

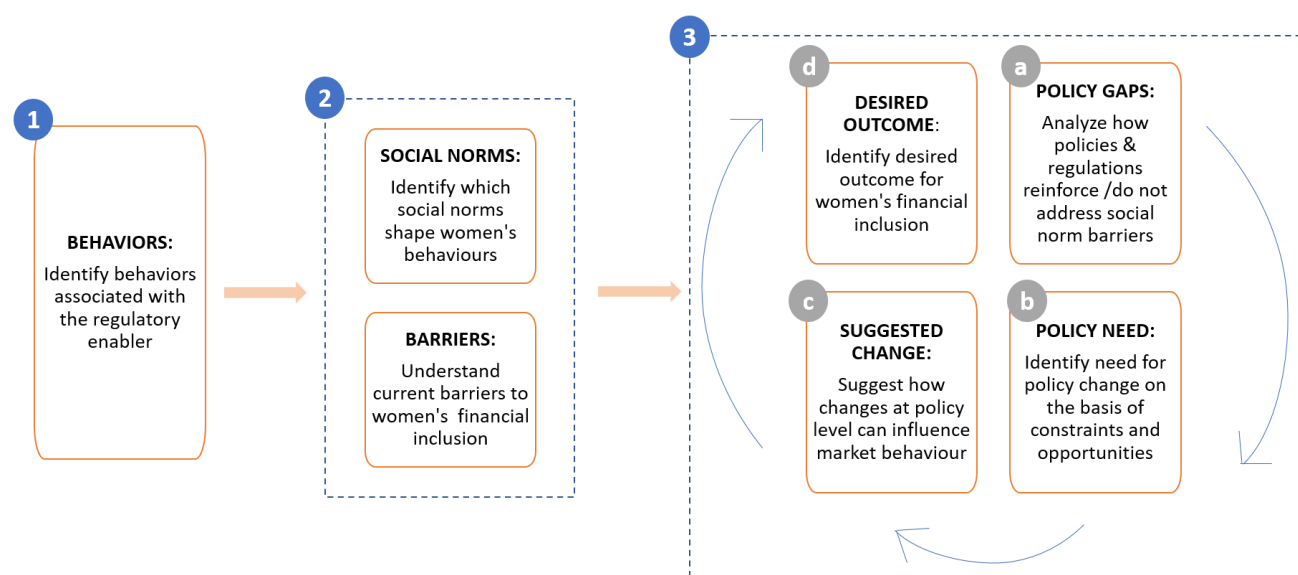
# Gendered Social Norms Affecting Digital Financial Inclusion in Pakistan: A Quick Overview of the Most Promising Regulatory Responses

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This brief overview is designed to understand how gendered social norms in Pakistan interplay with *perceived* gender-neutral financial sector policies and regulations to exert a discriminatory effect on women's access to and use of digital financial services. It focuses on the importance of accounting for social norms within key policies, specifically the four key digital financial services (DFS) [regulatory enablers](#) (nonbank e-money issuance, use of agents, risk-based customer due diligence (CDD) and consumer protection), to advance female financial inclusion.

CGAP proposes this analytical framework to understand the underlying reasons for women's financial behavior and exclusion considering gender norms:



With this framework in mind, the authors built an understanding of the gendered social norms that affect digital financial inclusion in Pakistan:

1. **Limitations in non-familial interactions:** Based on the perceived need to protect women, female contact with unrelated men is discouraged and controlled.
2. **Constraining gender-defined roles:** Women are segregated to the home domain. Women's obligations at home compared to men's are many times greater, leading to "time poverty."
3. **Limited mobility:** Women aren't allowed, or don't feel safe, to travel alone. Limitations on travel options lead to higher costs of travel and the need to adjust travel times.
4. **Restrictions in work outside the home:** Unacceptability for a woman to work outside the home leads to barriers in independent income generation and savings.
5. **Restrictions in access to education:** Women are less able than men to access education, leading to persistently lower literacy rates.

6. **Restrictions in access to technology, including norms and perceptions around the use of mobile phones:** Many women are not allowed by their families to own a phone or to register it in their own name, for fear of improper interactions.
7. **Restrictions in independent ownership of assets:** Women are obliged to share assets with male family members. Generally, a woman's property is not considered her own.

The authors then reviewed the DFS regulatory framework with a gender lens, considering the extent to which behaviors resulting from social norms are addressed through the incorporation of a gender lens in the four DFS regulatory enablers. Based on this review the authors propose responses from the banking regulator and other authorities to adapt certain policies and regulations to reduce the gender gap in digital financial services in Pakistan.

**From recognizing barriers stemming from social norms to framing the most promising regulatory responses:**

Regulatory Enabler DFS	Behaviors	Relevant Social Norms)	Extent of incorporation of a gender lens	The most promising regulatory responses
Nonbank E-Money Issuance	Women rarely own and use phones independently.	2, 6, 7	Low (the regulation does not directly address expanding female access)	<ul style="list-style-type: none"> <li>Determine the market opportunities for electronic money institutions (EMIs) using a gender lens.</li> <li>Mandate the collection of gender-disaggregated data.</li> <li>Expand licensing by allowing EMIs that have significant gender specific targets a lower threshold for entry (without lowering prudential standards).</li> </ul>
	Women rarely open and operate e-money accounts.	2, 3, 5, 7		
	Women are reluctant to do cash-in cash-out (CICO).	1, 3		
Use of Agents	Women rarely become agents.	1, 2, 4, 6	Low (sets out criteria and procedures for agent acquisition that are more likely to be met by men)	<ul style="list-style-type: none"> <li>Review/adjust existing guidelines to encourage recruitment of female agents.</li> <li>Introduce targets and publish sex disaggregated agent data.</li> <li>Assess results and consider extending the current permission for roving agents (i.e., beyond the pandemic).</li> <li>Conduct additional research.</li> </ul>
	Women avoid dealing with male agents independently.	1, 3		
Risk-Based CDD	Women do not proactively register for Computerized National Identity Cards (CNICs).	2, 3	Medium (CNIC coverage is generally good, but SIM registration often in name of husband)	<ul style="list-style-type: none"> <li>Identify the remaining constraints to obtaining a digital ID and registering a SIM in a woman's name.</li> <li>Conduct a deeper review of simplified due diligence (SDD) for level 0 and level 1 accounts from a gender perspective.</li> <li>Review success of Asaan accounts in reaching low-income women; adapt future strategy accordingly.</li> <li>Collect and monitor sex disaggregated data.</li> </ul>
	Many women register SIMs under a male family member's name.	1, 7		
	Women graduate to full-service accounts more rarely than men.	7		

Regulatory Enabler DFS	Behaviors	Relevant Social Norms)	Extent of incorporation of a gender lens	The most promising regulatory responses
Consumer Protection	Women are less likely to understand their rights as a consumer.	5	Low (no framework that accounts for both the financial and digital risks that women face)	<ul style="list-style-type: none"><li>• Create a more holistic consumer-centric and comprehensive consumer protection framework for DFS, with a gender lens.</li><li>• Develop and promote foundational financial and digital literacy programs.</li><li>• Encourage development of female specific consumer advocacy groups.</li></ul>
	Women are less likely to advocate for their rights.	5, 7		
	Women are more likely to feel insecure when using a mobile device.	5, 6		