

EVIDENCE OF DIGITAL FINANCIAL SERVICES IMPACTING WOMEN'S ECONOMIC EMPOWERMENT

WHAT EXPLAINS THE IMPACTS AND WHAT IS LEFT TO LEARN?

Seth Garz

Rachel Heath

Elijah Kipchumba

Munshi Sulaiman

Context



Rapid expansion of digital financial services (DFS) brings new opportunities to help build an inclusive economic infrastructure.



DFS have the potential to reach marginalized communities, especially women.



DFS can provide opportunities to advance women's economic empowerment (WEE), a crucial development issue

Why explore pathways between DFS and WEE?



Important to address gender gaps in access to finance and the benefits of financial services to society.



Currently, there is still limited evidence on gender-differentiated impacts. Existing evidence and data offer a mixed message.

Why explore pathways between DFS and WEE?



Important to study impacts at the individual-level to inform policies to make the benefits more equitable by gender.



Better understanding of the causal pathways can inform policies and product designs to better realize the potential of DFS in fostering WEE.

Unpacking the causal mechanisms between DFS & WEE

Two broad ways in which DFS can lead to WEE:



DFS increase women's bargaining power



DFS increase a woman's ability to enact her preferences

Unpacking the causal mechanisms between DFS & WEE

Three channels of transmission of DFS to achieving WEE:



