



Human Resources

Lack of female agents

This barrier refers to the lack of female agents in financial services. In contexts where cultural norms prohibit women and girls from interacting with men outside of their families, a lack of female agents may mean lower DFS usage for female customers. For these contexts, some researchers and providers believe that ensuring sufficient representation of female agents might help drive uptake and usage of DFS.

Why is this barrier important?

Evidence shows that female agents can help women customers trust and adopt DFS, but female agents are greatly underrepresented in agent networks around the world. Increasing the number of female agents could help drive the volume of DFS transactions and encourage unbanked women to use DFS.

Connected Barriers



Accessibility

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



Social Norms

All barriers in this category



Product & Service Quality

Reliability and quality of in-person services



Human Resources

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



Consumer Protection

Fraud and scams



Prerequisites

Broader legal constraints

Most Relevant Segments

1

Excluded, marginalized

2

Excluded, high potential

3

Included, underserved

4

Included, Not underserved

Customer Journey Relevance



Phase 1:
Account Ownership

Phase 2:
Basic Account Usage

Phase 3:
Active Account Usage

Phase 4:
Economic Empowerment



Key evidence relevant to this barrier

- “Agents generally represent the primary and most tangible touchpoints for most DFS customers. They market and sell products and provide support and guidance on how to use products and services. However, in MENA, most e-payment agents are male, and women sometimes report feeling uncomfortable interacting with them due to prevailing norms regarding male-female interactions outside the home.” ([Marketlinks, 2020](#)).
- In a post written for CGAP, the authors state ([Imboden and Rashid, 2021](#)):

“In 2020, only 7% of the female population in Pakistan had a formal account. One of the reasons for this is that agent network’s potential to advance women’s financial inclusion remains largely inaccessible to women...Between 2017 and 2020, the financial inclusion gender gap has not narrowed but rather grown from 13 to 29 percentage points, according to the Financial Inclusion Insights survey... **Women avoid dealing with male agents due to social norms that restrict non-familial interaction and mobility. If more women were agents, this may not be such an issue. However, just 1 in 100 agents in Pakistan is a woman.** The same norms that—limit women’s use of agents, along with other norms such as restrictions in work outside the home and access to technology, make it difficult for women to become agents.”
- “There is a clear preference for female agents among women in Bangladesh, with 52% of respondents in a survey of mobile financial services (MFS) users and nonusers indicating in the affirmative. Respondents believe that female agents would behave better and provide superior service. However, despite this preference, most respondents (97%) visit male agents to conduct transactions. **Less than 1% of all MFS agents in Bangladesh are female. This highlights the need to proactively recruit female agents.**” ([IFC, 2018](#)).
- In a study on use of mobile money in Pakistan, GRID Impact found widespread distrust in technology that prevented “customers from independent use of mobile money services and persistent reliance on professional intermediaries, even when they are aware of the convenience of independent use.” In a market like Pakistan with strong social norms that make it difficult for female customers to interact with male agents, the need for female agents is even stronger given the reliance on intermediary support to transact ([GRID Impact, 2016](#)).
- “One example of a cultural constraint on usage of financial services among women is that many women may be more comfortable utilizing formal financial services when they can interact with a female point of contact, which is often not a readily available option.” ([Brookings, 2016](#)).
- “Several studies suggest that lack of access to same-sex mobile money agents prevent women from using mobile money services. For example, in Rwanda, research showed that female customers prefer interacting with female agents rather than with male agents. Also, results from GSMA’s 2018 Global Adoption Survey revealed a strong positive correlation between the percentage of female agents in a provider’s network and the proportion of female customers. These studies suggest that female agents emerge as powerful assets for reaching female customers.” ([GSMA, 2019](#)).
- Research on Bank Sakhis in India “shows that women agents have distinctive strengths that help them better serve their customers. Women customers find women agents easier to approach, trustworthy, and great at maintaining confidentiality.” **However, less than 10% of Bank Sakhis are women** ([Hindu Business Line, 2021](#)).



