CGAP

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New Insights on Women's Mobile Phone Ownership

Deena M. Burjorjee and Yasmin Bin-Humam

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INTRODUCTION

The proliferation of mobile phone ownership and use across the developing world has been seen as a major opportunity for women's financial inclusion.[1] Mobile phone ownership has the potential to address many of the barriers women face when accessing and using financial services, particularly those related to mobility, time, safety, and privacy. Data are now available from the 2016 Gallup World Poll, which for the first time included questions around women's mobile phone ownership in its national survey.

Mobile phones can enable poor women to access important information and services, including much needed financial services, to help them grow and support their businesses and meet household needs. For rural women, using mobile phones can reduce the time devoted to making transactions by allowing them to open mobile money accounts and make mobile money payments without having to travel long distances to bank branches. In societies where women's mobility is restricted, mobile phones enable women to make transactions from home, thus expanding their opportunities to engage in the formal economy. The safety and privacy provided by mobile phones can give all women greater control over their money and how they choose to invest in their economic activities and households.

Recently released data from the 2016 Gallup World Poll give us the opportunity to look more closely at women's mobile phone ownership across more than 140 economies—covering more than 97 percent of the world's adult population. These data allow us to better understand the trends in women's phone ownership globally and to identify gender differentials across countries and population segments. It pinpoints where women are particularly behind men in mobile phone ownership and shows that promoting mobile phone ownership among women does not easily lead to women's use of mobile money. The conclusions highlight the need for more research to understand the barriers that prevent more effective uptake and use of mobile money and what factors enable mobile phones to be leveraged for financial inclusion. So what do the data tell us?

THE GALLUP DATA

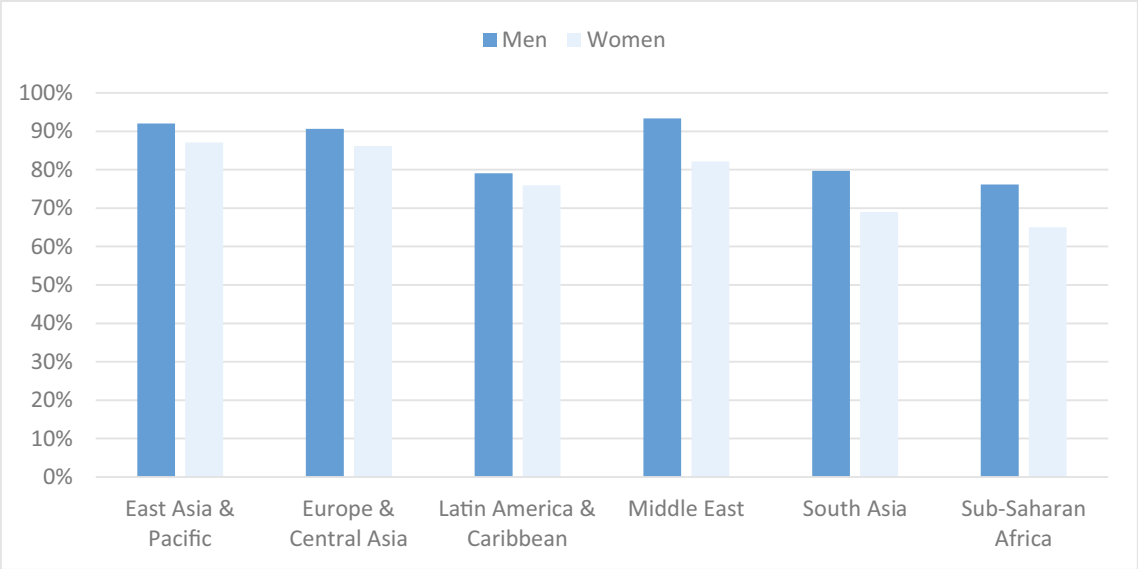
The Gallup data suggest that women's mobile phone ownership does not easily translate into the use of these phones for payments—women who own mobile phones do not necessarily use them to make transactions with mobile money. These findings challenge the assumption that mobile phone ownership alone will increase women's use of services such as mobile money. While owning a mobile phone is a necessary first step, more research is needed to understand how to leverage mobile phones for payments and other financial services for women.

