

Why Build a Women-Friendly Digital India?

Women make up almost half of India's growing population, yet only 38 percent of them have access to a formal bank account... most of which are barely used.

Women's continued exclusion from the formal financial sector represents a missed opportunity to scale India's digital economy by an estimated 292 million women.

Indian women lack mobility, shoulder childcare duties, face significant social discrimination and a culture of sexual harassment and gender violence. These conditions are further exacerbated by a recent national trend towards conservatism, limiting women's opportunities outside the home and preventing them from accessing financial services. Especially for women entrepreneurs, lack of property titles and collateral prevents access to finance through formal channels.

The problem is more acute for low-income women whose one link to formal financial services is microfinance institutions that only offer loans. Know Your Customer requirements, standard across formal financial institutions and regulated by the government, are prohibitive for low-income women who may not even have formal identification.

Digital technology is transforming financial services all over the world. It has changed how millions of men and women pay bills, save for the future and send money to friends and family.

The current Indian administration has made national financial inclusion a top priority and is leveraging the potential of digital technology to make this a reality. The government is working to bring each and every citizen into the formal economy through the national biometric ID system Aadhar and the national financial inclusion strategy, Pradhan Mantri Jan-Dhan Yojana (PMJDY). Aadhar is a powerful driver of inclusion in the country, opening up to include other institutions, such as financial technology firms. This move expanded the field of financial inclusion players while providing a fertile ground for innovation. PMJDY aims to provide a bank account and basic banking services to every household in the country.



Indian women represent 25 percent of the world's unbanked women.

However, a lack of orientation towards women's needs and a lack of focus on usage of accounts ends up excluding women. A significant infrastructure push from the government is unevenly spread: rural areas, where 69 percent of Indian women live, continue to be underserved and underdeveloped. Government initiatives do not incorporate financial education, critical to effective uptake and usage of financial services by women with lower literacy or experience with technology or financial services. Perhaps most importantly, targets for opening bank accounts are set for households in general and not individual accounts for women. This policy of gender-neutrality prohibits advancing women's financial inclusion, because we know from our decades of work that only by targeting women can you serve them effectively.

Despite their progress on both of these initiatives, women remain unserved. If digital technology is to fulfill its promise to a segment as underserved as low-income women in India, digital financial services must be designed with these women in mind. Based on our extensive research, Women's World Banking sees the opportunity to build a women-friendly Digital India by establishing foundations that will facilitate women's inclusion.



Three Building Blocks for a Women-Friendly Digital India

1 Research-driven Design

Conduct in-depth research and analysis of gender-disaggregated data to understand women and their relationship to financial services.

Build use cases based on women's needs to incentivize uptake of digital financial services.

Develop models that integrate a full suite of savings, credit and other value-added services for cross-selling and deeper financial inclusion.

2 Access

Encourage uptake and usage of PMJDY as a gateway to a broader set of formal financial services.

Increase safe access for women through digital channels, such as a women-oriented agent network to increase women's independent access to financial services.

Develop e-commerce models that target women to provide a distribution channel for women-owned small to medium enterprises.

3 Outreach

Use mass and social media to address norms of individual financial participation and deliver broad, low-cost financial education.

Leverage places, activities and organizations that convene significant groups of low-income women for efficient delivery of financial education.

Develop partnerships with industries already innovating in the digital space, such as health and education, to reach new segments and enhance offerings.