



POLICY BRIEF

Gender Lens to Digital Financial Services

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Key messages

- Access and use of Digital Financial Services positively affects marginalized groups such as women in Uganda.
- Mobile money and bank accounts lowers transaction costs incurred by women and is more secure.
- Females' usage of Digital Financial Products is lower compared to males in Uganda.
- Results provide evidence that owning a phone and education is key in closing the gender gap in financial inclusion.

What is the issue?

Using Digital Financial Services (DFS) is key to increasing income-generating capacity, managing risks, lowering transaction costs, accessing credit, and increasing savings. However, women are less likely to be active users of mobile money (25% of women compared to 38% of men), have an account with a financial institution. Similarly, only 44 percent of females used mobile money services in 2019/20 relative to 60 percent of the males in Uganda. This implies significant challenges to overcome in ensuring inclusivity in the transformation to a digital society.

Why is this important?

The fifth sustainable development goal aims to achieve equality and empowerment of women to achieve sustainable development. Therefore, it is important to understand the underlying factors contributing to the existing gender gap in the use of mobile money services and bank accounts in Uganda. This will aid in improving the existing and new policy interventions aimed at closing the gender gap by having all stakeholders onboard.

What did we find out?

The proportion of males using mobile money and bank accounts is higher than females. 81.7 percent of males use mobile money compared to 73.4 percent of females. Similarly, the percentage of males (11.7 percent) using bank accounts is more than double that of females (5.4 percent). This shows that women are disadvantaged when it comes to the benefits of the use of DFS.

The biggest contributors to the gender gap in the use of mobile money services among women in Uganda are low ownership of mobile phones (72.4 percent), low expenditures on Information and Communication Technology (13.5 percent) and low levels of education (2.7 percent). The low ownership of

mobile phones stems from the existing income differences between males and females in Uganda.

The primary barrier to using bank accounts is a lack of education. Education contributes 18.0 percent and expenditure on Information and Communication Technology contributes 15.3 percent to the overall gender gap in the use of bank accounts. This low level of education has pushed women into low-quality jobs, limiting their earning potential. Consequently, their demand for using bank accounts decreases due to low incomes.

Cultural settings have limited women's decision-making regarding the use of DFS. The qualitative analysis revealed that societal norms have reserved certain roles, such as childcare for women, which in most cases are not income-generating, yet their male counterparts are engaged in paid work. Women in some cases also must seek permission to own a phone and a sim card for mobile money transactions.

What should policy makers do?

Reinvigorate policies to ensure continuous access to quality education: Education empowers women by enhancing their chances of earning better wages and improving their access to information.

Sensitization and awareness campaigns: The campaigns are important platforms for encouraging mindset change for women especially regarding cultural factors.

References

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