

*Bangladesh*

# IFS Focus Country Comparison 2017 & 2021 Analysis

# Project Overview

The goal of this work has been to **examine a set of barriers inhibiting women's access to and usage of financial services**. We seek to determine **which barriers are most resonant to different segments of women in different markets** and to **make recommendations about** the kinds of **interventions** that could address them.

Ultimately, **our goal is to remove barriers to women's economic empowerment in the financial inclusion arena**.

## IFS' WEE-FI Vision Statement

By 2030, women will have near ubiquitous (80% adults worldwide, 60% of those who earn <\$2 a day), equal access to DFS, and can easily, safely, and confidently use them to manage their complex daily lives and aid in their aspirations, over which they have agency and control.



The general sentiment is that *many barriers contribute to an inequitable financial system* that makes it difficult for women to access and use services and products in ways that will allow them to *achieve economic empowerment*.

All barriers are *important* and play a role in a woman's lack of ability and access to choose and use a financial product or service.



Ultimately, our intention was to try to help focus efforts in each market as we asked the following question:

Can we identify barriers that are relevant and not yet resolved so program officers and partners can *center their programs and interventions on critical issues* facing women?

# Full List of Barriers (1 of 2)



## *Prerequisites*

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Broader legal constraints  
(e.g. male signature)

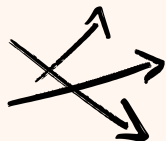
Internet/Mobile connectivity

KYC requirements

Lack of credit history  
(for credit products only)

Digital/Foundational ID

Phone/SIM ownership



## *Accessibility*

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Mobility constraints (e.g.  
legal curfews, norms)

Distance from bank/  
FSP/CICO agent



## *Cost*

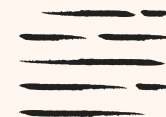
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Cost of mobile/internet

Cost of using DFS  
(incl. transaction cost)

Perceived and/or  
lack of money

Non-transparent fee  
structures / hidden costs



## *Information Availability & Capability*

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Lack of peers/family/  
network who use DFS

Basic literacy and numeracy

Digital literacy

Financial literacy

Unclear or unavailable  
info about products/uses

Unclear or difficult  
process to open account

# Full List of Barriers (2 of 2)



## *Product & Service Quality*

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Reliability of payments system and network

Reliability and quality of in-person services

Lack of products that meet women's needs

Lack of products and services that create value

Navigability of user interface of the digital product



## *Consumer Protection*

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Potential (or actual) privacy violations

Predatory lending

Over-charging

Fraud and scams

Fear of making mistakes

Online/Phone/Social media harassment

Difficulty resolving complaints



## *Human Resources*

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Lack of women in leadership at DFS providers and policy-makers

Lack of female agents



## *Social Norms*

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Ambivalence or antagonism towards women's financial independence

Expectation that men control HH finances

Women's disproportionate time burden

Biases that center men as financial customers

# Financial Inclusion Segments

*In 2021, BMGF asked Mathematica to create a segmentation model that would allow us to analyse and compare women across different markets.*

01

Excluded, marginalized

02

Excluded, high potential

03

Included, underserved

04

Included, not underserved



*Lower potential for inclusion*

*Greater potential for inclusion*

# Financial Inclusion Segments

*This represents the segmentation approach as defined by Mathematica.*

## 01. Excluded, marginalized

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Does **not own** a financial account  
*and*

**Has not** conducted **certain transactions** in the past 12 months  
*and either*

Does **not have** an **income source**  
(neither in the workforce nor have received a G2P payment)  
*or*

**Cannot access financial services**  
(does not have a mobile phone, and financial institutions are too far away)

## 02. Excluded, high potential

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Does **not own** a financial account  
*and either*

**Has** conducted **certain transactions** in the past 12 months  
*or*

**Has** an **income source** (from being in the workforce or receiving a G2P payment)  
*and*

**Can access financial services**  
(does have a mobile phone and financial institutions are not too far away)

## 03. Included, underserved

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**Owns** a financial account  
*and*

**Has not** conducted more than one type of **advanced transaction** in the past 12 months

## 04. Included, not underserved

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**Owns** a financial account  
*and*

**Has** conducted more than one type of **advanced transaction** in the past 12 months

← ..... →  
*Lower potential for inclusion* *Greater potential for inclusion*



# Barriers Relevant Across All Four Segments

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*Prerequisites*

Broader legal constraints (e.g. male signature)

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*Cost*

Cost of using DFS (incl. transaction cost)

