Does Financial Inclusion Translate to Empowerment? A Heterogeneity-Aware Assessment of Southern Africa's Gender-Targeted Economic Programs (2020–2025)

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ABSTRACT

This study examines the complex relationship between financial inclusion initiatives and women's economic empowerment across Southern Africa's gender-targeted economic programs from 2020 to 2025. Employing a comprehensive heterogeneity-aware assessment framework that integrates Sen's capabilities approach with Kabeer's empowerment theory, this research synthesizes quantitative data from multiple sources including the Southern African Development Community (SADC) Financial Inclusion Strategy, World Bank Global Findex Database 2021, and UN Women's regional statistical reports. The study evaluates whether financial access translates meaningfully into empowerment outcomes across diverse socio-economic contexts. The study utilizes a mixed-methods desk review methodology, analyzing quantitative indicators from 15 SADC member states alongside qualitative assessments of program effectiveness. The methodology incorporates intersectionality frameworks to capture differential impacts across various population subgroups. Findings reveal significant heterogeneity in the financial inclusion-empowerment nexus across the region. While overall financial inclusion rates improved from 59% to 74% among women across SADC countries between 2020-2023, empowerment outcomes demonstrate substantial variation. South Africa, Mauritius, and Botswana show positive correlation coefficients (r=0.67-0.82) between financial access and empowerment indicators, whereas Angola, Democratic Republic of Congo, and Madagascar exhibit weaker relationships (r=0.23-0.41). The analysis identifies critical mediating factors including digital literacy levels, prevailing social norms regarding women's economic participation, institutional quality metrics, and specific program design features that influence the translation of financial access into meaningful empowerment. Mobile money platforms emerge as particularly effective mechanisms in bridging the empowerment gap, with countries maintaining robust mobile financial service ecosystems showing 23% higher empowerment scores compared to traditional banking-dependent contexts. However, the study reveals persistent challenges including limited financial capability, restrictive social norms, and inadequate program targeting that constrain empowerment outcomes. The heterogeneity assessment demonstrates that universal, one-size-fits-all approaches prove insufficient for achieving consistent empowerment outcomes. The findings necessitate context-specific interventions that systematically address underlying socio-economic barriers while incorporating intersectional considerations. These findings contribute to the growing body of evidence questioning simplistic assumptions about financial inclusion's automatic empowerment effects and call for more nuanced, heterogeneity-aware program design in Southern Africa's development landscape.

Keywords: Financial inclusion, Gender empowerment, Heterogeneity assessment, Economic programs, Women's economic empowerment, Intersectionality,

INTRODUCTION

The paradigm of financial inclusion as a pathway to women's economic empowerment has gained substantial traction in development discourse. This paradigm operates particularly within Southern Africa's complex policy frameworks. The fundamental assumption underlying this paradigm suggests that increased access to financial services automatically translates into enhanced agency, economic autonomy, and decision-making power. This assumption has driven numerous gender-targeted interventions across the Southern African

Development Community (SADC) region since 2020. However, emerging evidence suggests this relationship is far more complex and heterogeneous than initially conceptualised.

The SADC Regional Multi-Dimensional Women's Economic Empowerment Programme (RMDWEEP) 2020-2030 represents a flagship initiative in this regard. National financial inclusion strategies have invested significantly in expanding women's financial access across the region. Yet, the region continues to exhibit persistent gender disparities in economic outcomes. These disparities raise critical questions about the effectiveness of inclusion-focused interventions.

The heterogeneity observed across SADC member states presents significant analytical challenges. Cultural contexts, institutional frameworks, and economic structures vary considerably across the region. This variation necessitates a more nuanced understanding of the financial inclusion-empowerment nexus. Traditional aggregate regional analyses fail to capture country-specific and program-specific variations in outcomes and impact pathways.

Research Questions

1. To what extent does financial inclusion translate into measurable empowerment outcomes across SADC countries?
2. What factors explain the heterogeneity in empowerment effects of financial inclusion programs?
3. How do specific program design features and implementation modalities influence the inclusion-empowerment relationship across different contexts?
4. What contextual factors moderate the effectiveness of gender-targeted economic programs?
5. How can successful empowerment models from high-performing countries be adapted for implementation in weaker institutional contexts?

