CHAPTER 5

Gendered Financial Behaviour in Ghana: A Comparative Study with South Africa

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5.1 Introduction

Women's integration into global finance has been gaining much focus in recent efforts towards financial inclusion (defined as the delivery of financial services at affordable costs to disadvantaged groups) debates. As a key enabler for development, financial inclusion is firmly placed on the agenda of most governments as a key policy priority (Arun & Kamath, 2015; Global Findex, 2015). However, globally the gender gap

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in finance, referring to the disproportionate exclusion of women from access to and usage of formal financial services, is seen to be essentially static, with a steady 9 percentage point gap over the period 2011–2014 (Lewis et al., 2016). This points to enhanced efforts to enable women to gain more control over finance for invividual and household welfare. Exploring the role of gender in financial services sheds light on the ambiguities of the neoliberal gender agenda in the development discourse. For example, Calkin (2015) has pointed how women and girls are the public faces of anti-poverty policy, while Chant and Sweetman (2012) critique the instrumental policies of 'smart economics' that 'fix' gender rather than the economy, through investing in women for global growth. Burchi and Vicari (2014) also confirm fostering gender equality through people's capability to participate in household decision-making and on intra-household gender relations.

In Africa, the banking system, which forms the bulk of the financial system, has undergone substantial changes over the past two decades (Asuming et al., 2019). Beck et al. (2015) examine the factors affecting financial inclusion in Africa and find that foreign banks from emerging markets helped improve access to finance in African countries. Zins and Weill (2016) examine some determinants of financial inclusion in 37 African countries, and find that being a man, richer, more educated and older is associated with greater financial inclusion in African countries. Allen et al. (2014) show that innovative financial services helped to overcome infrastructural problems and improved access to finance. Evans (2018) examine the relationship between internet, mobile phones and financial inclusion in Africa from 2000 to 2016 and find that the internet and mobile phones improved the ability of individuals to access basic financial services. However, Chikalipah (2017) found that illiteracy is a major hindrance to financial inclusion in Sub-Saharan Africa. Thus, the

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last decade has witnessed renewed efforts by policymakers and the international development community to expand access to affordable financial services to those excluded from the formal financial sector. However, despite these improvements, the formal financial system in Africa is still not very inclusive (Beck et al., 2015).

This chapter contributes to the literature on financial inclusion by focusing on two sub-Saharan African countries, namely Ghana and South Africa, in relation to how gender is a crucial part of the mutually constitutive process within financial services. The main contributions of this study are mainly threefold. First, we undertake a comparative analysis between Ghana and South Africa using the FinScope Data to determine the extent to which gender differences affect the use of different financial products such as general accounts and services, insurance and investment services. Second, we study gender bias in using higher order financial products by classifying each financial product into four categories based on their level of complexity. Finally, we study the extent to which other observed demand and supply side characteristics influence the use of different financial products.

This chapter is divided into five sections. In section two, we introduce the context of gender equality and financial sector policies in Ghana and South Africa, followed by a detailed review of the literature on gendered aspects of economic and financial behaviour. Section three outlines the data and empirical methodology used in this study, while section four discusses the empirical findings. Finally, section five concludes the chapter.

5.2 Background Literature

5.2.1 The Context of Ghana and South Africa

This chapter focuses on Ghana with a comparative study with South Africa based on converging and diverging economic and financial sectors, and gender equality. At the macroeconomic level, Ghana has exhibited converging trends with South Africa in terms of growth patterns with increasing economic growth and reduction in poverty, and has stark patterns of socio-economic inequality (Annim et al., 2012). Ghana has made strides in reducing poverty to less than 30% of the population and acquiring the lower middle-income status, while South Africa is an upper middle income country but is characterised by multiple forms of inequality (Barbarin & Richter, 2013; UNDP, 2014). Women's unequal

status in Ghana and South Africa is reflected through various socio-economic disparities (Deghaye et al., 2014; Heintz, 2005) and efforts to address gender inequalities in post-apartheid era (Albertyn, 2011). Further, Morsy (2020) finds that women are self-selecting out of the African credit market.

With issues of women's financial and economic security disproportionately represented in the labour and credit markets, the similarities and differences to socio-economic patterns of inequality have implications on financial inclusion particularly for women and form an important background to this study. It also renders significant comparisons within these two countries per se not just for exploring gendered access to resources, but also to locate the nature of these in relation to gender equality and financial inclusion. Compared with other Sub-Saharan countries and Nigeria, Angel-Urdinola and Wodon (2010) find that most household decisions are made by men, who are the de facto household heads. While, women take part more often in decisions on expenditures for food, heath and education, but even in these areas, men more often than not remain the main decision makers. Byrakatar and Fofack (2018) present an Overlapping Generations Model of economic development for gender and growth analysis in a low-income country environment. In addition to the formal sector the model considers informal production, which accounts for an increasingly large share of aggregated output in Sub-Saharan Africa in the absence of barriers to entry. The model also accounts for financial market imperfections and its disproportionately larger adverse effects on women's access to credit. Policy experiments derived from an application of the model to Burkina Faso yield exciting results. In particular, a reduction in the cost of borrowing, increased women's bargaining power and higher public spending on education are growth-enhancing. Empirical evidence from the model shows that these policies are also welfare-enhancing and growth-inclusive. They tend to narrow gender gaps in economic well-being and strengthen women's economic empowerment.

