ISLAMIC BANKING AND FINANCIAL INCLUSION OF WOMEN IN LAGOS

BY

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Abstract

Lagos, the financial hub of Nigeria is home to an estimated 3 million women above the age of 18 years who do not have bank accounts. The Central Bank of Nigeria notes that there are several barriers faced by women in accessing formal bank accounts. Some of these barriers include insufficient mobile money agency networks; lack of national identity means; inadequate digital financial services; untapped opportunities available in microfinance that can serve women and rural people; lack of tailored financial products to meet the needs of the unbanked population; and finally non-digital payments systems, especially G2P and P2G. In addition, reports highlight that a large share of financially excluded women cite religious reasons for not using banks. This study aims to critically investigate the barriers faced by women without bank accounts in Lagos and suggested Islamic banking, an alternative banking institution as a solution. This study will help evaluate the use of Islamic banking tools as a solution to foster financial inclusion for women in Lagos and Nigeria as a whole.

Using a qualitative method, this study surveyed 32 unbanked women in Lagos. The study identified the peculiar barriers to financial inclusion faced by these women who are mainly self-employed and with low levels of education. The barriers to financial inclusion common to women without bank accounts in Lagos are ambiguous account opening documents, lack of acceptable means of identification, long distance of banks and lack of steady source of income. Many of these women also cited religion and marriage as a barrier. This is often reflected in terms of relocation, change of name and switching from formal employment to the cultural home making roles women in this region usually adopt.

The findings of this study provided evidence that unbanked Muslim women in Lagos are aware of Islamic bank's product offerings and are willing to open account with an Islamic Bank. This agrees with the literature evidence that Islamic finance can improve financial inclusion. However, there are few Islamic bank branches available in Lagos that can solve the long-distance barrier to financial inclusion of these women.

Interestingly, the study discovered that religion is not a significant barrier to financial inclusion of the unbanked women In Lagos, however, religion will play a role in determining their future choice of financial institution.

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1.0 Introduction

Despite increased advocacy for gender equality globally, women in Africa, particularly in Nigeria, lag behind their male counterparts in achieving their full potential. Statistics from the National Bureau of Statistics and the World Bank show that women in this region tend to be less educated, more restricted from job opportunities, paid lower wages, and often face some abuse and harassment at work. Despite their intelligence, entrepreneurial skill, and capacities, the average Nigerian woman does not have a bank account. Most of these women who are self-employed are financially excluded, compared to the men who have formal jobs with recognised income. An average Nigerian man has a bank account and can access financial services when he desires. Some women are even comfortable using the bank account of males within their household to receive the proceeds of their trade.

Demirgüç-Kunt, Klapper & Singer (2013) revealed considerable gender gaps in high-income and developing countries in terms of more men reporting having bank accounts than women. The study noted a relatively small gender gap in financial inclusion in Sub-Saharan Africa compared to South Asia where the gender gap is largest. It was reported that 27% of men in Sub- Saharan Africa have a bank account compared to 22% of women. For South Asia region, 41% of men have a bank account which is significantly higher than only 25% of women. The article further revealed that this exclusion of women is not limited to Africa, as more than 1.3 billion women worldwide operate outside the formal financial system. Fozan (2020) put the figure at 1.7 billion as of 2017. Generally, on a global note, more than 2.5 billion adults, representing 50% of the world's population, do not have a formal account (Demirgüç-Kunt & Klapper, 2013). All contributors to the literature on financial inclusion agree that a person with a basic bank account is financially included.

This study recognises that many women in Lagos, Nigeria patronise informal financial service providers who collect daily thrift from the homes or shops of their customers. As a tradition, thrift collectors maintain dual records held by each party, and withdrawals of contributions are usually at the end of the month or according to the customer's needs. At times, women form groups amongst themselves as a way of instilling saving habits towards a specific need. It is a common practice for Nigerian women at any educational level to belong to a savings club, Ajo / Esusu group or cooperative society where a community of people saves regularly, and a member gets the pooled fund on a rotational basis.
These informal services are usually not registered nor protected by government regulators. Though many of these informal financial services providers have successfully met the intended needs, there are times these women are unable to access their contributed funds. Thus, they resort to using expensive money lenders to meet urgent contingencies. These informal systems have no insurance or any form of compensation mechanism in place. Karunakaran (2020) opined that an inclusive financial system can help reduce the growth of informal sources of credit (such as money lenders) that are often exploitative.

The range of financial services accessible to the Nigerian woman is cash deposits (time and checking), short and long-term credit, leasing and factoring, mortgages, insurance, payments systems (local and international transfers), bills payment (electricity, water, airtime recharges), government to people (G2P) transfers, people to government (P2G) payment (tax and fines, and payment for using utilities provided by the government), investments (equity, bonds, treasury bills, and other fixed interest), and pensions. (ADB, 2012; Gupte et al., 2012; CBN, 2018; Fozan, 2020; Morsy, 2020).

According to the CBN (2018), gender-based financial inclusion data in Nigeria show that women, especially the poor, living in rural areas and less educated are largely financially excluded.

This study aims to critically investigate the barriers faced by women without bank accounts in Lagos and suggested Islamic banking, an alternative banking institution as a solution. This study will help evaluate the use of Islamic banking tools as a solution to foster financial inclusion for women in Lagos and Nigeria as a whole.

This study will provide answers to four research questions which are:

1. What are the barriers to financial inclusion that are peculiar to unbanked women in Lagos?

2. Are the unbanked Muslim women different in their reasons for being financially excluded?

3. Are the unbanked women in Lagos aware of Islamic finance products available to them?

4. Are the unbanked Nigerian women willing to patronise Islamic banks available to them?

2.0 Literature Review

Extensive work has produced findings on the financial inclusion of women, with a particular focus on African women. These studies reiterated that African women are unbanked, with underlying factors identified as education level, age, marital status, legal rights, family care responsibilities, childbirth, security concerns, capacity constraints, and gender norms (Demirgüç-Kunt, Klapper & Singer, 2013; ILO, 2016; Abdu et al., 2018; Ng'weno et al., 2018). These studies highlighted religion and the cultural role attributed to African women as major reasons for being financially excluded.

Due to cultural beliefs in certain countries, women do not own properties or receive inheritances (World Bank, 2019). It also gives rise to the issue of child bride where a girl child is married off by her parents without proper education or vocation. This means that the woman does not have a steady source of income or savings that would necessitate opening an account.

