"FINTECH ON WOMEN'S FINANCIAL INCLUSION: BRINGING THE GENDER GAP THROUGH INNOVATIVE SOLUTIONS"

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ABSTRACT:

The influence on gender gaps varies by nation, despite the fact that digital financial services have made access to money easier, quicker, and less expensive, contributing to the spread of digital financial inclusion. Fintech, or financial technology, has become a significant driver in the global transformation of the financial services industry. This abstract focuses on how Fintech is affecting women's financial inclusion, which is important for achieving gender equality and economic empowerment. By giving women more access to financial resources and services, fintech technologies like mobile banking, digital payments, and peer-to-peer lending have the potential to close the gender financial gap.

The results suggest that having a more gender diverse executive board is advantageous. Fintech businesses' performance is connected with improved performance. Fintech has the potential to increase financial inclusion and close the gender gap in financial service access. This research discovers a significant "Fintech gender gap" using data from 28 countries: Men use Fintech products and services at a rate of 29%. Among women, only 21% do. Almost all of the countries in our study had the gap. About a third of the difference is explained by national variables and a number of personal factors. The report offers potential explanations for in its conclusion, the problems of promoting financial inclusion with the gender gap and its ramifications modern technologies. This research paper examines how improved financial services accessibility, cost, and convenience might improve women's financial inclusion. It looks at the difficulties and possibilities of women adopting fintech, as well as concerns about digital literacy, privacy, and security. It also covers the function of legislative efforts and regulatory frameworks in fostering a gender-inclusive Fintech sector.

KEYWORDS: Fintech, Gender Gap, Innovation, Digital Literacy, Women's Financial Inclusion, and Economic Empowerment.

INTRODUCTION:

The development of Fintech in recent years has given us a game-changing chance to solve the enduring problem of gender inequality in financial inclusion. This study intends to examine how Fintech may help close the gender pay gap by providing creative fixes that give women more control in the financial industry.

We will explore the numerous Fintech efforts created to improve women's financial inclusion through this research. This entails assessing digital lending platforms that employ alternative data sources to measure creditworthiness in addition to standard metrics and mobile banking apps that provide tailored financial education and user-friendly interfaces. We'll also look into how block chain technology might increase financial transaction security and transparency, helping to build confidence among women who frequently experience prejudice and exclusion.

This study aims to identify the advantages and disadvantages of utilizing technology for women's financial empowerment by throwing light on cutting-edge Fintech practices. Our goal is to advance knowledge of the possible effects of Fintech on closing the gender gap in financial access and power.

Women still encounter unequal impediments to using formal financial services, despite great progress toward global financial inclusion. Economic inequality has been sustained by these obstacles, which range from restricted access to financing, knowledge, and technology to cultural norms and prejudices. By offering specialized solutions that address the particular requirements of women, Fintech, which encompasses technologies like mobile banking, digital payments, and blockchain, has the potential to completely transform the financial environment, eventually encouraging global economic development and equality.

On the other hand, gender discrepancies in financial inclusion continue. In the world, 65% of women and 72% of men have accounts, respectively (Demirgüç-Kunt et al., 2018). Barriers include the distance to the closest bank, the complexity of the paperwork required to create a bank account, and social and cultural factors.

According to Murata and Sioson (2018), women's access to financial institutions has been restricted. Due to its accessibility and ease of use, financial technology has the potential to help women overcome some of these obstacles and gain financial independence. Sioson and Kim (2019) predict an expansion. Indeed, financial inclusion indexes created by Sahay et al. (2020) indicate that DFSs have helped narrow gender imbalances in numerous countries, but there are regional and national discrepancies Countries continue to be huge. Investigating why such differences exist is important not only for closing the gender gap in financial inclusion, but also from a macroeconomic standpoint, because more inclusive digital finance is proving positively associated with economic growth, bringing benefits to society (Khera et al., 2021).

In addition to the gender gap in the use of DFS, the economic relevance of women's leadership roles in The financial sector is also very strong. Women hold less than 25% of bank and bank board seats supervisory bodies and represent approximately 5% of bank CEOs worldwide (Sahay et al., 2022).

