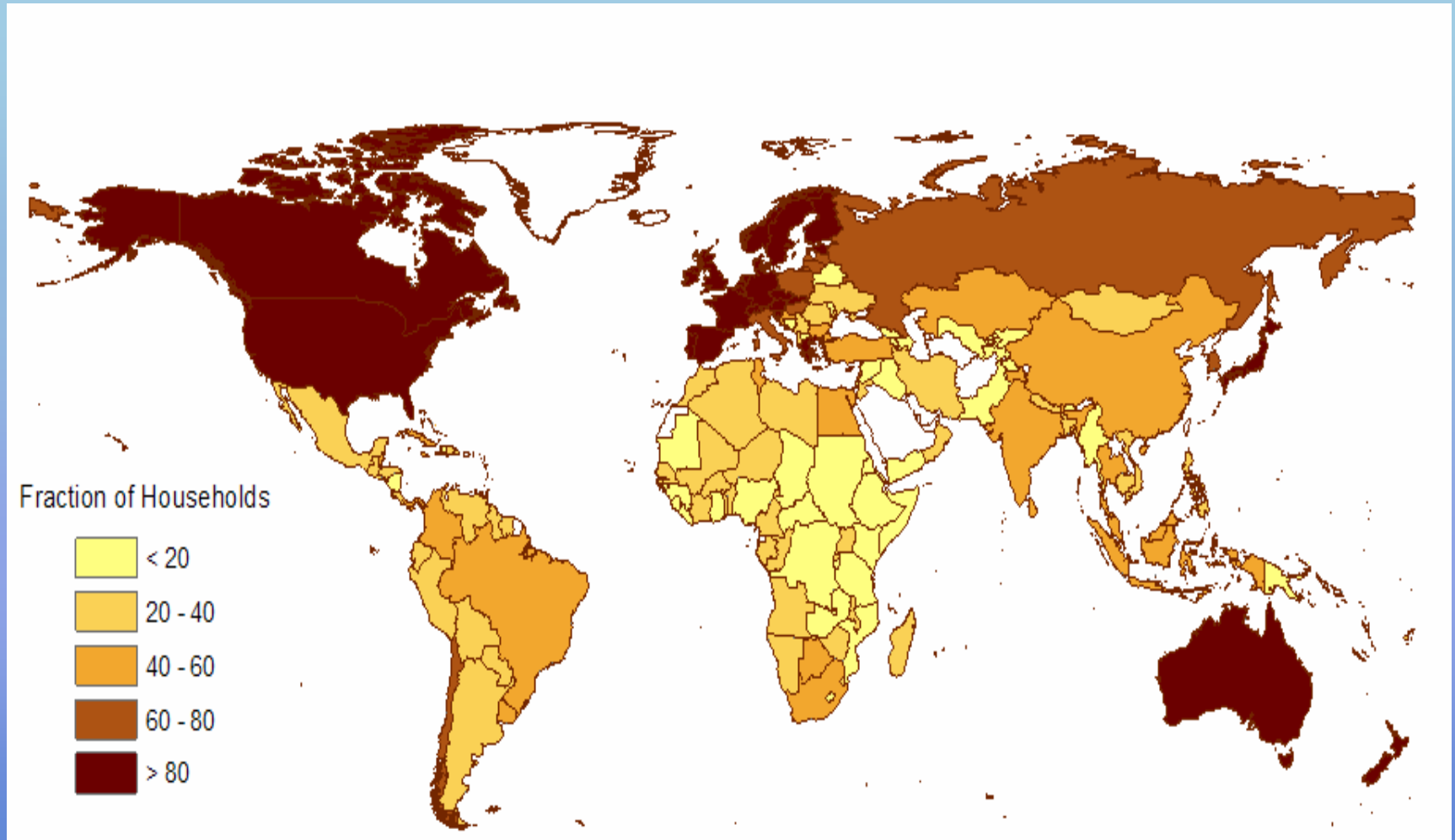

Barriers to Access: Measurement and Impact

Asli Demirguc-Kunt

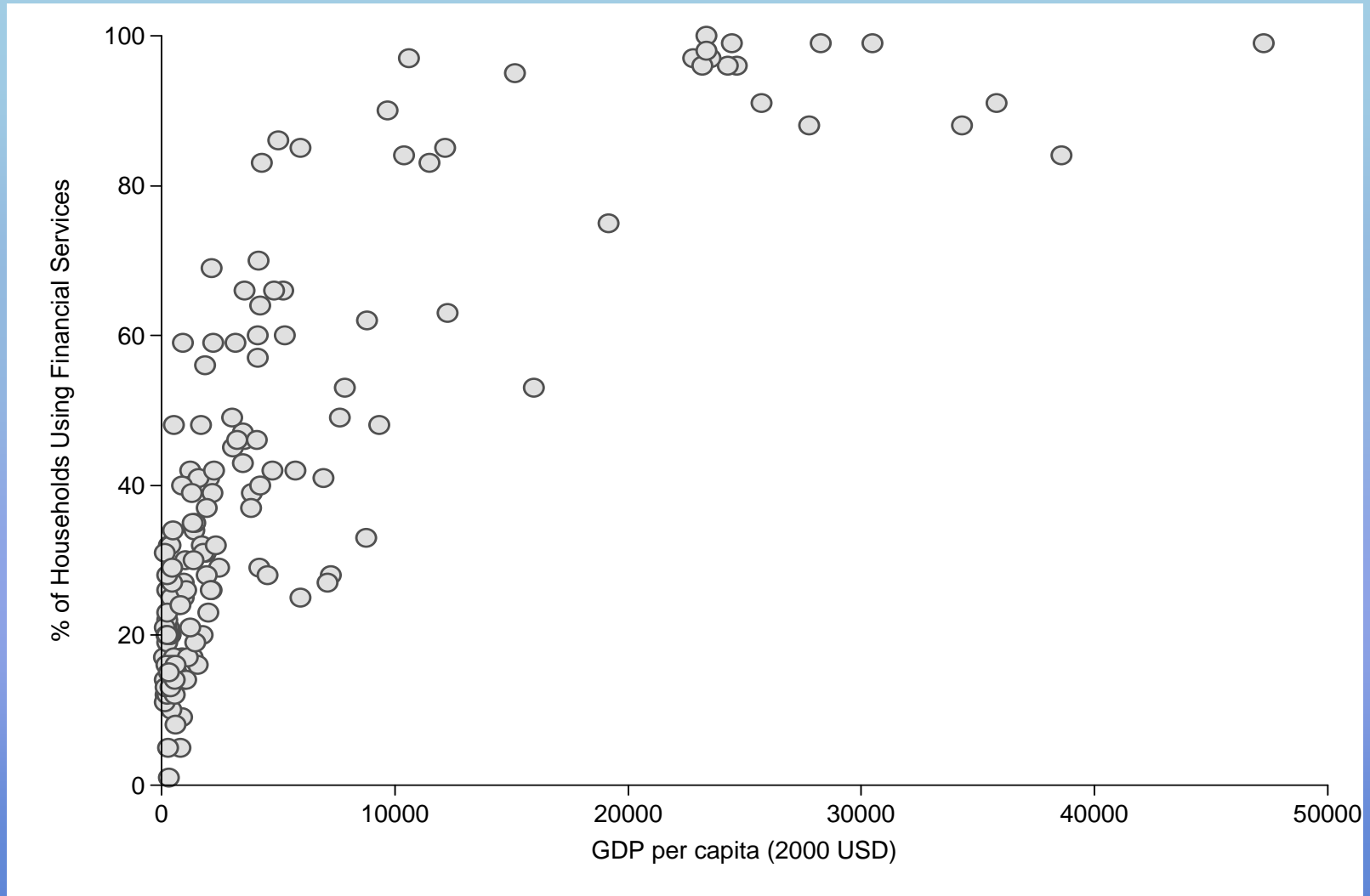
The World Bank

ABCDE, Bled May 17, 2007

