A black and white photograph of a woman wearing a headscarf, leaning over and working in a field of tall grasses. The image is the background for the entire page.

Financial Inclusion Through Mobile Technology: Closing the Agricultural Gender Gap in Myanmar

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Target and Why: Myanmar National Government – This developing nation is on the cusp of economic breakthrough by means of agriculture and technology. Partnering with Proximity Design Partners, an in-country rural social enterprise, would lead to national financial prosperity and greater synergies within the agriculture and technology fields, while also addressing gender parity.

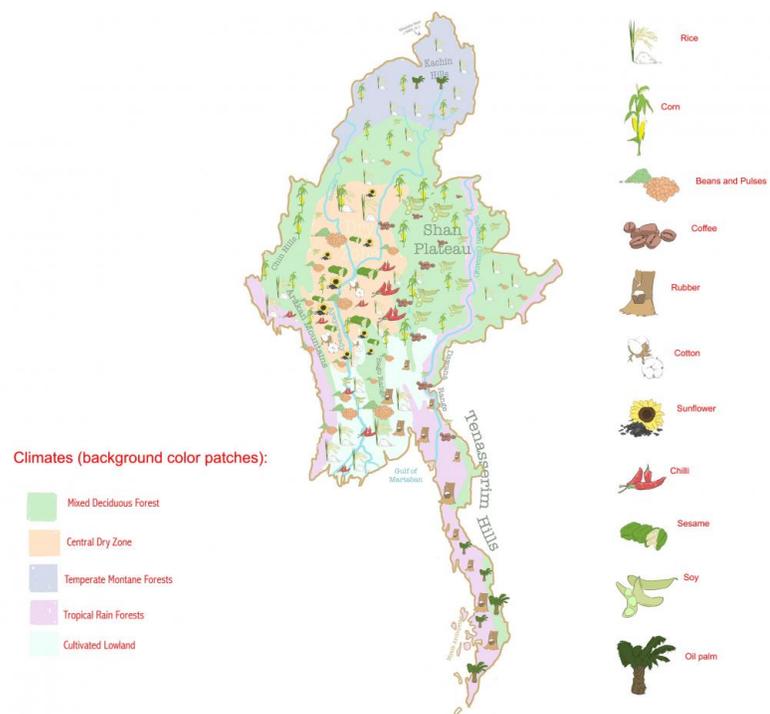
EXECUTIVE SUMMARY

Agriculture feeds the world, and technology connects the world. So why are we struggling to link the two? Approximately 2 billion people lack access to formal financial institutions.¹ This includes access to services like credit, savings, insurance, and money transfers. In developing countries, it's often more difficult to open a bank account due to stricter regulations and institutional requirements. It's even more difficult for women, as they face many more barriers than men to access financial services,² including technological, policy, legal, educational, and cultural barriers. Access to finance acts as the catalyst for access to other productive resources on the way to achieving the SDGs, and mobile technologies have proven successful in facilitating access to finance. Thus, utilizing financial inclusion to empower women through mobile technologies will have positive outcomes for poverty and hunger reduction on a global scale.

CONTEXT

Myanmar, as a nation, has been undergoing a recent transformation at break neck speed; in all matters of change, whether it be economically, politically or socially, it has been at the forefront of current events having elected its first president in what was previously a military state. With this and changing economic international relations, it is important for Myanmar to internally cultivate sustainable economic resources. With the rise of agricultural development, the country anticipates poverty reduction and with it, food security and long-lasting social change. With this emphasis on agriculture to be the

cornerstone of sustainable economic development, it is important for Myanmar to identify women as crucial players in the future growth of the country's agricultural sector as well as its overall economy.³



Myanmar Agriculture 101 - Jared Downing | Frontier

¹ The World Bank Group. (2016, March). 2 Billion: The Number of People Worldwide Without Access to Formal Financial Services. Retrieved November 3, 2018, from <http://www.worldbank.org/en/news/video/2016/03/10/2-billion-number-of-adults-worldwide-without-access-to-formal-financial-services>