Generally, women in Africa suffer from gender wage gaps; they are culturally identified with homemaking and bringing up children; and no formal income is ascribed to them. These are the facts affecting Nigerian women today, and they must put in more hard work to be able to live above the stereotyped role of an African woman (ILO, 2016).

2.1 The Context of Financial Inclusion

Financial inclusion has different definitions in the literature as different aspects can be used to capture its complete meaning. A widely used definition of financial inclusion is a state in which all people have access to appropriate, desired financial products and services to manage their money effectively (Sinclair et al., 2009).
Sarma & Pais (2011) explained financial inclusion as a process that ensures the ease of access, availability, and usage of the formal financial system for all members of an economy. The description of financial inclusion by Jyothi V.S. (2020, pp1) as "the availability of banking services at an affordable cost to disadvantaged and low-income groups" makes it clear that financial inclusion is predominantly amongst the less privileged members of society. The study also pointed out that 75% of the world's poor (most of whom are women) live in rural areas and are unbanked.
The Policy Brief of the African Development Bank (2012) described financial inclusion of women as a state in which women, as individuals, members of households, and entrepreneurs, have access to the full range of financial products and services from convenient, responsible formal service providers, offered effectively, responsibly, and sustainably and at a reasonable cost to clients.

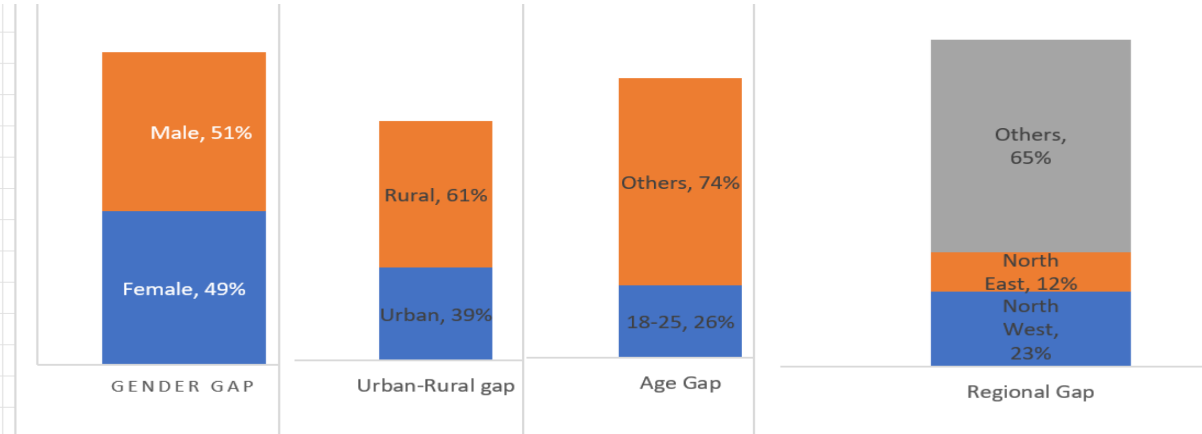
The Central Bank of Nigeria (CBN) in its Revised National Financial Inclusion Strategy published in 2018 defined achieving financial inclusion when adult Nigerians have easy access to a broad range of formal financial services (such as payments, savings, credit, insurance, pension, and capital market products) that meet their needs at affordable costs.

Interest in the financial inclusion of women has gained popularity in the twenty-first century, especially with the 5th goal of the United Nations Sustainable Development Agenda for 2030 focusing on achieving gender equality and empowerment of all women and girls. The 17 Sustainable Development Goals (SDGs) of the United Nations were signed by 193 member states in 2015. Efforts are being made by these countries to close the gender gap in financial access with different policies and strategies. Many countries are closing the gap, while many African countries still suffer from wide gender financial inclusion gaps.

2.2 Financial Inclusion of Women in Nigeria

As of 2016, 40.1 million adult Nigerians (representing 41.6% of the adult population) were financially excluded, as revealed by the National Financial Inclusion Strategy published by the CBN in 2018. The CBN report highlights that 55.1% of the excluded population were women.

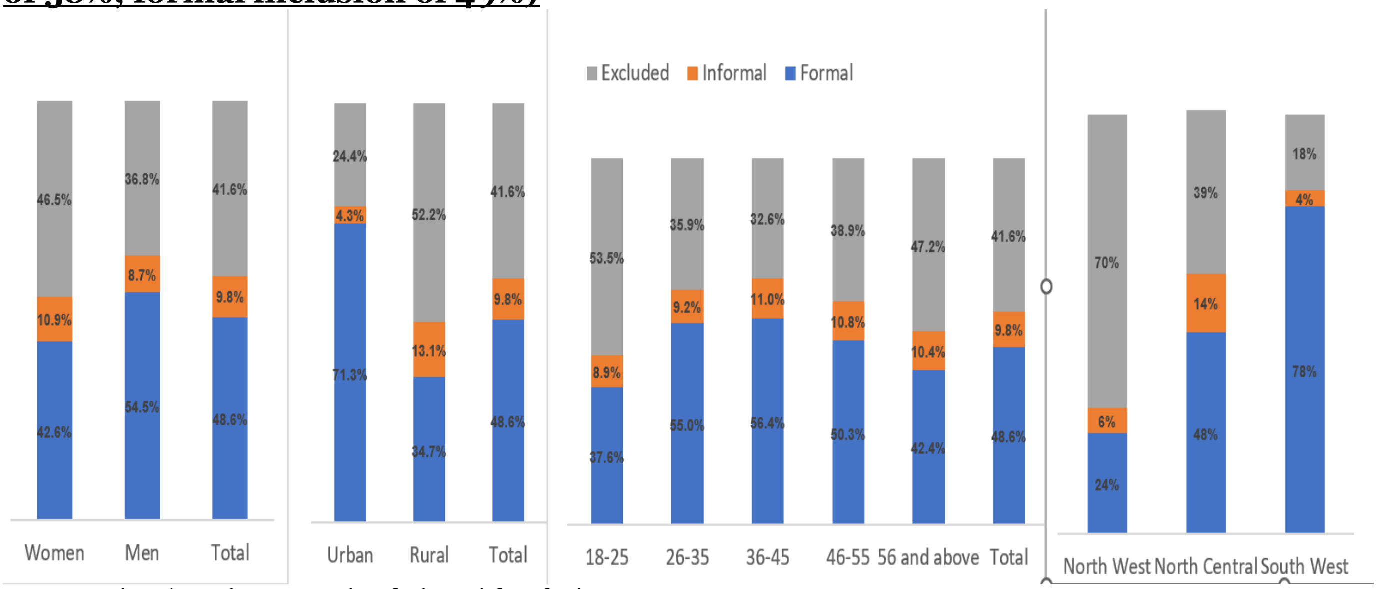
Figure 1: Distribution of Nigeria's Target Group Size (total adult population of 96.4m as of 2016)



Source: CBN's 2016 National Financial Inclusion Strategy

Additionally, out of the 47 million female adult population, 42.6% were formally financially included, 10.9% were informally included and the largest portion (46.5%) were financially excluded. 53.5% of the financially excluded population were between the ages of 18 and 25 years, 34.0% had no formal education, and 80.4% resided in rural areas, while only 24.4% were financially excluded in urban centres. Informal financial inclusion is higher at 13.1% in rural areas than 4.3% in urban areas.