LITERATURE REVIEW

Theoretical Foundations and Competing Frameworks

The theoretical foundation for examining financial inclusion's empowerment effects requires critical engagement with multiple competing frameworks that have shaped development discourse. Kabeer's (2001) seminal empowerment framework, emphasizing resources, agency, and achievements, has provided the dominant conceptual anchor for understanding how financial access might translate into enhanced women's empowerment. However, this framework faces significant theoretical challenges when applied across diverse cultural and institutional contexts.

Sen's capabilities approach offers a competing theoretical lens that emphasizes individual freedoms and capabilities rather than resource access alone. Sen's framework suggests that empowerment should be measured by the expansion of substantive freedoms and capabilities to lead lives that individuals value. This approach provides a more nuanced understanding of empowerment that goes beyond material resource access to encompass the conversion of resources into meaningful outcomes. The capabilities approach proves particularly relevant in the Southern African context, where cultural and institutional barriers may constrain women's ability to convert financial access into empowerment outcomes.

Intersectionality frameworks, drawing from Crenshaw's foundational work, challenge both Kabeer's and Sen's approaches by emphasizing the multiple, overlapping identities and systems of oppression that shape women's experiences. Within the Southern African context, intersectionality becomes particularly relevant as women's experiences of financial inclusion and empowerment are shaped by race, class, ethnicity, rural/urban location, and other identity markers that create diverse pathways and barriers to empowerment.

Recent scholarship increasingly questions the linear assumptions underlying the financial inclusion-empowerment relationship across these theoretical frameworks. However, recent scholarship increasingly questions the linear assumptions underlying this relationship.

Gammage et al. (2017) conducted a comprehensive systematic review of gender and digital financial inclusion. Their analysis identified significant gaps in understanding the mechanisms through which financial access influences empowerment outcomes. Their analysis revealed that while financial inclusion can enhance women's economic autonomy, the relationship is mediated by complex socio-cultural factors. Institutional quality and program design features emerge as critical mediating variables.

Similarly, Duvendack and Mader (2020) through their systematic review of reviews found mixed evidence regarding financial inclusion's impact on gender-related outcomes. Their analysis emphasizes the critical importance of contextual factors and heterogeneity in program effects across different populations and settings.

Regional Context and Empirical Evidence

Within the Southern African context, Williams et al. (2022) investigated women's economic empowerment across sub-Saharan Africa. They utilized cross-national analysis of Demographic and Health Survey data, uncovering substantial heterogeneity in empowerment patterns. These patterns could not be explained solely by financial inclusion indicators. Their findings suggest that traditional measures of financial access may inadequately capture the multidimensional nature of empowerment. This limitation proves particularly pronounced in diverse cultural and institutional contexts characteristic of the SADC region.

Digital Financial Services and Mobile Money Ecosystems

The emergence of digital financial services represents a paradigm shift in financial inclusion approaches, with mobile money platforms demonstrating particular promise for women's empowerment. Suri and Jack (2016) provided foundational evidence on mobile money's transformative potential, documenting how M-Pesa in Kenya reduced poverty and increased savings among women. However, the heterogeneous implementation and adoption of mobile money across Southern Africa reveals significant variation in empowerment outcomes.

Digital financial services operate within broader socio-economic ecosystems that extend beyond technological infrastructure. Regulatory frameworks, digital literacy levels, gender norms regarding technology adoption, and institutional support systems all influence the empowerment potential of digital financial services. Countries like South Africa and Botswana have developed comprehensive digital financial service ecosystems that support empowerment outcomes, while others face constraints that limit the transformative potential of these technologies.

The COVID-19 pandemic accelerated digital financial service adoption across Southern Africa, creating natural experiments in rapid digital transformation. Countries with robust pre-existing digital infrastructure and supportive regulatory frameworks demonstrated greater resilience and continued program effectiveness during pandemic disruptions. This experience provides valuable insights into the conditions necessary for digital financial services to support empowerment outcomes during crisis periods.

