

Could the digital revolution get more women into work?



Image: REUTERS/Mohammad Ismail

Written by

Ruth Goodwin-Groen ,

Leora Klapper, Lead Economist, The World Bank

Wednesday 9 March 2016

This piece is part of an in-depth series on [Women at Work](#). For regular updates on gender issues 'like' our [Facebook Page](#) and sign up to [The Gender Agenda](#) weekly email digest.

This week, International Women's Day focused on accelerating gender parity, which makes it a perfect time to highlight the urgent need to boost women's economic participation worldwide. One way of doing that is by tapping into the power of digital payments and digital financial services.

A growing number of political leaders, policy-makers and business leaders around the world understand this urgency. That's because the imperatives to empower women are stronger than ever – not just to enable women to build better lives but because the unrealized talents and ambitions of women present a vital source of economic growth, at a time when the global economy appears to be slowing. It's instructive that the global conversation about inclusive growth is taking place at a time when, according to the [World Bank](#), less than half of women worldwide are employed, compared to three-quarters of men. These are the sorts of facts that

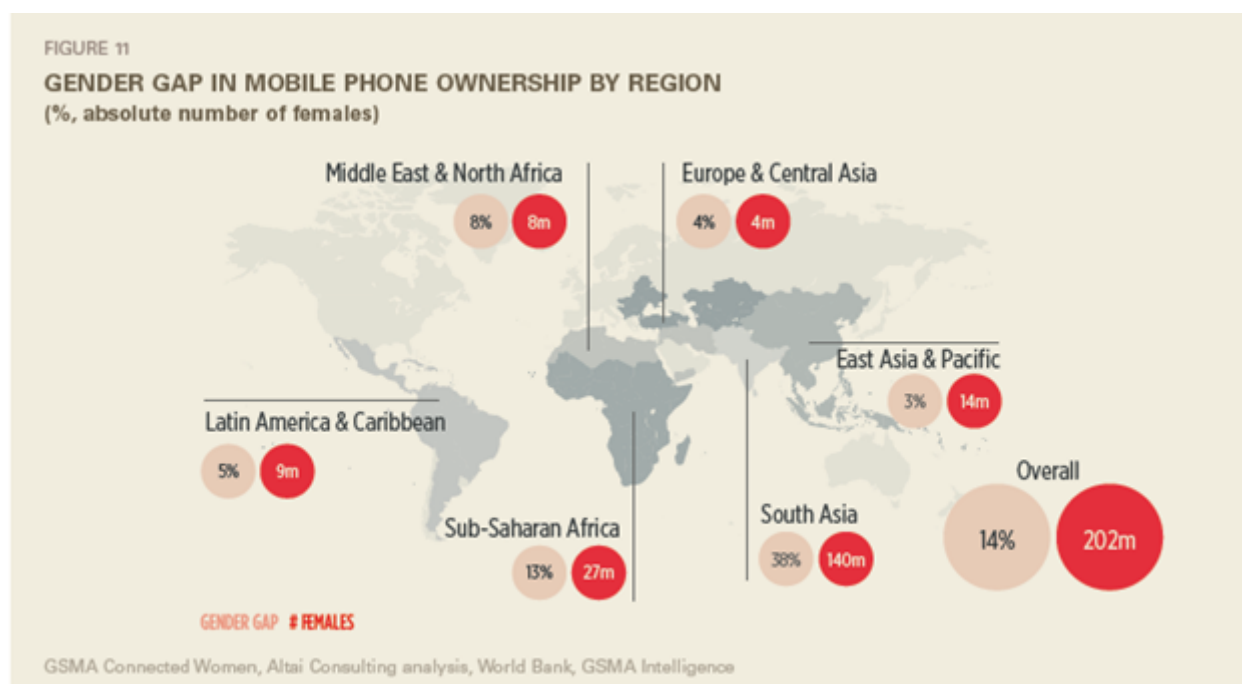
underpinned the [G20's commitment](#) in 2014 to “bring more than 100 million women into the labour force, significantly increasing global growth and reducing poverty and inequality”.

However, while the need to boost female economic participation is clear, what may be less so is how to go about delivering on that commitment. It's also difficult to understand what barriers to economic participation are leading to the ongoing financial exclusion of so many women. In other words, why is it that of the 2 billion people currently excluded from formal financial services, most are women?

