Report on

Investigating the Barriers to Accessing Formal Financial Services Among Rural Women in Bangladesh: A Quantitative Approach

By

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A thesis submitted to the BRAC Business School in partial fulfillment of the requirements for the degree of Master of Business Administration.

BRAC Business School

BRAC University

July, 2024

Declaration

It is hereby declared that

1. The thesis submitted is my own original work while completing a degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I have acknowledged all main sources of help.

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Letter of Transmittal

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Subject: Regarding the Submission of the Thesis on “Investigating the Barriers to Accessing Formal Financial Services Among Rural Women in Bangladesh: A Quantitative Approach”

Dear sir,

I am writing to formally transmit my thesis titled "Barriers to Accessing Formal Financial Services Among Rural Women in Bangladesh: A Quantitative Analysis," completed as a requirement for the Master of Business Administration program at BRAC Business School, BRAC University.

This thesis seeks to research the various obstacles to the access of rural women to formal finance including banks, microfinance, insurance, and mobile banking services. Applying quantitative analysis and collecting and assessing the data using surveys from Bangladeshi rural women, the paper highlights significant constraints in this area and suggests effective interventions to enhance the inclusion of this target group and their economic benefits. I strived to present the results shortly, concisely, and in a balanced way, using reliable survey data and well-regarded and applicable literature.

Your relentless guidance, expert teaching, and invaluable suggestions during this academic process have been unwavering for me to complete this study.

Sincerely yours,

Sajib

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Sajib Paul

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BRAC Business School, BRAC University

Date: 9th July, 2024

Acknowledgment

I want to express my honest and deepest gratitude to the instructors of BRAC Business School for their precious advice and consistent support during the earning of my MBA degree. I am thankful for the excellent learning opportunity and valuable knowledge that was crucial for this research; moreover, I am grateful to the supervisor Mohammad Mohibur Rahman & co-supervisor Dr Saad Md Maroof Hossain for his guidance and opinion. I could not forget to mention my mother because I am heavily grateful for her inspiration and constant support: only thanks to her words, I could overcome all options and challenges associated with my education. I am wholly thankful to all survey participants, without their time and assistance, this research could not have been completed. Finally, I want to express my gratitude to BRAC University for the high-quality education, appropriate training ground, and experiential learning facilities.

Sincerely,

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List of Acronyms

ADB	Asian Development Bank
AFI	Alliance for Financial Inclusion
ATM	Automated Teller Machine
ECOSOC	Economic and Social Council
MFI	Microfinance Institution
MFS	Mobile Financial Services
NFIS	National Financial Inclusion Strategy
NGO	Non-Government Organisation
SDG	Sustainable Development Goal
UN	United Nations

Abstract

Rural women in Bangladesh encounter significant obstacles in accessing institutional or formal financial services such as banking, microfinance, mobile financial services, and insurance. In the existing literature, there is a gap in understanding the quantitative dimensions of these barriers regarding rural Bangladeshi women. Therefore, the objective is to find out these prominent obstacles and how to overcome those with solutions. The study was carried out using quantitative research. Through a questionnaire survey, data was collected from out of 50 rural women in Bangladesh. This study also used a survey data analysis in terms of p-value less than 0.05 to find out the significance of test statistics in statistical interpretation. To gather information, well-structured questionnaires were prepared especially on demographics, financial behavior, and perceived barriers. Before finalizing the questionnaire, we conducted in-depth interviews with the stakeholders; including representatives of government agencies, financial institutions, NGOs, and community leaders to gain insights and refine the research hypotheses. Analyses of the survey data by using SPSS analyzed by multiple regression techniques to find out significant important barriers to accessing financial services. The statistical analysis predicted different potential obstacles to their financial service access and came out with a report of all the survey constraints. The study results guided rational decision-making to empower rural women and pave the way to create awareness and formulate regional outstanding realistic measures to remove the prominent barriers. The study findings have greater potential for ensuring economic empowerment and raising the level of financial inclusion and standard of life of rural women in Bangladesh.

Keywords: formal financial services, rural women, obstacles, financial inclusion, realistic measures

Chapter 1: Introduction

1.1 Background

Financial inclusion is a way of penetrating especially to affordable and useful financial products and services for individuals and businesses to be used in managing their finances (World Bank, 2018). The financial services are bank accounts, credit and loan facilities, insurance instruments or products, and savings accounts. In developing world countries like Bangladesh, the level of financial inclusion is lower, and there is a large share of the unbanked and underbanked population (Beck et al., 2007). However, financial services are possible and fall into several types in Bangladesh.

Formal financial services and its importance

Firstly, traditional banking services such as savings bank accounts, fixed deposits, utilities, and withdrawals are the typical financial offerings for both poor and disadvantaged people and ordinary corporations by state-owned and private banks. The marginalized ones who do not have access to regular financial services or banks apply for small loans and financial services from microfinance institutions or MFIs (Omar & Inaba, 2020). Notably, Bangladesh is a pioneer in microfinance that started the first generation of microfinance in the early 1980s, including famous microfinance institutions such as Grameen Bank and BRAC, which contributed significantly to poverty reduction in the country (Kabir, 2019). Secondly, there are also two types of insurance services although they are still not popular in rural areas: life insurance service and non-life insurance service (Heath & Mobarak, 2015). Thirdly, mobile financial services, or MFS have been increasingly popular by virtue of the growing number of active users of mobile phones (Omar & Inaba, 2020).

Financial services are critical for promoting economic development and reducing poverty. People who have the chance to have banking services are likely to manage their funds, protect money confidently, and quickly get and make payments. Microfinance enables low-income families and small entrepreneurs to get the cash they need for money-making projects and an improved standard of life. Insurance offers help to reduce risks and is linked to stability when disasters or external shocks occur (Heath & Mobarak, 2015).

Finally, financial inclusion is improved through better and low-cost access to financial transactions, given the rise of cell phones and mobile financial services, particularly in remote areas. In general, these services provide many benefits such as inclusive growth and increased standards of living, offering economic empowerment (Amin, 2014).

