Policy Brief

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Empowering Women in Africa through Digital Payments

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The Future of Digital Finance

Emerging opportunities in India, in China and on the African continent

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Key Points

- Women in Sub-Saharan Africa remain disproportionately concentrated in the informal economy, where financial exclusion is reinforced by barriers such as limited property rights, lack of identification, and entrenched cultural norms.
- Mobile money platforms have emerged as the leading pathway to women's financial inclusion, driving significant gains in account ownership and enabling savings, credit access, and business growth.
- Despite progress, barriers in digital literacy, rural infrastructure, regulatory requirements, and restrictive gender norms limit the transformative potential of mobile banking.
- Policy action is needed to expand infrastructure, strengthen women's digital and financial literacy, reform identification frameworks, engage communities, and design products tailored to women's needs.

Introduction: Women's Benefits of Digital Banking

In Sub-Saharan Africa, women comprise a significant share of the informal workforce; however, they have historically been underserved by formal financial systems. The informal sector comprises small-scale market traders, micro-enterprises, domestic workers, and self-employed individuals who operate outside formal regulatory and financial systems, which accounts for most of the women's employment in Sub-Saharan Africa. Within Sub-Saharan Africa, the informal economy accounts for 87% of total employment. Women are disproportionately represented, with 90% of employed women working informally compared to 84% of men. This means that only around 10% of women are in the formal economy, compared to 16% of men (ILO, 2023, p.81). Although both men and women are heavily represented in informal employment, the consequences are more severe for women. Structural and cultural barriers such as limited property rights, weaker collateral, and financial dependency within households mean that informality locks women out of pathways to credit, savings, and entrepreneurship in ways that men are less affected.

Women face compounded disadvantage in the informal economy due to barriers in accessing formal jobs, limited property rights, and lower levels of collateral or credit history required by traditional banks. As a result, they are more likely to depend on cash-based transactions, rotating savings groups, or informal lenders, which leaves them financially vulnerable and excluded from mainstream financial services. So, this situation has a negative multiplier effect of financial exclusion, which prevents women from building credit histories, accessing stable income opportunities, and achieving long-term financial security. Crucially, women's financial advancement is closely tied to empowerment, as greater access to resources reduces social barriers and strengthens gender equality. In that context, digital payment systems represent not only a pathway to financial inclusion but also a vital tool for securing the livelihoods of women who sustain their families through informal work.

The core problem is that women in Sub-Saharan Africa remain disproportionately excluded from formal financial systems. While men also face high levels of informality, women encounter additional cultural and structural barriers, such as limited property rights, weaker collateral, and social norms restricting financial independence, which intensify their vulnerability. This exclusion locks women out of credit, savings, and secure income opportunities, undermining both their economic security and their broader empowerment. Addressing these barriers requires targeted solutions, with digital financial services offering a pathway to inclusion by bypassing many of the obstacles embedded in traditional banking systems.

Digital Finance: Unlocking Opportunities for Women

The expansion of mobile money platforms has been a game-changer for women's financial inclusion across Sub-Saharan Africa. According to the World Bank (2024), mobile money has been the main pathway for women's financial inclusion, highlighting the shortcomings of traditional banking. Since 2017, women's account ownership in the region has risen by 12%, a growth fueled solely by greater use of mobile money services (Klapper, 2024). In Kenya, women's bank account ownership declined to 45% between 2014 and 2021, while mobile money ownership, which was driven largely by the M-Pesa platform, rose to 66%, underscoring women's preference for mobile wallets over traditional banks (Klapper, 2024). A similar trend is evident in Senegal, where only 24% of women hold bank accounts compared to 38 % with mobile money accounts (World Bank, 2024). These patterns show that women, who make up a large share of the informal workforce, have historically been underserved by formal financial institutions and have turned instead to mobile money as a more accessible alternative.

In the case of Tanzania, Uganda, and Rwanda, similar benefits have been seen for money, where services like MTN Mobile Money and Mokash have been able to bring millions of unbanked women into the financial system. This technological development resulted in a dramatic uptake of accounts by previously unbanked women. In Cameroon, for example, women's account ownership increased from 30% in 2017 to 49% in 2021 after a 26% increase in mobile money account adoption (Klapper, 2024). Similarly, in Ghana, women's account rates rose from 54% to 63% with a 21% increase from mobile money (Klapper, 2025).