Although Ghana and South Africa exhibit some divergences in terms of regulation and policies in the financial sector, they do present higher levels of financial exclusion as in many developing countries. As part of the financial sector reform that started in 1987, Ghana abolished interest rate caps and credit allocation to priority sectors. Recent legislation on venture capital (2004), insolvency (2006) and credit reporting (2006) shows the desire to create an enabling atmosphere in Ghana. Further, changes in the regulatory framework ensure significant improvements in the legal basis

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for financial intermediation particularly in prudential supervision, capital adequacy, bank risk management, and more on-site supervision. While in South Africa, we have observed intermittent downturns in access and use of financial services, although it enjoys better access to finance than other countries in the region. For instance, the FinMark Trust (2011) reports a 3% drop in the proportion of use of bank services by South Africans, and a decline in the demand-side factors influencing access to financial markets (Kostov et al., 2011). The financial environment in South Africa has also witnessed substantial changes in financial regulations and innovations, and partnerships across all financial institutions (Annim et al., 2012), such as the Mzansi initiative introduced in 2004 to reach the 'unbanked'.

While it is apparent that in both Ghana and South Africa conscious efforts have been instituted to ensure access to financial services, this study examines whether this automatically translates to the use of financial services. For the purposes of this chapter, the types of financial services relate to basic bank accounts and services, insurance services and investment services.

5.2.2 *Gender and Financial Use: Through the Lens of Ambivalence*

By now, there is an exhaustive body of scholarship on women's access to finance, with significant attention on supply side factors related to gendered access to different forms of finance. Much of this debate is located within the entrepreneurship (and gender) literature as to how gender mediates external business finance (Marlow & Swail, 2015) or economic psychological evidence in finance and risk taking (Meier-Pesti & Penz, 2008) and access to micro finance in the global south (Maclean, 2010). The research has primarily focused on attitudes towards financial risk in economics, and the evidence on gender differences is more mixed. Studies have shown that the economic well-being and financial behaviours of men and women differ significantly. Researchers have reported that women invest their financial resources more conservatively and are more risk averse than men (Charness & Geezy, 2012). Women have lower rates of participation in retirement plans as compared with men and hence, are more likely to be living in poverty during retirement.

Eckel and Grossman (2002) survey the economics literature through the economic psychology lens, comparing the data across abstract gambles, contextual experiments and field studies to show that the results from field studies point to how women are more risk averse.

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However, the findings of laboratory experiments are less clear. Feminist perspectives on decision-making power have discussed the differences in economic behaviours within the household, exploring power relations and as critical sites of decision-making and distributional inequality. The vast scholarship on the critique of unitary models of households that operates based on economic rationality points to the asymmetric intra-household bargaining power and allocation of resources based on gender (Folbre, 1986; Katz, 1997; McElroy & Horney, 1981). Evidence on intra-household inequality within the Global South points towards non-material and material foundations of bargaining power (See Doss, 2013). For Sen (1990), determinants such as female labour-force participation and literacy are key, while Agarwal (1997) has highlighted the role of social norms and socially recognised and sanctioned gender roles in bargaining. The intra-household distribution of control over resources and power affect both intra-household decision-making processes, and economic or financial decision-making in other spheres.

Drawing on the existing literature on the determinants of intra-household bargaining and decision-making power, Ashraf (2009) elicit causal effects of spousal observability and communication on financial choices of married individuals in the Philippines. Further, Aterido et al. (2011) use individual-level survey data for nine countries in Sub-Saharan Africa to examine the gender gap in financial services. They find that women's lower use of formal financial services in nine Sub-Saharan Africa countries can be explained by gender differences in education and income levels, formal employment and being the head of household.

As seen from the economics literature, observed gender differences in demand for finance and credit are a consequence of choice, outcome of systemic disadvantage or financial discrimination (van Hulten, 2012). Morsy and Youssef (2017) study the impediments women face, compared with men, when trying to access finance and suggest that women are more likely to be excluded from the formal financial sector in countries where laws and norms discriminate against women. Further, Arnold and Gammage (2019) provide an extensive survey on gender and financial inclusion and deliver insights that enable practitioners to better reach women with digital financial services. Sociological approaches, primarily Bourdieu's (1977, 1984) unique concept of habitus, also helps shed light on social behaviours. Habitus theorises a self that is socially produced and constitutive of social relations, and is a 'socialised subjectivity' (Bourdieu & Wacquant, 1992), where by one's practice is interlocked with

506982_1_En_5_Chapter ☑ TYPESET ☐ DISK ☐ LE ☑ CP Disp.:23/11/2022 01:22AM Pages: 131 Layout: Pal-HusSci-A5

one's habitus, relative capital, and with the field in which one operates. For this chapter, the notion of habitus referred to in *Distinction*, where, 'Being the product of the conditionings associated with a particular class of conditions of existence, [the habitus] unites all those who are the product of similar conditions while distinguishing them from all others....' (Bourdieu, 1984). The concept of gendered habitus and intra-household decision-making helps unravel how practices of early socialisation and social norms affect behaviour and practices in later stages, such as financial decision-making. An emerging body of scholarship points to how global finance is gendered through financial markets, often considered a male-dominated sphere characterised by risk taking, speculation and profits (Assassi, 2009). Thus, this chapter explores more evidence on the practices of financial behaviour and norms of financial structures inflected by a range of gendered and social behaviours in the demand for and use of financial services in Ghana and South Africa.

