

SATHI

A flag-bearer for women's financial inclusion

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SATHI NETWORK: A FLAG-BEARER FOR women's financial inclusion

Aspire to Innovate (a2i) established the Sathi Network in 2022 with a vision to close the gender gap. Sathi Network is a women-led agent network that seeks to accelerate rural and marginalized women's financial inclusion. It encourages women's entrepreneurship, improves financial literacy, and, most importantly, provides access to financial services. The project's goal is to achieve women's economic empowerment, enhance their decision-making power, build their agency, and provide them access to finance.

Sathi started its journey with 100 women entrepreneurs and now has more than 300 members under its network. The project has partnered with some private commercial banks, such as Bank ASIA, BRAC Bank, NRBC Bank, Modhumoti Bank, and also some mobile financial service (MFS) providers, such as bKash, Nagad, Rocket, Upay, and others. Sathi has been working towards raising women's awareness and increasing capacity through financial and digital literacy campaigns. It has also been training female agents to provide financial services to rural and remote communities and serve the unbanked and underbanked population.

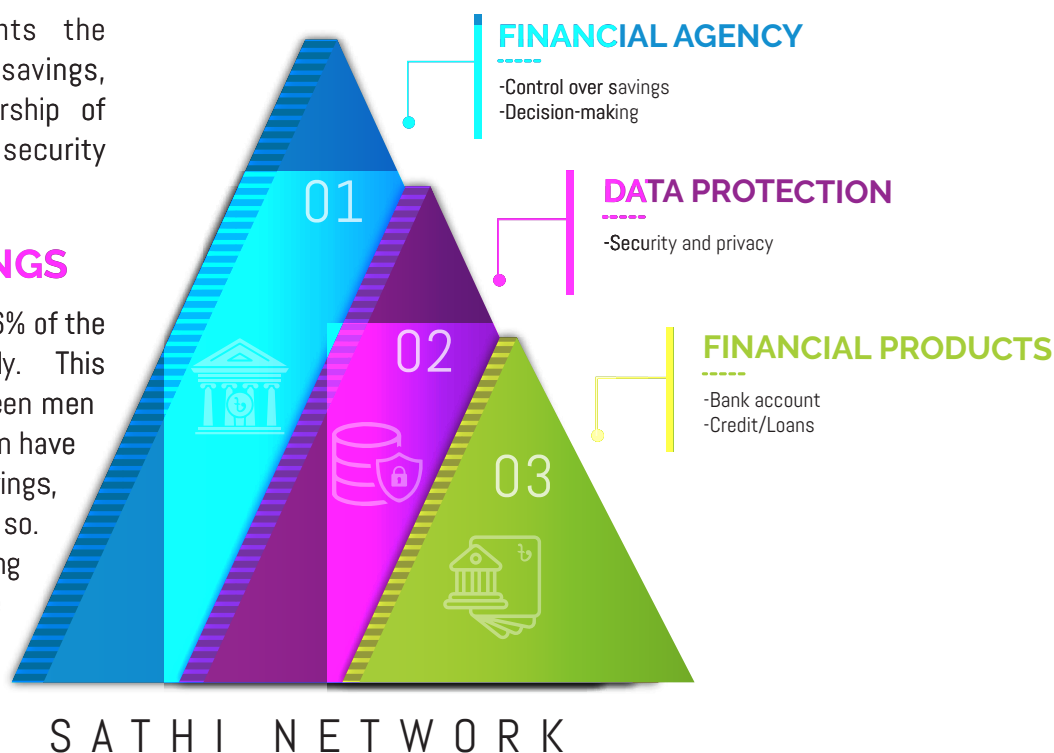
a2i assigned MSC to conduct an assessment in the latter half of 2023 to understand the impact and the challenges that Sathi members face. The objectives of this evaluation were to: i) assess the digital financial services provided by female entrepreneurs and their usages by customers, especially by marginalized groups ii) assess the changes in capacity development and financial literacy of both the female entrepreneurs and the customers iii) measure the extent of customer protection and digital literacy of both service providers and users iv) assess the behavioral changes of the customers and their use of different financial products and their preferences v) identify the gaps and support requirements and provide actionable recommendations. This will enable a2i to further build interventions to make the members and customers of Sathi more resilient financially and economically. We surveyed the Sathi network's 175 women entrepreneurs and 172 customers who have been availing financial services from these Sathi members.

