

Financial Inclusion of Women in Pakistan: Developing Gender-Responsive Financial Inclusion Models

New technologies are improving access to financial services of marginalised and underserved communities. Banks and non-banks are introducing services and products to enhance access to financial services. Consensus, however, suggests that a gender gap exists in financial inclusion. Women, as compared to men, are about 70% less likely to have access to financial services in developing countries. The gap may be even higher in Pakistan where already a very low share of the population has access to finance.

The ‘Access to Finance’ (A2F) survey, conducted by the M/s Horus Development Finance, together with local partner Gallup Pakistan for the State Bank of Pakistan, highlighted ‘significant gender difference in access to finance in Pakistan.’ The survey found that ‘women remained less likely to gain access to the overall financial sector, compared to men. Notably, fewer women have access to banking services (5.5% vs. 21.1% men), Money Transfers (1.4% vs. 3.3% men) and Insurance (0.6% vs. 3.3% men)’ (Adil and Jalil 2020).

The effects of financial inclusion go beyond having a savings account and the ability to make online payments. Financial inclusion is positively associated with women empowerment. A study by SDPI shows that 94% of women who do not have access to financial services suffer from multidimensional social exclusion. In other words, these women are excluded from education, employment and other necessities of life. Essentially, the female population of Pakistan predominantly faces ‘involuntary financial exclusion’ due to the *barrier of non-account holding by gender*. The dilemma is more exacerbated for rural women.

Bridging the gender gap in financial inclusion can significantly reduce social exclusion and associated poverty and inequality. Enhanced women’s financial inclusion is also a prerequisite for inclusive growth. It is, therefore, very critical to ensure digital and financial inclusion of women in Pakistan. This requires a greater understanding of the present state of situation, nature, source and magnitude of challenges facing women’s financial inclusion in the country so that effective policy implications can be drawn. Broadly, the panel will explore possibilities of having *Gender-Responsive Financial Inclusion Models* in Pakistan, and attempt to:

1. Assess the present situation of women’s financial inclusion and the gender gap in Pakistan.
2. Identify the key challenges to and opportunities for promoting women’s financial inclusion, their social mobility, particularly women entrepreneurship through access to finance.
3. Assess existing financial inclusion policies/models to examine how conducive (obstructive) these policies are for the financial inclusion of women.
4. Suggest steps to develop Gender-Responsive Financial Inclusion Models.

Reference

Adil, F. and Jalil, A. 2020, 'Determining the Financial Inclusion Output of Banking Sector of Pakistan—Supply-Side Analysis', *Economies*, vol. 8, no. 2, <<https://doi.org/10.3390/economies8020042>>.

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