## By: International Center for Research on Women
*In collaboration with PCI, a Global Communities Partner, and DreamStart Labs*

### Introduction

This document is one of three research briefs that highlight key insights from a study of Digital Savings Groups conducted in rural Tanzania from August 2019 through February 2020. The research was conducted by the International Center for Research on Women (ICRW) working with savings groups supported by PCI, a Global Communities Partner, and their Women Empowered (WE) program. The study followed two sets of WE savings groups that used the DreamSave app from DreamStart Labs. The first set of groups were mature savings groups that had been recording transactions on paper for multiple years, then switched to DreamSave ("Paper-to-Digital"). The second set of groups learned the savings group model using the app from the beginning ("Born Digital"). This study was conducted in the Mara region of Tanzania, an extremely rural area with high poverty, low literacy, and limited experience with mobile technology.
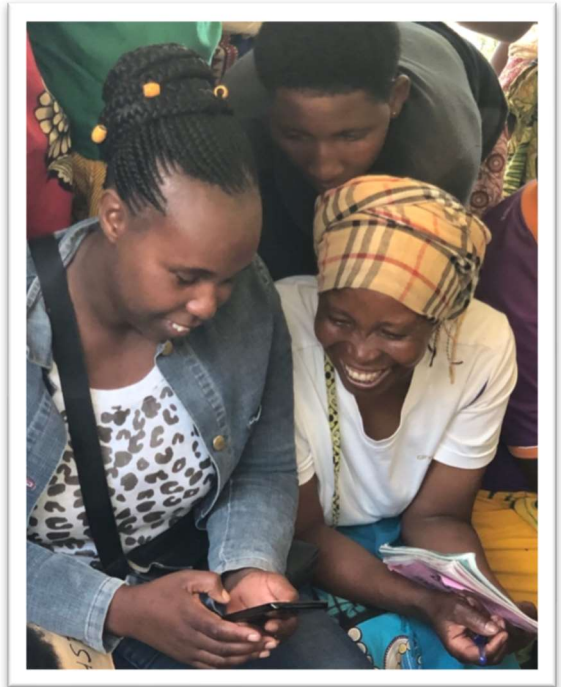


### Women's Digital Financial Inclusion

A women's financial inclusion is inextricably linked with her ability to access, use, and benefit from financial products and services. Globally, almost two billion adults do not have access to formal banking or other financial systems, 56 percent of whom are women.[1] Women face particular barriers to accessing and using financial systems, which makes achieving women's financial inclusion challenging. These barriers include macro-level challenges such as laws that prohibit female account ownership or asset inheritance as well as norms that restrict their mobility and ability to travel what maybe long distances to the nearest bank and unequal levels of education and economic assets.

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[1] Global Findex 2018

Digital technology offers a promising mechanism to expand financial services to women and other excluded groups by circumventing some of these access issues, potentially bringing the product straight into a woman's hands. By addressing significant barriers to providing services to remote, last mile populations,[2] including infrastructure and transportation costs borne by both the provider and the consumer, digital financial services can more efficiently reach individuals and broadly expand access.

Many low-income people participate in informal savings groups, which provide critical access to financial services for millions globally. They also provide a context within which to introduce digital financial inclusion tools more widely. Digitizing savings groups – that is, the use of mobile technology to provide support, access to formal accounts, or information to members – holds the promise to improve members' experience and reduce meeting time and errors in record-keeping. However, a global mobile gender gap affects women's uptake of digital financial services. Women worldwide are about 10 percent less likely than men to own a mobile phone, and in sub-Saharan Africa, the gender gap in mobile internet access is 41 percent.[3]  In Tanzania, where this study took place, only 17 percent of women use the mobile internet, compared to 35 percent of men. Lack of perceived relevance, illiteracy and affordability all influence women's uptake of digital technology.[4]

## Three Lessons on Gendered Dynamics of Digital Savings Groups

### Women need to be targeted for digital literacy training

Most of PCI's WE groups were mixed sex thereby affording the opportunity to examine the gender dynamics within groups among members and apply a gender lens to understanding the group's approach to and uptake of the smartphone. This pilot was the first time a vast majority of members had seen or used a smartphone. At baseline, only five men out of 68 and 30 out of 166 women reportedly had access to a smartphone. Women were far less comfortable using the smartphone than men. Focus groups of both group types said that overall, young, literate, tech-savvy men used the smartphone with ease and taught other members how to navigate the DreamSave app. The shift away from paper ledgers – familiar and easily verifiable – to an app on a smartphone created uncertainty for some female members. This is due to the fact that very few of them had ever interacted with a smartphone prior to the pilot, as well as the fact that this shift to digital changed the perception of who had access to and ownership of the group ledger. Some women reported they were afraid to even touch the phone and many men reported that women were slower to learn and understand how the app worked than they were. A shift in perceived ownership of the groups' savings data, as well as group leadership, is important for implementers to manage as they move toward digitization. These experiences call on providers and fintechs to invest in digital literacy training. Women-only training groups and women community champions could go far in providing a safe space for women to learn and gain familiarity with the phone.

