DIGITAL FINANCIAL SERVICES RESEARCH GROUP

RESEARCH BRIEF

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Mobile Money and Gender

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Introduction

Globally, a gender gap exists in terms of financial inclusion. With regard to digital financial services this gender gap is magnified in several ways due to disparate access to technologies and mobile money services, as well as through gendered cultural and economic patterns. In general, the gender gap in terms of access to technologies and mobile money services is more extensive in rural areas, where women are more constrained than their urban counterparts (Warnecke 2017). Likewise, the gender gap with regard to financial inclusion is magnified in low-literate populations. Major constraints exist to women's adoption and use of digital financial services including ability to obtain an account; transportation and distance to agents; cost of technologies and of transactions; social, cultural, and economic barriers; concerns about security, harassment, and fraud; and education and technical literacy. Finding ways to overcome this gender gap through targeted, innovative technologies and education related to mobile money could lead to increased financial inclusion of women as well as the alleviation of poverty through providing opportunities for entrepreneurship, savings, and financial independence.

Women tend to stay closer to the home. They often have limitations on the time and distance they are willing or able to invest in order to reach mobile money agents or formal financial institutions. The adoption of mobile money services could mitigate some of these concerns. Strategically locating mobile money agents within a close distance to the target population and perhaps training female mobile money agents could further facilitate the uptake of mobile money technologies, especially in cultures where public and private spaces are gendered.

In many places barriers exist for women to open bank accounts. These barriers can take the form of minimum balance requirements and verification of identity and income. Financial institutions and mobile money services could potentially benefit from women's saving and spending patterns if they facilitated women's ability to obtain and maintain an account. When women save money, they tend to do so in smaller more frequent increments. Their savings are more "sticky," which means that they are likely to grow their savings over time. They focus on the home and family with alternate sources of income (e.g., sale of agricultural products). Mobile money services could overcome these barriers through programs that take into account saving, earning, and spending habits of women.

Access to technologies as well as knowledge of use present challenges to women's uptake of mobile money services. In most cases, women do not have consistent access to mobile phones. Apart from culturally specific stigmas about women's use of technology, women may not be able to purchase their own mobile device, sim cards, handset, etc. They may have access to phones that belong to family members, friends, or neighbors, and, in some cases, may pay to use an agent's phone to conduct a transaction. Understanding the limitations of access to technology may help implement more secure systems for women who are conducting financial transactions. Context specific research is needed to assess whether secret or transparent use of mobile money is more desirable to women. This may depend on specific cultural or regional influences and a combination of both secret and transparent systems may be necessary.

The learnability of mobile money applications may pose challenges and these challenges may be inconsistent depending on the context as well in terms of literacy, comfort with new technology, and age of user (Ibtasam, et al. 2017). While these challenges are not specific to women, there may be significant differences in preference of how to learn a new technology as well as the functionality and appearance of the user interface.

When interfacing with technological resources, women expect a certain level of user support, respect, and trust. Related to mobile money, they prefer to work with financial institutions rather than telecoms (Women's World Banking). Identifying the types of support for use and customer service may be essential to the trial, adoption, and ongoing use of mobile money applications. In certain contexts it may be appropriate to establish customer support services that employ female customer support agents. Likewise, acknowledging that gendered security, harassment, and fraud concerns are realities for many women and that these concerns must be preemptively addressed during the design and implementation process to successfully deliver digital financial services.

Kenya as a Case Study

In 2007, mobile money was introduced in Kenya, and today, the majority of Kenyan households have adopted its use. According to Kenya's 2015 Financial Inclusion Insights (FII) survey, 68% of women and 75% of men had a mobile money account. The mobile money system M-PESA has proven to lift people out of poverty, and this impact is more pronounced in households headed by women (Suri and Jack 2016). The adoption of and use of mobile money in Kenya is considered a success story (Kendall, et al. 2011). It may act as a model to develop mobile money both in terms of the types of transactions but also in terms of the geographic scope in other regions of the world. Although patrilineal social relationships were prominent since the early twentieth century, certain East African societies in the past were organized around women-centered kin networks. Women may act as key nodes within social networks with strong connections to other nodes. They are able to draw upon family ties to broker resources across sibling groups. Men's participation is equal to that of women within mobile money networks, but brothers and mother's brothers often play a more prominent role than fathers as senders and receivers in mobile money transactions. Kusimba Yang, and Chawla (2016) caution that although there is strength in the matrilineal networks in Kenya, this should not be assumed to automatically equate to empowerment or financial decision making on the part of women. Women face challenges within polygynous marriages, managing the household and care of dependents, and accessing and using technologies. Some of these challenges are exacerbated in rural areas where agriculture is the primary means of subsistence. Success in alleviating poverty through mobile money has often come in the form of women (especially those who are head-of-households) disbanding agricultural practices and shifting to retail based business models (Suri and Jack 2016).

Pakistan as a Case Study

The gender gap for financial inclusion in Pakistan is lower than the worldwide average. While some women in Pakistan are employed in various sectors, they remain excluded disproportionately from formal financial institutions compared to men (Safavian and Haq 2013). Only 6% of women having a bank account at a financial institution as compared to 11% of men (Financial Inclusion Insights FII Survey 2015). Although the State Bank of Pakistan (SBP) has taken specific measures to promote financial inclusion, these measures have not focused on ways to bring more women into the system (West and Lahren 2016). The way in which credit is assessed for families does not take into account the earnings made by women in these domestic pursuits. According to Pakistan's 2015 FII Survey, only 0.3% of women had access to digital financial services (men fared slightly better at 2.1%). Women's ability to participate in formal financial banking is limited by access to accounts and the prevalence of men in public spaces in Pakistan as well as the social stigmas for women to act as customers without the oversight of a male relative. According to the CGAP report, "Pakistan's Gender Gap in Financial Inclusion," the major obstacles to overcome for the implementation of digital financial services for women in Pakistan include phone ownership and access to female agents (Khan 2016). In order to overcome the obstacle of phone ownership, a cultural campaign sanctioned by prominent religious leaders could have a major impact in transforming public opinion. Identifying female-dominated spaces such as beauty parlors, seamstress shops, or retailers emphasizing women's products could make ideal locations to establish female mobile money agents. The development of women-only markets as proposed by the Aga Khan Development Network's research brief could also offer a prime location for the establishment of female mobile money agents (2014). Addressing concerns about privacy and security as well as identifying factors to promote technological literacy would complement these other measures. The introduction of digital financial services that take access and use by women into account could fill the financial gender gap, as well as promote financial independence of women. This, in turn, could promote overall economic stability in Pakistan.

Conclusion

Introduction and uptake of digital financial services and, specifically, mobile money could lead to increased financial inclusion of women. Context-specific case studies may reveal regional and cultural challenges that are inconsistent and may help devise context-specific solutions. Additional research on learnability will help better design mobile money technologies that are targeted to women. Qualitative research that emphasizes discerning women's specific needs and concerns will also facilitate deployment of mobile money technologies and ultimately bridge the gender gap in financial inclusion.

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