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Objectives

of FinScope Rwanda 2020





To describe the **levels of financial inclusion** (i.e. levels of access to financial products and services – both formal and informal)



To describe the **landscape of access** (i.e. the type of products and services used by financially included individuals).



To identify the **drivers** of, and **barriers** to financial access.



To assess **trends/changes** over time (from 2016).



To stimulate evidence-based dialogue that will ultimately lead to effective public and private sector interventions that will **increase** and **deepen financial inclusion**.



Provide information on **new opportunities** for increased financial inclusion and the extent to which financial services are meeting Rwandans' needs.

About the FinScope survey





National representative survey with reporting domains at national, rural/ urban and provincially (district)

Computer Aided
 Personal Interviews
 (CAPI) conducted face-to-face – change from previous years' PAPI
 (pen and paper).



FinScope survey is a demand consumer perception study – respondents are not asked to provide proof of accounts held (however the questionnaire and the training ensures that we get more pertinent information).



It provides insights into how people source their income and manage their financial lives.



It also provides insights into **attitude** and **perception** regarding financial products and services.

The data expanded to allow for greater data interrogation (at districts level)





Respondent profile

- Universe Adult population in Rwanda
- Rwandan residents16 years and older



Coverage and methodology

- Fieldwork conducted September 2019 to November 2019
- Computer Aided Personal Interviews
 (CAPI) conducted face-to-face change
 from previous years' PAPI (pen and
 paper)
- Questionnaire reviews included reordering of some questions and the addition of new questions
- Questionnaire in Kinyarwanda and translated into English
- Total of 12,480 interviews conducted



Sample and fieldwork validation

- Nationally representative sample
- Sample drawn systematically using
 Probability Proportional to Size (PPS)
 sampling
- To identify respondents, two further levels of random sampling
 - **Households** randomly selected within each sampled village
 - Individual respondents randomly selected from sampled households using the automated Kish grid

Objectives

of Gender and Financial Inclusion 2020 Report



The analysis of this report is derived from FinScope Rwanda Consumer 2020 survey and comparison against FinScope Consumer Rwanda 2016.

THE PURPOSE OF THIS GENDER REPORT IS TO:



Identify and address gender financial inclusion inequalities, by acknowledging differences between and among women and men, based on the unequal distribution of resources, opportunities, constraints, and power.



Promote better-informed, genderresponsive and effective interventions.

Gender mainstreaming is the public policy concept of assessing the different implications for people of different genders of any planned policy action, including legislation and programmes, in all areas and levels.



Understanding Rwanda



Total population

Adults (16+)



7.1 million



74% reside in rural areas



30% are below 30 years old (Youth adults)



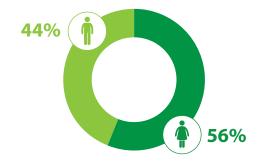
72% have primary education or less

Urban/rural

Gender

Age







Gender mainstreaming



Gender

Gender refers to socially constructed differences between sexes, norms and cultural expectations on women/girls, men/boys; and how femininity and masculinity is defied.

Gender

Gender is used when analysing the relationship between men and women, girls and boys, in regard to their difference access to power, life opportunities, vulnerabilities and different strategies for change.

Access & Control

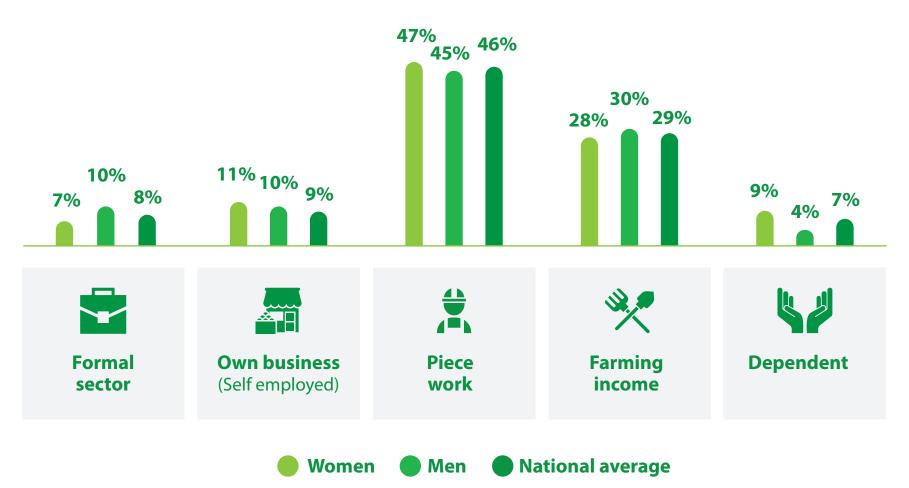
Access and control over resources (means and goods) – Access to resources implies that women and men are able to use and benefit from specific resources (material, financial, human, social, political etc.



