Financial Services Demand Side Survey Republic of Fiji

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ISBN 978-982-9172-01-3

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Preface

In 2013 members of the Pacific Islands Regional Initiative (PIRI), formerly known as the Pacific Islands Working Group (PIWG), a grouping under the Alliance for Financial Inclusion (AFI), jointly undertook a review of available data and measurement exercises with which they could design and evaluate their national financial inclusion strategies and their Maya Declaration commitments. As part of this exercise, PIRI members agreed to adopt not only the core set of AFI financial inclusion indicators, but to expand that set too. The members committed to carrying out demand side surveys to capture those indicators. In early 2015, demand side surveys were held in Fiji, Samoa and Solomon Islands. These surveys were jointly supported by AFI and the Pacific Financial Inclusion Programme (PFIP).

Alliance for Financial Inclusion

The Alliance for Financial Inclusion (AFI) is the world's leading organization on financial inclusion policy and regulation. A member-owned network, AFI promotes and develops evidence-based policy solutions that help to improve the lives of the poor. Together, AFI members from more than 120 financial inclusion policymaking institutions are working to unlock the potential of the world's 2 billion unbanked through the power of financial inclusion.

Pacific Financial Inclusion Programme

PFIP is a Pacific-wide programme helping low-income households gain access to quality and affordable financial services and financial education. It is jointly managed by the UN Capital Development Fund (UNCDF) and the United Nations Development Programme (UNDP) and receives funding from the Australian Government, the European Union and the New Zealand Government. PFIP funding for the Fiji Demand Side Survey was from the DFAT Fiji bi-lateral programme.

PFIP aims to add one million Pacific Islanders to the formal financial sector by 2019 by spearheading policy and regulatory initiatives, facilitating access to appropriate financial services and delivery channels and by strengthening financial competencies and consumer empowerment.

Acknowledgements

This survey would not have been possible without the dedicated efforts of staff at the Reserve Bank of Fiji and the Fiji Bureau of Statistics, including Duri Buadromo, Sameer Chand, Akata Taito, Epeli Waqavonovono, Tevita Vakalalabure, Emily Dutt, Rajnesh Narayan, and of course, the enumeration team. Sincere thanks also go to the Statistics Working Group (SWG) at the RBF and also to the staff at PFIP for coordination and guidance throughout the project, including Jeff Liew, Praneel Pritesh, Shadiyana Begum and Elizabeth Larson. Warm thanks are also extended to Bankable Frontier Associates (BFA) Brian Loeb, Laura Cojocaru, and Sushmita Meka for their tireless efforts in designing the survey, working with the enumerators and drafting the final report.

This report is dedicated to the memory of Reuben James Summerlin.

Foreword

In 2009, key stakeholders through a consultation workshop, developed Fiji's first national strategy for Financial Inclusion (2010 – 2014). At that time there was a lack of national baseline data and information available to map the outreach and coverage of existing financial service provisions necessary to develop benchmarks and targets for financial inclusion. Despite the setback, the stakeholders formulated and agreed upon a vision, objectives and some key performance targets, including the establishment of a National Financial Inclusion Taskforce (NFIT). The NFIT and the Reserve Bank of Fiji, in 2010, set up fundamental monitoring mechanisms to track and monitor these targets, largely through the supply side information collated by the RBF.

Fiji's financial inclusion data initiative was given a boost in 2012 when the Reserve Bank and other central banks in the region formed a regional working group and agreed to adapt and adopt the Alliance for Financial Inclusion's (AFI) common set of indicators. These indicators have been aligned to the G20 basic set of financial inclusion indicators and provide a harmonised benchmark for measuring and monitoring the change in financial inclusion in a country and tracking its progress in terms of access, usage and quality. By June 2014, the Bank began publishing these key financial inclusion indicators in the Reserve Bank of Fiji Quarterly Review.

The supply side data collated by the Reserve Bank and other central banks provide a good measure of data relating to access and to some extent, the usage of financial services and products. However, it has its limitations and the Pacific regional central banks agreed that a demand side survey would be able to provide greater insights on usage, in particular, the barriers to accessing and usage of the formal financial system.

In 2014 the Fiji Bureau of Statistics completed the field work for the national demand side survey. This national diagnostic exercise has helped us better understand:

- the needs of the adult population in respect to access and usage of financial services in rural/urban areas and across different levels of income, ethnicity, gender and different age groups;

- the formal usage of certain basic financial services such as savings, credit, investment, pension funds and the financial channels;

- the main profiles of users and non-users of formal financial services; and

- the main barriers that prevent adults from accessing and using financial products and services

The rich data that has been collected, we hope, will be used widely by decision makers to promote and support economic growth and poverty alleviation in Fiji.

In the latter part of 2015, the Reserve Bank and the Pacific Financial Inclusion Programme is scheduled to host a national consultation workshop and will invite all our stakeholders to discuss the findings of the demand side survey report.

This Report provides important data that will be used as part of the baseline data that the NFIT and stakeholders will use to formulate a new Financial Inclusion Strategic Plan for Fiji (2016 -2020).

Furthermore, we hope that academia will also use this report to conduct further research studies to document related progress and the impact of financial inclusion in Fiji. In this way, we hope to identify our own home grown solutions that can maximise opportunities to promote equitable growth and economic stability in Fiji.

I would like to take this opportunity to acknowledge the good work of the United Nations Capital Development Fund, Pacific Financial Inclusion Program, and Alliance for Financial Inclusion, the Government of Fiji particularly, the Fiji Bureau of Statistics, NFIT and the Statistics Working Group who all have contributed to the Survey and the Report

Governor Barry Whiteside
Reserve Bank of Fiji

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Unless otherwise noted, exchange rate used is USD 1.00 to FJD 2.04, as of 9 March 2015 via http://www.oanda.com/.

Acronyms and abbreviations

AFI	Alliance for Financial Inclusion
DSS	Financial Services Demand Side Survey
FAS	IMF Financial Access Survey
FBOS	Fiji Bureau of Statistics
FIDWG	Financial Inclusion Data Working Group
FJD	Fiji Dollar
FNPF	Fiji National Provident Fund
Global Findex	World Bank Global Financial Inclusion Indicators
GPFI	Global Partnership for Financial Inclusion
PFIP	Pacific Financial Inclusion Programme
PIRI	Pacific Islands Regional Initiative
RBF	Reserve Bank of Fiji
UNCDF	United Nations Capital Development Fund

Executive summary

The Fiji Financial Inclusion Demand Side Survey (DSS) is a project of the Reserve Bank of Fiji (RBF) and the Fiji Bureau of Statistics (FBOS). The main purpose of the DSS is to help the government and other stakeholders gain a better understanding of the needs of Fijians in regard to financial services and products. The survey establishes baseline data that will provide useful information on access, usage and quality of the financial services and products currently available to all Fijians from the viewpoint of the customer.

The results of the survey will be used to develop evidence-based policy solutions to address the gaps, as well as to monitor the growth of financial inclusion. One of the key objectives of this survey will be determining and agreeing on a new set of Financial Inclusion Targets.[1] These will be incorporated into the new Financial Inclusion Strategy for Fiji and will replace the current framework that expired at the end of 2014. The key findings of the survey are summarized below.

Formal inclusion in Fiji is high relative to other Pacific Island countries

According to the DSS results, 60% of Fijians have bank accounts, and another 4% use other formal financial services, including microfinance, credit unions, and insurance.[2] On the other hand, 9% of respondents exclusively used informal financial services to save or borrow,[3] while another one-third (27%) of respondents can be classified as financially excluded.

As expected, formal inclusion is higher among urban Fijians, men, and those with higher incomes. Rural respondents, in particular, face high barriers to financial inclusion such as long distances to the nearest access points and long wait times to open an account.

Compared with other Pacific Island countries in which comparable DSS surveys have been completed, namely Samoa (38.9%) and Solomon Islands (26.2%), formal inclusion in Fiji is much higher. Similarly, Fiji's level of inclusion exceeds that of lower-middle income countries included in the Global Financial Inclusion Index, in which only an estimated 41.8% of the population is banked despite nearly half (47%) of Fiji's population being located in rural areas.[4,5] Compared with upper-middle income countries (70.4%), which Fiji was reclassified as in 2013, progress lags slightly behind.

This report is not intended to explore the causes leading to greater inclusion—rather, it provides a benchmark on access and usage of formal and informal financial access in Fiji.

Mobile money usage is low

Despite high profile product launches and pushes from donors and other development partners, mobile money has yet to reach significant scale in Fiji. According to the DSS, even among respondents who both have a SIM card and have heard of mobile money, less than 11% have a mobile money account. This is an increase of just 3 percentage points from a 2012 survey.[6] Account penetration may not correspond exactly with usage: there are likely many dormant accounts, and people could use the accounts of family members and friends.

The challenge in Fiji, as elsewhere, is to move beyond awareness (80% of mobile phone users know about mobile money). The low use of mobile money shown in the DSS also raises questions about the relevance of products currently on the market for Fijian households.

Similarly, rates of mobile and internet banking are low. Among banked clients, mobile and internet banking rates stand at 9.4% and 8.10%, respectively. Further research can explore the reasons of usage (and non-usage) of these and other bank products.

The post office controls the domestic remittance market

The DSS findings suggest a need for further research into preferences for the post office over other money transfer options as well as research on the role of the post office specifically as a payment provider. Most Fijians see it as their best option for domestic remittances, rather than mobile money or bank transfers. Stakeholders in Fiji should investigate what is attractive about the post office's value proposition: convenience, price, speed, etc.

This DSS identifies further areas for research

The DSS report also identifies a number of areas for further research that could be undertaken in Fiji, to deepen the understanding of various segments of the market, and their particular needs. These include, the financial needs and barriers to access for women, as well as the financial needs of self-employed entrepreneurs. The study also notes that the use of credit is relatively low overall in Fiji, suggesting that there may be an untapped market for credit, and that existing non-bank formal credit providers are currently not meeting the credit needs of Fijian adults who rely informal means to access loans. Other areas for further investigation include gaining an understanding of the relevance of various financial products on the market in Fiji, and an examination of the various opportunities to improve available information on financial products and services.

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1   Reserve Bank of Fiji. "National Demand Side Survey to Assess the Access, Usage and Quality of Financial Services and Products in Fiji." Press Release, October 2014. < http://www.pfip. org/media-centre/in-news/2014-1/national-demand-side-survey-to-assess-access-usage-quality-of-financial-services-products-in-fiji.html>

2   Other formal financial services include use of credit unions, microfinance institutions, the Fiji National Provident Fund (FNPF) or other superannuation funds, investments (stocks, bonds, unit trusts, or others), insurance, or finance companies.

3   Informal services include savings clubs, moneylenders, credit from shops, or hire purchases.

4   World Bank. Global Financial Inclusion Indicators: Regional Dashboard (Income Group Comparisons). 2014. (accessed 7 April, 2015).

5   World Bank. World Development Indicators: Rural population. 2013. <http://data.worldbank.org/indicator/SP.RUR.TOTL.ZS>

6   Subramanian, Ramanathan. "Mobile Money Attitudes and Perception Omnibus Survey." February, 2012. <http://www.pfip.org/resources/uploads/attachments/documents/Omnibus_Survey_Findings.pdf>

Financial access and usage by inclusion strand in Fiji

Data collection for the Fiji Financial Inclusion demand side survey (DSS) took place between October and December, 2014, by the FBOS. FBOS designed the sample to be nationally representative, using 2-stage, systematic random sampling. Enumerators used a Kish grid to randomly select one adult respondent (age 15 and above) from each sampled household. Thus, all findings apply to Fijian adults (15+) unless otherwise stated. Further details on the methodology can be found in Annex C.

Financial inclusion strands in Fiji

Fijians fall into four "financial inclusion" strands, defined below. These categories are based on respondents' usage of various financial services over the 12 months prior to their being interviewed.[7]

Financial inclusion strand	
Banked	The respondent currently has a formal bank account, whether they are using it or not.
Other formal	Over the past 12 months, the respondent used services of a credit union, microfinance institution (MFI), the Fiji National Provident Fund (FNPF) or other superannuation fund, investments (stocks, bonds, unit trust, or others), insurance, or a finance company.
Informal only	Over the past 12 months, the respondent used savings clubs, moneylenders, credit from a shop, or a hire purchase
Excluded	Over the past 12 months, the respondent has not used any of the services mentioned for the other three categories, but may have borrowed from or lent to friends and family, saved money in the house, pawned goods, borrowed from an employer, etc.

As Figure 1 below shows, 60% of Fiji DSS respondents currently have a bank account, while another 4% use other formal services such as credit unions, microfinance, insurance, or finance companies. However, 27% of respondents appear to be excluded from both formal and informal financial services. Further study of this segment can shed light on the barriers to financial services in Fiji.

