

Ethiopia

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**.

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

Broader legal constraints
(e.g. male signature)

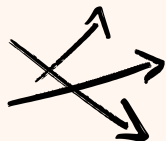
Internet/Mobile connectivity

KYC requirements

Lack of credit history
(for credit products only)

Digital/Foundational ID

Phone/SIM ownership



Accessibility

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

Distance from bank/
FSP/CICO agent



Cost

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

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

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

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

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

Lack of female agents



Social Norms

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

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

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

Owns a financial account
and

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

04. Included, not underserved

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

Prerequisites Broader legal constraints (e.g. male signature)

Cost Cost of using DFS (incl. transaction cost)
Cost of mobile/internet

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

Human Resources Lack of female agents

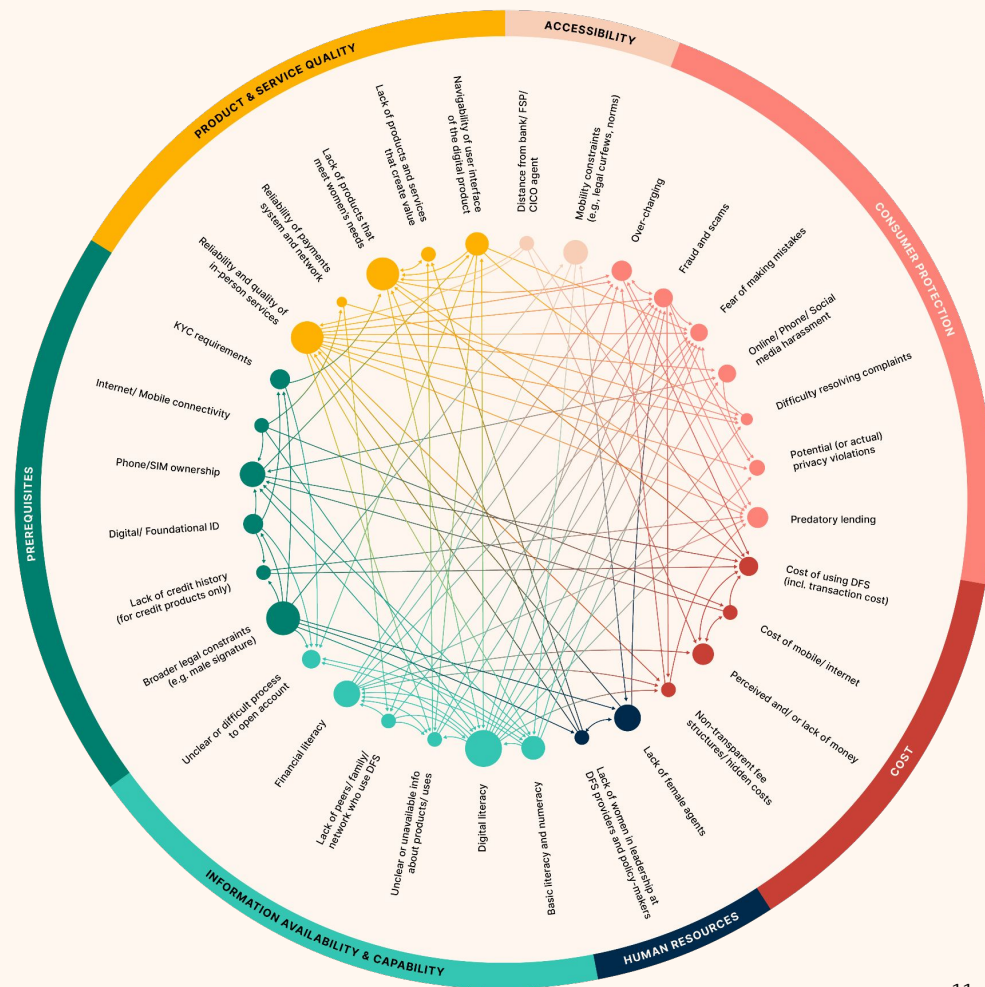
Some barriers typical for the largest segments in each market may be *more or less relevant based on local context*. This doesn't mean other barriers should be ignored or deprioritized.

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.

