



# EMPOWERING FEMALE AGENTS **BRIDGING THE GENDER GAP IN BANGLADESH'S FINANCIAL SECTOR**

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The Global Gender Gap Report 2022 showed that Bangladesh had closed approximately 69% of its gender gap. The country has made remarkable progress to advance gender equality and women's empowerment. Factors that contributed to women's empowerment in Bangladesh include 20% female representation in the national parliament, improved access to healthcare, and notable educational progress girls made up more than half of the secondary school student enrolment. Additionally, a history of female leadership in the country has propelled Bangladesh to the seventh position worldwide in terms of women's political empowerment.

However, despite these developments, financial inclusion remains a significant hurdle to economic empowerment. A few barriers still prevent Bangladeshi women's access to financial services, which may hinder their equal participation in the economy and achievement of economic empowerment. Bangladesh's overall gender gap ranking has increased from 71st to 59th in the World Economic Forum's Global Gender Gap Index 2023 report, but its **'economic participation and opportunity'** ranking remains among the lowest in the world. This emphasizes the urgency to make specific efforts in financial inclusion.

Women's access to mobile financial services (MFS) and agent banking is a key strategy to advance financial inclusion in Bangladesh. These channels empower women to save money securely, access credit, and manage their finances independently. Moreover, these channels propel the nation's economic growth as they unlock the potential of the population's underutilized segment. Enhanced opportunities for financial independence and the availability of essential financial tools can be crucial to improve women's financial health.

MSC researched women's leadership and how equal participation enhances economic autonomy with an emphasis on gender-sensitive governance in financial systems. The research emphasized gender-sensitive governance in financial systems. This approach fosters women's financial independence. It also aligns with efforts to develop gender-sensitive products and advocate for inclusive policy frameworks. These initiatives contribute significantly to national economic growth as they unlock the potential of the population's often-underutilized segment. Eventually, it is not just a matter of financial inclusion but a step toward more equitable and prosperous communities where women play an active and vital role in the economy.

An effective way to foster women's financial inclusion is through women's engagement as agents in MFS and agent banking sectors. Female agents are a crucial catalyst to increase financial inclusion for several compelling reasons. They bridge the gender gap as they serve as relatable and trusted financial service providers, especially in regions with deeply entrenched gender norms. This can encourage other women who may hesitate to engage with male agents when they access financial services. Female agents often have a profound knowledge of their communities' financial needs, which allows them to offer tailored services that meet these requirements effectively. They can also help female customers overcome logistical barriers as they provide accessible, female-friendly service points. These logistic barriers include limited mobility and cultural restrictions.

Moreover, female customers trust a female agent when they share their financial goals as they do not have to worry about information disclosure to their own family members and relatives. The economic empowerment of female agents has a multiplier effect. It benefits them individually and contributes to the financial stability and growth of their families and communities. The government must address the barriers these female agents encounter to harness their full potentials. It must provide them with the necessary trainings and support and create an enabling environment that encourages their participation in the financial sector.



## THE a2i INTERVENTION through the Sathi Network

The Bangladesh government has recognized the gender differences in economic outcomes and launched 'Sathi' with Aspire to Innovate's (a2i) support. This initiative seeks to address this pressing issue and advance women's financial inclusion. The Sathi network is a pioneering women-led agent network to accelerate financial inclusion among rural and underprivileged women.

The Sathi network was introduced in 2022 and has rapidly become a source of inspiration for Bangladeshi women who seek to overcome financial inclusion barriers. The network has 300 female members and is dedicated to increase financial literacy among women, promote women's entrepreneurship, and provide easier access to various financial services.



## BARRIERS WOMEN FACE when They Become MFS and Agent Banking Agents

Women face notable challenges when they become MFS agents. These barriers can be classified into two primary categories - operational and entry-level barriers.

### OPERATIONAL CHALLENGES

Operational challenges for female agents in the digital financial sector encompass social norms, privacy concerns, and liquidity management, necessitating a multifaceted approach for empowerment and efficiency.