5.3 Data and Empirical Model

This chapter uses data from the FinScope surveys in Ghana and South Africa in 2010, an initiative of the FinMark Trust (an independent trust funded primarily by UKaid, the United Kingdom's Department for International Development). The survey is nationally representative and conducted in a number of Sub-Saharan African countries, on several issues including financial services and socio-economic characteristics. The survey, drawn from the individual adult population (above 15 and 16 years in Ghana and South Africa, respectively), is based on a multi-stage sampling approach where 3648 respondents were interviewed in Ghana and 3900 in South Africa. Some country-specific issues were incorporated, for example, an important element of the South African financial market is the introduction of Mzansi accounts. Thus, the analysis takes this into account by classifying access to Mzansi account as part of the 'none' category. The content of the FinScope instrument is as follows: (i) Household register; (ii) Financial literacy; (iii) Overall financial perception; (iv) Banking penetration (transaction channels, Mzansi and credit and loans); (v) Insurance products and services (funeral cover and retirement/pension); (vi) Investment/savings; (vii) Lifestyles; (viii) Access to amenities and use of information, communication and technology (ICT); (ix) Sources of money and (x) Personal and household's socio-economic and demographic characteristics (Arun et al., 2016).

For the empirical analysis of this chapter, we first estimate an ordered logit model for the three types of financial products and then use a non-linear version of the Blinder-Oaxaca decomposition technique that decomposes the coefficient ascertained from the ordered logit model into two parts. Three outcome variables (types of financial services used) were constructed based on different financial products: (i) level of use of general accounts and services, (ii) level of use of insurance services and (iii) level of use of investment services. Each of the financial products were further classified into levels of use, namely: pre-account (none) (coded as 1); basic account (coded as 2); intermediate account (coded as 3) and advanced account (coded as 4). The gender of respondents was assigned as 1 for females and 0 for males. We also include variables such as age, income level, education and household size of the respondents and control for regional and provincial effects.

We also include supply side factors that affect the decision to use financial services, and these include: working hours of financial institutions; cost of service provision (interest rate and other transaction costs); return on deposits; staff attitude; travelling distance to financial institutions; time spent in engaging in a financial service; and a sense of intimidation in the banking hall. These variables were captured by counting the number of such constraints faced by each individual. With Ghana, we identified eight such questions and five in South Africa. Table 5.1 presents how the various services were categorised.

The choice of ordered logit is appropriate because the dependent variables are ranked from 1 to 4 in each case, with none or pre-account coded as 1, basic account as 2, intermediate account as 3, and advanced account as 4. We then estimate the odds ratios since the coefficients in themselves mean very little in terms of interpretation. To decompose the coefficient associated with 'gender', based on observed and unobserved characteristics of men and women, we employ the Blinder-Oaxaca decomposition for non-linear regression models (Sinning et al., 2008). This procedure is used instead of the usual Blinder–Oaxaca decomposition because it allows us to decompose the outcome variable of a non-linear dependent variable into a part that is explained by observed characteristics and part attributable to estimated coefficients (Arun et al., 2016).

Given an ordered logit regression model regression model for two groups $g = (m, f)$, because the outcome variable is non-linear the conditional expectation of $E(Y_{ig}|X_{ig})$, may differ from $\overline{X}_g\hat{\beta}_g$ (Sinning et al., 2008). Sinning et al. (2008) obtains a general version of the Blinder

Table 5.1 Classification of type and levels of use of financial service

Types of financial service	*Levels*			
	Pre (None)	*Basic*	*Intermediate*	*Advance*
General accounts and services	Mzansi and loan of a friend	ATM, savings book, post office account, savings and transaction account, employer or microcredit institution	Debit card, current or cheque account, credit card, fixed deposit, mortgage, money for house either from government or employer and personal loan	Money market, vehicle finance or overdraft
Investment	None	Lending to others and benefitting from their profit and being a member of Stokvel/savings club or burial society	Investment in property/house/flat that you rent out, Unit trusts, Investment in cattle/livestock and collectables (antiques/carpets/paintings/art/coins/stamps)	Timeshares, holiday home/investment in a second home, investment in vacant land, farm land, own business, someone else's business, shares on the stock market and off-shore investment
Insurance	None	Funeral policy with a big institution, provident or pension fund and educational policy	Life assurance policy, retirement annuity, endowment/investment policy, homeowner's insurance, medical aid, insurance taken out to maintain credit payments and car insurance	Hospital plan and medical or household content insurance

Blinder-Oaxaca decomposition as:

$$\Delta_m^{NL} = \left[E_{\beta_m}(Y_{iA}|\boldsymbol{X}_{im}) - E_{\beta m}(Y_{if}|\boldsymbol{X}_{if})\right] + \left[E_{\beta m}\left(Y_{if}|\boldsymbol{X}_{if}\right) - E_{\beta f}(Y_{if}|\boldsymbol{X}_{if})\right]$$

where $E_{\beta_g}\left(Y_{ig}\middle|\boldsymbol{X}_{ig}\right)$ is the conditional expectation of Y_{ig} and $E_{\beta_g}(Y_{ih}|\boldsymbol{X}_{ih})$ represents the conditional expectation of Y_{ih} evaluated at the parameter vector β_g. In this set up $g, h = (m, f)$ and $g \neq h$. . The first term on the right hand side displays the differential in the outcome variables (in this case general account and services, insurance and investment services) between m and f as a result of differences in the explanatory variables in $\boldsymbol{X}_{ig}$, and the other term shows the part differential that is due to differences of the coefficient. Given the above general procedure we estimate the ologit version of the techniques as:

$$\frac{1}{N_g}\sum_{1=1}^{N}\Big[\Big\{\Lambda\left(\widehat{\mu_1} - \boldsymbol{X}_{ig}\widehat{\beta_g}\right) - \Lambda\left(-\boldsymbol{X}_{ig}\widehat{\beta_g}\right)\Big\} + 2\Big\{\Lambda\left(\widehat{\mu_2} - \boldsymbol{X}_{ig}\widehat{\beta_g}\right) - \Lambda\left(\widehat{\mu_1} - \boldsymbol{X}_{ig}\widehat{\beta_g}\right)\Big\} + \ldots J\Big\{1 - \Lambda\left(\widehat{\mu_{j-1}} - \boldsymbol{X}_{ig}\widehat{\beta_g}\right)\Big\}\Big]$$

where J is the number of possible outcomes and $\widehat{\mu}, \ldots \mu_{J-1}$ are the estimated threshold values of the ordered logit and a is the cumulative logistic density function.