² The World Bank Group. (2017). The Global Findex Database 2017: Measuring Financial Inclusion and the Fintech Revolution. Retrieved November 3, 2018 from <https://globalfindex.worldbank.org>

³ Food and Agricultural Organization of the United Nations. (2016, February). Women, the unsung heroes of Myanmar's agricultural economy. Retrieved November 3, 2018, from <http://www.fao.org/myanmar/news/detail-events/en/c/385218/>

AGRICULTURE IN THE DEVELOPMENT CONTEXT

WOMEN IN AGRICULTURE



women comprise

43%

of the agricultural labor force in developing countries

closing this gap can lead to:

increase in productivity - 20–30%

reduction of poverty

national economic growth - 2.5–4%

reducing global hunger levels - 12–17%

Especially in the world's developing nations, agriculture is central to food security, the prevention of hunger, malnutrition, and poverty, and contributes to global economic development.⁴ Despite being a building block to global development, however, agriculture faces one of the largest hurdles in its gender gap.⁵ More often than not, women in agricultural dependent households have limited access to a variety of resources, resulting in fewer outputs than their male counterparts.⁶ Most traditional female contributions in the home are not considered economically active employment but are essential to the well-being of rural households. These obstacles marginalize women from the economic system and perpetuate the economic gender gap. Despite

this, women comprise 43% of the

agricultural labor force in developing countries, on average.⁷ Closing this gap has the potential to lead to an increase in productivity, reduction of poverty and the promotion of national economic growth through increased yields by 20–30%⁶. This could ultimately raise total output in developing countries by 2.5–4%, which could contribute to SDG target 2.1 in reducing global hunger levels by 12–17%.⁸

FINANCIAL ACCESS IN AGRICULTURE

Economic progress of this magnitude is possible through the adoption of gender-oriented social and legal mechanisms that would lead to financial inclusion and access to resources including capital, land ownership, and agricultural technology. With access to these resources and financial tools, women - who are more likely to economically reinvest their resources on a familial level - are instrumental to change.

Whereas increased access to financial resources fosters increased labor productivity, the lack thereof implies minimal support for entrepreneurship, asset accumulation, and wealth

⁴ OECD. (2010, November). Economic Importance of Agriculture for Sustainable Development and Poverty Reduction: Findings from A Case Study in Ghana. Retrieved November 10, 2018, from <http://www.oecd.org/agriculture/agricultural-policies/46341169.pdf>

⁵ FAO. (2002). The Role of Agriculture in the Development of Least-Developed Countries and Their Integration into the World Economy. Retrieved November 10, 2018, from <http://www.fao.org/3/a-v3997e.pdf>

⁶ Varangis, P. (2015, June). Access to Finance for Women in Agricultural Dependent Households. Retrieved November 3, 2018, from <http://pubdocs.worldbank.org/en/239071450386092259/Session-4-Access-to-Finance-for-Women-in-Agriculture-Panos-Varangis.pdf>

⁷ FAO. (2011). Women in Agriculture Closing the Gender Gap for Development. Retrieved October 29, 2018, from <http://www.fao.org/docrep/013/i2050e/i2050e.pdf>

⁸ FAO. (2011). Women in Agriculture Closing the Gender Gap for Development. Retrieved October 29, 2018, from <http://www.fao.org/docrep/013/i2050e/i2050e.pdf>

creation.⁹ For example, agricultural labor productivity is on average 44 percent lower on female-headed plots than on those managed by male heads, and twenty-nine percent of this gap can be explained by differences in credit access.¹⁰



MOBILE TECHNOLOGY AND SOCIAL INCLUSION IN AGRICULTURE

One way of improving access to finance is to leverage the exponential growth of mobile phone use generally and support women's access to mobile phones in particular. Digital technology helps boost financial inclusion, and mobile phones have proven particularly successful. Of the people without access to financial institutions, 1.1 billion have mobile phones.¹¹ Furthermore, the cell phone penetration rate is increasing quickly in developing countries.¹² In Sub-Saharan Africa, for example, GSMA estimates the number of mobile phone subscribers will reach 638 million by 2025, representing a significant 43% increase from 2017.¹³ Although women still constitute the larger share of the 'unconnected' population, implying gendered access to mobile phones, research in Uganda shows women's use of mobile phones is also increasing within farm households, resulting in positive outcomes for productivity and equity.¹⁴