Economic



Economy remain informal, though formal sector is growing **AFR**

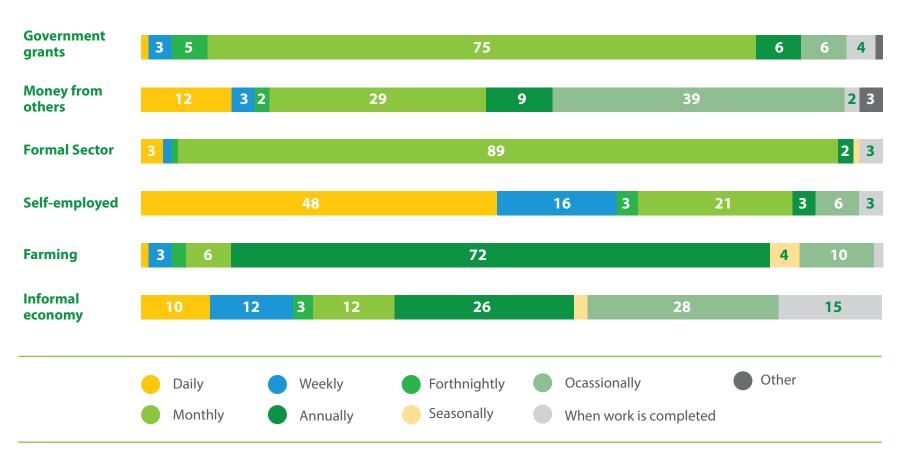


Women mainly depend on informal sector





Pattern of receiving livelihood

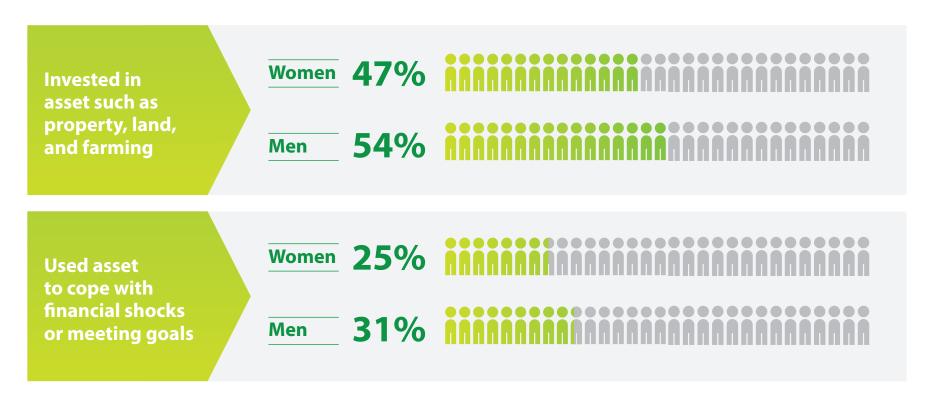


Productive

Land, equipment, tools



Women are less productive than men because of control of the assets and are unable to use assets to be productive like male counterparts