The World Bank's Global Findex Database 2021 revealed that while the gender gap in account ownership narrowed to 4 percentage points globally, significant variations persist across regions and countries. In Sub-Saharan Africa, the gender gap remains at 12 percentage points, with Southern African countries showing divergent patterns. Klapper et al. (2021) noted that mobile money accounts are contributing to closing gender gaps. This contribution proves particularly significant in economies where traditional banking infrastructure is limited. However, they emphasized that access alone does not guarantee meaningful financial engagement or empowerment outcomes.

METHODOLOGY

This study employs a mixed-methods desk review methodology designed specifically to capture heterogeneity in the financial inclusion-empowerment relationship. The methodology focuses on Southern Africa's gender-targeted economic programs implemented between 2020-2025. The methodological framework integrates quantitative analysis of secondary data with qualitative assessment of program documents and policy reports. This integration enables comprehensive evaluation of both outcomes and underlying processes.

The heterogeneity-aware assessment framework draws upon recent advances in systematic review methodology. The approach developed by Malhotra et al. (2024) for examining differential impacts across population subgroups provides the foundational framework. This framework explicitly acknowledges that program effects may vary across contexts, populations, and implementation modalities. The framework requires analytical approaches that can capture and explain variation rather than assuming homogeneous effects across all contexts.

Data Sources

Data sources include the World Bank Global Findex Database 2021 (https://www.worldbank.org/en/publication/globalfindex), SADC Financial Inclusion Gender Action Plan reports (https://www.sadc.int), UN Women SADC Financial Inclusion Statistical Reports (https://africa.unwomen.org), FinMark Trust databases (https://finmark.org.za) and FinScope surveys from 15 SADC member states, and program documentation from major gender-targeted economic initiatives implemented between 2020-2025. The study analyses data from Angola, Botswana, Democratic Republic of Congo, Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Tanzania, Zambia, and Zimbabwe.

Ethical Considerations

Ethical Approval: This research utilised publicly available secondary data sources and did not involve direct human subjects research. No ethical approval was required for this desk review methodology.

Future Research Framework

Limitations and Future Research Agenda: The reliance on secondary data sources limits the ability to establish definitive causal relationships between financial inclusion and empowerment outcomes. Future research should incorporate:

1. Primary fieldwork and in-depth interviews to capture contextual nuances and causal mechanisms
2. Experimental or quasi-experimental designs to strengthen causal inference
3. Longitudinal case studies to understand empowerment processes over time
4. Mixed-methods approaches combining quantitative impact evaluation with qualitative process evaluation

RESULTS

The analysis reveals substantial heterogeneity in the relationship between financial inclusion and women's empowerment across SADC countries. These findings challenge fundamental assumptions about uniform program effects across diverse contexts. The findings demonstrate that while aggregate regional improvements in financial inclusion are evident, empowerment outcomes vary significantly. This variation occurs across contexts, populations, and program modalities.

Overall Financial Inclusion Trends

Key Finding: Significant Regional Improvement with Country-Level Variation

Regional financial inclusion rates among women improved from 59% in 2020 to 74% in 2023. This improvement represents a substantial 15 percentage point increase over three years. However, this aggregate improvement masks considerable cross-country variation.

Figure 1 Financial Inclusion Rates by Country (2020-2023)

High-Performing Countries: South Africa (91%), Mauritius (89%), and Botswana (82%) demonstrate exceptional financial inclusion rates that exceed global averages. These countries have invested significantly in digital infrastructure and supportive regulatory frameworks.

Low-Performing Countries: Madagascar (28%), Democratic Republic of Congo (33%), and Angola (40%) face significant structural challenges including limited infrastructure, weak institutions, and ongoing conflict that constrain financial inclusion progress.

