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Factors Influencing Women's Digital Financial Inclusion in Cameroon.

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ABSTRACT

This research aims to create a broader awareness of the financial inclusion of women via digitalization, highlighting the various inequalities that exist between men and women in terms of financial ownership in developing countries more precisely Cameroon. As education and freedom is a fundamental right for every citizen, so should financial education and freedom. This will enable women and the future generation to further develop their financial initiatives and contribute to the economic growth of the country. The methodology used in this research is of a qualitative standard whereby existing research on women's financial inclusion are discussed and the review of existing government documentation is used to understand the existing trends and the areas for further research and will act as a motivating factor and a source of awareness of the advantages that will be received by both women and the country at large as more women are included in finance through digitalization.

Keywords: Digital finance, Women financial inclusion, financial regulations

1. Introduction

Women and men in Africa often have unequal opportunities, conditions, and entitlements; they earn different incomes, do not have equal educational opportunities, and are not necessarily equal before the law. The Africa Gender Equality Index assesses these disparities in three areas: economic prospects, human growth, and law and institutions.
African women are very creative and innovative; they own one-third of all companies in Africa, reaching a peak of 62%. Women entrepreneurs, on the other hand, are more likely to manage income-generating activities in the informal sector, where they engage in low-value-added operations with negligible returns (Nkem-Eneanya, 2013). They are typically entrepreneurs motivated by need rather than an opportunity, having been forced into small business due to a shortage of alternatives. Just 15% of formal-sector companies have a female managing director, while 32% have some degree of female participation (Agriculture, 2011).

In terms of education studies from the 1990s, per year of increased schooling for girls decreases infant mortality by 5-10%, and mothers with five years of primary school are 40% more likely to survive past the age of five and 43% less likely to be malnourished. Women with primary education have fewer children, use more active farming practices, and earn higher wages as non-agricultural jobs. Many African nations have now largely closed the gender divide in primary education, while secondary and technical education still have a long way to go. Overall, the girl-to-boy ratio in primary and secondary school rose from 87 % in 2005 to 91 % in 2012.

For African women, a shortage of fair educational and training resources has serious implications. It contributes significantly to the persistence of inequity in work and earnings. Women typically earn less than males, and the disparity is much greater at lower educational attainment. The male-to-female earnings ratio is 2.8 on average for those with no education, but it is near to parity for those with tertiary education (Accenture, 2016).

Also, Overall data shows, women own only 38% of all registered businesses but have access to just 9% of structured finance. While controlling 48 % of micro and small businesses, women only have access to 7 % of the credit. Although lack of access to financing is a widespread issue for all companies, surveys indicate that women entrepreneurs see it as the single most significant constraint to marketing their products. In one Ugandan study, nearly all female-headed households expressed a willingness to increase their agricultural operations, but they lacked the capital to purchase the required inputs, such as pesticide or fertilizer, or to employ additional workers (African Development Bank Group, 2015).

Since then, technological advancements have allowed women all over the world to perform even more complex transactions in an instant using only a cell phone. African countries are among the forerunners of digital banking, but 400 million people, the majority of whom are women, lack access to digital financial services across the continent. They are trapped in the time of the moneylender and the forced chicken auction. As a result, they have a lower chance of lifting themselves and their families out of poverty.

In this digitalized era women in Africa are still facing a significant lagging in terms of women's adoption of digitalized tools, availability of digitalized services. This creates a visible gap, where the advantages of the modern era are not distributed evenly. Women, especially those residing in deprived and oppressed neighborhoods, are disproportionately affected by a pervasive digital divide. Complex societal, geographic, technological, and legal obstacles obstruct their progress. Cameroon, Chad, Gabon, and Niger, for example, have laws that prohibit women from opening a bank account in the same manner that men do.

2. Literature Review

2.1 Financial Exclusion

According to Riquet 2018, digital financial exclusion is more than just a lack of entry. While digital technologies have enormous potential to enhance human wellbeing, they also pose significant threats, ranging from the formation of digital monopolies to cyberattacks and digital fraud. When historically marginalized women gain access to emerging technology for the first time, they are especially vulnerable to these and other threats, such as modern types of gender-based violence, bullying, and harassment in digital environments (Riquet, 2018).

As a nutshell, our worldwide responsibility is to not only close the digital divide, but also to establish good legislative and regulatory frameworks to ensure that disadvantaged people benefit from digital technology while avoiding its potential drawbacks. The rest of the report describes the infrastructure, regulatory, and planning changes that will be required to make this vision a reality (International Bank for Reconstruction and Development, 2018).