Fraction of Households with an Account



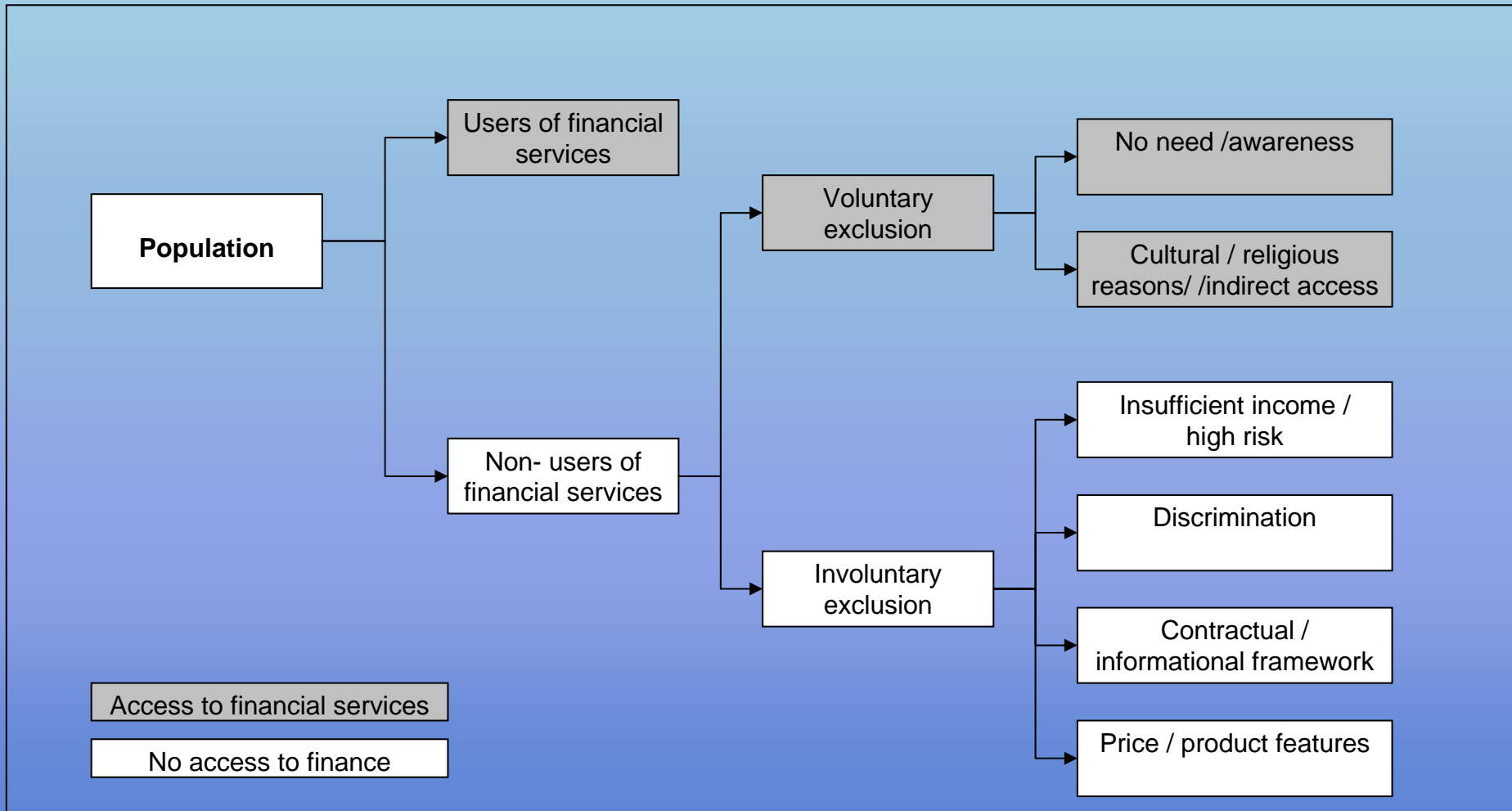
Economic Development and Use of Finance



Defining “access” is not easy

Access vs. Usage

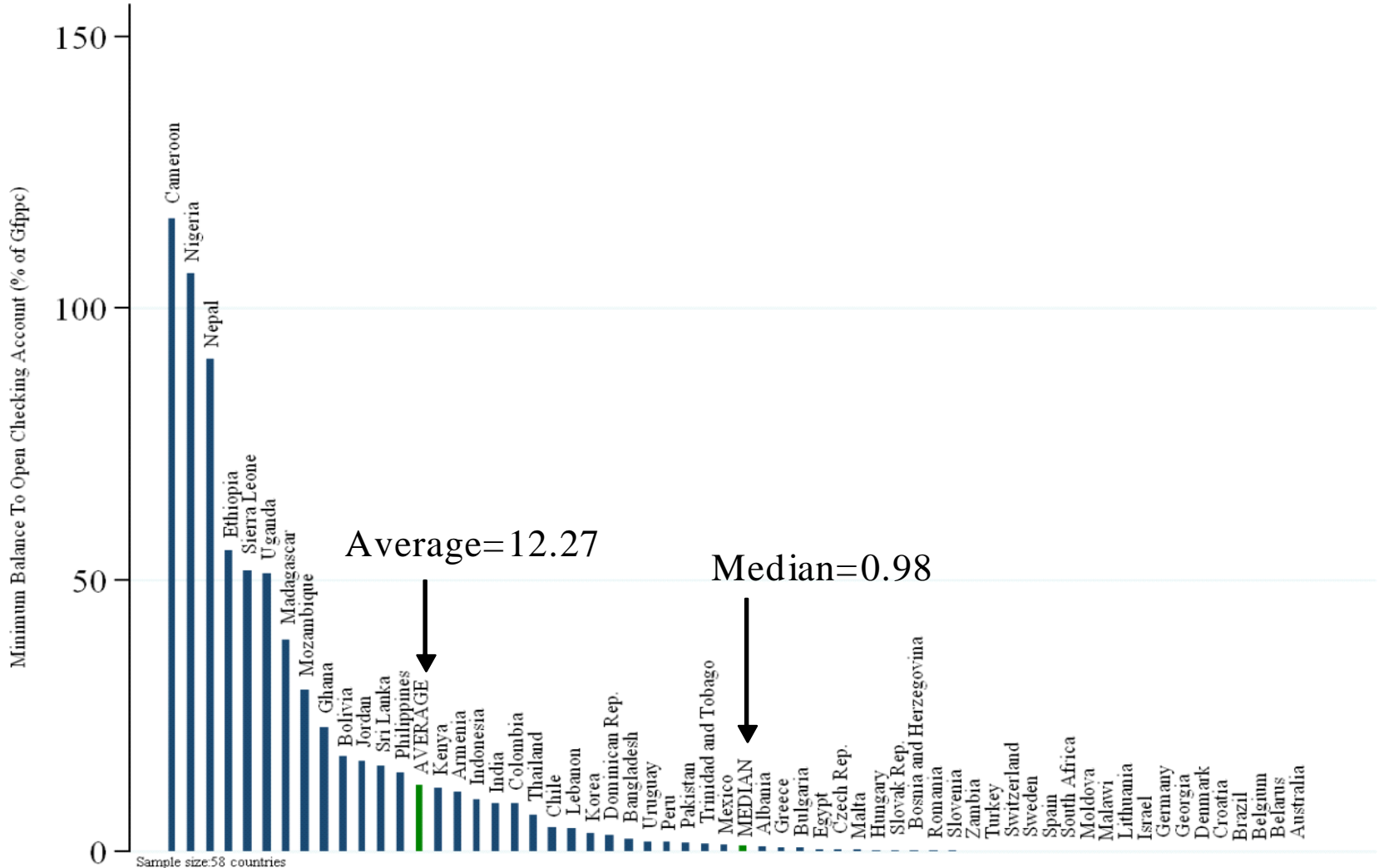
