

Financial inclusion in Iraq

With applied study

On Kurdistan Region

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# Definition

**Financial inclusion** is where individuals and businesses have access to useful and affordable **financial** products and services that meet their needs that are delivered in a responsible and sustainable way



**Financial inclusion** is defined as the availability and equality of opportunities to access **financial** services

What are the objectives of financial inclusion.

**Financial inclusion** intends to help people secure **financial services and products at economical prices** such as deposits, fund transfer services, loans, insurance, payment services, etc. It aims to **establish proper financial institutions** to satisfy **needs** of the **poor peoples**.



*Figure 2: Financial Inclusion*

## Why financial Inclusion?

- Economic Objective
- Mobilisation of Savings
- Larger Market for the financial system
- Social Objectives
- Sustainable Livelihood
- Political Objectives



Chetna yadav

## Financial Inclusion – Who are these People?

- Underprivileged section in rural and urban areas like, Farmers, small vendors, etc.
- Agricultural and Industrial Labourers
- People engaged in un-organised sectors
- Unemployed
- Women
- Children
- Old people



# WHO ARE THE UNBANKED?

The Global Findex shows gaps in financial inclusion across demographics, with women, the poor, youth, and rural residents at the greatest disadvantage.

## GENDER:

Have an account at a formal financial institution, worldwide:



## AGE

### WORLDWIDE

THOSE AGED 15-24 ARE

**33%**

LESS LIKELY

to have an account, and

**40%**

LESS LIKELY

to have saved formally

(compared to those aged 25-64).

## EDUCATION



In developing economies, adults with a tertiary education are more than twice as likely to have a formal account as those with a primary education or less.

## INCOME



In developing economies, the richest 20 percent of adults in a country are more than three times as likely to save in a formal financial institution as the poorest 20 percent of adults.

## RESIDENCE

Have a formal account, in low-income economies:





# WHAT limits access to financial services?

- Psychological and cultural barriers
- Low income
- Legal identity-
- Geographical remoteness
- Various terms and conditions
- Nil or low savings
- Lack of awareness/Financial illiteracy
- Unemployment/Under Employment
- Use of inappropriate products



Large section of population financially excluded!