The purpose of the study is to give an in-depth examination of what policies and activities should be implemented into the Cameroonian system in order to ensure that women have a fair and stable place in the digital inclusion process. A lot of attention is being paid to some of the elements that will impact women's financial inclusion as a result of digitalization. Interoperability, digital identification, regulation, planning, and gender-specific research were among the main aspects.

The study's goal is to raise awareness about women's financial inclusion through digitalization. The importance of suitable regulatory forms in facilitating women's financial inclusion and ensuring population fairness. The goal of the study is to create a more educated and informed female population in the country. The necessity to comprehend the government's role in allowing women access to digitalized financial services, as well as to further push women and the younger female generation to pursue entrepreneurship, follows.

2.2 Interoperability

Sub-Saharan Africa is now subject to the ten economies of the world where more adult's own mobile money accounts than bank accounts. For those who have access to digital finance always discover that the mechanism is not as valuable, secure, or inexpensive as it should be because people can only send and receive money from other consumers of the same service. To hasten the adoption of comprehensive, interoperable payment systems.
According to Kyle 2017, Individuals will frequently only send and receive money from other customers of the same service where digital payment mechanisms operate are already operational. The failure to verify one's identity is another significant obstacle to financial integration and the use of accessible financial accounts (Holloway et al., 2017). Donors and national governments will overcome both obstacles by developing automated platforms that incorporate payment interoperability with a biometric ID database, allowing previously exempt women to securely interact with one another and check who is on the other side of a given transaction (Waldron & Faz, 2016).

The G7 Partnership for Women's Digital Financial Inclusion in Africa will assist African governments, central banks, and financial institutions in their efforts to develop more equitable, sustainable, and responsible digital financial structures, ensuring that 400 million more African adults nearly 60 % of whom are women are financially included. Most African digital finance networks do not encourage consumers to transact with everyone they choose.

As a result, the vast popular use of digital purchases is now peer-to-peer money transfers between users on the same network. As a result of these closed-loop schemes, often consumers underutilize their balances or return completely to cash-based financial instruments. Digital deposits, credit, and payments systems will offer a vital connection to the formal economy and a pathway to greater economic stability and personal empowerment for women in low- and middle-income countries which indicates that this generates benefits for their communities in the form of improved health and schooling.
Customers, states, and companies value interoperable payment mechanisms because they increase access, functionality, and preference. Initially, service providers were skeptical that sharing a payment network would be beneficial to their businesses or that such a platform could solve the low-value transactions sustainably conducted by the poor.

2.3 Digital Identification.

The failure to prove one's legitimacy is a significant obstacle to women's financial inclusion. A sufficient effort to increase access to digital identity. This will serve as the foundation for the creation and implementation of secure digital identification (ID) systems that cover every person on the continent, providing all citizens with the proof of identity required to open and use financial accounts.
In low-income nations, almost 38% of the population lacks a basic or national ID, compared to 5% of adults in high-income countries. Women are overwhelmingly affected: in low-income nations, 45 % of women lack a standardized ID, compared to just 30 % of males. (Women Business and The Law, 2018)
Not only is building and enforcing a functional ID scheme difficult; gender-based legal distinctions and nationality laws that oppress women restrict women's right to access identity for themselves and their children. Married women in Benin, Cameroon, Congo, Mauritius, and Namibia, for example, must have extra paperwork to determine their husband's identities to acquire an ID card (Alliance for Financial Inclusion (AFI), 2017).

Policies that close gender inequalities in ID access will also help women achieve economic prosperity and gender equality. Men are 9 percentage points more likely than women in Sub-Saharan Africa to have a structured ID, and the differences are twice as wide in some economies.
According to the World Bank's ID4D campaign 2017, 1 billion people worldwide are unable to assert their nationality, with more than half living in Africa. The scope of the issue varies from country to country in Africa (The World Bank, "ID4D Dataset,", 2017).

Kenya and Rwanda, for instance, have ID systems that are comparatively successful in terms of coverage, reliability, and utility. Some, like Nigeria and Tanzania, are in the middle stages of growth, while others, like the Democratic Republic of the Congo, Ethiopia, and Liberia, have non-existent or recently emerging ID regimes. Advances in emerging technologies, such as biometrics, offer an incentive for countries to develop inclusive ID programs with the right legislative and regulatory mechanisms in place. (Julia Clark, 2017).