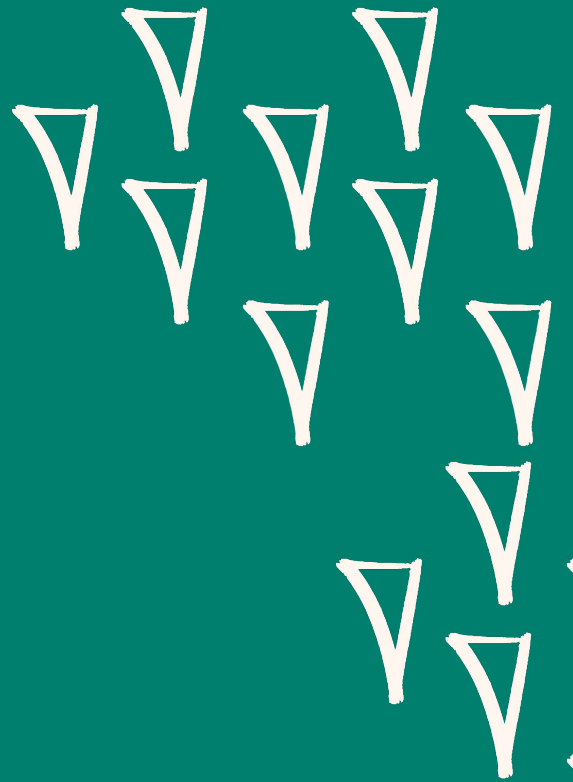
Connected Barriers Map

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](#).



Ethiopia



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

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

It is also important to note that Ethiopia was one of 16 countries for which 2021 Findex data was collected in 2022. Due to ongoing conflict and security issues, Tigray, Gambella, and Harari regions were excluded. The excluded areas represent approximately 7% of the total population of Ethiopia. Surveys continued to be conducted face-to-face.

- 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** in Ethiopia, using 2021 Findex and additional sources.
- Slide 10* An analysis of **specific barriers that may be more or less relevant for each segment.**

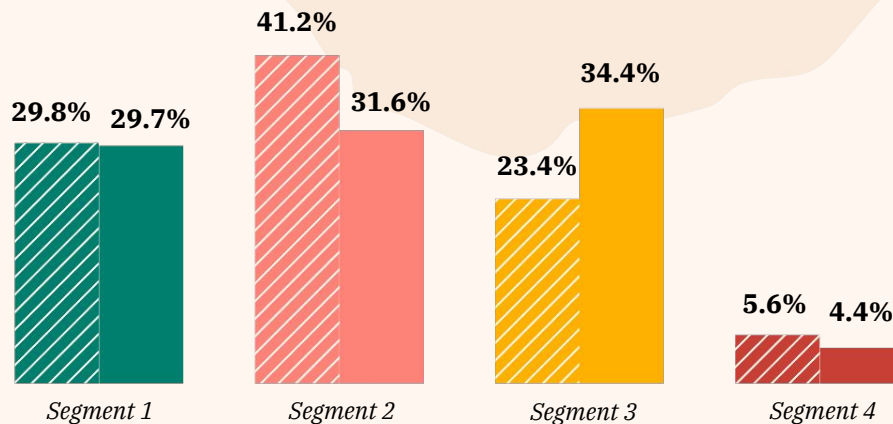
Women in Ethiopia: Segmentation Breakdown

2017 & 2021

From 2017 to 2021, the largest segment of women in Ethiopia shifted from Segment 2 to Segment 3. In 2021, 34.4% of women in Ethiopia fall into Segment 3, 31.6% in Segment 2, and 29.7% in Segment 1.

