



Embarkment on Stimulation of

**Women's Financial
Inclusion in Bangladesh**



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Embarkment on Stimulation of WOMEN'S FINANCIAL INCLUSION IN BANGLADESH

Pivotal Drawbacks in the Route to Financial Inclusion of Women

The aggregate gender gap score of Bangladesh in the World Economic Forum's Global Gender Gap Index 2023 report has moved up from 71st to 59th, but its placement for "economic participation and opportunity" subindex is still among the least favorable (139th out of 146th) in the globe, which highlights the vitality to take particular action towards financial inclusion.

The Exhilarating Ambit of Women's Empowerment

Bangladesh, having an inspirational trajectory towards women's empowerment, has set a precedent for women to become economically independent and make substantial contributions to the prosperity of the country. It enables the opportunity for financial services, advances financial literacy, and encourages women to start their businesses. Arguably, the foremost significant approach to promoting financial inclusion in Bangladesh is to offer women access to agent banking and mobile financial services (MFS). Through these channels, women are empowered to acquire credit, save money safely, and handle their finances on an individual basis. Additionally, these channels serve the national economy to thrive by maximizing the potential of the unused portion of the population. To boost women's financial health, more possibilities for financial independence and access to necessary financial instruments are required.

Sustainable Intervention Put Forward

In this context, Aspire to Innovate (a2i) promulgated a women-led agent network 'Sathi', as a prime manifestation of the country's dedication to women's empowerment, in order to enhance the way that women interconnect with financial services and the digital ecosystem in Bangladesh. This network has since assisted in strengthening the expertise of female agents, arranging financial and digital literacy campaigns, incentivizing female agents, motivating rural women to access financial services collectively, and collaborating with mobile financial service providers. Moreover, a2i adopted upgrading the digital and financial abilities of marginalized/rural women in order to raise the standard of financial and digital literacy among women. In this sense, creating pro-poor infrastructure to combat women's exclusion helps close the gender gap in financial inclusion. In addition, a2i is oriented towards improving the digital and financial literacy of rural and underprivileged women in order to raise the threshold of financial literacy among women. The all-encompassing strategy, blending grassroots and policy operations, demonstrates Bangladesh's commitment to securing a future that is more inclusive and egalitarian. The Sathi network is a ray of hope for progression as it expands and improves the lives of women throughout the nation.

¹World Economic Forum, 'The Global Gender Gap Index 2023'

<<https://www.statista.com/statistics/244387/the-global-gender-gap-index/>> accessed 12 May 2024

²U.S. Agency for International Development, 'Gender Equality and Women's Empowerment'

<<https://www.usaid.gov/bangladesh/gender-equality-and-womens-empowerment>> accessed 12 May 2024; Md Mominur Rahman, Md Jahid Hasan, Bishawjit Chandra Deb, Muhammad Shajib Rahman, Anower Sadath Kabir, 'The effect of social media entrepreneurship on sustainable development: Evidence from online clothing shops in Bangladesh' (2023) 9(9) Heliyon <[https://www.cell.com/heliyon/pdf/S2405-8440\(23\)06605-7.pdf](https://www.cell.com/heliyon/pdf/S2405-8440(23)06605-7.pdf)> accessed 13 May 2024

⁴Abhishek Raha Roy Pranta, 'Bkash Bangladesh: an innovative start for mobile financial services and its impact on long term poverty' (2021)

https://dspace.bracu.ac.bd/xmlui/bitstream/handle/10361/15962/17104186_BBA.pdf?sequence=1&isAllowed=y> accessed 13 May 2024

⁵ibid

⁶ibid

⁷Annamaria Lusardi, 'Financial literacy: an essential tool for informed consumer choice?' (2008) (w14084)

National Bureau of Economic Research

<https://www.nber.org/system/files/working_papers/w14084/w14084.pdf> accessed 13 May 2024

Set 'Sathi', A Women-led Agent Network in Motion

Women agents acting underneath 'Sathi' network have been implementing multiple initiatives for marginalized or underbanked women. Such initiatives encompass awareness-raising collective conversations, training in entrepreneurial growth, and extending financial services to rural and underserved women's front yards to guarantee last-mile financial access. As agents of the 'Sathi' Network, 424 women entrepreneurs have been aboard to date. Their roles are to frequently facilitate access to digital and financial services and boost the consciousness of underprivileged women about the multiplication of using financial products.