Product Awareness



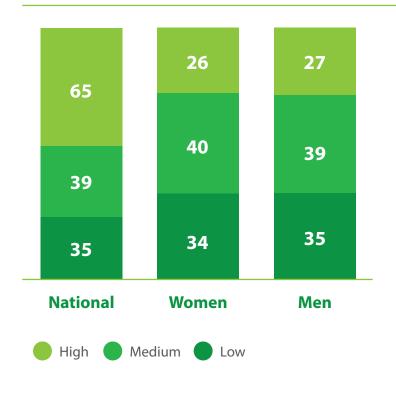


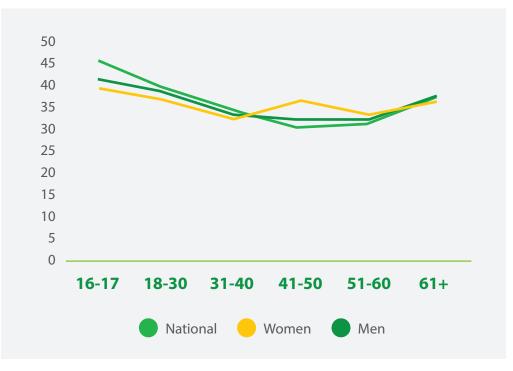


Financial savviness



However, there is no gender disparity on financial savviness. There is some gender disparities in the middle-aged adults, women in the age group of 41-60 years are less financial savvy compared to male counterparts.





Financial planning and tracking and consumer empowerment



Women are less likely to have detailed financial plan and if they have, they are less likely to track it compared to male counterparts.



Women Men National



Empowered

Vulnerable • Coping



Defining financial inclusion





Total adult population (16+)





Financially included

= have/use financial products and/or services – formal and/or informal.



Financially excluded

= do not have/use any financial products and/ or services – neither formal nor informal.



Formally served

= have/use financial products and/or services provided by a formal financial institution (bank and/or non-bank). A formal financial institution is governed by a legal precedent of any kind and bound by legally recognised rules.



Informally served

= have/use financial products and/or services which are not regulated and operate without legal governance that would be recognised, e.g. tontine or moneylenders.



Banked

= have/use financial products / services provided by a bank, regulated by the Central Bank.



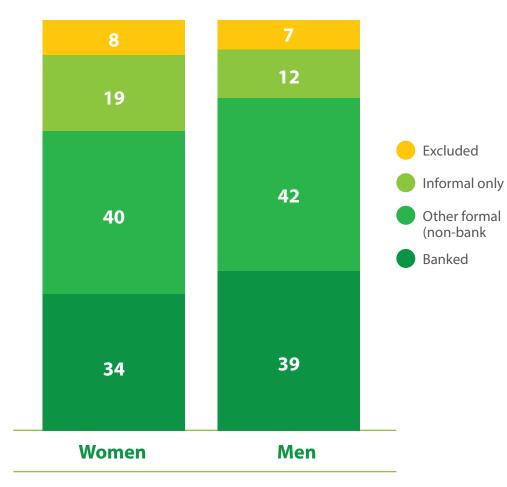
Served by other formal financial institutions

= have/use financial products/services provided by other regulated (non-bank) financial institutions, e.g. mobile money, SACCO or insurance, MFIs, pension fund providers.

Financial inclusion gap reduced







Gender financial inclusion by location





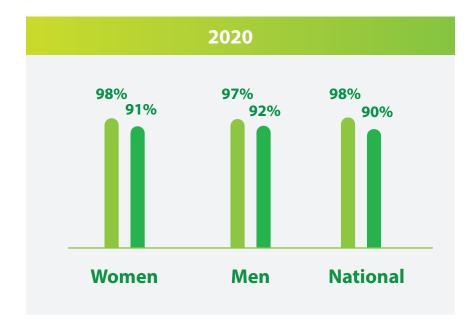
2.9 million

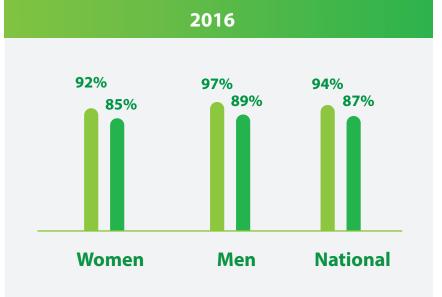
adult women live in rural areas with infrastructure challenges

Women in the rural areas increased between 2016 and 2020



85% 90%





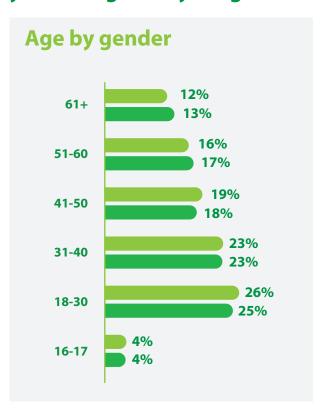
Urban

Rural

Age by gender & gender financial inclusion by age



Adult female population in Rwanda is relatively young, 53% are 40 years of age and younger