Figure 2: Nigeria's Financial Inclusion Situation in 2016 (Total inclusion of 58%; formal inclusion of 49%)



Source: EFinA / CBN's 2016 National Financial Inclusion Strategy

According to CBN (2018), Nigerian women are more financially excluded, with only 42.6% of women using formal financial services, compared with 54.5% of men. Other most financially excluded Nigerians are adults in Northwest Nigeria (70%), adults in rural areas (52.2%), young adults between the ages of 18 and 25 (53.5%) and poor people living in urban areas.

However, the EFInA 2020 Financial Services Agent Survey posited that the number of financially excluded women in Nigeria has reduced over the years, with consistent improvements over the last five years. The major contributing factor to this trend is the advent of mobile money that is providing some banking services in major towns and rural areas. This has led to increased financial inclusion during the period as these mobile money agents offer services such as bank account opening, bill payment, airtime top-up, fund transfer, government-to-people (G2P) transfer as well as people-to-government (P2G) payment, insurance registration, pension registration, cash deposits and withdrawals, balance enquiries, and loan processing.

Data from EFInA revealed that 64% of Nigerian adults were financially included at the end of 2020 while about 36 million adults (representing 36% of Nigerian adults), out of which 55% are women, were financially excluded.

Nigeria is ranked 139th in global gender gaps according to the Global Gender Gap Report of the World Economic Forum (WEF, 2021). The report provides additional insights into the wide gap that exists in terms of school enrolment, labour market participation, and income between males and females in Nigeria. While there are 69.9% of boys enrolled in primary school in Nigeria, only 58.1% of girls are enrolled and just 49.3% of women are employed in the labour market. The WEF report shows that the average Nigerian woman earns only 58.4% of a man's income, 30% of managers, and 13.9% of firms have female top managers. These gender gap issues can be seen as the underlying issues responsible for why more Nigerian women are unbanked.

2.3 Barriers to Financial Inclusion

The literature on financial inclusion has identified several hindrances to financial inclusion and factors that cause financial exclusion. What is stunning is that most of the reasons why people are financially excluded are paltry and insignificant, such as the cost of opening an account, travel distance to financial institutions, and sometimes bank requirements such as having a reference and bizarre account opening forms (Gupte et al., 2012; Allen et al., 2016). For example, Sierra Leone, where an adult must pay the equivalent of 27% of the country's GDP per capita in annual fees to maintain a checking account (Bigirimana & Hongyi, 2018). It was established why 44% of non-account holders stated cost as a reason for not having a formal account.

The study by Ozili (2021) highlighted that financial inclusion is influenced by the level of financial innovation, poverty levels, the stability of the financial sector, the state of the economy, financial literacy, and regulatory frameworks, which differ across countries. Illiteracy is identified as the major obstacle to financial inclusion in a paper by Chikalipah (2017), which investigated the determinants of financial inclusion in 20 Sub-Saharan African countries in 2014.

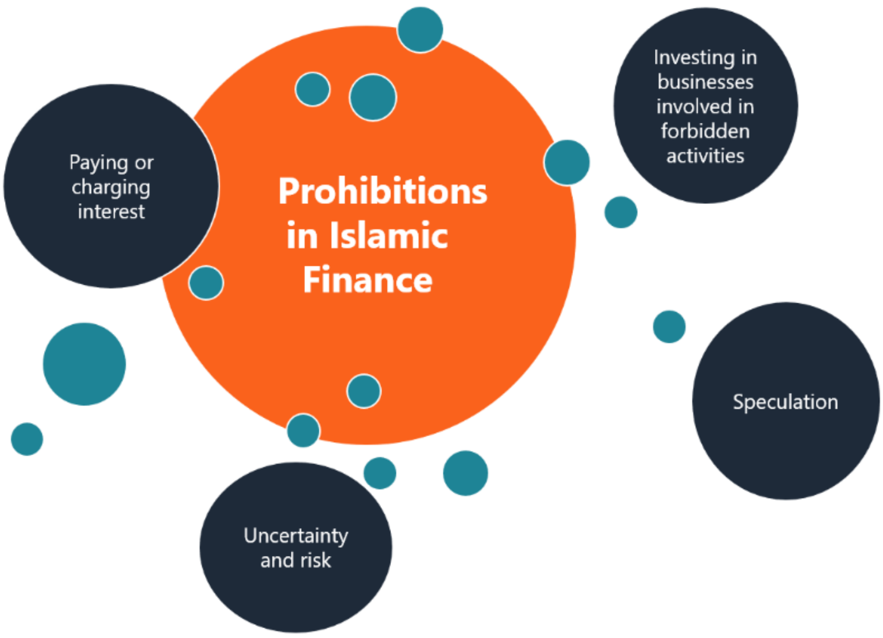
The CBN (2018) identified six major barriers to financial inclusion in Nigeria, such as insufficient mobile money agency networks; lack of national identity means; inadequate digital financial services; untapped opportunities available in microfinance that can serve women and rural people; lack of tailored financial products to meet the needs of the unbanked population; and finally non-digital payments systems, especially G2P and P2G.

The EFInA report of 2019 on Nigeria identified three driving factors of financial exclusion in male and female adults: "lack of income, lack of education, and low trust in financial service providers".

2.4 What is Islamic Finance?

Bank of England defines Islamic Finance (IF) as a way to manage money and do business that fits with the moral principles of Islam. IF is the provision of financial services that follows the principles of Shariah (World Bank, 2015; IMF, 2017; CFI, 2022). The principles of IF are founded on the concept of sale, sharing profit or loss, the prohibition of riba (interest) and uncertainty (gharar), as well as non-permissible activities such as gambling, pornography, speculation, exploitation/unfair trade practices, dealings in pork, alcohol, drugs, arms, and ammunition, and any other transaction which is not shariah compliant.