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## Building trust and confidence is critical

Trust and confidence-building are key components to any service. Both waxed and waned throughout the pilot, due to technical challenges as the app evolved. Using the smartphone in a group enabled group members to see how the app worked and assuage initial concerns about PCI and digitizing their information. Over the course of the pilot, established group members' confidence of their groups' ability to use DreamSave increased from somewhat confident (63 percent, men and women combined) to about 60 percent (men and women, separately) at endline groups being very confident in their groups ability to use DreamSave. Gender mattered here, too: 16% of women at baseline were not confident about their group's ability, compared to only 8% of men.

**Confidence in Group's Ability to use DreamSave**
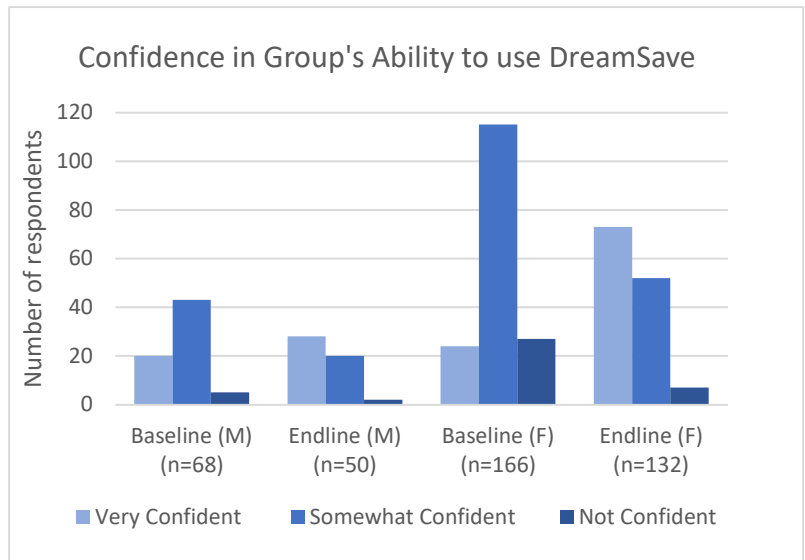
Another key measure on trust and confidence is the group's desire to keep using the app after the close of the project. At endline, members nearly universally stated they would like to continue to use DreamSave after the pilot. One big reason for this was the fact that groups all knew where their cash was: the physical cashbox. While they navigated the new technology, the old "technology" remained. Several interviews reported that this fact eased members' minds when things were not going according to plan early on in the pilot.

Overall, focus group data suggest that women, particularly older women, remained hesitant and less comfortable using the new technology. Most women did not personally navigate the app, but rather observed as other members handled the smartphone and entered transactions. As a result, at endline, most women were not comfortable navigating the smartphone provided by PCI and were unable to recognize key DreamSave screens, suggesting that possession of a device is only one barrier to use. DreamSave is a digital ledger whose primary user is the group secretary, so regular members aren't expected to recognize every screen. But if digital bookkeepers do not share the screen with members during key individual steps like paying their weekly savings, fears about new technology will take longer to overcome, and women will miss the opportunity to gain valuable mobile experience.

At the beginning of the study, respondents expressed significant concerns with using a smartphone as a ledger, particularly fears around data security and safety. However, respondents also exhibited a general openness to digital technology, once certain issues were addressed.