Access vs. Use



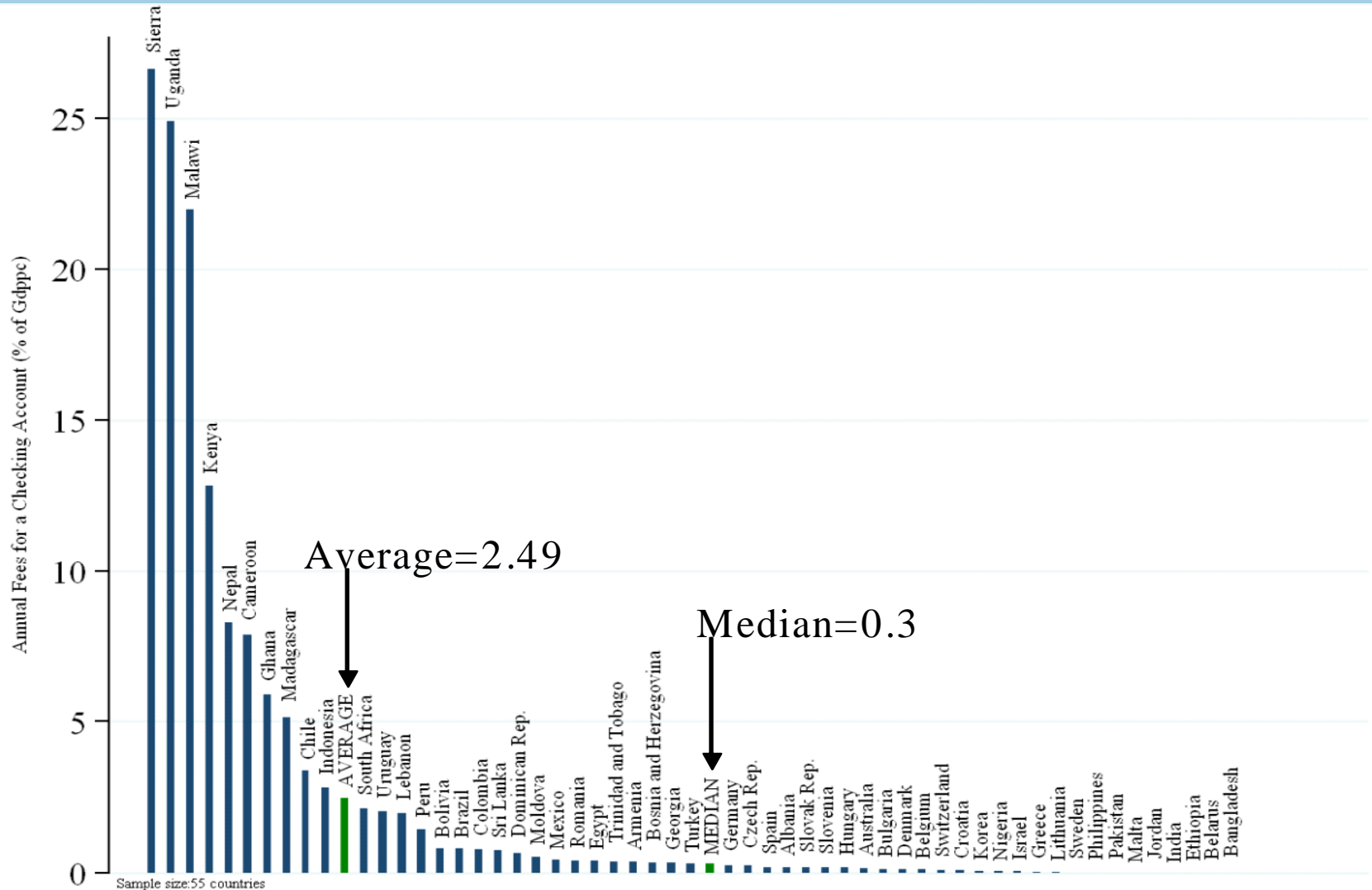
Barriers to Access- Bank Surveys

- 209 banks in 62 countries (minimum of 30% of loans)
 - Minimum required deposit and loan balances,
 - Various deposit, loan and payment fees
 - Bureaucratic documentation, paperwork, procedures
- Barriers to
 - Opening and maintaining an account
 - Applying/processing, getting a loan
 - Paying bills, making money transfers

