

Financial Inclusion and Women's Empowerment

A recent report by the United Nations titled, 'Turning Promises into Action: Gender Equality in the 2030 Agenda for Sustainable Development', says that achievement of sustainable development goals (SDGs) could be difficult without gender equality and women's empowerment. In fact, development in any sphere would be incomplete without equitable participation and contribution of women.

Indeed, it is difficult to conceive an equal world without empowering women with equal social and economic opportunities. Empowerment is a holistic concept that requires targeted interventions across multiple action areas. However, including women in the financial mainstream and making them financially literate are among the most important action areas.

According to the World Bank's Global Findex Database 2017, in developing economies female account owners are, on average, five percentage points more likely than male account owners to have an inactive account. In Bangladesh, however, this gender gap is about twice as large, says the Report, adding that more than half of women with an account made no deposit or withdrawal in a year.

Bangladesh needs to sustain the present momentum to transform into a completely financially inclusive economy. Otherwise, despite being linked to bank accounts, the rural and the excluded population will not be able to avail full advantage of financial inclusion. Building and enhancing financial literacy and education of the population, especially women's, is imperative to sustain financial inclusion while ensuring women's empowerment.

There are varied reasons for low financial inclusion and literacy among women. A majority of women in Bangladesh, especially in rural areas, are homemakers, which is a full-time job with no payment. Lower participation in workforce and wide gender pay gap are other constraints. According to the Labour Force Survey 2016-2017, the labour force participation rate in Bangladesh is 36.3 per cent for females as against 80.5 per cent for males. The survey also finds that irrespective of the education level and the residence (rural/urban), the average per day wage/salary earned by a female is less than that earned by a male.



This results in weak economic and decision-making power for women within the household. Usually, women in the rural areas do not possess any assets other than gold. Land and other assets are hardly bought in their names. Absence of assets leaves women with fewer opportunities to avail institutional credit.

This huge gap, however, also provides an opportunity to change the narrative. For this, women need to be educated on the importance of institutional savings, avenues of subsidiary income and ways to avail institutional credit for micro-entrepreneurship activities. Financial education can empower women to develop a financial identity even with their small and micro household savings, and help them to get access to formal credit for gainful occupation giving them economic freedom and power. Financial literacy can motivate women generating sustainable income through micro activities to wholeheartedly use financial systems and institutions and slowly create a ground for their graduation to higher income opportunities.

Embedding financial literacy and education in programmes where women have significant representation could be a good starting point. For instance, a linkage programme between the banks and the MFIs can emerge as one of the largest programmes in terms of client base and outreach, providing successful individuals and enterprises with access to institutional lending. And these entrepreneurs are more likely to comprise exclusively of women.

We also need to innovate and use technology to deepen financial education among women. Physical distance from the financial education contact centres and trainers and the socio-cultural contexts are major impediments in extending financial literacy/education to women. Therefore, there is a need to use interfaces that allow women to access financial literacy/education easily, conveniently and without disturbing their contexts.

Bangladesh has witnessed revolutionary penetration of mobile phone technologies even in the hinterlands. We need to ensure that every woman who owns a mobile phone or has access to one is able to use it for educating themselves and managing their own finances.

Bangladesh will truly become 'Digital Bangladesh' when every woman has access to mobile devices and is able to use these channels for their own empowerment and gaining economic freedom.



1st International FIN-B Financial Inclusion Conference and Inclusion Fair 2019

The first two-day long FIN-B International Conference and Inclusion Fair 2019 was held at the Krishibid Institution, Bangladesh in Dhaka on 30-31 July 2019. This was organised by the Institute for Inclusive Finance and Development (InM) in collaboration with event partners including SHIFT SAARC of UNCDF, Concern Worldwide, Bank Asia Limited, bKash, Water.org, and Business Finance for the Poor-Bangladesh (BFP-B) project of DFID/UKAid. The first day of the Conference was attended by policymakers, researchers, and representatives from banks, microfinance institutions, government agencies, insurance companies and civil society, among others.

Dr. Mashiur Rahman, Adviser on Economic Affairs to the Prime Minister inaugurated the Conference as the chief guest while the Chairman of InM, Dr. Qazi Kholiquzzaman Ahmad chaired the inaugural session. Dr. Mustafa K. Mujeri, Executive Director, InM welcomed the participants and hoped that the knowledge acquired from the conference would help innovate new pathways to promote the financial inclusion agenda. He added that the Conference would give significant opportunities for cross-learning across the diverse audience over the complex issues and challenges facing the 'financial inclusion for all' agenda in Bangladesh.

