

Financial Inclusion for All A Step towards Financial Literacy and Client Awareness

The art of dealing with the mismatch of income and consumption is called 'consumption smoothing', and most of us do it on daily basis. Modern banking and finance specially microfinance sector has largely evolved to facilitate people struggling with consumption smoothing. The financial losses from an unexpected car crash can be mitigated with insurance, a sudden rise in business expenses can be met with a loan, and savings apportioned for the future can earn interest if kept in a savings account rather than at home. People who can avail the benefits of formal banking and finance are called the 'financially included'. These are individuals with formal financial account, be it a bank account or a mobile money account.

Did You Know?

Globally, more men have bank accounts than women (65% to 58%). This discrepancy is highest in areas of South Asia, where it reaches 55% male vs. only 37% female account ownership. (The World Bank, 2018)

Financial inclusion is on the rise globally, accelerated by mobile phones and internet, but gains have been uneven across countries. In Pakistan, only 21% people are financially included.

Microfinance sector introduces services that can promote employment and economic growth to support micro-entrepreneurs as well as poor communities so that they can manage their overall finances. However, there is an imbalance; as the customers are less



experienced and the products they can choose are more sophisticated. This imbalance holds real potential for negative outcomes due to institutional exploitation or ill-informed client decisions.

Financial education is very critical for financial inclusion as it can facilitate effective use of microfinance products and services, and can help clients to develop the skills to make better financial choices and empower them to exercise their rights and responsibilities in the consumer protection equation. Its power lies in its potential to be relevant to anyone and everyone, from the person who contemplates moving savings from under the mattress to a community savings group, to the saver who tries to compare account choices offered by competing banks.

Current developments in microfinance are both exciting and potentially perilous. To take advantage of the former and protect against the latter, PMN acquired services of ECI to develop, design and execute a nationwide campaign of placing the client at the center of their efforts embracing financial education. This campaign was titled "Financial Inclusion for All" and was tailored to the



specific context of Microfinance borrowers, helping them understand how financial instruments, formal or informal, can address their daily financial concerns, from the vagaries of daily cash flow to risk management. The campaign was completed in 2 years.

In this campaign, the inclusion of marginalized sections of society (disabled and transgender) was highlighted as well and female-centric messages were specifically developed and disseminated through different modalities. Various modalities were used to disseminate the messages including TVCs, animations, street plays, orientation sessions, social media, and posters. The TVCs were greatly appreciated by the State Bank of Pakistan and other stakeholders.

The TVCs on inclusion of women and marginalized groups were aired 60 times on ARY News and Samaa TV for fifteen days and they received a collective reach of 14,530,000 audience. The animated videos were advertised on 76 cable channels and different microfinance institutions (MFIs) displayed the animated videos and posters (on different 6 different themes) in their institutes. 47 street plays (24 in Punjab and 23 in Sindh) were carried out on the topics of financial literacy, women inclusion and daily financial concerns, etc. In Punjab, 1,493 (973



Quarter 1: Pre-Assessment online survey and Need Assessment Survey was conducted across the country.

Quarter 2: Designed and Development of ToF, IEC and Media Material.

Quarter 3 and 4: Development of Campaign Material.

Quarter 5: Production of Campaign Material.

Quarter 6: Post-production of Campaign Material.

Quarter 7: Feedback and Finalization of Campaign Material.

Quarter 8: Campaign Launch and Monitoring.

males and 520 females) whereas in Sindh, 1,311 (503 males and 808 females) people received financial education messages through these plays. Moreover, two 1-day orientation sessions on financial education and literacy also took place for staff of MFIs to execute this campaign, one in Lahore (20 participants) and the other in Karachi (19 participants).

The campaign was effective, and far-reaching impacts were observed. But the important question is how to sustain the effectiveness and impacts of this campaign? Ultimately long-term sustainability, and the ability to demonstrate value, will depend on the effectiveness of a program and this campaign should not be seen as an end. For our less privileged and mostly financially excluded masses, we must bring more financial educational campaigns in the future.