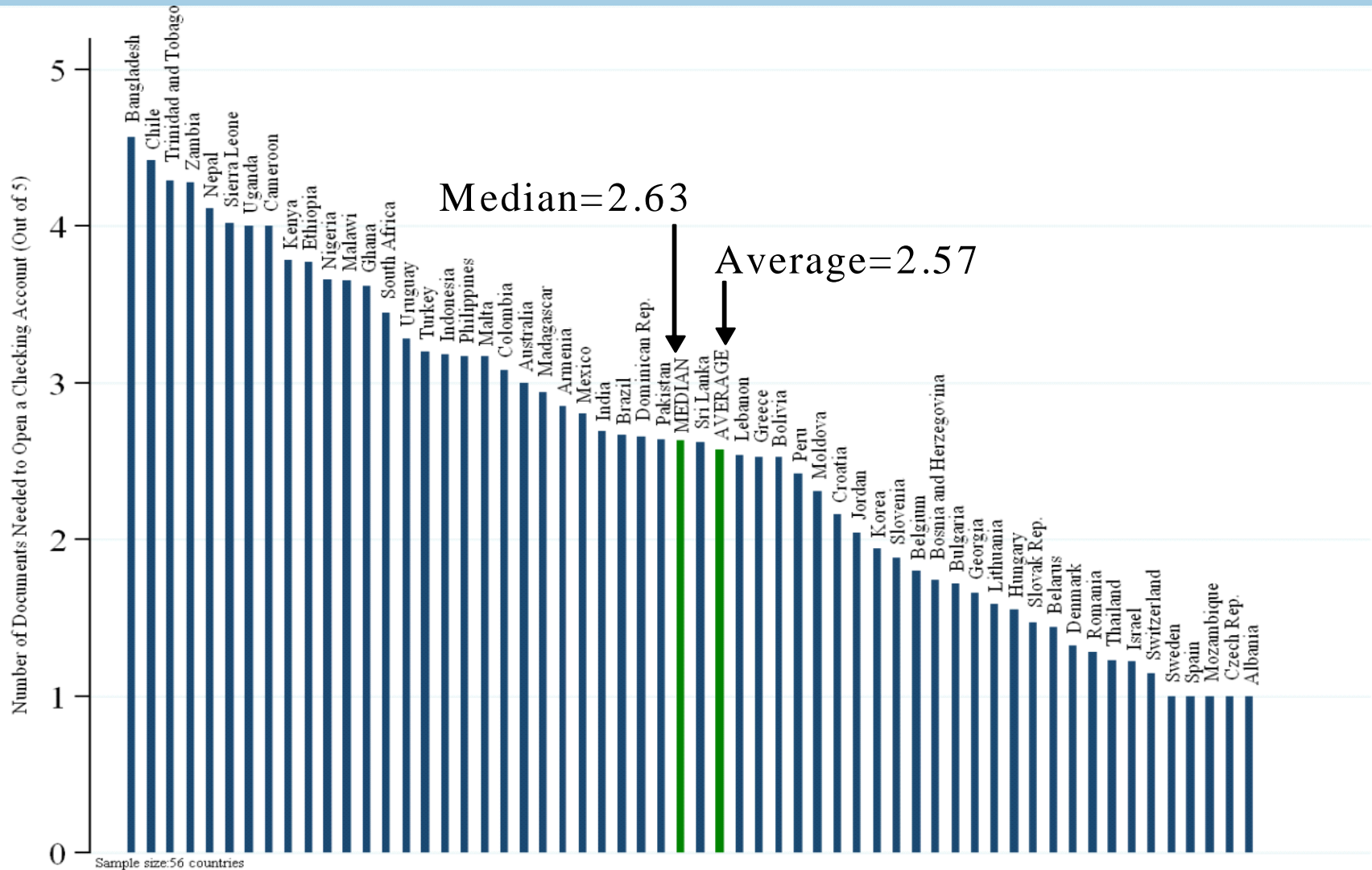
Minimum Balance to Open Checking Account (% of GDPPC)