Figure 3: Prohibitions in Islamic Finance



Source: CFI (2022)

Like the conventional financial services sector, the IF industry is made up of Islamic banks (including Islamic microfinance banks), Islamic insurance (Takaful), and Islamic capital markets, with the flagship product being the Islamic Bond (Sukuk) (Hussain et al, 2015). The scope of IF goes beyond a non-interest financial system as it encompasses a structure that promotes equitable wealth redistribution, advocating individual rights and duties, risk sharing, property rights, and the sanctity of contracts (Institute of Islamic Banking and Insurance (IIBI), 2022). IF has other humanitarian services that can benefit Nigerian women, such as Waqf (Islamic Endowment Fund), Zakat, and Sadaqah (Charity), which will provide financial inclusion for the women and empower them to become economically independent.

The growth of Islamic finance globally as an alternative financial method cannot be overlooked as the acceptability of financial services goes beyond religion. According to

Ali Ismail (2022), the assets managed by Islamic financial institutions globally are over $2.7 trillion and the growth rate has been above 15% annually.

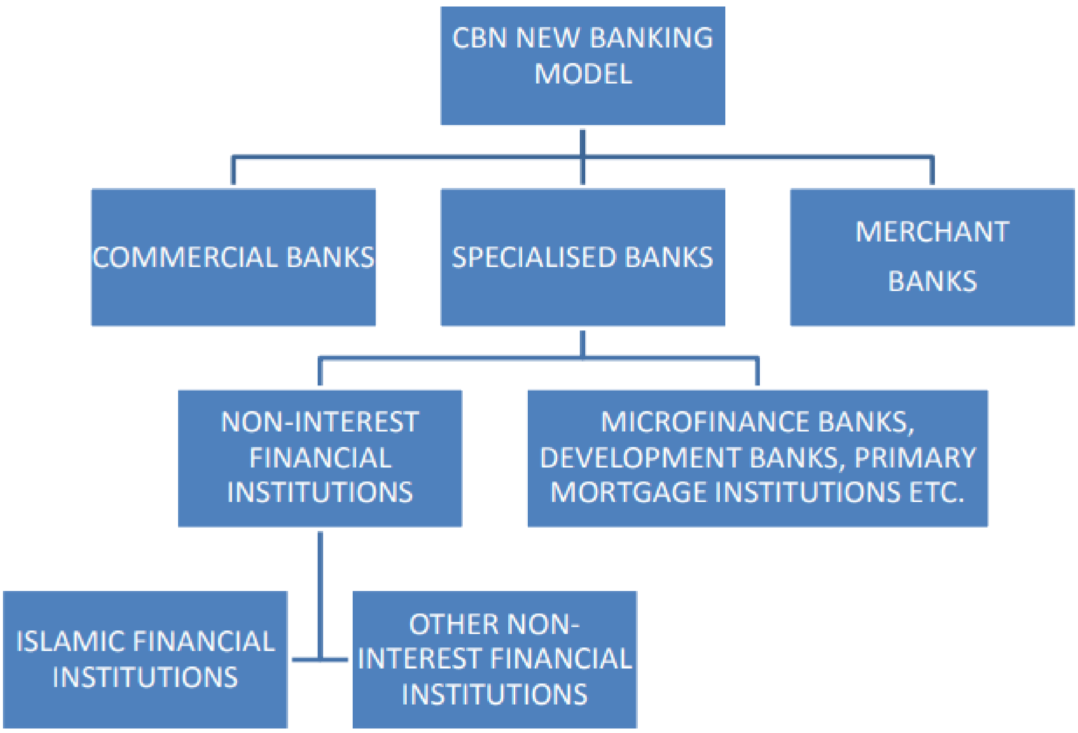
2.5 Evolution of Islamic Banking in Nigeria

The growth of Islamic banking began late in Nigeria, despite being a Muslim-dominated country. Using 2018 estimates, the CIA (Central Intelligence Agency) reported in the 2021 World Factbook that Nigerian Muslims represent 53.5% of the total population. According to Oba (2012), Islamic banking began late in Nigeria because of the challenges faced by quarters who feared it was a bid to Islamize Nigeria.

The provisions for non-interest banking were introduced in the amended Bank and other Financial Institutions Act (BOFIA) of 1991. According to Oba V.C (2012, pp2), the amended banking law led to the then Habib Nigeria Bank Limited creating an interest-free banking window in 1991. Though the Islamic banking window of the bank expanded into a department, the bank did not last as it was affected by different banking regulatory recapitalization requirements.
Habib Bank merged with Platinum Bank in 2005 to become Bank PHB and was later recapitalized, nationalized, and rebranded as Keystone Bank in 2011, which operates as a conventional bank today. In 2017, Keystone Bank was acquired from the Asset Management Corporation of Nigeria (AMCON) by Sigma Golf Riverbank Consortium.

Jaiz Islamic Bank is the first unique Islamic bank in Nigeria which was established in 2003 with regulatory approval by the CBN. Nigeria currently has three core Islamic banks, while there are two conventional commercial banks (Sterling Bank and Stanbic IBTC Bank) that operate non-interest banking windows.

Figure 4: Nigeria's New Banking Model



Source: Central Bank of Nigeria (2011)

In 2011, the CBN published the Regulatory and Supervisory Guidelines on comprehensive Islamic banking and non-interest banking in Nigeria. The CBN issued all-encompassing supervisory and regulatory guidelines on non-interest financial institutions (NIFI). Non-interest banking in Nigeria is categorized as a specialized financial institution, as shown in the figure above.

Table 1: Islamic Bank Branches in Nigeria

S/N	Islamic bank	Date License	Type of License	Location of Head Office	No. of Branches
1.	Jaiz Bank	2011	Regional	Abuja	27
2.	Taj Bank	2019	Regional	Abuja	3
3.	Lotus Bank	2021	Regional	Lagos	4

Source: Central Bank of Nigeria (2021)

From the table above, Nigeria has a total of 34 core non-interest bank branches. The three Islamic banks in Nigeria have regional licenses, which means they cannot operate in more than two geopolitical zones in the country (a maximum of 12 states) with a required capitalization of N5billion.