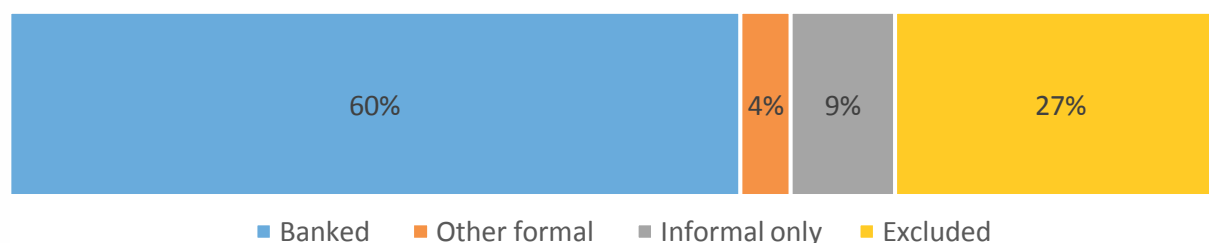Figure 1: Fiji financial inclusion strand 2015

Banked	Other formal	Informal only	Excluded
60%	4%	9%	27%

■ Banked   ■ Other formal   ■ Informal only   ■ Excluded

Table 1: Inclusion categories

Financial inclusion category	%	95% confidence interval
Banked (n=772)	60.1%	[55.4% — 64.6%]
Other formal (n=54)	4.1%	[3.0% — 5.6%]
Informal only (n=103)	8.6%	[6.1% — 12.1%]
Excluded (n=358)	27.2%	[23.8% — 30.8%]
n=1,287		

Because few survey respondents fell into the "other formal" or "informal only" strands, it is difficult to draw conclusions about these groups with statistical confidence. Thus, the following sections focus on describing the "banked" and "excluded" strands, followed by a deep dive into specific types of financial instruments or services: savings, credit, remittances, mobile money and insurance. We also examine the use of bank services in detail. Further, the full set of global demand-side

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7   The access strand methodology is borrowed from the FinScope surveys, developed by FinMark Trust, which are implemented on a regular basis in a number of countries throughout Africa. The access strand, which segments adults by the types of financial services used, allows policymakers and providers to visualize changes in the use of financial services over time.

indicators collected in the Fiji DSS are located in Annex A, including the PIRI Financial Inclusion indicators, the World Bank Global Financial Inclusion Indicators (Global Findex), and the Global Partnership for Financial Inclusion (GPFI) Financial Inclusion Indicators.
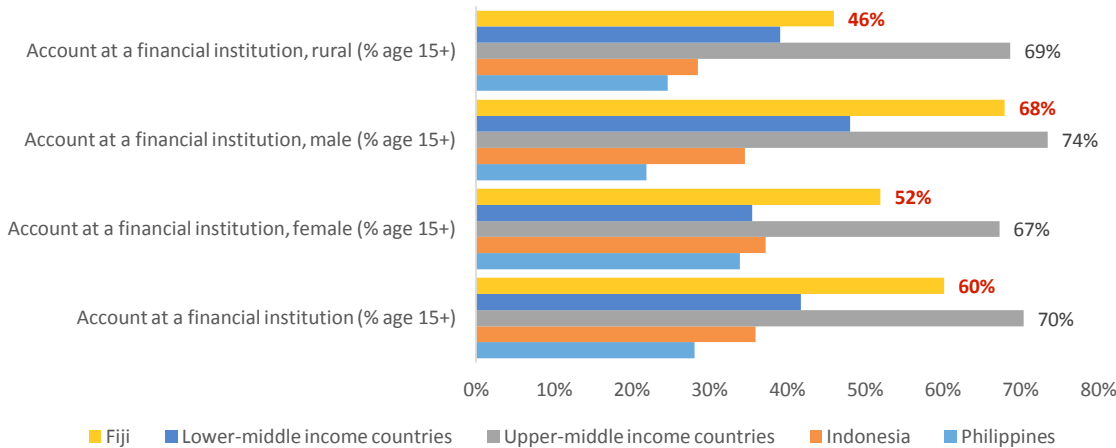
Fiji's level of financial inclusion in context

The level of formal financial inclusion is high relative to other countries in the same income cohort and in line with supply-side indicators of formal financial penetration in Fiji.

The Pacific Island countries are not yet included in the Global Findex. As Fiji is the first country to complete the DSS, data from larger island nations provide sufficient benchmarking, as do comparisons with other upper-middle income countries included in the Global Findex.[8] In this section we compare results from the current Fiji DSS with results from other data collection efforts, including those from the Global Findex.

Figure 2 below shows that the proportion of formal financial inclusion is significantly lower in the Philippines and Indonesia, as measured by the Global Findex, than in the Fiji DSS. In addition, compared with lower-middle income countries participating in the Global Findex, Fiji's level of formal financial inclusion is high. However, Fiji's level of inclusion falls slightly behind that of other upper-middle income countries included in the Global Findex, particularly of inclusion of rural and female adults.

Figure 2: Financial inclusion in Fiji compared with the Philippines, Indonesia and Lower- and Middle-Income Countries


Data from database: Global Findex (Global Financial Inclusion Database), last updated: 04/2015

Data collected by the International Monetary Fund's Financial Access Survey (FAS) indicates that Fiji's higher level of inclusion is not surprising.

Figure 3 below shows that Fiji has a higher proportion of deposit accounts for its population than does either the Philippines or Indonesia.

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8   Upper-middle income countries are defined as those in which gross national income per capita was between USD $4,125-$12,745 in 2014 as defined by the World Bank Atlas Method. In comparison, lower-middle income countries had a GNI per capita between USD $1,046-$4,125 in 2014. Fiji was reclassified as an upper-middle income country in 2013. See also: World Bank. Country and Lending Groups Data, 2014. http://data.worldbank.org/about/country-and-lending-groups#Upper_middle_income.

Figure 3: Deposit accounts with commercial banks per 1000 adults
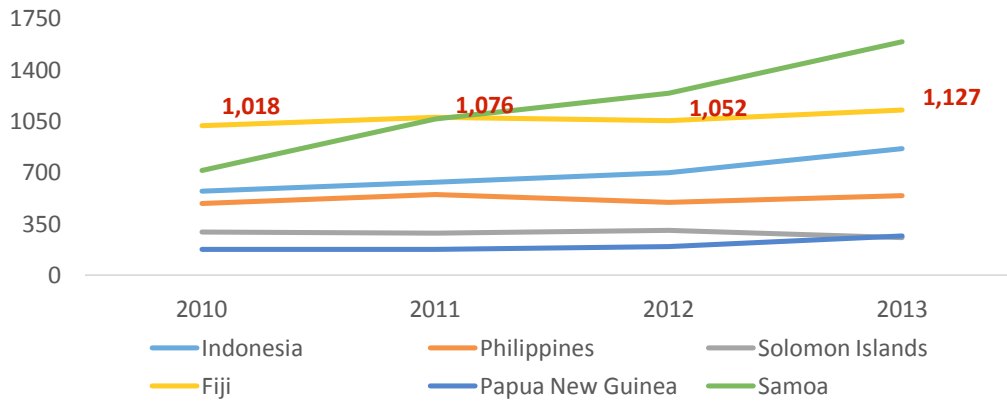
Financial Access Survey, available at http://fas.imf.org/

Figure 4 and Figure 5 below show that penetration of bank branches and ATMs in Fiji is high relative to other countries in the region, with the exception of Samoa.[9]

Figure 4: Number of commercial bank branches per 100,000 adults

Financial Access Survey, available at http://fas.imf.org/

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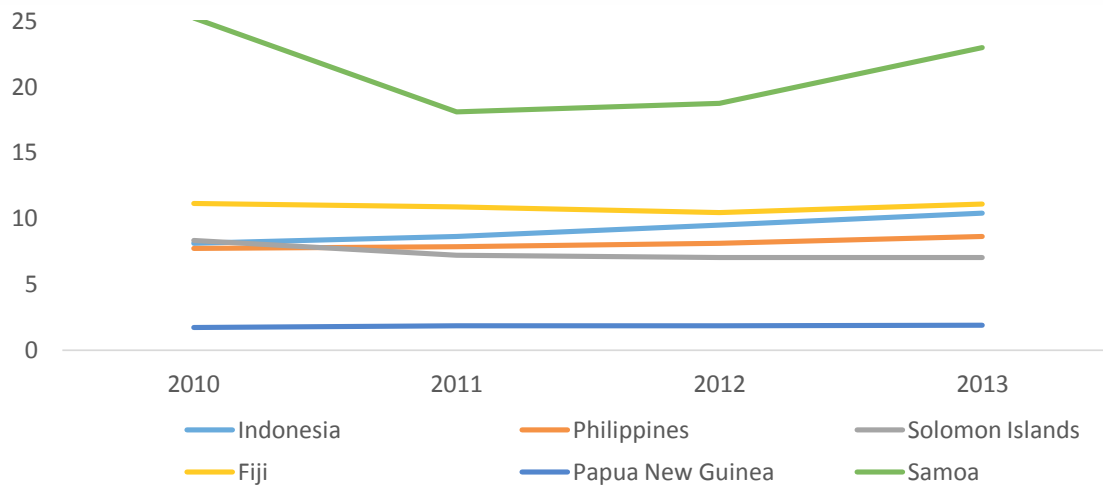
9   The ratio for Samoa is higher due to its small population (about 190,000 in 2013)

Figure 5: Number of ATMs per 100,000 adults

Financial Access Survey, available at http://fas.imf.org/

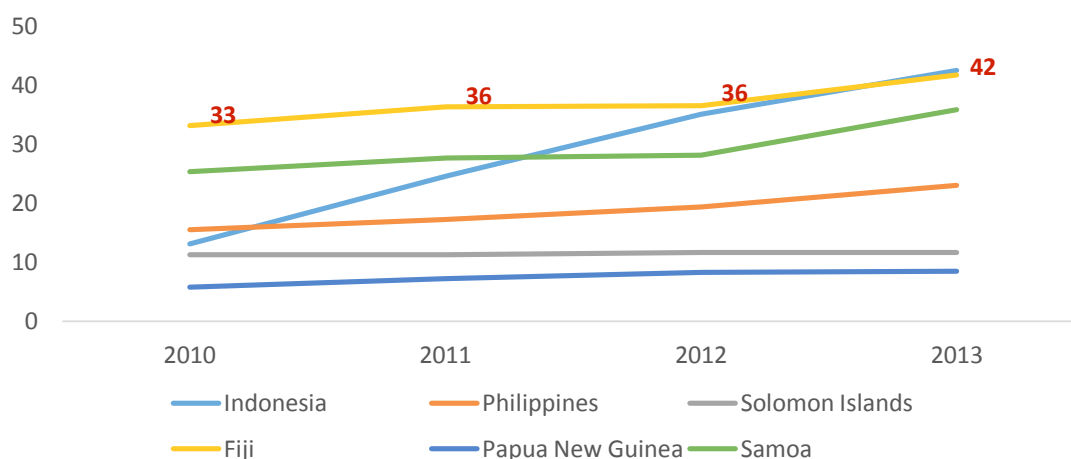In the Fiji Financial Inclusion DSS, the Global Findex indicators were captured to provide a benchmark with global financial inclusion metrics captured around the world. In addition, the PIRI demand side indicators were captured, along with the GPFI Financial Inclusion Indicators. While all indicators are listed in detail in Annex A, some highlights are presented in Table 2 below (in addition to the account ownership statistics in Figure 2).

Fiji's level of formal financial inclusion is closely aligned with those of other upper-middle income countries across many of the Global Findex indicators and exceeds that of lower-middle income countries. While use of credit is lower in Fiji than in other countries, the percentage of Fijians stating that they had saved in the previous 12 months is higher than the average reported rates in lower-middle and upper-middle income countries, both in terms of saving in any instrument (71.2%) as well as saving in formal financial institutions (37.9%).

Table 2: Benchmarking the Fiji Financial Inclusion Indicators with results from comparable Global Findex countries

	Lower-middle income countries (2014)	Fiji (2014)	Upper-middle income countries (2014)
Account with a formal financial institution	41.8%	60.2%	70.4%
Loan in the past year (from any source)	47.4%	32%	37.7%
Loan from a financial institution in the past year	7.5%	6.9%	10.4%
Saved any money in the past year (self-reported)	45.6%	71.2%	62.7%
Saved at a financial institution in the past year (bank, credit union, or MFI)	14.8%	37.9%	32.2%

Data from database: Global Findex (Global Financial Inclusion Database), last updated: 04/2015

Who are the banked and the excluded?

