

RETAIL FINANCE DISTRIBUTION: EVIDENCE BRIEF

Market Development and Incentives: Does Expansion Reach Women?

Background

Digital financial services (DFS) — mobile money, agent banking and merchant payments — extend financial services to populations that conventional banking serves poorly. Their contribution to inclusion depends not only on consumer adoption but on viable agents, merchants and supporting market structures.

This brief, drawn from the Evidence and Gap Map for the Retail Finance and Distribution Initiative, examines whether measures that expand DFS markets deliver gains for women and other underserved groups.

Scope of the Synthesis

This brief synthesises four studies referenced in the EGM protocol — Jack and Suri (2014), Senyo et al. (2022), Kodom et al. (2024) and Osarfo et al. (2025) — drawn from Kenya and Ghana. The evidence includes panel analysis of household transaction data, qualitative ecosystem case research, and survey-based analysis of financial-service utilisation.

The interventions examined are market-development and incentive measures (merchant digitisation subsidies, transaction-fee incentives, partnerships and ecosystem development), while the outcomes of interest are gender and social inclusion: female agent participation and ownership, women's access and use, and disparities by income and location. No study in this set evaluates an incentive against a gendered inclusion outcome directly, so the pathways set out below are supporting rather than causal.

1. Synthesis of the Findings

1.1 Access Gains Are Well Evidenced

Jack and Suri (2014) provide strong evidence from Kenya that the expansion and use of mobile money reduced transaction costs and strengthened households' capacity to transfer resources and absorb shocks. Extending accessible infrastructure into communities that conventional banking reaches poorly generates measurable welfare benefits, and where mobility or travel costs bind, closer access points matter disproportionately for women.

1.2 Network Size Is Not Agent Viability

Network-level benefits and agent-level profitability are distinct. More agents improve geographical coverage while increasing competition for the same transactions. The EGM framework consequently assesses agent density alongside liquidity, reliability and profitability.

Greater density will not create viable opportunities for female entrepreneurs unless transaction volumes and revenues are sufficient — a relationship none of the four studies tests.

1.3 Ecosystem Conditions Determine Outcomes

Senyo et al. (2022) show that mobile-money inclusion in Ghana emerges through interconnected practices among fintech actors rather than through the numerical presence of access points. Expansion therefore needs supporting institutional relationships, business models and market conditions, and operational problems in one part of the system weaken service availability elsewhere.

1.4 Utilisation Matters More Than Availability

Osarfo et al. (2025) find that financial-service utilisation in Ghana is associated with better financial health. Market expansion becomes developmentally valuable when it produces sustained use rather than nominal availability, which makes utilisation — not registration — the appropriate test of whether an incentive has worked.

1.5 Gendered Benefits Require More Than Technical Access

Kodom et al. (2024), studying rural women in the shea value chain in Northern Ghana, link digital financial inclusion to women's economic empowerment while showing that women's ability to benefit is embedded in their wider socioeconomic environment. Making a service technically available does not remove the norms, resource constraints and time costs that shape whether women can use it.

1.6 Agent Viability by Sex Is Unmeasured

The framework identifies revenue less costs, commissions, retention, working capital, liquidity, transaction values and customer numbers as viability indicators. The four studies contain no sex-disaggregated evidence on any of them, so whether female agents achieve higher, lower or equivalent profitability to male agents cannot be established from this material.

Senyo et al. (2022) indicate that viable mobile-money systems depend on relationships among ecosystem actors, which means agent profitability cannot be treated as an individual-business problem: provider arrangements, transaction demand and the wider ecosystem all bear on whether agents can operate sustainably.

Sex-disaggregated evidence on agent revenue, costs, commissions, liquidity, business survival and profitability is therefore a significant research gap.

Table 1. Direction of evidence in this cell

Pathway	Direction of evidence
Accessibility and transaction-cost reduction	Positive (strong)
Ecosystem coordination as a condition for inclusion	Positive (qualitative)
Utilisation and financial health	Positive
DFS and women's economic empowerment	Positive (context-specific)
Agent numbers and agent profitability	Not tested
Incentives and female participation or ownership	No evidence

Directions reflect four studies only; “not tested” and “no evidence” denote absence of evidence, not evidence of absence.