Dr. Mashiur Rahman, in his speech, observed that "Bangladesh is a pioneer in financial inclusion with its strides towards 'Digital Bangladesh', rapid development of



the financial sector, rich heritage in microfinance, and unprecedented gains in adopting digital finance and expanding mobile financial services. The government treats finance as a powerful tool of inclusive growth and shared prosperity". He further observed that financial inclusion of the poorest; particularly their access to small-sized credit was a major tool in Bangladesh for combating poverty. He added that "whatever responsibilities we have to carry out, we must concentrate on them, and perform honestly; but we must, at the same time, work towards ensuring equitable and sustainable improvement in the circumstances of those who are now left behind; for them to enjoy universal human rights and live in a humanly dignified fashion." Dr. Rahman called for strengthening financial capabilities in several key areas including provision of financial education tools for better management of income, encouraging households to use long term savings products to effectively manage savings goals, providing clear implications of debt burden to facilitate responsible borrowing, generating awareness on alternative risk coping mechanisms, education on exercising consumer rights and accessing grievance channels, and removing mindset barriers to using new financial products and services.

Dr. Qazi Kholiquzzaman Ahmad, Chairman, InM delivered the ground-laying speech on the topic titled "Human Dignity and Financial Inclusion" in the first plenary which was the main theme of the conference. He observed that "financial services not only have a positive impact at the individual and household levels but, if done sustainably and in suitable scales, could have a broader positive impact on national development by helping to lower transaction costs, manage risks, and even mitigate economic inequality and foster human dignity". He added that financial as well as non-financial interventions were necessary to ensure socioeconomic progress and human dignity which played vital roles to ensure participation of persons in social activities, increase self-esteem and human freedom.

In the first academic session on the theme "Financial Inclusion Landscape in Bangladesh: Strengths and Weaknesses", three papers were presented. The session was chaired by Mr. Khondkar Ibrahim Khaled, former Chairman, Bangladesh Krishi Bank (BKB). Dr. Atiur Rahman, former Governor of Bangladesh Bank chaired the second academic session where papers were presented by Major General Sheikh Md. Monirul Islam (retd.) of bKash, and Mr. Arfan Ali, President and MD of Bank Asia Limited, among others.

Prof. Arup Choudhuri, Chairman & CEO of Acasia Global Consulting LLP, India, in his keynote speech, spoke about the issues of financial inclusion, social inclusion and poverty alleviation in India. He discussed several case studies from India to give the audience a ground-level view of the dynamics of social changes. Dr. Qazi Kholiquzzaman Ahmad, Chairman of PKSF & InM, chaired the session.

An informative presentation by Mr. Muhymin Chowdhury and Mr. Mabubur Rahman from BFP-B provided in-depths

on Omni-channel distribution models as a source of competitive advantage for banks and financial institution. Mr. Feisal Hussain, Team Leader, BFP-B moderated the session.

The second day of the conference started with a keynote speech of former Governor of the Bangladesh Bank, Dr. Atiur Rahman. In the keynote speech on "Leadership and Financial Inclusion", Dr. Rahman highlighted the necessity of right leadership to implement financial inclusion agenda so that all excluded people, especially the poor and underprivileged segments of the society, could get the benefit of financial inclusion and accelerate the pace of socioeconomic improvement. This was followed by an academic session on innovative models and approaches for financial inclusion in which several success cases were discussed along with their possibilities of replication.

A panel discussion on "How Can Digital Platforms Meet the Financing Gaps for MSMEs in Bangladesh?" was chaired by Md. Ashraful Alam, Country Project Coordinator, SHIFT SAARC, of UNCDF.

Mr. Rajeev Kumar Gupta, SHIFT Programme Manager-ASEAN & SAARC, UNCDF in his keynote speech on "Leveraging Data to Advance Financial Inclusion" explored the possibilities of using the right information to extend financial inclusion. The session was chaired by Professor S. R. Osmani, of the University of Ulster.

The learning session of the Conference on "Human Dignity and Financial Inclusion" was chaired by Dr. Toufic Ahmad Choudhury, former Director-General, BIBM. In the session, issues of financial inclusion with human dignity were articulated by Mr. Anir Chowdhury, Mr. Kamal Quadir, Mr. S. M. Rabiul Hassan, Ms. Laura Ralston and Dr. Mustafa K Mujeri.

The closing ceremony was chaired by Dr. Qazi Kholiquzzaman Ahmad in which Dr. Gowher Rizvi, Adviser on International Relation Affairs to the Prime Minister was present as the Chief Guest and Mr. Ahmed Mushtaque Reza Chowdhury, former Vice-Chairman, BRAC was present as the Special Guest. In the session, it was agreed that the framework that had come out through the discussion in the Conference for promoting financial inclusion for the excluded and disadvantaged groups which uphold human dignity would have implications for future policies and the interest and enthusiasm shown by the participants was indeed a good sign for the future.