SOME KEY FINDINGS FROM THE CUSTOMERS WHO USE FINANCIAL PRODUCTS/SERVICES FROM THE SATHI MEMBERS:

The following section highlights the customers' control over their savings, decision-making authority, ownership of account, loans and their data security and privacy.

CONTROL OVER SAVINGS

As per the evaluation's findings, 76% of the customers can save regularly. This tendency is nearly identical between men and women. However, while all men have complete control over their savings, 96% of the female users can do so. Although women lag in exercising control over their savings, the gender gap is not much in this regard.



DECISION-MAKING

Women's participation in the family's financial decision-making has increased over the years. However, a significant proportion of women continue to depend on their male counterparts. About 71% of the women respondents can actively make family financial decisions, while 25% women can make the decisions with their partners or other family members.

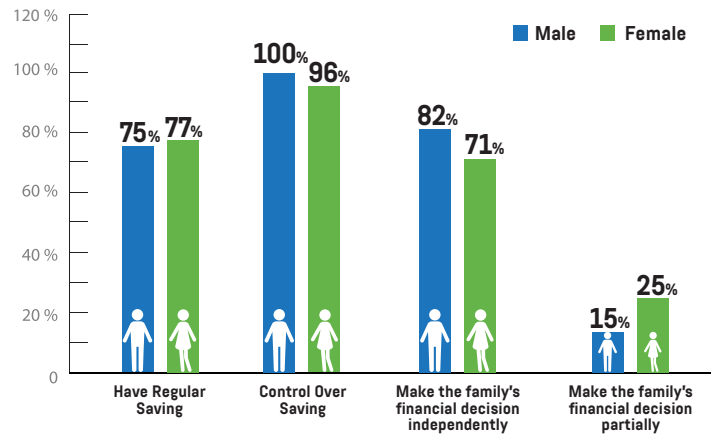


Figure 1: Control over savings and decision-making

ACCOUNT OWNERSHIP

The survey results show that women's financial inclusion has increased. Almost 90% of the surveyed women users have an active bank account, and close to 93% of men users. Similarly, 86% of women users have active MFS accounts, compared to 92% of men users. The pattern is almost identical, where more men are financially included while women are not far behind.

CREDIT OR LOANS

Interestingly, more women have outstanding loans than men. While 51% of the women have outstanding loans, for the men it is 46%. Women are more likely to take out loans to meet basic needs and buy assets. On the other hand, men are more likely to borrow for treatment and to pay off other loans. A significantly higher proportion of women borrow from non-governmental organizations (NGOs) and microfinance institutions (MFIs) or take informal loans from friends or family members.

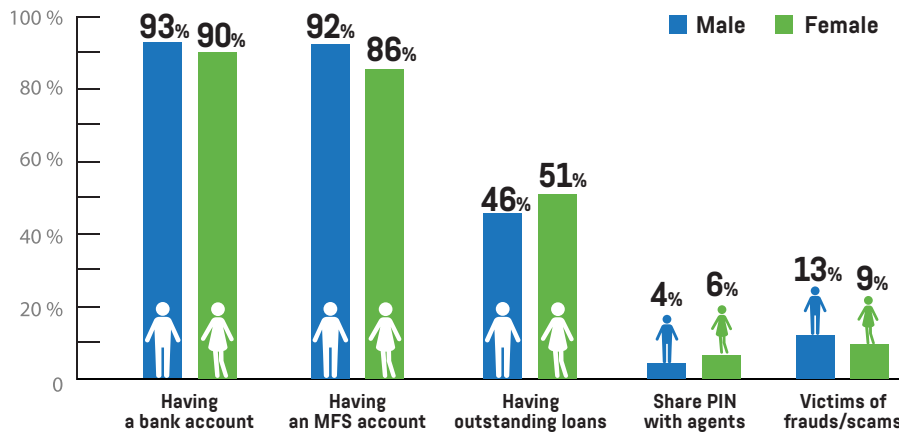


Figure 2: Account ownership, credits and data privacy

SECURITY AND DATA PRIVACY

Women are more vulnerable than men when it comes to financial security and privacy. Women users are more likely than men to share their PIN with agents, to complete a transaction. On the contrary, a higher percentage of the male users have been identified as victims of fraud as compared to the female users. While 13% of the male users have fallen prey to fraud, the proportion of the female fraud victims is 9%.

