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## Digital literacy can enhance women's financial inclusion

As of 2013, an estimated 767 million people lived below the international poverty line of \$1.90 a day, but how many of these are women and girls is still unknown. Research has shown that women and girls fare worse than men and boys on a range of factors that may predispose them to poverty, including having a source of income, asset ownership and decision making within the household. Majority of people living in poverty, lack even the most basic financial services. This matters. Access to the right financial tools at critical moments can determine whether a poor household is able to capture an opportunity to move out of poverty or absorb a shock without being pushed deeper into debt.

The global revolution in mobile technology along with rapid advances in digital payment systems is creating opportunities to connect poor households to affordable and reliable financial tools through mobile phones, and other digital platforms. These digital platforms can contribute to closing the existing gender gap in financial inclusion, affecting both the demand- and supply-side factors that underlie women's current exclusion from financial systems.

With the fast-evolving financial landscape, financial literacy is critical to avoiding high levels of debt, excess fees for financial products and accessing credit. Digital literacy is an essential component of being able to develop necessary habits to effectively use digital devices for financial transactions. Together, financial and digital literacy are vital tools needed for accelerating women's financial inclusion and achieving economic mobility.

Enhancing women's economic empowerment

is of utmost importance, especially now when women are increasingly heading households in Uganda and are the primary providers of their families. Women at the base of the economic ladder need to be provided with affordable tools to save, obtain credit and make investments to better help themselves and their families. If women can access, use, and afford a range of financial services, then they will better manage economic assets to cope with shocks and stresses, adapt to changing circumstances, and transform their lives positively.

Digital financial literacy through building awareness of digital payment methods, can ensure women, regardless of financial status, current literacy levels and geographical distance from the major town, are empowered with all the necessary information on initiatives and digital options available to them.

Although the growing access to financial service in Uganda has, for the past few years, improved the wellbeing of women, many challenges persist - lower level of education and no prior experience with formal financial system among the women limit their capacity to make optimal financial decisions and use available financial services. The role of digital financial literacy in preparing women to cope with the emerging development in the financial system and enhancing the outcomes of financial inclusion is paramount. Closing the financial access gender gap is not simply a matter of social justice. It is also a driver of economic progress. A study conducted by MasterCard Index of Women Entrepreneurship (MIWE) revealed that women own 69 per cent of businesses in Uganda, the third highest percentage of women

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business holders worldwide. Despite this being the case, women's inclination towards business is still greatly undermined by limited access to financial education and opportunities.

Closing the gender gap. While digital financial literacy alone cannot overcome all the barriers to accessing financial services, it can help women's financial well-being by improving their financial knowledge, attitudes, and skills.

It is for the above reason that FSD Uganda has undertaken projects over the years aimed at enhancing digital and financial literacy. In an attempt to address the challenges affecting the financial attitudes of women and spur female economic empowerment, FSD Uganda has in line with the National Financial Inclusion Strategy and financial literacy goals, adopted a variety of traditional and more innovative approaches to delivery:

Facilitating access to information and advice through multi-channel delivery such as localised messages for mobile money service users and local radio stations that seek to become the reference at the national level through consumer-friendly awareness and communication campaigns.

Tailoring delivery methods to women's needs, leveraging the influence of female role models, peer group learning and sharing.

Systematically monitoring and evaluating financial education programmes, to help identify any divergence in expectations, learning preferences, and programme outcomes between male and female participants.

Pairing financial education with access to specific products and service thus giving women a chance to apply what they have learned as they receive a service. Accounting for timing and location and harnessing existing learning environments and networks through life-cycle approaches such as addressing women in key stages of their lives: having a child, starting a business, farming, etc.

The regulators/government and Financial Services Providers (FSPs) have a role to play in accelerating women's financial inclusion. They have a duty to promote and implement financial consumer protection and capability initiatives. The regulators need to make it a requirement for FSPs to better understand the demand side, regulatory and infrastructure barriers for women's financial inclusion and build capacity on improving curricula, property rights, collateral requirements/collateral registries and initiatives aimed at providing low cost digital services.

Given the enormity of the task of digital financial literacy, concrete steps are needed to narrow the economic gender gap and foster sustainable development. Effective digital financial literacy interventions may need to address different root causes and be designed with the learning styles of men and women in mind. However, like the proverbial 'horse and carriage', efforts to improve financial capacity and to raise financial literacy best go together; it makes for an easier and more successful journey.

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