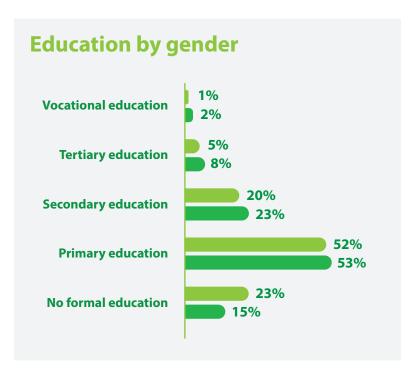


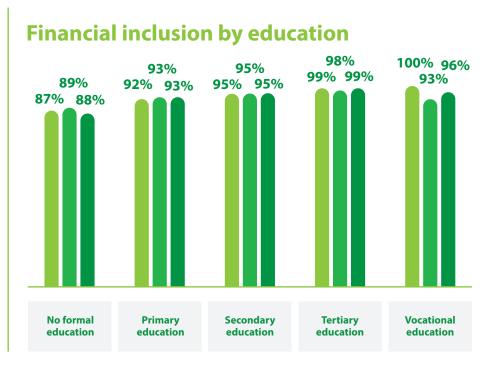
■ Women ■ Men ■ National

Education by gender & gender financial inclusion by education



- Women are more likely to have no formal education
- There is a direct relationship between education as well as financial behaviour and literacy



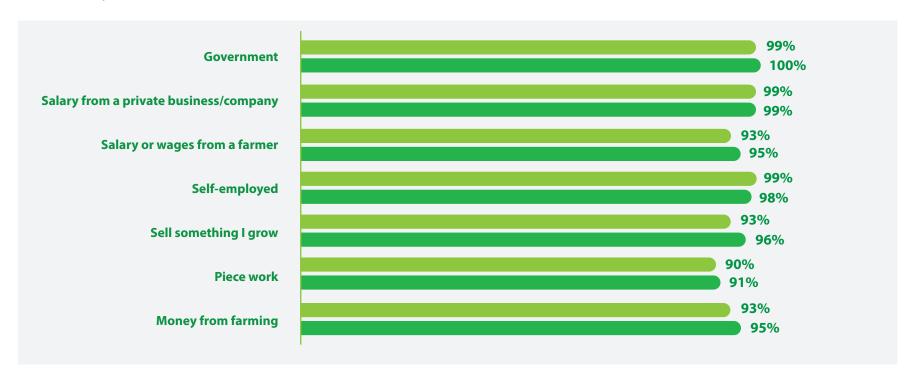


■ Women ■ Men ■ National

Financial inclusion by livelihoods



Women are more likely to rely on livelihoods that are often related to irregular and low levels of income - However, the gender of financial included across income sources is relatively small to male counterparts