Cost of mobile/internet

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*Social Norms*

Biases that center men as financial customers

Expectation that men control HH finances

Ambivalence or antagonism towards women's financial independence

Women's disproportionate time burden

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*Human  
Resources*

Lack of female agents

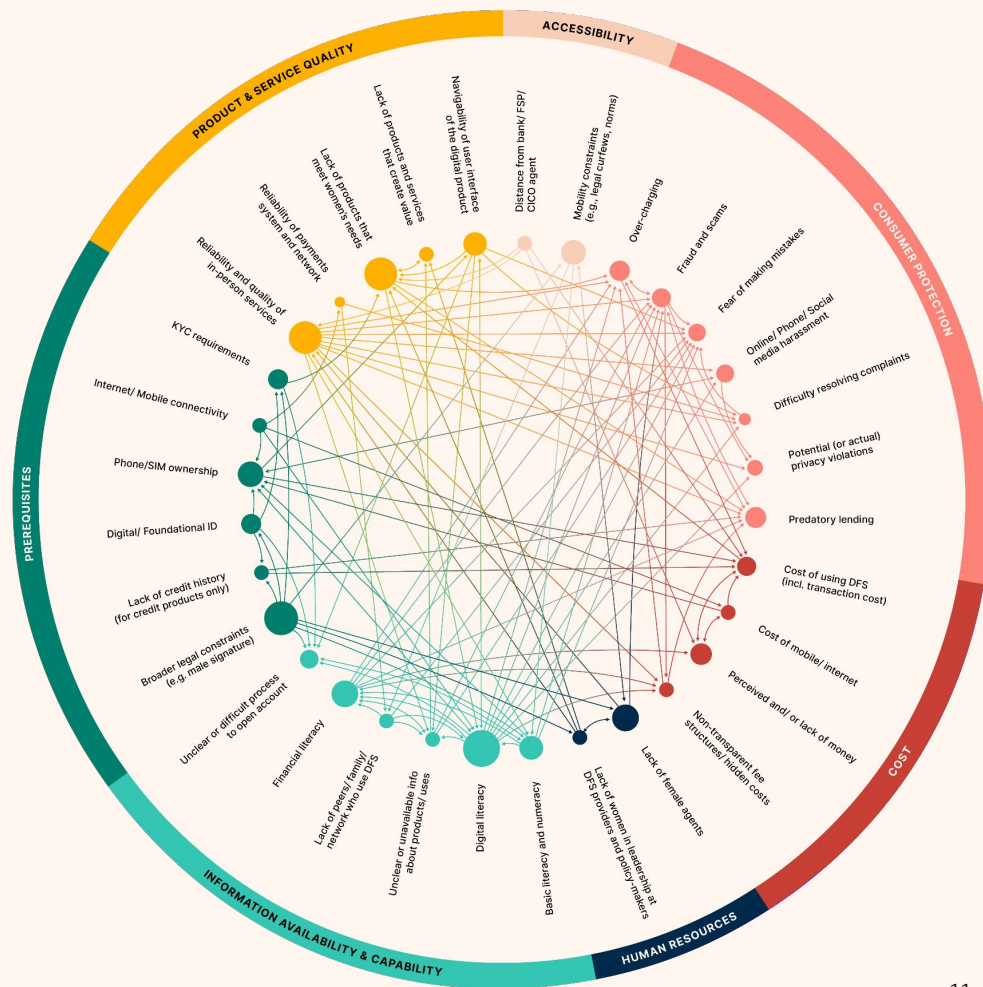
Some barriers typical for the largest segments in each market may be *more or less relevant based on local context*. This doesn't mean other barriers should be ignored or deprioritized.

Rather, in all markets, *one should take a contextualized approach* to determine which barriers need to be addressed more urgently than others based on what has already been resolved or attempted in the market.

# Connected Barriers Map

No barrier operates independently of other barriers.

The nodes derived from this map can serve as a guide to identify opportunities for outsized impact. For a more granular view into the connected barriers, see our project [website](#).



# Bangladesh



## The following slides take an in-depth look at specific segments for Bangladesh.

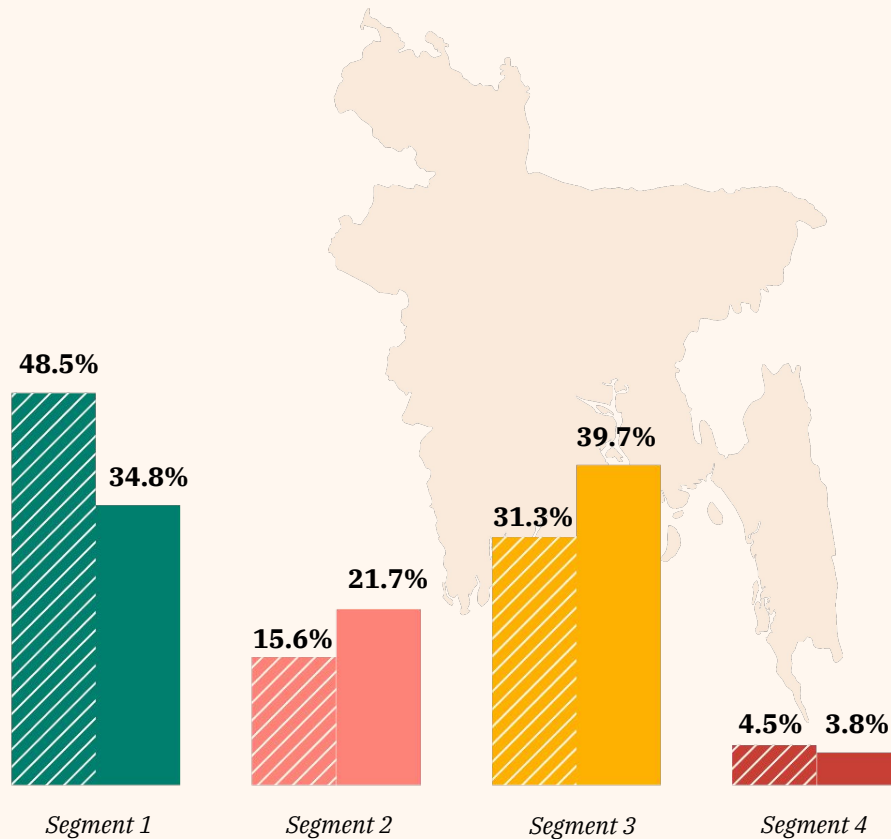
The following slides provide insights into Bangladesh from the segmentation model, using 2017 and 2021 Findex data to allow for comparison over time. Note that Findex provides nationally representative data at points in time; it is not panel data on the same individuals over time.

