

Gender development through digital financial services

Empirically the prospect of digital financial services as a policy of financial inclusion has been a significant factor for women empowerment

SUBJECT OF THE DAY

AHMED AL ASHEQ

In recent times, Bangladesh has made a substantial progress in the international gender development index. According to the 'Human Development Report' (HDR) 2016 published by UNDP, Bangladesh is positioned as 139th out of 188 countries globally with an index value of 0.579 in 'Human Development Indicators' (HDI); and Bangladesh scores 0.927 index point in 'Gender Development Index' (GDI) which is remarkable among South-Asian countries. In the report of 'Global Gender Gap ranking 2017' World Economic Forum (WEF) has graded Bangladesh 47th rank globally (with a score point of 0.719) and in the South-Asian region Bangladesh has remained top performer in the list, signifying the evident progression in gender development. Nevertheless, our women are dropped behind in leveraging the fundamental potential of digital financial services (DFS) in this digitalized age, which is attainable through promoting financial literacy.

In the reference of DFS, two things are more noticeable in Bangladesh: (i) mobile financial services (MFS) and (ii) agent banking. Mobile financial services (MFS) are referred to functional mechanism of a smart phone, through which financial transaction is usually facilitated, with the help of an agent. Bangladeshi MFS providers i.e. Bkash, Rocket, Upay are being incorporated with mobile operators, providing different facets of financial services such as, foreign remittance withdrawal, cash in/out from ATM & authorized dealer agents, P2P (person-to-person) transaction, P2G (person-to-Govt.) transaction, G2P (Government-to-person), payment of utility bills, stipend and insurance premium

and so on. Agent banking appears as a new financial banking model to enhance the degree of financial inclusion, in which a set of particular financial services are provided by the authorized agents in a specific geographic area.

Empirically, the prospect of digital financial services (DFS), as a policy of financial inclusion, has remained significant for women empowerment, through which women can be introduced with functional tools for financial transaction. Till date, in Bangladesh access to financial services has been considered as one of the basic impediments for women, especially for rural women;

Research (BISR) Trust in its several researches substantiated the point where women depend on their husband for financial matters as well as handing their resources. In some parts of Bangladesh, distance and location of financial institutions, has been viewed as a critical hindrance for furthering women empowerment. Moreover, some of the women are having lack of identification proof for opening a digital financial account, due to ignorance about the benefits of having ID card. This phenomenon is more observed in the rural parts of Bangladesh.

Meanwhile Bangladesh government has already taken up some

tally literate female, whereas it will necessarily boost up the primary knowledge level of illiterate/semi-literate women about DFS; in turn would develop a 'Win-Win' situation for our government.

Secondly, English language embedded menu bar in the smart phones is deemed as a real life barrier for women to adopt digital financial services. This problem can be addressed by developing a native language (Bengali) orientated menu bar in the smart phones. This practice is well observed in China, Thailand, Taiwan and South-Korea, where their results are exemplary in advancing digitally financial

in the DFS such as, provision of access to small credit on a short term basis. Likewise, more comprehensive program on IOT ('Internet of Things') can be undertaken to promote the user friendliness of internet devices among the women who solely rely on traditional banking rather than internet banking/digital banking.

Bangladesh has been remarkable in addressing the gender needs in the South-Asian region. Still the country is lagging behind in regard of digital financial inclusion. Bangladesh government has already taken up an unprecedented new project called 'A2I', through which



although Bangladesh Bank (BB) has already declared a strategic plan for advancing digital financial initiatives. According to the '2017 Global Findex database', more than half of the adult populations are still unbanked in Bangladesh, out of them 65 percent are women. The reasons for this increasing trend of unbanked women are multi-fold. World Bank (WB) data has revealed that adult women literacy rate is about 55 percent in Bangladesh and all functions in MFS are translated in English language; that could be a significant barrier for women population particularly in rural areas. In Bangladesh, majority of banking agents are male, in turn less number of female agents might hinder women financial inclusion. Our socio-cultural factors are not always conducive to that. Bangladesh Institute of Social

noticeable initiatives for promoting financial inclusion such as, opening bank account of farmers by taka 10 in the public banks. But without proper enhancement of e-literacy among women, it would be stringent path to strengthen digital financial inclusion. Taking into account of socio-economic-cultural aspects, a good number of strategic initiatives need to be taken up to expedite women empowerment through digital financial services (DFS): First of all, ICT ministry, with the help of banking officials and mobile operators, can inaugurate a new training project for promoting e-literacy among the disadvantaged women in both rural and urban areas. This novel initiative might involve tech-savvy and unemployed educated female as a trainer/facilitator. Thus, it will create a partial employment opportunity for digi-

inclusion. Additionally, pictorial menu bar can be introduced in the smart phone, which could be more appropriate for women according to their literacy level. Again, some women are numerically literate, but not by technology, which demands a holistic training approach needs to be considered under the program.

Finally, a new digital knowledge integrated toolkit can be developed to educate the women population about e-literacy so that they would be able to minimally learn how to interact with the digital devices for financial transaction. Also, bank/non-bank financial institutions need to inform those women who don't have any ID proof to open a digital account. It would thus increase the number of P2P transaction among women. Moreover, new services need to be integrated

every possible facets of financial services are considered to push forward one step to build "Digital Bangladesh". It won't be literally possible without empowering the women in using digital financial services. Top business schools in the world have already anticipated that future transaction would take place in 'Block Chain' mechanism, where main medium of exchange would be 'Bitcoin' and 'Crypto currency'. It is high time for our regulatory bodies to develop and implement user friendly measures to ensure the application of digitized financial tools for women population to increase their participation rate in the financial transaction.

The writer is Research officer, Bangladesh Institute of Social Research (BISR) Trust