Property Rights and Financial Access

*Tak (2025) – **Discussion***

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Overview

RQ: How do property rights affect women's financial inclusion and subsequent human capital investment?

Strategy

- Exploit 1870 Married Women's Property Act in England as natural experiment
- Hand-collected trustee savings bank data + census microdata 1861-1881
- DiD comparing districts by ex-ante married women share, before/after 1870
- IV approach using local elites to instrument bank presence

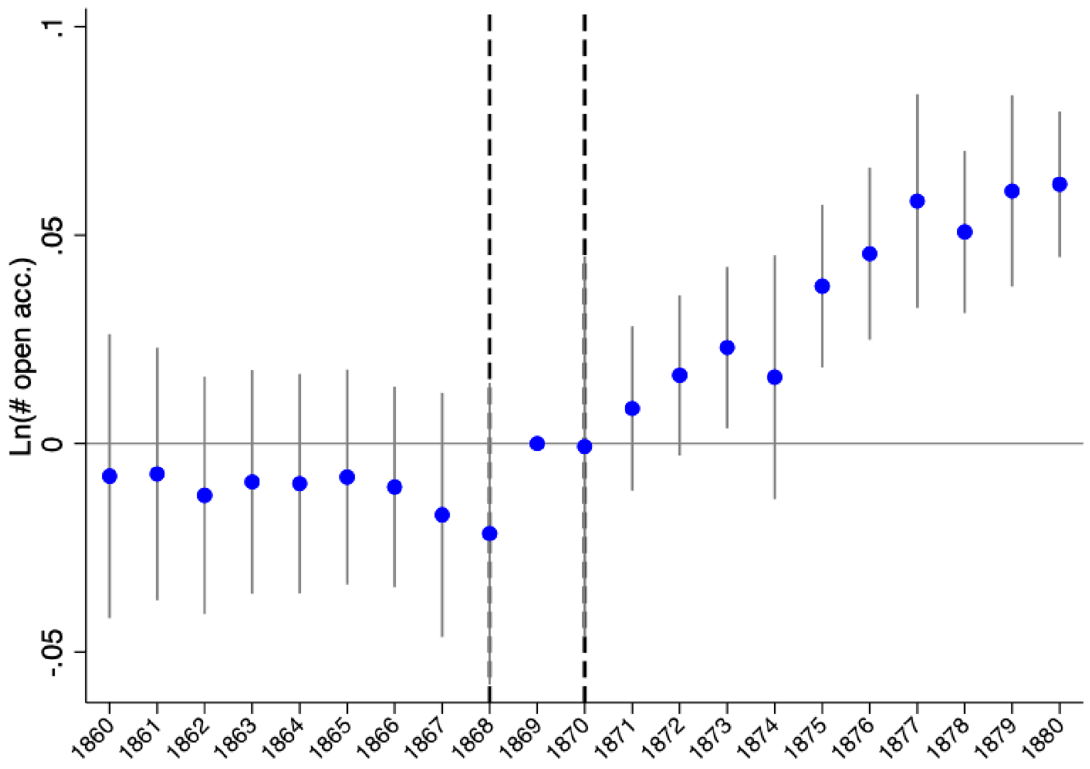
Main empirical results

- 13% increase in bank accounts, 17% increase in deposit receipts in high married women areas
- **Strong complementarity**: Areas with banks see 13pp increase in female employment
- Modest nationwide effects on female education/employment post-reform