Digital payment platforms, particularly mobile money solutions, offer transformative potential by enabling women to conduct secure transactions, accumulate savings, access credit, and manage their finances independently. Recent studies demonstrate that digital payments significantly reduce transaction costs, enhance business operations, and improve financial resilience among women entrepreneurs, particularly those in the informal sector that lack the means and credit for traditional banking (Minarni, 2025; Ojarikre, Chidera, & Aiyedogbon, 2024; Yang, Huang, & Gao, 2022).

In terms of economic empowerment, mobile banking has been credited with lifting women's incomes and reducing poverty in Sub-Saharan Africa. In Kenya, areas with high mobile money agent access saw a 9% lower poverty rate among women and 18.5% higher consumption levels compared to areas with limited access (Klapper, Singer, & Ansar, 2021). This suggests that mobile banking services enabled women to diversify income sources and build wealth over time.

In the case of Uganda, women micro-entrepreneurs who received microfinance loans via mobile money had 15% higher business profits and 11% more business assets after 8 months, leading to a 7% increase in household incomes and consumption versus women who received loans in cash (Riley, 2021). Thus, by securely holding funds in a mobile account, these women invested more capital into their own enterprises instead of seeing it diverted, yielding tangible economic gains for themselves and their families. Such findings indicate that mobile banking can directly contribute to women's economic empowerment through higher earnings, business growth, and poverty reduction.

In terms of financial inclusion, mobile banking has rapidly expanded women's financial inclusion in Sub-Saharan Africa**,** closing gender gaps in account ownership. In the decade leading up to 2021, the share of women in the region with a financial account more than doubled, driven almost entirely by the rise of mobile banking accounts. Mobile banking services offered by telecom operators allow women to open and use accounts locally via agents**,** often without the barriers of formal banks (Klapper, 2024). This means women can conveniently deposit even small amounts of cash, pay bills, send remittances, and store savings outside the home. As a result, women are increasingly using these accounts not just to receive funds but also to make digital payments directly, save money, and even access credit and micro-insurance products via mobile platforms. Greater access and use of financial services bring documented benefits: women gain more influence over household spending, rely less on risky informal lenders, and show improved ability to invest in health and education when they have their own account. In short, mobile banking has become a key enabler of financial inclusion for women, bridging gaps in access and fostering regular use of formal financial services.

Mobile banking has proven to be a powerful catalyst for women's entrepreneurship in Africa**,** helping female-owned businesses launch, invest, and grow. Research across 16 Sub-Saharan countries shows that women-owned firms that use mobile banking are significantly more likely to invest in their businesses**,** whereas no such effect is seen for male-owned firms (Islam & Muzi, 2022). In fact, mobile money usage is associated with women entrepreneurs buying more equipment and stock, expanding their operations. The same study found that mobile money use among female-led firms also correlates with greater access to credit**.** Therefore, women business owners can extend more customer credit and are more inclined to seek loans themselves, thanks to the transactional records and networks mobile money provides (Islam & Muzi, 2022). These patterns suggest mobile finance helps women overcome some traditional barriers, such as the lack of collateral and smaller networks, that have limited their businesses' growth. According to Osabutey and Jackson (2024), mobile banking improves female entrepreneurs' financial access and boosts firm performance. It highlights that mobile money expands women's access to credit, increases investment in women-run enterprises, and improves links with customers and suppliers, such as allowing sales on credit. Crucially, the digital loan delivery helped women retain control of the funds to invest in inventory and assets, instead of having money diluted by household demands (Riley, 2021).

Beyond firm performance, greater mobile banking adoption at the national level may even be enabling more women to become entrepreneurs in the first place. According to Asongu & Le

Roux (2023), 44 African countries found that mobile money innovations are helping transform unemployed women into self-employed business owners, once adoption reaches a critical mass. In other words, as mobile financial services proliferate, more women are empowered to start micro-businesses and participate in the economy. These trends are also supported at the regional level: the African Union's Digital Transformation Strategy (2020–2030) and the African Development Bank's Affirmative Finance Action for Women in Africa (AFAWA) both highlight digital finance as a central tool for advancing women's economic inclusion. The AU Strategy warns that the gender gap in mobile access and usage threatens Africa's digital economy, with only 25% of women in Sub-Saharan Africa having internet connectivity and women accounting for over 60% of the 400 million Africans excluded from digital financial services (Africa Digital Rights Hub, 2024). Taken together, these findings show that mobile banking not only improves existing women-led businesses, through easier payments, ability to save and borrow, and more financial privacy, but also lowers barriers for women to launch new ventures. These gains also align with international commitments, including Sustainable Development Goal 5 on gender equality and CEDAW's provisions on women's economic rights, reinforcing the importance of digital finance as a tool for advancing women's empowerment.