Reducing gender bias in financial access

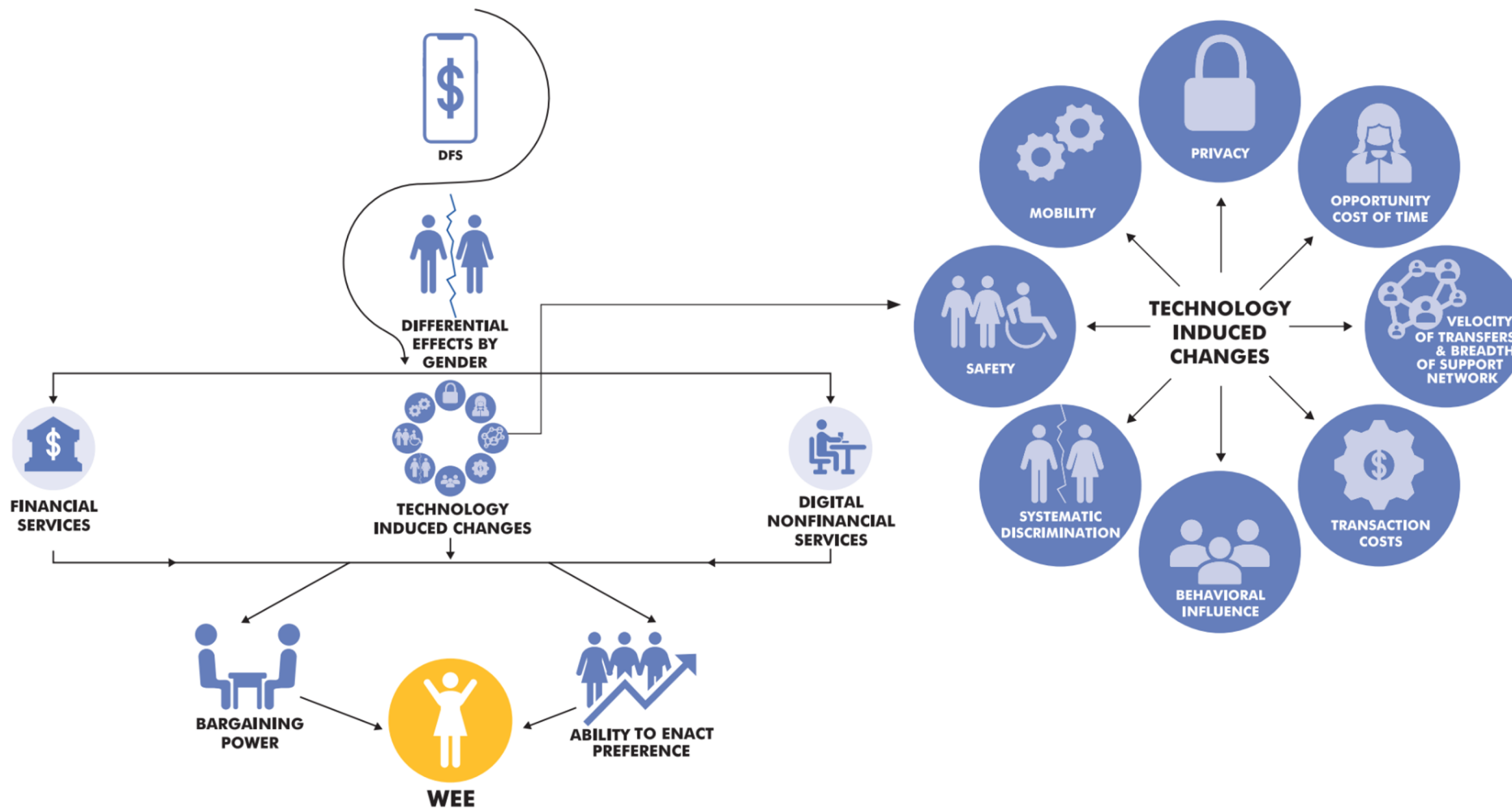


Technological features of financial services with gender implications

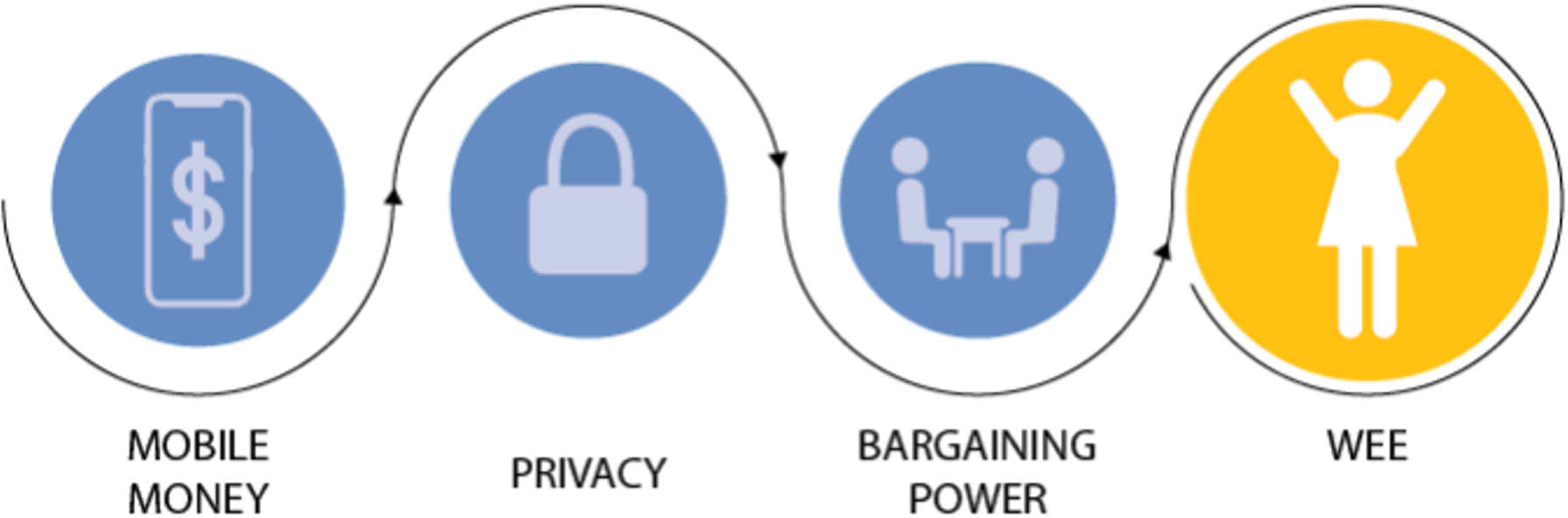


Spillover effect of DFS on access to non-financial services

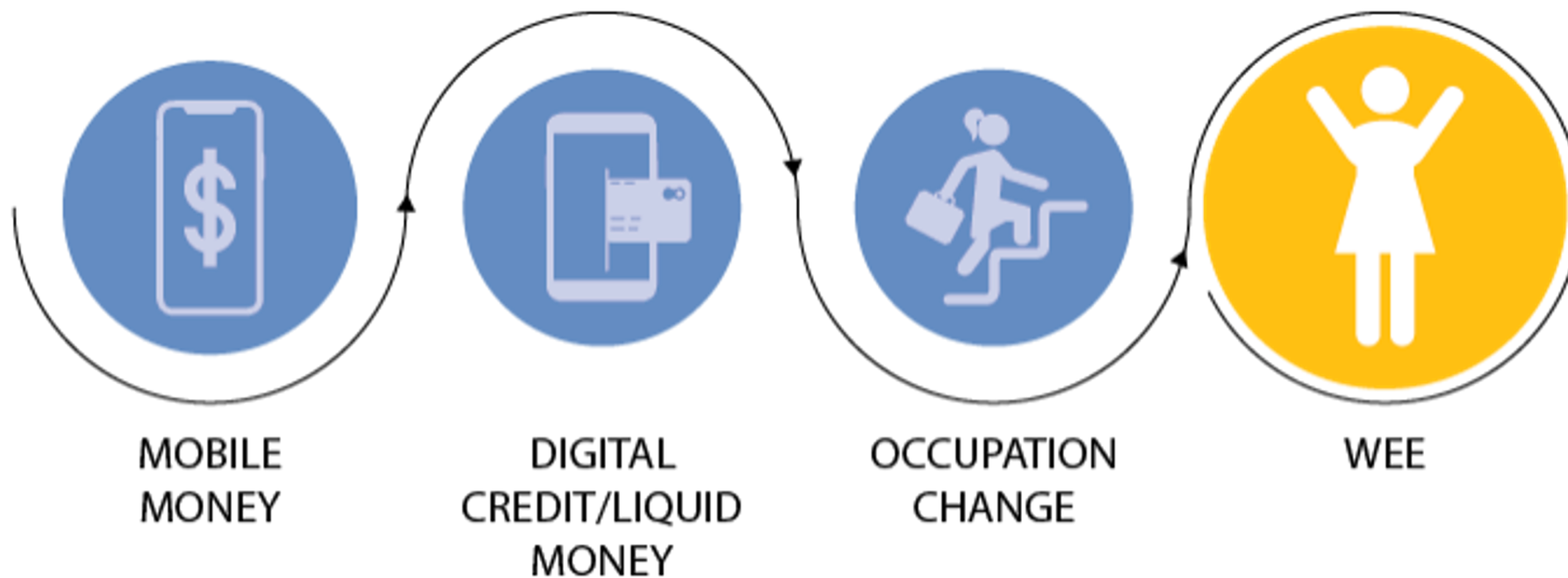
DFS to WEE: Conceptual Framework



Example of Causal Chain: Privacy



Example of Causal Chain: Credit Access



Evidence status and WEE-DiFine Priority

Mechanisms	Evidence Status
Privacy of Information	Promising
Opportunity cost of time	Generally positive, but limited evidence on gender difference
Support network	Generally positive, but limited evidence on gender difference
Transaction Costs	Context Specific, and limited evidence on gender difference
Behavioral Influence	Unexplored
Safety	Promising
Money and Labor Supply	Generally positive but unclear of its mechanisms

Opportunities for Future Research

Window	Questions/Areas
Experimental/Extension	Privacy, behavioral influence, systematic discrimination, safety, digital financial inclusion Marginal value of DFS in non-financial services Complementarity with economic empowerment interventions
Measurement	Enacting preferences and bargaining power Value of access verses digitization Social norms in women accessing DFS
Secondary data	Gender disaggregation in impact analyses

Objectives of the WEE-DiFine Initiative



Aims to generate a comprehensive body of evidence around the impact of digital financial services on women's economic empowerment.



Investigates the causal mechanisms between the two through funding rigorous research studies.



Has a geographical focus across South Asia and Sub-Saharan Africa.