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Beyond Access: How Digital Financial Services Shape Women's Power and Maternal Wellbeing

Executive summary

Drawing on qualitative research with pregnant and postpartum women in Kakamega County, Kenya, this study finds that women's access to economic resources is constrained by gender norms, informal livelihoods, and caregiving responsibilities, particularly during pregnancy and after childbirth. These constraints reduced women's income-generating opportunities and increased reliance on spousal support and digital financial services (DFS) to manage household expenses, save, and meet urgent needs.

DFS improved women's access to money by enabling timely remittances, facilitating savings outside the household, and supporting participation in Chamas (women savings groups). DFS-enabled chamas strengthened women's economic empowerment by increasing income stability, expanding access to lump-sum payments, and fostering collective investment in income-generating activities, thereby enhancing women's financial autonomy and household bargaining power.

However, limited earning capacity during the perinatal period, combined with high-interest digital loans and short repayment periods, exposed women to cycles of debt. While digital loans provided short-term relief, repayment difficulties contributed to financial strain, anxiety, and emotional distress. Stress was heightened when loans were taken without spouses' knowledge, leading to marital conflict and, in some cases, loss of household or business assets. Overall, DFS both enabled and constrained women's economic empowerment and maternal mental health. These findings highlight the importance of gender-responsive digital financial inclusion strategies that strengthen women's agency while minimizing financial and psychological risks during the perinatal period.

Introduction

Women face higher poverty due to unequal access to resources and gendered labour divisions. Digital financial services (DFS), such as mobile money and digital banking, can improve women's economic empowerment by expanding access to savings, credit, and income opportunities.

The perinatal period is a time of increased financial pressure, and economic stress is a major risk factor for perinatal depression. While DFS may reduce financial strain, women still face barriers to using these services, including limited digital literacy, lack of devices, and restrictive social norms. DFS may also have unintended effects, such as increased debt or unequal household control over finances, which can worsen stress and maternal mental health. In this study, we explore the relationship between women's access to and use of DFS on economic empowerment and maternal mental health during the perinatal period in Kakamega, Kenya.

Approach

The study was conducted in Khwisero, Kakamega County, Kenya, a rural area where farming and running small-scale businesses are the main sources of livelihood. Data were collected in two rounds of qualitative interviews in March and September 2022.

The study included 29 in-depth interviews (IDIs), three focus group discussions (FGDs), 11 key informant interviews (KIs), and participant observations with 20 women between the interview rounds. Participants were women who were pregnant or had a child under two years old. In addition, married men participated in IDIs and FGD, and key stakeholders were interviewed through KIs.

Key findings

Access to economic resources

Women in the community engaged in a range of informal economic activities that were socially accepted as appropriate for women. Their access to economic resources was shaped by gendered norms, limiting their ability to expand or formalize these activities. As a result, many relied on informal financial arrangements. They increasingly turned to digital financial platforms such as mobile money for borrowing, saving, receiving payments, and managing household expenses.

The perinatal period limited women's engagement in economic activities and increased reliance on spousal support:

He (spouse) works as an electrician, dealing with electrical repairs. When he leaves for work, and he knows that I don't have any money...like sometimes he knows the baby is sick and I am not able to go to work [...], at that point, he sends me some money through M-PESA.

(IDI, respondent with child)

Their caregiver role has disadvantaged and limited women from taking economic opportunities.

I think they [women] have equal opportunities because what a man can do, even a woman can do. The difference comes in the responsibilities of a woman. For example, if they were to say there is an opportunity for work right now, the man can just leave, but the woman may not be able to if they have a small child, because they have to find someone to stay with the child before they can go.

(FGD, women)

The economic situation, exacerbated by the aftermath of COVID-19 and the ongoing drought in the country left many households struggling to meet their basic needs.

You know, most of them are casuals, so they are given like 300 per day, and life has become very expensive. Today's life is unaffordable. If you cannot work harder than you've been, you won't sustain your family. So, 300 shillings per day is too little. The money cannot buy food, so they have to forego [...] then for some women, their husbands are drunkards...so they tell them, "Buy me alcohol." If you can't buy the alcohol, you'll not sleep in this house.

(KII community leader)

Digital financial services (DFS) can support women's empowerment by improving financial autonomy, enabling savings, and easing access to resources during emergencies. However, DFS may also create new risks, such as increased debt or partner control over finances, highlighting the need to understand how these platforms affect women's agency and well-being.



Bargaining power and decision-making

Women's ability to negotiate with their spouses increased their confidence and participation in household decision-making, with financial control shaping bargaining power. When we asked the men who make decisions about where their children attend school, they said they mostly discuss it with the women, but they ultimately make the final decisions.

However, cultural norms still restricted women's authority over land and property.

We also discuss issues of food, mostly when he gets money. Maybe at the end of the month, we sit down at home, I make a budget, see what we can eat for a month, and he will give me that money.

(IDI, Woman)

Access to digital financial services enhanced women's economic empowerment by improving access to money and financial autonomy, potentially strengthening their decision-making role. However, gender norms and unequal access to such digital financial platforms may limit these benefits.

It [her capacity to save] has improved because if I keep money in the house, I can say I want to eat meat or fish, get the money, buy meat immediately, and then I will not have any more money. At least when I am saving on my phone, I can sacrifice and take plain tea, and I save on my M-PESA. In case I get an emergency issue, I can withdraw, and I spend/send it.

(IDI, woman)

Access and use of DFS

At the baseline interviews, half of the women owned analog phones, one in four owned smartphones, and the rest (25%) did not own phones. A few of those who did not own phones used their registered SIM cards on their spouses' or relatives' phones.

