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# Economic and Social Survey of Asia and the Pacific **2022**

Economic Policies for an Inclusive Recovery and Development

## ONLINE ANNEXES

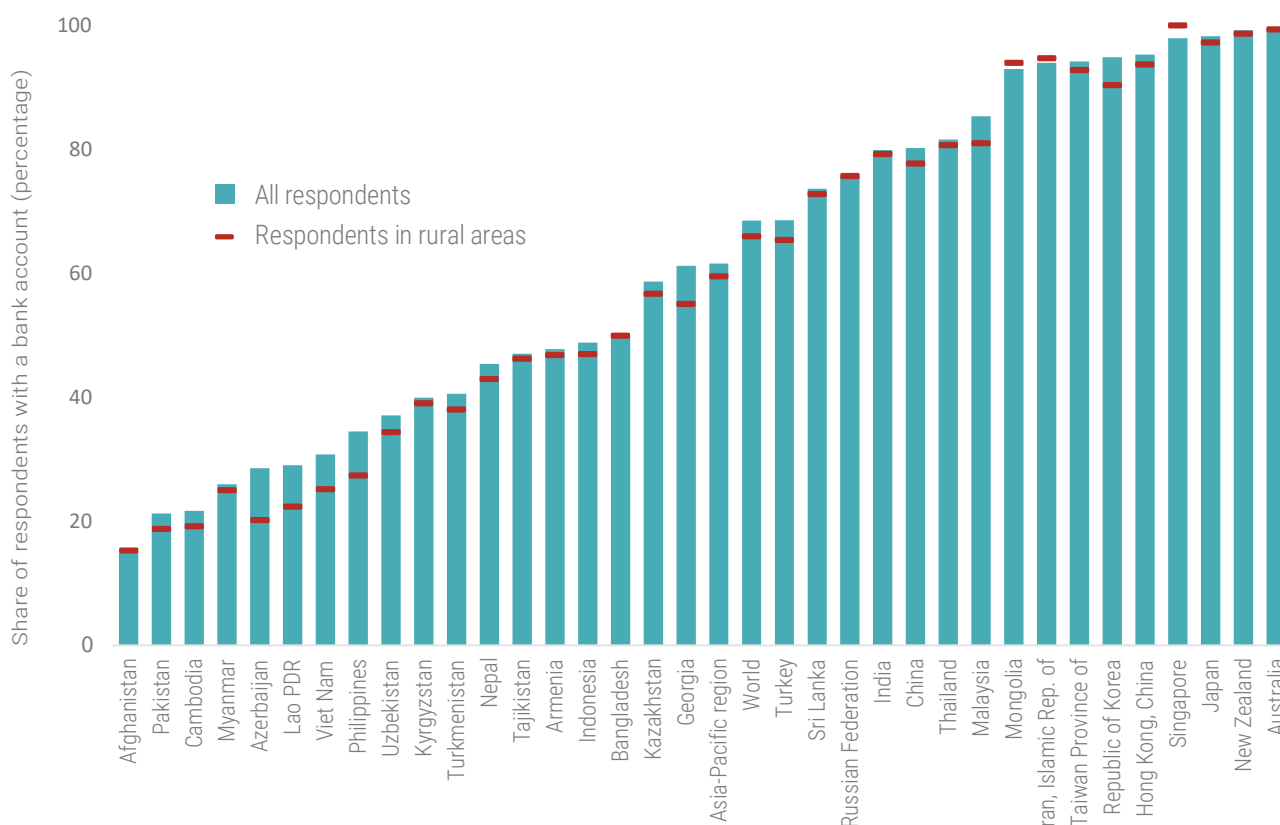
- Annex 1.** Financial inclusion and literacy in Asia and the Pacific
- Annex 2.** Central banks' internal corporate actions to promote inclusive development

## Annex 1. Financial inclusion and literacy in Asia and the Pacific

The level of financial access varies notably across Asia-Pacific economies. Measured by the share of survey respondents aged 15 and older who have a bank account, such ratios range from below 20 per cent in Afghanistan, Cambodia and Pakistan to virtually 100 per cent of the respondents from high-income Asia-Pacific economies (figure A.1.1). On average, about 62 per cent of the respondents from the region have a bank account, which is below the global average of 69 per cent.