5.4 Findings and Discussion

The results from the analysis are preceded by a descriptive overview of the use of financial services across the different types and the levels of each type. Figures 5.1, 5.2, 5.3 present the descriptive results based on gender differences between Ghana and South Africa. Figure 5.1 shows that more than half of both men and women in Ghana either do not use a general account or service or use a pre-account. We observed the same pattern for the use of investment products (Fig. 5.2) and insurance services (Fig. 5.3). Further, Tables 5.2 and 5.3 present the variables' distribution across gender, showing significant differences between men and women in Ghana and South Africa.

Figure 5.1 gives the histogram for the use of general accounts and services between Ghana and South Africa. We observe larger gender differences in favour of men in terms of the use of general financial accounts in Ghana as compared to South Africa. Figure 5.2 shows that

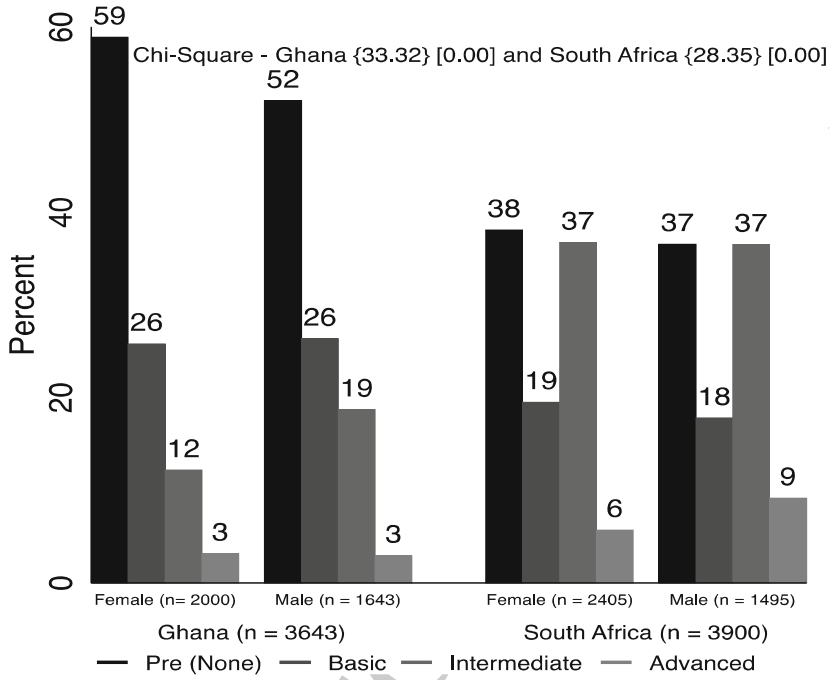

Fig. 5.1 Levels of use of general accounts and services by gender in Ghana and South Africa in 2010

in Ghana every one out of ten people use an investment product, while half of both men and women use an investment product in South Africa. Hence, we observe a significant difference in the proportion of use of basic investment products between Ghana and South Africa. Further, the graphs show that women in both countries use basic investment products, while men in both countries use advanced investment products. Next, Fig. 5.3 presents evidence for the gendered use of insurance services in Ghana and South Africa. The graph shows that insurance service is used by only 5% of the female and 11% of male adult population in Ghana, as compared to half of the adult population in South Africa. Also, Tables 5.2 and 5.3 (chi-square tests) show larger gender differences in favour of men in terms of the use of general financial accounts, investments and insurance in Ghana compared to South Africa (Arun et al., 2016). This shows that women's attitude to financial services is associated with gender

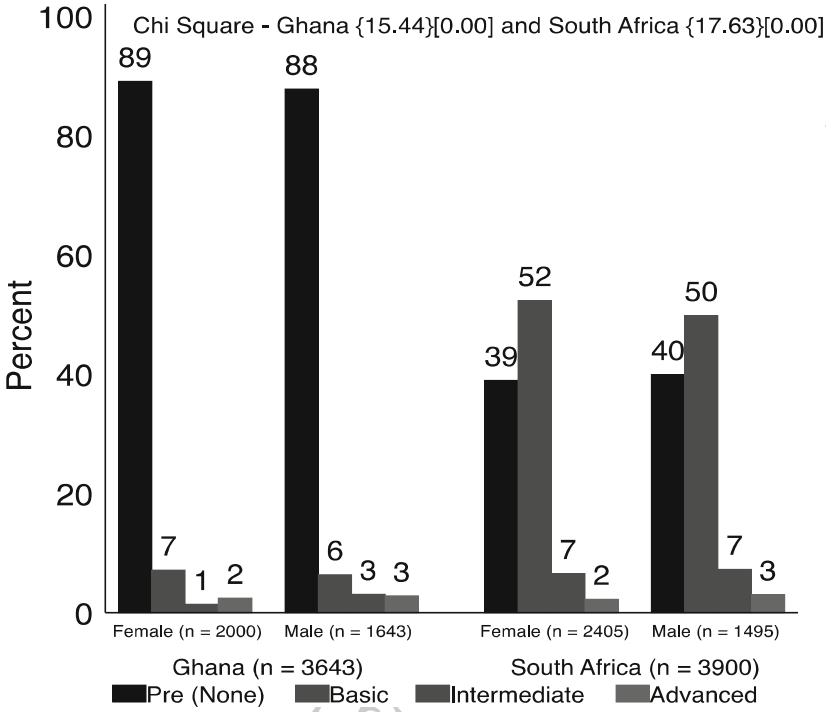

Fig. 5.2 Levels of use of investment products by gender in Ghana and South Africa in 2010

socialisation, which may not be surprising as evidence shows that many forms of financial behaviour are traditionally associated with the masculine sphere (Marlow & Swail, 2014), and financial markets are constructed as a rational masculinized and professional activity (Assassi, 2009; Doyle & Paludi, 1991).

