



Measures of financial inclusion – a central bank perspective

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Financial inclusion and central banking - Overview

1. Introduction
2. Definitions
3. Central banks' mandates
4. Central banks' objectives
5. Data issues
6. International collaboration



1. Introduction: central banks' interest in financial inclusion

Economic
welfare &
development

Monetary
& financial
stability

Payments
systems

Impact of
financial
inclusion
policies

- Irving Fisher Committee on Central Bank Statistics (IFC) 2015 survey of member central banks

see: http://www.bis.org/ifc/publ/ifc_finan_inclu.pdf

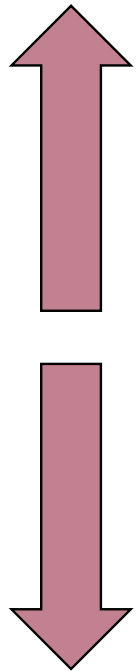


2. Financial inclusion definitions

- Broadly defined as population's access to financial services
- Main current focus:
 - Supply and demand dimensions
 - Effective use & quality of financial services
- Lower focus on:
 - Financial literacy
 - SME financing
 - Quality of infrastructure (legal, financial, telecom etc.)

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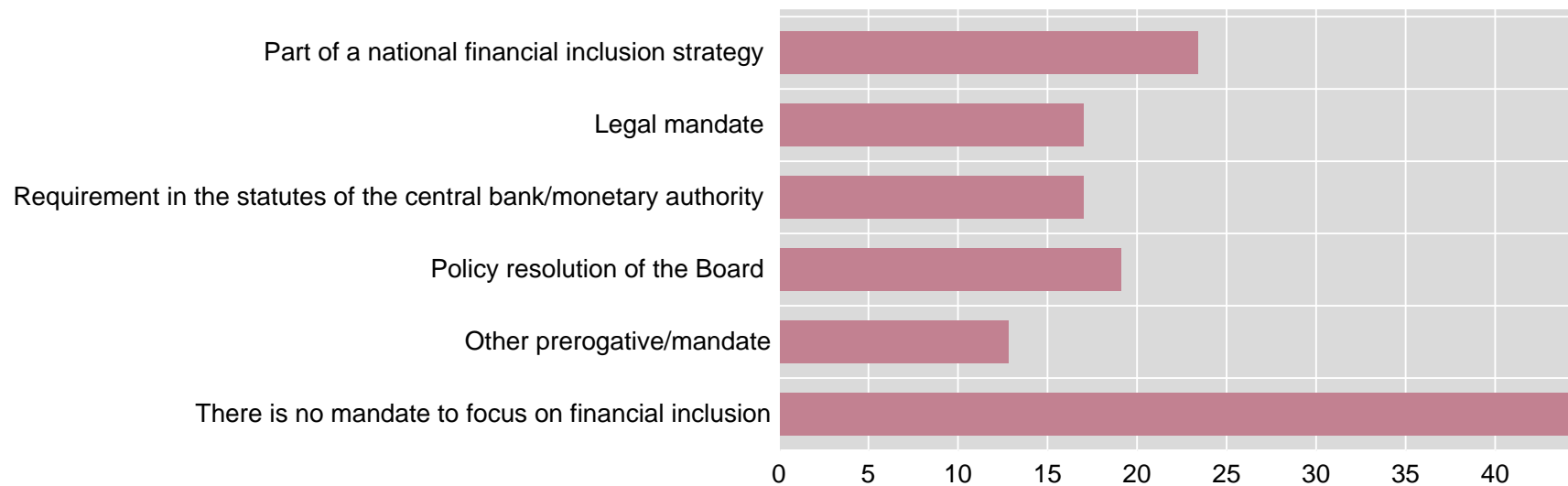
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3. Half of central banks have no financial inclusion mandate

What type of mandate does your institution have to focus on financial inclusion?