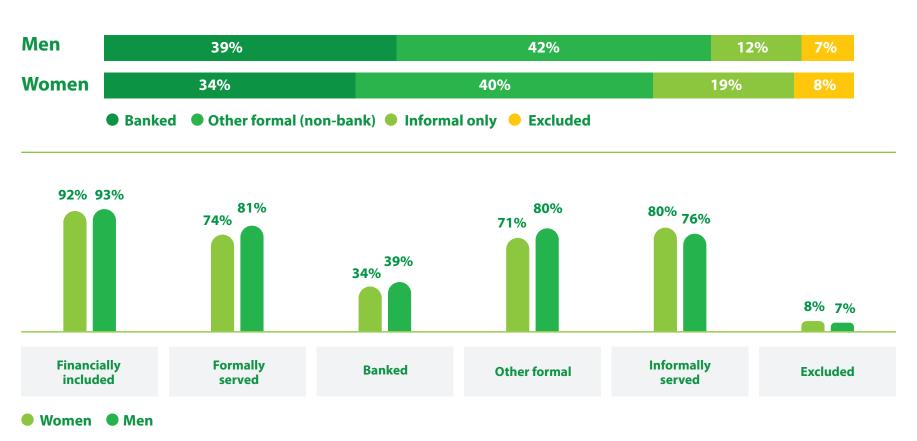




Financial inclusion gap reduced



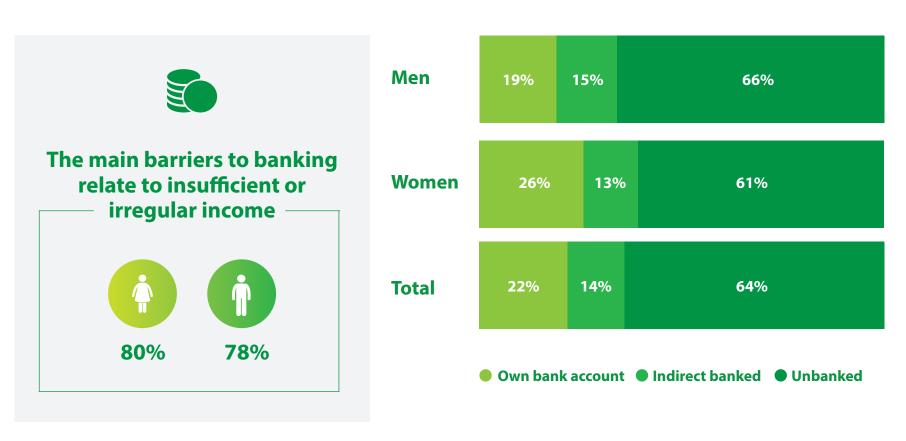
Informal financial services pushes the financial exclusion and gender gaps in favour of female!



Financial inclusion gap reduced



About 1.3 million women have access to bank account – 54% (about 700k) women have bank accounts in their own name, while an additional 15% or 0.6 million



Mobile money usage



Inline with low formal financial products awareness, there results show an 8% gap between registered mobile money usage by women relative to men

Registered mobile money user







While 43% of females use their mobile money account either once a week or many times a month, a comparable figure for males is at 53% (10% gender gap)

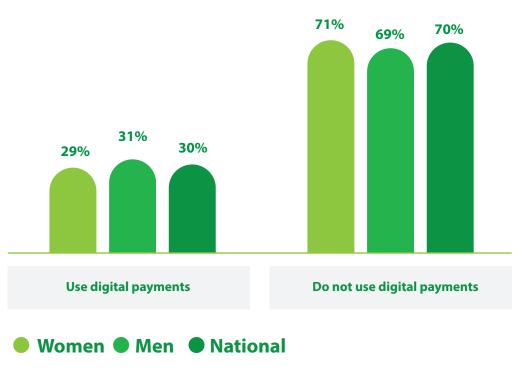


Digital payments



Over 2 million (62%) more women in Rwanda now have an account with a banking institution or mobile money service, compared to 2016 (42%).





Transactional accounts

Key take out





Account-based digital payments represent a key innovation in the fight against poverty



Digital technology products are driving much of the progress in financial inclusion in Rwanda



About a third or 1.1 adult women in Rwanda used digital payments in the past 12 months prior to the survey



The innovation of mobile money has been to put payments as the first rung in the ladder of financial inclusion, but now we are observing that the step from sending and receiving money in real time to storing value over time looms large for most users

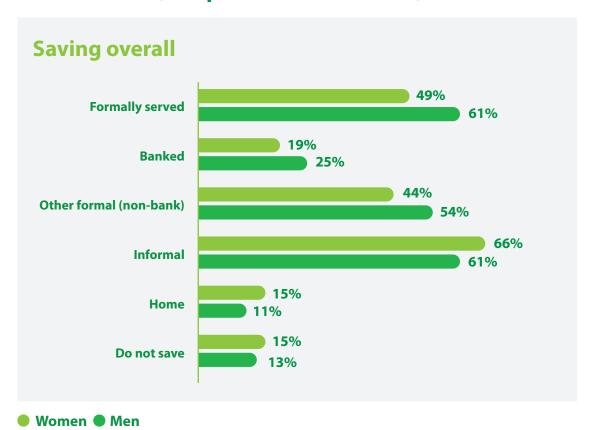


About 38% of the female adult population do not have access to neither mobile money account and/ or bank account, this is 4% points higher than the national average. However, clear understanding of the barriers (Access Frontiers) presents opportunities of reducing this figure