As contained in a non-rating action commentary by Fitch Rating (2021), "though the Islamic finance industry in Nigeria is emerging, it has growth potential". According to the Islamic Financial Services Board (IFSB, 2020), the share of Nigeria's Islamic banking assets as a portion of total banking assets increased to 0.5% in the third quarter of 2018 from 0.3% in the previous period (Q2, 2018). The aggregate Islamic banking assets have achieved constant growth from 2018 to 2019.

3.0 Research Method

Our research philosophy is interpretive as this study provides current information on the financial inclusion of women in Lagos for the researcher to understand the peculiar barriers these women face. Understanding these barriers, particularly those unexplored in the literature, made it easier to proffer solutions and evaluate them with the solutions offered by Islamic banking, which is the core objective of this study. To achieve this objective, the study provided information on the popularity of Islamic banking institutions and the product offerings to the unbanked women in Lagos, Nigeria.

Lagos, the former capital of Nigeria, has been chosen for this study as the city is the financial heart of the largest African economy. The results of this study will be useful in understanding the depth of gender-based financial exclusion in Nigeria. We are aware that many women in Lagos are unbanked. What is unclear is if the barriers to their financial inclusion are linked to religion. This study investigated the level of awareness of Islamic banking services available to unbanked women in Lagos and whether they are willing to use the services of these non-interest financial institutions. To enable us to provide answers to the stated research questions, the researcher adopted the use of primary data with a sample size of 32 unbanked women (above 18 years old) in Lagos, Nigeria. These women completed semi-structured online questionnaires which were administered via telephone interviews. The primary data is essential in finding out why these women are financially excluded and if they are aware of Islamic financial products available to them. The literature has provided us with a good number of barriers to the financial inclusion of women, especially in

Africa. Hence, our interest was to find out if there are barriers peculiar to unbanked Muslim women in Lagos, Nigeria.

3.1 Study Population

The population for this study shall be the total number of unbanked female Nigerians above 18 years of age living in Lagos State. For the purpose of this study, a banked woman is a woman who has an active account with a formal financial institution, typically a bank (Demirgüç-Kunt & Klapper, 2013; Fozan, 2020). This is the simplest form of financial inclusion as explained in the literature.

The researcher approached a total of 59 unbanked women in Lagos. Out of which 32 women consented to participate in the study. Although there is insufficient financial inclusion data by state in Nigeria, the researcher used Nigeria's financial inclusion target group data (CBN, 2018) to estimate the number of unbanked women in Lagos. Nigeria's National Population Commission put the Lagos State population at 13.35 million in 2020. If we take 49% (6.54m) are women (CBN, 2018) and 46.5% of them have no bank account, then women with no bank account in Lagos can be estimated to be about 3.04 million.

3.2 Sample Size

We have used non-probability sampling to interview a sample of unbanked women in Lagos that is reachable. The sample size for this research is 32 unbanked women in the population across the state. The respondents were randomly selected to cover the Island and the Mainland. One of the rules of thumb for determining sample size as proposed by Roscoe, J.T. (1975) is that Sample sizes larger than 30 and less than 500 are appropriate for most research and this is satisfied by this study.

3.3 Data Collection Process

Statistics indicate that unbanked women are usually underprivileged, mostly uneducated, poor, and living in rural areas (Jyothi, 2020; CBN, 2018), this could also infer that the unbanked women population sample are unlikely to have access to the internet and advanced communication systems. For this reason, the online questionnaires were administered via telephone interviews and recorded by the researcher via the Qualtrics platform, which is verifiable and can be exported to excel and other Microsoft applications.

Qualtrics is a web-based survey tool used in conducting research via questionnaires which can also analyse and produce reports for the Researcher. It is free and easy to use without any need to install software and has been used by numerous researchers (Taylor et al., 2018; Johnson, 2021; Winter et al., 2019).
To participate in the survey, the researcher secured the consent of the respondents who must be female, above 18 years, residing in Lagos, and do not have an active bank account. The eligibility of the respondents was confirmed through a series of questions on the platform. For example, the first question confirms the gender of the respondents and an attempt by a male to respond will lock out the survey to that person. Similarly, the last part of the survey was to confirm the consent and the survey will not be submitted if the respondent withdraws the consent after participating.

3.4 Data Analysis Techniques

The online survey data was exported to Excel and uploaded to SPSS for analysis, which will include descriptive analysis and other qualitative data methods. The data generated from the primary sources helped us to analyse the popularity of Islamic banking among unbanked women in Lagos and separate the barriers to financial inclusion across religions. It will also be useful in explaining the gender gaps in financial inclusion in Lagos.

Essentially, the researcher adopted descriptive statistics with the use of tables, graphs, charts, and summary statistics to analyse our data and interpret the results of the analysis via the SPSS Statistical software. In providing answers to the stated research questions, the researcher used the Likert Scale to measure the degree to which our respondents agree or disagree with certain statements.

The Likert Scale is a measure of attitudes, which is typically a 5-or 7-point ordinal scale used by respondents to rate the degree to which they agree or disagree with a statement or how likely an event will occur (Sullivan & Artino, 2013). When using a Likert Scale, there is no equal distance between each rating scale. For example, it is impossible to say there is an equal distance between "Definitely," "Probably," and "Possibly" when measuring how likely an event will occur. The number coding for the rating scale between the responses is equidistant, but the actual difference cannot be measured.

Jamieson (2004) explained that the Likert scales fall within the ordinal level of measurement and the measure of central tendencies such as the median and mode should be employed in analysing such data. It is also common to use descriptive statistics such as frequency tables and percentages or appropriate inferential statistics for parametric or non-parametric tests. The use of mean and standard deviation is inappropriate for ordinal data.

Boone & Boone (2012) explained the Clason and Dormody (1994) description of the difference between Likert-Type and Likert Scales data. On the one hand, Likert-type data are generated from single questions, while the Likert scale, on the other hand, is composed of a series of four or more Likert-type items which are combined into a single composite score/variable during the data analysis process.

4.0 Primary Data Analysis

This section presents the result of the qualitative data collected from the population sample. Thirty-two (32) women from the age of eighteen without bank accounts in Lagos State, Nigeria responded to the online survey questionnaire. The analysis in this chapter is presented to cover the objectives of the study. Information on the demographic profile of the respondents is also provided.

4.1 Demographic Profile of Respondents

Study respondents were required to provide demographic information including the part of Lagos they resided, their age, religious belief, highest educational level, and current employment status. This was to gather personal information on the individuals who had voluntarily consented to participate in the study. The information was also relevant for detailed inferential analysis. Table 4.1 presents the frequency and percentage values of the respondents' demographics.