GENDER GAP IN MOBILE PHONE OWNERSHIP PERSISTS

Gallup data on phone ownership show that while women's ownership rate in the developing world stands quite high at 80 percent, it is still lower than men's ownership rates of 87 percent. The gender gap is deepest in South Asia, Sub-Saharan Africa, and the Middle East at around 11 percentage points. Latin America and the Caribbean have the smallest gender gap at just 3 percentage points.

1 Accounts serve to store value and to receive payments. As defined by Findex these accounts can be with a mobile money provider or a financial institution.

FIGURE 1. Mobile phone ownership, by gender
Women who have a mobile phone they use to make and receive personal calls (% age 15+), 2016

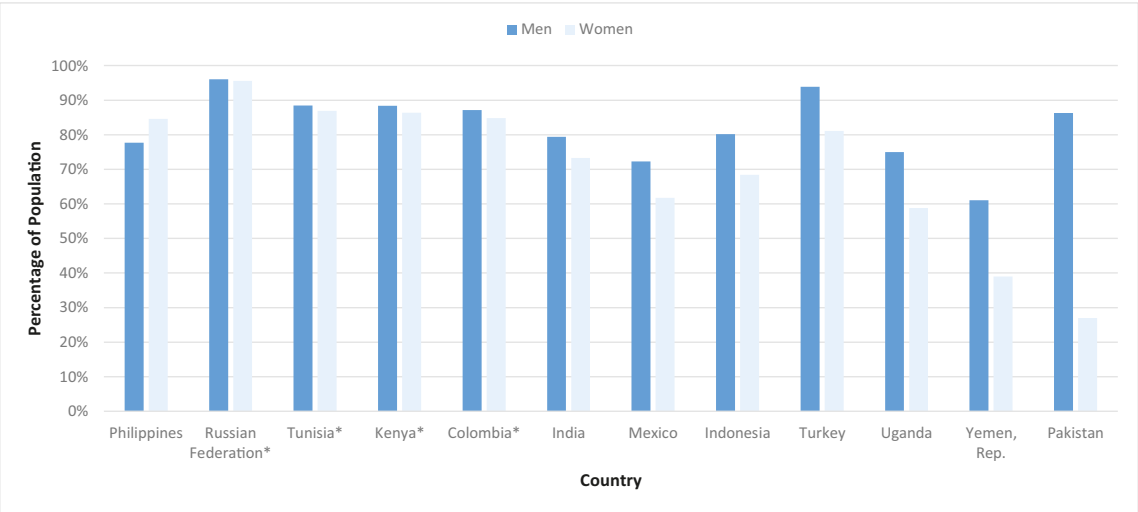


Note: The gender gap in all regions is statistically significant.
Source: Gallup World Poll 2016.

WOMEN'S MOBILE PHONE OWNERSHIP VARIES GREATLY WITHIN REGIONS

Region-level gender gaps in mobile phone ownership may mask differences between countries. Figure 2 shows the size of the gender gap can range significantly. In Pakistan, 86 percent of men have a mobile phone, compared with 27 percent of women—a gap of 59 percentage points—while in South Asia, as a whole, the gap is only 11 percentage points. The average gender gap in East Asia and the Pacific is 5 percentage points, Indonesia's gap is roughly twice as large, and the trend in the Philippines is reversed, with more women than men owning mobile phones.

FIGURE 2. Percentage of adults who own a mobile phone across select developing economies



Source: Gallup World Poll, 2016. * = Gaps are statistically insignificant.

MORE WOMEN OWN MOBILE PHONES THAN HAVE ACCOUNTS

When compared with sex disagregated data from the Global Financial Inclusion database (Global Findex 2014), the Gallup data show that phone ownership by women is significantly higher than account ownership. Eighty percent of women in developing countries have their own mobile phone, but only 50 percent of women in developing countries have an account with a mobile money provider *or* with a financial institution such as a bank.