Eastern and Western Divisions home to a higher proportion of excluded

An analysis of financial inclusion strand by geographic division (Figure 6) suggests that northern and eastern divisions have the highest proportions of the population using only informal financial services (25% and 16%, respectively). And while 41% of those living in eastern division are banked, the same proportion are excluded entirely from financial services—higher than the proportion in any other division. One third (33%) of western division's population is also excluded from financial

services. These findings should be examined along with supply side data on bank and ATM outreach to better understand whether high rates of exclusion and use of informal services could be attributed to physical access or whether other demand or supply side factors might also be at work. It should be noted that northern division is the poorest region with a poverty rate of close to 53%, and western division is the biggest contributor in terms of the number of poor (with 44% of the total poor in Fiji residing in western division).[10] Detailed results are located in Annex B.[11]

Figure 6: Financial inclusion strand by division[12]
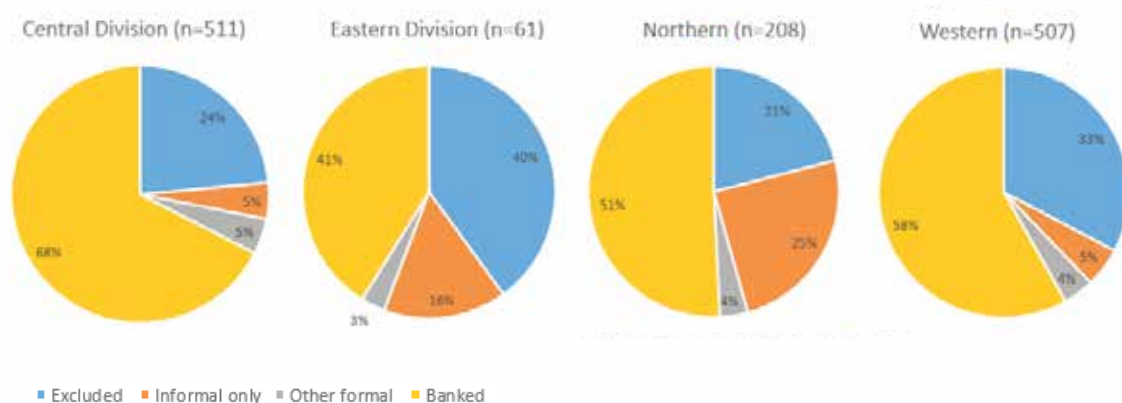
Also in line with expectations, bank account access is much higher in urban areas than in rural areas (Figure 7). Among urban respondents, 74% currently have a bank account, compared with 46% of rural respondents. The discussion on specific financial services below shows that this is also the case for insurance and Fiji National Provident Fund (FNPF) usage as well.

Figure 7: Urban/rural split in bank account ownership
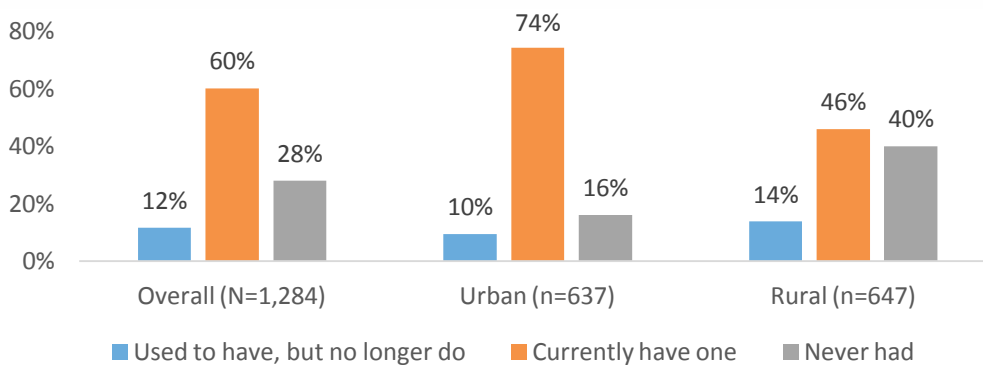
Income drives use of formal financial services

Unsurprisingly, income is a major driver of formal financial inclusion. As Figure 8 below shows, formal inclusion (as measured by bank account ownership) is below 50% among respondents in the bottom two income quintiles. Income quintiles were defined based on weekly per capita income[13] at the sample level.

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10   Pabon, L., et. al. "How geographically concentrated is poverty in Fiji?" Asia Pacific Viewpoint, Vol. 53, No. 2, August 2012.
11   Annex B contains tables with details results from each section of the survey.
12   Charts do not always add up to 100% due to rounding or due to "don't know" or "refuse" responses.
13   Per capita was defined using the Fiji Bureau of Statistics definition for adult equivalent which classifies children (those age 14 and under) as half an adult.

Figure 8: Financial inclusion by income quintile

Figure 9: Financial inclusion by income quintile, compared with inclusion in comparable Global Findex countries
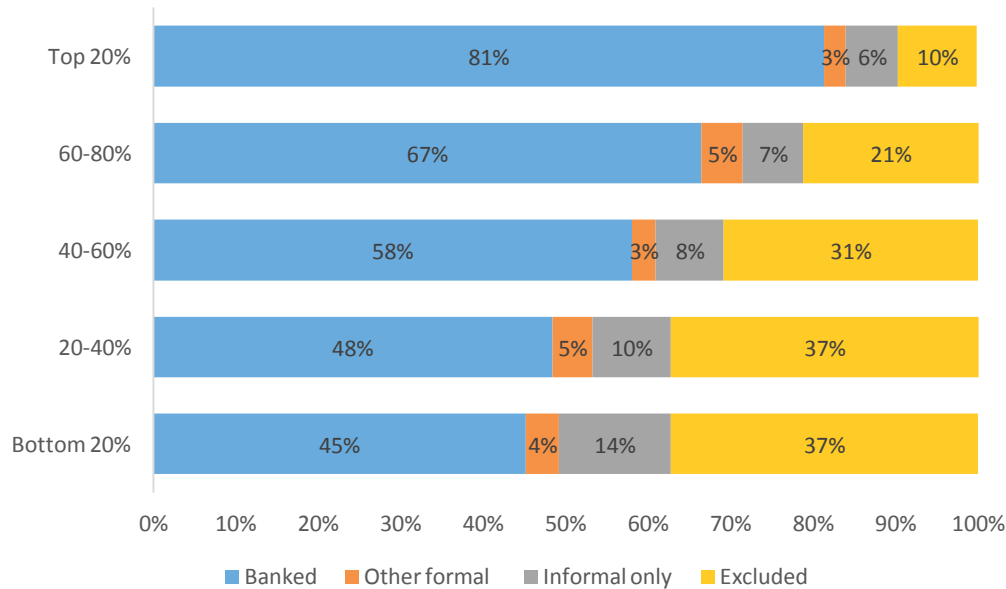
But as Figure 9 shows, Fiji's level of financial inclusion among the poorest is lower than that of other upper-middle income countries included in the Global Findex survey.

Figure 9: Financial inclusion by income quintile, compared with inclusion in comparable Global Findex countries
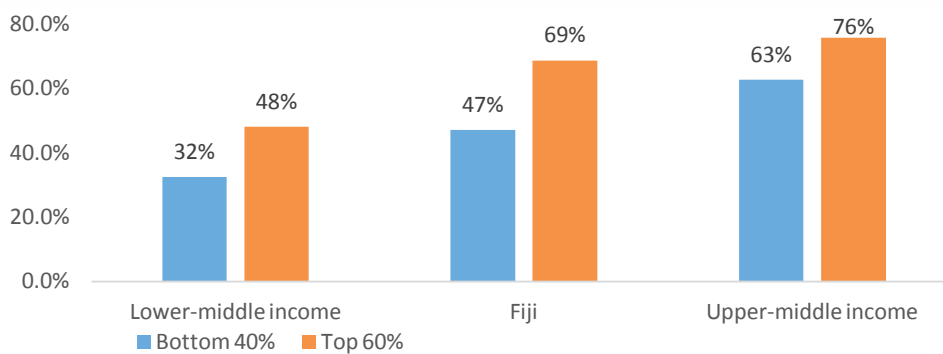
Data from database: Global Findex (Global Financial Inclusion Database), last updated: 04/2015

Analysis of inclusion strands among respondents earning less than USD $2 per day, a different measure from income quintiles, shows that 39% of these respondents are currently banked (Figure 10). However, nearly 41% are excluded, higher than for the lower income quintile as a whole

Figure 10: Inclusion strand for respondents earning $2 per day or less

Banked (n=143)	39%
Other formal (n=21)	6%
Informal only (n=52)	1%
Excluded (n=154)	41%
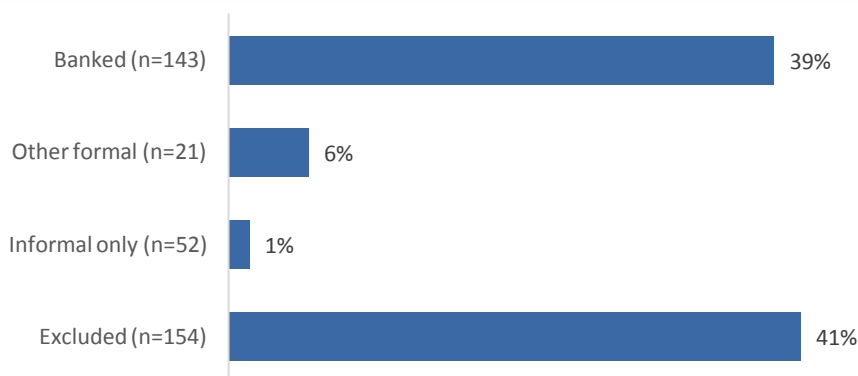
Formally employed Fijians and entrepreneurs are more likely to be banked

In addition to income levels, formal inclusion differs markedly depending on the income sources of respondents (Figure 11). Formal employees are more likely to be banked than others, partly due to the higher incomes associated with formal employment, but partly, as discussed below, because many banked respondents open accounts to receive payments, including salaries. The majority of Fijian adults receiving pensions also had bank accounts. This makes sense as FNPF accounts are mandatory for salaried workers.
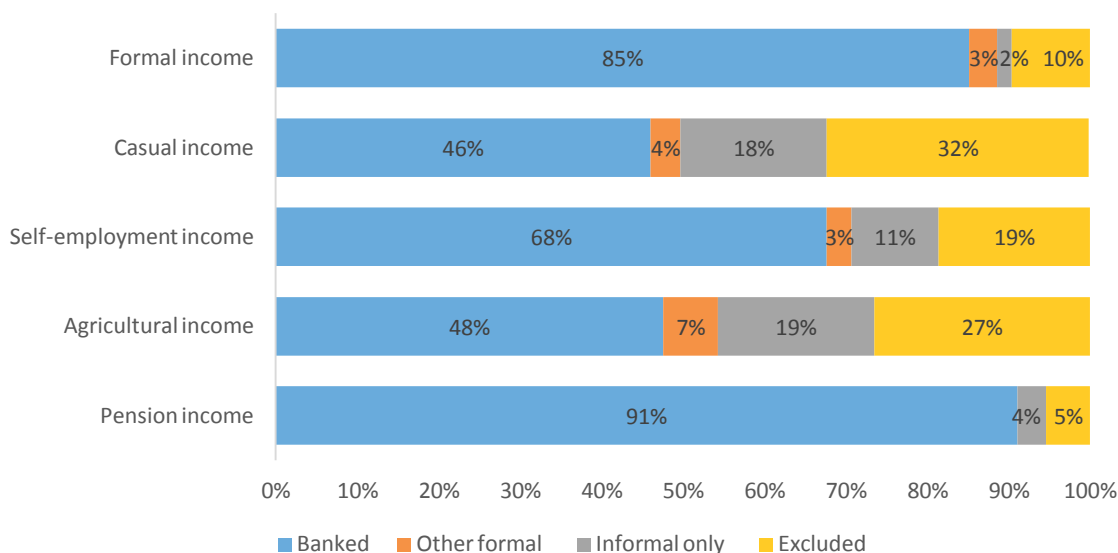
Figure 11: Financial inclusion strand by income source

Income source	Banked	Other formal	Informal only	Excluded
Formal income	85%	3%	2%	10%
Casual income	46%	4%	18%	32%
Self-employment income	68%	3%	11%	19%
Agricultural income	48%	7%	19%	27%
Pension income	91%		4%	5%

Respondents earning casual or agricultural income are much more likely to be excluded (32% and 27%, respectively) or to rely on informal sources of finance only (18% and 19%). Casual and agricultural employment is associated with lower, irregular earnings which require flexible, accessible, and affordable financial management tools. Agricultural workers tend to be rural and further from formal financial access points as detailed below.

It is surprising to see that 68% of self-employed Fijians are banked. An initial possible hypothesis might be that the income effect of having a job or owning a business is stronger in driving financial inclusion than the effect of receiving a fixed salary into a bank account. Future research could investigate the financial needs of these entrepreneurs, which are likely to be much different than those of salaried workers.