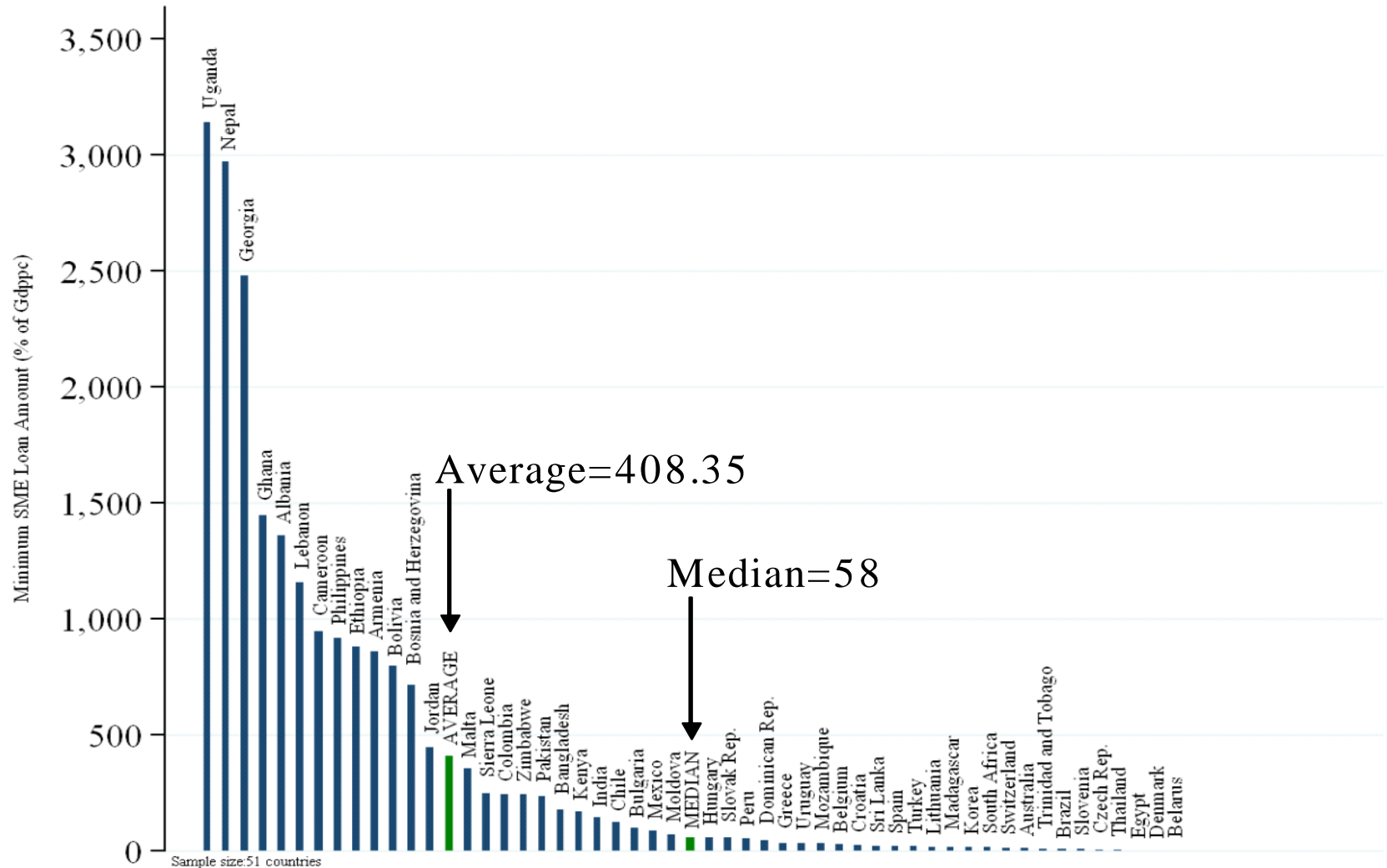
Annual Fees for a Checking Account (% of GDPPC)



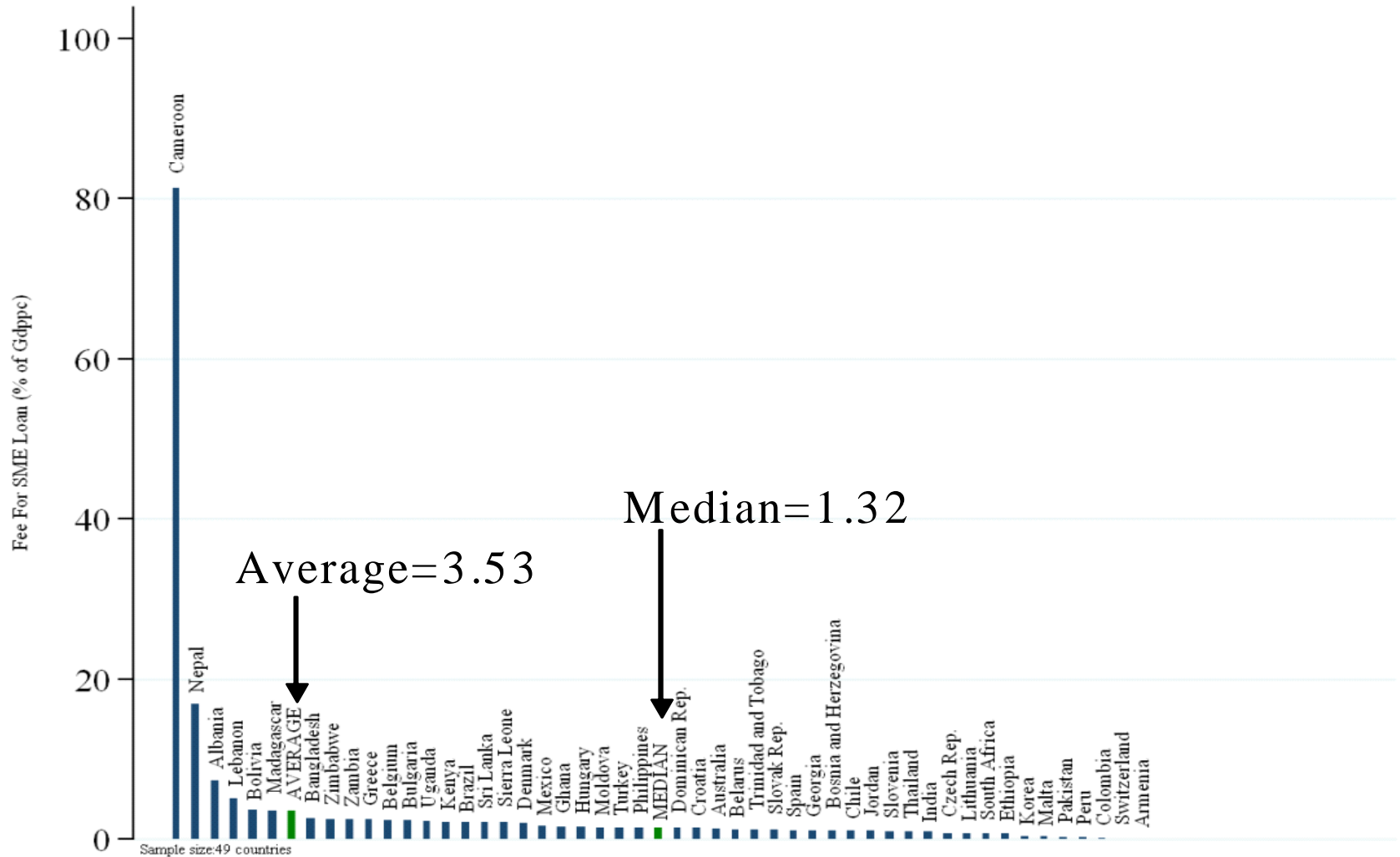
Number of Documents Needed to Open a Checking Account