Existing barriers and challenges worldwide

Despite all these benefits and advantages associated with financial services, there are various challenges that women in Bangladesh have to face while attempting to engage with them. First, women cannot feel the freedom and independence to access relevant services since their mobility and decision-making capacity are limited in the frame of traditional gender roles and sociocultural norms and values, that they should follow (Khandker, 2012). Second, women rarely have identity papers to obtain credit from financial institutions and open a new operational checking account.

Better and potential chances to make greater financial claims and operations have more opportunities to be accessed by males (Demirguc-Kunt & Klapper, 2012).

The case is even more severe with poor women, as they might also not have financial literacy which could work against them due to having less knowledge and skills or the confidence to learn finance. Finally, the problem is even more striking for women in rural areas. Many financial establishments and service developers are concentrated in urban areas, and the number of call offices is higher than that in the countryside. In general, the gender disparities that Bangladeshi women might face can be associated with several aspects that limit financial service inclusion (Kabir, 2019)

International Perspective

National efforts are not the only mechanism through which the development goals of financial inclusion and gender equality access to financial services can be promoted (Beck et al., 2007). International research and policy support are also mobilized to that end. Established institutions concerned with finance as an important part of the development objectives encourage financial inclusion. Organizations like the UN and IMF support countries in developing policies and programs for women and disadvantaged groups with supporting policies, advice, and research (Demirguc-Kunt & Klapper, 2012). The AFI also has made it possible to promote national financial inclusion by facilitating information exchange and capacity building in AFI policy implementation and regional initiatives. There are many instances of countries like Bhutan that are successful in empowering their women community financially (Beck et al., 2007).

1.2 Research Gap

The literature identifies a wide range of barriers faced by rural women seeking access to formal financial services, including but not limited to, lack of knowledge, financial illiteracy, entrenched cultural traditions, physical distance from banks, and regulatory issues. While qualitative studies have provided ample knowledge about these barriers. Since there is a distinct dearth of quantitative research, this research intends to investigate quantitatively which barriers are more prominent and which are less. Lastly, our study aims to show the imperative strategies appropriate for the betterment of the conditions.

1.3 Research Objectives

This research plans to investigate the barriers faced by Bangladeshi rural women in availing financial services opportunities, by following a quantitative approach. The specific objectives of my research are:

- To determine the barriers faced by the rural women in Bangladesh to available the mentioned services like banking, MFS, insurance, etc

- To explore the factors contributing to the presence of these barriers

- To develop pathways to mitigate these barriers and increase financial inclusion among rural women.

1.4 Research Significance

This study has several implications for Bangladeshi rural women's financial inclusion and economic development. One, it significantly fills the gap in the current literature by providing measurable evidence of the challenges rural women face when seeking to access formal financial services. While such challenges have been highlighted in qualitative research studies, they are not sufficient in providing a comprehensive understanding of the extent of the challenges. In providing a number of these challenges, this vital evidence serves to provide accurate data that can be used to inform targeted interventions and policy positions that are tailored toward addressing the unique needs of rural women in Bangladesh. Through the interpretations, scholars would be able to investigate the root causes that are consistently associated with these challenges, and, therefore, develop interventions to address these root causes and, subsequently, improve the well-being outcomes for rural women in areas that are unique to them.

The outcomes of this study can trigger broader socio-economic growth in the context of the Bangladesh economy, especially in rural settings. When they have access to financial services, women can make investments in businesses, healthcare, and education, among others, which, in turn, can be expected to spur local economic growth and reduce the discrepancies between the rich and the poor in the host area. Similarly, the empowerment of women who live in rural settings tends to bring in more household income, helping families prevent the shocks of lack of income and, generally, promoting stability in localities. The findings of this study would be relevant to NGOs, financial institutions, and policymakers who support gender equality and financial inclusion in Bangladesh.

Chapter 2: Literature Review

2.1 Definition of Financial Inclusion

Financial inclusion entails the availability and accessibility of banking products and services to different population categories and their affordability. It is held that financial inclusion provides a foundation for inclusive and sustainable economic development and a cut in poverty. As such, the UN integrated it into the 17 SDGs agenda in 2015. The review focuses on the numerous barriers to financial inclusion of women in Bangladesh. In this regard, relevant studies are explored to explain social norms, limited and not customized financial products, economic factors, technology, and other reasons for financial exclusion. The literature review also considers actions and proposals made by such stakeholders as Bangladesh banks, commercial banks, and microfinance institutions to address the vulnerabilities and adopt strategies. There is evidence in the literature that the economic empowerment of women through financial inclusion benefits not only the women but also the overall society or community at large (Hashemi et al., 1996).

According to studies, financially empowered women are in a position to invest in their education and health as well as in the health and well-being of their children. In addition, when women participate in the formal economy, their households are more economically stable and exhibit higher incomes (Heath & Mobarak, 2015).

Moreover, increasing women's access to financial services inherently enhances the ability of women to develop competencies in entrepreneurship and business development, creating more jobs and improving productivity. This empowerment of women with additional economic powers stimulates inclusive growth and overall SDG achievement. Hence, promoting women's financial inclusion is not only a matter of social support and empowerment but also a strategic task of advancing social equity, reducing poverty, and ensuring sustained development (Heath & Mobarak, 2015). In the least developed countries such as Bangladesh, the level of access to formal financial services is unsatisfactory among the vast majority of the population (Demirguc-Kunt & Klapper, 2012). Simultaneously, within the context of financial inclusion, women are more uniformly defined as financially excluded, enhancing injustices in terms of accessing economic opportunities and empowerment. In effect, women's overall economic empowerment is severely limited, and the broader society becomes stuck in its advancement towards SDGs.