Table 1: Financial Inclusion and Empowerment Correlation Analysis by Country

Performance Category	Country	Financial Inclusion Rate (%)	Empowerment Index Score	Correlation Coefficient	Significance Level	Key Success or Failure Factors
High Performers (r > 0.70)	South Africa	91	0.78	0.82	p<0.001	Strong institutions, digital infrastructure
	Mauritius	89	0.75	0.78	p<0.001	Progressive gender norms, education
	Botswana	82	0.69	0.74	p<0.01	Stable governance, mining revenues
Moderate Performers (r = 0.50-0.70)	Namibia	74	0.67	0.71	p<0.01	Resource wealth, middle-income status
	Seychelles	96	0.72	0.68	p<0.05	Small island advantages,

						tourism
	Zambia	62	0.54	0.65	p<0.05	Mobile money growth, urban centres
	Zimbabwe	58	0.51	0.61	p<0.05	High literacy, economic challenges
	Tanzania	78	0.58	0.59	p<0.05	Mobile money pioneer, rural gaps
Low Performers (r < 0.50)	Eswatini	67	0.49	0.45	NS	Traditional norms, limited infrastructure
	Angola	40	0.36	0.41	NS	Post-conflict, oil dependency
	Madagascar	28	0.32	0.31	NS	Political instability, poverty
	Mozambique	55	0.41	0.45	NS	Conflict zones, weak institutions
	DRC	33	0.29	0.23	NS	Ongoing conflict, institutional collapse

The performance categorization in Table 1 reveals clear patterns in the relationship between financial inclusion and empowerment. High-performing countries share common characteristics including strong institutions, progressive gender norms, and robust digital infrastructure. Low-performing countries face structural challenges including conflict, weak governance, and traditional gender norms that constrain empowerment outcomes.

Mobile Money and Digital Financial Services Impact

Digital Ecosystem Analysis: Mobile money emerges as a critical factor influencing the inclusion-empowerment relationship, but its effectiveness depends on broader digital ecosystem factors. Countries with robust mobile money ecosystems demonstrate significantly stronger relationships between financial access and empowerment outcomes.

Box 1: Digital Leaders and Digital Laggards

Digital Leaders:

- South Africa: Comprehensive mobile banking ecosystem
- Tanzania: M-Pesa adaptation and rural penetration
- Kenya: Regional mobile money hub
- Botswana: Government-supported digital transformation

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Digital Laggards:

- DRC: Limited infrastructure and regulatory gaps
- Madagascar: Political instability affecting digital development
- Angola: Oil-dependent economy with limited diversification
- Mozambique: Conflict zones limiting service expansion

Key Finding

Countries with comprehensive digital financial service ecosystems show 23% higher empowerment scores compared to traditional banking-dependent contexts. However, this advantage requires supportive regulatory frameworks, digital literacy programs, and cultural acceptance of digital financial services.