REVIEW OF LITERATURE:

In the typically male-dominated field of fintech, women have made notable advancements. Diversity and inclusion have received increasing attention in recent years, which has increased the chances for women to succeed in FinTech positions. Many women have attained executive roles in FinTech businesses, fostering innovation and promoting development in the sector. However, there are still issues with gender bias and unequal representation, and work is still being done to close the gender gap in fintech.

1. "Financial inclusion through FinTech and women's financial empowerment," International Journal of Social Economics, 2023, by Moghadam, H. and Karami, A. The paper examines the effect of financial inclusion through FinTech on women's financial empowerment at the international level. The authors analyze data from the Global Findex (2017) and World Bank databases to investigate the relationship between FinTech and women's financial empowerment.
2. Tripathi S, Rjeev M, 2023 Gender inclusive development through Fintech: Studying Gender- based digital financial inclusion in a cross-economy setting. Research methods in economics to evaluate the role of energy efficiency and financial inclusion.

(Tripathi & Rajeev, 2023)

3. Determinants of financial inclusion gender gap in Ethiopia: Evidence from decomposition analysis, Hundie and Tadesse Tulu, 2023.

Using Fairlie decomposition technique, we find statistically significant gender gap in all indicators of financial inclusion under study in Ethiopia. The result shows that the highest financial inclusion gender gap is observed in formal saving followed by formal account holding.

4. Siason and Kim,2017 Financial inclusion and women's empowerment are closely related, according to studies from emerging nations. Financial inclusion and women's empowerment are indeed closely related, as suggested by studies conducted in emerging nations. Financial inclusion refers to the accessibility and usage of financial services by individuals and businesses. It plays a crucial role in promoting economic growth, reducing poverty, and fostering gender equality.

(Paula Sioson & Ju Kim, 2017)

5. Khera P, Financial Inclusion for the Empowerment of Women in South Asian Countries, 2022. This paper aims to address the issues of Asian countries toward why females are discouraged and more likely to be removed from the

formal financial system than males. Further, whether there is any connection between religion and women's financial inclusion is also addressed.

(Khera et al., 2022)

6. Ranabahu, will financial technology address the burden of poverty in 2022, a classification of FinTech companies.

This paper explores how financial technology (FinTech) organisations address poverty-related challenges when providing digital financial services. Employing the conceptual foundation of the liability of poorness (i.e. literacy gaps, a scarcity mindset, intense non-business pressures and a lack of financial slack), this paper explores the innovative strategies that Fin Techs use to address these liabilities and promote entrepreneurship.

7. Patel, 2022 The gender pay gap in medicine is still a stark example of ubiquitous inequity.

(Patel et al., 2018)

The gender pay gap in medicine is a well-documented issue that highlights the presence of inequity. It is an area where women are often paid less than their male counterparts. The gender pay gap is a complex problem influenced by various factors such as occupational segregation, discrimination, and work-life balance.

8. Binagwaho, 2021 commitment to gender equality through financing that takes that into account. The authors suggest that all funding and research institutions should establish guidelines to devote 50% of health research funding to support projects and innovations that focus on women's health needs and priorities.

(Binagwaho et al., 2021)

9. Anik, 2021 Relationship between women's empowerment and the use of maternity healthcare: data from a cross-sectional study that was nationally representative Mishra 2019 .

It explores the association between women's decision-making autonomy and utilization of maternal healthcare services among currently married women in India. The study found that women with high decision-making autonomy had a significantly higher likelihood of receiving antenatal care (ANC) and postnatal care (PNC) compared to those with low autonomy. However, no significant association was observed between women's autonomy and institutional delivery.

RESEARCH GAP:

Research on FinTech for women's financial inclusion has gained momentum in recent years, shedding light on various dimensions of this complex issue. However, within this rapidly evolving field, several critical research gaps persist, limiting a comprehensive understanding of the challenges and opportunities for enhancing women's economic empowerment through FinTech.