Young adults are less likely than older adults to use financial services of any kind

In line with findings on account ownership around the world, young adults in Fiji (those between 15 and 20 years) are less likely to be banked (Figure 12).[14] Young adults are also least likely to be using any financial service (41% are completely excluded). Many Fijians in this age group might still be completing studies and will be less likely to be earning income. Those between the ages of 30 and 50 are more likely to be banked or using non-bank formal or informal financial services, while rates of inclusion decrease among respondents over 50.

Figure 12: Inclusion strand by age
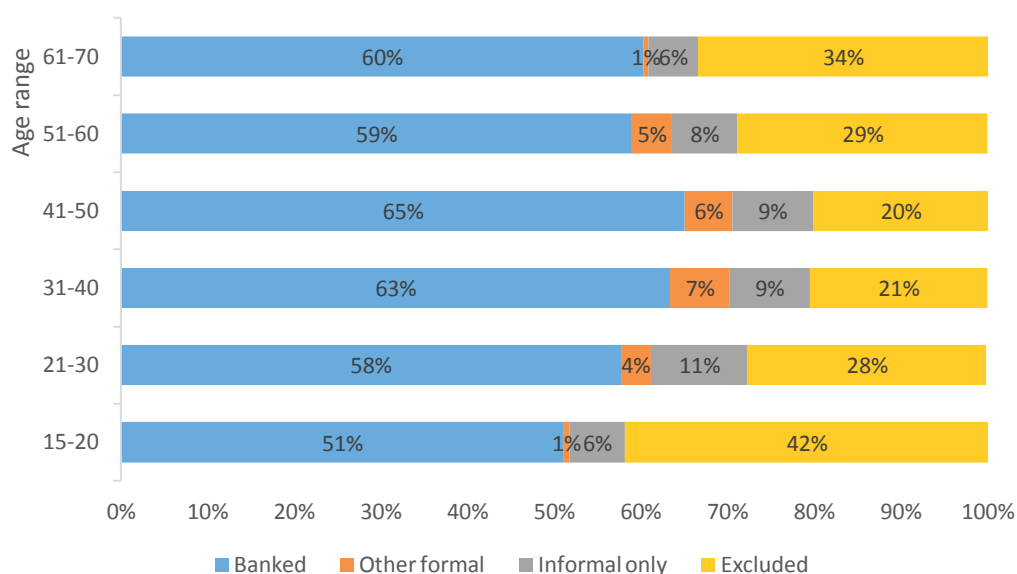
Fiji has not achieved gender parity in access to financial services

A higher proportion of men have bank accounts (68%) compared with women (52%) as shown in Figure 13. This is in line with Global Findex data on account ownership in upper-middle income countries which found that, on average, 74% of males have accounts with formal financial institutions compared with 67% of females.[15]

Figure 13: Bank account ownership by gender
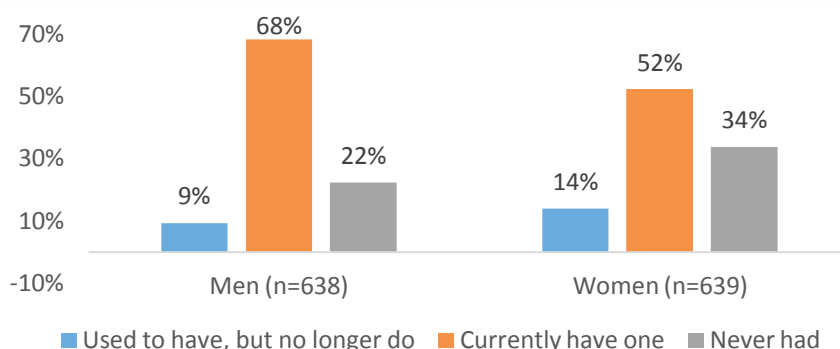
What is surprising is that a higher proportion of women (14%) had an account but no longer do than is the case among men (9%). Further research could examine why women are more likely to close bank accounts than men. The 16 percentage point difference between man and women having accounts is significant, and understanding the financial needs and barriers to access for women specifically could be an area Fijian policymakers may wish to prioritize.

14   Demirguc-Kunt, Asli, et. al. "The Global Findex Database 2014: Measuring Financial Inclusion around the World." World Bank Policy Research Working Paper 7255, April 2015.
15   World Bank. Global Financial Inclusion Indicators: Regional Dashboard (Income Group Comparisons). 2014. (accessed 7 April, 2015)

Formal inclusion differs by ethnicity

The data shows large differences in financial access by ethnicity (Figure 11). A larger proportion of Indo-Fijians and others (likely those that have immigrated to Fiji from other countries) are banked (70% and 76%) than iTaukei or indigenous Fijians (52%).

30% of iTaukei are excluded from any financial services, and 13% belong to the "informal only" inclusion strand. On the other hand, use of informal services is very low among Indo-Fijians (3%) and others (2%)[16]. Further research can explore whether this disparity is due primarily to differences in income, location, or cultural factors related to financial management.

Figure 14: Financial inclusion strands by ethnicity

\Former formal account ownership is high, even among respondents that are now excluded
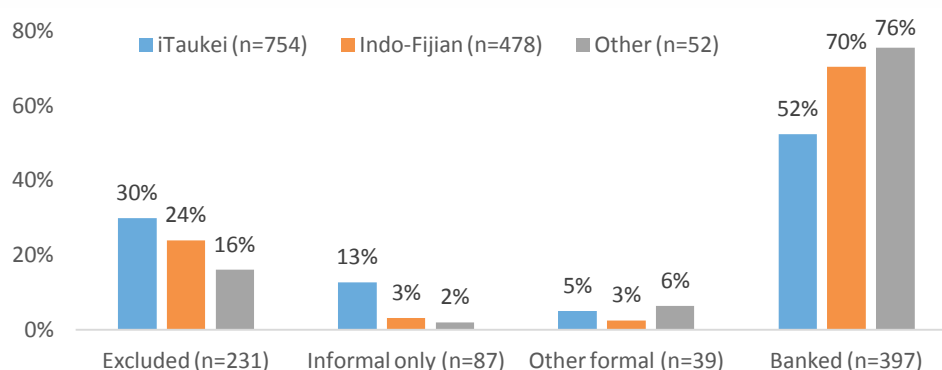
Rates of former formal account ownership are high across the board, and particularly among the "other banked" inclusion strand (Table 3). Perhaps more surprisingly, many in the "excluded" and "informal only" categories (27% and 26%, respectively) also said they used to have bank accounts but no longer have them.

Table 3: History of bank account usage by financial inclusion category

	Excluded (N=358)	Informal only (N=103)	Other formal (N=54)
Unbanked respondents who previously had a bank account	27%	26%	54%
Confidence intervals	[21.4, 33.3]	[17.7, 35.4]	[39.1, 67.3]

One reason for the high proportion of people who used to have bank accounts is likely that accounts which are inactive are closed after 6 months. Indeed, when asked why they no longer had bank accounts, half of previously banked respondents answered that their account was closed because they no longer used it, followed by 28% answering that they no longer needed the account (Figure 12).

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16   While the DSS did not ask for further clarification for those of "other" ethnicity, these respondents appear to be other Pacific Islanders or those who may have emigrated from other countries abroad.

Figure 15: Reasons for no longer using a bank account (%)[17]
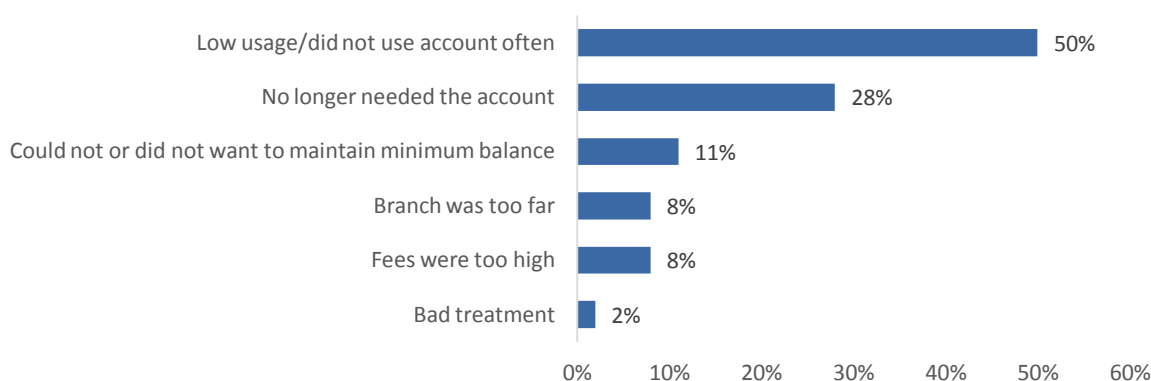
Note: Multiple answers allowed

Further research with previously banked clients might explore the reasons for initially opening accounts and examine their current usage of other formal or informal products to determine whether more flexible products (with less stringent usage requirements) might be more appropriate.

Barriers to formal inclusion

Unbanked respondents cite lack of money as a reason for not having an account

Half (50%) of unbanked respondents answered that they do not have a bank account due to lack of money (Figure 16).

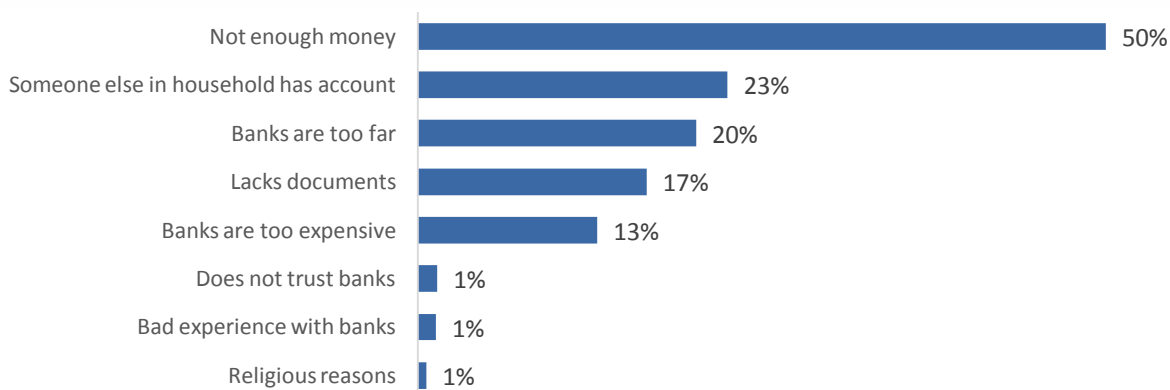Figure 16: Self-reported reasons for not using banks

Note: Multiple answers allowed

This result is not surprising; across all respondents of the Global Findex surveys, over 60% of respondents reported "not having enough money" as a reason for not having a bank account.[18] However, this answer could hide complex reasoning and motivations, from a true lack of savings to a false perception about what the banks might require from their customers. Given that we know that even the very poor have complex financial management strategies,[19] respondents were asked a follow-up question to clarify their responses and provide nuance to this answer. While 66% of these respondents did answer that they spend their money soon after receiving it (Figure 14), others mentioned wanting easy access to money when needed (10.7%), and the high cost of travel or bank fees (9.7%), as well as minimum balance requirements (8.1%) as additional reasons.

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17   Multiple answers were allowed.
18   Asli Demirguc-Kunt and Leora Klapper, "Measuring Financial Inclusion: Explaining Variation in Use of Financial Services across and within Countries." Brookings Papers on Economic Activity, Spring 2013.
19   Collins, et. al. Portfolios of the Poor: How the World's Poor Live on $2 a Day. Princeton University Press, 2009.

Figure 17: You said that you don't have a bank account, because you don't have enough money. What does that mean?[20]

I spend my money shortly after I receive it	65.5
I prefer to have easy access to my money when I need it	10.7
The bank fees or cost of travel is not worth it	9.7
I cannot or do not want to meet the minimal balance	8.1
The time to travel or wait at the bank is not worth it	6.1
I prefer to save in other ways	5.7
Banks prefer wealthier clients	4.7
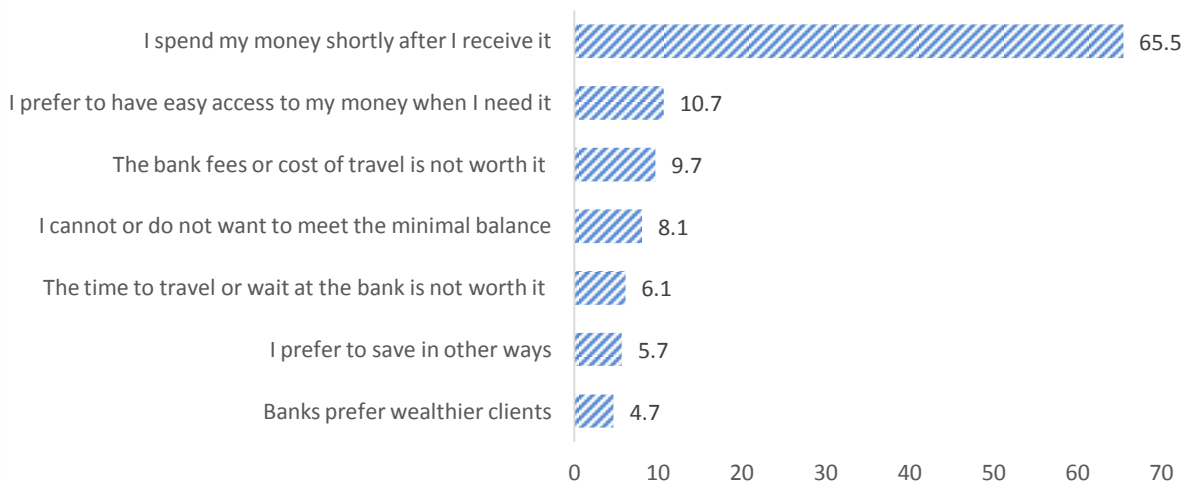
Many unbanked respondents confuse spending money quickly with having little money, which are distinct. This also suggests that unbanked Fijians might not have a good understanding of bank products beyond longer-term savings products. Banks and policymakers might explore marketing or designing transactional products which allow clients to deposit and spend quickly without imposing high fees. Such product features could meet the immediate needs of the unbanked better than traditional deposit accounts in which frequent transactions are expensive.

