

G20 FINANCIAL INCLUSION INDICATORS

Overview

The Group of Twenty (G20) recognizes that financial inclusion is a key enabler in the fight against poverty. The pursuit of inclusive development is leading to a greater focus on financial inclusion policies and initiatives. Reliable data covering the major components of sustainable financial inclusion development is critical to inform these policies and to monitor the effect of initiatives. Data also provides a starting point on which to base ambitious financial inclusion targets. At the Cannes Summit in 2011, G20 leaders agreed to the recommendation by the Global Partnership for Financial Inclusion (GPI) to support global and national financial inclusion data efforts. Subsequently, G20 leaders endorsed the G20 Basic Set of Financial Inclusion Indicators at Los Cabos Summit in 2012, born out of the work of the GPI.

As committed at the time of the endorsement of the Basic Set of Financial Inclusion Indicators, and in support of the key focus area of financial literacy under the Russian G20 Presidency, the GPI developed a more comprehensive set of financial inclusion indicators. Their aim was to deepen the understanding of the financial inclusion landscape. This expanded set – including indicators on financial literacy and the quality of financial service provisioning and consumption– was endorsed at the G20 St. Petersburg Summit in 2013.

Under the leadership of the Chinese G20 Presidency in 2016, and in consultation with G20 members and GPI implementing partners, new indicators were introduced to measure the use, availability, and quality of digital financial services. The expansion and revision of the existing set of indicators is driven by the development of new digital models, as well as the availability of new data on both the demand for and supply of digital financial services.

As part of the current Japanese G20 Presidency, new indicators on savings for old age have been introduced along with an update of several current indicators to include disaggregation by various age categories. Newly included indicators, collected in partnership with Gallup, also cover access to mobile phone and the internet around the world. Another new addition, collected in partnership with the Identification for Development (ID4D) initiative, measures ownership of national identification.

Indicators cover a wide range of payment instruments and access channels. The underlying account used for payments may be held with a bank or other financial institution or an e-money account. Payments include those made on the internet, through a mobile phone or device connected to a Wi-Fi network, or using a point of sale (POS) terminal. These indicators can be collected by government statistical agencies and used to measure achievements and disparities in the use of digital financial services and the technology and enabling environment needed to benefit from them. Used in conjunction with additional country-specific indicators, the G20 Financial Inclusion Indicators can inform policy-makers and enable monitoring of financial inclusion development, both at a national and at a global level.

Indicators

Financial inclusion is measured in three dimensions:

- (i) access to financial services
- (ii) usage of financial services
- (iii) quality of the products and the service delivery

Both supply-side and demand-side data is included to form a comprehensive view.

Countries are encouraged to collect their own data and supplement the indicators (table below) with data on areas of specific relevance to the country context. The data sources listed in the table below provide a useful starting point with which to populate the key indicators. The availability, sustainability and robustness of data were the key criteria, with appropriateness and comprehensiveness, in selecting the G20 Financial Inclusion Indicators. The data sources include the World Bank Global Findex database, IMF Financial Access Survey, Gallup World Poll, World Bank Enterprise Surveys, OECD National Financial Literacy and Financial Inclusion Surveys, OECD Financing SMEs and Entrepreneurs Scoreboard, World Bank Doing Business, World Bank Global Survey on Consumer Protection and Financial Literacy, World Bank Financial Capability Surveys, and World Bank Global Payments Systems Survey. A glossary of indicator definitions is available at the GPFi data portal (<http://datatopics.worldbank.org/g20fidata/>).

Although the scope of the G20 Financial Inclusion Indicators is comprehensive enough to provide a holistic assessment, new data collection efforts, as well as evolving technology and business models, may well require additional or adapted indicators in the future.

