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Are Mobile Payments Reaching Men and Women Equally? Latest Findings on How G2P Payments Are Working in Bangladesh

Editor's note: This is the third in a series of posts about adapting an ongoing policy project about digital payments with Bangladesh's government to the current COVID-19 crisis. While the characters in this article, Kamala and her daughter, are fictional, their experience is based on that of many women IPA interviewed in our latest monitoring survey.



Mobile money clients outside an a2i center in Rajabari, Bangladesh. Photo: UNSGSA/Ismael Ferdous.

Kamala is walking home after buying food for her family with money she received through a government social assistance program. The cash transfer, delivered by mobile money, is part of the Bangladesh government's "Bhata" program (meaning "allowance" in Bengali). Since Kamala doesn't own a phone, she received the payment on her daughter's phone. Her daughter lives in a nearby town so she met Kamala in a market several miles from her home to give her the cash. As a 60-year old widow in rural Bangladesh, Kamala is thankful to receive the small quarterly payout (the equivalent of about US\$18) but is frustrated by the time and effort required to receive it.

The Bangladesh government has been delivering cash payments to the most vulnerable—old-age pensioners, widows, and people with disabilities—since 2003. The Bhata transfer began with in-person cash disbursement, with beneficiaries waiting hours for their transfers at government cash-out centers. Aspire to Innovate (a2i), the government entity responsible for overseeing these payments, decided to digitize them by directly depositing the transfers into individual bank accounts. This year, the Bhata program changed once again, transferring the money on a mobile financial services (MFS) platform for newly enrolled beneficiaries.

In partnership with a2i, IPA has embarked on a multi-round monitoring survey to identify any challenges beneficiaries may experience with the newly digitized government-to-person (G2P) payment system to help the government. We began the [survey in March 2020](#) and shared our experiences overcoming the [challenges of conducting a phone survey](#) of beneficiaries who didn't own phones. With two rounds of surveys completed, we are now analyzing our findings. Our latest round, from April 2021, surveyed 3,000 beneficiaries, 25 percent of whom started receiving a digital payment through their mobile money account in January 2021.

We asked all digital payment recipients about their experiences, and we compared the experiences of those receiving their digital payments in a bank account to those who received it via mobile money.

The overall findings show that digitization, in general, has saved recipients time in withdrawing cash and that mobile money has saved even more—37 minutes for MFS vs 113 minutes for banking agents. This large time difference appears to be related to waiting queues. Furthermore, recipients completed slightly more transactions on their digital accounts compared to beneficiaries who received their transfer into a bank account.

Something else stood out to us. While mobile money had some clear benefits, it didn't benefit everyone equally. In fact, the data suggests that digitization directly in a mobile account created more challenges for women than men.

Kamala is a prime example—many women struggle to make the transition to mobile financial services because they don't own phones. Only 31 percent of female beneficiaries own their own phone compared to 44 percent of male beneficiaries.

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Those receiving cash in a mobile money account are more likely to remember receiving a text message notification about their payment than those receiving digital transfers to a bank account.¹ Using SMS to share important information represents another obstacle: neither Kamala nor her daughter are literate. All beneficiaries receive a text message to the phone number of record, regardless of phone ownership. Seventy-eight percent of female beneficiaries who receive this transfer on a mobile platform are illiterate compared to 66 percent of men. When Kamala's daughter receives the SMS notification that the payment is available, she has a neighbor read the message to her.

Kamala's daughter often cashes out the transfer for her. **While only 37 percent of men send a representative to cash out, 55 percent of women send someone else to get the money.** This might increase convenience, but there may be a tradeoff. Significantly more MFS beneficiaries—14 percent—report that another person, usually a household member, makes decisions on how to use the money compared to 9 percent who received the money in a bank account. For MFS beneficiaries, **more women than men—13 percent compared to 8 percent—report that their transfer is spent by other family members instead of themselves.** For beneficiaries who receive their transfers through a banking agent, there is little difference between men and women, with 11 percent of men and women reporting that a family member spends the money.

Kamala knew that there shouldn't be a fee to cash out and told her daughter exactly how much she should receive. Despite the lack of official fees charged to these free accounts, many men and women report paying a fee or tip to an agent—23 percent for women and 21 percent for men. **The amounts differ between men and women—on average women pay BDT40 to receive this transfer compared to only BDT28 for men** (US\$0.47 and US\$0.33, respectively). MFS beneficiaries are more likely to pay fees than BA beneficiaries—33 percent and 7 percent, respectively.

So, what does this mean for the future? Right now, digitization is helping some: satisfaction rates are high at 4.5 out of 5 among BA beneficiaries and 4.7 among MFS beneficiaries. But this transition has also left many people behind. Women are less likely to own phones, they may face literacy issues or challenges in maintaining control over the use of their transfers. **This hidden phenomenon underscores the importance of collecting and analyzing data on how men and women are experiencing technological changes differently.**

As IPA and a2i continue to work together to monitor the Bhata program's digitization process, **we seek to support a2i in improving the user experience for everyone**, with a focus on women and other vulnerable groups as they continue to digitize the transfer process into mobile money accounts. We will also work to develop and implement a monitoring agenda for incorporation into a2i's program. Watch this space for our next update.

1. This is potentially driven by greater phone ownership and usage—58 percent of mobile money vs 43 percent of bank agent users own phones.

July 07, 2021