Unbanked respondents think that they lack documentation, but do not

Although 60% of Fijians have an account with a bank or credit union, nearly a third (27%) of Fijians are still excluded from any type of financial service. Lack of access to documents needed to open an account does not appear to be a barrier: nearly all respondents have at least one form of primary identification required to open a bank account: 97% of respondents have a birth certificate, and 95% have a valid photo ID (passport, driver's license, voter ID card, etc.). Only a handful of respondents (0.5%) said they had neither a birth certificate, a photo ID, nor a tax identification number (Table 15, Annex B).

Despite this, when asked why they do not currently have an account, 17% of unbanked respondents cited lack of documentation as a reason (Figure 16). This suggests that either the unbanked do not fully understand the minimum documentation required to open an account, or that secondary documentation required to open accounts (letters of reference, salary or utility statements, and or proof of residence) may be preventing usage by a portion of the unbanked.

Distances to access points are especially high for rural clients

Respondents said that they would have to travel relatively long distances to reach the nearest financial access point, but this barrier is especially relevant for rural respondents (Figure 18). The average distance to the nearest bank branch is only 3.3 kilometers (km) for urban respondents, but 27.1 km for rural respondents. Rural respondents who live very far from a bank branch (one respondent: 290 km) skew the mean value, nonetheless 55% of rural respondents said the nearest bank is more than 10 km away, which is significant, especially in Fiji.

In line with the supply-side data from the IMF FAS mentioned previously, respondents report that ATM penetration is greater than that of bank branches, although the distances are still high in rural areas. The average reported distance to the nearest ATM was 24.9 km for rural respondents and 2.8 km for urban respondents. The same discrepancy exists for other channels: bank agents (13.6 km for rural, 2.2 km for urban) and mobile money agents (17 km and 2.2 km). These differences translate into differences in expenses and time spent.

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20   Multiple responses allowed

Figure 18: Average self-reported distance to nearest access point (in kilometers)
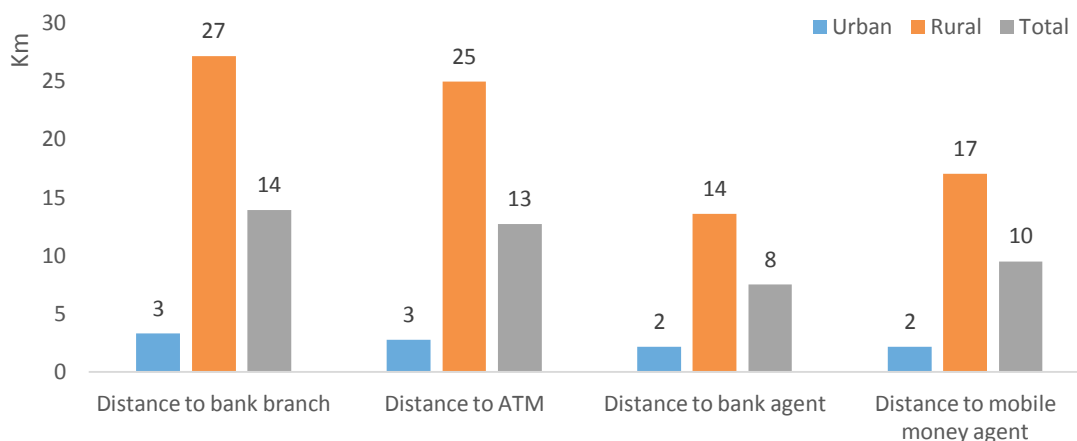
The distance to access points likely affects a person's likelihood of having a bank account. Based on the DSS results, distance seems to play a much more important role in rural areas. While in urban areas the average distance to the nearest access point is similar across access points, we see a pronounced gap in distance to access points between banked and unbanked respondents in rural areas (Figure 19). Thus, while rural unbanked respondents live an average of 32 km from the nearest bank branch, even banked rural respondents live an average 22 km from the nearest branch.

Figure 19: Banked/unbanked split in distance to nearest access point (in kilometers)
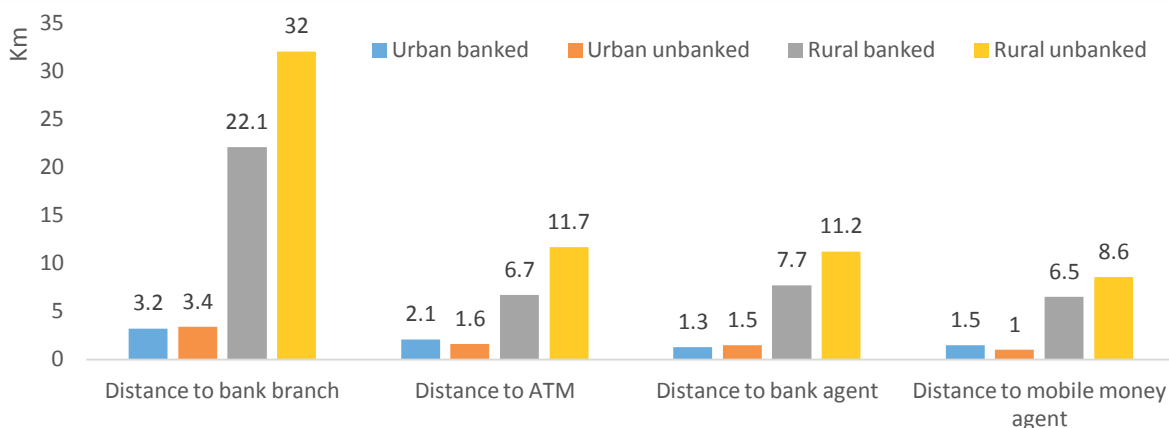
To open an account, one needs to travel to a bank branch. Indeed, 92% of respondents opened their bank accounts at the bank branch itself, and only 8% of respondents opened their accounts through rural banking initiatives, school banking, or through an agent who came to their village or place of residence to open the account. In order to use the account, one would also need to be able to travel relatively frequently to an access point. With an average distance of 32 km to the nearest bank, 12 km to the nearest ATM and 11 km to the nearest bank agent, distance impedes rural respondents from formal financial inclusion. Detailed data on availability of access points can be found in Table 16 of Annex B.

As a result of these long distances, rural banked respondents report an average travel time to the bank branch they use to access their account at about double that of urban banked respondents (41.9 minutes and 21.7 minutes, respectively). As Table 4 below shows, rural banked respondents reported that opening their bank accounts took longer as well (64.5 hours for rural respondents compared with 31.1 hours for urban respondents).

Table 4: Banked respondents' wait times

Among respondents with bank accounts		Mean	95% confidence interval
How long does it usually take you to reach the branch that you use?	Urban (n=461)	21.7 min	[17.7 — 24.4]
	Rural (n=299)	41.9 min	[30.2 — 53.5]
	Overall (N=760)	29.0 min	[23.9 — 34.1]
How long did you have to wait at the bank to complete and submit your application?	Urban (n=452)	.86 hours	[.75 — .97]
	Rural (n=296)	1 hour	[.88 — 1.13]
	Overall (N=748)	0.9 hours	[.8, 1.0]
Once your application was submitted, how long until the account was opened?	Urban (n=452)	31.1 hours	[8.1 — 44.2]
	Rural (n=298)	64.5 hours	[37.0 — 92.1]
	Overall (N=750)	44 hours	[29.4 — 58.6]

Despite the long distances Fijian adults (especially rural Fijians) would have to travel to reach financial access points, only 20% of unbanked respondents cited distance as a reason for not having a bank account. This may imply that, while distance *is* a barrier for rural respondents, there may be a willingness to travel some length for appropriate, affordable services which better meet their needs.

Indeed, combined with the information on lack of documentation, perceived and reported barriers of unbanked Fijians do not appear to align. Simple information campaigns on the products offered by banks and minimal documentation required might make tremendous progress in increasing inclusion among the unbanked.

Interestingly, lack of trust was only named by 1% of unbanked respondents (compared to 13% of all unbanked Global Findex respondents).[21] This finding suggests that banks do have an opportunity to close the gap with unbanked Fijians.

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21   Asli Demirguc-Kunt and Leora Klapper, "Measuring Financial Inclusion: Explaining Variation in Use of Financial Services across and within Countries." Brookings Papers on Economic Activity, Spring 2013.

Spotlight on bank account usage:

Many Fijians use accounts intensively but use of account features (such as mobile banking) is low

The Fiji DSS asked about account details for banked adults, up to three accounts per person. Most banked respondents (79%) say they only have one bank account; one fifth of banked respondents (21%) have two or more accounts. For the purposes of the analysis, we report primarily on the first reported account unless otherwise specified.

Most banked adults have maintained their accounts for several years

Among banked respondents, more than half (57.9%) opened their first reported account in 2010 or earlier (Figure 20). Only 26.6% opened their accounts in 2013 or 2014. There is also some indication from the data that men are more likely to have held this account continuously for longer than women have. This may say something about variable stickiness of bank accounts for men and women. Again, further research is needed on the quality dimension — to understand, for example, whether women are more active and discriminating shoppers for account features.

Figure 20: Year of account opening for first reported bank account

- 1990 or earlier
- 1991-2000
- 2001-2010
- 2011
- 2012
- 2013
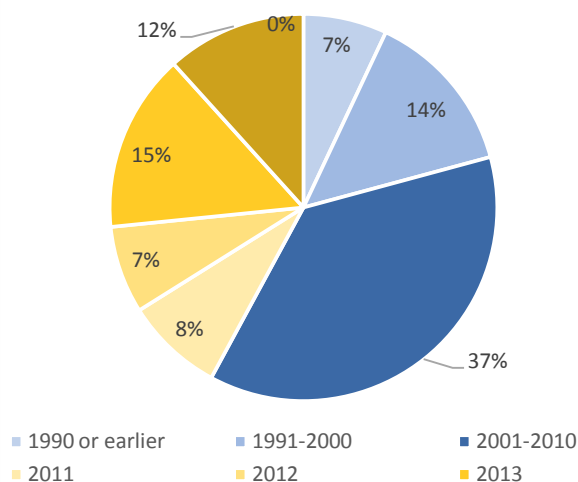
The majority of banked adults opened accounts to receive payments or to save

Across the entire sample, 38% of Fijians have at least one savings account, and 28% have at least one basic or access account. Among banked respondents only, 63% have at least one savings account and 47% have a basic or access account (Figure 21).

Figure 21: Account types among banked respondents

- Basic or access account
- Savings account
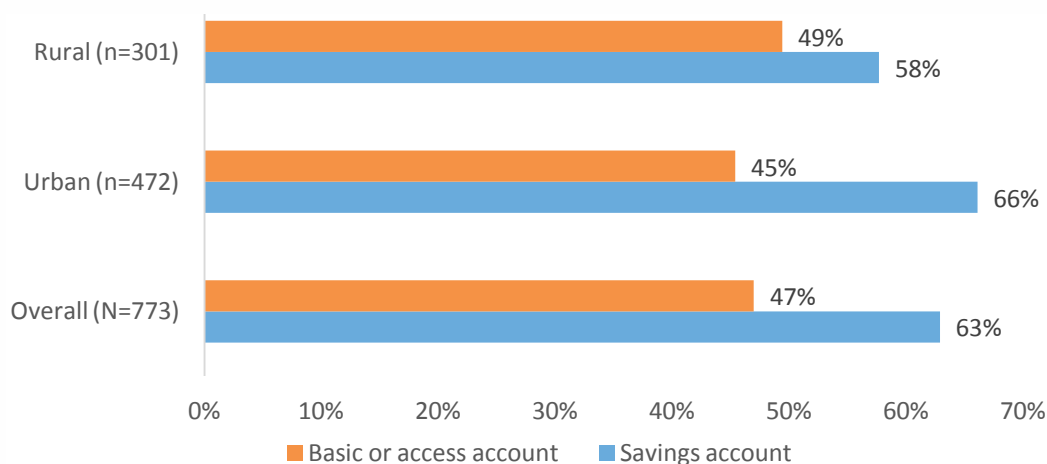
Nearly all banked respondents said they opened their accounts to either receive payments or save money; just 2% opened an account to get a loan (Figure 22). Half (49%) of respondents opened an account to receive a salary or remittances, and an additional 7% said their main reason was to receive government benefits. Another 43% of the respondents said they opened account(s) in order to save money. More details on reasons for opening accounts can be found in Annex B.