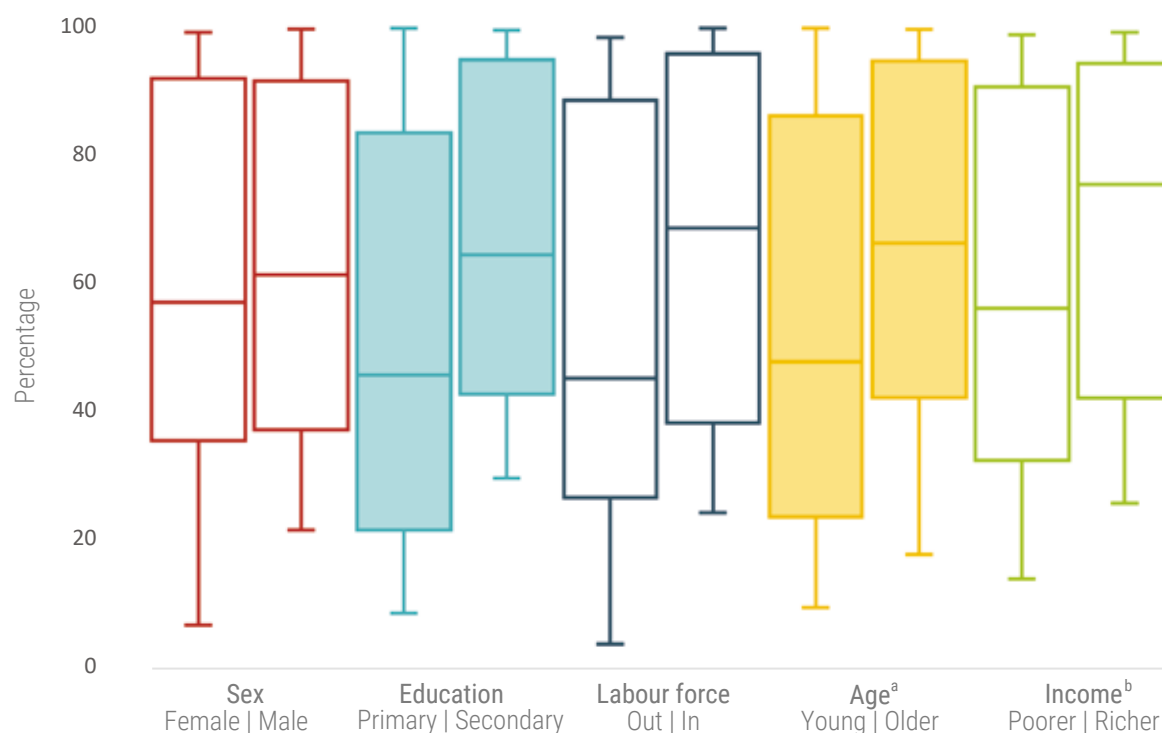
Within countries, financial access is diverse across population groups. Among other characteristics, the variation is most notable between people in and out of the labour force, followed by those classified between richer and poorer (figure A.1.2). Based on the median values across Asia-Pacific economies, about 68 per cent of people in the richest 60 per cent of households are banked, while this figure is lower at 48 per cent of people in the poorest 40 per cent. As expected, account ownership among women, younger people and those with less educational attainment fares worse than among their opposite counterparts.

**FIGURE A.1.1**  
Bank account ownership remains low in many Asia-Pacific economies



Source: ESCAP, based on Demirgüç-Kunt, and others (2017).

**FIGURE A.1.2**  
**Bank account ownership varies notably across certain individuals' characteristics**



Source: ESCAP, based on Demirgüç-Kunt, and others (2017).

Note: The upper and lower limits of the enclosed box correspond to the 75th and 25th percentiles, respectively. The horizontal line within the box depicts the median. The vertical line shows the range with the uppermost (lowermost) point reflecting the maximum (minimum) values.

<sup>a</sup> "Young" includes persons 15-24 years old; "older", ages 25 and older.

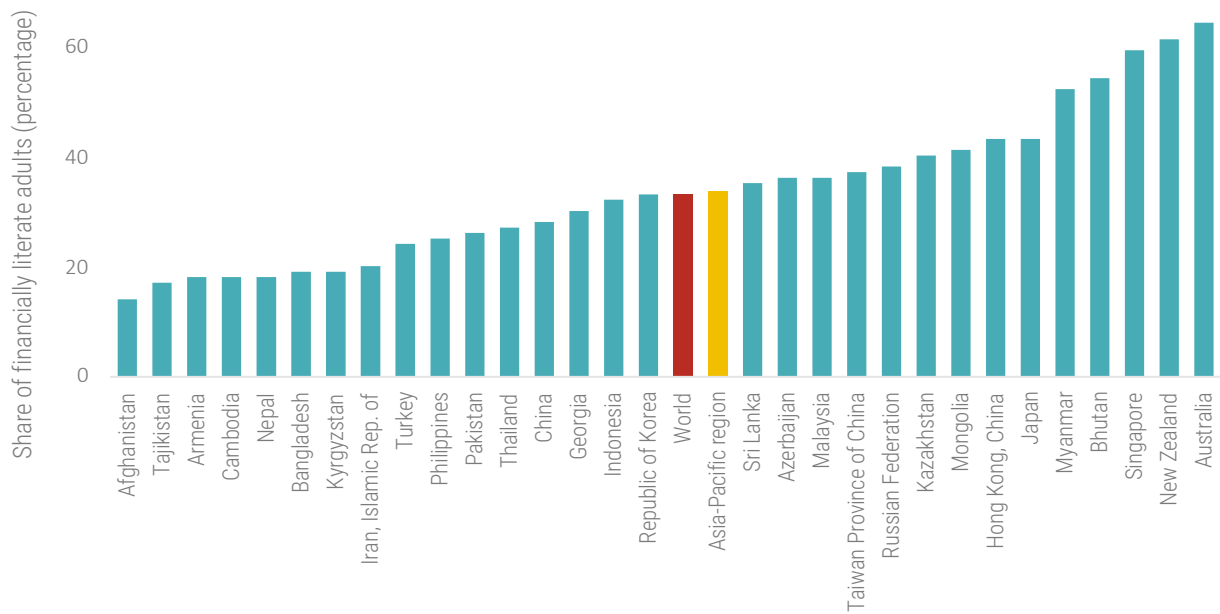
<sup>b</sup> "Poorer" refers to the bottom 40 per cent of households; "richer", to the top 60 per cent.