Social, cultural, legal and technological barriers

Those barriers are varied and complex. But often, they're tied to social, cultural, legal and technological factors. For example, women often don't have equal access to education, they more frequently lack financial literacy skills, and they tend to adopt technology at a slower rate than men in some developing countries. For many women, it is difficult or impossible to travel freely, which presents problems when opening a business requires a visit to a city centre.

While technology offers a viable solution to address physical access barriers, many women do not have access to technology, including mobile phones and the internet.



In terms of legal barriers, in some countries, women aren't allowed to own property and must provide a man's signature to access formal financial services. Women also frequently lack identification, making it difficult to register a business or access formal financial services.

The good news is there is a much longer list of ways in which such barriers can be overcome by harnessing the potential of digital payments. Across government, business, the financial services sector in particular, and the development community, everybody has their part to play, with steps they can start taking now. Here are some of the most important.

The role of governments

Governments can digitize the ways they make and receive payments themselves. Because of the large scale of government payments, combined with their policy-making powers and infrastructure, governments can drive women's inclusion in the formal economy and boost public familiarity with digital payments. For example, the Mexican government is saving an estimated [\\$1.27 billion a year](#), or 3.3% of its total expenditure on wages, pensions and social transfers, by digitizing and centralizing payments.

Governments can also develop customer protection frameworks to help protect women with low financial literacy and build trust in digital payments. Finally, they can reform discriminatory policies and laws that impact harshly on women, such as requirements to provide assets as collateral for financial services, which women often lack.

The role of business

Large businesses can digitize their own payments, particularly wage and supplier payments, delivering greater convenience, security and financial inclusion for their male and female employees and suppliers, as well as cutting their own administrative costs.

Businesses can also work with their wholesalers, suppliers and retailers, many of whom are female small business operators, to help them develop digital capabilities. Some are already doing this. For example, the Nigerian Bottling Company (the contracted bottler of Coca-Cola in Nigeria) negotiated with several banks to offer no-fee accounts to many of its wholesalers, and supported them with administrative help through the account registration process.

Businesses should also work with governments and other stakeholders to improve the interoperability of their digital services. This can make digital services more attractive and convenient for women, who can be discouraged from learning new technology skills if those skills can't be applied across different transactions and service providers.

The role of financial services

Financial service providers can develop alternative credit scoring models using data from mobile phone use or by using alternative methods designed for women who don't have access to traditional credit assets or a credit history.

They can also offer new technologies, such as biometrics, to overcome the lower levels of technology adoption and literacy among women in some countries.

Financial service providers can also realize major cost savings themselves by digitizing payments. It's estimated that in the Philippines, the banking sector could increase net profits by almost [10%](#) if they adopted digital payments instead of cash and checks.

The role of development organizations

Development organizations can help fund market infrastructure, particularly in partnership with digital financial service providers, to help product and service providers meet market demand.

These organizations could also adopt digital payments to dramatically improve their own aid distribution, and incentivize women to improve their skills. For example, the World Food Programme in Afghanistan is providing payments by electronic vouchers to women who undertake basic job skills training courses.

And finally, development organizations can deploy their resources and expertise to support the policy and regulatory environment for digitization of financial services, and in particular, consumer protection frameworks.

Boosting women's economic participation

There are many more ways of taking digitally-focused action to drive women's economic participation, which are set out in [a new paper](#) by the World Bank, Better Than Cash Alliance, Bill & Melinda Gates Foundation and Women's World Banking. Of course, it's also important to note that these actions frequently need to be taken collaboratively with other stakeholders if they are to have maximum impact.

In recent years, female workforce participation has stagnated in many economies. In some, it's even gone backwards. Clearly, then, the need for this cooperative action is greater than ever. Now is the time to pick up the tools of digitization and start putting them to work. If we can do so, the prize is immense: more robust and inclusive growth and better lives for women and their families.

Written by

[Ruth Goodwin-Groen](#),

[Leora Klapper](#), Lead Economist, The World Bank

The views expressed in this article are those of the author alone and not the World Economic Forum.

Subscribe for updates

A weekly update of what's on the Global Agenda

Email

Subscribe

© 2017 World Economic ForumPrivacy Policy & Terms of Service