Conventional gender roles and deeply rooted socio-cultural norms perpetuate the exclusion of women from financial resources and their limited decision-making power. As a result, due to mobility constraints imposed by gender norms, women are largely unable to step outside their households to apply for financial credit, which makes them unable to access financial service providers (Mbiti & Weil, 2011). Furthermore, there are numerous cultural superstitions and beliefs in this regard, and these prejudices may play a crucial part in stopping women from interacting with formal financial institutions and making their financial decisions. Additionally, some women cannot afford business materials and repay the loan, so they cannot borrow from conventional financial institutions. Moreover, the absence of property makes it hard for women to receive loans and credit from local financial organizations. Additionally, women's illiteracy restricts their ability to understand the procedures and make informed decisions. Furthermore, women's limited involvement in paid employment and formal employment creates an impediment to the inclusion of women from full access to programs and benefits. Alternately, employer-provided financial benefits and services are also absent for women who do not work outside the home. In developing nations, financial exclusion is an additional source of economic inequality

2.2 Power of Men Over Economic Decisions of Women

Patriarchal societal structures that are found in many cultures all over the world have a considerably negative effect on the economic situation. In fact, the power of men over economic activities and their decision-making authority supports the economic marginalization of women. Women in these contexts do not have access to financial resources and tools. The fear of violence that conditions all types of patriarchal subjugation creates an obstacle for women (El-Zoghbi & Tarazi, 2015). As a result, they cannot participate in financial opportunities, or economic activity or try to borrow from financial institutions. Due to the given fear, women are not able to achieve economic benefits. Moreover, such an attitude empowers existing differences in gender, preventing significant changes. Women are less active in economic opportunities relative to men.

The idea of men's influence on economic decisions affecting women presents a concept that can be measured through the existing relative differences men and women have in the economic sphere. Compared to men, women have a more limited economic activity, lower wages, fewer job opportunities, and fewer resources. There are also curtailed financial opportunities that present a significant limiting factor. Moreover, women cannot experience economic benefits in full because current financing tools do not cover their needs (El-Zoghbi & Tarazi, 2015). Thus, financial inclusion is not a reality for them, considering that they need financial opportunities. For example, women may need a more thorough elaboration of a payment scheme for the loan, lower service commissions, or smaller loan amounts.

2.3 Other barriers in the system

Women still do not have enough education on online financial opportunities and information on finances as social networks and information channels are used primarily by men. No access to peer groups information sessions or mentors is limiting women who have never been given training on the basics of banking or financial opportunities. An additional barrier to the financial inclusion of women is the geographical distance of women's homes from financial institutions for their living and the high cost of transportation. Another concern is relocating women's lives due to family ties (ADB, 2019). Weak institutional capacity and lack of gender-sensitive policies and regulations exacerbate barriers to women's economic status and exclude women financially (Quisumbing, et al., 2013). For example, in accordance with the woman's needs in the modern internet world, every person must have secrets such as digital-mobile devices and the Internet in order to use the financial opportunities emanating from the internet (Kabir, 2019).

For example, women need to have a phone to use mobile banking applications to send money from their mobile banking. Unfortunately, in rural areas of Bangladesh, women have no opportunity to have phones to call.

The lack of digital literacy, access to technology, and the lack of communication means exclude women from the use of digital technology-based financial services, which is one of the types of banking opportunities. A wide range of measures and initiatives are being implemented in many countries to ensure their financial inclusion. These measures and initiatives cover the government, banking services, and microfinance programs for women. This program provides banking services for all households in the country. Millions of bank accounts have been opened in this program, and women are especially empowered in the program.

2.4 Global initiatives on increasing women’s access to financial services

Nigeria’s Central Bank has issued the National Financial Inclusion Strategy consisting of a wide range of approaches to increase women’s access to finance within the country. The interventions in the NFIS include upscaling agent networks and agent banking in rural areas; the development of gender-sensitive products; and the delivery of financial literacy training specifically designed for women. Incentives in interest rates have been initiated in many countries where women account holders enjoy more interest on their deposits, this encourages women to be involved with the banks. Besides, M-Pesa, a mobile banking platform in Kenya widely used to conduct a wide range of transactions including sending money to other people’s cell phones, purchase of goods and services, and withdrawing money has enhanced financial access by women. This banking service that uses mobile phones eliminates the need for traditional infrastructure as women can transact anything with their phones including the purchase of airtime with ease. Studies found that providing loans without any deposit amount at low interest rates is effective in many corners of the globe. Moreover, conditions imposed on loan passing for women are minimal to encourage the women's community and empower them.

2.4 Initiatives in Bangladesh

The Central Bank of Bangladesh has taken bold steps towards enhancing women's access to finance. For example, female holders of Sanchayapatra in Bangladesh banks receive higher interest rates than men. The central bank has introduced a special initiative called the Women Economic Empowerment Scheme that provides technology and non-financial advisory services to women aiming to expand their economic activities (Hasan, 2021). The scheme consists of capacity building in areas like ICT, cell phone application development, and data development as well as loans to be used for business purposes.

Various measures have also been taken in Bangladesh, similar to other countries, to enhance women's financial inclusion. In understanding some guidelines that the country has crafted specifically to address this issue. The country has also put in place measures such as gender-responsive lending by commercial banks, which target individual women and women entrepreneurs who wish to engage in entrepreneurship activities. Many other commercial banks have similar packages, targeting women, and promoting gender equality by increasing women's access to embedded women's acquisition of safe and reasonable financial products, including loans. Notably, women-centric bank accounts and clubs have been established. These are explicitly shaped for women with women's particular exposure and preference characteristics for financial services and integrating them into the financial system. Similarly, microfinance institutions have enhanced their outreach to rural women, meeting their need for micro-loans and providing financial literacy education. It's designed to solve the financial tension of women's acquisition and increase their ability to obtain credit (Hasan, 2021). Currently, there is a heightened integration of the entire world through technology, with mobile financial and Internet banking services enabling closer service to rural women. However, various contextual or natural factors remain unchanged, including gender-related tastes, government laws or social rules, and culture. These measures, among others, have increased their financial inclusion and have enabled women to have additional opportunities.

Significant barriers to women's financial inclusion in developing countries can begin to be addressed through theater introduction and implementation of inclusive policies and measures, such as improving the awareness of women's financial services, promoting women's economic independence, and facilitating the establishment of a customer-oriented financial system. To facilitate development, it is critical to adopt effective strategies.

Chapter 3: Methodology

Data were collected using questionnaires from the women of the countryside area of Munshiganj, Jashore, and Gazipur districts. A total of 50 women participated in the survey conducted by us. Females under 18 years were not encouraged to be included in the study. The survey started on 12th June 2024 and ended on 20th of June of 2024.