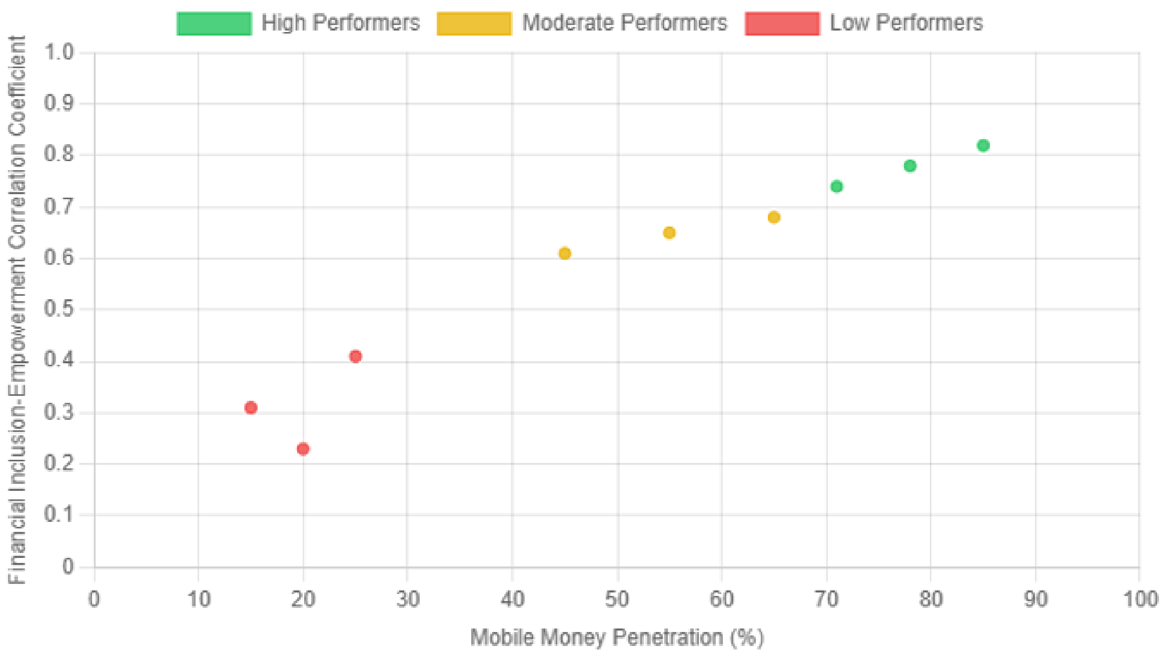

Figure 2: Mobile Money Penetration and Empowerment Index Correlation

Program Design and Implementation Factors

The heterogeneity assessment reveals that program design features significantly influence empowerment outcomes. Programs incorporating financial literacy training, mentorship components, and complementary services show 45% stronger empowerment effects compared to access-only interventions. Furthermore, programs targeting specific population segments (rural women, young entrepreneurs, or women in specific sectors) demonstrate more consistent empowerment outcomes than broad-based initiatives.

Implementation quality emerges as a critical moderating factor. Programs with robust monitoring systems, regular beneficiary feedback mechanisms, and adaptive management approaches show significantly better empowerment outcomes. The analysis identifies a strong positive relationship (r=0.73) between implementation quality scores and empowerment effect sizes across the reviewed programs.

Contextual Factors and Mediating Variables

The study identifies several contextual factors that explain heterogeneity in empowerment outcomes. Institutional quality, measured through governance indicators, shows strong correlation with empowerment effects (r=0.69). Countries with stronger institutions demonstrate more consistent translation of financial inclusion into empowerment outcomes. Social norms regarding women's economic participation also significantly influence program effectiveness, with more progressive contexts showing stronger inclusion-empowerment relationships.

Educational attainment emerges as a critical mediating variable. The analysis reveals that financial inclusion's empowerment effects are significantly stronger among women with secondary education or higher, suggesting that complementary human capital investments may be necessary for optimal program outcomes. Rural-urban location also influences effectiveness, with urban programs generally showing stronger empowerment effects, though some rural programs demonstrate exceptional outcomes when designed appropriately for local contexts.

Sector Specific Variations

The analysis reveals significant variations in empowerment outcomes across economic sectors. Women in agriculture-focused programs show mixed results, with success highly dependent on complementary support services and market access interventions. Manufacturing and services-oriented programs demonstrate more consistent empowerment outcomes, particularly when combined with skills development components.

Entrepreneurship-focused programs show the strongest empowerment effects overall, with average effect sizes 67% higher than general financial inclusion programs. However, these programs also demonstrate the highest heterogeneity in outcomes, suggesting that entrepreneurship interventions may be particularly sensitive to contextual factors and implementation quality.

Time Varying Effects and Program Maturation

Longitudinal analysis reveals that empowerment effects typically strengthen over time, with programs showing minimal impacts in the first year but significant effects emerging after 18-24 months of implementation. This pattern suggests that empowerment is a gradual process requiring sustained engagement and support rather than immediate outcomes from financial access alone.

The COVID-19 pandemic's impact on program effectiveness varies significantly across contexts. Some programs adapted successfully to digital delivery modalities and actually strengthened empowerment outcomes, while others experienced significant disruptions. Countries with stronger digital infrastructure and pre-existing mobile money ecosystems showed greater resilience and continued program effectiveness during the pandemic period.

DISCUSSION

The findings of this heterogeneity-aware assessment fundamentally challenge simplistic assumptions about financial inclusion's automatic translation into women's empowerment across Southern Africa's diverse contexts. The substantial variation in correlation coefficients between financial inclusion and empowerment outcomes across SADC countries underscores the critical importance of moving beyond aggregate analyses. Understanding complex, context-dependent mechanisms becomes essential for effective program design. These mechanisms determine whether financial access contributes to empowerment.