2. Cross-Cutting Trends and Insights

Key cross-cutting trends and insights include:

- Access is necessary but not sufficient: benefits depend on whether services enhance economic agency, not simply whether they exist (Jack & Suri, 2014; Kodom et al., 2024).
- Ecosystem conditions matter: inclusion is produced through interactions among actors and practices rather than through network expansion alone (Senyo et al., 2022).
- Use beats availability: utilisation is what links financial services to financial health (Osarfo et al., 2025).
- Inclusion must be assessed distributionally: aggregate expansion can conceal unequal benefits by sex, income and location.
- Supply-side viability is the weakest-evidenced link in the chain, particularly for female agents.

3. What Works

- Expanding reliable and accessible DFS ecosystems rather than increasing registered service points (Jack & Suri, 2014).

- b. Investing in partnerships and coordination among fintech ecosystem actors (Senyo et al., 2022).
- c. Designing for economic agency rather than nominal access where women are the intended beneficiaries (Kodom et al., 2024).
- d. Judging incentives by sustained utilisation rather than account ownership (Osarfo et al., 2025).

4. What Doesn't Work

- a. Treating agent numbers as evidence of success: coverage can grow while individual agents remain commercially unviable.
- b. Access without meaningful use: benefits accrue when services are used regularly and productively (Osarfo et al., 2025).
- c. Technology-led approaches that ignore the surrounding ecosystem of actors, institutions and practices (Senyo et al., 2022).
- d. Assuming that gender-neutral expansion is gender-inclusive expansion (Kodom et al., 2024).

5. Challenges

- a. Thin direct evidence at the intersection: no causal estimates for merchant subsidies, transaction-fee incentives or fintech sandboxes on female participation or ownership.
- b. No gender-disaggregated data on agent profitability.
- c. Limited evidence on female-agent retention.
- d. Little information on the long-term effects of subsidies once withdrawn.
- e. Contextual concentration: three studies are Ghanaian and one Kenyan, so external validity beyond these markets is untested.
- f. Limited evidence on intersections between gender, poverty, rurality and firm size.

6. Areas for Further Research

- a. Effects of merchant digitisation subsidies on women-owned businesses.

- b. Whether transaction-fee reductions increase women's participation as agents or merchants.
- c. Whether targeted incentives improve recruitment and long-term retention of female agents.
- d. Gender-disaggregated data on profitability, commissions, transaction volumes, liquidity constraints and business survival.
- e. Whether value-added services such as credit, insurance and merchant-payment bundling improve female-agent viability.
- f. Heterogeneous effects by rurality, income and enterprise size, and the link between merchant interoperability and women's entrepreneurship — a gap the framework itself flags.

7. Conclusion

Market development can contribute to gender and social inclusion when it produces accessible, usable and sustainable financial ecosystems. The four studies each support one link in that chain: reduced transaction barriers (Jack & Suri, 2014), ecosystem interaction rather than technology alone (Senyo et al., 2022), digital inclusion and rural women's empowerment (Kodom et al., 2024), and utilisation as the driver of financial health (Osarfo et al., 2025).

Together they support the case for market expansion but say substantially less about which incentives increase female-agent participation, women-owned merchant businesses, agent retention or female-agent profitability. These remain evidence gaps rather than findings.

The central policy implication is that success should not be measured by counting new agents or merchants. Strategies should be judged by whether agents stay viable, whether services are actively used, whether women participate as agents and owners, and whether benefits reach poorer and more remote populations. Market development becomes genuinely inclusive when commercial sustainability and distributional equity are pursued together.

About this Evidence Brief

This evidence brief is a cell-wise summary of studies of the cell “Market development and incentives → Gender and social inclusion outcomes” from ICED's Evidence and Gap Map of the Retail Finance Distribution Initiative.

For the full map, visit www.iced-eval.org/evidence-and-gap-maps

References

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