The majority of participants used the digital platform M-Pesa (a mobile platform for sending, receiving, and transacting). Other digital platforms used by some participants included Mshwari and KCB M-Pesa (for saving and taking loans), as well as Fuliza for soft loans. High interest rates and short repayment

periods hindered some women from using DFS platforms to obtain loans. Other women secured loans but were subsequently exposed to the risk of debt traps when they could not keep up with repayments. For the participants who used DFS, especially M-Pesa, DFS improved access to money for household expenses. DFS-enabled money transactions that women tapped into improved access to household funds. Women received money without delay, as shared during an in-depth interview by a participant with a child, “...when my husband goes to work far away in Kakamega town, and he knows that he won’t make it early home to provide money for food, he just sends it through M-PESA, and I can plan for supper early enough so that when he comes back, he finds food ready and this makes him happy.” This enhanced women’s autonomy. Women could make more independent decisions about household expenses and did not have to wait for their husbands to be physically at home to make payments.

I feel that mobile money is a good service because you don’t have to struggle a lot for money to reach someone else. You find that you only need to send or receive. For example, when children want to go to school, the father 13 doesn’t need to board a vehicle; he just sends (money) them. He can send it because he is far. And when I don’t have anything, I use the mobile money platform to borrow from Fuliza, which helps me. I mean, instead of going to someone to borrow some money, it is easy and good

(IDI, woman)

Benefits of DFS

- *Improved kinship support*

Access to DFS made it easier and more convenient for women to receive financial support from their relatives. The support, however, was irregular due to the economic challenges most people faced across the country.

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(IDI, woman)

- *Increased community participation*

Digital financial services (DFS) facilitated saving by enabling timely contributions, improving transparency, and supporting collective investment through chamas. Savings groups used mobile money platforms to save and lend to members, enabling women to contribute and access loans while strengthening accountability among members easily. Access to lump sums increased income stability, reduced reliance on spouses, and enhanced women's financial autonomy and household bargaining power. Communal economic activities within the rural community helped women collectively access and manage economic resources.



They have cooking activities whereby they participate in catering. Like now, they advertise their Chama, and when there are functions like funerals, they offer their catering services. When they get money from the catering service, they save it...then share the money they would have collected.” throughout the year.

(KII participant)

However, limited income-earning opportunities during late pregnancy and after childbirth limited participation, leading to increased reliance on digital loans and spousal support.

- *Maternal mental health*

Major stress triggers included lack of money and food, illness, pregnancy challenges, poor relations with in-laws, and inadequate spousal support. Some women experienced emotional, verbal, or physical violence. These stressors led some women to leave their homes or contemplate self-harm.

Financial stress was closely linked to participants' use of digital loans, particularly during periods of limited income in pregnancy and after childbirth. While digital loans offered short-term relief for urgent needs, difficulties with repayment led to escalating debt, anxiety, and emotional distress. Women who were unable to repay often borrowed repeatedly to service existing loans, deepening financial strain and mental stress, as depicted in the narration below:



I had a Fuliza loan of 300 shillings, which was deducted when I received the money from my husband, and then I borrowed 300 shillings again from Fuliza. I used 300 to buy a tree for my son to split firewood for me. The rest of the money I used to buy food... my husband sent an extra 300 shillings for me to buy drugs. It was deducted to pay for Fuliza, and I borrowed a KES. 300 loan again.

(KII participant)

In some cases, default resulted in the loss of business or household assets, further exacerbating mental stress, which was heightened when loans were taken without spouses' knowledge, as fear of discovery, marital conflict, and potential violence compounded women's psychological burden during the perinatal period.

When these women are given loans, they sometimes cannot repay them. When they are unable to pay, you find that maybe the woman took the loan without her husband's knowledge, and it comes to the point where they auction off the home. So, you find that it has caused chaos in the home, as the wife and husband are now in conflict.

(KII participant)

Conclusion

Digital financial services (DFS) play a complex role in shaping women's economic empowerment and maternal mental health in rural Kenya. DFS improved women's access to money, facilitated saving, and strengthened participation in collective economic activities such as chamas, enhancing financial autonomy and household bargaining power. However, during the perinatal period, when women's earning capacity is reduced due to their inability to do strenuous work and or caregiver responsibilities, reliance on digital loans often leads to cycles of debt, financial stress, and emotional distress. Mental stress was further compounded by marital conflict when loans were taken without spousal knowledge. These findings highlight that while DFS can support women's empowerment, without adequate safeguards, they may also exacerbate financial and psychological vulnerability during pregnancy and early motherhood.

Policy Implications

1. Design gender-responsive DFS products: Digital loan products should incorporate flexible repayment schedules, lower interest rates, and grace periods tailored to pregnancy and postpartum periods to reduce debt-related stress.
2. Integrate financial literacy and mental health support:- DFS programs should be paired with financial education and psychosocial support, particularly for pregnant and postpartum women, to promote responsible borrowing and stress management.
3. Strengthen DFS-enabled savings groups (chamas): Support community-based DFS-enabled savings groups as safer pathways to financial inclusion, emphasizing savings and collective investment over high-interest individual loans.
4. Promote equitable intra-household financial decision-making: Interventions should engage men to reduce conflict, support joint financial planning, and address gender norms that limit

women's financial autonomy.

5. Improve access to digital tools for women: Policies should address barriers to phone ownership, digital literacy, and independent access to DFS to ensure women can safely and effectively use digital platforms.
6. Align financial inclusion with maternal health strategies: Maternal health and social protection programs should incorporate DFS in ways that protect women from financial stress and enhance maternal mental well-being.

References

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