Before starting the full survey, a pilot study was conducted. Data obtained from the survey were analyzed by SPSS. A p-value less than 0.05 was taken to have significance.

Chapter 4: Findings

4.1 Demographic Distribution

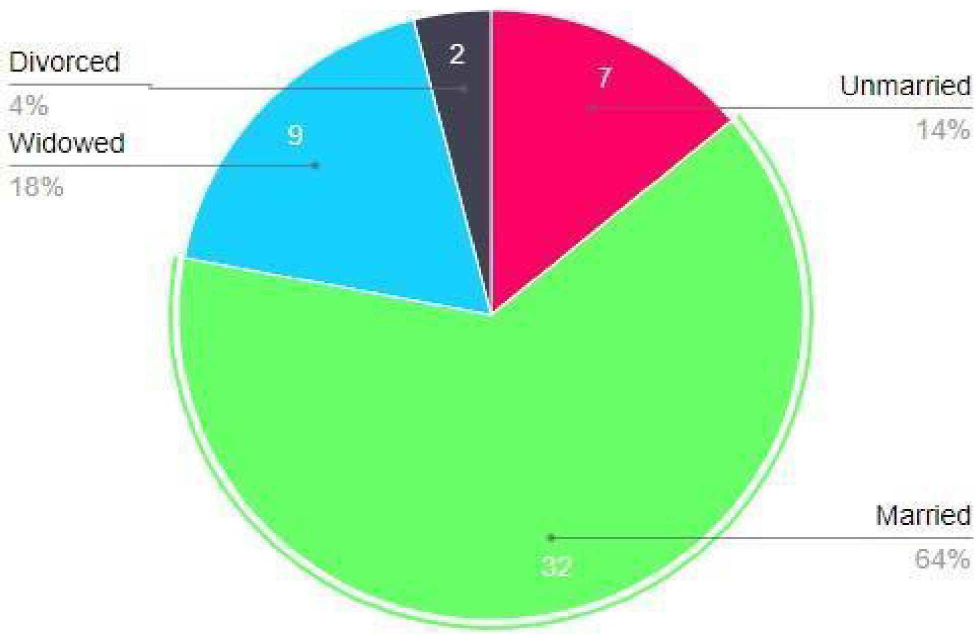

Figure 1: *Marital status of the participants (n=50)*

Among all the participants, 64% of the participants were married and 14% of the participants were unmarried. However, 2 among 50 participants were divorced.

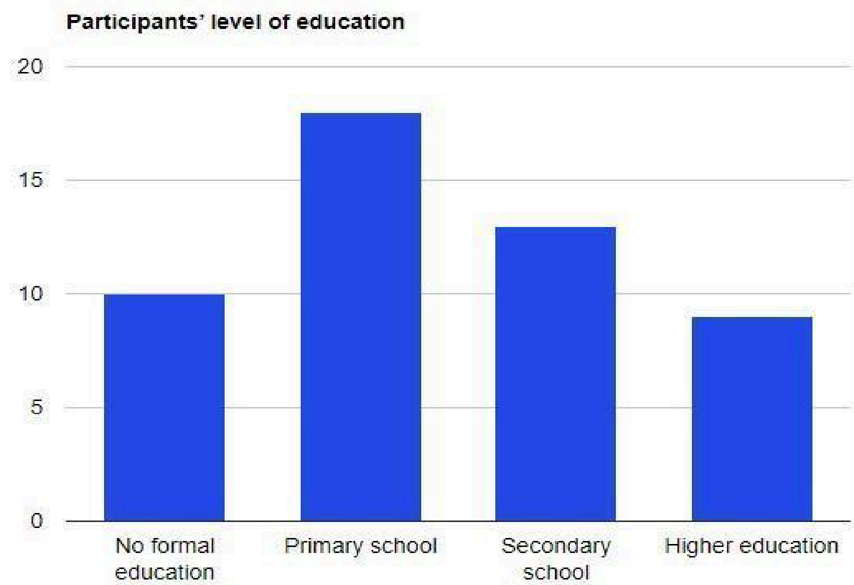

Figure 2: *Participants' level of education*

20% (n=10) of the participants had no formal education. However, 18 participants had primary schooling and 8 participants had higher than secondary education.