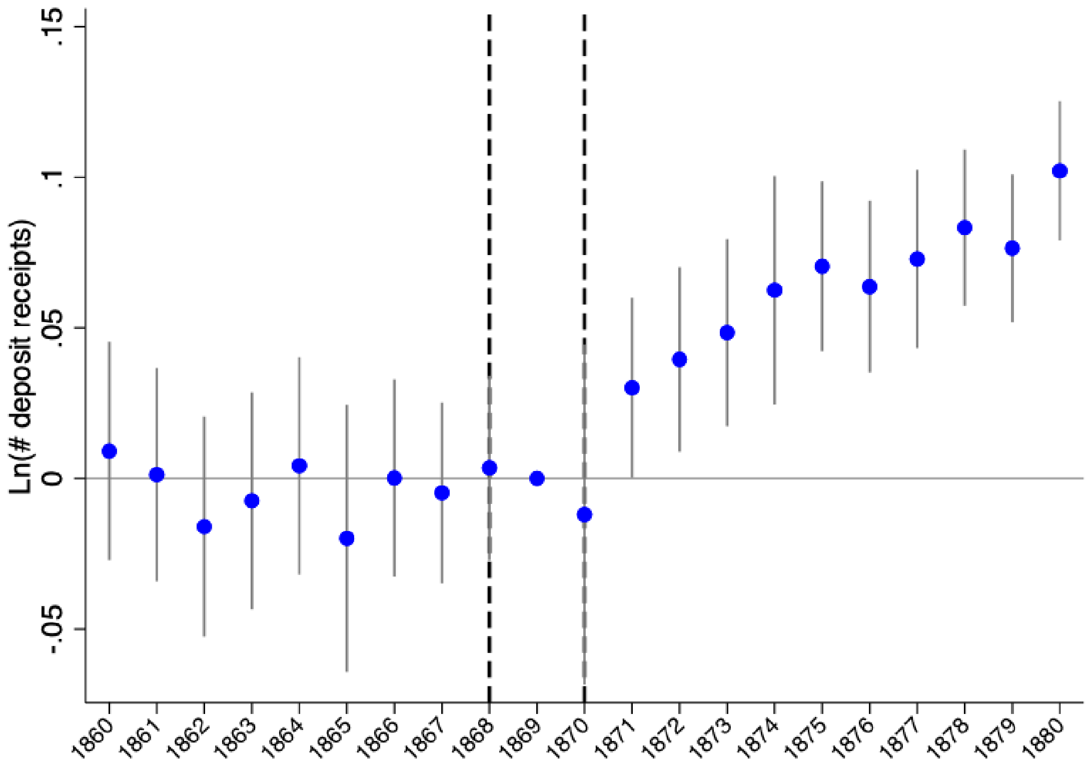
Overall: impressive data collection and novel historical perspective on important question. Very cool!

Overview

Clean identification



(a) Ln(Number of open accounts)



(b) Ln(Number of deposit receipts)

Figure 2 from the paper

- Perfect parallel trends 1860-1869, sharp break at reform
- No anticipation effects (tested against 1868 parliamentary introduction)
- Monotonic treatment effects across married women share quartiles

#1. Theoretical framework

What model of intra-household decision making?

- No formal model to interpret mechanisms or predict heterogeneity
- **Lundberg & Pollak (1993) separate spheres bargaining** may provide foundation:
  - → Property rights increase women's threat points in household bargaining
  - → Effects conditional on banking access + social divorce costs
  - → Predicts complementarity between legal and financial institutions
- Framework could guide heterogeneity tests by husband wealth, local divorce norms

#1. Theoretical framework

Competing mechanisms

Puzzle: Strong banking adoption vs. modest real outcomes

- **Tables 2-3**: 13-17% increase in accounts/deposits
- **Tables 5-6**: Only 1pp employment gain, negative correlations

Two competing explanations (examples):

1. **Bargaining power**: Women gain individual financial autonomy → expect real outcomes
2. **Household specialization**: Women become financial managers for family resources → banking without empowerment

Empirical distinction: If possible, test heterogeneity by husband characteristics, account usage patterns, account sizes

#2: Identification strategy

Can 1861 married women share proxy for unobserved characteristics?

- **Example**: Post-1870 infrastructure development (railways, telegraph) might systematically favor certain districts with specific demographics/social norms/etc.
- Could create differential outside options for women unrelated to property rights
- **Potential reassuring tests**:
  - → Does treatment intensity predict subsequent infrastructure investment?
  - → Placebo tests on non-financial outcomes
  - → Longer pre-trends window (of course difficult data-wise)

#3: External validity

What can we learn to improve women's financial inclusion today?

- **Fit with developing countries literature**: Paper already cites Ashraf et al., Dupas & Robinson, Schaner on financial inclusion
  - → Your historical evidence provides crucial long-run perspective missing from RCTs
  - → Shows property rights + financial access complementarity operates across contexts/time
- **Policy relevance**: Findings directly inform current development interventions
  - → Many developing countries still expanding women's property rights
  - → Historical evidence shows these reforms need financial infrastructure to work

Potential (biased) good alternative application for this (or new) paper:

- Compare to Portugal's **1977** women's property rights reform!
  - → census data 1960-1981 exists (see Bohnet et al. 2025 EER), - generalizability across legal systems (PT/FR/DE/IT very different from UK) and historical period

Smaller questions/comments

- Fig. 1: map of England and Wales but your sample is only England. Change so map is only England, otherwise it looks like there's a specific region missing from the data, which could raise flags
- Any idea what is the % of the population that is banked? Could this be specific to richer households? Could matter
- For heterogeneity in wealth, you could try to collect the surnames from the depositor records! Like Clark and Cummins (2014), Barone and Mocetti (2016), to infer social class/wealth level

Thank you

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