▨ 2017

■ 2021

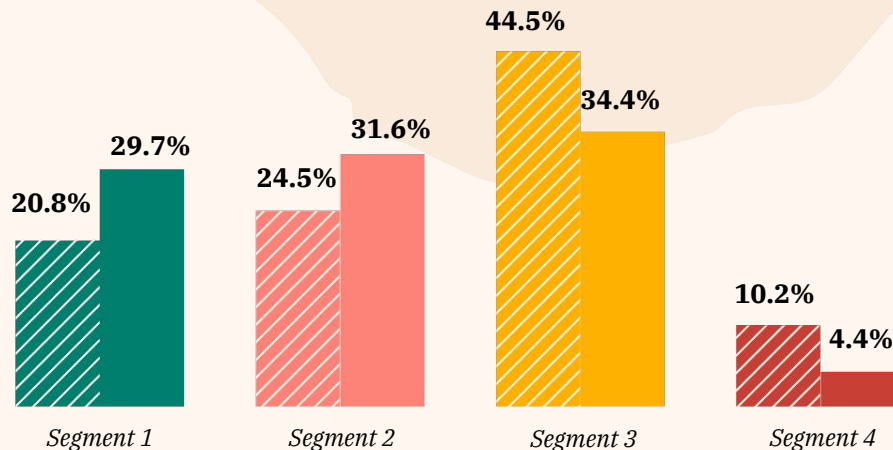
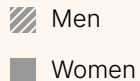


Sources: Mathematica analysis of 2021 Global Findex database data.

Women in Ethiopia: Gender Comparison in All Segments

2021

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

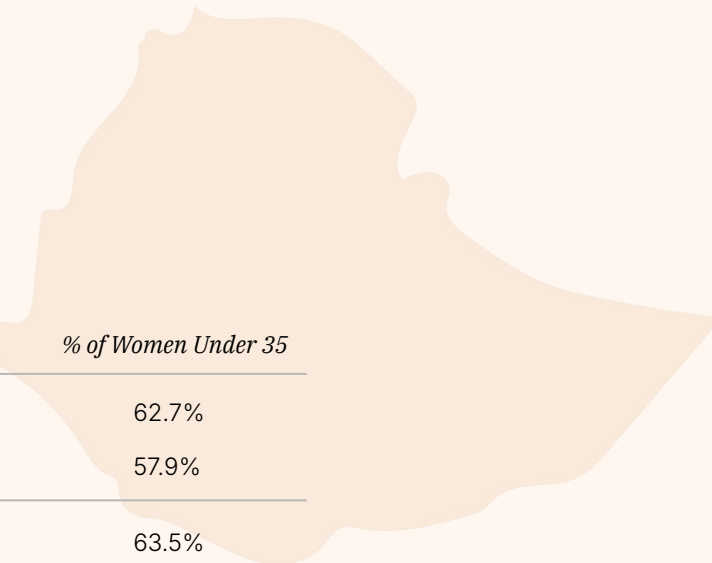


Sources: Mathematica analysis of 2021 Global Findex database data.

Women in Ethiopia:

Demographic Breakdown

2017 & 2021



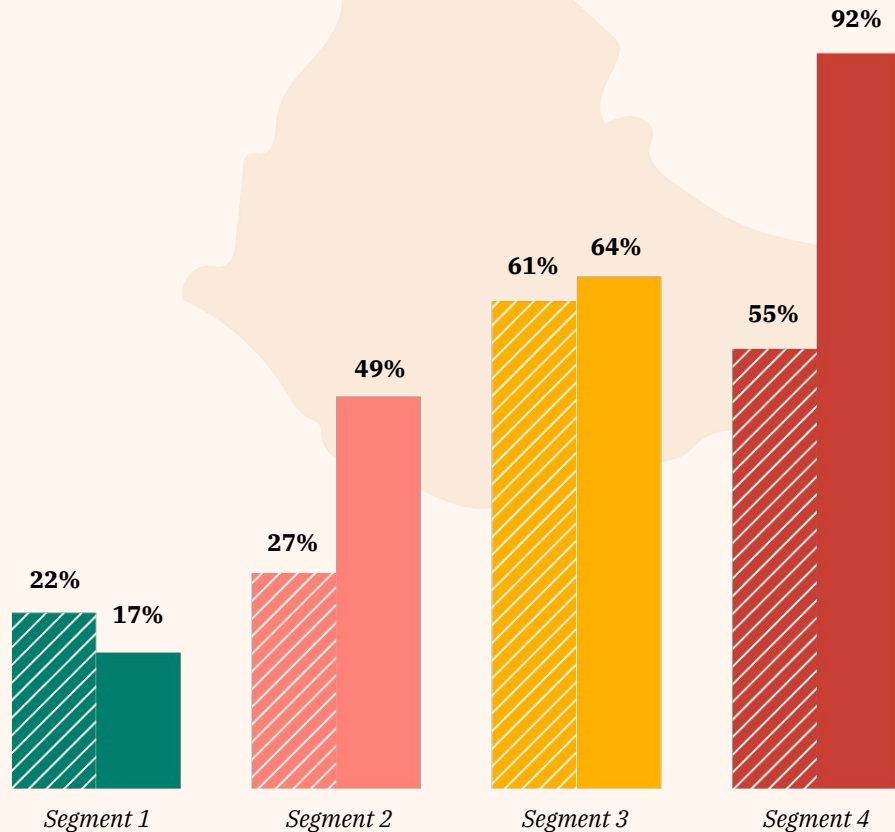
<i>Segment</i>		<i>Primary Employment Sectors</i>	<i>Leading Education Level</i>	<i>% of Women Under 35</i>
01	2017	Not in workforce (46.8%)	Primary or less (92.4%)	62.7%
	2021	Not in workforce (51.6%)	Primary or less (93.9%)	57.9%
02	2017	Agriculture (65.2%)	Primary or less (93.5%)	63.5%
	2021	Agriculture (50.5%)	Primary or less (92.3%)	50.2%
03	2017	Agriculture (42.4%)	Primary or less (74.9%)	64.7%
	2021	Agriculture (43.3%)	Primary or less (71.2%)	55.1%
04	2017	Agriculture (34.6%)	Primary or less (71.8%)	63.6%
	2021	Agriculture (32.5%)	Primary or less (43.1%)	53.9%