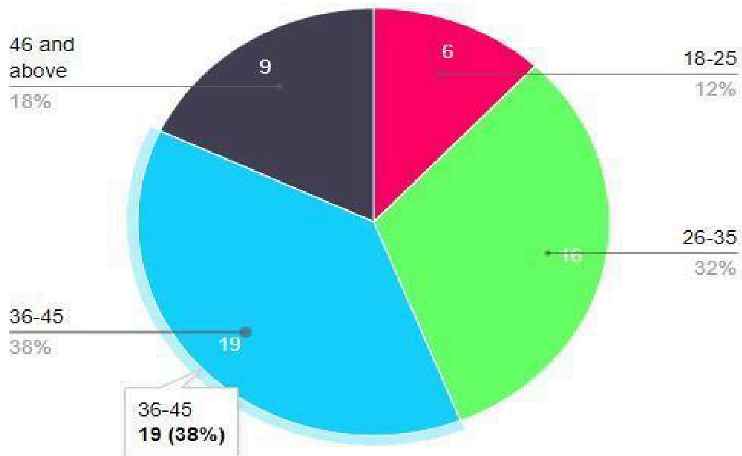

Figure 3: *Participants' age group*

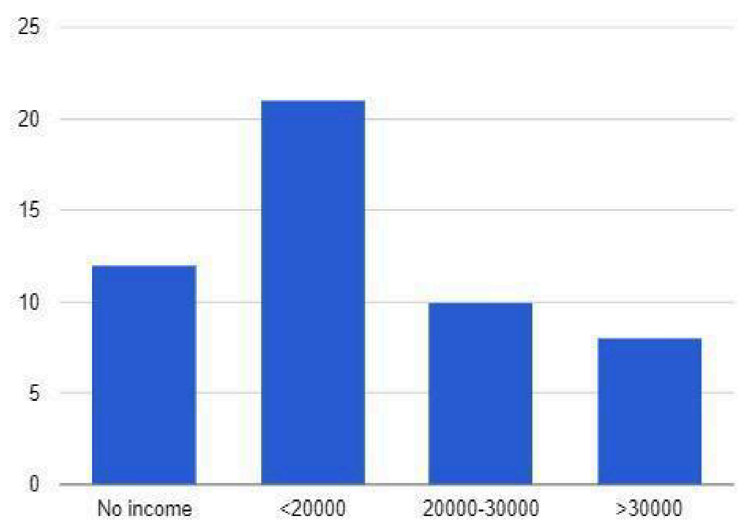

Figure 4: *Participants' individual income (n=50)*

4.2 Frequency of using formal financial services

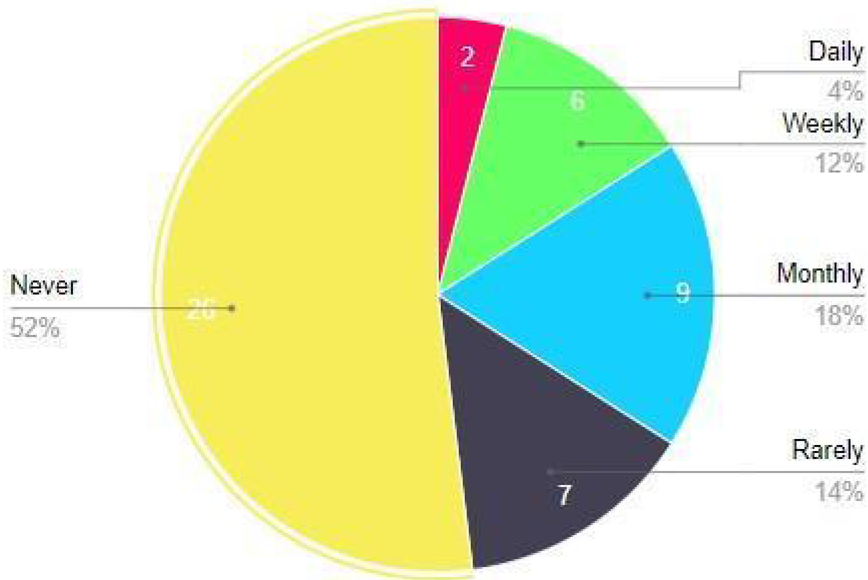

Figure 5: *Frequency of using formal financial services*

4.3 Statistical analyses' findings and interpretation

Table 01: *Statistical relationship between demographic factors and the level of financial inclusion among rural women*

Variable	Coefficient	p-value	Interpretation
Age	0.123	0.02	Older women tend to have higher financial inclusion.

Education Level	0.287	0.01	Higher education correlates with increased financial inclusion.
Household's Average Monthly Income	0.209	0.001	Higher-income households are more financially included.
Marital Status	—	0.8	Different marital statuses may have varying effects on financial inclusion.
Occupation	0.124	0.01	Different occupations may influence financial inclusion differently.

Results Interpretation of Table 01: The regression analysis will provide coefficients and significance levels for each predictor variable, indicating the strength and direction of their relationship with the level of financial inclusion. Here's a hypothetical interpretation of potential findings:

1. **Age**: A positive coefficient suggests that older women have higher levels of financial inclusion, possibly due to accumulated financial experience and stability. However, this relationship may vary depending on other factors.

2. **Education Level**: Higher education levels lead to increased financial inclusion, as educated women might have better access to information, resources, and opportunities for financial services. The positive coefficient (0.287) supports this relationship.

3. **Household's Average Monthly Income**: The positive coefficient (0.209) indicates that women from households with higher incomes are more financially included, likely due to greater access to financial resources and services. Economic empowerment through higher income may enhance financial inclusion.\

4. **Marital Status**: The regression included variables for different marital statuses (e.g., married, unmarried, divorced, widowed). The study found that marital status is not significantly associated with financial inclusion.

5. **Occupation**: The regression coefficient (0.124) for different occupations (e.g., employed, self-employed, unemployed, informal work, homemaker) reveals that occupation is significantly related to financial inclusion.

Table 02: *Statistical relationship between perceived barriers and access to financial services among rural women in Bangladesh.*

Variable	Coefficient	p-value	Interpretation
Perception of Traditional Gender Roles	-0.187	0.005	Women perceiving traditional roles face barriers to financial access.
Comfort with Digital Devices	0.264	0.01	Higher comfort with technology correlates with increased financial access.
Social Support	0.153	0.03	Social support positively influences financial access.
Adequacy of Existing Financial Products (Lower Fees/Smaller Loan Amounts)	0.201	0.001	Perceiving financial products as suitable enhances financial access.
Adequacy of Existing Financial Products	0.176	0.02	Suitable repayment schedules positively

(Flexible Repayment Schedules)			impact financial access.
Distance to Nearest Financial Institution	-0.142	0.012	Closer proximity to financial institutions facilitates financial access.

Results Interpretation of Table 02: Here's the detailed interpretation of potential findings:

1. **Perception of Traditional Gender Roles**: A negative coefficient (-0.187) suggests that women who perceive traditional gender roles are hindered from financial access. For example: Negative coefficient for gender roles in research: Women who believe their opportunities are constrained by their gender role have low access to financial services. Cultural norms serve as barriers.

2. **Social Support**: Women who receive support for financial services from relatives, neighbors, or friends have more information or resources to access financial services. The coefficient estimate is positive, 0.153, which means that social support improves financial access.

3. **Adequacy of Existing Financial Products**: Women with adequate financial products, such as low-cost or flexible repayment schedules, are more likely to access finance.

4. **Distance to Nearest Financial Institution**: Women closer to the nearest bank or microfinance institutions have the opportunity to get services. The coefficient estimate is negative, -0.142, which says shorter distances will improve the accesses.

Table 03: *Association of awareness of financial services availability and the use of respective formal financial service by rural women in Bangladesh*

Variable	**Correlation Coefficient**	**p-value**	**Interpretation**
Awareness of Various Financial Services Available	0.525	0.001	Higher awareness of financial services positively correlates with increased utilization of formal financial institutions.