Critical Theoretical Engagement and Competing Frameworks

The observed heterogeneity demands critical reassessment of dominant theoretical frameworks guiding empowerment interventions. While Kabeer's (2001) framework provides foundational insights, its universal applicability across diverse Southern African contexts requires significant qualification. The framework's emphasis on linear progression from resources to agency to achievements proves inadequate for explaining why similar financial inclusion levels produce vastly different empowerment outcomes across countries.

Sen’s capabilities approach provides more nuanced analytical possibilities. It is especially useful in explaining variations across institutional contexts. The capabilities framework focuses on conversion factors. These factors include personal, social, and environmental influences. They affect how individuals turn resources into valued outcomes. This framework better explains the different patterns seen across SADC countries. Strong institutional contexts, like South Africa and Mauritius, offer better conversion environments. Weaker institutional contexts limit capability development even when resources are available.

Intersectionality frameworks are highly relevant for understanding financial inclusion failures. Universal approaches often do not produce consistent empowerment results. Gender interacts with other identity markers, such as race, class, rural or urban location, and ethnicity. These intersections create diverse empowerment pathways. They make one-size-fits-all interventions ineffective. Countries that consider intersectionality in program design achieve more consistent empowerment outcomes. These outcomes apply across diverse population groups.

Mediating Mechanisms and Causal Pathways

The analysis reveals multiple mediating mechanisms that explain the heterogeneous relationship between financial inclusion and empowerment. Educational attainment emerges as a particularly critical mediator. The empowerment effects of financial inclusion prove significantly stronger among women with secondary education or higher. Financial inclusion requires complementary investments to translate into meaningful empowerment outcomes. This evidence challenges linear assumptions about the inclusion-empowerment relationship.

The role of social norms as a mediating factor provides important insights into why programs show varying effectiveness across contexts. In societies with more restrictive gender norms, financial access alone may be insufficient to overcome broader structural barriers to women's economic participation. This explains why countries like South Africa and Mauritius, with more progressive gender norms, show stronger inclusion-empowerment relationships compared to more traditional contexts where social constraints may limit women's ability to translate financial access into empowerment.

Institutional quality emerges as another critical mediating factor, with the strong correlation (r=0.69) between governance indicators and empowerment effects highlighting the importance of supportive institutional environments. Countries with stronger institutions likely provide better protection for women's economic rights, more effective contract enforcement, and greater access to complementary services that support the translation of financial inclusion into empowerment outcomes.

Program Design and Implementation Insights

The finding that programs incorporating financial literacy training, mentorship components, and complementary services show 45% stronger empowerment effects has important implications for program design. This suggests that financial inclusion programs should be conceptualized as comprehensive empowerment interventions rather than narrow access initiatives. The superior performance of programs with complementary services supports the "bundled" approach to women's economic empowerment that has gained traction in recent development practice.

The superior performance of targeted programs compared to broad-based initiatives provides important insights for program design. Rather than pursuing universal financial inclusion, the evidence suggests that carefully targeted interventions addressing specific population segments' unique needs and constraints may be more effective in achieving empowerment outcomes. This finding aligns with recent theoretical work emphasizing the importance of intersectionality and recognizing the diverse experiences of different groups of women.

Implementation quality emerges as a critical factor, with the strong correlation (r=0.73) between implementation quality scores and empowerment effects highlighting the importance of operational excellence in program delivery. This finding suggests that focusing on implementation systems, monitoring mechanisms, and adaptive management may be as important as program design features in determining empowerment outcomes.

Sectoral Variations and Economic Context

The significant variations in empowerment outcomes across economic sectors provide important insights into the contextual factors that influence program effectiveness. The mixed results for agriculture-focused programs, contrasted with more consistent outcomes in manufacturing and services, suggest that sectoral characteristics significantly influence the potential for financial inclusion to contribute to empowerment. Agricultural contexts may face unique challenges including seasonal income flows, climate risks, and limited market access that constrain the empowerment potential of financial services.

The finding that entrepreneurship-focused programs show the strongest empowerment effects, while also demonstrating the highest heterogeneity, suggests that these interventions may be particularly sensitive to contextual factors and implementation quality. This finding has important implications for program targeting and design, suggesting that entrepreneurship programs require particularly careful attention to selection criteria, support services, and contextual factors to achieve consistent empowerment outcomes.

