

Global Findex database 2021

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In news– World Bank has released the Global Findex Database 2021 recently.

About the database-

- **The database is titled** as The Global Findex Database 2021: Financial Inclusion, Digital Payments, and Resilience in the Age of COVID-19.
- It has **surveyed how people in 123 economies use financial services** throughout 2021.
- It contains **updated indicators on access to and use of formal and informal financial services** and digital payments, and offers insights into the behaviors that enable financial resilience.
- The data also **identify gaps in access** to and usage of financial services by women and poor adults.
- **Since 2011 the Global Findex Database has been the definitive source** of data on global access to financial services from payments to savings and borrowing.

Key findings-

Following are the key findings of the database-

- **Worldwide account ownership has reached 76 percent** of the global population and **71 percent of people in developing countries**
- **The gender gap in account ownership across developing economies has fallen to 6 percentage points** from 9 percentage points, where it hovered for many years.
- **Receiving digital payments** such as a wage payment, a government transfer, or a domestic remittance, **catalyzes the use of other financial services**, such as storing, saving, and borrowing money.
- **In developing economies, 40 percent of adults who paid**

utility bills (18 percent of adults) did so directly from an account.

- In **China, 80 percent of adults made a digital merchant payment**, whereas in other developing economies 20% of adults did so.
- **COVID-19 boosted the adoption of digital financial services: 40 percent of adults in developing economies excluding China who made a digital merchant payment using a card, phone**, or the internet, and one-third of adults in developing economies who paid a utility bill directly from an account, did so for the first time after the start of the pandemic.



- **Mobile money has become an important enabler of financial inclusion in Sub-Saharan Africa—especially for women**, both as a driver of account ownership and of account usage through mobile payments, saving, and borrowing.
- **About half of adults in developing economies could access extra funds** within 30 days if faced with an unexpected expense.
- As per this report, **India is among seven countries home to half the world's 1.4 billion adults without access to formal banking.**
- **People without an account at a financial institution or a mobile money service provider have been classified as unbanked.**
- **Large shares of the global population without formal banking** (130 million and 230 million, respectively) **lives in India and China** because of their size.

- **Pakistan, with 115 million unbanked adults and Indonesia, with 100 million,** have the next-largest population without banking access.
- **These four countries, together with Bangladesh, Egypt and Nigeria, have 54 per cent** or 740 million people of the global unbanked population.
- It has found that **women are more likely to be unbanked than men.**
- Larger gender gaps among the unbanked with no ID were observed in Benin, Cote d'Ivoire and Liberia.
- Brazil, China, Kenya, Russia and Thailand have relatively high account ownership rates, yet a majority of those still unbanked are women.