Barriers of Mobile Banking

Despite the progress of digital finance, women in Sub-Saharan Africa continue to face structural barriers that limit their ability to benefit fully. Without addressing these obstacles, mobile banking risks reinforcing, rather than reducing, gender inequality.

Digital literacy and skill gap. Only about 12% of African women possess adequate digital and financial literacy skills to confidently use digital financial services, far below the global average (UNECA, 2022). Many women, particularly in rural areas or older age groups, lack familiarity with mobile phone interfaces and must rely on agents or family members. This dependency weakens their control over financial decisions. Closing this gap requires targeted training programs to translate access into active, independent usage.

Infrastructure limitations. Although mobile coverage has expanded, 37% of all unbanked women have no mobile phone at all, cutting them off from mobile money services entirely (Klapper, 2024). Cost, limited electricity, and weak connectivity in rural areas disproportionately affect women, especially since 70 – 80% of African women live in rural communities (African Digital Rights Hub, 2024); therefore, limited digital infrastructure thus exacerbates demand-side barriers for women by making digital services less accessible in practice (Rabiee & Pietras, 2024). Expanding affordable phone ownership and rural network infrastructure is critical for inclusion uptake.

Regulatory hurdles. Many financial services in Africa, including mobile money, require compliance with Know Your Customer (KYC) and Anti-Money Laundering (AML) regulations, which means customers must provide official identification or documentation to open an account. The Global Findex data illustrate that women are often excluded from formal banking due to a lack of identification documents and lower financial capacity (Okiro & Nsanzabaganwa, 2023).

Furthermore, women are less likely to possess these documents in their own name, making them disproportionately excluded. For example, approximately one in five unbanked African women noted that a lack of government identification was a reason they could not open an account (Klapper, 2024). In addition, laws that historically required a husband's consent for a woman to open an account have curtailed women's financial access, reinforcing dependency and limiting agency.

Social and cultural norms. Deeply entrenched social and cultural norms continue to shape how, and whether, women engage with financial services in many African contexts. In some communities, traditional gender roles dictate that men handle most financial matters, undermining women's agency in using even readily available digital tools. In northern Nigeria's conservative society, for example, 47% of adult women are financially excluded (lacking any account) compared to 37% of men, a gap largely attributed to patriarchal norms that restrict women's mobility and decision-making power (Union Bank of Nigeria, 2018). These norms may manifest as women needing a husband's permission to own a phone or travel to a bank or agent, or through internalized expectations that finances are "men's business."

The preceding section outlines several structural barriers, ranging from digital illiteracy and regulatory exclusion to cultural norms and infrastructure gaps that hinder women's full participation in the digital finance ecosystem. Addressing these barriers requires strategic decision-making by policymakers, development agencies, and private-sector actors. The following two options frame this policy dilemma. While one reflects a continuation of market-led innovation, the other proposes a more coordinated, inclusive approach. These options serve as a bridge between the identified challenges and the policy recommendations that follow.

Option 1: Leverage Market-Led Innovation with Targeted Support

Private sector actors, particularly telecom and fintech firms, have played a pivotal role in expanding mobile financial services across Sub-Saharan Africa. Their innovation, scale, and reach to remote areas have lowered transaction costs and enabled broader access to tools that benefit women in the informal economy. Market-led expansion benefits from economies of scale and technological agility, allowing mobile money solutions to evolve quickly without bureaucratic delays.

However, this market-led approach often bypasses the most marginalized women, particularly in rural areas, due to persistent barriers like digital illiteracy, lack of ID, and restrictive gender norms. As a result, access alone does not guarantee equity. If left unaddressed, these gaps risk reinforcing gender inequalities by enabling access only for those who are already relatively empowered. To close these gaps, a stronger public-private partnership is needed. Governments and donors must support infrastructure expansion, affordable mobile access, and targeted literacy programs to ensure that mobile finance reaches and empowers those most excluded.

