The Global Findex 2021
Financial Inclusion, Digital Payments, and Resilience in the Age of COVID-19

REPORT HIGHLIGHTS

INDIA
Thematic Main Messages:

Technology enabled accounts:
• Digital financial services (mobile money, cards, and e-wallets) have catalyzed account usage around receiving and making payments, saving, storing money, and borrowing
• Mobile money in Sub-Saharan Africa and Asia has driven growth in account ownership, digital payments, and formal savings

Gender:
• In developing economies, the gender gap across access and usage remains – but has significantly narrowed

COVID-19:
• In some economies, the pandemic accelerated the use of digital payment
Financial inclusion continues to be on the rise globally

Account ownership rates vary across the world
Adults with an account (%), 2021

Source: Global Findex Database 2021.
In India, account ownership more than doubled in the past decade
Widespread growth in account ownership has enabled equitable inclusion

Source: Global Findex Database 2021.
India is home to 230 million unbanked adults – the highest in the world

Unbanked adults lack the confidence to manage an account by themselves

Adults with no account who said they could not use one without help

- Brazil
- China
- India
- Indonesia
- Kenya
- Russian Federation
- South Africa
- Türkiye

Source: Global Findex Database 2021.
India has the world's largest share of inactive accounts

More men with an inactive account (34 percent) than women with an inactive account (26 percent) gave the reason that they did not feel comfortable using an account by themselves.

About one-third of account owners in India had inactive accounts

Adults with an account (%), 2021

Source: Global Findex Database 2021.
In India, 35% of adults – 45% of account holders – made or received a digital payment

<table>
<thead>
<tr>
<th>Country</th>
<th>2017</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td></td>
<td></td>
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<tr>
<td>China</td>
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<tr>
<td>India</td>
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<tr>
<td>Indonesia</td>
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<tr>
<td>Kenya</td>
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<tr>
<td>Russian Federation</td>
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<tr>
<td>South Africa</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Türkiye</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Global Findex Database 2021.
20% of adults in India received at least one payment from the government

More than 50% adults in India who received G2P payments did so digitally

Most adults who received government payments did so into an account
Adults receiving government payments in the past year (%) 2021

- Brazil
- China
- India
- Indonesia
- Kenya
- Russian Federation
- South Africa
- Türkiye

Source: Global Findex Database 2021.
34% of private sector wage earners in India received their wages into an account.
8% of adults in India made digital merchant payments for the first time after the start of COVID-19

Some developing economies saw rapid increases in digital merchant payments after the start of COVID-19

Adults with an account (%) 2021

- **Argentina**
- **Brazil**
- **China**
- **India**
- **Indonesia**
- **Kenya**
- **Mongolia**
- **Peru**
- **Philippines**
- **Russian Federation**
- **South Africa**
- **Türkiye**

- Made digital merchant payments for the first time after the start of COVID-19
- Made digital merchant payments, but not for the first time after the start of COVID-19
- Did not make digital merchant payments

Source: Global Finex Database 2021.
7% of adults in India paid their utilities digitally for the first time after the start of COVID-19

Methods for making utility payments varied widely across developing economies

<table>
<thead>
<tr>
<th>Country</th>
<th>Adults paying utility bills in the past year (%)</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>From an account, for the first time after the start of COVID-19</td>
<td>20%</td>
</tr>
<tr>
<td>China</td>
<td>From an account, for the first time after the start of COVID-19</td>
<td>40%</td>
</tr>
<tr>
<td>India</td>
<td>In cash only</td>
<td>30%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>Using another method</td>
<td>20%</td>
</tr>
<tr>
<td>Kenya</td>
<td>From an account, for the first time after the start of COVID-19</td>
<td>20%</td>
</tr>
<tr>
<td>Russian Federation</td>
<td>From an account, for the first time after the start of COVID-19</td>
<td>40%</td>
</tr>
<tr>
<td>South Africa</td>
<td>In cash only</td>
<td>20%</td>
</tr>
<tr>
<td>Türkiye</td>
<td>Using another method</td>
<td>20%</td>
</tr>
</tbody>
</table>

Source: Global Findex Database 2021.
Savings was relatively low in India in 2021

In India, 24 percent of adults saved or set aside money
Adults saving any money in the past year (%) 2021

- Brazil
- China
- India
- Indonesia
- Kenya
- Russian Federation
- South Africa
- Türkiye

Source: Global Findex Database 2021.
Note: Though people may save in multiple ways, the categories in the figure are constructed to be mutually exclusive. Savings data is not collected in most high-income countries.
45% of adults in India borrow, but a minority of them do so formally

13% of adults borrow formally, 31% of adults borrow from family and friends

Source: Global Findex Database 2021.
In India, almost 50% of adults receiving digital payments also made digital payments.

Source: Global Findex Database 2021.

Note: Inflows and usages are shown as percentages of the 19 percent of adults receiving a payment into an account.
Digitalizing cash payments presents an opportunity to expand account ownership in India

**Millions of unbanked adults in India made or received payments in cash**

Adults without an account made or received payments in cash (million), 2021

- Unbanked adults who only received agricultural payments in cash
- Unbanked adults who only received government transfer or pension payments in cash
- Unbanked adults who only received private-sector wages in cash
- Unbanked adults who only received public-sector wages in cash
- Unbanked adults who only saved semiformally in cash

Source: Global Findex Database 2021.
Digitalizing cash payments also presents an opportunity to increase usage of inactive accounts

Banked adults in India made or received payments in cash
Adults with an account made or received payments in cash (million), 2021

- Account owners who only received government transfer or pension payments in cash
- Account owners who only received private-sector wages in cash
- Account owners who only received public-sector wages in cash
- Account owners who only received or sent remittances in cash
- Account owners who only paid utilities in cash

Source: Global Findex Database 2021.
Adults in India lack financial resilience

1 in 2 adults find it very difficult to come up with emergency money within 30 days

Family and friends are the most common source of emergency money in India
Adults identifying the source of, and assessing how difficult it would be to access, emergency money (%), 2021

- Family: 12% somewhat or not difficult at all, 21% very difficult, 10% not possible
- Work: 10% somewhat or not difficult at all, 19% very difficult, 8% not possible
- Savings: 19% somewhat or not difficult at all, 5% very difficult, 5% not possible
- Borrow: 12% somewhat or not difficult at all, 12% very difficult, 12% not possible
- Sell assets: 8% somewhat or not difficult at all, 19% very difficult, 19% not possible
- Other: 31% somewhat or not difficult at all, 52% very difficult, 12% not possible

Source: Global Findex Database 2021.
Note: A small share of adults did not now or refused to disclose their main source of emergency money.
Financial sector transformations that can encourage account ownership and usage

<table>
<thead>
<tr>
<th>Physical branches</th>
<th>Agents and mobile technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash-based government payments</td>
<td>Electronic deposits into accounts</td>
</tr>
<tr>
<td>Cash-based bill payments</td>
<td>Direct payments from an account</td>
</tr>
<tr>
<td>Cash-based merchant payments</td>
<td>Direct payments using a card, phone, or internet</td>
</tr>
<tr>
<td>Saving at home</td>
<td>Automatic transfers into savings</td>
</tr>
</tbody>
</table>
Thank you

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