Sources: Mathematica analysis of 2021 Global Findex database data.

Women in Ethiopia: Mobile Phone Ownership

2017 & 2021

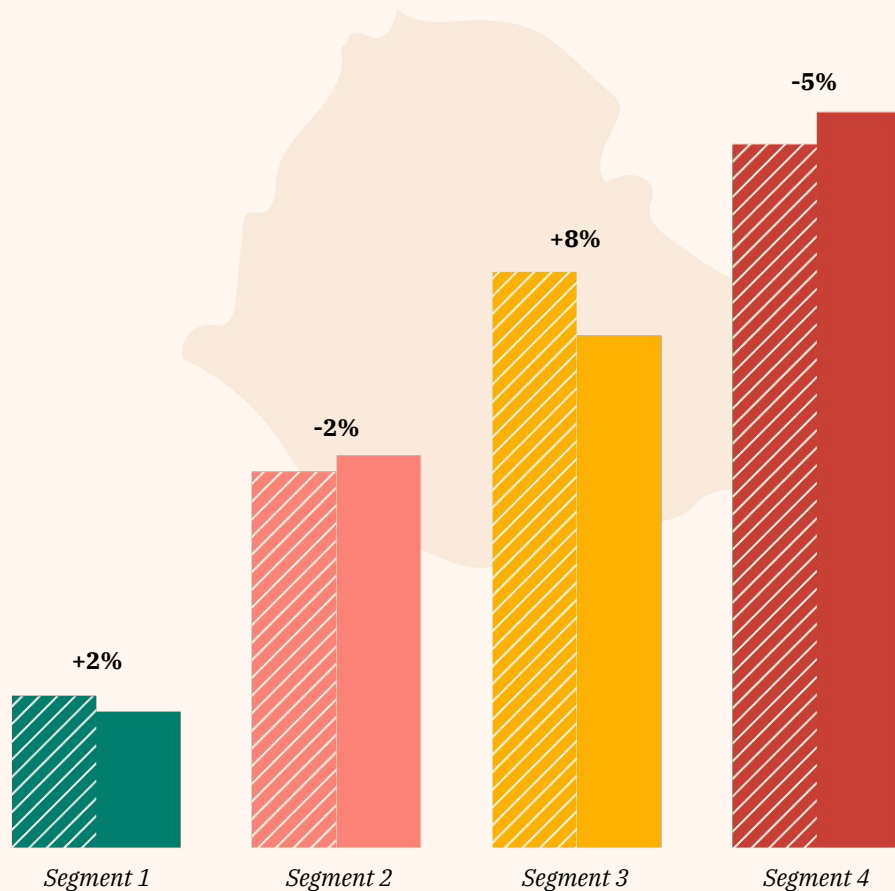
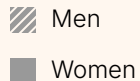
Women's mobile phone ownership increased from 2017 to 2021 for Segments 2, 3, and 4, with Segment 4 having the largest increase of 37% and Segment 3 having the smallest increase of 3%.