SOME KEY FINDINGS FROM the Sathi network's women entrepreneurs

The following section highlights the Sathi members' working capital and investment in MFS and agent banking business, their use of technology for business operations, their service quality and the financial inclusion of women in the society.

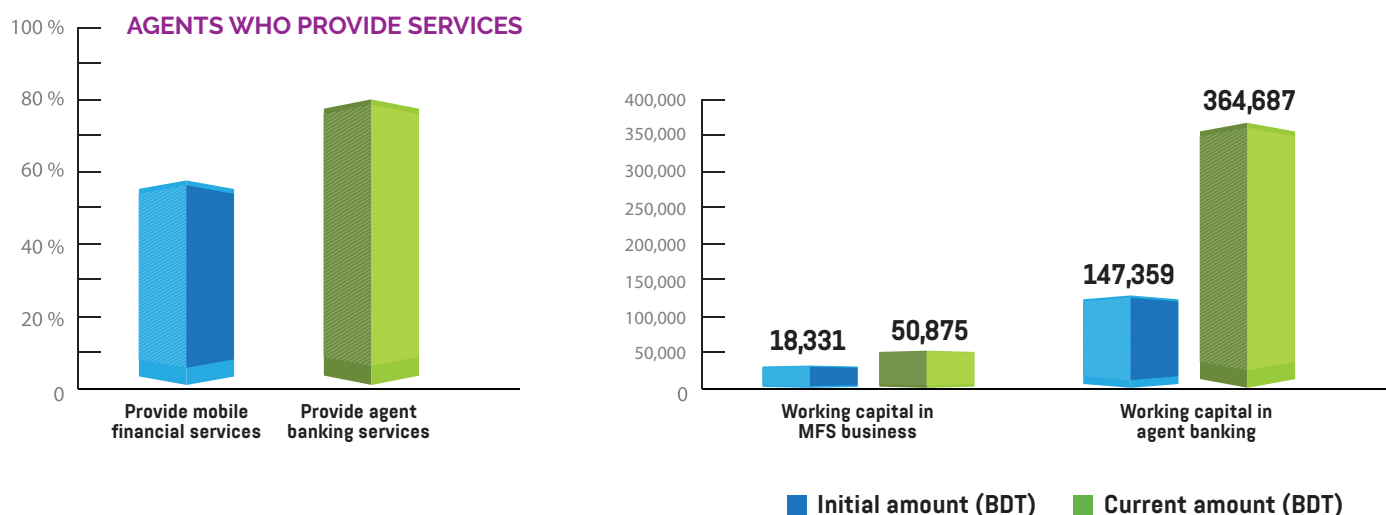
AREA COVERAGE

More than three-quarters or 78% of the surveyed agents are based in rural areas, while 22% are located in urban areas. This demonstrates that the network has been attempting to serve the unbanked and underbanked populations in remote locations.

MOBILE FINANCIAL SERVICES

More than half of the Sathi network members offer mobile financial services to their clients. This accounts for about 55% of the Sathi network. Those who provide MFS have at least three MFS company agentships. The most popular MFS include bKash, Nagad, Rocket, and Upay.

Sathi members have been investing in their MFS businesses. The average working capital of the agents increased to more than BDT 50,000 from their initial capital of less than BDT 20,000, when they had started their businesses. Female agents typically conduct 15 MFS transactions daily and earn an average monthly commission of BDT 8,650.



AGENT BANKING

More than 83% of the Sathi network members offer agent banking services to their customers, and 30% are registered Post Office members. Bank Asia is the most popular bank among the Sathi members for agent banking. It accounts for 80%, followed by Modhumoti Bank at 12%.

