

Case Studies on the Use of Financial Inclusion Data

The GPI has recognised the importance of reliable data on which to base informed financial inclusion policies and interventions since its inception. The Data and Measurement sub-group gave substance to this by providing a framework for data collection, encapsulated in the initial G20 Basic Set of financial inclusion indicators, subsequently expanded to the more holistic [G20 Financial Inclusion Indicators](#)¹. These indicators capture the financial inclusion dimensions of access, usage and quality of service provisioning, both for individuals and for small enterprises. Using [existing data to populate the indicators](#)² has provided a solid basis for countries to assess the state of financial inclusion and focus national data collection efforts.

The objective of driving financial inclusion forward has resulted in a focus on financial inclusion targets, at both global and national levels. As indicators of financial inclusion are crucial to an informed approach to targets (and policy formulation in general), the Data and Measurement sub-group developed an approach to target setting based on financial inclusion archetypes and [a note on global and national targets](#)³ and what each of these should focus on. During this work it became apparent that there is neither a single approach to policy formulation and target setting that is applicable to all countries nor an ideal model that all countries can benchmark themselves against and set policies and targets accordingly. Each country is unique, with a specific set of circumstances, priorities and capabilities to deal with in the national policy framework of the country. The golden thread linking successful policy interventions would appear to be the use of the indicators, supplemented with relevant data on specific issues or areas of focus, informing financial inclusion policy makers on actions, policies and targets.

Building on the GPI concept of peer learning, the sub-group viewed that the best way to demonstrate how data translates into evidence-based policies in specific context would be case studies of countries' experience in the use of financial inclusion data. The Alliance for Financial Inclusion (AFI) played a key role in canvassing members of the AFI network and coordinating the work to complete the country case studies. Apart from demonstrating the use of data in the financial inclusion development of the countries, a useful by-product of the case studies is the description of particular elements of each country's financial inclusion journey. It is hoped that the use of financial inclusion data and indicators, as well as the description of which and how issues were addressed would be informative for the readers of the studies.

¹ <http://www.gpi.org/data>

² <http://datatopics.worldbank.org/g20fidata>

³ GPI. *Financial Inclusion Targets and Goals: Landscape and GPI View*, October 2013.

It is the intention that more case studies will be added in the future, increasing the richness of the available shared experiences. The GPFi would like to thank the countries that have already contributed to this effort to provide real-life examples of the advancement of financial inclusion through informed action. Readers who would like to explore the case studies in more detail are encouraged to contact the authoring organisations through the Alliance for Financial Inclusion (AFI) Financial Inclusion Data Working Group. The contact details can be obtained from the AFI website www.afi-global.org.

Key themes from the case studies

Although countries' own financial inclusion journeys are highly context-specific, a number of common themes emerge that highlight the usefulness of data and elements of 'best practice' in using data to inform policy making.

- **Data as an enabler of target setting**

Quantitative data enables countries to set national-level targets in financial inclusion, monitor progress towards meeting the targets, and adjust them over time.

- **Contesting status quo assumption**

Data could improve policy outcomes, partly because it can expose incorrect beliefs held by policymakers that would otherwise go uncontested.

- **A mutually reinforcing relationship between data collection and policy formulation**

The relationship between data and policy is not necessarily one-way, but rather a virtuous cycle where efforts in the latter can also reinforce efforts in the former. An introduction of new policy sometimes entails a collection of more detailed and precise data for impact evaluation or supervision purpose. At other times, it even catalyses the creation of a new administrative unit charged with collecting and analyzing data.

- **Collaboration in data gathering**

During data collection, collaboration among policymakers, stakeholders, and data experts is critical for the success of evidence-based policy formulation, especially where the government faces capacity constraints. Collaboration leverages participants' unique and complementary skill sets, thereby bringing efficiency to the whole process.

- **Partnership in Policy Formulation and Financial Products Design**

Evidence-based policymaking and stakeholder engagement should be viewed as complementary activities, rather than as substitutes. Partnership with stakeholders can improve the robustness of policy changes because they often bring crucial insights not revealed by the data. Secondly, such partnership can help secure stakeholders' buy-in, which is essential for the policy's success.