**Social Norms and Family Support:** Female agents often grapple with societal perceptions that see them primarily as homemakers. Family support and social recognition as capable service providers-especially in communities that prefer female agents-can help overcome this challenge.

**Privacy Concerns:** Female agents face privacy issues due to the disclosure of contact information, which can lead to harassment. Strict privacy measures must be implemented to safeguard their well-being.



**Effective Liquidity Management:** This is a common challenge for all agents. Women may need specific strategies, such as family support, financial institutions' trust, and practical problem-solving skills to manage cash flow efficiently.

## ENTRY-LEVEL BARRIERS

Entry-level barriers for female MFS and agent banking agents primarily involve accessing initial capital and gender-sensitive training, reflecting the broader challenges of gender inequality and societal norms.



**Access to Initial Capital:** A significant barrier is the lack of necessary working capital to start as an MFS agent. In a patriarchal society, women often require approval from male family members to secure the initial capital.

**Training Accessibility:** Female agents may feel uncomfortable to attend training sessions with male agents. This issue can be solved through alternative training methods, such as on-the-job training or gender-specific training groups, to create a more comfortable learning environment.



Moreover, the Helix Institute of Digital Finance's report highlights that the under-representation of women in agent networks across South Asia results from the intricate interplay of cultural norms and socio-economic constraints. Additionally, the absence of necessary identification documents and limited access to formal banking services, especially in rural areas, further hampers women from becoming registered agents. The gender gap in mobile phone ownership compounds these issues, which significantly impacts women's participation in agent networks. Bangladesh shows a gender disparity in mobile phone ownership. 84% of men own a mobile phone compared to 65% of women, which translated to a 23% gender gap-one of the highest among countries.



# KEY COMPONENTS of the Sathi network

The Sathi network seeks to establish a dedicated women-led agent network countrywide. It intends to ensure convenient access to financial services for marginalized women at the last mile. The Sathi network incorporates several key components to achieve its goals:



**Women's Entrepreneurship:** The Sathi network fosters women's entrepreneurship. It equips them with skills to play essential roles as community financial service providers, particularly for women.

**Financial Literacy:** Network members receive extensive training to empower them as community educators and agents. This enables them to make informed financial decisions for their businesses and families.



**Access to Financial Services:** The Sathi network allows financially disadvantaged women to open and manage bank accounts through collaborations with financial service providers. This gives them greater control over their finances and assets.

**Digital and Financial Literacy Campaigns:** The network actively engages in campaigns to educate underserved women about financial services and advance digital and financial literacy. This empowers women to make wise financial decisions.



**Autonomy and Empowerment:** Women who receive financial literacy training through the Sathi network gain greater autonomy to manage their assets and make financial decisions. This leads to stress-free financial transactions and economic independence.

**Scale-up of Impact:** The Sathi network continues to expand its reach through yard meetings and financial and digital literacy projects. These projects have benefited more than 100,000 marginalized women with potentials for further growth.



**Strategic Investment:** a2i recognizes women's financial inclusion as a strategic investment and acknowledges numerous advantages. These advantages include economic growth, poverty reduction, entrepreneurship, job creation, and social well-being, which ultimately contribute to a more inclusive and affluent Bangladesh.

Bangladesh's journey toward gender equality and women's empowerment is indeed inspiring. As part of the a2i initiative, the Sathi network exemplifies the nation's commitment to empower women. Bangladesh has paved the way for women to achieve economic independence and contribute significantly to the nation's prosperity. It fosters women's entrepreneurship, enhances financial literacy, and provides access to financial services.

This holistic approach, which achieving policy initiatives and grassroots efforts, is a testament to Bangladesh's dedication to achieving a more inclusive and equitable future. As the Sathi network continues to grow and positively impact women's lives countrywide, it serves as a beacon of hope for progress.

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