The Middle East and North Africa region stands out as the region with the greatest levels of women's exclusion from the financial sector, with only 9 percent of women owning an account (Findex 2014). The Gallup Poll shows that mobile phone ownership rates among women in the Middle East are 82 percent. With so many women owning mobile phones, there is a huge potential for digital financial services—with an accompanying enabling environment—to bring women into the formal financial sector.

The strong potential of digital onboarding is echoed by statistics from GSMA's 2016 State of the Industry Report. For example, in the five-year period between 2011 and 2016, active mobile money accounts in South Asia grew nearly thirty-fold (GSMA 2017b). According to the Gallup data, nearly 70 percent of women in South Asia have a mobile phone; only 37 percent have an account.

Even in regions where women are not as financially excluded, digital financial services and mobile money represent an opportunity for more women to be a part of the formal financial sector. In East Asia and the Pacific, which has the highest proportion of banked women (67 percent) (Findex 2014), 87 percent of women own their own phone (Gallup Poll 2016)—making this one of the highest rates among all regions.[2]

Figure 3 shows the extensive rates of women's mobile phone ownership across the world juxtaposed with women's account ownership rates. These data serve as a starting point for assessing the potential for digital services to reach women.

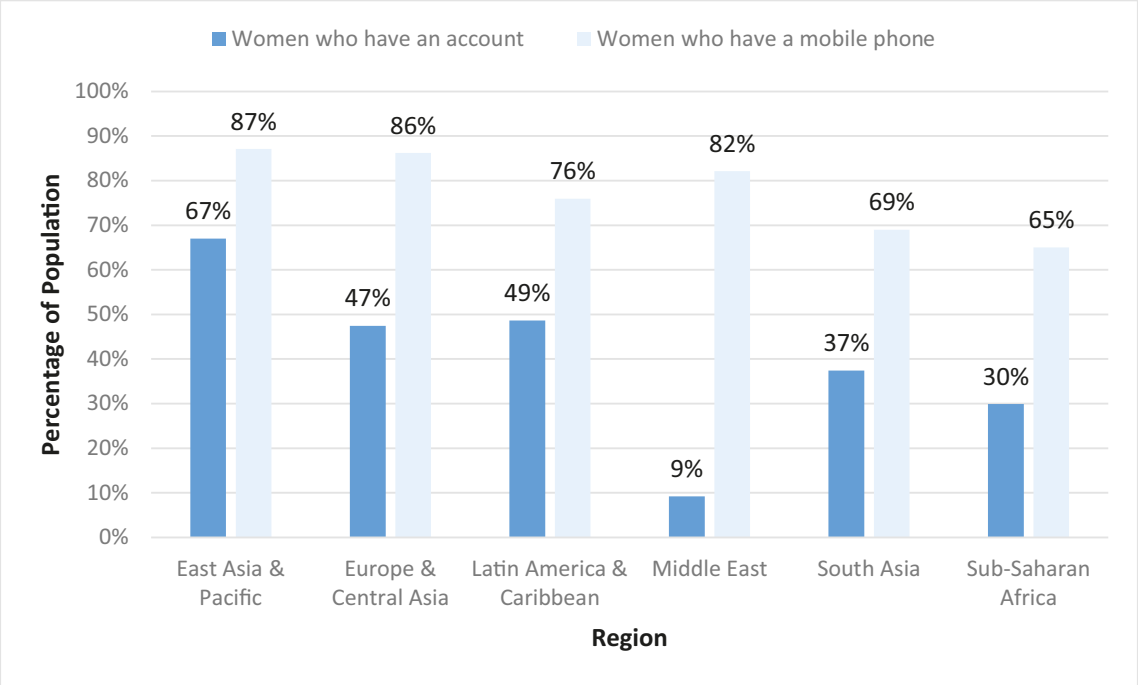
LARGE DISPARITIES IN WOMEN'S PHONE OWNERSHIP BY AGE

Mobile phone ownership tends to be significantly higher among younger women (15–34 years old) than older women (35 and older). In East Asia and the Pacific, 94 percent of younger women have a mobile phone, which is 10 percentage points higher than the share for older women. Similar patterns exist in many emerging economies, including Indonesia and Mexico, where the mobile phone ownership gap between older and younger women is around 20 percentage points (Figure 4).