- Slides 1-2* A breakdown of women **by segment** in 2017 and 2021 and a **gender comparison** for all segments in 2021.
- Slide 3* Insights into each segment's **demographic breakdown** in 2017 and 2021, including employment status, education level and age.
- Slide 4* A breakdown of **mobile phone ownership** by segment in 2017 and 2021.
- Slide 5* Insights into the **gender gap in mobile phone ownership** for each segment in 2021.
- Slide 6-9* An overview of **key insights into women in each segment**, using 2021 Findex and additional sources.
- Slide 10* An analysis of the barriers that may be **more or less relevant for each segment** in Bangladesh.

# Women in Bangladesh: Segmentation Breakdown

2017 & 2021

From 2017 to 2021, the largest segment of women in Bangladesh shifted from Segment 1 to Segment 3. In 2021, 39.7% of women in Bangladesh fall into Segment 3, and 34.8% fall into Segment 1.

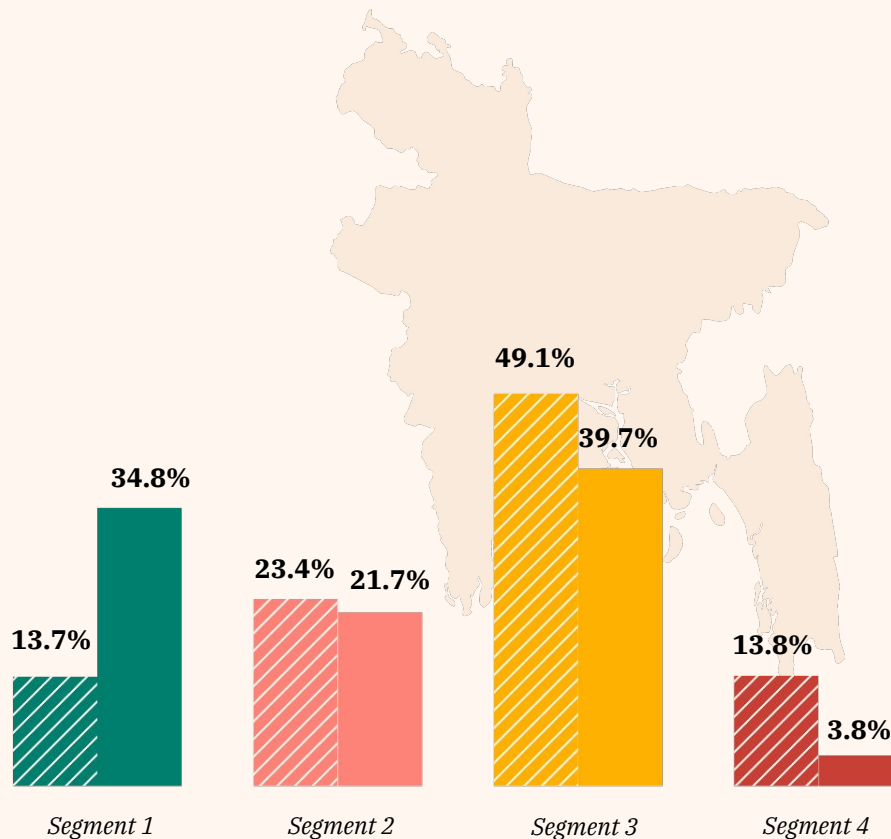
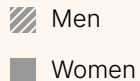


Sources: Mathematica analysis of 2021 Global Findex database data.

## Women in Bangladesh: Gender Comparison All Segments

2021

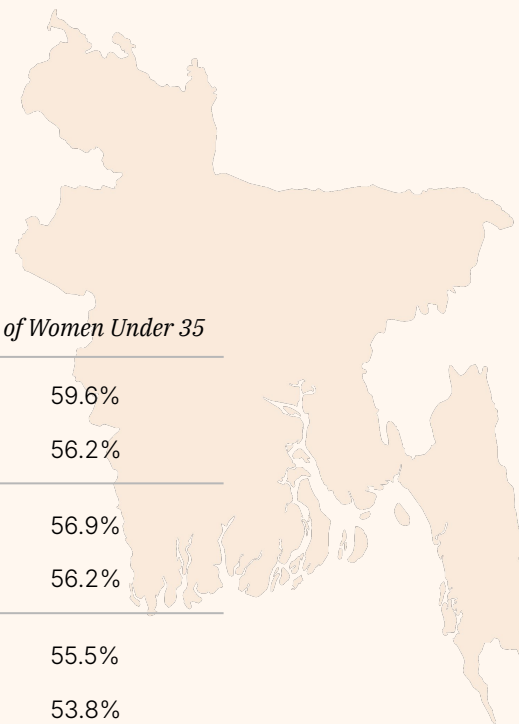
In 2021, Segment 3 is the largest segment for both women and men in Bangladesh. A gender gap still exists, however, in the amount of women and men in Segment 3.



Sources: Mathematica analysis of 2021 Global Findex database data.