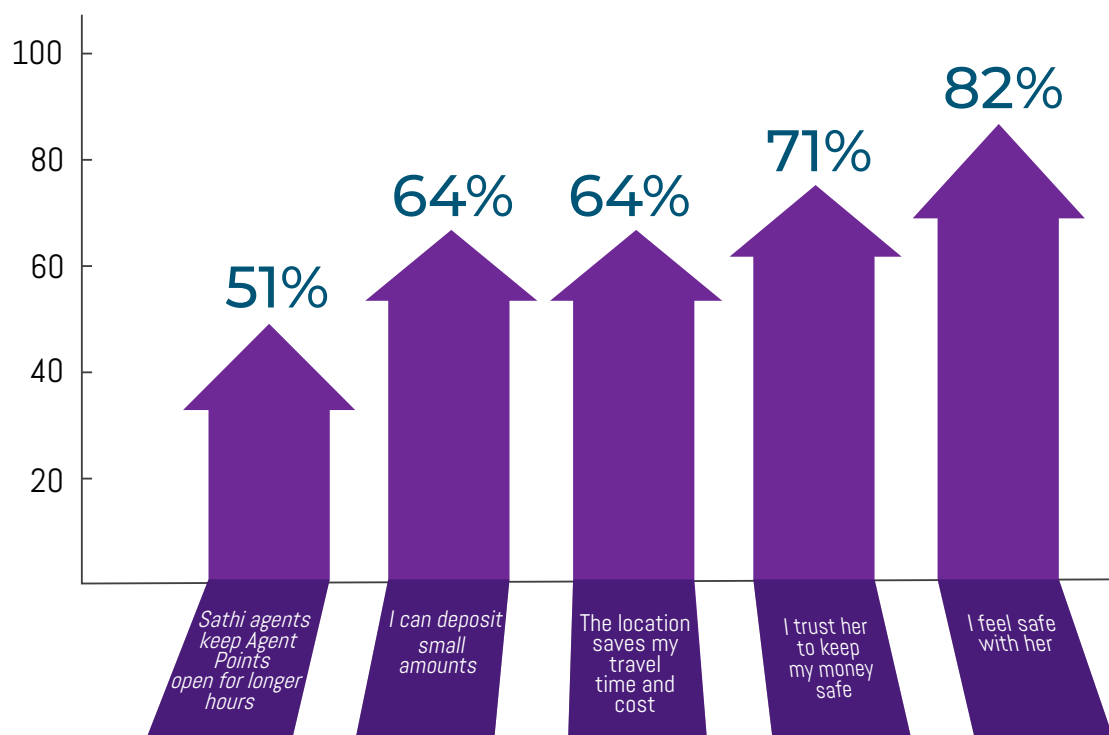


Figure 1: Reason for Choosing Sathi Agents Points over Traditional Bank Points

Women feel more confident and prefer dealing with female bank agents, and are more inclined to cooperate with them when executing larger value transactions. This is because 80% of women perceive female agents to be safer than their male counterparts ([Source: Sathi Evaluation Report](#)). As a result, female bank agents play a significant role in integrating marginalized women into the realm of finance. 'Sathi' agents are crucial in fostering women's entrepreneurship, economic engagement, and possibilities, by offering financial services, information and expertise to rural CSMSE entities.

Capacity Development of 'Sathi' Agents Pushing Women's Empowerment Forward

Right after the emergence of the women-led agent network, a2i organized capacity development training with women agents partaking in the divisional and district tiers. The workshop's primary goal is to enable female agents with greater skills to provide neglected rural residents with higher-quality last-mile services. Regulators and financial service providers conducted these (local and central) training programs on pertinent subjects. At this point, 44 capacity development training workshops have been held all over the nation to improve 'Sathi' agents' capacities in a variety of domains, such as customer onboarding techniques, entrepreneurship and service delivery mechanisms, enabling them to provide rural women with outstanding assistance. At the moment, 'Sathi'

agents are effective at delivering a variety of services which can be derived from Figure 2. The most frequently offered services among these are cash deposits (92%) and money transfers (96%), with setting up an account (99%). In addition, 69% of 'Sathi' agents are able to pay government stipends, 67% can collect utility bills, and 78% are able to handle inbound remittance services.