One such example of this is M-PESA, the SMS-based mobile banking system application initiated in Kenya in 2007, which presents a convincing case in bridging the gap between financial services and women. M-PESA has proven to be an important contributor in Kenya on the way to reaching several SDGs. A study on the impacts of M-PESA on poverty and gender reveals that by providing a safe and accessible platform to manage transactions and accounts, it has lifted a significant 2% of the total Kenyan households out of poverty (SDG 1.1 and 1.2) and increased women's financial resilience and savings by facilitating access to banking systems (SDG 8.10 and 5.4, 5.5).¹⁵ Mobile technology

⁹ Fuentes, A. (2018, February). Women's Financial Inclusion: A Pathway to Economic Development. The Wilson Center. Retrieved November 10, 2018, from <https://www.wilsoncenter.org/article/womens-financial-inclusion-pathway-to-sustainable-development>

¹⁰ Palacios-López, A., & López, R. (2015, August). The Gender Gap in Agricultural Productivity: The Role of Market Imperfections. *The Journal of Development Studies*. Retrieved November 3, 2018, from <https://www.tandfonline.com/doi/abs/10.1080/00220388.2015.1028539>

¹¹ Demircuc-Kunt, Asli; Klapper, Leora; Singer Dorothe; Ansar, Saniya; Hess, J. (2017). *Global Findex Database 2017: Measuring Financial Inclusion and Fintech Revolution*. World Bank. <https://doi.org/10.1596/978-1-4648-1259-0>

¹² Pew Research Center. (2015, April). Cell Phones in Africa: Communication Lifeline - Texting Most Common Activity, but Mobile Money Popular in Several Countries. Retrieved November 3, 2018, from <http://www.pewglobal.org/2015/04/15/cell-phones-in-africa-communication-lifeline/>

¹³ GSMA. (2015, February). *Bridging the gender gap: Mobile access and usage in low and middle-income countries*. Retrieved November 3, 2018 from <https://www.gsma.com/mobileforddevelopment/wp-content/uploads/2016/02/Connected-Women-Gender-Gap.pdf>

¹⁴ Sekabira, H., & Qaim, M. (2017, October). Can mobile phones improve gender equality and nutrition? Panel data evidence from farm households in Uganda. *Food Policy*, 73(October), 95–103. Retrieved November 3, 2018, from <https://doi.org/10.1016/j.foodpol.2017.10.004>

¹⁵ Suri, T., & Jack, W. (2016). The long-run poverty and gender impacts of mobile money. *Science*, 354(6317), 1288–1292. Retrieved November 3, 2018, from <https://doi.org/10.1126/science.aah5309>

has also led to the creation of agricultural knowledge sharing - one such digital application is DigiFarm, which offers smallholder farmers access to the latest information in farming technology in the form of tutorials specific to their crop and location, it also provides access to markets and insurance.

In order to achieve SDG targets and close the gender gap, the key is to link technology to agriculture to connect women with greater resources. This can be achieved by leveraging the increase in mobile phone use and scaling up successful mobile financial tools which serve as catalysts for women's access to other productive and agriculture-related resources. Though not a magic wand to quickly resolve gendered access to resources, mobile technologies do facilitate women's exposure to financial services and are critical to improving the global state of poverty and hunger.



PROXIMITY DESIGN – WORK IN MYANMAR

In their current work, Proximity Design (PD) partners with rural communities in Myanmar to decrease poverty by making technologies and capital accessible to these farmers. By meeting unmet needs, PD gives access through various distribution channels to products and services that would allow local farmers to invest in high income yields. As an expert in agricultural access and utilizing technologies, PD serves as a local social enterprise that can partner with the national government to create solutions including gender centered policies, with financial incentive for the national economy of Myanmar. The government can work with PD to incorporate gender-specific practices in order to give women access to new products and resources to not only to increase the Myanmar economy and labor market, but also push for higher ROI and profit on behalf of PD.

