-specific characteristics (e.g. education, training, size of firm, etc). All of them may impact women entrepreneurs disproportionately.
- Around 5.3 to 6.6 million women-owned SMEs in developing economies, which amount to 63 to 69% of women owned SMEs, are estimated to be unserved or underserved by financial institutions. (IFC Enterprise Finance Gap Database 2011).



Legal and Regulatory Barriers:



With respect to legal and regulatory barriers, in many developing countries women do not enjoy the protection of adequate legal frameworks and clear property rights-- basis for business.

- Legal obstacles include inheritance laws that favor sons, property rights that do not protect women's property, divorce laws that assign assets to husbands and formal constraints on the ability of women to open bank accounts and access to credit. (IFC & World Bank, 2013)

- IFC & WB (2013) analyze legal differences based on gender in 143 economies on 7 areas: Access institutions, Using property, Getting a job, Building credit, Providing incentives to work and Going to court.
 - 2 indicators: Using Property and Building credit examine legal and regulatory prerequisites for access and use property as collateral and build credit histories.
 - Almost 90% of the economies covered by IFC report 2014, have at least one legal difference restricting women's economic opportunities.
 - Over the past 50 years, economies of LAC have performed the most in Accessing Institutions and Using Property.
 - 15 economies present no legal differences between women and men in the areas measured, including Canada, Dominican Republic, Mexico and Peru.

fuentes:

- World Bank y IFC (2014). Women, Business and the Law.
- Goldman Sachs (2014). Giving the Credit where it is due.
- ONU Mujeres (2014). Idem.



- How to contribute to tackle the main challenges faced by female entrepreneurs?
- How to articulate and translate the economic growth with the generation of formal and decent employment?

An effective implementation of a secured transaction reform has the potential to contribute with financial inclusion and women's economic empowerment, but also to fight other major problems such as informality and poverty.



Ghana

- New Law (2008) and Regulations (2012)
- Sophisticated electronic registry
- After creating the collateral registry, financial and non financial institutions expanded their loan operations to MSMEs.
- More than 63,000 registrations: SMEs (21%) and Micro (66%) enterprises.
- **More than US \$ 14,000 million in funding was provided to more than 13,000 SMEs and 40,000 Microenterprises (70% women)**
- Movable assets: Inventories and receivable (25%), automobiles (17%), consumer goods (15%), shares (15%); machinery and equipment (9%).

China

- Law Reform (2007). Centralized electronic registry (2008) for receivable accounts and leasing
- In the first 5.5 years \$ 6 billion in loans were disbursed - 60% went to SMEs
- **60% of recipient firms of secured loans by accounts receivable were owned by women. Women had majority ownership in 20% of them.**
- The reform has fostered the development of factoring and leasing industries.

Sources:

-World Bank Group and IFC (2014) Impacto crediticio de las Garantías Miobiliarias, El Salvador y Colombia.
http://www.oas.org/en/sla/dil/docs/secured_transactions_seminar_el_salvador_2014_presentations_Elsa_Rodriguez_1.pdf
<http://www.asomicrofinanzas.com.co/pdfs/memorias/Alejandro%20lvarez%20de%20la%20Campa%20-%20IFC.pdf>

Microenterprise in Ghana Owned by Constance Swaniker



Constance Swaniker (left) - Founder of the microenterprise Accents & Art in Ghana. With her own savings created and designed accessories and home furnishing.

After the creation of the Registry, she was able to obtain a \$ 15,000 loan to purchase machinery that would allow her to improve her productivity and quality. Initially, she hired two workers. Today she is a small entrepreneur who employs 30 people from the local community.

Source:

World Bank Group and IFC (2014). Available at:
<http://www.asomicrofinanzas.com.co/pdfs/memorias/Alejandro%20Ivarez%20de%20la%20Campa%20-%20IFC.pdf>



- Considering the restrictions faced by women to start and grow their businesses, and their potential contribution to the economy and growth, any measure that facilitate their access and control to economic resources in a fair and safe conditions, promotes a solid economic regime, social and political development and poverty reduction.
- In the process of amending the legal framework to encourage the financial system to change its interaction with business and other sectors, it is important that financial institutions understand the importance of women-owned business in their markets.
- The main potential beneficiaries of secured transactions reforms are small business, women-led firms, youth, and entrepreneurs in remote communities – all of whom lack voice and presence in commercial policy making environments. Thus political consensus building must be combined with outreach and educational efforts aimed at those outside the mainstream.

The biggest challenge of the progress of the secured transaction reform is having a real impact on the lives of those facing the greatest difficulties in gaining access to economic resources while experience “de facto” inequalities.



Thanks!

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