# Women in Bangladesh: Demographic Breakdown

2017 & 2021



<i>Segment</i>		<i>Primary Employment Sectors</i>	<i>Leading Education Level</i>	<i>% of Women Under 35</i>
<b>01</b>	<b>2017</b>	Not in workforce (76.9%)	Secondary (56.1%)	59.6%
	<b>2021</b>	Not in workforce (92.3%)	Secondary (60.1%)	56.2%
<b>02</b>	<b>2017</b>	Not in workforce (29.4%)	Primary or less (57.3%)	56.9%
	<b>2021</b>	Working, sector unknown (43.3%)	Secondary (54.2%)	56.2%
<b>03</b>	<b>2017</b>	Not in workforce (53.5%)	Secondary (60.4%)	55.5%
	<b>2021</b>	Not in workforce (68.8%)	Secondary (62.3%)	53.8%
<b>04</b>	<b>2017</b>	Agriculture (44.3%)	Secondary (63.1%)	58.5%
	<b>2021</b>	Not in workforce (34.6%)	Secondary (48.6%)	51.0%

Sources: Mathematica analysis of 2021 Global Findex database data.



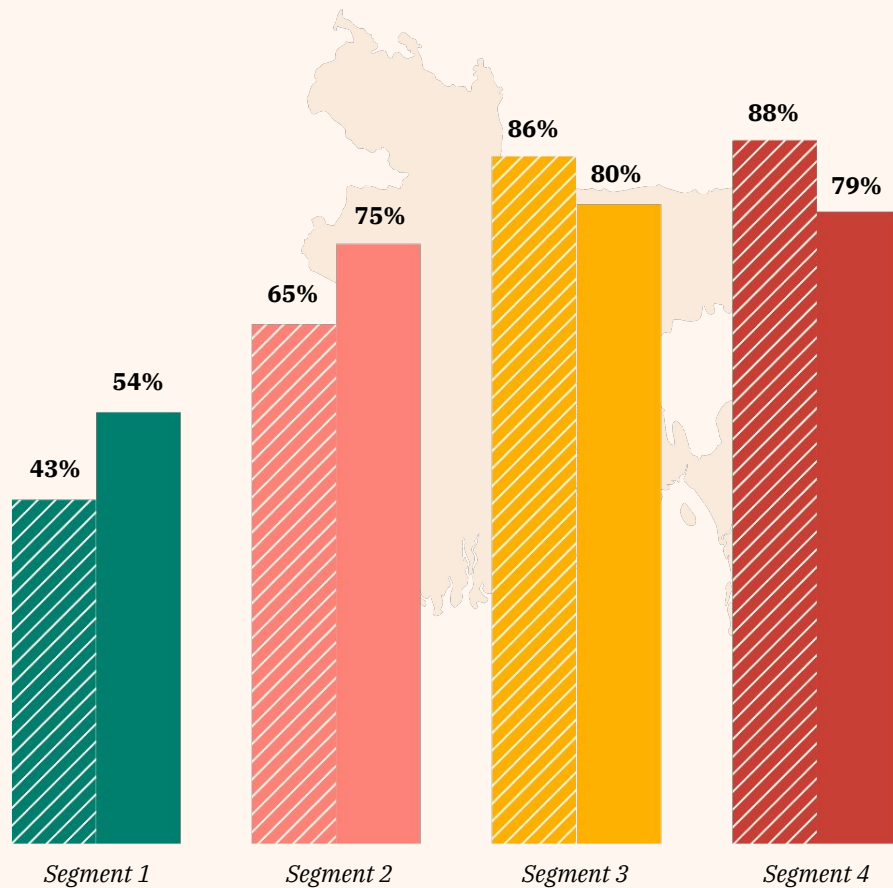
## Women in Bangladesh: Mobile Phone Ownership

2017 & 2021

Women's mobile phone ownership increased from 2017 to 2021 for Segments 1 and 2, and decreased for Segments 3 and 4. Segment 1 had the largest increase of 11%, whereas Segment 4 had the largest decrease of 9%.

▨ 2017

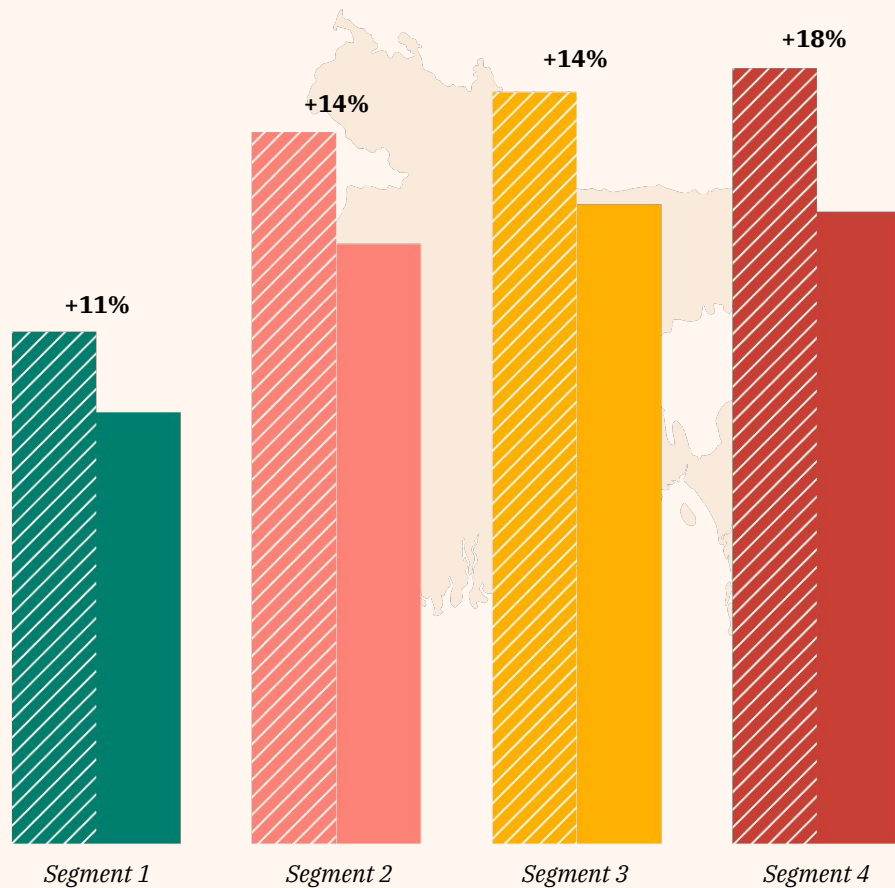
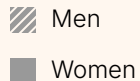
■ 2021