While overall, more women are being financially included through having accounts at financial institutions, the gender gap persists. Given the complicated roles many women continue to play in their households, opening an account and managing their finances at a financial institution may not be a priority. Especially for women living in rural areas in developing economies, a number of barriers may hinder them from accessing services at financial institutions: the distance from the bank, having insufficient documents to open a bank account, family or work responsibilities.

One significant research gap pertains to the lack of comprehensive and disaggregated data on women's financial behaviors, needs, and preferences. Robust data is essential for tailoring FinTech solutions that effectively address the unique financial circumstances of women. Collecting gender-specific data is crucial for evaluating the impact of FinTech interventions and designing strategies that resonate with women's diverse socioeconomic backgrounds.

Furthermore, a gap exists in assessing the actual impact of FinTech solutions on women's financial inclusion. While numerous FinTech initiatives have been launched with the goal of improving women's access to financial services, their effectiveness in empowering women financially remains unclear. Rigorous evaluations are needed to determine whether these interventions genuinely enhance women's financial resilience, income generation, and control over resources.

As of September 2020, the share of women executives in all FinTech firms in the sample was around 7 percent. Women's representation on executive boards in FinTech firms is comparatively low both relative to the share of women in executive boards of technology firms—which is around 14.5 percent—and in banks and banking supervision agencies—which is 23 percent and 33 percent respectively. The share of women on the executive board is slightly higher at more recently founded firms. Looking at the moving average of the share of women on executive boards based on the year in which the firm was founded, the share increases to 7 percent on average for all firms cumulatively that are established until 2020, compared to less than 6 percent on average for only the firms that were established before 2000. This increase, while welcome, is slow-moving and not large.

BACKGROUND:

1. Access to financial Services: Due to reasons including restricted mobility, a lack of proper documentation, and cultural constraints, women have historically had difficulty accessing traditional financial institutions like banks. Digital technology has been used by Fintech businesses to offer more convenient, economical, and accessible financial services.

2. Digital Payments: Fintech has made peer-to-peer payment applications and mobile wallets increasingly common. By allowing people to send and receive money, conduct transactions, and pay bills without a traditional bank account, these technologies have given women more influence.

3. Microfinance and Lending: Through the use of Fintech platforms, women entrepreneurs and small company owners now have more access to credit and microloan options. They frequently analyze creditworthiness using various data sources and cutting-edge credit scoring algorithms, which makes it easier for women to secure funding.

4. Financial Education: Numerous Fintech businesses provide tools for financial literacy and education via online and mobile platforms. With the information and abilities provided by these tools, women are better equipped to handle their finances.

5. Savings and investing: Fintech innovations, such as robo-advisors and digital investing platforms, let women have access to savings and investment options. Women may increase their money and make future plans thanks to these instruments.

6. Insurance: Because of the increased accessibility of insurance products thanks to Fintech, women may now better safeguard their family and themselves from unforeseeable disasters. This is crucial in areas with poor access to conventional insurance services.

7. Reducing Gender prejudice: Data-driven decision-making is frequently used by Fintech platforms, which might assist lessen gender prejudice in financial services. Credit risk and investment opportunity evaluation algorithms place more emphasis on objective criteria than on subjective opinions.

8. Initiatives for Financial Inclusion: Governments and organizations from all over the globe are aware of the potential of Fintech to encourage women's financial inclusion. Programs and collaborations have been started to encourage the creation and uptake of Fintech solutions that are especially tailored to the requirements of women.

9. Despite these developments, there are still difficulties, such as problems with cybersecurity, data privacy, and digital literacy. For Fintech to really promote women's financial inclusion, these issues must be addressed.

OBJECTIVES:

1.Financial Education Apps

2. Collaboration with Women's Organizations

3. Equal opportunity for women's.

FINDINGS:

1. Gender Disparities Exist: Studies show that women often have limited access to formal financial services, hindering their economic empowerment.

2.Digital Gender Divide: There's a digital gender divide, with fewer women having access to smartphones and the internet, which are essential for Fintech adoption.