This points to the huge potential of the female youth market when thinking about mobile money, because young women may have less social and cultural barriers when it comes to access to technology than older women do. It also raises a flag around potential challenges of bringing older women into the mobile money space.

2 Women's account ownership in East Asia and the Pacific varies significantly by country, from 10 percent in Cambodia to 96 percent in Hong Kong, with China at 76 percent.

FIGURE 3. Women who have mobile phones and accounts, by regions (%)

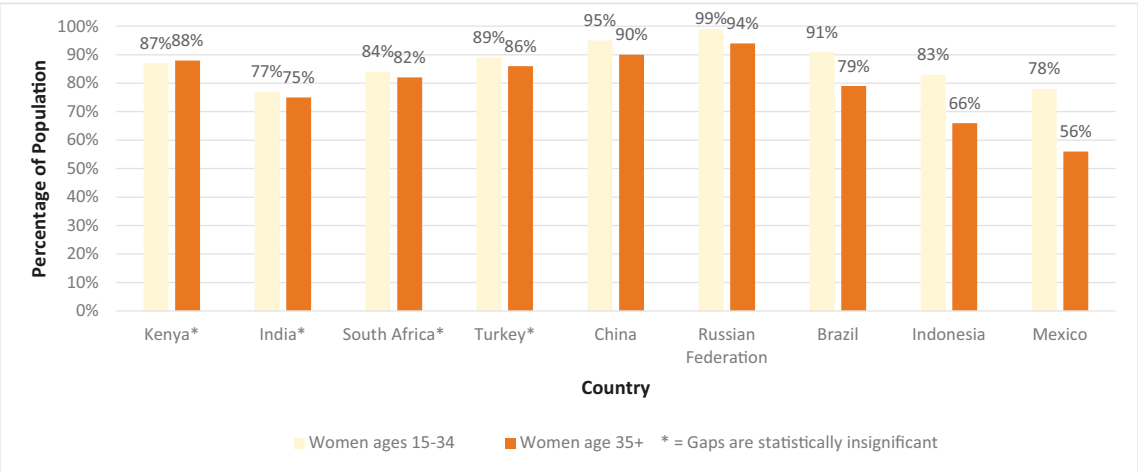


Sources: Gallup World Poll (2016) for phone ownership and Global Findex database (2014) for account ownership.

MOBILE PHONE OWNERSHIP DOES NOT CORRELATE WITH USE OF E-PAYMENTS[3]

Women in Sub-Saharan Africa who have access to mobile phones are increasingly using their phones to access financial services, including payments, savings, and credit (CGAP 2016; GSMA, 2015a). However, this is not the case outside of Sub-Saharan Africa. Global Findex 2014 suggests that relatively few adults make payments using mobile money—roughly 2 percent worldwide. The two exceptions are Kenya (52 percent) and South Africa (20 percent) in Sub-Saharan Africa,

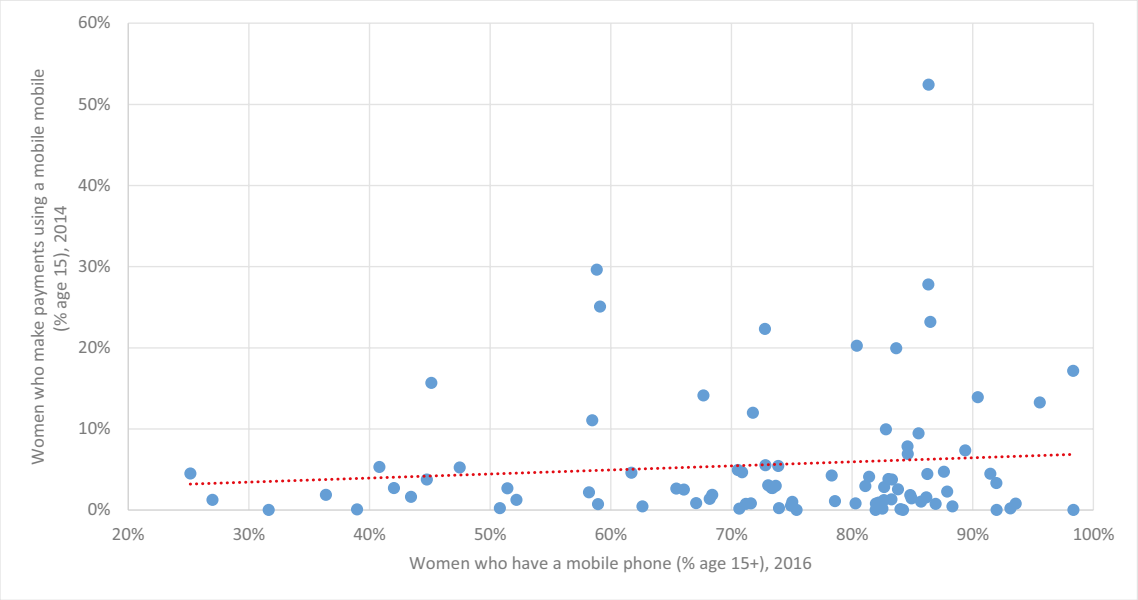
FIGURE 4. Percentage of older women vs. younger women who own a mobile phone