Sources: Mathematica analysis of 2021 Global Findex database data.

## Women in Bangladesh: Gender Gap in Mobile Phone Ownership

All segments in Bangladesh have a gender gap of over 10%. Segment 4 has the largest gap of 18%, Segments 2 and 3 both have a gap of 14%, and Segment 1 has the smallest gap of 11%.



Sources: Mathematica analysis of 2021 Global Findex database data.

## Women in Bangladesh: Barrier Prioritization for *Segment 1*



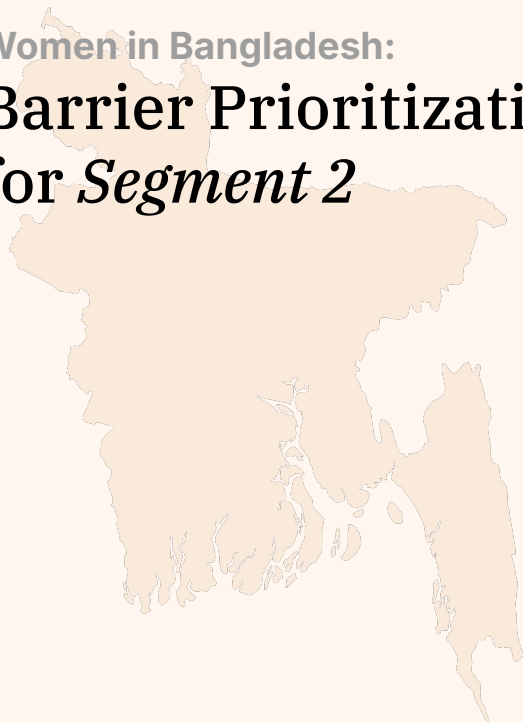
### What we know:

- 79% of women in Segment 1 say they do not have an account because they **do not have enough money to use financial institutions.**
- 45.7% of women in Segment 1 say that **financial services are too expensive.**
- 53.7% of women in Segment 1 **own a mobile phone.**
- 60.1% of women in Segment 1 have secondary education.

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Sources: Mathematica analysis of 2021 Global Findex database data

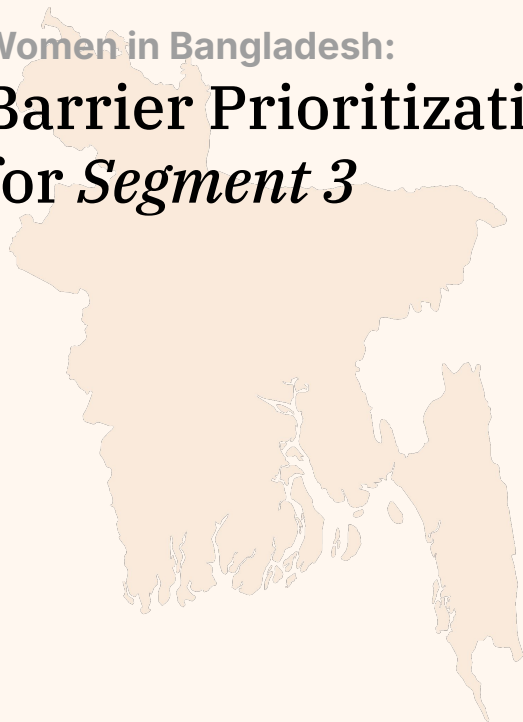
## Women in Bangladesh: Barrier Prioritization for *Segment 2*



### What we know:

- 77.6% of women in Segment 2 say they do not have an account because they **do not have enough money to use financial institutions.**
- 46.4% of women in Segment 2 say that **financial services are too expensive.**
- In Bangladesh, loan officers analyze repayment capacity based on the household income and expenditure which is often **owned and controlled by men.**
- 75% of women in Segment 2 **own a mobile phone.**