(Source: Sathi Evaluation Report)

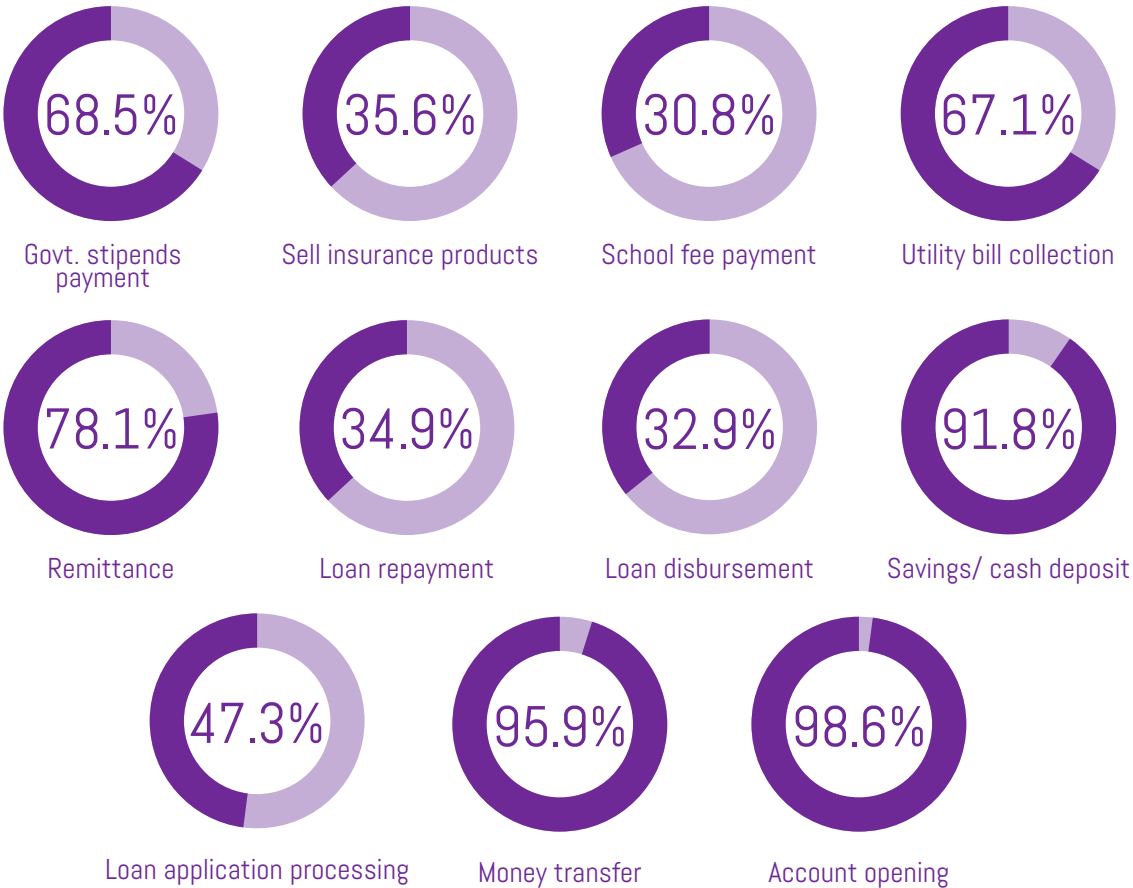


Figure 2: Banking Services Provided by Sathi Members



Mobilization through Organization of Financial and Digital Literacy Campaigns

Campaigns for digital and financial literacy have been initiated in order to aid marginalized women to become more proficient in these fields and to persuade them to participate in the official financial system. Through 350 local 'Sathi' agent campaigns nationwide, over 200,000+ rural underprivileged women were made more cognizant of the issues. Women agents of the 'Sathi' network held door-to-door campaigns, and yard, school and union council meetings to inform women about the benefits of having a bank account, how financial inclusion can guarantee authority over their financial resources, and how it can boost their ability to make decisions. They additionally presented women with a rudimentary awareness of financial services by illustrating to them how to navigate their bank and mobile accounts. For simpler demonstration, they were supplied with pamphlets and other learning resources.