Several answers possible

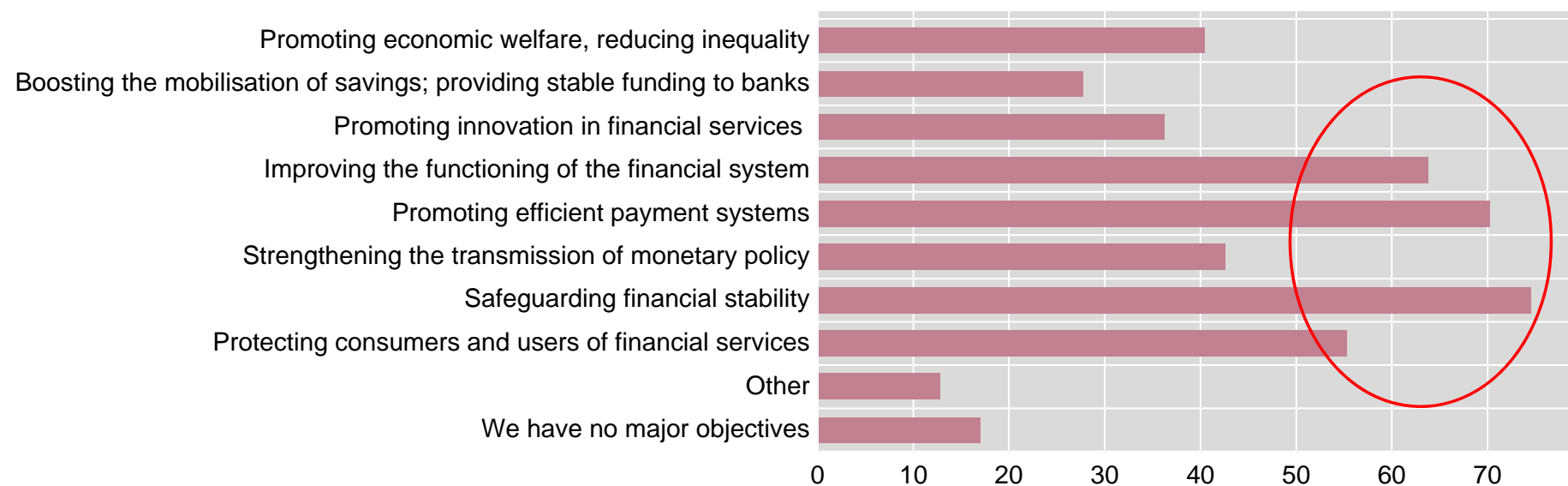


Source: IFC survey on financial inclusion, 2015.

4. Most CBs have objectives related to financial inclusion

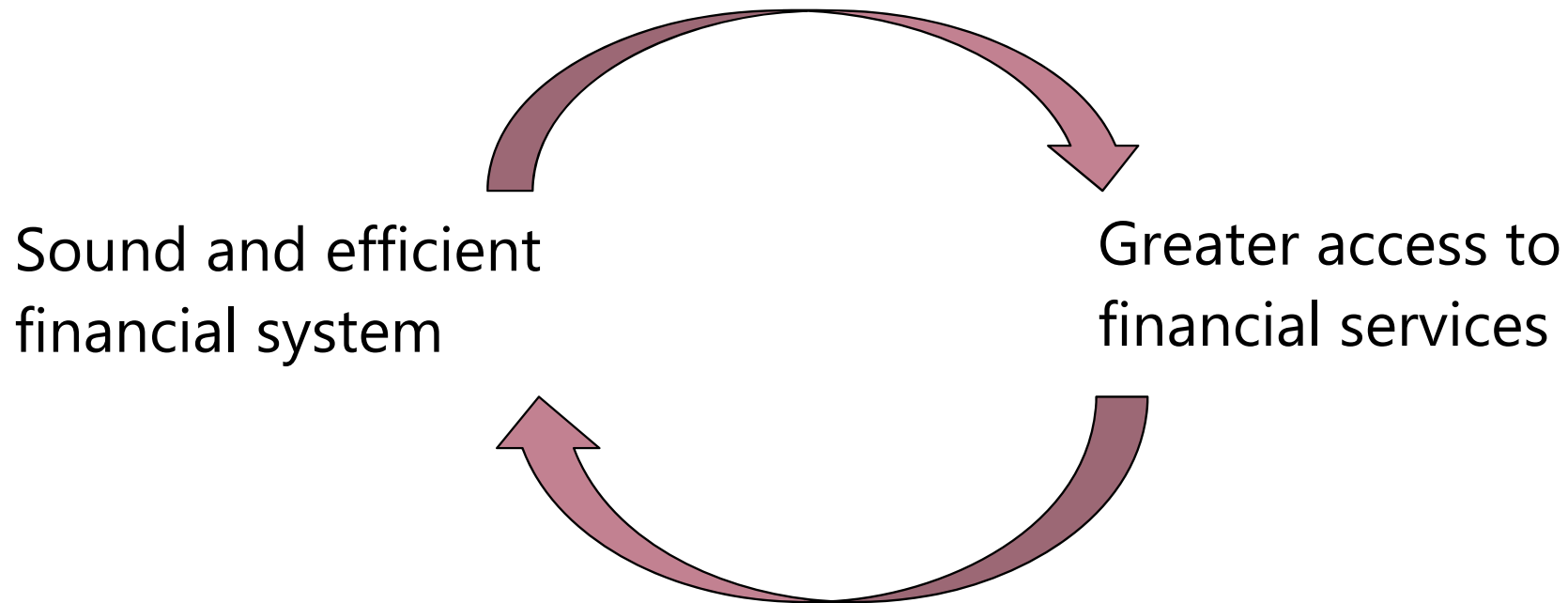
Major central bank objectives relating to financial inclusion