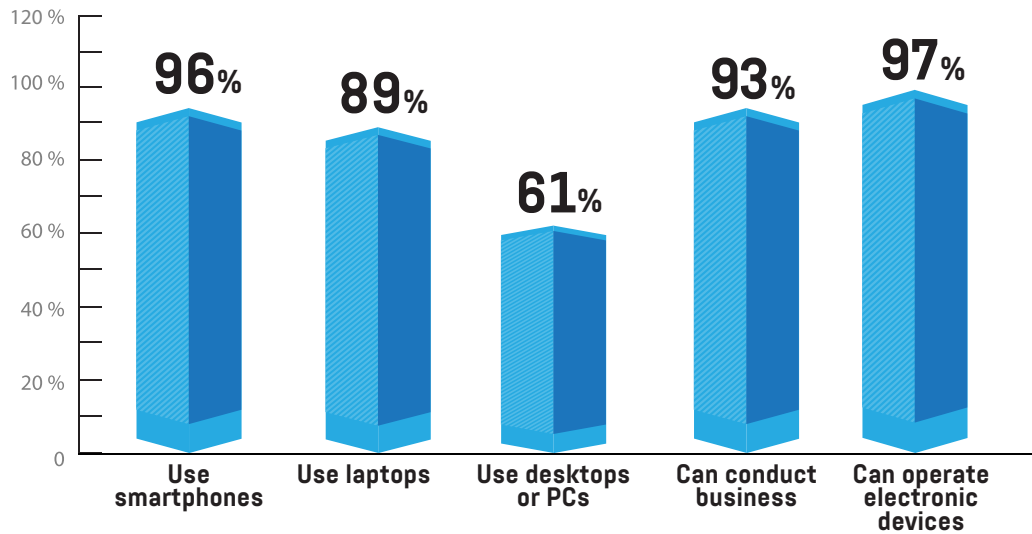
The working capital of Sathi members' agent banking business has more than doubled since its inception. It rose from BDT 147,359 to BDT 364,687. Female agents typically conduct 20 banking transactions daily and earn an average commission of BDT 11,185 per month.

USE OF TECHNOLOGY

We found that female agents were technologically advanced. Approximately 96% of the agents use smartphones to conduct MFS transactions. On the other hand, Sathi members who provide agent banking services mostly use laptops and desktop computers. About 93% of the surveyed agents stated that they can conduct business transactions independently. 97% said they can operate electronic devices smoothly and efficiently for business purposes.

QUALITY OF SERVICE

Sathi agents provide services and prioritize the quality of those services alongside customer feedback and user experience. Approximately 74% of the female agents have customer feedback or complaint facilities at their outlets. The number of filed complaints is minimal, with an average of less than three complaints per month. This indicates that customers are satisfied with the services the female agents provide.