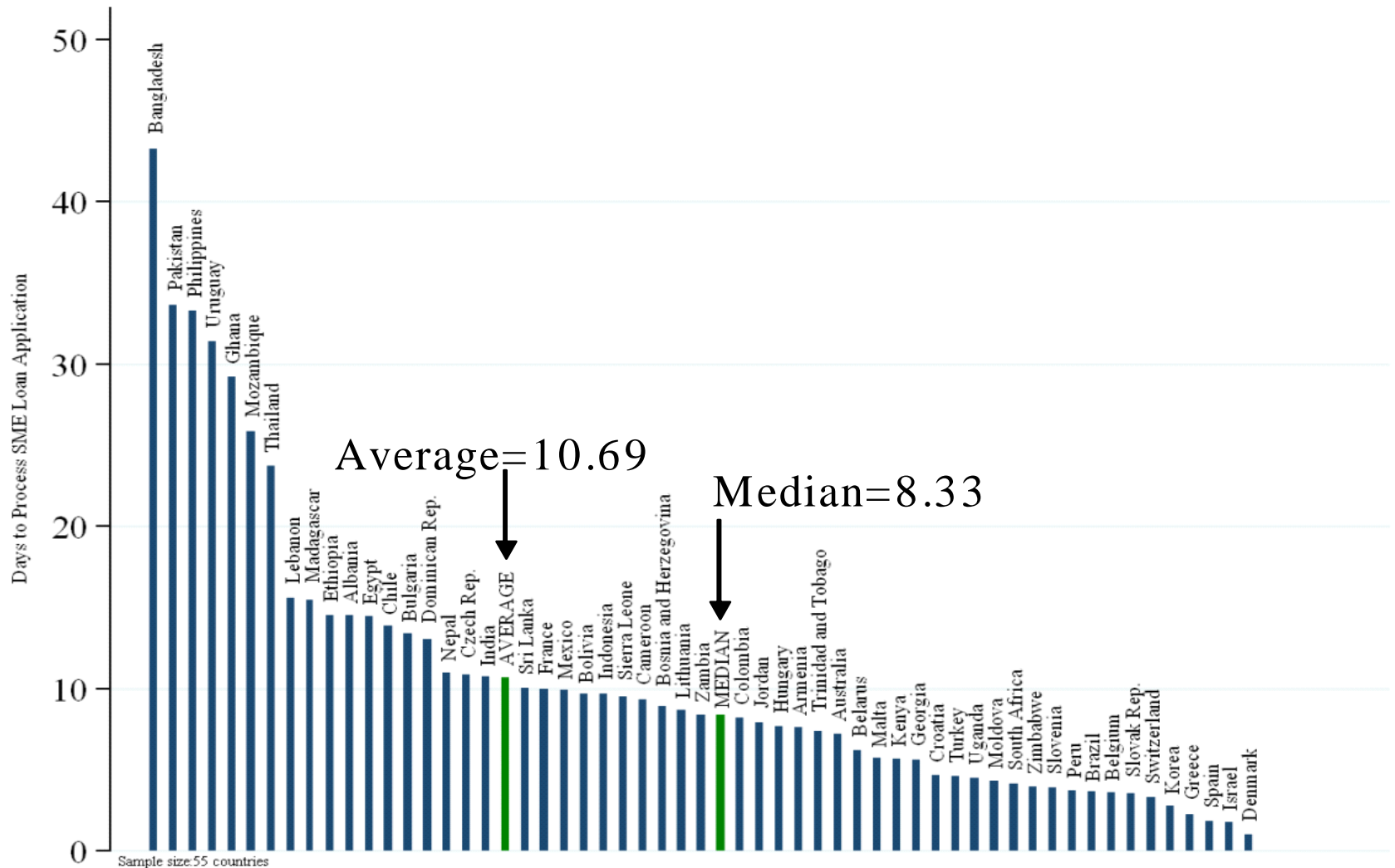
Minimum Loan Size Required for SME Loans (% of GDPPC)