Figure 22: Main reasons for opening a bank account

Reason	Percentage
To receive a payment (salary, remittances, etc)	49%
To save	43%
To keep money safe	12%
To receive government benefits	7%
Other reasons	6%
To get a loan	2%

In line with the reasons for opening accounts, receiving payments and saving money are the primary uses for the accounts mentioned by banked respondents.

Figure 23: Reasons for using a bank account over the past 12 months

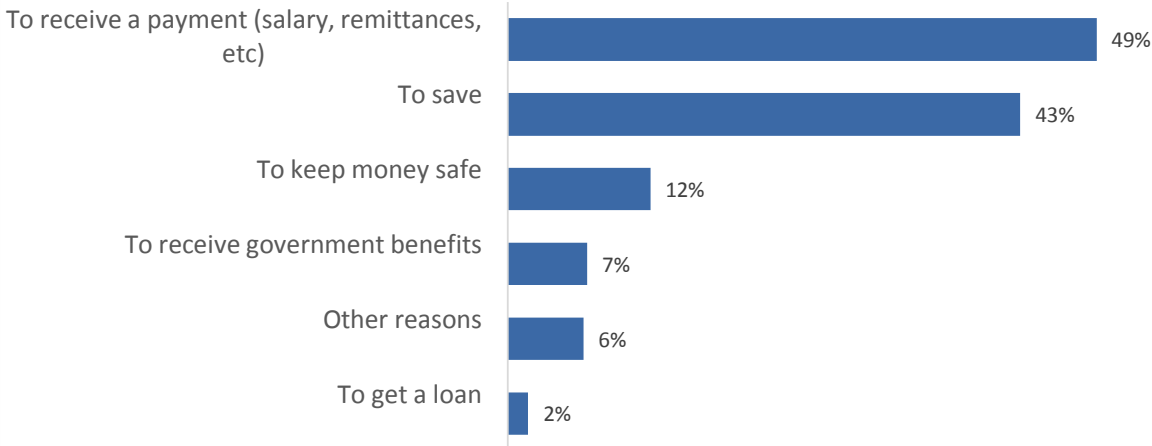| Reason	Percentage
To receive money or payments for work or for selling goods	49%
To save money	36%
To receive money or payments from the government	12%
To receive money from family members living elsewhere	8%
To send money to family members living elsewhere	1%
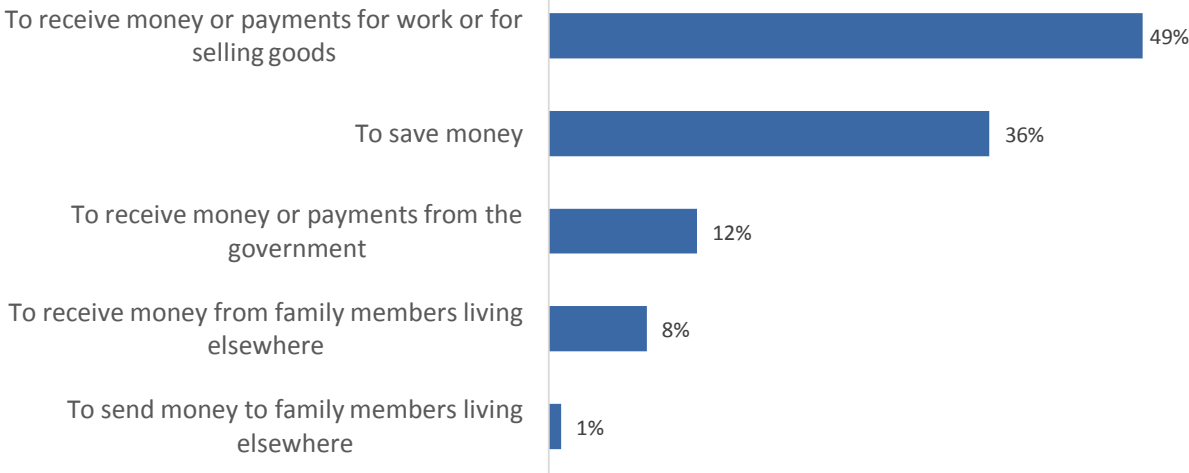
Note: Multiple answers allowed

"Receiving money or payment for work" in Figure 23 corresponds primarily with salary payments: less than 5% of banked respondents said they use their account for business purposes (Table 5). It may be interesting to learn more about whether employees (especially government employees) are obligated to open a bank account to receive salary payments, and whether they have a choice as to the bank at which they receive their salaries.

Table 5: Do you use your account(s) for personal transactions, business purposes or both?

Business or personal usage	%	95% confidence interval
Personal transactions only	95.7%	[93.7%,97.1%]
Business purposes only	0.6%	[0.2%,1.7%]
Personal and business transactions	3.5%	[2.2%,5.5%]

When we look at reasons for opening bank accounts by type of employment, it becomes even more apparent that formally employed Fijian adults are likely opening accounts to receive salaries (Figure 24). Interestingly, a higher percentage of agricultural, self-employed and casual laborers opened accounts to save or to keep money safe compared with formally employed adults suggesting a demand for formal savings products among these adults.

Figure 24: Reason for opening bank account, by employment type
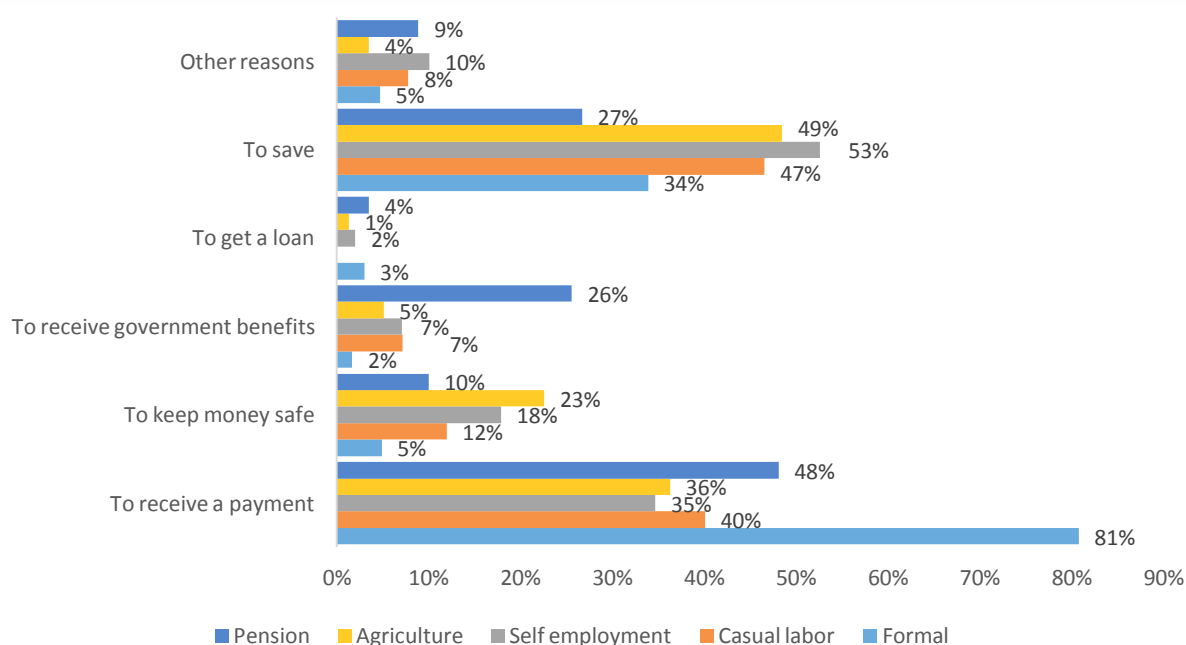
There is some evidence to believe that bank accounts opened to receive payments are primarily used for so-called "dump-and pull" behavior, in which employees receive a regular salary payment and withdraw all or nearly all of the payment to transact in cash, rather than to build savings or access other financial services (Figure 25). Only 25% of account holders that opened an account to receive a payment or government benefits have made deposits into their accounts in the last 30 days, and 56% claim to have never made a deposit. Additionally, a combined 78% of those who opened an account primarily to receive payments receive a deposit 1-2 or 3-5 times per month, suggesting a regular payment cycle from an employer or social welfare scheme.

Figure 25: Frequency of deposits into bank accounts
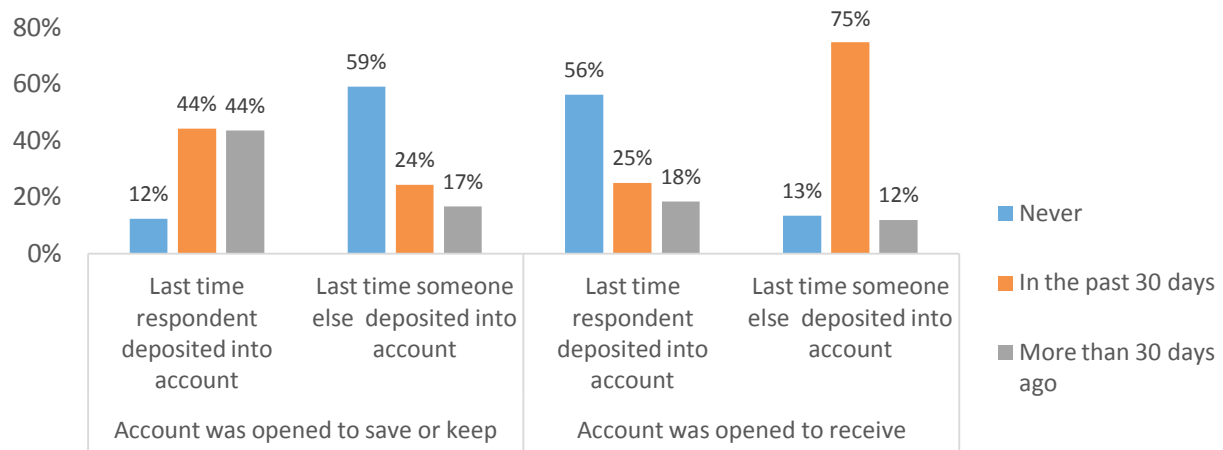
The data suggests that accounts that were opened to save or keep money safe are being used for this purpose. These respondents are making deposits more often on their own (88% had deposited in the past 60 days), while deposits from others are much lower.

Figure 26: Frequency of deposits into bank accounts by purpose of account opening (per month)[22]
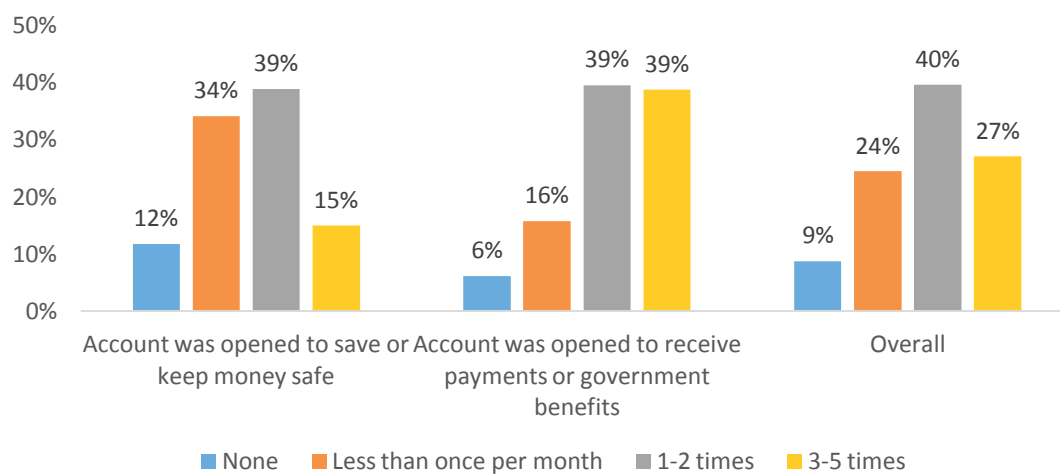
Figure 27 and Figure 28 below reinforce these themes: many of those who intended to save are doing so, and many of those who intended to receive payments are making frequent withdrawals. (The survey did not probe what proportion of payments made into accounts are withdrawn immediately.)