Sources: Mathematica analysis of 2021 Global Findex database data.

Women in Ethiopia: Gender Gap in Mobile Phone Ownership

Segment 3 has the largest gender gap in mobile phone ownership (8%). Women in Segments 2 and 4 have higher levels of phone ownership than men.



Sources: Mathematica analysis of 2021 Global Findex database data.

Women in Ethiopia: Barrier Prioritization for *Segment 1*

What we know:

- **82.8%** of women **do not own a mobile phone.**
- **82%** stated that they **did not have enough money** to open a financial account.
- **53.9%** of women stated they don't have an account because **financial institutions are too far away.**
- **93%** of women have **primary levels of education of less.**
- **33.9%** of women stated that they **lacked documentation to open an account.**

Women in Ethiopia: Barrier Prioritization for *Segment 2*

What we know:

- **87.3%** of women stated they **do not have enough money** to use financial services.
- While phone ownership among women in Segment 2 increased from 27.4% in 2017, still only **48.5%** of women **owned a mobile phone** in 2021.
- **93%** of women have **primary levels of education of less.**
- **16.2%** of women stated that they did not have an account because **financial institutions were too far away.**

Sources: Mathematica analysis of 2021 Global Findex database data; Cable.co.uk

Women in Ethiopia: Barrier Prioritization for *Segment 3*

What we know:

- **74%** of women in have **primary levels of education or less.**
- **Digital savings and payments are low.**
 - **2.2%** of women saved, **6.9%** sent money, and **1.3%** paid bills with a mobile money account.
- **Ethiopia's mobile money market is nascent but expanding.**
- **The cost of mobile data is relatively low.**

Sources: Mathematica analysis of 2021 Global Findex database data; Cable.co.uk

Women in Ethiopia: Barrier Prioritization for *Segment 4*

What we know:

- **93.1%** of women in Segment 4 **saved money using an account at a formal financial institution, but only 18.7% borrowed** from a formal financial institution.
- **While only 18.5% of women in Segment 4 made a purchase online using a mobile phone or the internet**, this is relatively high compared to the only 7.9% of men in Segment 4 who did so.
- **92.2% of women in Segment 4 own a mobile phone**, compared to 87.6% of men in this segment.

Sources: Mathematica analysis of 2021 Global Findex database data; Cable.co.uk

Barrier Prioritization by Segment in Ethiopia

	Segment 1	Segment 2	Segment 3	Segment 4
More relevant	Phone/SIM Ownership		Lack of products that meet women's needs	
	Perceived and/or lack of money		Lack of products and services that create value	
	Basic literacy and numeracy		Digital literacy	
	Distance from bank/FSP/ CICO agent			
Kept in mind during program design	All barriers in the Social Norms category			
	Basic Literacy and numeracy			
Less relevant	Digital/Foundational ID			
	Cost of mobile/internet			

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 Ethiopia.

The first provides lessons from a project in Tanzania that addressed barriers affecting Segments 1, 2 and 3 in Ethiopia: phone/SIM ownership, perceived and/or lack of money, and digital literacy. The second provides lessons from a program in Bangladesh that addressed barriers affecting women in Segment 3 in Ethiopia: lack of products that meet women's needs and lack of products and services that create value.

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 Ethiopia. These resources can be found on our website.

Mobile Phone and Livelihoods of Women Project

“Few other global trends have outpaced the rate at which people living in poverty are acquiring mobile phones and using them to improve their economic welfare.” To estimate the effects of mobile phones on the welfare of low-income women, the authors undertook a RCT (n= 1,348) in Tanzania in 2016–17 in which basic handsets, smartphones, and a cash placebo were randomly assigned to participants. To the knowledge of the authors, “this is the first pure RCT testing the effectiveness of mobile phones on poverty reduction.” (Roessler et al., 2018).

To recruit participants, the team partnered with BRAC, and the Tanzanian government’s anti-poverty Social Action Fund, TASAF. The team worked in 11 districts in five different regions of the country—“Arusha, Mwanza, Iringa, Tanga, and Ruvuma—that provided both broad geographic diversity and a balanced mix of rural, peri-urban and urban residents.” At the time of study, the research team “focused on women because in Tanzania, like in many other developing countries, mobile phone ownership for women is significantly lower than among men” (Roessler et al., 2018).