Tables 5.4 and 5.5 present the ordered logit results for each of the three financial services in Ghana and South Africa. The two tables show that gender significantly influences the use of general accounts and services and insurance in both Ghana and South Africa (Arun et al., 2016). However, the estimated results fail to find evidence of differences in the use of investment services across gender in either country. Comparing the results in Tables 5.4 and 5.5, we find consistent results

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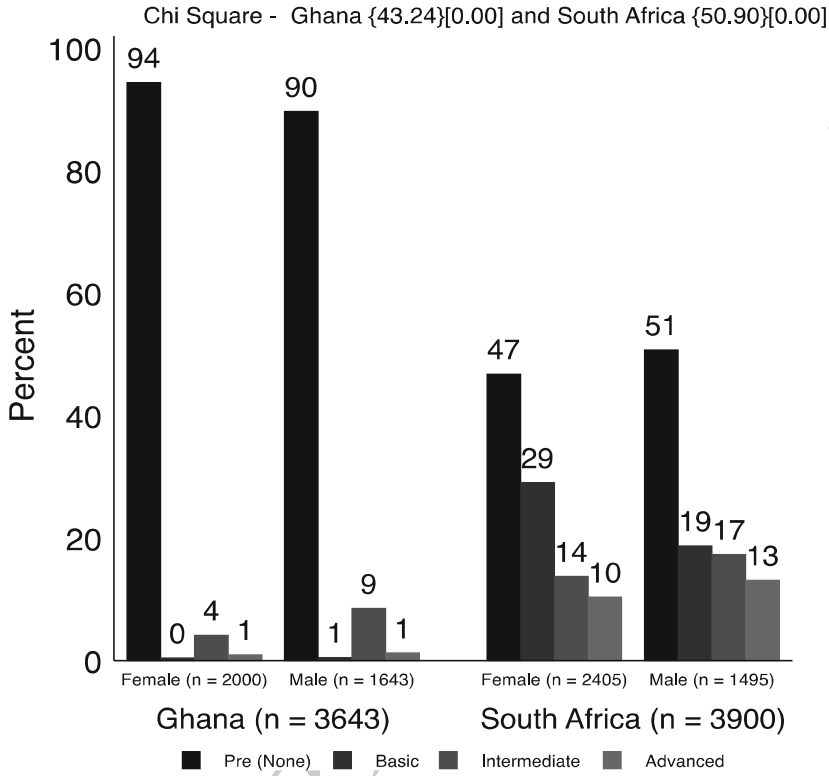

Fig. 5.3 Levels of use of insurance products by gender in Ghana and South Africa in 2010

for *females* in line with our a priori expectations. According to the results, women in Ghana are 28% less likely to use higher level general account and services, and 43% less likely to use higher level insurance services. However, results in Table 5.5 show that women in South Africa are 26% more likely to use general account and 54% more likely to use insurance services than their male counterparts. Thus, the results show that women in Ghana are yet to be integrated within the financial systems as compared to the women in South Africa. This shows heterogeneity among women, reflecting a range of gendered financial behaviours, from different geographical contexts.

Table 5.2 Summary statistics of variables-Ghana model

	Male	*Female*
	45%	**55%**
INVESTMENT		
Pre	1211	1506
Basic	86	117
Intermediate	46	26
Advanced	42	38
Pearson chi2(3) = 12.9558 Pr = 0.005		
INSURANCE		
Pre	1228	1603
Basic	7	7
Intermediate	137	65
Advanced	13	12
Pearson chi2(3) = 46.1337 Pr = 0.000		
GENERAL ACCOUNT AND SERVICES		
Pre	732	1001
Basic	336	446
Intermediate	275	195
Advanced	42	45
Pearson chi2(3) = 41.6622 Pr = 0.000		
MARITAL STATUS		
Not married	608	777
Married	777	910
Pearson chi2(1) = 1.4322 Pr = 0.231		
LEVEL OF EDUCATION		
Pre school	303	451
Basic school	665	923
Secondary sch	265	239
Post-secondary	52	26
University	100	48
Pearson chi2(4) = 70.2355 Pr = 0.000		
INCOME LEVEL		
No income	179	303
Below GHC600 per month	1143	1356
GHC601-1200 per month	45	23
GHC1201-1800 per month	11	4
Over 1801	7	1
Pearson chi2(4) = 35.5948 Pr = 0.000		
Total	1385	1687

Table 5.3 Summary statistics of variables-South Africa model

	Male	*Female*
	36%	**63%**
INVESTMENT		
Pre	550	906
Basic	234	590
Intermediate	181	278
Advance	170	214
Pearson chi2(3) = 36.0995 Pr = 0.000		
INSURANCE		
Pre	497	845
Basic	529	999
Intermediate	72	111
Advance	37	33
Pearson chi2(3) = 11.2012 Pr = 0.011		
GENERAL ACCOUNT AND SERVICES		
Pre	386	703
Basic	217	399
Intermediate	422	759
Advance	110	127
Total	1135	1988
Pearson chi2(3) = 11.2903 Pr = 0.010		
MARITAL STATUS		
Not married	703	1237
Married	432	751
Total	1135	1988
Pearson chi2(1) = 0.0249 Pr = 0.875		
INCOME LEVEL		
No income	190	360
Below average	203	318
Average	70	347
Above average	347	621
High income	325	342
Total	1135	1988
Pearson chi2(4) = 115.5599 Pr = 0.000		
LEVEL OF EDUCATION		
Primary Sch	165	375
Secondary sch	403	745
Technical sch	40	27

