

THE BUSINESS STANDARD

Growth in financial account ownership has slowed down in Bangladesh: Findings

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TBS Illustration

While Bangladesh made great strides toward financial inclusion between 2014 and 2017, as measured by the Findex Bangladesh findings, growth in account ownership has slowed in subsequent years.

In 2021, 53% of adults in Bangladesh owned accounts with financial institutions or mobile money platforms, relative to 50% of adults in 2017.

However, a shift in patterns of account ownership illustrates a more nuanced narrative, reads a press release.

Since 2014, mobile money account ownership has increased by 26 percentage points, largely driven by adults with financial institution accounts also adopting mobile money.

Women and poor adults have especially benefited from this growth in mobile money. Digital payments increased during the Covid-19 pandemic, such as sending domestic remittances or paying utilities from an account.

These findings were shared at a seminar titled, "The Future of Financial Inclusion: Presenting the Findex 2021 Bangladesh Findings" organised by BIGD, Brac University in partnership with the World Bank (WB) at the capital's Brac Centre Inn on Sunday.

WB Economist Saniya Ansar presented the Bangladesh findings of the Findex 2021 at the event. She explained, "Over the last four years, preferences have shifted more toward mobile money accounts, and women are opening more accounts now.

"This growth in account ownership has enabled a decrease in the income and education gaps [between genders]."

She noted that hurdles to access persist, and cited cost and distance to financial services as the most frequently reported barriers to account ownership in Bangladesh.

"Bangladesh is home to 60 million unbanked adults – about 60% of them need help to use bank accounts," she added.

Emeritus Fellow at Unnayan Sammannay Khondoker Shakhawat Ali, who joined the seminar, noted that the growth potential in mobile financial services is high, but identified a lack of protection and competition as major concerns.

Department of Economics at the University of Dhaka Professor Dr Sayema Haque Bidisha was also a discussant in the seminar.

She said, "As long as poverty is a major issue, there will be a gap between the financially included and excluded people."

She suggested identifying the barriers to financial inclusion and changing gender stereotypes to reduce the gap in inclusion.

Executive Director and Chief Executive Officer of Uddipan Bidyut Kumar Basu also joined the discussion.

In spite of these pervasive barriers, discussants identified reasons for optimism.

BIGD's WEE-DiFine initiative Director Kym Cole shared, "An interesting trend observed across presentations today was that institutionalising digital payments, such as through wage digitisation, can push women to adopt DFS in meaningful ways.

"The digitisation of private sector wages and agricultural payments present opportunities to do so at scale in Bangladesh."

Strategic Engagement, and Partnership Head of Operations, BIGD, Mehnaz Rabbani moderated the discussion.

She said, "Access to financial resources is a driver and always has been a driver of inequality within communities and households. We have a great opportunity at the moment to change things.

"However, we are also at risk of reinforcing gender gaps, which will be a setback. We need to work in these areas, and we are excited to be part of this conversation."

Since 2011, the Global Findex Database, housed at WB, has been the definitive source of data on the ways in which adults around the world use financial services, from payments to savings and borrowing, and manage financial events such as a major expense or a loss of income.

The 2021 edition is based on nationally representative surveys of 128,000 adults in 123 economies, including Bangladesh, during the Covid-19 pandemic.