2.4 Gender-Specific Research

Women's financial empowerment is a strong lever for promoting gender equity, but substantial change will be hampered until we fully comprehend the effect of new digital financial service technologies on women's lives.
More and better data are required so that governments can follow and invest in validated models while tracking their long-term benefits. The World Bank has been a pioneer in this field, with many of the guidelines and calls to action based on gender-disaggregated data from the Global Findex and ID4D datasets. Thorough analysis into the cumulative effect of digital financial inclusion reforms, with even more sex-disaggregated results, would be an essential expenditure for every nation trying to reap the benefits of digital financial inclusion for everyone. (IPA, 2017)
There is a huge incentive to financially involve and inspire women on a global scale. Three factors are critical in ensuring that women reap the full value of these payments. Growing research on the effect of digitalization G2P payments on women's economic emancipation is encouraging, but it has yet to explore the realities of African governments at different stages of ID and payment technology growth. (Digital strategy toolkit, 2018)
Another fruitful area of investigation is the importance of digital literacy and account facilitation in allowing previously excluded women to access and use financial resources. While traditional classroom-based methods to financial education have or been seen to be effective in imparting long-term information or modifying people's financial behavior.

3. Technology Adoption Model and Financial Regulation

Technology adoption model is a theory by Davis 1989 of reasoned action-based model of user adoption of information systems technology. Attitude toward use, behavioral intention to use, and system usage are all influenced by two variables: perceived utility and perceived ease of use (Davis et al., 1989).This theory identifies variables that would influence the attitude of adoption of consumers towards technology. Sub-Saharan African countries have shown a great adoption behavior towards mobile phones and the penetration of mobile money.

The high adoption of mobile phones and the mobile money service, shows the willingness and readiness of customers to use mobile financial services in their daily activities. Mobile money subscribers in Cameroon account for 9 million users of the service (Ndassi Teutio et al., 2021). Users are incorporating the mobile payment service as part of their daily transactions, for electric and water bills payment service, others as tuition fee payment service and a variety of other purposes (Brice R. Mbodiam, 2017). The service is in lack of innovation due to some financial regulatory restrictions. These financial regulations do not address the latest digitalization services provided by the mobile money service (Agur et al., 2020).

These are frequently referred to as the rules that govern and govern how a country's systems are set up. They specify how a system should be used and explicitly describe the risks involved if it is circumvented or if any fraudulent behavior is suspected. This aids in the maintenance and protection of citizens and potential service users. While digital financial systems have the potential to promote women's economic empowerment, they also come with a number of drawbacks, ranging from over-indebtedness to digitally enabled fraud.

As a result, financial authorities must stay abreast of technology developments. African legislators should work together to develop regulatory frameworks that use digital payment and authentication technology to increase women’s financial inclusion while decreasing the probability with these new technologies (Staschen, 2018).

Africa has already established itself as a global leader in the development of innovative governance and compliance approaches to digital financial services. However, in many nations, legislation has slowed implementation, reinforced inequality access, and made inefficient use of financial resources. Aside from financial services regulation, severe policy measures such as proper data retention, an individual’s right of permission, privacy design standards, a documented privacy policy, and an independent authority for privacy monitoring must be included to digital ID systems. (Joseph J. Atick, 2014).

In 17 nations, married women are unable to roam freely outside the house in the same way that males may. This restricts women’s ability to locate and attend employment, access banking or other social services, or reside in a position that gives economic potential. Regulations governing driving may have a similar impact. In addition, providing financial services, starting or establishing a business, and getting credit or loans frequently entail the use of capital or assets as collateral. Several countries have laws prohibiting women from amassing wealth or purchasing land.
Inequality in succession Laws favoring boys and men over girls and women have the same result: women and girls are denied an equal share of property and money. These laws perpetuate inequity and injustice through generations. These rules may indicate that a woman is ineligible for government help or that she is unable to gain property. Similarly, denying women property rights is a huge hindrance to property accumulation.

4. Mobile Money credit scoring

The standard banking system and MFI to issue a credit/loan goes through a portfolio analysis. This analysis of the customer’s portfolio involves the review of their documentation and collateral assets and the ability of the requestor to pay the loan is assesses. On the other hand, the penetration of mobile money and mobile phones has led us to an era where the unbanked population can now enjoy similar credit lending benefits from their mobile money accounts. Credit scoring model is a form of screening test that may be completed on a smartphone.