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22   Less than once per month refers to deposits or withdrawals which are made irregularly and only a few times per year.

Figure 27: Frequency of withdrawals from bank accounts
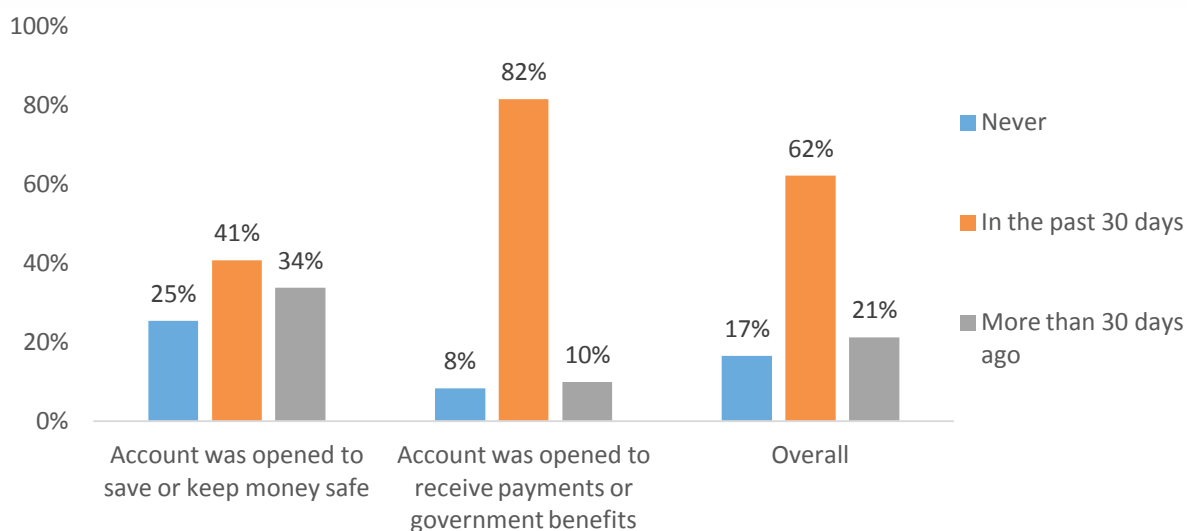
Figure 28: Number of withdrawals from bank accounts per month
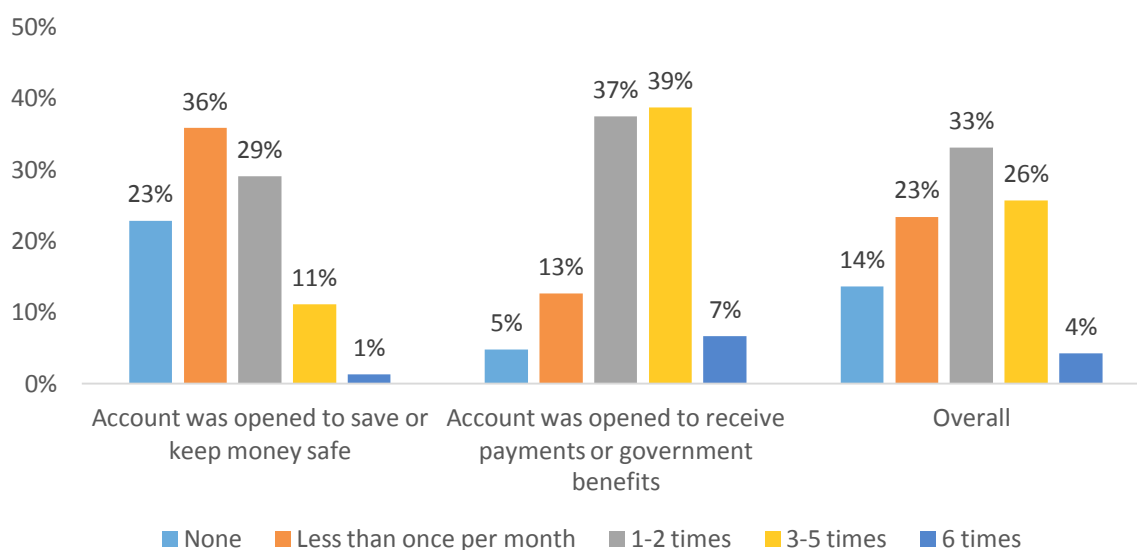
These findings on deposit and withdrawal behavior can be better appreciated in the context of available data from Indonesia, the Philippines and other upper-middle income countries. As Figure 29 below shows, bank account holders in those countries make deposits and withdrawals much less frequently than do the Fijian survey respondents. A higher proportion of Fijian banked respondents make deposits 3 or more times per month than in comparable countries, and fewer Fijians make no deposits at all.

Figure 29: Monthly deposits and withdrawals in Fiji and among comparable countries
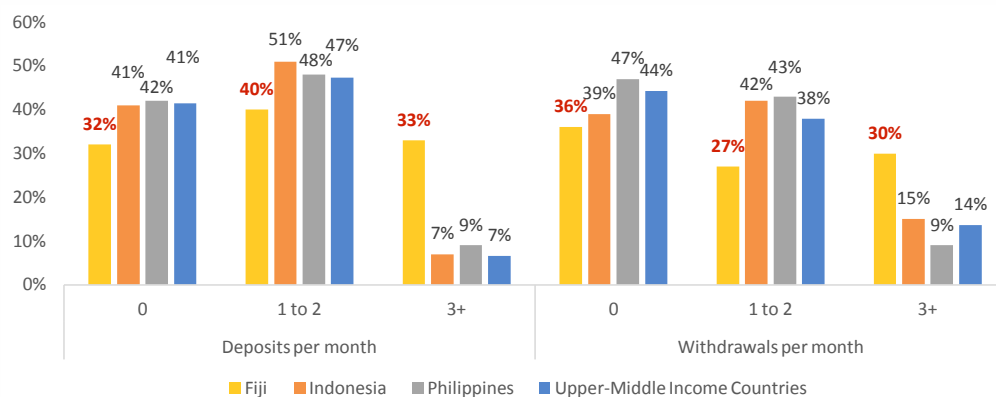
Data from database: Global Findex (Global Financial Inclusion Database), last updated: 04/2015

Usage of bank account features, such as mobile banking and credit cards, is low

Among those with bank accounts, use of account features appears to be low (Table 6), with the exception of access cards (debit cards) which are used by the majority of account users (79%). If we look at the entire sample, 47% of all Fijians own access cards. This is slightly higher than in other upper-middle income countries but much higher than average access card ownership in lower-middle income countries (Table 7). Moreover, these access cards are used frequently: 35% of banked respondents with access cards use them at least once per month, 31% use them 1-2 times per month, and 5.7% use them 3 or more times per month.

Access to other account features is low, with mobile banking and internet banking available to only 9% and 8% of banked respondents, respectively. 78%

Table 6: Access to bank account features among banked clients

Product	Percent
Access cards	78.70%
Mobile banking	9.4%
Internet banking	8.10%
Credit cards	4.80%
Cheques	2.50%
Wire transfer	1.40%

last used mobile banking in the 30 days prior to the survey. With regards to internet banking, 58% of its users had used it in the past 30 days, and 18% had used it in the last 6 months. However, 16% had never actually used internet banking despite having access. Additional research on these users can seek to understand what types of payments or transfers bank clients are using these features for.

Table 7: Benchmarking access to bank account features with Global Findex data

	Lower-middle income countries (2014)	Fiji (2014)	Upper-middle income countries (2014)
Cheques used to make payments (total population)*	4.84%	1.5%	2.5%
Credit cards(total population)	3.7%	2.9%	16.8%
Debit cards (total population)	21.2%	47.2%	45.9%

*Data from database: Global Findex (Global Financial Inclusion Database), last updated: 04/2015 *Indicator not included in 2014 Global FIndex*

Fijians prefer cash for its convenience

Respondents with access to at least one of these features were asked about their preference for using cash versus electronic money. The vast majority (88.8%) responded that they prefer to use cash for *all* payments. 72% of respondents answered that they use cash (rather than electronic money) for its convenience, while others answered that they do so to avoid fees (28.5%) and for ease of budgeting (27.9%).[23] This implies that while electronic money is available, its value-add is not yet clear even tO financially savvy Fijian adults.

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23   Multiple answers were allowed.

Spotlight on savings:

Savings culture is strong among Fijian adults, whether banked or not

Table 8 indicates that the proportion of Fijians saving is high, even compared with Global Findex data on savings behavior in comparable countries. 71.2% of respondents said that they had saved with any source in the past year, compared with only 45.6% across Global Findex respondents in lower-middle income countries and 62.7% of respondents in other upper-middle income countries.[24] This is true of both formal and informal savings—nearly 38% of Fijians saved in a formal financial institution during the past year, and 9% had used a savings club during this time.

Table 8: Saving in Fiji compared with Global Findex aggregate data

	Lower-middle income countries (2014)	Fiji (2014)	Upper-middle income countries (2014)
Saved any money in the past year (self-reported)	45.6%	71.2%	62.7%
Saved at a financial institution in the past year (bank, credit union, or MFI)	14.8%	37.9%	32.2%
Saved using a savings club in the past year	12.4%	9%	4.9%

Data from database: Global Findex (Global Financial Inclusion Database), last updated: 04/2015

Fijian adults use informal savings mechanisms at similar rates despite income levels

While a higher percentage of wealthy adults had saved using any method than those in the bottom income quintiles, these rates converge when looking at rates across common methods of saving (Figure 30). While only 5% of Fijian adults in the poorest income quintile had used savings clubs to save during the previous year, 8% of those in the wealthiest quintile had done so. Further, the proportion of adults saving at home is fairly similar across income quintiles (ranging from 30% of adults in the poorest quintile to 36% of adults in the wealthiest quintile).

This suggests that wealthier adults may be saving more in banks due to higher access to bank accounts. Again, although many unbanked respondents say that they don't have enough money to use banks, many of these respondents clarified that they spend money shortly after receiving it. Still, roughly a third of respondents across income quintiles are saving at home. This suggests that having access to more diverse savings products which can meet clients in between traditional bank accounts and saving at home—which is highly proximate and easy to spend—can better meet the savings needs of Fijian adults.

Figure 30: Percent of adults saving, by income group

Bottom 20% 20-40% 40-60% 60-80% Top 20%

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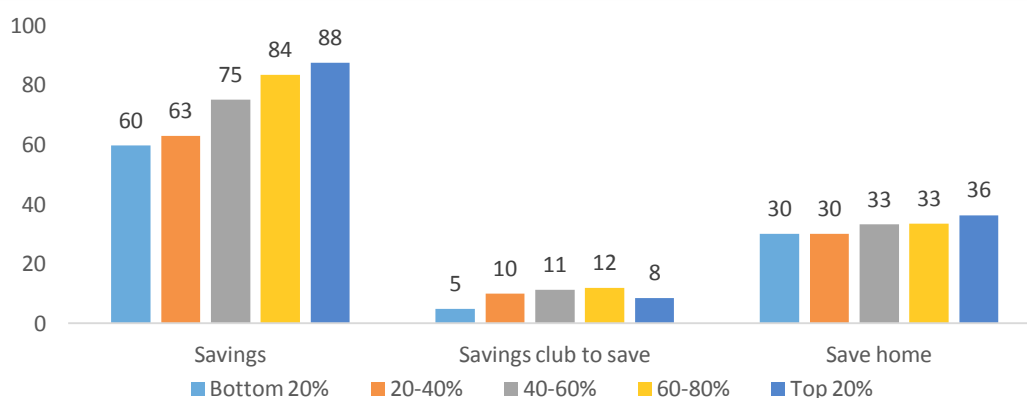
24   World Bank. Global Financial Inclusion Indicators: Regional Dashboard (Income Group Comparisons). 2011. (accessed 7 April, 2015)

Savings methods differ by inclusion strand

There are interesting differences in the way people save across inclusion strands (Table 9). Nearly two thirds (65%) of banked respondents said they have saved something over the past 12 months, compared with only 27% of the "excluded" and 30% of the "informal only" segment.

Table 9: Saving behavior by financial inclusion category

	Excluded (N=358)	Informal only (N=103)	Other formal (N=54)	Banked (N=772)
In the past 12 months, have you saved or put aside any money, even a little?	27%	30%	48%	65%

Saving at home is common among all types of respondents and, as Figure 31 below shows, unbanked respondents are more likely to use savings clubs and lend to friends or family than those in the banked or other formal inclusion strands.

