



POLICY BRIEF

Mobile Money a Catalyst for Women Empowerment in Rural Rwanda

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A woman transacting on mobile money | Source: GSMA

Key Messages

- Usage of mobile money has a positive and significant effect on agency for women residing in rural Rwanda.
- Mobile money increases women's access to credit.
- Although females residing in female headed households experience an increase in agency and access to credit, the rate of change for females residing in a male headed household is comparatively higher.
- The results provide evidence of incremental agency benefits that digital financial inclusion has for women whose baseline decision making is low especially in patriarchal societies where, women have been historically disenfranchised in household decision making.

What is the issue?

It is widely known that financial inclusion is key in achieving development at macro and micro level. Rwanda has over the years made great strides in financial inclusion with 93% of the adult population being financially included. Mobile money is the biggest driver of financial inclusion in Rwanda with the uptake among women being relatively lower (84%) compared to men (90%). The fifth Sustainable Development Goal identifies the achievement of gender equality and women empowerment as one important pillar in the achievement of sustainable development.

With the high coverage of digital financial inclusion through mobile money and its current structure in the country, it is unknown whether agency is improved for women with access to mobile money. Digital technology has gained prominence to support women empowerment by changing the way business is done and creating better employment opportunities. The current operation of mobile money provides a reliable platform for transactions, but more

reforms could be done to provide even better benefits to its clients. This brief discusses results investigating the effect of mobile money access on women empowerment in Rwanda.

Why is this important?

Understanding whether mobile money is instrumental in improving gender equality and development at large is crucial in prioritizing strategies that maximize the benefits of mobile money use. In addition to contributing towards the 5th SDG of reduced gender inequality through agency it also has the potential of contributing to the 10th SDG of reducing inequality. This is important in identifying improvements that can be made to further the SDG agenda and take stock of the progress made so far in women empowerment in Rwanda through this form of financial inclusion.

What should policy makers do?

Direct more social protection payments (VUP) to mobile money: Digitizing the social transfer payments would significantly improve the agency of women recipients who would have access to a platform to save some of this income for future use. Thus, donor agencies such as the World Bank could consider directing their social payments through such digitized platforms.

Increase access to mobile phones: Mobile money operators should have schemes for mobile phones such as tax exemptions under certain price points to facilitate phone purchases. This can be targeted more towards lower income brackets and women and could increase savings.

Incentivize saving through mobile money: Mobile money operators could offer desirable interest rates on money saved through mobile money. This could be an improvement of the existing Mokash facility which provides smaller loan amounts and short-term savings and loans on mobile money. This service could be widened up to work at a larger scale allowing customers to save and borrow for longer periods of time at better interest rates.

Sources

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