(continued)

Table 5.3 (continued)

	Male	*Female*
Matriculation and some univer	527	841
Pearson chi2(3) = 27.1918 Pr = 0.000		
Total	1135	1988

Next, we observe that *age* is a significant determinant of the use of all the products in Ghana. It is significant only in explaining the use of insurance services in South Africa. These findings are consistent with earlier works by Annim et al. (2012) and Barslund and Tarp (2008). We find that *education* is also highly significant in explaining the levels of use of financial services in both Ghana and South Africa. These results show that educated people are more likely to use higher levels of these financial services.[1]

Further, rural–urban spatial divides also influence the nature of financial behaviour. A dummy variable (*urban*) was introduced to capture this spatial divide. The results show that residing in an urban area proves to increase the chance of using higher levels of all the financial services, including general account and investment services in Ghana and South Africa. Regional inequalities are also found, where the Western Cape is used as the reference province. In Ghana, compared to the Upper West region, inhabitants of the *Central, Greater Accra, Eastern, Ashanti and Brong Ahafo* regions are more likely to use general accounting services. To examine the effect of being married on the use of these financial services, a *marriage dummy* was introduced in the model, which is positive and significant in some of the models. This shows that social and caring responsibilities and perceptions of ensuing risks result in increased usage of financial services among women, particularly in taking up insurance products, and in line with our observations on social risks and gendered financial behaviour.

[1] Some studies do provide contrary evidence that professional female investors are inclined to be more risk-averse than male fund managers (Bliss & Potter, 2002; Olsen & Cox, 2001), pointing to the gendered nature of risk aversion even with higher levels of human and educational qualifications. However, while gender differences appear to influence perceptions of risk and recommendations to clients, it is important to note that these differences are the most significant for assets and portfolios at risk extremes.

Table 5.4 Ordered logit estimation of usage of various financial services in Ghana

	(1)		*(2)*		*(3)*	
	General account and service		*Insurance*		*Investment*	
	Coef	*% Δ*	*Coef*	*% Δ*	*Coef*	*% Δ*
Female	−0.325***	−27.74	−0.560***	−42.90	−0.0181	−1.790
	(−4.16)		(−3.64)		(−0.15)	
Age	0.0270***	2.734	0.0341***	3.473	0.0169***	1.705
	(10.27)		(7.10)		(4.18)	
HH. Size	0.0248	2.510	0.00113	0.113	−0.0414	−4.054
	(1.07)		(0.03)		(−1.12)	
Urban	0.782***	118.7	0.845***	132.7	0.644***	90.50
	(8.85)		(4.62)		(4.72)	
No. Of reasons	−0.506***	−39.70	−0.259	−22.84	−0.0897	−8.581
	(−6.01)		(−1.65)		(−0.83)	
Married	0.320***		0.208		0.288*	33.4
	(4.02)		(1.32)		(2.31)	
Education (Base = No education)						
Basic sch	0.923***	151.6	0.643*	90.19	0.594**	81.16
	(7.54)		(2.35)		(3.04)	
Secondary sch	1.687***	440.4	1.369***	293.0	0.891***	143.7
	(11.61)		(4.62)		(3.94)	
Post sec	2.609***	1258.8	2.452***	1061.2	1.531***	362.1
	(10.98)		(6.90)		(4.89)	
University	2.959***	1828.7	2.712***	1406.2	2.583***	1224.1
Income (Base = No income)						
Below 600	1.016***	176.1	1.178***	224.8	0.865***	137.6
	(8.27)		(3.82)		(3.95)	
Betw. 601 and 1200	1.286***	261.8	1.519**	356.8	1.311***	270.8
	(4.65)		(3.25)		(3.38)	
Betw. 1201 and 1800	1.400*	305.6	−0.430	−34.9	0.720	105.4
	(2.53)		(−0.28)		(0.94)	
Over 1801	1.132	210.2	0.0902	9.4	0.727	106.9
	(1.67)		(0.09)		(0.76)	
Region (Base = Greater Accra)						
Western	−0.110	−10.45	−0.681*	−49.38	0.0176	1.776

(continued)

Table 5.4 (continued)

	(1)		(2)		(3)	
	General account and service		*Insurance*		*Investment*	
	Coef	% Δ	*Coef*	% Δ	*Coef*	% Δ
	(−0.72)		(−2.26)		(0.07)	
Central	0.352*	42.17	−0.870*	−58.10	0.00187	0.187
	(2.18)		(−2.46)		(0.01)	
Volta	−0.239	−21.27	0.0696	7.213	−0.0603	−5.848
	(−1.38)		(0.24)		(−0.20)	
Eastern	0.493***	63.72	−0.373	−31.11	0.246	27.84
	(3.35)		(−1.31)		(0.99)	
Ashanti	0.424***	52.74	−0.204	−18.49	0.984***	167.4
	(3.53)		(−0.97)		(5.46)	
Brong Ahafo	0.152	16.47	−1.389**	−75.06	−0.538	−41.61
	(0.89)		(−2.81)		(−1.47)	
Northern	−0.976***	−62.30	−0.709*	−50.81	0.548*	72.97
	(−4.90)		(−1.98)		(2.02)	
Upper East	−0.352	−29.69	−0.205	−18.57	0.823*	127.8
	(−1.46)		(−0.46)		(2.42)	
Upper West	−0.650	−47.79	−0.150	−13.96	0.586	79.77
	(−1.95)		(−0.26)		(1.30)	
cut1						
Constant	3.443***		5.841***		4.851***	
cut2						
Constant	5.095***		5.922***		5.925***	
cut3						
Constant	7.393***		8.304***		6.626***	
N	3072		3072		3072	

Statistical significance is denoted at (*)10%, (**)5% , and (***)1%

In terms of *income*, we observe that individuals with higher income levels compared with those with no income consistently show a positive and significant effect on the various financial services across all models in both countries. We interpret the finding of a positive and significant effect of income on the use of financial services because of the potential bi-causal relationship. This may also mean that increasing women's income may impact on the use of higher levels of financial services, which is also an important finding emerging from our study.