Table 2: Socio-demographics of Respondents (n=32)

Variable	Category	Frequency	Percentage
Area of Residence	Mainland	23	71.9
	Island	9	28.1
Age range	18-25years	6	18.8
	26-40years	9	28.1
	41-55years	17	53.1
Religious belief	Christianity	18	56.3
	Islam	14	43.8
Educational level	No formal education	5	15.6
	Primary	8	25.0
	Secondary	14	43.8
	Tertiary	3	9.4
	Technical/Vocational Trade	2	6.3
Employment status	Student	4	12.5
	Self-employed	23	71.9
	Employed in a company	5	15.6

Source: Researchers' Analysis

Data reveals that most of the women who voluntarily responded to the online survey were living in the mainland part of Lagos. A larger portion of the respondents 23(71.9%) resided on the mainland while the remaining 9(28.1%) were on the Island. In respect of their age, most of the respondents were between 41 and 55 years old 17 (53.1%). This was followed by 9(28.1%) respondents who were between 26 and 40 years while the least group of respondents, 6 (18.8%), were between 18 and 25 years old.

Another demographic variable considered necessary for the study was the respondents' religious beliefs. It was evident that most respondents 18(56.3%) were Christians while the remaining 14 (43.8%) were Muslims. It would be a significant variable to ascertain whether women's religious beliefs could be a predictor of the popularity of Islamic banking and their financial inclusion.

In respect of educational level, 14 (43.8%) respondents being the majority group had secondary education followed by 8 (25.0%) respondents who had primary education. Only 3 (9.4%) respondents had tertiary education with 2 (6.3%) respondents having attained technical/vocational education. The record shows that most of the respondents engaged in the study had some form of education as only 5 (15.6%) respondents had no formal education.

For employment status, 23 (71.9%) respondents were self-employed. Respondents who were employed in a company work were 5 (15.6%) while 4 (12.5%) were students, meaning they were unemployed. Most of the respondents were employed either by a company or doing their private business.

4.2 Modelling Answers to Research Questions

Under this sub-section, the researcher shall provide four models to answer the research questions posed in first section of this study. Firstly, the questionnaire was used to reconfirm the respondents' level of financial inclusion which is summarised in table 3 below.

Table 3: Cross Tabulation of Level of Financial Inclusion per Location, Age, Educational Level, Employment Status

Demographic	Account Holding Status				
	Yes, but no longer active	Yes, but with an informal financial service providers	No, never had any account with a financial institution	***R***	***P***
Location				-	.01
Mainland	3(13.0)	9(39.1)	11(47.8)	.440	
Island	6(66.7)		3(33.3)		
TOTAL	9(28.1)	9(28.1)	14(43.8)		
Age				-	.41
18-25yrs		1(16.7)	5(83.3)	.150	
26-40yrs	5(55.6)	2(22.2)	2(22.2)		
41-55yrs	4(23.5)	6(35.3)	7(41.2)		
TOTAL	9(28.1)	9(29.1)	14(43.8)		
Education level				-	.66
None		1(20.0)	4(80.0)	.081	
Primary	4(50.0)	3(37.5)	1(12.5)		
Secondary	3(21.4)	4(28.6)	7(50.0)		
Tertiary	2(66.7)		1(33.3)		
Tech/Voc trade		1(50.0)	1(50.0)		
TOTAL	9(28.1)	9(29.1)	14(43.8)		
Employment				-	.03
Status			4(100.0)	.374	
Student	6(26.1)	9(39.1)	8(34.8)		
Self-employed	3(60.0)		2(40.0)		
Employed in company	9(26.1)	9(29.1)	14(43.8)		
TOTAL					

*p = 0.05***

Source: Researchers' Analysis

Data from Table 3 shows that none of the selected socio-demographic variables had a positive correlation with respondents' level of financial inclusion. The correlational value for residence status, age, educational level, and status of employment recorded negative values.

It is concluded therefore that women's level of financial inclusion does not have a positive correlation with either their location, age, educational level, or employment status. Neither of these variables predicted nor had a correlation with the fact that women do not hold a bank account with a financial institution. The strongest correlation was computed between residency status and employment. The correlation between location and level of financial inclusion was -.440 ($p<.05$) while it was -.374

($p<.05$) for employment and account holding status. Though the correlation was in the negative direction, it was relatively higher in comparison with the other variables.

Though a negative correlational figure was obtained for all the demographic variables, a statistically significant value was computed for location ($r = -.440, p = .01$) and employment status ($r = -.081, p = .03$). This is interpreted that though residence status and employment status do not positively correlate with the women's level of financial inclusion, they are significantly correlated. Most women not having an account with a financial institution could likely be due to their area of residence and employment status. These two variables are therefore likely factors responsible for most women not having a bank account.

A look at the descriptive values also shows that women who had an account with informal financial service providers were mostly those who lived on the mainland (39.1%). Most of the respondents who had inactive accounts were living on the Island, 6 (66.7%) while only a handful of respondents living on the mainland had an inactive account, 3 (13.0%). With respect to employment status, which was a significant factor, those who had accounts with an informal service provider were all self-employed. None of the respondents who were working in a company had an account with a financial service provider. It was however not surprising to observe that all the students admitted not having an account with either a formal or a non-formal financial institution.

In the next sub-sections, we shall have four Models to provide answers to the research questions for this study.

4.2.1 Restatement of Research Question 1: What are the barriers to financial inclusion that are peculiar to unbanked women in Lagos?

In answering the question on peculiar barriers to financial inclusion faced by unbanked women in Lagos, the researcher posed a Likert Scale question that measured how six factors from the literature posed a barrier to them. We also allowed the respondents to give other barriers faced by them by providing an "Others" option which 11 of our respondents selected. The table below shows the Descriptive Statistics for barriers to financial inclusion.

Table 4 below shows the descriptive values of responses shared by respondents in agreement with the barriers that contribute to their lack of a bank account.