Making a business case for encouraging female participation in agriculture in this region can lead to eliminating discrimination against women in access to agricultural resources, education, extension and financial services, and labor markets. By investing in labor-saving and productivity-enhancing technologies and infrastructure to free women's time for more productive activities, in particular financial services can encourage national gender related policy.

Increasing women's access to the economy through legislation, education and policy will allow women to be the solution. Gender inclusion on within a labor force expands talent pools and ultimately, boosts economic productivity. Mitigating gender gaps, particularly in education and labor participation, increases human capital which is directly proportional to technology adoption and innovation.

THE STATE OF WOMEN IN MYANMAR



Rural women in Myanmar share a variety of roles in various sectors of agriculture; this can include animal care, crop cultivation or working in fisheries and forestry. Across the board, women are paid far less than their male counterparts. This is despite the fact that there is fairly high female representation at senior levels at the national Department of Agriculture. More often than not, women lack access to agency and access to decision making or power on a local level. In a study conducted by the Food and Agricultural Organization of the UN (FAO), despite representation at the national level, the numbers at the local level are dismal at best – with very few female administrators with power in reference to local agricultural policy throughout Myanmar's 330 townships, only 0.001% of village administrators are women.³

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If a woman is empowered, her children and her family will be better off. If families prosper, the village prospers, and eventually so does the whole country.

- Christine Lagarde, IMF Managing Director

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With women's contribution to agricultural hidden from the national dialogue, their unique restraints are usually not considered or addressed when creating legislation that would give them access to the same resources as their male counterparts. They often are overlooked for training opportunities because of this. Solutions to this are simply considering aspects such holding such sessions so that they are easily accessible to high population rural communities and occur in conjunction with other familial responsibilities taken into consideration.³

In the same way, access to capital and assets in reference to agricultural business is essential to operations of farms in Myanmar, but this serves as the largest obstacle to access to agribusiness for women; banks and other channels through which traditional lending occurs often require signatories to be the head of the household, which are considered men in most instances. Often times, international NGO's step in and provide microeconomic finance schemes such as small loans to the women of Myanmar in order to jumpstart their businesses. The fact remains that removing barriers to women's access to financial resources is essential on a national level.³

Finally, it is important to note Myanmar, as a country, is susceptible to natural disasters, where more often than not, women are prone to vulnerability in such instances, with less knowledge, access to capital and agricultural assets.³

POLICY RECOMMENDATIONS: WHY SHOULD MYANMAR CLOSE THE GENDER GAP IN AGRICULTURE AND TECHNOLOGY?

Closing the gender gap leads to increasing agricultural productivity, reducing poverty and hunger and promoting economic growth, increased yields female farmers are just as efficient as their male counterparts, but they have less land and use fewer inputs, so they produce less. Most of women’s traditional contributions are also considered not economically active employment but are essential to the well-being of rural households; despite this, women comprise, on average, nearly half of the agricultural labor force in developing countries such as Myanmar. Socially, it is important that mechanisms, legal and policy-related, can lead to access to economic decisions, improved nutritional status, long term food security, increase of agricultural human capital. Studies also show that women, when in possession of additional income, reinvest in familial resources and health leading to intergenerational change. The following are recommendations that Proximity Design has laid out on behalf of the Myanmar national government to address these issues:

1.	National quotas on female administration and employees in the government – particularly in reference to agricultural sectors. There should be an emphasis on local government on the township level.
2.	National legislation stipulating universal access to credit, financial literacy and services; specifically, outlining for lenders and financial institutions of all kinds that there should be access to loans and other business-related services made available without permission or accountability to male familial authorities.
3.	National policy giving access to mobile technologies including but not limited to mobile phones and wi-fi. On a case-to-case basis, there should also be mobile access made clear through national law especially in reference to agricultural development.
4.	The Myanmar government should fund research and development in partnerships with local and international NGO’s that have expertise in this field to create solutions tailor-made to Myanmar’s economic situation. Particularly, crops specific to the various regions, disaster preparedness and other factors unique to Myanmar should be addressed.