Summary Table: The G20 Financial Inclusion Indicators

	Category	Indicator	Source	Frequency
USAGE INDICATORS: ADULTS				
1A ^D	Adults with an account	Account (% age 15+) <i>Percentage of adults who report having an account (by themselves or together with someone else) with a formal financial institution or a mobile money provider</i>	WB Global Index	Triennial
		Active account (% age 15+) <i>Percentage of adults who report making at least one deposit or withdrawal from their account in the past 12 months</i>	WB Global Index	Triennial
1B	Number of accounts	Deposit accounts per 1,000 adults <i>Number of deposit accounts per 1,000 adults</i>	IMF Financial Access Surveys	Annual
1C		E-money accounts per 1,000 adults <i>Number of e-money accounts per 1,000 adults</i>	WB Global Payments Systems Survey	Annual
1D		Mobile money transactions per 100,000 adults <i>Number of mobile money transactions per 100,000 adults</i>	IMF Financial Access Surveys	Annual
2A ^D	Adults with credit at regulated institutions	Borrowed from a financial institution or used a credit card in the past year (% age 15+): <i>Percentage of adults with at least one loan outstanding from a bank or other formal financial institution or used a credit card in the past year</i>	WB Global Index	Triennial
2B		Outstanding loans per 1,000 adults <i>Number of outstanding loans per 1,000 adults</i>	IMF Financial Access Surveys	Annual
3	Adults with insurance	Insurance policy holders per 1,000 adults <i>Disaggregated by life and non-life insurance</i>	IMF Financial Access Surveys	Annual
4	Cashless transactions	Retail cashless transactions per 1,000 adults <i>Includes: number of cheques, credit transfers, direct debits, payment card transactions (debit cards, credit cards), and payments by e-money instruments (card-based e-money instruments, mobile money products, and online money products)</i>	WB Global Payments Systems Survey	Annual
5 ^D	Adults using digital payments	Made or received digital payments (% age 15+) <i>Percentage of adults using a transaction account (with a bank or other formal financial institution or mobile money provider) to make or receive a digital financial payment</i> <i>Includes: Use the internet to pay bills or make purchases online; Use a phone to pay bills, make purchases, or send or receive money from an account (with a bank or other formal financial institution or mobile money provider); Use a debit or credit card to make a direct payment from an account; Send or receive remittances to/from an account; Receive wages, government transfer payments, or agricultural payments to an account; Send utility or school fees from an account</i>	WB Global Index	Triennial
6A ^{*,D}	Payment using a mobile phone or the internet (from an account)	<Sub-indicator> Made payment using a mobile phone or the internet (% age 15+) <i>Percentage of adults using a mobile phone or the internet to make or receive payments, to make a purchase, or to send or receive money through their financial institution account or through the use of a mobile money service</i>	WB Global Index	Triennial
6B ^{*,D}	Payment using a mobile phone	<Sub-indicator> Used a mobile phone or the internet to check account balance in the past year (% age 15+) <i>Percentage of</i>	WB Global Index	Triennial

		<i>adults using a mobile phone or the internet to check their balance for a financial institution account in the past 12 months.</i>		
6C*	Payment using a bank card	<Sub-indicator> Made payment using a debit or a credit card card (% age 15+) <i>Percentage of adults using a debit or credit card to directly make a payment from an account</i>	WB Global Index	Triennial
6D*,D	Payment using account	<Sub-indicator> Received wages or government transfers into an account (% age 15+) <i>Percentage of adults who receive wages or government transfers into an account (with a bank or other formal financial institution or mobile money provider)</i>	WB Global Index	Triennial
6E ^D	Saving propensity	Saved at a financial institution (% age 15+) <i>Percentage of adults that saved at a bank or other formal financial institution in the past year</i>	WB Global Index	Triennial
		Saved for old age (% age 15+) <i>Percentage of adults that saved for old age in the past year</i>	WB Global Index	Triennial

USAGE INDICATORS: ENTERPRISES

7A ^G	Formally banked enterprises	SMEs with an account at a formal financial institution (%) <i>Percentage of Small or Medium Sized Enterprises (SMEs) with an account at a bank or other formal financial institution</i>	WB Enterprise Surveys	3-5 years**
7B		SME deposit accounts (as a % of non-financial corporation borrowers) <i>Number of SME deposit accounts (as a % of non-financial corporation borrowers)</i>	IMF Financial Access Surveys	Annual
9A ^G	Enterprises with outstanding loan or line of credit at regulated institutions	SMEs with an outstanding loan or line of credit (%) <i>Percentage of SME with outstanding loan or line of credit from a bank or other formal financial institution</i>	WB Enterprise Surveys	3-5 years**
9B		SME loan accounts (as a % of non-financial corporation borrowers) <i>Number of SME loan accounts (as a % of non-financial corporation borrowers)</i>	IMF Financial Access Surveys	Annual
10 ^G	Digital payments to or from enterprises	SMEs that send or receive digital payments from an account (%) <i>Percentage of SMEs that send or receive digital payments from an account</i>	WB Enterprise Surveys (Aspirational)	3-5 years**

ACCESS INDICATORS: PHYSICAL POINTS OF SERVICE

11A	Points of service	Branches per 100,000 adults <i>Number of branches per 100,000 adults</i>	IMF Financial Access Surveys	Annual
11B		ATMs per 100,000 adults <i>Number of ATMs per 100,000 adults</i>	IMF Financial Access Surveys	Annual
11C		Agents of payment service providers per 100,000 adults <i>Includes: agents of banks and other deposit-taking institutions, as well as specialized entities such as money transfer operators and e-money issuers</i>	WB Global Payments Systems Survey	Annual
11D		Mobile agent outlets per 100,000 adults <i>Number of mobile agent outlets per 100,000 adults</i>	IMF Financial Access Surveys	Annual
11E		POS terminals per 100,000 adults <i>Number of POS terminals per 100,000 adults</i>	WB Global Payments Systems Survey	Annual
11F ^D		Access to a mobile phone (% age 15+) <i>Percentage of adults with access to a mobile phone</i>	Gallup World Poll	Triennial
11G ^D		Access to internet (% age 15+) <i>Percentage of adults with internet access at home</i>	Gallup World Poll	Triennial
11H ^D		Has a national identity card (% age 15+) <i>Percentage of adults with a national identity card</i>	WB Global Index	Triennial

