**Banking for women**

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Financial inclusion and awareness are at an all-time high. With the advent of the start-up culture in Pakistan come a plethora of micro-finance and fintech companies, hoping to bring over the magic of digital banking to the two-hundred million population of Pakistan. However, despite all this, at least 82 percent of women in Pakistan are unbanked—meaning without a bank account, leaving them without basic financial services, and putting their social rights at risk.

Being unbanked does not mean women do not have the potential to contribute to the market; we have seen women in South Asia save and spend in their own ways. We have grown up seeing our grandmothers cage heirloom jewellery in their lockers, or stack bundles of cash underneath mattresses. However, despite some older generations’ protest that the old-fashioned ways of financing were convenient to them as women, the fact of the matter is that the unbanked population is undoubtedly at a huge disadvantage compared to the banked, especially now when more and more, one needs a bank account or digital financial presence to gain access to modern facilities. Furthermore, while the passing down of gold jewellery was indeed a treasured family tradition, it allowed women to practice control over their possessions only at the time of rites of passage—notably, when a woman got married, or when her daughter did. Research shows that when a woman gets a bank account, she builds savings, spends more on children’s education and invests in business opportunities. Having an account can offer women greater privacy, security, and control over their finances.

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Pakistan has come a long way in great financial inclusion, not just for women. The State Bank of Pakistan has overseen the creation of a regulatory framework for microfinance banks, the expansion and modernisation of online credit information bureaus, and has enacted a series of measures to strengthen the safety and efficiency of payments, including the establishment of the Pakistan Interbank Settlement System and the development of inter-operable inter-bank card payments platforms. Furthermore, with the encouragement of the Financial Action Task Force (FATF), the parliament has passed several additions to know-your-customer (KYC) requirements and anti-money laundering regulations. There are more micro-finance and non-banking financial companies (NBFCs) than ever, with many NBFCs specially geared towards providing financial services to women, and particularly disadvantaged women. With more awareness and resources than ever, why does the gender gap still exist in finance?

From a legal point of view, establishing an enabling legal and regulatory environment appears evidentially as one of the most critical foundations for full financial inclusion, and the parliament should naturally look into the matter of the pressing legal reforms that will determine and facilitate the development of an ecosystem of quality financial products, and remove institutional barriers for women. However, when one looks at it more practically, there appears to be one enormous factor that contributes the most to such gender disparity—the mobile phone. Those familiar with the micro-finance and fin-tech industry will be aware that partnerships between financial institutions and telecommunications are the future of banking—globally, purchases are already being carried out through a tap of the mobile screen on a barcode—and that looks to be the case for Pakistan too in the near future. Herein lies the problem—in a culture where mobile phones are seen to be the doorway to branching out connections and discovering a world outside the home, it appears an inevitability that these magical devices shall be withheld for women. Already, one of the major concerns repeated by clerics and conservative organisations has been the provision of mobile phones, particularly to women, with many echoing that the internet and social media have “ruined” women by allowing them access to opportunities outside the home, or worse, enabling them to interact with “na-mehram” men. The latest findings show that only 26 percent of female respondents indicated owning a cell phone; in contrast, the proportion was almost three times more for male respondents. Similarly, in the case of SIM card ownership, the gender divide was as high as 47 percent.

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The results are in front of us—the male population having a registered mobile money account in their name stands at 17 percent, while only 2 percent of female respondents have a mobile money account. Even with more micro-finance assistance to women, as long as women do not own a mobile phone, the likelihood of the money going directly to them, and not in the control of the men of their families is low. The loss is not just for gender equality or for women—the country suffers by depriving half of its population of the financial industry. There is a $500-million market opportunity in Pakistan that can be tapped by getting women to start banking. Therefore, while the State Bank’s National Inclusion Financial Strategy boasts some impressive figures as to the boom of the market when it comes to new companies and institutions, these will remain mere numbers until connectivity and digital inclusion, from a micro-level, are not improved. Government figures must think twice before decrying mobile phones and particularly female use of these devices, as such statements contribute to the social taboo that prevents women from accessing these key pathways to financial independence.