Source: Gallup World Poll, 2016.

3 Defined as the percentage of women using a mobile phone to pay bills, make purchases, or send or receive money from an account (with a bank or other formal financial institution or mobile money provider).

FIGURE 5. E-payment use among women from mobile phones



Sources: Gallup World Poll (2016) for phone ownership and Global Findex database (2014) for account ownership.

where mobile phone payments are more common—reflecting Sub-Saharan Africa's status as the global leader in mobile money account ownership. There are several countries (Thailand, Costa Rica, Armenia, Jordan, Kyrgyz Republic, etc.) where women's phone ownership is about 90 percent, yet mobile phone payments are less than 10 percent. A correlation analysis of the data suggests that mobile phone ownership among women does not translate into their use of phones for payments, the most basic form of mobile money (see Figure 5).

OTHER BARRIERS TO WOMEN'S USE OF MOBILE MONEY

While access to a mobile phone is a necessary precondition for extending mobile money to poor and low-income women, there are other important barriers to women's mobile money uptake and use. These include the following:

- **Cost and affordability** of mobile money is a top priority for poor and low-income women when assessing mobile money services. This makes many products currently on the market unattractive. Mobile money products that offer value for money at a price point that appeals to women's strong price sensitivity will be critical for bringing women into the mobile money experience.
- **Technical literacy and confidence** is a particular challenge for poor and low-income women who have low literacy rates and who do not know how to use basic handsets to perform complex functions. Gender-sensitive design features that help women understand and navigate menus for financial transactions will improve the user experience and help these women become comfortable using mobile money.
- **Operator or agent trust** plays a large role in women's engagement around mobile money because many women fear being cheated or harassed by the operators and agents. Building helpful, trustworthy agent networks with links to the community will be important to establish a critical customer interface for women.

- **Legal/regulatory and basic infrastructure requirements** such as limited interoperability, inconsistent network quality and coverage and national ID requirements can further impede mobile money uptake and use by women. In regard to national ID requirements, women and girls face distinct challenges in obtaining official identification. Parallel efforts to improve mobile money regulations and to extend network coverage and quality and interoperability among operators will be critical.
- **Local legal, social, and cultural norms,** such as fear that open access will make women vulnerable to harassment or impair sound decision-making, affect women's use of mobile devices for financial services. Men, especially male family members, and the larger community around technology and the household economy need to support changing attitudes about women's use of mobile money and their greater economic participation (Burjorjee, El-Zoghbi, and Meyers 2017; GSMA 2015).

Sex disaggregated data will help us to track relative progress in women's financial inclusion across countries and over time. As we continue to see the promise of digital technology as a powerful tool for women's financial inclusion, it will be important to complement these data with greater knowledge around the dynamics behind these numbers: What drives the current landscape for women's mobile phone ownership? What will persuade women to use their phones for mobile money?

The Data and Technology Working Groups in CGAP's Women's Financial Inclusion Community of Practice (https://www.microfinancegateway.org/wficop) continue to explore this issue.

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