



RESULTS SERIES

ACCELERATING WOMEN'S FINANCIAL INCLUSION IN BANGLADESH'S GARMENT SECTOR

Growing evidence suggests the transition to digital payments via mobile banking can save money and time for employers and give employees access to formal financial services with more control over their financial lives. Women may find themselves opening their very first bank account to receive their salaries electronically; this may also encourage savings.

THE CHALLENGE



THE RESULT

Over **70,000** of female garment workers opened mobile financial accounts between 2016 and 2018.

Bangladesh Garment Manufacturers and Exporters Association has expressed interest in adoption of digital wage payment across its **4,500** member factories.

In Bangladesh, only 36 percent of women have a formal bank account, compared with 65 percent of men.¹ Mobile financial services (MFS) show great promise in addressing this gap, particularly because they can reach populations, including women living in rural areas, that are expensive for banks. Yet just one percent of women in Bangladesh held mobile accounts in 2016.² Bangladesh's economically crucial ready-made garment sector (RMG) employs around 3.4 million women, of whom 81 percent are unbanked. Digitizing wage payments in this sector could have a significant impact on women's financial inclusion.

To reach more women, a joint IFC and Bangladesh Bank initiative developed the business case for electronic wage payments through quantifying cost savings and production efficiencies for garment factories, identifying revenue opportunities for MFS providers, and developing MFS wage disbursement toolkit (including technical process flow, training and financial literacy materials). It helped secure buy-in from the MFS sector. During 2016 and 2018, more than 70,000 female garment workers opened mobile financial accounts, allowing them to send money, build savings, and make payments securely. A positive momentum has been created for wage digitization in the sector. The Bangladesh

¹ Demircuc-Kunt, Asli; Klapper, Leora; Singer, Dorothe; Ansar, Saniya; Hess, Jake Richard. 2018. The Global Findex Database 2017: Measuring Financial Inclusion and the Fintech Revolution (English). Washington, D.C.: World Bank Group.

² Financial Inclusion Insights. Bangladesh 2016



Garment Manufacturers and Exporters Association (BGMEA) and international retail brands are convinced to advance the adoption of digital wage payments across the sector. Primary assessment demonstrates improvements in women’s livelihood and financial empowerment. Women are shifting to MFS as transactions are conducted faster and conveniently without any risks associated with carrying cash. Despite limited control over intrahousehold decisions, MFS transactions can be performed without seeking approval of others.

The intervention first undertook a [nationwide market study of 4,000 women](#). This demonstrated the commercial potential of MFS to serve more women, and revealed barriers to women’s adoption and use of these services, including a lack of female sales agents. Findings were used to develop a roadmap to guide private sector providers and other stakeholders, including development institutions and regulators, to

better involve women in the sector. During the intervention’s second phase, an action plan, a toolkit, and a case study were piloted to facilitate and scale up the market for digitized wage payments. The toolkit outlined how providers could hire more women and identified two women-focused MFS products. This toolkit has since been incorporated by the World Bank’s Finance, Competitiveness and Innovation Global Practice into a Global Financial Inclusion Toolkit, which will be used to scale up women’s financial inclusion in other countries.

The BGMEA has expressed interest in the adoption of digital wage payments across its 4,500 member factories. By bringing the leading industry body on board, the project shows promise in ensuring wage digitalization is adopted across the sector and replicated in other industries to benefit more female workers. The wage digitization model is replicated in Haiti and Cambodia by IFC Advisory.



UMBRELLA FACILITY
FOR GENDER EQUALITY



ADMINISTERED BY
WORLD BANK GROUP

The Umbrella Facility for Gender Equality is a World Bank Group multidonor trust fund investing in knowledge, diagnostics, impact evaluations and data to help policy makers and practitioners close gender gaps in countries and sectors. Learn more on www.worldbank.org/gender/ufge



BILL & MELINDA
GATES foundation