During the two-day Conference, a total of fifteen papers were presented by different experts on six different themes which provided an opportunity to the policymakers, financial experts, practitioners, academicians and stakeholders to discuss financial inclusion challenges, identify innovative solutions and share experience covering both demand and supply-side issues. It was agreed that the recommendations of the Conference would be crafted with a focus on four key aspects of financial inclusion: (i) a framework for promoting financial inclusion for the excluded and disadvantaged groups that uphold human dignity; (ii) codes of conduct and best practices for developing customised financial products and services; (iii) coordinated principles and strategies for financial literacy and education; and (iv) best practices for different stakeholders including banks, financial institutions, telcos, and the regulators. It was hoped that these recommendations would serve as a benchmark for the upcoming activities of the Financial Inclusion Network-Bangladesh (FIN-B).

Presentations by InM Researchers

Effect of Mobile Financial Services on Financial Inclusion in Bangladesh

Nahid Akhter & M. A. Baqui Khalily



Starting in 2011, in a short span of time mobile financial services has flourished at a geometric rate. Some 27 percent of the households and around 13 percent of the adult populations have access to MFS using either own mobile account or others' accounts. But among them only 3% have own mobile bank account. Intensity of uses of MFSs varies by divisions with higher access in Barisal and Rangpur; the one reason is temporary domestic migration is higher in those regions. Share of accessing bank financial services as well as MFS is highest among the richest 20 per cent which gradually decreases as we move from the richest 20 per cent to the lowest 20 per cent. Conversely, households belonging to the poverty stricken groups are mostly accessing financial services from the MFI sector. Therefore, there is ample scope of expanding among the poverty stricken groups also.

The marginal effect shows that, on average, the probability of using MFS by a household increases by about 43% if the household have temporary domestic migrant family member. Female household heads are less likely to

use MFS compared to male household head. Individuals with profession in non-agriculture, education level of household head, non-poor households and households in urban areas have higher probability to use MFSs. Out of 1588 micro merchants in the sample; around 30% have access to MFS. The result shows that it significantly improves efficiency and financial inclusion in Bangladesh. But more research has to be done to design appropriate MFS products for these poverty stricken groups, so that poor people can also enjoy the benefits of MFS.

Appropriate Financial Products for Vulnerable Excluded Groups: Policy and Regulatory Frameworks

Farhana Nargis and Shah Md. Ahsan Habib



The main purpose of the study is to assess the nature and characteristics of demand for financial services among the excluded people and suggest some guideline on how to develop appropriate, user-friendly and

sustainable financial services for the excluded people. This qualitative study brings out the challenges and the policy and regulatory issues to develop appropriate products for the vulnerable and disadvantaged groups like char and haor residents, tribal residents, tea garden workers, transgender, and physically challenged population.

It is possible to implement social policies more effectively if a financial market exists where all citizens have an equal right to access. However, policies should be directed towards expanding the reach of financial services to unbanked and under-banked in the rural areas. The vulnerable groups must be supported in different phases for graduation: starting with addressing health and social issues; then capacity and confidence building; and followed by creating demand for financing. NGO-MFIs might play notable role in creating these linkages. Proper understanding of the financial behavior and attitudes of different groups of people is important since the nature and level of income strongly influence the use of financial services. Therefore, designing the products for specific target groups, for example, transgender people, offering financial product will not be effective for the financial inclusion. Rather, creating appropriate economic opportunities for them and make them participate in those economic activities should be the utmost priority. Finally, they will need the social acceptance; without this, no policy or initiatives will work for their betterment.

Financial Inclusion for Working Street Children: A Demand Side Investigation

Farah Muneer

This paper addresses few key issues regarding the saving behaviour of working street children; i) What are the key characteristics of the children who save; ii) What factors influence the saving performance of children with respect to gender, and finally iii) What are the policy challenges need to be addressed if working children are given financial services. The study shows that 25% of working children do save informally in different places indicating severe lack of secure place to keep their hard earned money. It is observed that savers are significantly different than non-savers in terms of gender, income and family characteristics. The probability of being able to save is higher by 1.83 times for a female child compared to a male child. This may indicate that 'Money psychology' of a male child and a female child is different from one another. Their spending pattern can also be different. The t-test suggests that male children are significantly different in spending



their earning than female children. It is also found that spending more on productive purposes like food, education, and treatment significantly increases the probability to save. On the other hand, higher lumpy expenditure lowers the probability to save by 1.7 times. It is observed that the male children significantly spend more on entertainment and miscellaneous purposes than female. On contrary, spending on productive purposes like food and education is significantly higher for female children. The utilisation pattern of savings is different for male child compared to female child. It is found that the probability that male child will spend the savings on consumption is higher by 5 times than female child. On contrary in the case of spending on education different scenario is found. It is observed that the probability for female child utilising their saving on education increase by 17 times than that of male child.