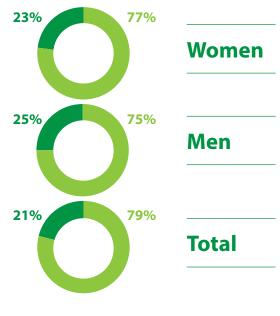
Savings



The biggest gender gap can be seen in terms of formal savings. Only 19% of women save in banks (compared to 25% of men)



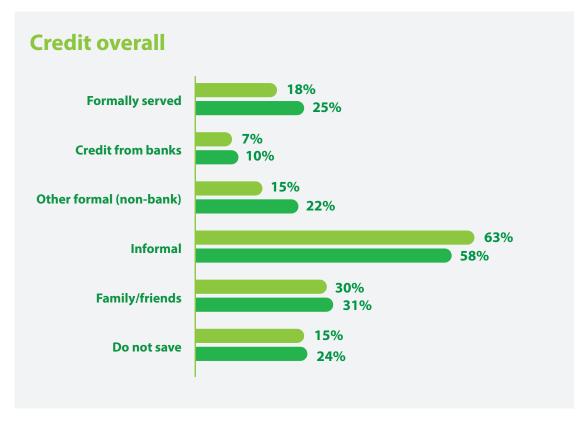
Purpose for savings

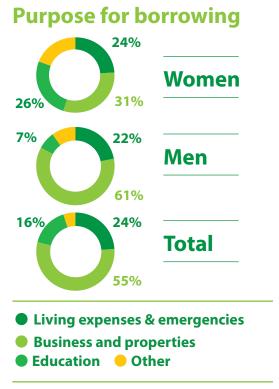


Credit



Women also lag men in taking up credit from other formal institutions (7% from banks and 15% other formal non-bank)



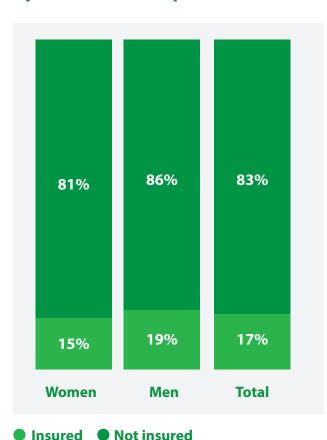


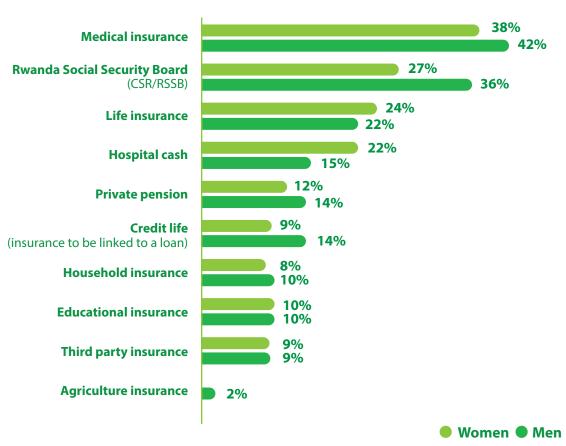
Insurance and risk management

target groups



More women have taken out insurance products since 2016, when only 8% of women were covered by insurance, compared to 15%, however, the 4% gaps remains

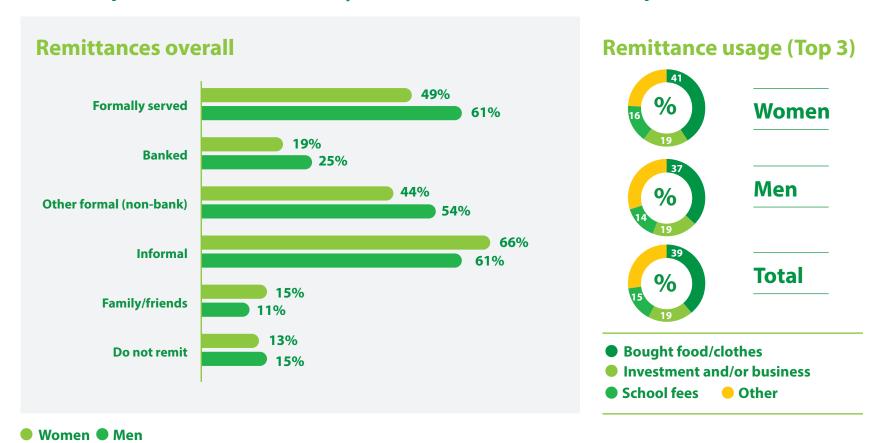




Remittances



Around 1.6 million of women either received and/or sent money to people living in a different place (within the country and/or outside Rwanda) compared to 1.5 million men.