Option 2: Pursue a Holistic, Policy-Led Approach

This option advances a coordinated, government-led strategy to tackle the structural barriers that limit women's access to digital finance. Governments and development partners would invest in rural infrastructure, introduce tiered KYC protocols, and remove outdated legal constraints such as spousal consent laws. Parallel investments in digital and financial literacy, delivered through formal and peer-to-peer programs, would strengthen women's ability to use mobile finance independently. Community engagement is also essential. By working with local leaders and supporting women-centered financial products, this approach fosters trust and ensures inclusion reflects women's real-world needs.

Policy Recommendations

To ensure mobile banking becomes a transformative driver of gender equity and economic empowerment, this brief recommends the following actions:

Expand digital infrastructure and access: Invest in rural mobile network coverage, affordable handsets, and women-friendly agent networks, particularly kiosks run by women in conservative regions, to improve accessibility and trust.

Strengthen digital and financial literacy: Develop training programs tailored for women in the informal sector, focusing on both technological skills, such as navigating mobile platforms. And financial management (including savings, credit, and insurance. Peer-to-peer *women training women* models can create multiplier effects, while integrating financial literacy into girls' education builds long-term capacity. In parallel, evidence from the Business Resilience Assistance for Value-Adding Enterprises [BRAVE] Women program, implemented by the Islamic Development Bank (IsDB) and the Islamic Corporation for the Development of the Private Sector (ICD), shows that structured peer-to-peer training and advisory support can strengthen women's confidence in managing finances and increase their trust in formal financial institutions. These lessons can be applied beyond entrepreneurship to broader financial inclusion.[1]

Simplify regulatory framework: Introduce tiered KYC requirements to allow low-risk mobile accounts with minimal documentation, and reform outdated laws that limit women's financial agency, such as spousal consent rules.

Promote community and cultural engagement: Support initiatives that challenge restrictive gender norms by engaging religious and community leaders, encouraging household financial dialogues, and creating safe spaces for women to learn and transact independently.

Tailor products to women's needs: encourage the design of digital savings, micro-loans, and micro-insurance products that reflect women's realities in the informal sector, leveraging mobile transaction histories as alternative credit scoring tools.

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[1] Based on author's personal experience as member of the evaluation team for the BRAVE Women Program.

Taken together, these recommendations emphasize that mobile banking is not a silver bullet but rather a key level that must be paired with broader policy and social reforms. By simultaneously investing in digital finance infrastructure, women's skills, and enabling environments, policymakers and NGOs can ensure mobile banking delivers on its promise of reducing poverty and advancing gender equality in Sub-Saharan Africa.

These recommendations also align with global initiatives such as the G20 Global Partnership for Financial Inclusion (GPFI), which emphasizes women's access to digital financial services as a core priority. Linking Sub-Saharan Africa's efforts to the G20 and the Sustainable Development Goals not only strengthens accountability but also helps mobilize resources and facilitates cross-country learning. By situating women's financial inclusion within this broader global agenda, policymakers can leverage international support to accelerate progress.

Conclusion

Digital payments, particularly mobile money, have transformed women's access to financial services in Sub-Saharan Africa, helping reduce poverty, support entrepreneurship, and strengthen household resilience. Yet, without addressing structural barriers, from literacy gaps to restrictive regulations, this progress risks deepening inequalities rather than closing them. Policymakers should seize this moment to ensure that digital finance becomes a tool for empowerment rather than exclusion, embedding reforms that prioritize women's agency, access, and long-term economic security.

About the Author

Patty Zakaria is an Associate Professor in Data Analytics at the University of Niagara Falls and a researcher specializing in governance, corruption, and anti-corruption. Her work examines the role of women in governance and transparency, with a particular emphasis on the importance of women's financial inclusion as a driver of equity and sustainable development. She has served as a consultant on a wide range of projects addressing corruption and anti-corruption strategies, data analytics, and institutional resilience. Her applied research includes contributions to the BRAVE Women Program, supporting women-led enterprises in the Middle East, North Africa, and Sub-Saharan Africa. She has published in a variety of outlets, including peer-reviewed journal articles, book chapters, edited volumes, policy briefs, and white papers on corruption, anti-corruption, governance, and transparency. More recently, her work has expanded to AI governance, with a focus on implementing safety standards to reduce catastrophic risks associated with AI-enabled tools. Through her academic and consulting roles, she brings together rigorous research and practical policy insights to advance gender equality, financial inclusion, and good governance globally.

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