Although the share of unbanked rural residents is generally not much lower than that of urban dwellers, the gaps are wider in countries that already exhibit more limited financial access, such as Azerbaijan, the Lao People's Democratic Republic, the Philippines and Viet Nam (figure A.1.1).

**As with financial access, the level of financial literacy varies markedly across the region.** Based on survey questions, financially literate adults

are those who can demonstrate adequate financial knowledge of fundamental concepts for financial decision-making, namely basic numeracy, interest compounding, inflation and risk diversification (Klapper, Lusardi and van Oudheusden, 2014). Based on this concept, fewer than 1 in 5 adults in such countries as Afghanistan and Tajikistan are considered financially literate, compared with about 3 in 5 people in Australia and New Zealand (figure A.1.3). Across the Asia-Pacific region, about 1 in 3 adults are deemed to be financial literate, which is on par with the global average.

**FIGURE A.1.3**  
**Financial literacy is low in many Asia-Pacific economies**



Source: Source: ESCAP, based on Klapper, Lusardi and van Oudheusden (2014).

## Annex 2.

# Central banks' internal corporate actions to promote inclusive development

**At a fundamental level, some central banks have promoted social inclusion through inclusive human resources policy.** For example, the Reserve Bank of Australia (RBA) has sought to promote a diverse and inclusive workforce. Its Diversity and Inclusion Council is chaired by the Deputy Governor and comprises staff representatives on such issues as accessibility, gender equity and race identity (RBA, 2020). Currently, women account for 43 per cent of all the employees, which is close to the country-wide share of 47 per cent. RBA has also set a target for women to hold at least 35 per cent of management roles by 2020 (a target already achieved in 2019) and 50 per cent in the long term.

**Corporate social responsibility (CSR) activities carried out by Asia-Pacific central banks also promote social inclusion.** In Turkey, the central bank has established a high school and granted scholarships to selected graduates who have enrolled in universities since 2002 (CBRT, 2021). To support people affected by the COVID-19 pandemic, it also contributed more than \$10 million to a national campaign. In Bangladesh, the Bangladesh Bank's expenditure on corporate social responsibility activities stood at about \$580,000 in the fiscal year ending June 2020. Over a third of this amount was for education, and about 20 per cent each for health and infrastructure development (Bangladesh Bank, 2020).

**Several Asia-Pacific central banks are adopting socially oriented procurement practices.** For example, the Bank of Russia's procurement policy places equal conditions on all suppliers, thus allowing participation of SMEs. In 2019, SMEs accounted for 40 per cent of the Bank's total procurement value, while the share of SMEs participating in the procurement of administrative and property maintenance activities was up to 90 per cent (BoR, 2020). Meanwhile, the Bank Indonesia strengthened its principle on procurement policy in 2020. In addition to digitalization of the procurement process, the principle lays out fair, non-discriminatory procurement with a focus on sustainability and support for SMEs (Bank Indonesia, 2021).

**Beyond their own actions, central banks also issued guidelines that influence inclusive actions by their regulated entities and counterparts.** For example, the Bangladesh Bank in 2014 issued a guideline that states the requirement of administrative set-up, budgetary allocation and expected range of CSR carried out by financial institutions (Bangladesh Bank, 2020). In the fiscal year ending June 2020, Bangladesh's financial institutions together spent about \$111 million on CSR activities, primarily on humanitarian and disaster relief. In a similar vein, according to a provision introduced by the Nepal Rastra Bank in 2018, at least 10 per cent of CSR funds by national-level commercial banks and financial institutions should be used to promote financial literacy in each province (NRB, 2019).

# REFERENCES

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