



Women's empowerment thru' digital financing

Z A M Khairuzzaman

Mobile banking is a remarkable tool for women's economic advancement by connecting the unbanked and underprivileged rural women into formal financial channel. Bangladesh is a shining example of digital technology used for delivering financial services to the poor, especially rural women.

Women's empowerment means giving women the ability and freedom to take control over decisions that shape their lives. It enables them to have access to resources and control over distribution of benefits without being discriminated on the basis of their gender.

The bright example is Bangladesh where mobile banking has taken its roots thanks to impressive performance of bKash, the leading mobile financial service (MFS) provider in the country. Thousands of people are getting financial services --- transferring

money, paying up shops--- after bKash used mobile phones to deliver them.

An increasing number of women from Hatiya to Panchagarh ,who, despite all odds, are now expert mobile money users, confidently making deposits into their savings accounts, and managing their remittances. Their needs superseded their unfamiliarity and fear of technology. Many received significant support from local bKash agents, who they trust and can access as needed. Given the challenges of reading the English menu, many used rote memorisation to make these transactions.

Women's engagement in digital technology has offered potential for multiple forms of development, such as reducing poverty, overcoming isolation, increased participation in decision making and providing a voice for women who can access and use them. Also, it plays a vital role in

resisting gender inequality, providing better access to basic healthcare, education and financial inclusion and other development opportunities, such as political participation.

History tells us that traditional banking services failed to reach the poor living in remote villages in Bangladesh because they consider it uneconomic and it is not always feasible for a bank to set up an outpost in a rural area. After the launching of bKash, DBBL and other MFS operators, Bangladesh achieved tremendous success in women empowerment through mobile banking. For example, bKash has millions of agents across the country where customers mostly women transfer money and pay bills using their mobile phones. It is now playing a leading role in socio-economic development of rural people as well as women's economic development. This made Bangladesh as one of the world's

fastest growing mobile money ecosystems develop in last few years.

On the streets of the country, bKash is everywhere. This growth has propelled bKash to become the second largest mobile money provider in the world, only behind Kenya's mPesa. bKash is not just for money transfers. It is a payroll system, a mobile wallet and a savings account; all digital, all affordable, all regulated by the central bank.

According to a report of The Wall Street Journal, Bill Gates, the IT mogul, described the Bangladesh experience as 'wild adoption of technology.' The Bill and Melinda Gates Foundation invested an undisclosed amount in company, bKash, a concern of Bangladesh's BRAC Bank. The Gates foundation, the world's largest, supports services that enable digital payments for fees as low as one percent of the transaction as it has made financial services for the poor one of its priorities.

What encourage Bill Gates to introduce mobile financial service and invest in bKash of Bangladesh?

"Money lenders rule your life," but low-cost digital payment systems provide a compelling and secure alternative, Gates said. "People will have money problems, but they should have options." "Many of the world's poor keep their savings in cash or physical assets such as gold or farm animals, sometimes at significant risk."

He said they are not always able to

transfer money to family members in need, or receive remittances from their kin working abroad. "Cash meant for one purpose often gets used up for emergencies, while the lack of borrowing options frequently forces them into debt."

In Bangladesh, bKash has also played a significant role not only in women's empowerment, but also in advancement of rural-education. Bangladeshi expatriate workers, a significant portion of whom are female domestic workers, send their hard-earned money to their families through bKash, a simpler and cost-effective remittance service.

bKash has generated various positive socio-economic impact like creating employment opportunities, encouraging savings, making the procedure easier to receive foreign remittance, empowering women financially, developing SMEs and agricultural sector, increasing financial productivity of seasonal workers and businessmen, breaking down the power of middlemen, making easier business transaction, increasing money mobilisation and saving non-monetary cost. Finally, this impact improves living standard of rural women and contribute to reduce vicious cycle of poverty in rural Bangladesh.

Money transfer within country was riddled with bureaucratic issues, red tape and, most of all, principal-agent problem. The principal-agent problem arises when a principal holds undue advantages over an agent either through official power and

information asymmetry. This problem is one of the most fundamental challenges that hampers Bangladesh's progress. The secret to bKash's success is that by design it circumvented this problem and ensured a service that is transparent at end user level. So, bKash, now at its core means the economic entities of this country - the people. bKash fills the void, the unmet need that has gone unanswered for decades, which is a simple, quick, secure payment system to serve day-to-day small transactional needs of the people.

The internet and cell phone penetration in Bangladesh provides a great opportunity for government and private sector to collaborate and design mobile-banking solution for the masses. Just as when we need to search for something on the internet we say, "Google it", or when we need to change our car's engine oil we say "change mobil"; similarly now to send money within country we say "bKash koren" (use bKash).

bKash as a company has joined that exclusive club where it forces the English grammar to adapt its rule for modern usages. Disruptive ideas like cryptocurrency, mobile-technology, mobile-money threaten the traditional institutions that forgot to answer the need of their true clients -- the people.

Hopefully, our new generation will promote and adopt more disruptive ideas because that is the way forward.

(The writer is a Senior Sub Editor, The Daily Sun and a member of BJFCI).