WOMEN'S FINANCIAL INCLUSION

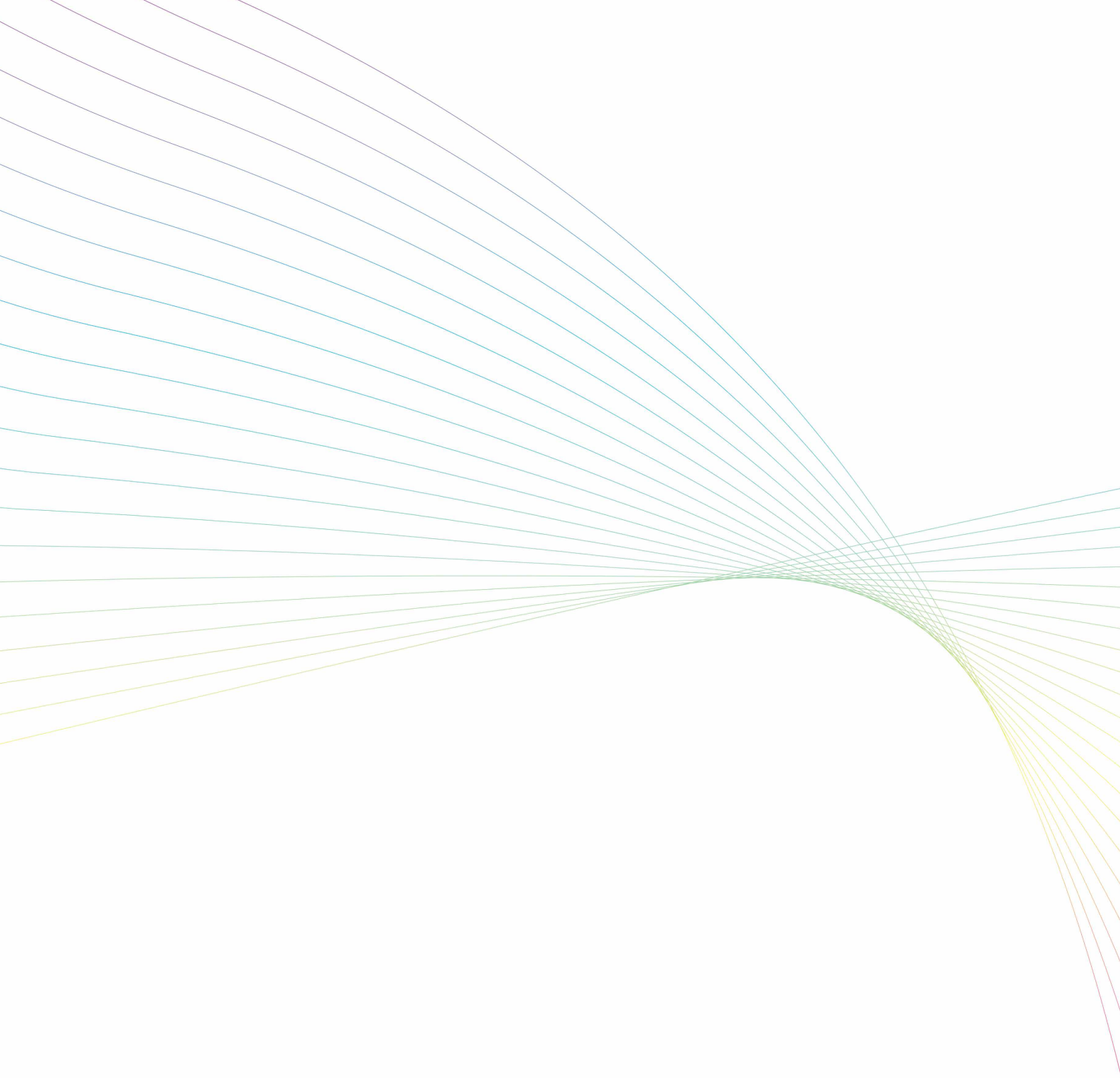
Sathi members stated that approximately one-third or 32% of their MFS customers and two-thirds or 66% of their agent banking customers are female. This is a positive sign that more women are financially included over time. Although a gender gap still exists in financial inclusion, it has been significantly reduced, which demonstrates the Sathi network's success.

The Sathi network is committed to increase women's financial inclusion. It facilitates access to banking and mobile financial services, promotes digital and financial literacy among rural women, raises awareness of basic concepts of financial services, and enhances women's capacity to use digital platforms. The network has also been creating linkage with e-commerce platforms to broaden opportunities for marginalized women countrywide. Network members are optimistic that the gender gap in financial inclusion will be mitigated in the near future with the successful implementation and intervention of these initiatives.



CONCLUSION & RECOMMENDATIONS

Based on the evaluation, MSC has formed some actionable recommendations for the Sathi project team. Training and capacity building should be emphasized by organizing more trainings for the Sathi members regularly. Access to finance can be made viable by involving the banks and NBFIs to capacitate the members on the loan application procedures and also provide loans to the members. Annual targets can be set for the female entrepreneurs to organize campaigns targeting the beneficiaries to increase their financial literacy. Sathi project can work with partner banks and NBFIs to develop customized loan packages for the marginalized customers. Sathi can also collaborate with insurance companies and provide insurance coverages to the customers through the Sathi members. Focus should also be given on providing faster services to the customers and ensuring customer protection through mitigating frauds and scams.



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