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Gender Equality

Gendered Financial Inclusion Through Fintech Services for Economic Transformation: Cases of Nigeria and Ghana

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Technology adoption is bolstering structural transformation across the real sectors of the economy, including services. Thus, **technology adoption in financial services is an integral channel for reducing barriers to gender financial inclusion and fostering entrepreneurship and product diversification**. This study assesses the drivers of the gender gap in fintech adoption; the effects of the gender gap in fintech adoption on entrepreneurship; the gender power structure; and the social and cultural norms affecting female fintech adoption in Ghana and Nigeria. The analysis was based on an extended probit model and thematic content analysis using the Global Findex data and survey data gathered through stakeholder engagement in the two countries.

The study results indicate a significant gender gap in fintech adoption in Nigeria and Ghana. However, increasing gender equality in income and education may likely enhance closing the gender gap in fintech adoption in both countries. Although increasing gender equality in labor force participation is likely to improve gender equality in fintech adoption in Ghana, the same situation may not hold in Nigeria due to the insignificant effect of the indicator. Additionally, women's fintech adoption in Nigeria and Ghana is associated with a higher likelihood of entrepreneurship, with the effect more pronounced in Nigeria than in Ghana. The result indicates a feedback effect from women entrepreneurship to fintech adoption, with education and income driving the possibilities in both countries. While gender power dynamics are decelerating, Nigeria seems to have improved more than Ghana. Nevertheless, stakeholders perceived that the power dynamics still affect women's decisions resulting to low fintech adoption and business participation. The regulatory, data security, and infrastructure concerns are challenges and risks that may slow the diffusion of financial technology in Nigeria and Ghana.

The study recommends that Nigeria and Ghana mainstream gender strategies that engender more women's education attainment and income to lessen the gender gap in fintech adoption. The option includes embedding a gender lens in every aspect of national development, including education and entrepreneurship development, among other areas. Behavioral changes through awareness creation about the incentives of women's economic empowerment are required to dampen the restriction of women in fintech adoption for improved livelihood strategies and overall economic transformation. The role of fintech in bolstering financial inclusion also requires a unified regulatory framework that streamlines oversight and eliminates regulatory ambiguity while keeping pace with technological advancement in both countries. Specifically, regulators need to implement and enforce stringent cybersecurity regulations for the fintech ecosystem to protect against data breaches and cyber threats in Ghana and Nigeria towards boosting end-users' confidence, especially women who easily get discouraged from keeping pace with technology innovations. Finally, bridging the infrastructure gap in internet penetration and electricity may facilitate seamless and increased fintech adoption.

Overall, the policy implications from this study may apply to other African countries sharing similar characteristics with Nigeria and Ghana.

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ACET's Gender Equality program aims to influence African governments to adopt a gender lens when developing and implementing policies for economic transformation and to ensure gender analysis is incorporated in all aspects of economic policymaking. Our research and analysis examines the binding constraints to gender equity and equality and charts the most effective ways to address them in partnership with a wide network of stakeholders.

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