## Women in Bangladesh: Barrier Prioritization for *Segment 3*

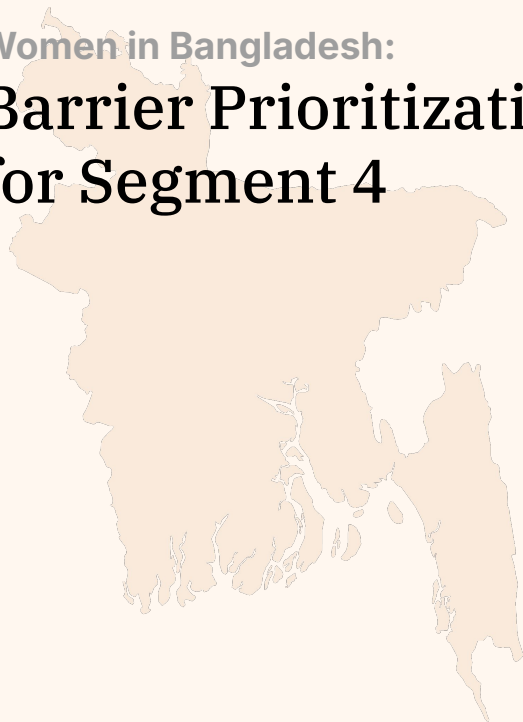


Sources: Mathematica analysis of 2021 Global Findex database data

### What we know:

- 21.8% of women in Segment 3 **paid utility bills through a formal financial institution** in 2021, but only 2.8% and less than 1% received wage payments through a mobile phone or formal financial account, respectively.
- 51.3% of women in Segment 3 borrowed money from any source, but **only 8% borrowed from an informal savings group and only 13.8% borrowed from a formal financial institution.**
- Only 4% of women in Segment 3 made a **purchase online** using a mobile phone or the internet.
- 68.8% of women in Segment 3 are **not in the workforce.** In GSMA's 2020 Consumer Survey, Bangladesh was one of 8 countries for which "affordability" was the second-most cited barrier to using mobile internet by both men and women.
- 86.9% of women above the age of 15 **own an ID.**
- 62.3% of women in Segment 3 have **secondary education.**

## Women in Bangladesh: Barrier Prioritization for Segment 4



### What we know:

- 48.6% of women in Segment 4 have secondary education and **3.7% of women in Segment 4 have tertiary education.**
- **78.8% of women in Segment 4 have a mobile phone**, compared to 96.8% of men in Segment 4.
- **32.4% of women in Segment 4 saved money using an account at a formal financial institution**, compared to just 4.9% of women in Segment 3 and 40.3% of men in Segment 4.
- **87.7% of women in Segment 4 borrowed money from a formal financial institution**, compared to just 13.8% of women in Segment 4 and 53.7% of men in Segment 4.
- **Only 5.6% of women in Segment 4 made a purchase online using a mobile phone or the internet.** 13.2% of women in Segment 4 received wage payments into an account at a formal financial institution, and 11.3% received wage payments through a mobile phone.

# Barrier Prioritization by Segment in Bangladesh

	Segment 1	Segment 2	Segment 3	Segment 4
<b><i>More relevant</i></b>	Cost of using DFS (incl. transaction cost)			
	Perceived and/or lack of money			
		Lack of credit history (for credit products only)		
		Cost of mobile/internet		
		Lack of products that meet women’s needs		
		Unclear or unavailable info about products/uses		
		Lack of products and services that create value		
<b><i>Kept in mind during program design</i></b>	All barriers in the Social Norms category			
<b><i>Less relevant</i></b>	Phone/SIM ownership			
	Digital/Foundational ID			
	Basic literacy & numeracy			

# Exemplars & Opportunities Analysis



Our exemplar analysis maps rigorously tested successful interventions and programs to the barriers and customer segments they address.

With an understanding of the most relevant barriers for a specific customer segment in a specific market, exemplars can *inspire and inform opportunities* for adapting and designing *evidence-based programs* in other markets.

To explore more exemplars in detail, go to our project website.

A key part of our exemplar analysis was identifying the design principles that were inherent in each activity, program, and intervention.

***Design principles*** are a set of ***guiding rules and elements to be considered during program conception and design.*** These principles will help create intentional, effective, and valuable interventions and activities that work for women.

## Five design principles emerged as the most common principles throughout our exemplar research.

Interventions that adopted one or more of these principles were also found to be successful in addressing barriers to WEE-FI and meeting their intended objectives.

These five design principles should be considered when designing programs and activities specifically for women given their popularity in existing programming and impacts on improving access and usage of financial services.

The five key design principles we identified are:

- 01 Bundling a product/service rollout with capacity-building training
- 02 Targeting both supply- and demand-side actors under one program
- 03 Leveraging multiple communication channels for recruitment, and trusted community members for program implementation
- 04 Using women-centered design models
- 05 Making interventions affordable

Sample Exemplars

The following slides provide *two sample exemplars* that could *inspire activities* to address the key barriers to women's financial inclusion in Bangladesh.

Both implemented in Bangladesh, they address key barriers affecting women in Segment 2 and Segment 3, including cost of using DFS, lack of credit history, lack of products that create value, and lack of products that meet women's needs.

**There are 43 other exemplars in the extended resources** that may provide additional inspiration for service providers working on women's financial inclusion and economic empowerment in Bangladesh. These resources can be found on our website.