Results Interpretation of Table 03: The Pearson Correlation Test results in a correlation coefficient of 0.525 and a p-value of 0.001, which ascertained the higher significance of the relationship. Rural women have a higher awareness level of the financial services they have and higher access to financial services.

Table 04: *Association of financial literacy with the use of financial services among rural women in Bangladesh*

Variable	**Correlation Coefficient**	**p-value**	**Interpretation**
Understanding of Basic Financial Concepts	0.432	0.005	A higher understanding of basic financial concepts positively correlates with increased use of financial services.
Understanding of How to Take Loans and What is Required	0.378	0.01	A better understanding of loan procedures positively correlates with increased use of financial services.

Understanding of Financial Concepts and Banking Procedures	0.367	0.001	A higher understanding of financial concepts and banking procedures positively correlates with increased use of financial services.

Results Interpretation of Table 04: Women having higher financial concepts are more associated with accessing financial services. Moreover, a better understanding of loans and necessary documents significantly drives rural women to have higher access to banking services. Besides, a higher understanding of banking procedures is significant to increase financial inclusion.

Chapter 5: Discussion

5.1 Hypothesis 1: The demographic factors (age, education level, marital status) of rural women in Bangladesh are significantly related to their level of financial inclusion.

Discussion: As claimed by the hypothesis, respondents' access to financial services has a significant relationship with demographic factors which include age, occupation, income level, and education. Analyses were performed on a sample of fifty respondents, and valuable information about the demographic characteristics of Bangladeshi rural women, and their entrance into financial aspects, was derived. However, there is still a need for further research to clarify the precise relationship between this demographic factor and financial inclusion.

Comparison with Existing Research Findings: The current study demonstrates that a mixed relationship exists between women's demographic characteristics and financial inclusion in developing countries. For example in Ethiopia, old women are higher in getting banking privileges (Kabir, 2019).

Although the current research indicates a favorable relationship between financial inclusion and education level and income level, some research studies demonstrate that contextual factors are more important than descriptive demographic characteristics. For example, research conducted in Sub-Saharan countries has indicated that older women, who have more education and higher income, are enjoying organizational insurance assistance (Demirguc-Kunt & Klapper, 2012). It has been supported that women who have official jobs have easy facilities in deposits to the women in rural and unofficial jobs.

Hypothesis 2: Specific barriers significantly hinder Bangladeshi rural women from getting financial services

Discussion: Based on the quantitative investigation, rural women in Bangladesh are dominated by male gender roles which consequently prevent them from stepping into a bank. Moreover, the women in countryside Bangladesh have low knowledge of handling digital devices. For example, they do not know how to operate mobile apps for MFS and banking. Also, the report finds that women feel helpless and lonely if no social support is available from their family members, relatives, and neighbors. In many cases, people learn about a service of a bank from a peer which is mostly unavailable among the surveyed women. Besides, in many rural areas, it is very difficult to commute to the banks or insurance companies either for distance or infrastructural issues.

In many cases, we see that people stay away from banks in fear of paying fees. As a result, they prefer traditional saving methods at home to institutional amenities. It is hoped that the reduction of fees can encourage those women to reach out to banks.

Evidence of previous work

There is also evidence on the role of social networks and community support in expanding women's ability to access financial services. Accordingly, there is an urgent need for programs that build social capital and avail more economic powers within women's reach. For instance, a study in Gender & Society focused on how gender norms determine the financial inclusion of South Asian women and the results underscored how patriarchal beliefs and behaviors limit women's access to financial services (El-Zoghbi & Tarazi, 2015). In like manner, the studies in Sub-Saharan Africa have made it clear that social networks and community-related organizations are important to women's ability to access financial services (Demirguc-Kunt & Klapper, 2012). In sum, there is a need for programs that build social capital and take full advantage of women's existing social capital to promote financial inclusion.

Implications and Recommendations:

The need to target structural as well as cultural components that relate to perceived carbs to financial inclusion means that a variety of solutions have to be employed in the process. Besides, it is also seen that gender stereotypes have no place in contemporary contexts, and practitioners and policymakers should support the development of gender-neutral or gender-sensitive laws and initiatives that avail more economic power to women. Other logistical impediments to access can also be addressed by initiatives that prioritize the development of financial services and products and support innovation in the financial infrastructure. Finally, initiatives that focus on strengthening social networks and expanding community capacity should also be seen as a direct measure to ameliorate women's access to resources and information, which is consistent with the promotion of enhanced financial inclusion (Hasan, 2021)**.**

5.3 Hypothesis 3 : Awareness of financial services is positively associated with the utilization of formal financial institutions by rural women in Bangladesh.

Discussion: The third hypothesis concerned the relationship between the awareness and utilization of financial services by Bangladeshi rural women. According to the Pearson correlation test for significance, the correlation was positive. It means that financial literacy and education are important for the improvement of the accessibility of services. Moreover, more research should be based on the search for practical ways of making rural women more financially aware and the reasons for this relationship.

Comparison with Previous Research: Studies conducted in developing countries demonstrate a notable interrelationship between women's financial knowledge, and the utilization of services.

According to them, women are more inclined to use formal financial products if they know more about existing services and their advantages.

However, there is also much research into how financial education programs may improve "women's knowledge of and confidence in managing their finances and make wiser decisions".

Implications and Recommendations

Financial education, community participation, and access to affordable and relevant financial products for rural women must be part of a holistic approach to improving financial literacy. Policymakers and practitioners should encourage investments to develop financial education programs for women living in the rural context (El-Zoghbi & Tarazi, 2015). At the same time, such programs should be appropriately designed for rural women's needs and habits considering their sociocultural background and educational background. Moreover, the use of digital platforms and technology tools can help address the information gap and provide women with more opportunities and access to financial resources. In addition, partnerships between the public sector and the private market make it easier to create focused interventions that promote financial inclusion and provide women with all the necessary tools to achieve their financial goals.