## Digitization will increase women's marginalization without targeted effort

One way for curiosity to grow into confidence is through access to and use of the group smartphone. While the smartphone was used primarily by the digital bookkeeper, as stated above, groups set their own rules for when and how group members could interact with the app and phone. Group members were shown still images of DreamSave during qualitative interviews and asked about their opportunities to interact with the smartphones.
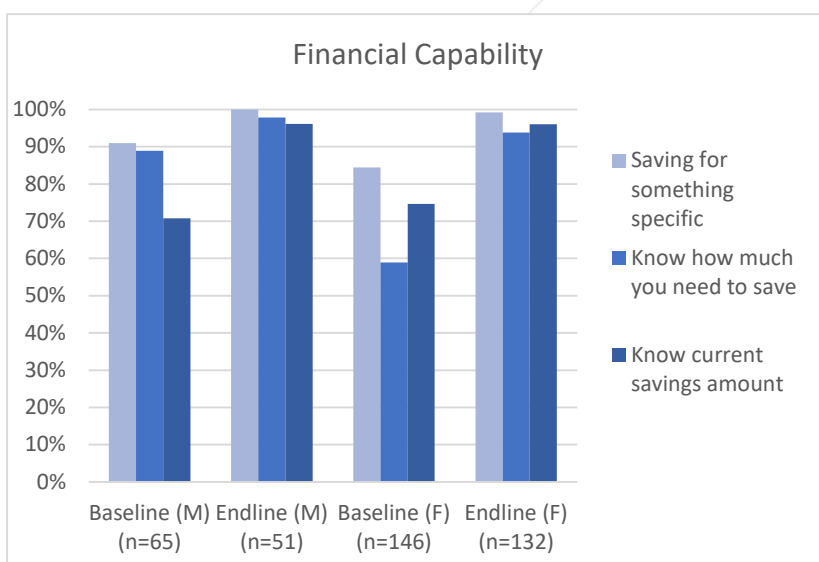
Few female members were familiar with the app because they may not have been given the chance to see the ledger or may not have sought the chance to touch the phone due to lack of confidence. Men said women were slow to learn and nervous about navigating on a smartphone, even to hold it. Two different CFs described watching some women carry the smartphone "like an egg". Members of an all-male paper-to-digital focus group said that women, particularly those over 40 years old, do not "like to learn" how to use the smartphone, letting others navigate the app on their behalf. One born digital CF said that when a female bookkeeper was seen entering information slowly in DreamSave, men in the group would yell things at her like, "You're keeping us here!" which discouraged and intimidated her. The group eventually elected to have one male and one female bookkeeper because men were more confident with the phone.

Much like financial inclusion generally, digitizing savings groups can have unintended consequences. Women face systematic barriers to accessing and owning mobile technology, such as literacy and numeracy challenges, norms around asset ownership, intra-household power dynamics, and others, which makes them less likely to gravitate toward a digital savings ledger and more likely to need extra time to gain confidence with the technology and their skill level. When women encountered challenges or lacked confidence, groups chose to do what was easiest in the moment, which happened to be having a male member navigate the phone. Therefore, the onus is on implementers to make space and opportunities for women to learn and to encourage men to share power.

## Digitization may support increased financial capability among women

Using behavioral nudges and reminders, the DreamSave app helped users meet their self-selected savings goal by sending SMS reminders prior to each meeting with how much they needed to bring in order to meet their goal. These features increased individual financial capability, as measured through questions around individual savings goals. Women's responses at endline mirrored the growth seen for men in having a goal and knowing their current savings amounts. While overall financial capability was moderately high, the biggest jump at endline was women reporting that they now knew how much they need to save to reach their goal.

**Financial Capability**

Legend:
- Saving for something specific
- Know how much you need to save
- Know current savings amount

X-axis categories: Baseline (M) (n=65), Endline (M) (n=51), Baseline (F) (n=146), Endline (F) (n=132)

## Conclusions

Digitization holds promise for a potentially more inclusive future. But work remains to ensure women and men have equal access to digital financial services.

1. **Invest in digital training** of staff, community facilitators, digital bookkeepers and group members. Community facilitators from both group types said learning to use the phone and DreamSave took a lot of time. One CF suggested the best way to get tech-hesitant members on board is to get another member with a smartphone to show these individuals and be a tech mentor. Training community champions could be a critical way to quickly answer group member's simple technology-related questions that might otherwise wait until the next time a staff member is in the area for a group meeting.

2. **Target women with digital literacy training.** Women were less confident with using the smartphone, implementers must ensure that digital training encourage and support women in their learning process. Women-only training groups and women community champions could go far in providing a safe space for women to learn and gain familiarity with the phone.

3. **Gender transformative digitization efforts target men and women's** roles in using the technology and digital ledger. Implementing partners already target group leaders with special training. Gender transformative training targets members normative behaviors around technology and power, encouraging sharing as well as setting gender quotas, for example, among digital bookkeepers to ensure equity of experience.

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The full study report is scheduled for release in September 2020. In the meantime, be sure to check out the other study briefs which are out now:

- *Rethinking Key Roles in Digital Savings Groups*
- *Comparing 'Born Digital' to 'Paper to Digital' Groups*