12	Debit card ownership	Debit cards per 1,000 adults <i>Number of debit cards per 1,000 adults</i>	WB Global Payments Systems Survey	Annual
13 ^G	Enterprise points of service	SMEs that have a POS terminal (%) <i>% of SME's that have a point of sale (POS) terminal</i>	WB Enterprise Surveys <i>(Aspirational)</i>	3-5 years**
14	Interoperability of Points of Service	Interoperability of ATM networks and interoperability of POS terminals (0-1) <i>Takes the value 1 if MOST or ALL ATM networks (/POS terminals) are interconnected and 0 if they are NOT interconnected</i>	WB Global Payments Systems Survey <i>(Aspirational)</i>	Annual
QUALITY INDICATORS: FINANCIAL LITERACY AND CAPABILITY				
15	Financial Knowledge	Financial knowledge score <i>Arithmetic score which sums up correct responses to questions about basic financial concepts, such as: (A) Inflation, (B) Interest rate, (C) Compound interest, (D) Money illusion, (E) Risk diversification, (F) Main purpose of insurance.</i>	WB Financial Capability Surveys and OECD National Financial Literacy and Inclusion Surveys	Periodic
16 ^D	Financial Behaviour	Use of Savings for emergency funding <i>% of adults who report that in case of an emergency it is possible for them to come up with 1/20 of gross national income (GNI) per capita in local currency and cite savings as their main source of this money.</i>	WB Global Findex	Triennial
QUALITY INDICATORS: MARKET CONDUCT AND CONSUMER PROTECTION				
17	Disclosure Requirements	Disclosure index combining existence of a variety of disclosure requirements: <i>(1) Plain language requirement (e.g. understandable, prohibition of hidden clauses) (2) Local language requirement, (3) Prescribed standardized disclosure format, (4) Recourse rights and processes (5) total rate to be paid for a credit (basic costs plus commission rates, fees, insurance, taxes)</i>	WB Global Consumer Protection Survey	Annual
18	Dispute Resolution	Index reflecting the existence of formal internal and external dispute resolution mechanisms: <i>(1) Internal dispute resolution mechanism indicator: law or regulation setting standards for complaints resolution and handling by financial institutions (including timeliness, accessibility, requirements to implement complaints handling procedures) (2) External dispute resolution mechanism indicator: System in place that allows a customer to seek affordable and efficient recourse with a third party (supervisory agency, a financial ombudsman or equivalent institution)</i>	WB Global Consumer Protection Survey	Annual
QUALITY INDICATORS: BARRIERS TO USE				
19A ^G	Credit Barriers	% of SMEs required to provide collateral on their last bank loan (reflects the tightness of credit conditions)	WB Enterprise Surveys and OECD SME Scoreboard	3-5 years**
19B		Getting credit: the strength of credit reporting systems and the effectiveness of collateral and bankruptcy laws in facilitating lending. Measured as "Distance to frontier" The "distance to frontier" score aids in assessing the absolute level of regulatory performance and how it improves over time. This measure shows the distance of each economy to the "frontier," which represents the best performance observed on each of the indicators across all economies in the <i>Doing Business</i> sample. This allows users both to see the gap between a particular economy's performance and the best performance	WBG Doing Business	Annual

	at any point in time and to assess the absolute change in the economy's regulatory environment over time as measured by <i>Doing Business</i> . An economy's distance to frontier is reflected on a scale from 0 to 100, where 0 represents the lowest performance and 100 represents the frontier. For example, a score of 75 in DB 2015 means an economy was 25 percentage points away from the frontier constructed from the best performances across all economies and across time.		
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Notes:

* *Adults may use more than one mode of payment; sub-indicators are not mutually exclusive categories.*

** *Enterprise Surveys are collected globally on a three- to five-year cycle.*

'D' Data is also shown disaggregated by income (poorest 40% of households and richest 60% of households); age (adults under 35, adults between ages 35-59, and adults 60 and older); and gender.

'G' Data is also shown for women-owned enterprises.

Sources and Methodology

IMF Financial Access Survey:

<http://fas.imf.org>

Gallup World Poll:

<http://www.gallup.com/strategicconsulting/en-us/worldpoll.aspx>

OECD Financing SMEs and Entrepreneurs Scoreboard:

<http://www.oecd.org/cfe/smes/financing-smes-and-entrepreneurs-23065265.htm>

OECD National Financial Literacy and Financial Inclusion Surveys:

<http://www.oecd.org/finance/financial-education/measuringfinancialliteracy.htm>

World Bank Doing Business:

<http://www.doingbusiness.org/>

World Bank Enterprise Surveys:

<http://www.enterprisesurveys.org>

World Bank Global Findex Database:

<http://www.worldbank.org/globalfindex>

World Bank Global Payment Systems Survey:

<http://www.worldbank.org/en/topic/paymentssystemremittances/brief/gpss>

World Bank Global Surveys on Consumer Protection and Financial Literacy, and Financial Capability:

<http://responsiblefinance.worldbank.org>