3. Lack of Financial Literacy: Many women lack financial literacy, making it challenging for them to make informed financial decisions and use Fintech tools effectively.

4. Biases in Credit Scoring: Traditional credit scoring models may exhibit gender biases, excluding women from credit opportunities.

5. Informal Financial Networks: Women often rely on informal financial networks, which may not provide the security and growth potential offered by formal Fintech solutions.

SUGGESTIONS:

1. Partnerships with NGOs: Work with women's organizations and NGOs to reach underserved communities and provide them with Fintech solutions and financial literacy programs.

2 Government Support: Collaborate with governments to establish supportive regulatory environments that encourage the development and adoption of innovative Fintech solutions for women.

3. Financial Literacy Apps: Create innovative mobile apps that offer engaging and tailored financial education, helping women understand and navigate financial services.

3. Digital Skills Training: Provide training programs that teach women digital skills, including smart phone usage, internet navigation, and Fintech app proficiency.

OVERALL ANALYSIS:

It highlights the critical role of Financial Technology, or Fintech, in addressing gender disparities in financial inclusion and leadership within the financial industry. Fintech has emerged as a powerful tool for bridging the gender gap in access to financial services, offering solutions tailored to women's needs and empowering them economically. However, despite progress, challenges persist, and this analysis aims to provide a comprehensive overview of the subject.

Fintech's Impact on Gender Financial Inclusion:

Fintech has revolutionized the financial services sector, offering women easier, faster, and more affordable access to financial resources. Mobile banking, digital payments, and peer-to-peer lending have become key instruments in narrowing the gender financial gap. Studies indicate that Fintech's role in promoting women's financial inclusion is vital for achieving gender equality and economic empowerment.

Leadership Gender Disparities in Fintech:

Despite Fintech's transformative potential, there remains a lack of women in leadership positions within the industry. Research demonstrates that gender diversity at the executive level positively correlates with Fintech businesses' performance, emphasizing the advantages of a gender-balanced workforce.

Cross-National Discrepancies in Gender-Based Digital Service Uptake:

The study delves into the factors contributing to cross-national variations in women's adoption of digital financial services. It reveals a significant "Fintech gender gap," with men using Fintech products at a rate higher than women in many countries. National variables and personal factors contribute to this gap, which warrants further investigation.

Fintech's Potential to Close the Gender Financial Gap:

Fintech's impact extends beyond convenience; it holds the potential to drive economic development and equality by offering specialized solutions that address women's unique requirements. It can boost financial literacy, improve credit access, and enhance financial decision-making for women.

Role of Female CEOs and Women's Leadership:

The study underscores the importance of women's leadership roles in the financial sector and the need for increased representation. While progress has been made, women's presence on executive boards and as bank CEOs remains limited. Efforts to address gender biases and promote diversity in Fintech are ongoing.

Research Gaps and Challenges:

Despite advancements, research gaps persist, hindering a complete understanding of the complexities surrounding women's financial inclusion through Fintech. Data on women's financial behaviors and the actual impact of Fintech interventions are lacking. Addressing issues like cyber security, data privacy, and digital literacy is crucial for Fintech to fulfill its potential in promoting women's financial inclusion.

Need and Objectives of the Study:

The study's importance lies in its potential to advance financial inclusion, reduce poverty, and empower women. Fintech has already made a significant impact, but the gender gap in financial services access remains. The objectives include examining the advantages and disadvantages of technology for women's financial empowerment and fostering a more inclusive financial environment.

Findings and Suggestions:

The study highlights the significance of user-friendly Fintech apps and financial literacy programs tailored to women's needs. Collaboration between Fintech companies, financial institutions, and women's empowerment organizations is crucial. The findings emphasize that Fintech can enhance financial inclusion and empower women, ultimately contributing to socioeconomic development.

Fintech offers promising solutions to address gender disparities in financial inclusion and leadership. However, challenges persist, and comprehensive research is essential to harness the full potential of Fintech in promoting gender equality and women's economic empowerment. The ongoing efforts to bridge these gaps are vital for creating a more inclusive and equitable financial landscape.

