

A STUDY ON IMPLICATIONS OF GENDER GAP IN DIGITAL FINANCIAL LITERACY AND FINANCIAL INCLUSION FOR WOMEN ENTREPRENEURS IN PUNJAB, PAKISTAN

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INTRODUCTION

Financial inclusion plays a vital role in bringing up economic development, and the role of entrepreneurs in this regard is essentially crucial. However, this study reveals that female entrepreneurs in Punjab, Pakistan, face significant barriers to financial inclusion, due to their lower levels of financial literacy and digital financial literacy when compared to their male counterparts. On the basis of evidence built in the current research this policy brief address these gaps and provides insights for improving financial inclusion among female entrepreneurs in Punjab.

METHODOLOGY

This study followed a mixed-methods approach. It combined both qualitative and quantitative methods of data collection and analysis. The study used secondary data from the World Bank's Global Findex database to get an overall picture of financial literature at Pakistan level. Another secondary data (the Pakistan Social and Living Standards Measurement (PSLM) survey) was employed for selection of respondents. Primary data were collected through a survey of entrepreneurs in Punjab, using a structured questionnaire. The sample consisted of 237 entrepreneurs, selected through a multi-stage sampling technique. A survey questionnaire was administered to a sample 137 male entrepreneurs and 100 female entrepreneurs. The questionnaire collected data on financial literacy, digital financial literacy, and financial inclusion. Descriptive statistics, independent samples t-tests, and binary logistic regression analysis were used to analyze the data.

FINDINGS

The following findings were reached in this study:

1. Gender Gap in Financial Literacy: Female entrepreneurs in Punjab have lower levels of financial literacy when compared to male entrepreneurs.
2. Digital Financial Literacy: Female entrepreneurs have lower levels of digital financial literacy, which limits their ability of getting financially included and accessing digital financial services.
3. Financial Inclusion: There was gender gap in financial inclusion with female entrepreneurs being less likely to be financially included as compared to male entrepreneurs.
4. Education and Experience: Education and experience statistically significantly affect financial inclusion among entrepreneurs.
5. Association between Digital Financial Literacy and Financial Inclusion: There is a statistically significant positive association between Digital Financial Literacy and financial inclusion among entrepreneurs with marked gender gap.

CONCLUSIONS AND KEY POLICY RECOMMENDATIONS

The findings of this study highlight the need for specially designed interventions to address the gender gap in financial inclusion among entrepreneurs in Punjab, Pakistan. The following policy recommendations are proposed:

1. Targeted Financial Education: There is a dire need of designing and implementing targeted financial education programs for female entrepreneurs, focusing on digital financial literacy and financial literacy.
2. Digital Financial Services: Promote the development and use of digital financial services, including mobile banking and digital payment systems.
3. Access to Formal Financial Services: Implement policies to increase access to formal financial services for female entrepreneurs, including microfinance and small business loans.
4. Mentorship and Networking: Establish mentorship and networking programs to connect female entrepreneurs with experienced business leaders and financiers.
5. Inclusive Policy Framework: Develop an inclusive policy framework that addresses the specific needs of female entrepreneurs, including access to finance, markets, and technology.

By implementing these policy recommendations, the government and other stakeholders can help bridge the gender gap in financial inclusion among entrepreneurs in Punjab, Pakistan, and promote economic growth and development.