# Digitizing Payroll for Factory Workers in Bangladesh

“Electronic payroll accounts are a financial technology with potentially high returns to adoption that is currently being introduced to millions of workers worldwide. At the same time, payroll accounts are susceptible to many common consumer financial protection problems, such as shrouded fees, commission-based incentives, and barriers to use among inexperienced consumers.” To study the effects of active engagement with payroll accounts has on consumer learning, and how “learning by doing” occurs with exposure to electronic payroll accounts, the researchers conducted a field experiment with employees in the garment manufacturing industry in Bangladesh, an export industry that is increasingly being regulated regarding employee wages and transparency. The experiment introduced electronic payroll accounts to a population of largely unbanked factory workers and analyzed treatment results (Klapper et al., 2020).

## Quick facts

### Barriers addressed



#### *Cost*

Cost of using DFS (incl. transaction cost)



#### *Information Availability & Capability*

Financial literacy  
Digital literacy



#### *Product & Service Quality*

Navigability of user interface of the digital product



#### *Consumer Protection*

Over-charging

### Segment focus

1 2 3 4

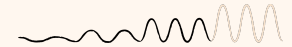
### Geography

Bangladesh

### Sources

[Klapper et al., 2020.](#)

### Customer Journey Relevance



### Key stakeholders involved

3,136 garment workers  
Two large garment manufacturing firms (unnamed)

# Digitizing Payroll for Factory Workers in Bangladesh

## Key activities

- A sample of 3,136 workers randomly assigned to either continue receiving wages in cash (control group), or begin receiving wage payments into a bank or mobile money payroll account (treatment group).
- “In a set of comparison treatments, workers were given an account but continued receiving monthly wage payments in cash.”
- “Treatment effects were measured through panel surveys and administrative data review.”

## Outcomes/results

“The results show that exposure to payroll accounts leads to increased account use and consumer learning. Those receiving accounts with automatic wage payments learn to use the account without assistance, begin to use a wider set of account features, and learn to avoid illicit fees, which are common in emerging markets for consumer finance.”

Workers in the payroll account treatment condition interact with the account more frequently, develop greater trust in the technology, learn to use the account without assistance, and learn how to avoid common consumer financial risks and use the account in the most cost-effective way. “The treatments have real effects, leading to increased savings and improvements in the ability to cope with unanticipated economic shocks.”

Those that received accounts with automatic wage payments were 4% to 11% more likely to have any savings and 25% more likely to have savings in a formal account.

# Digitizing Payroll for Factory Workers in Bangladesh

## Key enabling environment factors for the intervention

- Sufficient documentation for those in the treatment group was necessary to open payroll accounts. Fortunately, FSPs allowed employers to submit documentation on behalf of their employees, covering for those that might not have the proper documentation or knowledge of which documentation is required.
- The garment industry in Bangladesh is an export industry that includes a large labor force and is increasingly requiring the digitization of wages.

## Key design elements and principles that led to successful outcomes

- Demonstrate to employer the importance of investing in long-term employees – low seniority level workers whose tenure at the firm was too low to warrant opening a formal payroll account were excluded from participation.

- The employer and FSP played active roles in the process; the employer covered the costs of account opening for those in the treatment group.

## Potential for scale/replicability

There is potential for replicability in garment manufacturing industry globally, taking the approach of digitizing wages in export industries/sectors for which regulation is increasing.

This approach can also be replicated in other high export sectors, and sectors in which there is a large female workforce – for which regulators and importers can require increased transparency and digitization of wages.

This approach can also be replicated, however, it would benefit the initiative to study what results would look like if employees covered the costs/fees for account opening and transactions, not the employer.

# Digitizing Payroll for Factory Workers in Bangladesh

## Challenges encountered during the program

There were some initial resistance from employees in treatment group due to lack of trust in technology, but this decreased with increased interaction with the technology. Also, many workers did not have sufficient documentation, and had to rely on identification and guarantees provided by their employer to open an account.

## Recommendations from the research

Channeling wage payments into an account creates a strong incentive to engage with the account and learn about the features of the technology in a way that is not achieved by account opening alone. Channeling wage payments into formal accounts is an obvious next step with potentially large positive implications for access to finance and consumer learning in low- and middle-income countries where wage payments are still made predominantly in cash.

Some employers may want to avoid the transparency that comes with payroll accounts and may require nudges from regulators to adopt payroll accounts.

“

*Channeling wage payments into an account creates a strong incentive to engage with the account and learn about the features of the technology in a way that is not achieved by account opening alone.*



# Paving the Way for Women from the Inside Out (TARA Program)

BRAC Bank in Bangladesh saw gaps in financial inclusion as “an opportunity to accelerate Bangladeshi women’s access to financial services, and become the country’s leading bank for women... Leadership at BRAC recognized that increasing female representation within its workforce was a crucial first step to becoming a first mover in the market. When CEO Selim Hussain came on board in 2015, women represented just 13% of total employees and 5% of senior managers. While the share of women mirrored women’s underemployment in Bangladesh at large, it was far from reflecting the general population. Hussain made it a goal to create a more diverse and inclusive workplace.” (Financial Alliance for Women, 2020).