Ongoing Research Activities

Currently, InM is implementing a research project named, "Development of a Detailed Implementation Plan with M & E Framework and Resource Plan for National Financial Inclusion Strategy of Bangladesh (NFIS-B)" funded by BFP-B of DFID/UKAid. As a part of the project activities, a series of discussion meetings with various financial sector stakeholders, including banks, MFIs, Insurance companies, non-bank financial institutions were organised by InM.

Consultation meeting with MFIs



Consultation meeting with Insurance companies



Consultation meeting with banks

International Journal Publications

Nargis, F (2019). 'Poverty Reduction and Human Development: Impact of ENRICH Programme on Income Poverty in Bangladesh'. Indian Journal of Human Development, 13(1):13-31.

Akhter, N. and Islam, M. (2019). 'The Impact of Migration and Migrant Remittances on Household Poverty in Bangladesh'. Journal of Poverty Alleviation & International Development, 10(1):43-59.

Hasan, M. and Muneer, F. (2019) 'Understanding the Causes of School Dropout among Poor Households in Bangladesh'. SUB Journal of Sustainable Environment and Development, 4:130-146.

- The 'middle-class' in Bangladesh: Winners or losers?
Dr. Mustafa K Mujeri, 27 June 2019, The Daily Star
- FY2019-20 budget: What's in it for the poor people?
Dr. Mustafa K Mujeri, 30 June 2019, The Financial Express
- আর্থিক অন্তর্ভুক্তি ও ফিন-বি আন্তর্জাতিক সম্মেলন
ড. ফারহানা নার্গিস। জুলাই ২২, ২০১৯ Banik Brata
- Poor centricity and financial inclusion: The poor live complex financial lives
Nahid Akhter | July 24, 2019, The Financial Express
- Boosting CMSMEs through mobile banking
Farah Muneer | July 26, 2019, The Financial Express



Newspaper Articles

- Financial inclusion for vulnerable working children
Farah Muneer, July 30 2019, Dhaka Tribune
- বাংলাদেশে আর্থিক অন্তর্ভুক্তি ও প্রযুক্তি ড. মোস্তফা কে. মুজেরী
ড. ফারহানা নার্গিস। জুলাই ৩১, ২০১৯ Banik Brata
- Development sans inclusiveness meaningless: Dr Rizvi
The Financial Express 01/08/2019
- শেষ হলো ফিন-বি আন্তর্জাতিক সম্মেলন : আর্থিক অন্তর্ভুক্তি
বিস্তৃতিতে সচেতনতা ও জ্ঞান সৃষ্টির সুপারিশ
বণিক বার্তা 01/08/2019

Internship of 9th Batch Diploma Participants

The Internship programme of the 9th batch diploma participants was completed on 30 June 2019 using new guidelines to make the programme more effective and result oriented. The main objective was to connect the class room learning with practical experience so that the participants can enhance their efficiency and effectiveness using their goal oriented knowledge. The programme was conducted in two parts: field exposure and report writing. All participants submitted their reports based on observations and learnings.

9th Batch Diploma Results Published

The Result of the 9th batch of Diploma in Microfinance Programme was published on 15 July 2019. A total of 25 participants successfully completed the programme. The certificates will be formally awarded to the participants during the Fourth Graduation Ceremony. The total numbers of participants who have successfully completed the Diploma now stand at 220. These graduates act as the catalysts in transforming the microfinance sector with innovation, creativity and leadership.

Orientation Programme of 10th Batch

The Orientation Programme of the 10th batch of Diploma in Microfinance Programme was held on 27 August 2019 at InM Training Centre, Monsurabad, Dhaka. The programme was chaired by Dr. Mustafa K Mujeri, Executive Director of InM. Dr. Md. Mosleh Uddin Sadeque, Director (Training), Mr. Shabbir Ahmed Chowdhury, Director (Education) and Mr. Abdul Hye Mridha, Senior Deputy Director (Training) were also present. The programme formally starts from 31 August 2019. A total 28 participants from fourteen different NGO-MFIs, Bank and other organizations have enrolled in the programme. This includes BURO Bangladesh, DSK, SDI, Sajida Foundation, SOJAG, Pabna protishruti, RIC, GKT and Islamic Bank Bangladesh Ltd etc.