Table 5.5 Ordered logit estimation of usage of various financial services in South Africa

	(1)		*(2)*		*(3)*	
	General account and services		*Insurance*		*Investment*	
	Coef	*%Δ*	*Coef*	*%Δ*	*Coef*	*%Δ*
Female	0.23*	25.80	0.43***	54.36	0.02	1.72
	(2.15)		(4.12)		(0.16)	
Age	0.00	0.237	0.03***	3.461	0.00	0.17
	(0.56)		(7.91)		(0.41)	
HH. size	−0.01	−0.737	−0.02	−1.914	0.01	0.56
	(−0.31)		(−0.75)		(0.26)	
Urban	0.405**	49.99	−0.15	−14.16	−0.21	−18.79
	(3.10)		(−1.18)		(−1.66)	
No. of reason	0.01	0.726	−0.195	−17.71	−0.06	−5.90
	(0.06)		(−1.81)		(−0.59)	
Married	0.66***	94.30	0.64***	89.70	0.06	5.70
	(5.94)		(5.80)		(0.49)	
Education						
High sch	0.85***	132.90	0.51**	66.51	0.05	5.10
	(4.98)		(3.11)		(0.31)	
Technical sch	2.13***	741.70	1.35***	286.70	−0.37	−30.98
	(5.79)		(3.30)		(−0.96)	
Matriculation/Univ	1.55***	372.70	1.11***	202.10	−0.15	−14.01
	(8.76)		(5.83)		(−0.85)	
Income (No income)						
Below Average	0.63**	87.23	0.40*	49.44	−0.23	−20.79
	(3.20)		(2.07)		(−1.44)	
Average Inc	1.36***	289.20	0.77***	116.0	0.05	5.540
	(6.64)		(3.87)		(0.33)	
Above Av. Inc	1.79***	501.40	1.57***	381.60	0.16	17.41
	(9.41)		(8.46)		(1.02)	
High inc	3.80***	4352.40	4.20***	6566.20	0.44*	55.94
	(14.89)		(17.65)		(2.18)	
Province						
Eastern Cape	−0.34	−28.89	−0.34	−28.46	−0.01	−0.831
	(−1.93)		(−1.72)		(−0.04)	
Northern Cape	−0.38	−31.67	−0.34	−28.51	−1.50***	−77.60
	(−1.86)		(−1.56)		(−6.00)	

(continued)

Table 5.5 (continued)

	(1)		(2)		(3)	
	General account and services		*Insurance*		*Investment*	
	Coef	*%Δ*	*Coef*	*%Δ*	*Coef*	*%Δ*
Free State	−0.36	−30.45	−0.33	−27.87	0.39*	48.19
	(−1.89)		(−1.47)		(2.26)	
KwaZulu-Natal	−0.18	−16.55	−0.44*	−35.87	0.16	17.31
	(−1.01)		(−2.28)		(0.86)	
North West	0.03	2.926	−0.67**	−48.63	−0.58*	−43.89
	(0.12)		(−2.62)		(−2.52)	
Gauteng	−0.19	−17.31	−0.25	−22.24	0.18	20.10
	(−1.02)		(−1.34)		(1.03)	
Mpumlanaga	0.14	14.51	−0.78**	−54.09	0.22	24.27
	(0.60)		(−3.10)		(1.05)	
Limpopo	−0.28	−24.62	−0.87***	−58.19	−0.32	−27.25
	(−1.34)		(−3.71)		(−1.38)	
cut1						
Constant	2.37***		2.97***		−0.42	
cut2						
Constant	3.50***		5.06***		2.54***	
cut3						
Constant	7.17***		6.92***		4.00***	
N	**3123**		**3123**		**3123**	

Statistical significance is denoted at (*)10%, (**)5% , and (***)1%

Finally, in line with the second aim of decomposing the coefficient of gender to identify the relative contributions by economic characteristics and behavioural differences, we employed the non-linear version of the Blinder-Oaxaca decomposition technique (Sinning et al., 2008) in Tables A5.1, A5.2, A5.3, A5.4, A5.5 and A5.6 for Ghana and South Africa. The results show that over 70% of the female coefficient in the general account and unobserved characteristics explain insurance models of gender. With investment services, about 47% of the gender differences are explained by unobserved characteristics. This implies that the variation across gender in terms of financial use is explained by factors other than what has been included in the model. Thus, gendered norms, including habitus that generate risk taking, aggressive masculine traits sustains and reproduces practices in the financial services sector while feminine traits

that foster social relations through caring, altruistic and emotional investments are less privileged. The findings suggest that gender is key to financial behaviour, as financial fields value and reward actions that invest in high risk financial services compared to investment in basic financial and insurance services.