Several answers possible

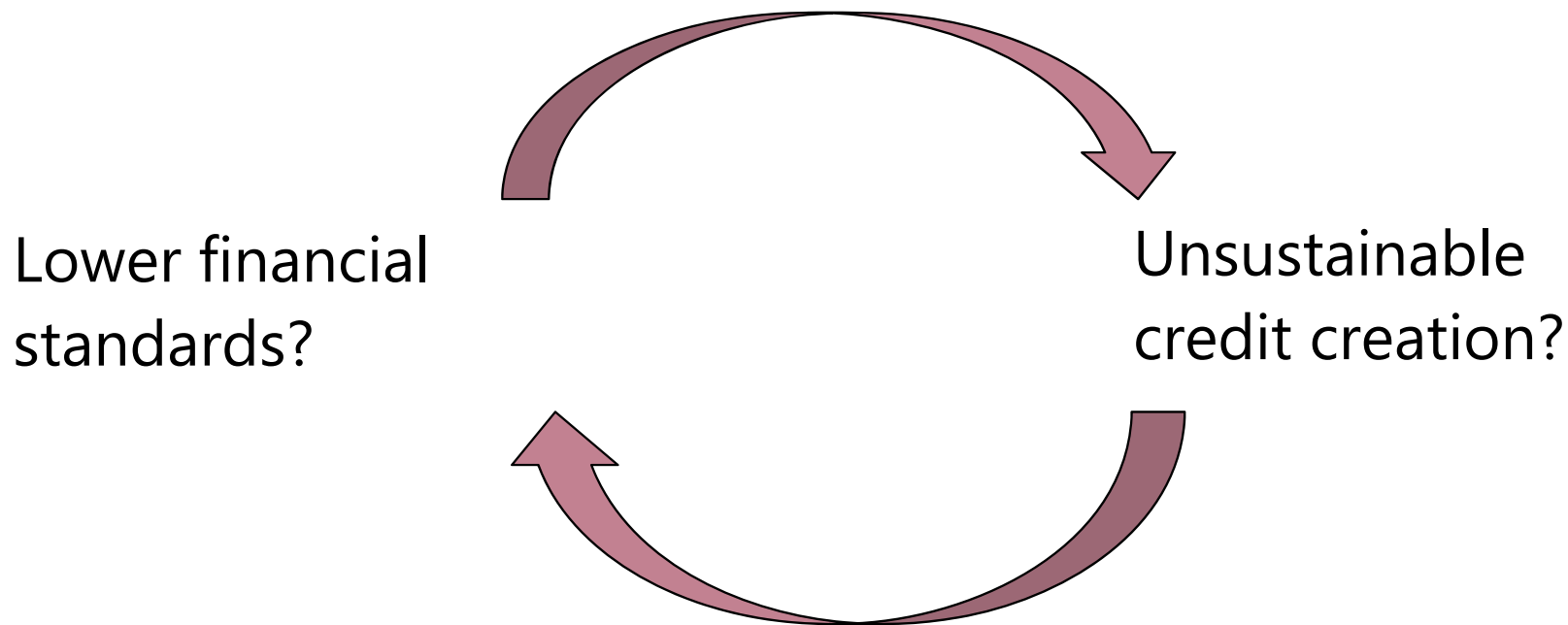


Source: IFC survey on financial inclusion, 2015.

4. (cont'd) Financial inclusion and stability : virtual cycle ...



4. (cont'd)... versus financial stability dilemma



Data issues

- Central Banks are often primarily responsible for data collections
- Main gaps:
 - Quality of financial services
 - Selected supply-side indicators (eg non-bank providers)
 - Assessing policy implementation
- Synthetic indicator versus dashboard?



International collaboration

- Clear benefits:
 - Benchmarking
 - Best practices
 - Data-sharing
- Yet definitions and measures not fully harmonised...
... not least because of the need to capture local characteristics



Conclusion – IFC Report recommendations

1. No standard **definition** of financial inclusion
2. Importance of **central bank** contributions
3. Need for **coordination** of financial inclusion policies
4. **Data gaps** remain (access, usage, quality, SME financing, policy implementation)
5. Benefits of cross-country **cooperation**
6. Scope for international **data-sharing**



Thank you!!



Questions?

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IFC Report on "Measures of financial inclusion – a central bank perspective" (2016)