Key evidence relevant to this barrier

- The share of female agents in FINCA's agent network in the DRC ranges from 7% to 34%. Despite the low accessibility of female agents, "female customers are on average 7.5 percentage points more likely to transact with a female agent than with a male agent." Women with higher balances also prefer to "seek women agents when they are particularly concerned about disclosing financial information to men." Women in this study have a **"robust preference to transact with female agents. Yet, since there are fewer female agents, they are less easily accessible. This implies that it is often less convenient (and sometimes more expensive) to visit a female agent to conduct business. Better representation of women agents could promote ease of access and comfort for women to use DFS."** These findings were replicated with a smaller data set from a randomized controlled trial in Senegal and found the same trends ([World Bank, 2020](#)).
- Women across markets in Sub-Saharan Africa are "less likely to have an account at a formal financial institution. They constitute a mere 24% of formal SMEs owners in Sub-Saharan Africa. Meanwhile, providers' agent selection criteria often include having a bank account, a registered business as well as a minimum capital requirement. For this reason, operating largely in the informal sector, with low start-up capital, little collateral, and limited access to finance makes it difficult for women to fit providers' desired agent profile. As a result, few women-owned businesses are recruited as agents." ([MSC, 2016](#)).
- "Mobile agents are often very 'male' spaces in India. They can be intimidating for women to visit, and there is a risk of female customers' mobile numbers being recorded and misused either by the retailer or a bystander." ([GSMA, 2018](#))



Exemplar

The Role of Gender in Agent Banking

"This study utilizes a data set with 1.1 million transactions performed by 104,237 customers from a microfinance institution in the Democratic Republic of Congo, FINCA DRC, from 2017 to 2018... FINCA DRC is a subsidiary of FINCA international, an MFI operating in 23 countries worldwide which pursues women's financial inclusion as part of its mission. FINCA DRC launched branchless banking in 2011 in an effort to expand outreach. FINCA's network in the DRC has grown rapidly from 322 agents in 2014 to over 1,200 agents by April 2018, the end of this period of study. About 61% of the FINCA DRC customers are males. In addition, males comprise 77% of FINCA DRC agents." (Chamboko et al., 2020).

The authors use a logistical and dyadic regression analysis to **study customer preferences for agent gender, transaction amounts, and agent gender preferences in markets with low female agent presence**. Though not studying an intervention, this report has implications for organizations wishing to pursue gender intentional agent networks.

The authors also assessed "whether the patterns found in FINCA DRC transactions also hold in Senegal, a more financially developed, slightly more gender equal, and a more stable, higher-income country than the DRC." The authors test the patterns using data obtained from Baobab – a large MFI in Senegal.

Key activities

- Analysis of sex-disaggregated customer transactions from FINCA DRC (1.1 million transactions) and Baobab Senegal (936 transactions)
- Empirical analysis on a) the likelihood of transacting with a female agent, and b) the transaction amount
- Logistic regression and dyadic regression analyses

Outcomes/results

According to Chamboko et al., this initiative had the following outcomes (2020):

- "Women are significantly more likely to transact with female agents (odds ratio 1.518, p-value=0.000) and this tendency increases both with the value of transactions and the customer's balance. This pattern holds true in both the DRC and Senegal."

- "Gender-based trust may be driving the observed gender homophily as female clients have a stronger tendency to use female agents for larger transactions. Larger amounts are riskier, and thus when the stakes are higher, female clients rely more heavily on female agents."
- "Women are still more likely to transact with female agents even in locations where female agent presence is low."
- "Both men and women transact higher average amounts at agents matching their gender (men US \$250 and women US \$221). When visiting agents of the opposite gender, the average female transaction declines to US \$133 (a 40% reduction) while transactions of males only show a 17% reduction (to US \$207)."
- "The underrepresentation of female agents may contribute to the persistent gender gap in financial access and usage."



Potential for scale/replicability

The paper demonstrates that the study can be replicated by including an additional analysis in Senegal, a market with different levels of financial inclusion, income, and gender equality than the DRC. Although this study uses data from microfinance institutions, additional analyses can be executed using data from other financial service providers, such as banks and mobile network operators. If obtaining sex-disaggregated customer transaction data from banks/microfinance institutions/mobile network operators is feasible, then this empirical model can be applied to determine agent gender preferences in additional markets. A potential roadblock to replicating this study would be the inability to collect enough sex-disaggregated data from financial service providers.

Recommendations from the research

The results of this empirical study indicate a strong link between agent gender and customer preference. FSPs looking to be more gender intentional in their agent networks should use this evaluation as evidence for why female agents are necessary.

Additional Exemplars

Mobile Financial Services for Female Entrepreneurs (MFS) Program

Self-Help Group Members as Banking Agents for Deepening Financial Inclusion in India