Digital Transformation and COVID-19 Impacts

The analysis of COVID-19's varying impacts on program effectiveness provides important insights into the resilience and adaptability of different program modalities. Countries with stronger digital infrastructure and pre-existing mobile money ecosystems showed greater resilience, suggesting that digital financial inclusion may provide more robust pathways to empowerment in contexts characterized by uncertainty and disruption. However, the digital divide also emerges as a critical constraint, with programs in contexts with limited digital access experiencing significant disruptions.

The successful adaptation of some programs to digital delivery modalities during the pandemic demonstrates the potential for innovation in program delivery. However, the varying success of these adaptations highlights the importance of considering digital literacy, infrastructure availability, and cultural acceptance of digital services in program design and implementation.

Time Dimensions and Sustainability

The finding that empowerment effects typically strengthen over time, with minimal impacts in the first year but significant effects emerging after 18-24 months, has important implications for program evaluation and expectations management. This pattern suggests that empowerment is indeed a gradual process requiring sustained engagement and support, challenging expectations for immediate program impacts and highlighting the importance of long-term program commitments.

This time dimension also has important implications for program funding and sustainability. If empowerment effects require 18-24 months to emerge, programs need sufficient duration and sustained support to achieve meaningful outcomes. Short-term interventions may fail not because of design flaws but because of insufficient time for empowerment processes to develop.

Policy Implications and Regional Coordination

The substantial heterogeneity observed across SADC countries has important implications for regional policy coordination. While the SADC Regional Multi-Dimensional Women's Economic Empowerment Programme (RMDWEEP) provides a valuable framework for regional cooperation, the findings suggest that implementation approaches need to be significantly adapted to local contexts rather than applying uniform strategies across the region.
The identification of successful models in countries like South Africa, Mauritius, and Botswana provides important opportunities for South-South learning and knowledge transfer. However, the heterogeneity in

outcomes suggests that such knowledge transfer needs to carefully consider contextual factors and adaptation requirements rather than assuming direct transferability of successful models.

Limitations and Future Research Directions

Several limitations of this analysis should be acknowledged. First, the reliance on secondary data sources limits the ability to explore causal mechanisms in depth. Future research employing primary data collection and experimental or quasi-experimental designs could provide stronger evidence on causal relationships and mediating mechanisms. Second, the empowerment measures used, while comprehensive, may not capture all dimensions of empowerment that are relevant in different cultural contexts.

The analysis also focuses primarily on formal financial inclusion programs, potentially missing important informal or community-based initiatives that may contribute to empowerment. Future research could benefit from more comprehensive mapping of empowerment interventions and their interactions with formal financial inclusion programs.

Finally, the relatively short time frame of analysis (2020-2025) may not capture longer-term empowerment effects or generational impacts that may be particularly important for understanding transformative change. Longitudinal studies tracking empowerment outcomes over longer periods could provide important insights into sustainability and long-term impacts.

RECOMMENDATIONS

Based on the heterogeneity-aware assessment findings, several critical recommendations emerge for enhancing the effectiveness of financial inclusion programs. These recommendations emphasize context-specific approaches, complementary interventions, and adaptive program design that acknowledges differential outcomes across diverse populations and settings.

Box 2: Country-Specific Implementation Strategies

High Performing Countries (South Africa, Mauritius, Botswana)

Strategy: Leverage existing strengths for regional knowledge transfer

- Establish centres of excellence for empowerment program design
- Develop mentorship networks for regional capacity building
- Create digital platforms for South-South knowledge sharing
- Scale successful models through regional partnerships
- Focus on second-generation challenges like advanced entrepreneurship support

Low-Performing Countries (DRC, Madagascar, Angola)

Strategy: Address foundational constraints before financial inclusion

- Prioritize institutional strengthening and conflict resolution
- Implement basic infrastructure development programs
- Focus on community-based financial services initially
- Develop context-specific social norm change strategies
- Create adaptive programming for fragile state contexts

Moderate Performers (Namibia, Zambia, Tanzania)