5.4 Hypothesis 4: The higher the financial literacy of Bangladeshi rural women, the more use of financial services

Discussion: Under the Pearson correlation test, the results of this study show that a positive correlation exists linking literacy level and service use, which means education's role in improving the use of financial products. Even though further studies are still needed to determine which exact skills are necessary to improve the financial decision-making of women, there is still a dense study that discusses how to develop financial skills in a limited resources context.

Comparison with Existing Research: Research carried out in developing countries has consistently found a favorable connection between women's financial inclusion and financial literacy. Financial knowledge has been connected to using formal financial services, efficiently managing money, and making well-informed decisions (Uddin et al., 2017).

The results also demonstrate the significance of locally adapted interventions that improve women's financial literacy and help them negotiate complex financial systems. These results emphasize the need for funding visible, available financial education and skill-building programs that are useful to women. The hypotheses provide essential new perspectives on the constraints that Bangladeshi rural women face in accessing finance. By comparing these results with published studies from emerging countries and ongoing research, we can see the common constraints and viable strategies to advance women's financial services access. The key to creating inclusive financial systems that drive women's empowerment and economic development and growth is not constraints, but enhanced understanding and literacy and gender equality (Quisumbing et al., 2013). Policymakers, practitioners, and academics must work together in the future to design and implement interventions that are proof-based and empower women to achieve their financial objectives and prioritize their financial inclusion.

5.5 Interventions to increase the Uptake of financial services

1. **Financial Education Programs**

Barrier Addressed: Low Financial Literacy

Strategy: With extensive financial literacy programs, women can develop the necessary knowledge and skills to understand the financial system, overcome the constraints set by low financial literacy, and make informed decisions about the products and services available.

2. Awareness of women's empowerment

Barrier Addressed: gender discrimination

Strategy: Community-based awareness program should be arranged by the responsible stakeholders so that men of that community can learn the importance of women's decisions and empowerment for the betterment and advancement of their lives.

3. Peer support networks

Strategy: Access and use of information regarding financial inclusion activities, experiences, and resources through dialogue and exchange of information. Solidarity/mutual support can be applicable.

4. Product innovation and design

Strategy: Financial products are evaluated in terms of cost relative to the benefits. Several studies highlight poor product perception and lack of interest in the products offered. Financial services institutions are encouraged to provide products to women with the following attributes:

flexible repayment, cheap transaction, low application, and disbursement (Pitt et al., 2003). For example, informal women savings groups in the ODA Rural Finance Programme offer savings services to predominantly women rural members.

5. **Access to agricultural credit**: Women farmers' access to credit has been facilitated by some of the following programs: Provision of credit for women to buy agricultural inputs to encourage rural farming. Free loans are needed to be offered to women groups for agricultural equipment and other related expenses.

6. **Advocacy and capacity building**: Advocacy and capacity building activities can focus on sensitization and capacity building, advocacy for gender policy, and providing information on comparative credit services (Kabir, 2019).

Chapter 6: Limitations and Recommendations

6.1 Limitations of the study

- The study took a small sample of 50 participants only. The sample could have presented certain biases.
- Participants in different geographic locations may experience different service availability and thus, uniformity of data limits the accuracy of findings.

6.2 Recommendations

1. **Increase Sample Size and Diversity**: Researchers should aim for larger and more diverse samples to ensure that findings are appropriate to capture the focused population. By including

women from different socioeconomic levels, regions, and demographic characteristics, researchers can gain an accurate understanding.

2. **Employ Rigorous Sampling Methods**: Researchers should use genuinely random sampling methods to ensure that there is no sampling bias and that results are generalizable to the population of rural women in Bangladesh (Pitt et al., 2003). Researchers should consider adopting stratified sampling techniques to ensure that each subgroup in the population is appropriately represented.

Chapter 7: Conclusion

Economic expansion and poverty reduction are heavily contingent on financial inclusion. This is especially the case for disenfranchised members of the population such as Bangladeshi rural women. The current study's objective was to establish the determinants of Bangladeshi rural women's financial inclusion and formulate a plan of action to overcome the identified barriers. Socio-cultural norms, male-dominated society, and unavailability of social support have been investigated to discourage women from building empowerment in financial aspects. Not limited to these, some demographic factors also exacerbate this condition. In consequence, this shows the importance of focused efforts to improve rural women's financial literacy and awareness that will provide women with the needed information and knowledge to understand the financial system and make the right choices concerning products and services. The conclusion is that the promotion of financial inclusion among rural Bangladeshi women requires a multi-faceted approach that addresses the structural inhibitors and promotes literacy, knowledge, and advancement of women and gender equality. Industry players and stakeholders can drive targeted intervention and policy adjustment to economically empower women and promote development for all people, families, and communities. Therefore, there is a need for continued investment and collaboration to ensure that rural women have an equal share of financial resources and opportunities for socio-economic improvement to create a fairer and wealthier society.

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Appendix

1.Research Proposal

Rationale of the study

Rural women in Bangladesh face multiple challenges in accessing formal financial services, including banking, microfinance, insurance, and mobile financial services. These services present significant opportunities to rural women, including poverty alleviation and economic empowerment. However, there are multiple barriers to their participation in this regard. Through the analysis of survey data only, the proposed study seeks to analyze these barriers comprehensively. In this way, the study will seek to promote women's participation in finance.

Literature Review

Different studies have reported various barriers experienced by rural women in accessing formal financial services, such as lack of awareness, low levels of financial literacy, cultural inclinations, remoteness of their areas, and regulatory challenges. Notably, there is a lack of information on the quantitative estimates of these barriers, especially concerning the rural Bangladesh context.

Research Question(s) :

- What are the specific barriers to proper access to formal financial services by rural women in Bangladesh?
- What are the critical influencing factors behind the observed barriers?
- In what ways can these barriers be addressed through effective interventions?

Methodology

This study will be designed as a quantitative research that will be based on survey data obtained from rural women in Bangladesh. To achieve the desired objectives, the approximate sample size will be 50 rural women, and the confidence level will constitute 95%. Moreover, the use of a structural questionnaire to be discussed later will allow for gathering information concerning respondents' demographics, financial behavior, access to financial services, perceived constraints, and attitudes towards interviewing formal financial institutions, as well as a number of other questions. However, the final list of questions will be modified at first, after conducting in-depth interviews with the representatives from government institutions, banks, NGOs, and community leaders to develop the hypotheses that will be tested later. Statistical techniques that will be applied to accomplish this purpose are as follows: multiple regression analysis to identify significant barriers to financial service access and a chi-square test to evaluate the relationship between categorical variables, thus ensuring the robustness of the survey results.