## Quick facts

### Barriers addressed



#### *Prerequisites*

Broader legal constraints  
Lack of credit history (for credit products only)



#### *Accessibility*

Mobility constraints (e.g., legal curfews, norms)



#### *Information Availability & Capability*

Financial literacy  
Unclear or unavailable information about products/uses



#### *Product & Service Quality*

Lack of products that meet women's needs  
Lack of products and services that create value  
Reliability and quality of in-person services



#### *Human Resources*

Lack of women in leadership at DFS providers and policy-makers

### Segment focus

1 2 3 4

### Customer Journey Relevance



### Geography

Bangladesh

### Key stakeholders involved

BRAC Bank  
Financial Alliance for Women  
IFC

### Sources

[Financial Alliance for Women, 2020.](#)

# Paving the Way for Women from the Inside Out (TARA Program)

## Key activities

Beginning in 2016, BRAC took several steps to foster a more diverse workforce including holding a forum to allow female employees to give feedback. “The bank’s leadership found that women did not feel supported in their career growth, nor did they feel safe, valued or heard. This forum was then formalized as an internal support group called TARA. In response, BRAC introduced new and updated policies. These included a zero-tolerance policy for workplace harassment and a new platform for safely submitting complaints, as well as mandatory training on diversity, gender and sexual harassment. BRAC also launched a pickup and drop-off service to ensure that women could travel safely to and from work. BRAC then sought to increase female representation and advancement opportunities by actively recruiting women.” The bank implemented training and mentoring programs “to help women move up the ladder and charting more defined career paths for high-potential employees.” The bank also “adopted a suite of retention efforts-based on feedback from women at the firm – including renovating its daycare center to better support working mothers, offering flexible work schedules, and installing more female—

—restrooms. Once BRAC had instituted its internal diversity and inclusion efforts, it began building an external woman-centered strategy”. BRAC conducted interviews and focus group discussions with women customers to understand their needs and preferences, which resulted in BRAC designing financial products and services that could meet their needs and be valuable to them. Some of the products and services included motorbike loans for women facing mobility issues, risk-assessment practices to provide women without credit history access to credit, training and business development for entrepreneurs, and a special TARA microsite that advertises the women-centric products and services.

## Outcomes/results

“The impact of BRAC’s internal and external efforts are evident. Today, BRAC employs almost 1,000 women – more than any other institution in the Bangladeshi financial services industry and an increase of almost 20% between 2016 and 2019. In addition, the number of women in senior management positions has almost doubled in this period.”

# Paving the Way for Women from the Inside Out (TARA Program)

## Outcomes/results (cont.)

“Customer data also reflects the success of the bank’s TARA program. Between 2016 and 2019, its total number of female customers rose by an average of 8% annually, while women SME customers increased by an average of 3% annually.”

“When it comes to lending, bank’s retail loans to women have increased at an annual rate of 16% between 2016 and 2019, while loans to women-owned micro, small and medium enterprises have increased at an annual rate of 22%. The bank has also succeeded in extending its reach to previously unbanked women. The bank reports that they now represent around one-third of TARA Retail customers and half of TARA SME customers.”

## Key enabling environment factors for the intervention

The success of BRAC’s internal and external efforts were a result of the bank’s leadership team’s willingness and determination to listen to employees and customers. The leadership team proceeded to make institutional changes based on the feedback received.

## Key design elements and principles that led to successful outcomes

- BRAC addressed internal diversity and representation issues first before attempting to address external issues.
- The bank puts both women employees and customers at the forefront of its decision-making. For example, the TARA program was specifically designed to support women employees, and continues to do so by offering a grievance redressal mechanism. The program is also designed to specifically inform women customers of the products and services designed for them through its website.
- “BRAC set up an incentive system for its sales force to encourage them to work with more female customers. These include earning additional rewards toward business targets if they sell to women.”
- The bank uses feedback from customers in designing products for them – such as trainings, credit access, and mobility loans.

# Paving the Way for Women from the Inside Out (TARA Program)

## Potential for scale/replicability

TARA leveraged both agents and digital platforms to reach as many women as possible and scale up the program. “BRAC set up TARA desks inside its 13 busiest branches to give customers direct access to agents who are specially trained in its women-centered products and inclusive customer service approach. And at other branches or from home, customers can dial a dedicated help line to reach a TARA specialist... BRAC also gathered a team of 300 agents to target customers who live outside of its branch network. For its digital delivery, BRAC developed a specialized TARA microsite within its corporate website that promotes all of its women-centered financial and non-financial solutions. And it created the TARA Mobile Banking app to give customers more personalized information about banking services, promotions with partners and relevant community events.” Organizations seeking to replicate BRAC’s program can leverage some of these distribution channels.

## Challenges encountered during the program

BRAC Bank has continuously adapted its policies, strategies, and products to address challenges that they encountered. For example, BRAC discovered that many of the branches outside of the main city weren’t serving any TARA customers. To rectify this, the bank recruited a team of 300 agents to specifically serve customers outside of the branch network. The bank also realized that many women customers distrusted the banking system. This led BRAC to design a variety of non-financial solutions to complement its extensive financial offerings, such as business trainings and mentorship programs. Even though challenges emerged during the program, BRAC was able to internalize the feedback and adjust their plans accordingly to better serve both their employees and customers.

# Paving the Way for Women from the Inside Out (TARA Program)

## Recommendations from the research

BRAC Bank has three key recommendations for organizations seeking to make their workplace and customer base more gender-balanced:

1. "Embrace the opportunity to become a first mover in the market.
2. Lower barriers to access by becoming a long-term partner for women.
3. Strengthen internal diversity and inclusion efforts before reaching outward."

# Thank you!

*For questions please contact:*

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[www.wee-fi-barriers.org](http://www.wee-fi-barriers.org)



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GATES foundation