Table 4: Barriers to Financial Inclusion of Women in Lagos

Factor	1 (%)	2 (%)	3 (%)	4 (%)	5 (%)	M (SD)
No acceptable means of identification	3(9.4)	2(6.3)	6(18.8)	16(50.0)	5(15.6)	3.56 (1.13)
No steady source of income	3(9.4)	7(21.9)	5(15.6)	11(34.4)	6(18.8)	3.31 (1.28)
Ambiguous account opening requirements	2(6.3)	3(9.4)	1(3.1)	15(46.9)	11(34.4)	3.94 (1.16)
Religious reasons	9(28.1)	12(37.5)	8(25.0)	2(6.3)	1(3.1)	2.19 (1.03)
Long distance of bank to me	2(6.3)	7(21.9)	8(25.0)	5(15.6)	10(31.3)	3.44 (1.31)
I do not trust banks	3(9.4)	8(25.0)	13(40.6)	6(18.8)	2(6.3)	2.88 (1.04)

Key: 1 = Definitely Not, 2 = Probably Not, 3 = Possibly, 4 = Probably, 5 = Definitely

Source: Researchers' Analysis

Among the barriers presented to respondents, ambiguous account opening requirements was cited as the most contributing factor to women not having a bank account. A mean score of 3.94 (SD = 1.16) was computed giving the indication that this factor was considered to have largely contributed to women not having a bank account. Specifically, 11 (34.4%) respondents indicated that this factor definitely contributed to them not having a bank account while 15 (46.9%) respondents also indicated the factor was probably a reason for them not having a bank account. This was followed by no acceptable means of identification. Respondents indicated they did not have a bank account because they did not have an acceptable means of identification to open an account with a financial institution. The mean score computed for this factor was 3.56 (SD = 1.13). Most respondents shared that they did not have a bank account because they could not provide an acceptable means of identification required.

The third most contributing factor to women not having an account was the long distance of the bank (M = 3.44, SD = 1.31) were 10 (31.3%) respondents indicated the factor definitely affected their not having a bank account. 5 (15.6%) and 8 (25.0%) respondents respectively indicated the distance to the bank was a probable and possible factor. Having no steady source of income was the fourth most-rated factor for not having a bank account (M = 3.31, SD = 1.28). Thus, having a steady source of income would be a motivation for women to open a bank account. In effect, they have not seen the need to hold a bank account since they would be required to continually maintain the account by making active transactions.

With a mean score of 2.88 (SD = 1.04), respondents indicated that not trusting the banks was a possible factor contributing to them not having a bank account. Similarly, respondents indicated that religious reasons were probably not a contributing factor to their not having a bank account (M = 2.19, SD = 1.03).

4.2.2 Restatement of Research Question 2: Are unbanked Muslim women different in their reasons for being financially excluded?

The purpose of this model is to identify the barriers to financial inclusion along religious lines. We checked the sum of the barriers against the religion of our correspondents as shown in the descriptive statistics below:

The difference in reasons for which unbanked women were financially excluded based on their religious beliefs was also explored. An independent sample t-test was conducted for this analysis. The result of the analysis is presented in table 4.4 below.

Table 5: Independent T-test Results of Women's Financial Exclusion and Religious Belief

	Df	*T*	*P*
Account Holdings	30	-1.35	.18
Savings	30	.37	.71
Credit Facilities	17	1.84	.08
Receiving Money	30	1.18	.23
Payments	30	1.42	.16

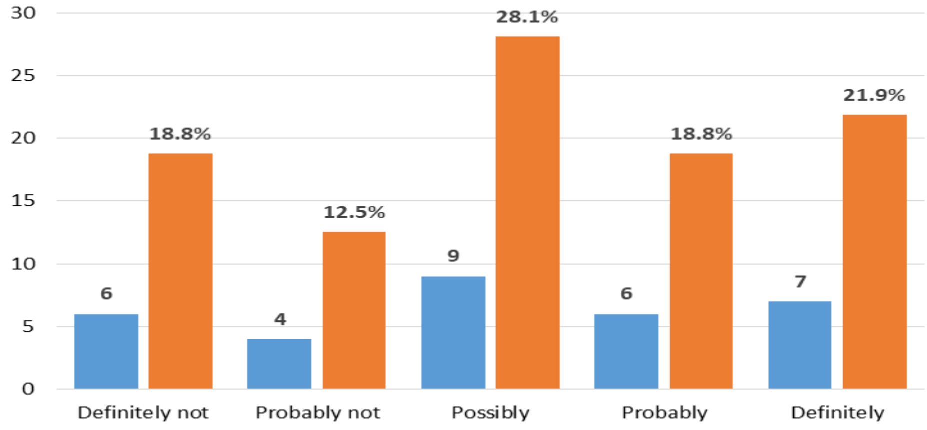
Source: Researchers Analysis

The data shows that there was no statistical difference between the mean scores of unbanked women in respect of their religious beliefs and reasons for being financially excluded. None of the variables were statistically significant. It can be concluded that unbanked Muslim women do not differ from non-Muslims in their reasons for being financially excluded based.

4.2.3 Restatement of Research Question 3: Are the unbanked women in Lagos aware of Islamic finance products available to them?

To answer this question, respondents were asked whether they were aware of any Islamic bank around them. They were required to respond to this query using a 5-scale response format. Figure 5 shows the respondents' extent of awareness of an Islamic bank.

Figure 5: Respondents' Awareness of Islamic Bank



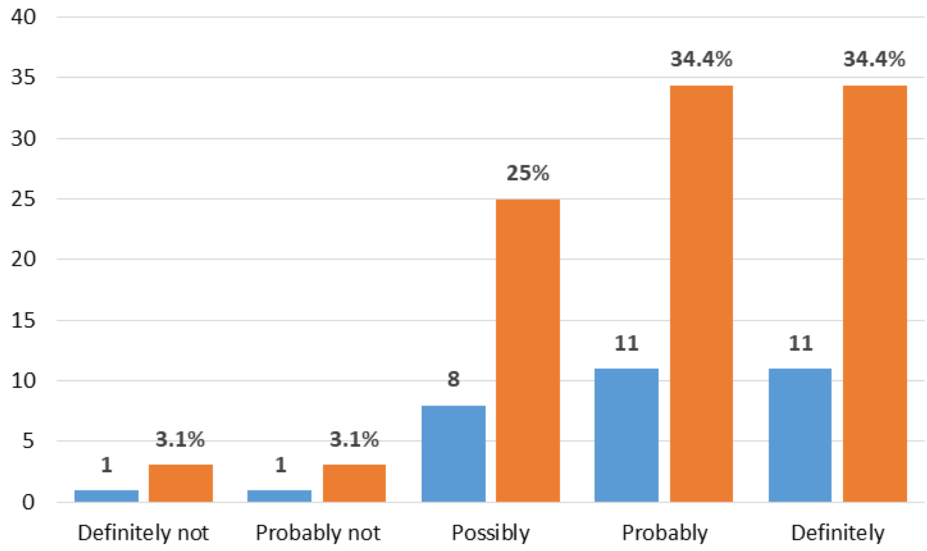
Source: Researchers' Analysis

Figure 5 reveals that most respondents indicated they were possibly aware of an Islamic bank. While 9(28.1%) respondents indicated they were possibly aware of an Islamic bank, 6(18.8%) respondents also indicated they were probably aware of an Islamic bank. Respondents who were definitely aware of an Islamic bank were 7(21.9%). The record shows that majority of the respondents were aware of an Islamic bank near them. Their awareness was however of differing degrees. This record is noteworthy as it shows that Islamic bank is a known financial institution among respondents.