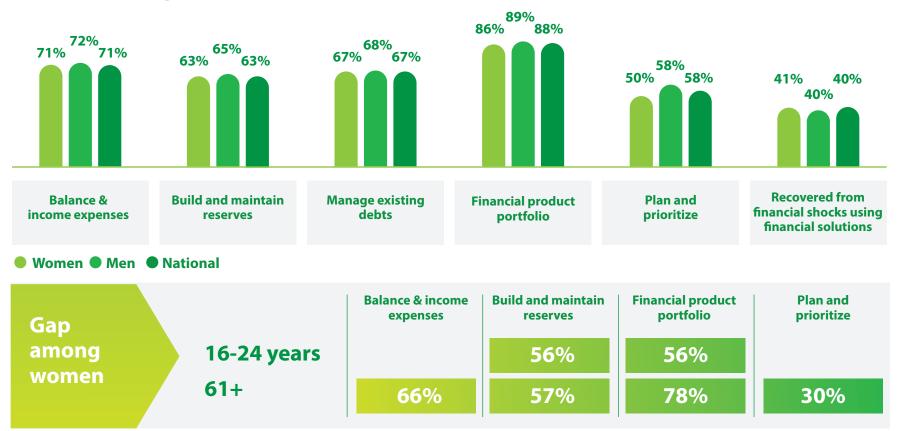




Financial health indicators by gender



Overall, no big gender gap seen in the financial health indicators, but planning and prioritizing indicator



Conclusions





Financial inclusion

Rwanda is relatively high at 92% with a reduced gender gap from 4% in 2016 to 1% in 2020.

Formally served gender gap

The female adult population who have or use products or services from financial institutions that are regulated through an act of law, has increased from:



8% Gender gap



Gender gap

As shown in this report, various constraints might prevent women from engaging with (formal) financial products or services. They refer to both specific ones related to the financial sector and overarching structural issues such as cultural norms and belief systems, low levels of education, lack of employment opportunities and lower levels of income, access to property and land, decision-making power, etc. Therefore, moving to a state in which financial inclusion is unaffected by gender requires a holistic approach or deep dive analysis amongst women.

Conclusions



Development

Women residing in rural areas, below 30 years of age and above the age of 50, with no or low levels of formal education, and those who generate an income from piece work or agricultural activities (including those receiving a salary from a farmer) seem to be the most vulnerable in terms of financial inclusion and therefore should be given priority.

Financial capability

This gender-themed report shows a huge financial skills gap between women and men. In addition, financial capability and confidence, especially with regard to formal financial services, have also been shown to be key barriers (i.e. for the uptake of mobile money and insurance), particularly for women that have little or no experience with financial services. Consequently, access to information and consumer education becomes important, which calls for further strategic intervention from both the private and public sector.

Financial health

Although women's indicator scores are slightly lower than men's, women's state of financial health shows some good, positive signs. Similar to the national picture, there are however, visible shortfalls in the indicator areas of planning and prioritising (time horizon for planning, types of goals, action steps towards goals), and strategies used to cope with financial setbacks.

Recommendations



Gender policy

Continue with monitoring and evaluating the National Gender Small and medium-enterprise development

Women have the largest proportion of dependants. The proposed strategy would be to assist women who own businesses while also enabling more women to start their own businesses.

Focus on usage and quality of financial services

Women's use of digital financial services and economic platforms has the potential to unlock opportunities and contribute positively to financial inclusion.

Supporting the digital financial services

Electronic money transfers are key to lowering the cost of remittances for poor economies that depend heavily on such transfers and technology. It is currently evolving so fast that costs will be significantly lower in the near future, favouring local development and financial inclusion.

Dedicated financial education programme targeted at women

Integrating financial literacy within school-level and adult basic education can play a pivotal role in reducing the gender disparity.