Quick facts

Barriers addressed



Prerequisites

Phone/SIM Ownership



Cost

Perceived and/or lack of money
Cost of mobile/internet



Information Availability & Capability

Digital literacy
Unclear or difficult process to open an account

Segment focus

1 2 3 4

Geography

Tanzania

Sources

[Roessler et al., 2018.](#)

Customer Journey Relevance



Key stakeholders involved

1,352 Tanzanian women
BRAC
Social Action Fund (TASAF)
Tanzanian MNOs

Mobile Phone and Livelihoods of Women Project

Key activities

After identifying participants through a brief, inconspicuous survey that screened for phone ownership with the help of BRAC and TASAF, participants were assigned to one of several groups. In the control group, women were placed on a waitlist to receive a phone in year two of the program. In the treatment group, participants were assigned a combination of “basic handsets, smartphones, cash (40,000 Tanzanian Shillings, or US \$18, the equivalent value of a basic phone), group or individual mobile phone training, mobile credit vouchers, and solar chargers.”

After assigning participants to groups, participants were invited to a distribution meeting where they were walked through “how to install a SIM card, charge the phone, turn on the phone, use the radio and flashlight, make a phone call, send SMS, use mobile money, and, for smartphone recipients, how to access the internet and download an app. Some received this training individually, some as a group and others received no training at all,” to assess the outcome of the program, female enumerators conducted baseline, midline, and endline surveys in Swahili.

Outcomes/results

- “At endline one year after distribution of the phones, women assigned to the basic and smartphone conditions were significantly more likely to own phones, use mobile money, use phones for income-generating activities, and score higher on an index of financial inclusion.”
- “In the cash group in which women were given money equivalent to the cost of a basic phone, 55% possessed phones at endline, indicating that many used their cash gift to buy a phone. Given the many other pressing needs on which subjects in the study may have spent the cash, this high rate of phone purchasing in the cash group suggests the premium that poor women place on phone ownership.”

Mobile Phone and Livelihoods of Women Project

Key enabling environment factors for the intervention

- The research team partnered with organizations that have a national presence in Tanzania for participant recruitment. These organizations also work mainly with women from low-income households. Taken together, these organizations helped to build trust with the participants in the program.
- Mobile infrastructure and connectivity was strong. Participants were given SIM cards from mobile network operators with strong coverage in their particular area.

Key design elements and principles that led to successful outcomes

- Participants were given SIM cards from mobile network operators with strong coverage in their particular area, rather than given SIM cards from the same MNO. This could have helped prevent challenges related to insufficient connectivity.

- Trainings were customized for basic phone owners versus smartphone owners.
- Trainings and surveys were conducted by female enumerators in Swahili.
- The program was affordable. Women did not have to pay for their phones or SIM cards, reducing cost barriers to program participation and enabling a diversity of participants.

Potential for scale/replicability

The success of this program was enhanced by partnering with firms with a national presence in Tanzania, and several major mobile network operators. Organizations seeking to replicate this program should keep this in mind, as finding multiple partners may be challenging or time consuming. The type of phones offered in different markets should also be considered, as some markets may be less familiar with smartphones. Trainings should be customized to reflect the skills and literacy levels of the participants in replicated programs.

Mobile Phone and Livelihoods of Women Project

Challenges encountered during the program

This program encountered significant noncompliance with the study's experimental conditions. For example, some women sold their smartphones for more basic phones, and not all of the women in the treatment group retained their phones at endline. Additionally, "31% of women in the basic phone group, and 26% in the smartphone condition did not own any phone at endline, reporting their project phone either lost, broken, stolen, or sold."

Recommendations from the research

Due to the significant numbers of participants who did not own any phone at endline due to their phone being lost, broken, stolen, or sold, future programming should give consideration to the challenges faced by low-income mobile phone users when they face the loss of valued assets.

“

At endline one year after distribution of the phones, women assigned to the basic and smartphone conditions were significantly more likely to own phones, use mobile money, use phones for income-generating activities, and score higher on an index of financial inclusion.

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