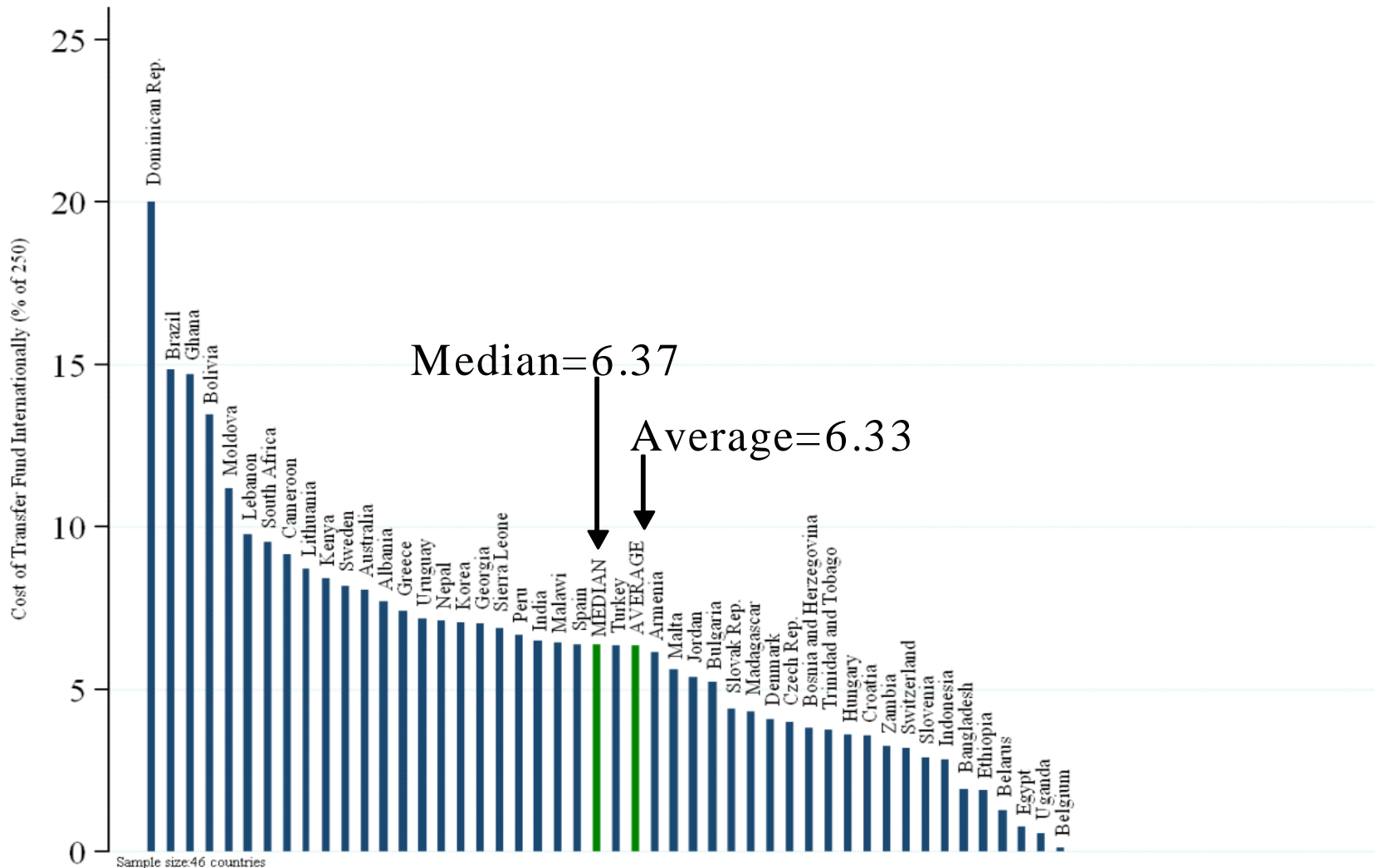
Fees on SME Loans (% of GDPPC)



Days to Process a SME Loan Application



Cost to Transfer Funds Internationally (% of US\$250)



Barriers and Financial Exclusion

- In 10 out of 48 countries where we calculate that 30% of households cannot afford checking accounts.
- In 7 countries, more than 50% of the population is excluded.

Barriers are lower in countries with:

- Better contractual/information systems
- Greater openness and competition in banking
- Greater transparency standards
- Market-based supervision and regulation

Further Work

- More data, better data, more countries
- What does more access do?
- Which policies effectively broaden access?

Thank you

<http://econ.worldbank.org/programs/finance>