



Prerequisites

Broader legal constraints

This barrier refers to specific requirements, policies, or regulations that users have to comply with in order to access or use financial services. Legal constraints often manifest in the form of property/land ownership rights, signature requirements for accessing accounts or credit, general rights and freedoms that allow for full participation in the paid economy, and a lack of social safety nets concerning child care or health.

Why is this barrier important?

Although access to credit is a major driver of demand for financial services, women are more likely than men to lack a credit history, which prevents them from accessing loans and financial products. This is also a pertinent barrier for women-owned MSMEs who are seeking to obtain credit from formal sources to grow their enterprise.

Connected Barriers



Prerequisites

Lack of credit history (for credit products only)
Digital/Foundational ID
KYC requirements



Accessibility

Mobility constraints (e.g., legal curfews, norms)



Social norms

All barriers in this category



Information Availability & Capability

Unclear or difficult process to open an account
Basic literacy and numeracy



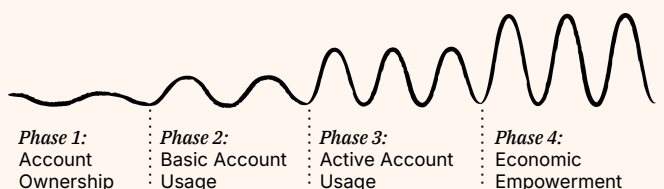
Human Resources

Lack of female agents
Lack of women in leadership at DFS providers and policymakers

Most Relevant Segments

1	2	3	4
Excluded, marginalized	Excluded, high potential	Included, underserved	Included, Not underserved

Customer Journey Relevance





Key evidence relevant to this barrier

- Legal constraints are correlated with financial inclusion. **A 10-point increase** in the Women's Workplace Equality Score (from the *Women, Business, and the Law Report, 2020*) is correlated with **a 1 point decrease** in the gender gap in account ownership in developing economies after controlling for GDP per capita. **This means that in developing economies where women face legal discrimination at work**—in their ability to choose where to live, in how marital properties are administered, or in inheriting property—**women are less likely than men to own an account.**
- According to the World Bank's *Women, Business, and the Law Report (2022)*, billions of women still do not have the same legal rights as men. The global average *Women, Business and the Law Index* score is 76.5 out of 100, indicating that **a typical woman holds three-quarters of the rights of men in the areas measured.** Nearly 2.4 billion women of working age worldwide still are not afforded equal economic opportunities. Only 12 economies (out of 190) score 100 "indicating that women are on equal legal standing with men across all areas."
- The parenthood indicator in *Women, Business, and the Law Report (2022)* demonstrates significant room to improve. About **half of the economies** measured by the index do not practice to the standards identified by this indicator. For example, 118 economies guarantee paid maternity leave of 14 weeks or more. However, in **more than 50%** of economies that provide paid maternity leave, the burden falls on the employer making the hiring of women more costly than hiring men. Only **50 economies** worldwide have paid parental leave (available for either parent), but none are in South Asia or Sub-Saharan Africa.
- **"In some economies, women are unable to open a bank account in the same way as men.** Women are sometimes required to provide permission or documentation that is not required of men. Some laws specify that women can open accounts separate from their husbands only if they meet certain conditions, such as being independently employed." (*GPFI, 2020*).
- The mobility indicator in *Women, Business, and the Law Report (2022)* found that "in **56 economies**, the law treats men and women differently when it comes to freedom of movement. For example, in eight economies, the index states women cannot travel outside the country in the same way as a man, and in 14 economies, a woman cannot leave her home at will. In 34 economies, women cannot choose where to live in the same way as a man."
- The pay indicator in *Women, Business, and the Law Report (2022)* demonstrates room for improvement. "Laws in **123 economies** could be improved to reduce the gender pay gap...**86 economies** impose at least one legal restriction on women's employment." Women cannot work the same night hours as men in 21 economies (including in India, Egypt, Sudan, Tunisia, Montenegro, Sri Lanka, and Azerbaijan). Women "cannot work in industrial jobs compared to men in 69 economies or in jobs deemed "dangerous" in 53 economies." Also stated by this indicator are workplace protections that can facilitate a woman's ability to secure and sustain employment. Only **50%** of all economies mandate equal remuneration for men and women who perform work of equal value.
- The entrepreneurship indicator in *Women, Business, and the Law Report (2022)* documents few reforms since the previous report in 2021. **104 economies** still "lack a legal provision that expressly prohibits gender-based discrimination in access to credit" and financial services.