NEED OF THE STUDY:

Financial inclusion is regarded as a crucial tool for reducing extreme poverty, increasing an individual's economic and productive ability, and improving their quality of life. A metamorphosis that has the potential to further improve financial inclusion has been sparked by an increase in digital innovation. Financial inclusion and digital solutions have the power to change people's lives, especially for those who are shut out of traditional financial institutions, according to a study conducted by members of the Grameen Foundation India.

The study found that only a small number of families, like Rampati and her husband's, were able to support their children's education after receiving loans from a microfinance organisation, while the majority of villagers in Jhusi, a village on the outskirts of Allahabad, were struggling to make ends meet. Over 200,000 underprivileged women were helped by the group, which operated throughout the state of Uttar Pradesh. Rampati and her family were able to begin small-scale goat husbandry because to access to microfinance. Digital technologies gave Rampati access to credit in the absence of banking infrastructure. Rampati was able to track her income and expenses as a result, and she was also able to stop frequenting the bank, waiting in queue and worrying about carrying cash.

Methodology:

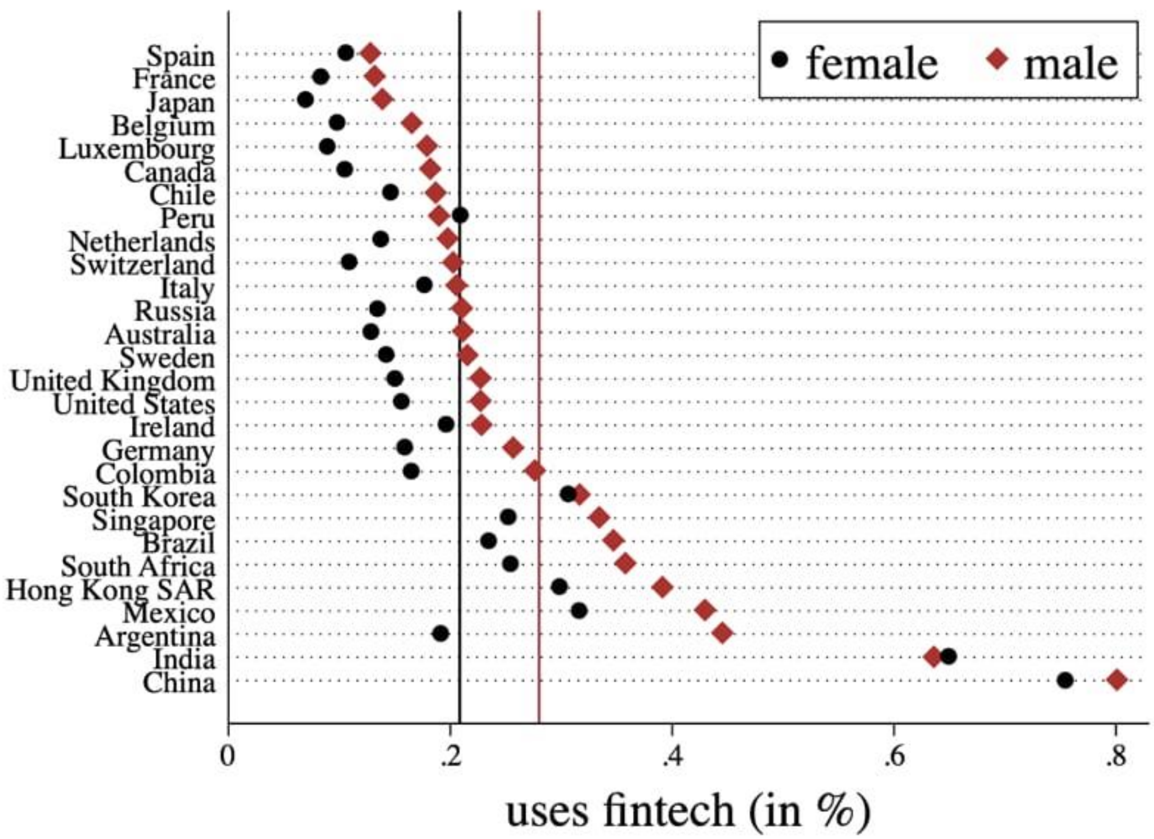
Data Collection: Describe the methods you used to gather relevant data for your research. This might include surveys, interviews, financial data from Fintech platforms, or other sources.