We argue that it is important to situate gendered behaviour patterns through a deconstruction of the nature of risk vis-à-vis understanding social and gendered relations both within the household and beyond and differences in geographical contexts. Recent scholarship on the economic crises point to how 'coordinates of the debates' have 'externalized and objectified the economy as a separate domain from society' (Dinerstein et al., 2014). Thus, non-financial approaches for tackling gender differences are required to tackle gender biases in policy approaches. This moves away from a biological basis for observed differences in financial risk taking and deconstructs observed gender differences within the wider framework of social relations which situates women's decision to prioritise investments and the use of financial services that cover social risks than mere participation in higher economic returns.

5.5 Conclusions

The observations on gender gaps in financial behaviour in developing contexts motivate this chapter. Debates on feminisation of finance refer to the challenges in the existing social relations of finance, income gaps and the growing commodification of women's capacities through increasing economic opportunities for women. The question of the 'sub-altern' financial subject, mainly women and racial minorities, is gaining more prominence, and made more stark through the effects of the global financial crises, thus inviting a deconstruction of financial behaviour.

To understand more, we have used FinScope data to examine gender differentials in their access to and use of a range of financial products between Ghana and South Africa. Our findings on financial behaviour between men and women in Ghana and South Africa show that gender is central to the field of financial services. Firstly, the main observation is that women in Ghana are less likely to use general financial and investment products, as compared to South Africa. Secondly, there is some level of gendered risk taking behaviour as men in both countries use advanced investment products, and to some extent the lower use of formal financial services by women can be explained by gender gaps in social dimensions

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such as lower levels of income, education, regional variation, race and age. This indicate that efforts to bridge the gender income gap need to be addressed to promote use of financial service by all groups of women. Furthermore, the study offers a platform for future research in addressing the issue of endogeneity due to the bi-causal relationship between income and the use of financial services and on the contribution of the individual variables to the observed differences in the coefficient of gender.

Surveying the literature on gendered access to different types of formal finance, this chapter contributes to investigating the presence of gender differentials in using higher order financial services which supports the findings that men use advanced investment products. Financial fields also value and reward behaviour that invest in high risk financial services, further precipitating gendered use of financial services in Ghana. Theories of intra-household economic behaviour point to the inequalities in bargaining power and decision-making where actors operate on altruistic behaviour rather than guided by motives of self-interest or economic rationality. This difference is observed not only in the household, but beyond in the market, community and the state (See Agarwal, 1997). Yet, while previous research points to how gender plays a key role in economic and financial risk aversion behaviours, this chapter shows how financial behaviour can also be transformed through stimuli of social change such as income or education.

In particular, this study pays close attention to how women and men deploy risk while choosing financial services, thus the embodied behaviours derived from the internalisation of the social structure (Bourdieu, 1977, 1984) may change across agents from different social groups and different social outcomes through processes of social change such as education, age and race. As Marlow and Swail (2014) point out 'an association between gender, women and risk avoidance informs a valorization process that axiomatically presumes women are overly cautious and disadvantageous' pointing to women as a 'limited' actor in the wider economic and financial field. Thus, in a policy context, current global discourses on financial inclusion should reflect concerns raised by gender discourses about biases in policies and practices that affect women's meaningful take up and use of financial services. This includes non-financial approaches that deconstruct complex social relations and tackle the gendered material inequalities, primarily income, that determines financial behaviours in developing regions.

Although the sample used in this chapter is large, one limitation of this study can be that we may not generalise the empirical findings to other segments of the population that were excluded from this study due to lack of data. Thus, the results presented in this chapter provide a starting point for conducting future research into how social divisions such as race, ethnicity and class intersect with gendered economic behaviour in developing economies.

5.6 Appendices

See Tables A5.1, A5.2, A5.3, A5.4, A5.5 and A5.6.

Table A5.1 Decomposition of general account and services model—Ghana

	Coef	*Percentage*	*Std. Err*	*Z*
Explained	−0.06	32.36	0.02	−3.14
Unexplained	−0.12	67.64	0.04	−2.87
Total	−0.18	100.00	0.04	−4.65

Note Bootstrap standard errors; 100 repetitions

Table A5.2 Decomposition of insurance model—Ghana

	Coef	*Percentage*	*Std. Err*	*Z*
Explained	−0.12	23.25	0.03	−4.35
Unexplained	0.11	76.75	0.06	1.70
Total	−0.24	100.00	0.09	−2.67

Note Bootstrap standard errors; 100 repetitions

Table A5.3 Decomposition of investment model—Ghana

	Coef	*Percentage*	*Std. Err*	*Z*
Explained	−0.06	53.42	0.02	−2.43
Unexplained	−0.19	46.58	0.09	−2.09
Total	−0.24	100.00	0.09	−2.67

Note Bootstrap standard errors; 100 repetitions

Table A5.4 Decomposition of general account and services—South Africa

	Coef	*Percentage*	*Std. Err*	*Z*
Explained	−0.11	3451.13	0.03	−3.96
Unexplained	0.11	−3351.13	0.06	1.75
Total	0.00	100.00	0.07	−0.05

Note Bootstrap standard errors; 100 repetitions

Table A5.5 Decomposition of insurance model—South Africa

	Coef	*Percentage*	*Std. Err*	*Z*
Explained	−0.11	1086.52	0.02	−5.00
Unexplained	0.10	−986.52	0.06	1.68
Total	−0.01	100.00	0.07	−0.15

Note Bootstrap standard errors; 100 repetitions

Table A5.6 Decomposition of investment model—South Africa

	Coef	*Percentage*	*Std. Err*	*Z*
Explained	−0.01	10.91	0.02	−0.63
Unexplained	−0.12	89.09	0.15	−0.78
Total	−0.13	1.00	0.15	−0.90

Note Bootstrap standard errors; 100 repetitions

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