4.2.4 Restatement of Research Question 4: Are unbanked Nigerian women willing to patronise Islamic banks available to them?

After establishing that unbanked women are aware of Islamic banks around them, they were asked whether they considered an Islamic bank a capable institution in meeting their financial service needs in the future. On a scale of five, respondents were to indicate the extent to which they consider Islamic banks effective and viable to meet their financial service needs as presented in Figure 4.5 below.

Figure 6: Willingness to Patronise Islamic banks



Source: Researchers' Analysis

From the above chart, the respondents considered Islamic banks as being viable in meeting their financial service needs. 11 (34.4%) respondents each indicated they definitely and probably considered Islamic banks as being capable to address their financial service needs respectively. 8(25.0%) other respondents also indicated they possibly think Islamic bank could address their financial service needs. Generally, respondents held a positive view of Islamic banks being able to address their financial service needs. This observation is very refreshing since it shows respondents would embrace an Islamic bank to improve their financial inclusion.

4.3 Discussion of Findings from Primary Data

From the primary data analysis carried out in the preceding section, it was established that most of the unbanked women never had a bank account. A few of the women used to have bank accounts while most of them have an account with informal financial service providers. None of the women have an account with non-bank financial institutions such as pensions of insurance companies. It is therefore evident that these women are truly financially excluded.

A further observation from the data revealed that the residence status of respondents and their employment status had a significant correlation with their financial inclusion status, Though the correlation was negative, it was found to be significant. This suggests that the residents and employment status impact their readiness to open an account with a financial institution. It was not surprising to observe that an unstable source of income was cited as a barrier to their lack of a bank account. From the demographic distribution of our primary data, most of the respondents were self-employed.

It follows that a woman without formal employment may see no reason to open a bank account especially when cash is a major medium of exchange in Nigeria.

It was further revealed that ambiguous account opening requirements have been a major barrier for women in respect of having a bank account. This suggests that the various account opening requirements by the banks discourage unbanked women in Lagos. Most women are unaware of these requirements and consider the requirements as being cumbersome and difficult to obtain. Talking about requirements, most unbanked women admitted they did not have a means of identification for which the banks require to open an account. In Nigeria, the basic documents required as proofs of identity are Voters Card, National Identity Number (NIN), Driver's license, and International Passport. Some of these women have changed their names due to marriage but they did not have formal documents to prove the same. In addition, the women are expected to provide utility bills to open a bank account.

Using physical cash and other mobile money operators were the major sources through which unbanked women made payments and received the money. This is because Nigeria is still a cash dominant economy.

5.0 Summary/Conclusion of Research

The study was carried out to investigate the peculiar barriers to financial inclusion faced by women in Lagos and if Islamic banking can be the solution that will make them bankable. This was done by ascertaining the popularity of Islamic banking products and the willingness of the unbanked women in Lagos to use these services.

The analysis of the primary data revealed that the most barriers preventing women from being financially included are an unstable source of income, ambiguous account opening documents, the distance of banks, and lack of education. In Nigeria, cash is still widely used as a means of payment despite the cashless policy of the Central Bank of Nigeria (CBN), which began in 2012. Most of the unbanked women in Lagos are entrepreneurs and artisans who own shops and stalls where they receive sales revenue in cash, and they replenish their shops by paying in cash for goods and raw materials. Some of these women are employed by sole proprietors or as domestic staff or carers who get paid poorly in cash. There is little or no incentive for these women to open basic bank accounts as their income is barely enough for survival. Unbanked women in Lagos are willing and ready to open bank accounts in the future and they are aware that Islamic banks are alternative financial service providers available to them. Hence Islamic banks can solve the financial exclusion issues faced by these women since they are willing to patronise Islamic banks in the future. However, the bank must have unambiguous account opening requirements to attract these women. This factor also captures the means of identification of these women. A National Identity Number (NIN) is the basic means of identification in Nigeria, but many women are yet to be enrolled. According to National Identity Management Commission (NIMC), only a 39.4million Nigerians had been issued with a NIN at the end of 2019. The figure is made up of 16.05m females.

As highlighted earlier in this study, Islamic banking can increase the financial inclusion of unbanked women in Lagos by providing access to its product offerings (Seibel & Imady, 2006, World Bank and Islamic Development Bank Group, 2017; Islamic Development Bank, 2021).
Studies from 2018 have provided evidence that Islamic Banking provides a good alternative to conventional banking in terms of boosting financial inclusion (Zamer, 2018; Bebeji, Bala, & Bala, 2020; Muhammad & Kahil, 2020; World Bank, 2020). At the time of this study (as far as researched), there has not been any study that considered how IF can ensure the financial inclusion of women in Lagos. Hence, this study is a great addition to knowledge.

This study is relevant as there is evidence in the literature that Muslims are less likely to bank in conventional financial institutions and the Findex database in 2017 showed that 2% of the unbanked Nigerian adults gave religion as their reason for being financially excluded. Demirguc-Kunt, Klapper, and Randall (2013), using a sample of over 65,000 adults from 64 economies discovered that Muslims are less likely to have an account or save in a formal financial institution, but they are more likely to borrow from one. The study further revealed that a greater religious self-exclusion of Muslims seems to arise mainly in sub-Saharan African countries.

Abdu et al. (2018) opined that Islamic banking is necessary to increase financial inclusion in Organization of Islamic Cooperation (OIC) countries within Sub-Saharan Africa, to which Nigeria belongs. Also, that households within the OIC with Islamic banking and finance are more likely to be financially included than their counterparts in OIC countries without Islamic banking and finance.

For an Islamic bank to be attractive to the women without bank account in Lagos, it must be close to them as they cited distance of financial institutions as a major barrier to financial inclusion and the cost of maintaining such accounts should be affordable to them.

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