InM Certificate Course in Appropriate Finance

InM plans to introduce 'InM Certificate Course in Appropriate Finance' to train fresh graduates and prepare them for employment in different MFIs. For the purpose, a discussion meeting with sector leaders and practitioners was organised to share the concepts and generate ideas and guidelines for the course.



Workshop on RBM for Microfinance Programme of DSK: Let the Figures Talk

A specialised workshop, titled “Result Based Monitoring (RBM) for Microfinance Programme of DSK: Let the Figures Talk” was designed and organised for the professionals of Dushtha Shasthya Kendra (DSK) at InM Training Centre on 5 August 2019. The workshop was inaugurated by Dr. Mustafa K. Mujeri, Executive Director, InM. Dr. Dibalok Singha, MD, Executive Director, DSK, was present as special guest on the occasion. Among others, Mr. Shabbir Ahmed Chowdhury, Director, Education Division, InM and Dr. Md. Mosleh Uddin Sadeque, Director, Training Division, InM and moderator of the workshop were also present in the inaugural session. The main theme of the workshop was to identify and select the key indicators towards developing an RBM framework for DSK’s microfinance programme. This specially designed RBM added a new dimension to the existing monitoring framework of DSK.

Training for PKSF Partner Organisations (POs)

During the quarter, 10 batches of training on accounts & financial management, loan management of microenterprises, training of trainers (ToT), and ToT on SEP (sustainable enterprise project) policies and safeguard documents were organised by InM at the InM Training Centre jointly with PKSF for Partner Organisations’ staff members. A total of 220 professionals received training in the above mentioned areas.



Bilateral Cooperation with United Trust

A meeting was organised on 5 May 2019 at United Trust Headquarters in Dhaka between InM and United Trust (UT) for capacity building of DBP (Daridro Bimochon Prokolpo) staff members of Microcredit Scheme of UT, such that the organisation can become more productive and effective. Brig Gen A J M Fazlur Rahman, ndc, psc, Executive Director, UT, chaired the meeting. Among others, Mr. Abul Kalam Azad, General Manager, UT, Dr. Md. Mosleh Uddin Sadeque, Director, Training Division, InM, Mr. Md. Abdul Hye Mridha, Senior Deputy Director, InM were present in the meeting. Later, InM Training Team visited the Interest Free Microfinance Programme of UT field office at Melandah, Jamalpur and conducted TNA for the DBP staff. It is hoped that based on the TNA, different training programmes will be arranged for the DBP staff to strengthen UT’s interest free microcredit programme.



InM organised an international training programme on “Advanced Risk Management for Sustainable Growth of Microfinance Institutions” to address the prudent risk management initiatives and efficiency of microfinance field operations practiced in the microfinance sector of Bangladesh. Senior professionals of microfinance organisations and cooperative institutions of Nepal and Philippines joined the programme. This five-day programme was designed to help MFIs develop and improve the quality of their own risk management processes with special focus on problem prevention, early detection, and control. The participants visited the field and head offices and Grameen Bank and Sojag (an NGO-MFI); and PKSF and InM headquarters to get hands-on experiences. Dr. Mustafa K. Mujeri, Executive Director, InM inaugurated the training programme and Dr. Qazi Kholiquzzaman Ahmad, Chairman, InM, distributed the certificates to the participants during the closing ceremony. Dr. Md. Mosleh Uddin Sadeque, Director, Training Division, InM, was the coordinator of the course.

International Training on Advanced Risk Management



Partnership on WaterCredit Adoption Workshop

Water.org, in collaboration with the Institute for Inclusive Finance and Development (InM), will organise a day long WaterCredit Adoption Workshop on 9 September 2019 at La Vita Banquet Hall, Lakeshore, Gulshan, Dhaka. It may be mentioned that Water.org and InM signed a Memorandum of Understanding (MoU) in July 2019 to promote the idea that financial and market-based interventions have an important role to play in achieving SDG6 in Bangladesh.

The Workshop is expected to be an exciting gathering of noteworthy leaders from the financial Institutions to learn and collaborate regarding access to affordable financing for safe water and sanitation in Bangladesh.

Other Events

- 52nd Governing Body Meeting of InM, 24 June 2019



- 11th Extra-ordinary General Body Meeting of InM, 24 June 2019



- 3rd Meeting of Innovation for Inclusive Development Company (IIDC) Limited, 23 June 2019

Publications



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FIN-B membership is open to national/international institutions (both public and private), academia and research organisations.

Interested individuals may also join the Network as associate members.

FIN-B Membership Information Form
and other details

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