Motivating Factors Inducing Female Agents Towards 'Sathi'

These agents have contributed to incredible strides toward fostering financial literacy through awareness campaigns, sharing financial literacy content, and delivering grassroots financial services and entrepreneurship advice to rural women. It additionally generated the greatest number of formal bank accounts from marginalized women, launched the most significant number of financial services and products, and received the largest deposits from female customers. Following the campaign's month-long duration, twenty (20) female entrepreneurs received awards in recognition of their exceptional efforts. Predetermined metrics, such as the amounts of bank deposits made by female customers and the number of new accounts opened for women, have been used to gauge their effectiveness.



Invigorating the Collective Adoption of Financial Services by Countryside Women

In an effort to dismantle sociocultural barriers, informal gatherings were held to inspire unbanked women to use financial services jointly. 'Sathi' Network's female agents commenced holding "Uthan Boithok", or casual meetings, at an easily accessible point next to fellow female customers. Agents explain the fundamentals of financial services and the advantages of having an account at a formal entity during these encounters. Women are also urged by agents to save money in order to meet their immediate and long-term financial objectives. Through these sessions, women are better equipped to obtain uninterrupted financial services from agents at their doorsteps and build comprehension of fundamental financial concepts. "Uthan Boithok" has been employed by nearly 60% of 'Sathi' agents as a means of merging rural women into the formal financial ecosystem.



Augmenting the Threshold of Digital and Financial Literacy of the Marginalized Women

In lieu of a lack of digital and financial literacy, women at the bottom of the pyramid encounter other obstacles when pursuing to receive official financial services. Women agents planned awareness campaigns, yard meetings, account opening service campaigns, etc. with this goal in mind. These initiatives instruct marginalized women on core financial principles, secure mobile financial service usage, and the positive aspects of digital transactions. Approximately every one of the female 'Sathi' Network agents have been undertaking frequent campaigns in their communities to inform women about the perks of embracing the formal financial ecosystem and the steps involved. Notably, 'Sathi' agents deploy these gatherings and campaigns as knowledge-sharing forums to walk participants through the steps involved in opening and operating an official account. 'Sathi' agents frequently hold Union Parishad meetings, yard meetings, door-to-door campaigns, leaflet distribution, and school campaigns, among other popular session genres.



Obstacles to Overcome

Women encounter two major hurdles while functioning as MFS and agent banking agents, namely operational and entry-level constraints.

1 Operational Barriers

The digital financial sector presents a variety of operational issues for female agents, including social conventions, privacy concerns, and liquidity management. To achieve both empowerment and efficiency, a multidimensional or intricate strategy is required.

1A Social Norms

The stereotype of female agents as homemakers by society presents a challenge that they frequently face. Overcoming this obstacle can be aided by social recognition and family support, particularly in places where female agents are preferred.

1B Privacy Concerns

Since it involves the public display of contact details, which often might result in harassment, female agents have privacy concerns. Strict privacy regulations need to be put into effect to protect their welfare.

1C Effective Liquidity Management

A cause of concern faced by all agents include, to effectively control cash flow, the requirement of women to embrace particular techniques, such as the confidence of financial institutions, the moral backing of their families, and productive capacity for problem solving.

2 Entry-Level Barriers

Access to initial capital and gender-sensitive training are the main obstacles in entry-level careers for female MFS and agent banking agents, reflecting the larger issues of gender disparity and social conventions.

2A Access to Initial Capital

The inability to begin as an MFS agent with the required working capital is a major obstacle. In patriarchal societies, women may need the consent of male family members in order to obtain the initial funding.

2B Training Accessibility

Attending training sessions alongside male agents may cause discomfort for female agents. Alternative training approaches, such on-the-job training or gender-specific training groups, can address this problem and provide a more welcoming atmosphere for learning.

Furthermore, the report from the Helix Institute of Digital Finance emphasizes the complex interaction between socioeconomic limitations and cultural conventions leading to the underrepresentation of women in agent networks spanning South Asia. Women's ability to become registered agents is further impeded by their inadequate access to formal banking services, particularly in rural regions, and a failure to get the required identity credentials. These challenges got worsened by the gender disparity in cell phone ownership, which has profound effects on women's involvement in agent networks.

Notwithstanding these limitations, women have additional challenges to more extensive economic participation, such as, limited loan availability, a dearth of business support, and widespread gender prejudice. To properly tackle this discrimination, coordinated measures are required. In addition to advancing gender equality, these initiatives must make it easier for women to obtain essential resources—like mobile phones and identity documents—and foster an atmosphere that encourages them to participate fully in the economy, especially as mobile financial services agents.

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