Expected Outcomes

In the course of data analysis, the findings will strengthen the quantitative evidence concerning the barriers prevailing in rural Bangladesh. Moreover, relying on the findings of the number of predictors of the defined barriers and binary relationships, the present study will be used to guide future initiatives addressing the commonly observed constraints of financial service access and empowering rural Bangladeshi women in this respect.

Implications

For the policymakers, as well as banks and NGOs, the major implication of the current research is predicted to constitute the provision of particular recommendations that can be implemented to ensure the improved accessibility of formal financial services for rural women in Bangladesh in particular and, therefore, assist in the realization of SDGs.

2. Questionnaire of the survey

1. What is your age?

- 18-25
- 26-35
- 36-45
- 46-55
- 56 and above

1. Please rate your level of education

- No formal education
- Primary school
- Secondary school
- Higher education (college/university)

2. Please rate your household's average monthly income:

- No income

- <20000
- 20000-30000
- >30000

4. Your marital status

- Unmarried
- Married
- Divorced
- Widowed

5. How often do you use formal financial services, such as banks, microfinance institutions, or mobile banking, for managing your financial transactions or savings? These are services provided by regulated financial institutions including banks, microfinance institutions (MFIs), and mobile banking services

- Daily
- Weekly
- Monthly
- Rarely
- Never

6. What is your current occupation?

- Employed
- Self-employed

- Unemployed
- Informal work (e.g., daily labor, household help)
- Homemaker

7. On a scale of 1 to 5, how would you rate your level of access to financial services? (savings accounts, checking accounts, loans, credit cards, insurance (life, health, property, etc.), money transfers, mobile banking, investment services, pension plans, microfinance, mortgage services, financial advisory services, wealth management, and remittance services)

- Very low
- Low
- Moderate
- High
- Very high

8. How would you rate your understanding of basic financial concepts (e.g., savings & interest rates)?

- Very low
- Low
- Moderate
- High
- Very high

9. How would you rate your understanding of how to take loans and what is required to take loans from banks?

- Very low
- Low
- Moderate
- High
- Very high

10. Do you feel that traditional gender roles affect your ability to access financial services? (Your husband/father/son wants full control over financial control and doesn't want you to be involved)

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

11. Are you aware of the various formal financial services available in your community?

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly agree

12. Do you think you would open a bank account/MFS account/insurance etc if you had good income/employment?

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

13. How comfortable are you with using digital devices and technology for financial transactions?

- Very uncomfortable
- Uncomfortable
- Neutral
- Comfortable
- Very comfortable

14. Do you own a mobile phone with internet connectivity?

- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly agree

15. Do you have support from your relatives/neighbors/friends who discuss financial matters and encourage you to have financial services (e.g. encourage you to open a deposit account)

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

16. Do you feel that existing financial products adequately meet your lower fees or smaller loan amounts?

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

17. Do you feel that existing financial products adequately meet your flexible repayment schedules?

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

18. How far is the nearest bank or microfinance/agent point institution from your residence?

- Very far
- Far
- Neutral
- Close
- Very close

19. How would you rate your level of understanding of financial concepts and banking procedures?

- Very low
- Low
- Moderate
- High
- Very high

20. What do you recommend to make these services very available to rural women?

Open-ended question

21. What things can be done to make the services accessible to you?

Open-ended question

3. Analysis Plan

Hypothesis 1 (H1)

Hypothesis: The demographic factors (age, education level, marital status) of rural women in Bangladesh are significantly related to their level of financial inclusion

Analysis Method: Bivariate multiple regression

Relevant Questions:

What is your age? (Q1) - Ordinal

Please rate your level of education: (Q2) - Ordinal

Please rate your household's average monthly income: (Q3) - Ordinal

Your marital status (Q4) - Categorical

How often do you use formal financial services, such as banks, microfinance institutions, or mobile banking, for managing your financial transactions or savings? (Q5) - Ordinal

What is your current occupation? (Q6) - Categorical

Hypothesis 2: Specific barriers significantly hinder Bangladeshi rural women from getting financial services

Analysis Method: Bivariate Multiple Regression

Relevant Questions:

10. Do you feel that traditional gender roles affect your ability to access financial services? (Q10) - Ordinal

How comfortable are you with using digital devices and technology for financial transactions? (Q13) - Ordinal

Do you have support from your relatives/neighbors/friends who discuss financial matters and encourage you to have financial services (e.g., encourage you to open a deposit account)? (Q15) - Ordinal

Do you feel that existing financial products adequately meet your lower fees or smaller loan amounts? (Q16) - Ordinal

Do you feel that existing financial products adequately meet your flexible repayment schedules? (Q17) - Ordinal

How far is the nearest bank or microfinance/agent point institution from your residence? (Q18) - Ordinal

Hypothesis 3 : Awareness of financial services is positively associated with the utilization of formal financial institutions by rural women in Bangladesh.

Analysis Method: Pearson Correlation Test

Relevant Questions:

5. How often do you use formal financial services, such as banks, microfinance institutions, or mobile banking, for managing your financial transactions or savings? (Q5) - Ordinal

Are you aware of the various formal financial services available in your community?

(Q11) - Ordinal

Hypothesis 4: Higher financial literacy is associated with increased use of financial services among rural women in Bangladesh.

Analysis Method: Pearson Correlation Test

Relevant Questions:

5. How often do you use formal financial services, such as banks, microfinance institutions, or mobile banking, for managing your financial transactions or savings? (Q5) - Ordinal

How would you rate your understanding of basic financial concepts (e.g., savings & interest rates)? (Q8) - Ordinal

How would you rate your understanding of how to take loans and what is required to take loans from banks? (Q9) - Ordinal

How would you rate your level of understanding of financial concepts and banking procedures? (Q19) - Ordinal