Data Analysis: Explain how you processed and analyzed the collected data. This could involve statistical analysis, qualitative coding, or any other techniques you employed.

Ethical Consideration: Discuss the ethical aspects of your research. Address how you ensured the privacy and confidentiality of participants' information and any steps taken to obtain informed consent.

Limitations: Identify the limitations of your research methodology. These could include sample size, data availability, or potential biases.

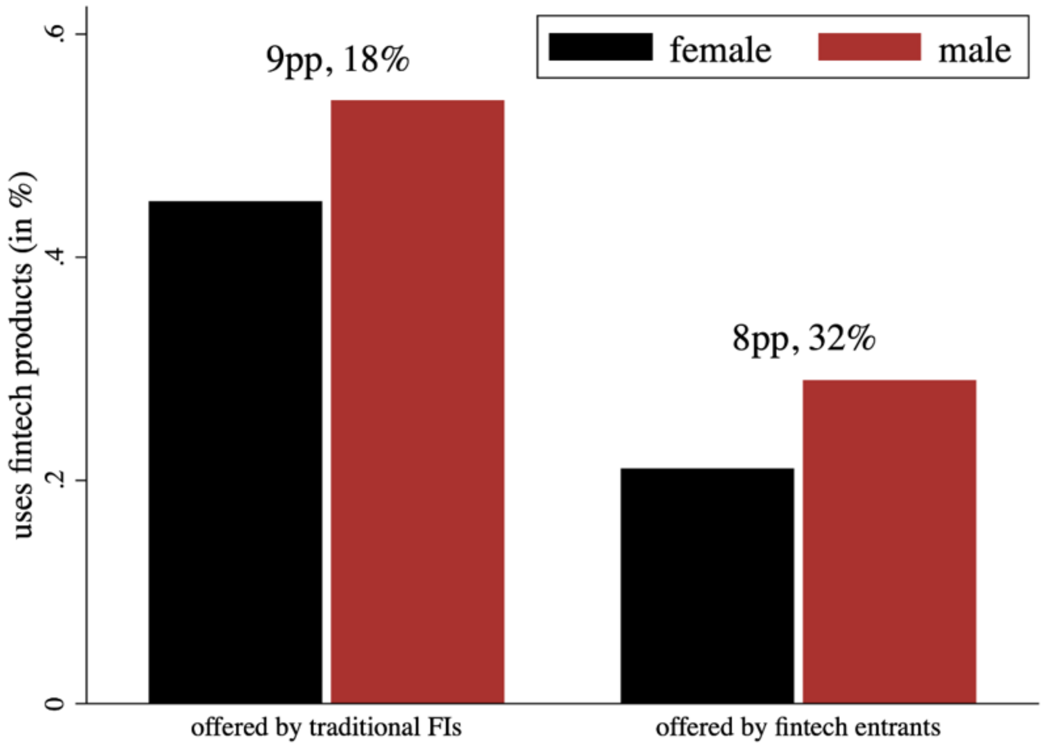
Graph 1: The Global Fintech Gender Gap.



Source: chen et al. (2021).

49% of the respondents use novel financial products and services that are offered by traditional financial institutions, compared with 25% for Fintech entrants. Still, men are more likely to use Fintech products irrespective of the provider. The gender gap averages 8 pp (32% of the average adoption rate) among services provided by entrants and 9 pp (18%) among those provided by incumbents (graph 2). The difference across providers is statistically insignificant, which implies that the gender gap is not influenced by who provides Fintech products or services, but rather the products themselves.

Graph 2: The Fintech gender gap is similar among traditional financial institutions and entrants.



source: chen et al. (2021).

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