The applicant would be asked a series of questions in the areas of traditional collateral, non-traditional collateral, guarantor, and psychometric throughout the screening process. In order to create a score inside each area for each candidate, questions in each of these categories would be asked. The conceptual framework will contribute to improvement loans in the sense that an effective monitoring procedure will make it easier to identify excellent and problematic borrowers. This indicates that a micro lender will likely have a higher payback rate from borrowers, resulting in more profit (Hendricks & Budree, 2019).

According to Hendricks & Budree, 2019, a mobile-based recruitment and screening approach may be able to significantly minimize these expenditures. Because scanning reduces the need for a big number of loan officers to interview a large number of applicants, it saves time and money. It minimizes the number of eligible applicants, requiring fewer loan officers, and allowing present loan officers to become much more efficient by only interviewing persons who are likely to be excellent borrowers.

Soumaré, Issouf 2016, highlights in his study several variables that contribute to low financial inclusion quota in the CEMAC zone .These variables are Family member already has an account accounting for 4%, not enough money, Lack of trust in financial institutions, Lack of necessary documentation, Financial services too expensive and Too far away from financial institutions accounting for the 96% (Soumaré et al., 2016).

Otchere (2016), mentions issues with loan availability. He points out that financial inclusion in African countries is hampered by a geographical divide and a lack of banking infrastructure. In terms of the geographical divide, he cites the high cost and long distance that rural residents must go as a barrier to expanding access to financial services. The 'access problem' might be solved with a thorough screening process. Anyone with a smartphone in any area will be able to get a loan. Assume that all loans are made completely on the basis of the screening procedure, with no involvement from the loan officer.

5. Discussion

The report highlights a number of factors that would go a long way toward improving women's financial inclusion in the country and, as a result, boosting the economy. However, owing to a previous government unwillingness to adapt to the new digitalized era, most of these challenges have not yet been prioritized in Cameroon. Furthermore, because there is no supervision over the country's financial sector, the fear of increasing access to risk would produce even more turmoil. States, donors, and the corporate sector must all take a part given the complexity and necessity of developing interoperable and fair payment arrangements.

Donors can assist with logistical support, research money, and the sharing of best practices, among other things. From the outset, women's financial inclusion has been acknowledged as an ADFI concern. ADFI will create customized initiatives to address the genuine needs and challenges that women confront, such as government-led efforts to gender-conscious digitize government-to-person (G2P) payments.

The regulatory issues of female financial inclusion are equally important. Several laws in Cameroon do not consider women as being competent of handling or holding property without the approval of their husbands. This hinders women's liberation, as more than 80% of Cameroon's female population has an entrepreneurial attitude and is observed running micro-businesses. Women should be able to stand on their own two feet and be recognized and legitimate to register for digital financial services, according to the government.

Furthermore, there is a critical need to identify the population of developing countries, as this would improve the accuracy of identification and traceability in the digital financial services supplied. Building a digital ID infrastructure is a fluid process that requires financial investment, technological capabilities, long-term leadership, and cross-sector collaboration.

6. Conclusions

Various scholars critically analyze a few elements that impact women's digital financial inclusion in the study. Future research on planning, teaching, and a gradual integration of women into the digitalized financial system is urged. This would assist in gaining a more practical perspective and knowledge of the risks and rewards that this new digital inclusion might offer.

During times of conflict, women are also crucial peacemakers. Nonetheless, women are treated as second-class citizens in many African societies, particularly in areas such as marital property rights, succession, land ownership, and labor. They are also limited by societal norms that place women in a subordinate position to males. Several African nations have made tremendous progress in boosting women's involvement in politics by instituting quotas in parliament. Given addition, in the lack of quotas, more women are obtaining prominent political positions than ever before. We must also guarantee that increasing female participation in government, industry, and other professions translates into genuine power, allowing women to reach their full potential. (UNDP, 2014).

African leaders are prepared to expand and improve digital financial services throughout the continent, laying the groundwork for robust, long-term digital economies that will benefit millions of people, especially women (Didenko, 2018). The African Union's program for a stable and unified Africa provides a basis for this growth, including harmonized laws and a pan-African payment system that will boost commerce, economic expansion, and development among the continent's eight countries in the region (Alliance for Financial Inclusion.AFI, 2017).

Gender equality is not only ethically acceptable; it is also necessary for establishing sustainable growth and resilient communities, according to the African Development Bank. We commit to promote gender equity in our current Gender Strategy so that both men and women may contribute to and benefit from social and economic prosperity.

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