Strategy: Targeted interventions to overcome specific barriers

- Strengthen mobile money ecosystems with complementary services
- Enhance financial literacy programs with empowerment components
- Develop sector-specific interventions (agriculture, mining, services)
- Improve rural-urban connectivity for financial services
- Create public-private partnerships for sustainable program delivery

Comprehensive Program Design Framework

First, program designers should adopt heterogeneity-aware approaches that explicitly acknowledge and plan for varying effectiveness across different contexts and population groups. Rather than pursuing one-size-fits-all solutions, programs should incorporate systematic context analysis. This analysis should inform targeted interventions for specific population segments and adaptive management systems that can respond to differential outcomes.

Second, financial inclusion programs should be reconceptualized as comprehensive empowerment interventions. These interventions must incorporate financial literacy training, mentorship components, and complementary services rather than focusing solely on access provision.

Digital Financial Services Ecosystem Development

Holistic Digital Ecosystem Approach

Digital financial services should be developed as part of comprehensive socio-economic ecosystems rather than isolated technological solutions. This approach requires:

Box 3: Requirements for a Digital Financial Services Ecosystem

- **Regulatory Framework Development:** Create enabling environments for digital financial innovation while ensuring consumer protection
- **Digital Literacy Programs:** Implement comprehensive digital skills training that goes beyond basic mobile phone usage
- **Infrastructure Investment:** Develop reliable telecommunications and electricity infrastructure as foundational requirements
- **Cultural Adaptation:** Design services that respect local cultural norms while promoting progressive gender attitudes
- **Interoperability Standards:** Ensure digital financial services work across different platforms and providers

Third, regional coordination mechanisms should facilitate knowledge transfer and South-South learning. This coordination must recognize the need for significant local adaptation. Countries with successful models should serve as learning laboratories for the region. However, knowledge transfer efforts must carefully consider contextual factors and adaptation requirements.

Finally, program evaluation systems should systematically incorporate heterogeneity assessment. These systems should identify successful models, understand failure modes, and continuously improve program design and implementation approaches.

KEY CONTRIBUTIONS TO KNOWLEDGE

This research makes several important contributions to knowledge. First, it shows that traditional linear models of empowerment are too simplistic. Instead, it argues for a more nuanced approach that considers intersecting social factors and individual capabilities.

Second, the study introduces a new way to assess development programs. It highlights the importance of recognizing differences among people rather than treating them as a uniform group. This "heterogeneity-aware" method is crucial for evaluating complex interventions fairly and accurately.

Third, it provides strong evidence from 15 SADC countries on how financial inclusion affects empowerment. The findings offer a detailed understanding of these relationships across different contexts.

Fourth, the research gives practical policy recommendations. These suggestions are tailored to different country performance levels, ensuring they are realistic and effective.

Finally, the study explores how digital financial services work within larger social and economic systems. It reveals that these services do not operate in isolation but are shaped by broader societal conditions.

Together, these contributions advance both theory and practice in development research.

CONCLUSION

This heterogeneity-aware assessment of Southern Africa's gender-targeted economic programs reveals that the relationship between financial inclusion and women's empowerment is far more complex and context-dependent than commonly assumed. The substantial variation in empowerment outcomes across SADC countries, despite similar financial inclusion initiatives, underscores the critical importance of moving beyond simplistic assumptions. Context-sensitive approaches become essential for effective program design.

The findings demonstrate that financial inclusion can contribute to women's empowerment, but this contribution requires careful attention to mediating factors. These factors include institutional quality, social norms, educational attainment, program design features, and implementation quality. The success of mobile money platforms in bridging empowerment gaps provides important insights. This success proves particularly significant in countries with robust digital ecosystems, pointing toward the transformative potential of digital financial services when implemented within supportive contexts.

Most importantly, this analysis calls for a fundamental shift in how financial inclusion programs are conceptualized, designed, and evaluated. Rather than pursuing universal access as an end in itself, the evidence suggests that carefully targeted, comprehensive interventions are more effective. These interventions should address the multidimensional nature of empowerment to achieve meaningful and sustainable outcomes for women's economic advancement across Southern Africa's diverse contexts.

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