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Key evidence relevant to this barrier

- In 31 of 189 countries, husbands are considered to be the legal head of households. This reduces women's legal rights to sign documents, get a job, or open a bank account without the permission of their husband or male head of household ([World Bank, 2018](#)).
- [Women and the Law \(2018\)](#), a report from the Council on Foreign Relations, highlights that **424 million** working-age women live in countries with no legal protections against workplace sexual harassment.
- A summary brief published by the World Bank ([ID4D, 2019](#)) states:

"In many countries, gender-based differences in laws and regulations make it more burdensome for a woman than a man to obtain an ID or the foundational documents needed to get one... Gender-based legal differences in nationality laws also limit women's ability to obtain ID for their children and their spouses. Several countries prohibit women from conferring nationality on their children or non-citizen spouses – a right that is almost universal for men. This can perpetuate a cycle of statelessness which has profound consequences, including the lack of civil, political, economic, social and cultural rights."
- Data from the Organization for Economic Co-operation and Development's (OECD) [Gender, Institutions and Development Database \(2019\)](#), and its [Social Institutions and Gender Index \(2019\)](#) show that attitudes towards women—quantified in measures such as incidence of discrimination in the family, restricted physical access to productive and financial resources, and restricted civil liberties—are correlated with the gender gap in account ownership in developing economies overall ([Klapper et al., 2019](#)).
- The [Women, Business, and the Law Report \(2022\)](#) found that 40% of economies (76 of 190) limit women's property rights. 57 economies do not provide for the valuation of "non-monetary contributions to the household such as unpaid care for children which is performed disproportionately by women." According to [Women and the Law \(2018\)](#), a report from the Council on Foreign Relations,

"a woman's income can increase up to **380%** when she has a right to own and inherit property. In Rwanda, women who own land are 12% more likely to take out loans to build businesses. In India, secure land rights yield an 11% increase in women moving from subsistence farming to selling crops from their land."
- In a [World Bank Survey \(2015\)](#), 100 out of 173 countries surveyed restrict women from pursuing the same economic activities as men or directly prohibit women from holding particular jobs.
- Women who have more control over their land tend to have greater self-esteem, respect from other family members, economic opportunities, mobility outside of the home and decision-making power ([Bhatla et al., 2006; Rodgers and Menon, 2012](#)).
- "In 31 economies, a married woman cannot obtain a passport in the same way as a married man." ([World Bank, 2022](#)).



Exemplar

The Hindu Succession Act

“Despite the Constitution mandating gender equality, inheritance in India was traditionally strongly biased against women. The 1956 Hindu Succession Act (HSA) distinguishes individual property from joint ancestral assets which include land. The fact that rights to the latter are limited to a group—the coparcenary—that comprises only males severely limits females’ ability to inherit joint property. To eliminate the gender inequality inherent in this practice, a number of states reformed this

Act by passing substantively similar amendments—referred as Hindu Succession Act Amendments or HSAA—starting from 1987.” A World Bank research team used survey data from three Indian states, one of which amended inheritance legislation in 1994, to assess first- and second-generation effects of inheritance reform using a triple-difference strategy (World Bank, 2014).

Key Activities

In 1994, two states in India reformed the Hindu Succession Act to allow women and men the same ability to inherit joint family property. This reform required that coparceners’ daughters will attain coparcenary rights by birth, thereby making their status equal to that of sons. Though the HSAA was adopted by a select set of states initially, it was adopted at a national level in 2005.

To analyze effects of inheritance reform, the World Bank used “data from a 2011 follow-up to the 2007 Rural Economic and Demographic Survey (REDS) conducted by India’s National Council for Applied Economic Research (NCAER) in Maharashtra, Uttar Pradesh and Orissa. The household survey collected information on three generations – the head and spouse at the time of the survey (generation II), their parents (generation I), and their children (generation III). The total sample comprises 1,209 households with 3,193 generation III descendants.”

Outcomes/results

When examining daughters whose mothers had been affected by HSAA, the team found that they spent 7% more time on study than those in households where mothers had not been affected by the HSAA. This suggests a strong second-generation effect of the reform. These results suggest that “the HSAA empowered mothers beyond the assets transferred to them, thereby—

—helping to increase the amount of education consumed by girls versus boys, in line with recent emphasis on the far-reaching impacts of female empowerment.”

For the 15–18 year old age group, compared to male siblings, “the HSAA is estimated to have led adolescent females to increase the amount of time spent on productive work by more than 30%, mainly by reducing time spent on schooling and household chores.”

Key enabling environment factors for intervention

- The Indian Constitution mandated gender equality.
- Both state governments and national governments took interest in reforming the discriminatory Act.

Potential for scale/replicability

Though the reforms were initially adopted by several states, the entire country adopted the amendments in 2005. “Evidence on long-term effects of inheritance law reform beyond the immediate beneficiaries is relevant for India and beyond. At a global level, understanding of longer-term impacts of such a measure will help appreciate the potential and limitations of inheritance reform, compared to other measures and policies, as a means to promote gender equity.”



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Recommendations from the research

The research team suggests to assess the extent to which the results found in this study carry over to other settings, including in North Indian states. The team also recommends for India more precisely gauge HSAA-induced benefits, which will “affect the social desirability of measures to more actively disseminate this piece of legislation or support and monitor its implementation.”



Additional Exemplars

Women's Business Ownership Act

Savings for Change Program

The impact of financial incentives on female land ownership in Tanzania

Interest Rate Sensitivity Among Village Banking Clients in Mexico

Paving the Way for Women from the Inside Out (TARA Program)

DigiFarm

Farm to Market Alliance (FtMA)

Business Women Connect Program

Rwanda's Land Tenure Regularization Program

Empowering MSMEs: Creating a Better Banking Experience for Women-Led Micro, Small, and Medium Enterprises in Kenya