Figure 31: Non-bank savings by financial inclusion category
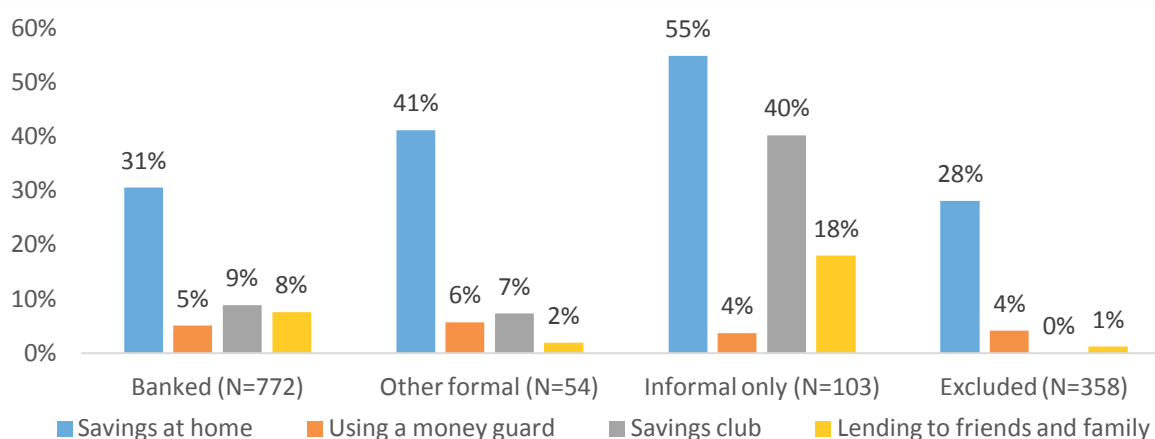
For unbanked respondents using only informal savings mechanisms, these savings could be significant (Table 10). About 8% of respondents use savings clubs and have an average of FJD 355 saved (USD $174). Another 5% of respondents extend credit to friends and family. These respondents report an average FJD 486 (USD $238) in savings. Saving with credit unions, microfinance institutions and in investments was extremely rare across the sample—less than 2% of respondents saving with each. Thus, these are not reported in the table.

Table 10: Average savings balances across types of savings instruments[25]

Savings vehicle	Number of observations	Average value saved		95% confidence interval	
		FJD	USD	FJD	USD
Savings club	106	355	174	[132 - 578]	[65 – 283]
Extending loans to friends and family	61	486	238	[138 - 834]	[68 – 409]
Saving at home	367	118	58	[97 - 139]	[48 – 68]
Giving someone else money to keep safe (moneyguard)	52	167	82	[87 - 246]	[43 - 121]
Fiji National Provident Fund (FNPF) or other superannuation fund	257	13,252	6,496	[10,114 -16,391]	[4,958 – 8,035]

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25   Given the small number of respondents using credit unions, microfinance institutions and formal investment vehicles to save, these balances are not reported here. Further, all savings balances should be interpreted along with the accompanying confidence intervals which provide an estimate of the sample mean. For example, if the Fiji DSS were conducted again using the same sampling methodology, the average mean for each instrument would fall within the reported intervals 95% of the time.

Like inclusion strands, savings behavior differs by ethnicity

Similar to differences in inclusion strands, fewer iTaukei adults reported saving (by any method) during the 12 months prior to the survey (Figure 32). On the other hand, 77% of Indo-Fijians reported saving during the last year, and 90% of others.

Figure 32: Percentage of adults having saved during the past year, by ethnicity
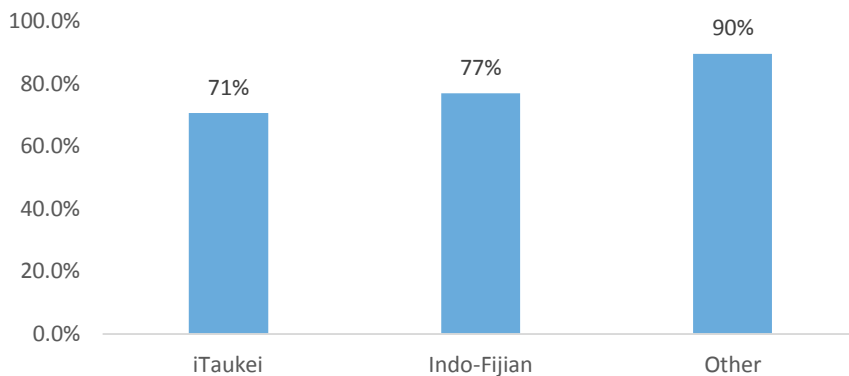
Long-term, FNPF savings are being used by salaried, urban adults

27% of Fijians use the FNPF or another superannuation funds to save for retirement (Figure 33). However, a higher proportion of urban respondents (36%) use FNPF compared with rural respondents (only 18%). This is not surprising as formal wage employment is more prevalent in urban areas. The majority (70%) of respondents earning a formal salary (private or public) reported using FNPF, compared with only 12% of respondents with no formal income source.

Figure 33: Usage of FNPF or superannuation funds
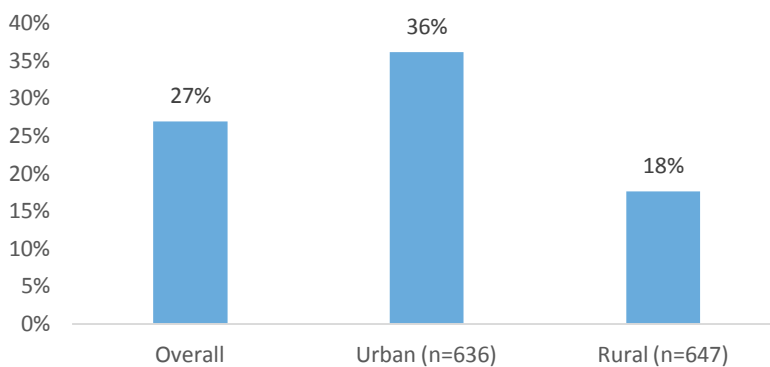
In line with these findings, usage of FNPF or other superannuation funds also differs by income level (Figure 34).

Figure 34: Usage of FNPF or superannuation fund by income quintile (percent)
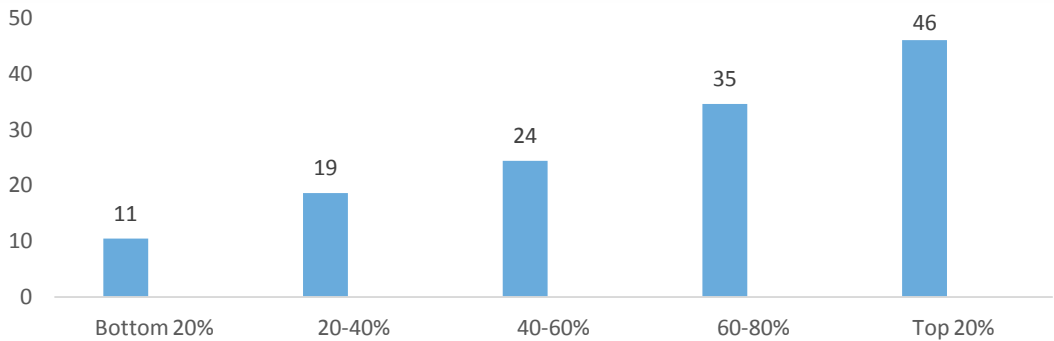
Banked respondents reported higher levels of savings balances overall

Overall savings balances (including savings in all instruments) of the banked are significantly higher than those of the unbanked or previously banked (Figure 35). Banked respondents had an average FJD 6,728 (USD 3,298) in savings compared with an average of FJD 373 (USD 183) among the previously banked and FJD 160 (USD 78) among the unbanked. Savings balances among the banked are likely skewed by FNPF savings, however. These differences are due to the fact that being wealthier and having a bank account are correlated.

Figure 35: Average savings balances across the banked and unbanked respondents (FJD)
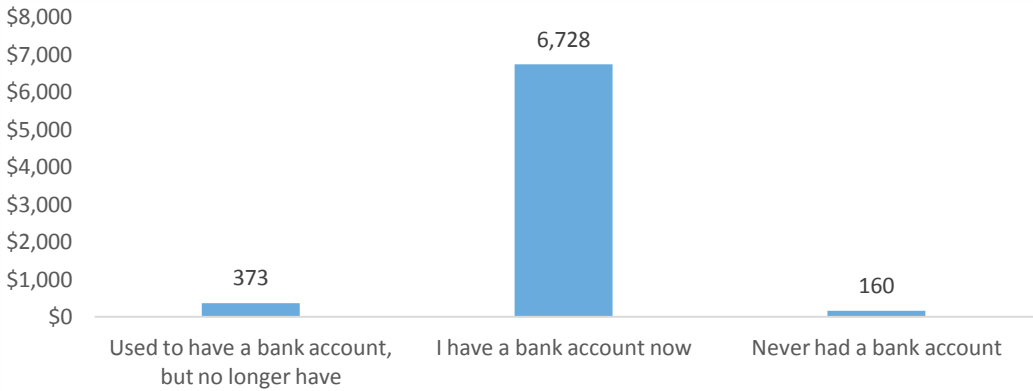
Spotlight on credit:
Fijians rely primarily on informal credit sources

Use of credit (both formal and informal) in Fiji is much lower than usage in comparable Global Findex countries (Table 11).[26] One possible explanation is that the strong culture of giving and providing support to family members and community networks in Fiji reduces the need to rely on credit, particularly for emergencies.

Table 11: Credit usage in Fiji compared with aggregate Global Findex data

	Lower-middle income countries (2014)	Fiji (2014)	Upper-middle income countries (2014)
Loan in the past year (from any source)	47.4%	32%	37.7%
Loan from a financial institution in the past year	7.5%	6.9%	10.4%

Data from database: Global Findex (Global Financial Inclusion Database), last updated: 04/2015

Like savings, use of informal credit shows variation across inclusion strands (Figure 36). Respondents in all categories borrowed from friends and family, but a greater percentage of respondents in the "informal only" strand (17%) had done this in the past year. Those in the informal only strand used shop credit much more (59%) than those in the banked (8%) or other formal (18%) strands.

Figure 36: Non-bank sources of credit by financial inclusion category
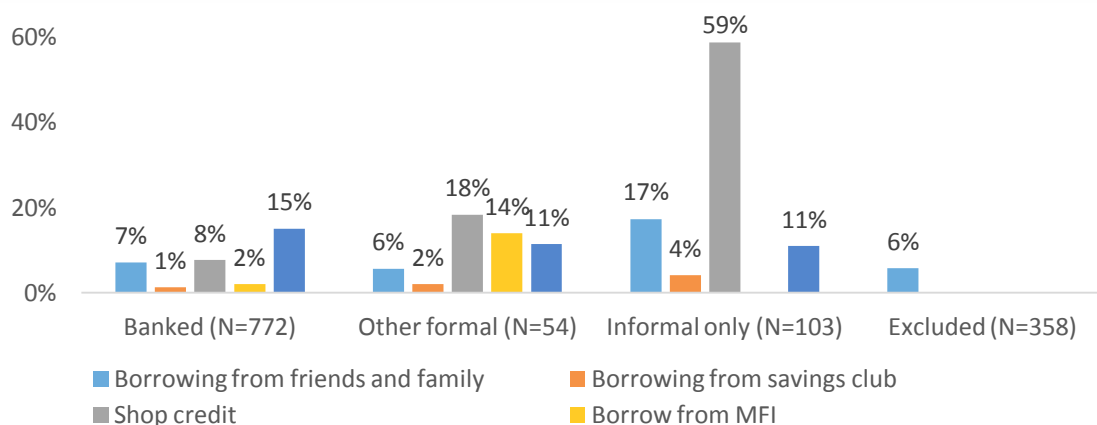
Credit unions and microfinance do not appear to be meeting the credit needs of Fijian adults

Table 12 reports the average outstanding credit balances to different sources of credit, from formal (commercial banks, finance companies, credit unions, and MFIs) to informal (hire purchases, friends and family, and so on). While it is difficult to draw firm conclusions about credit sources which are not frequently used, it does appear that credit unions and MFIs are not meeting the credit needs of Fijian adults based on the low percentage of respondents with such credit outstanding. Instead, Fijian adults are borrowing from friends and family, shop keepers, and taking goods on hire purchase. Further research should disentangle the reasons for this behavior; it may be, for example, that MFIs and credit unions do not provide loans with sufficient flexibility or that they simply do not have the access points to be relevant.

26   World Bank. Global Financial Inclusion Indicators: Regional Dashboard (Income Group Comparisons). 2011. (accessed 7 April, 2015)

Table 12: Average amount of credit outstanding, by credit source[27]

Credit source	Number of observations	Average outstanding		95% confidence intervals	
		FJD	USD	FJD	USD
Commercial bank loan	73	15,581	7,638	[2,749 – 28,414]	[1,348 – 13,928]
Loans from friends and family	61	1,502	736	[-1,202 – 4,205]	[-589 - 2,061]
Moneylender credit	9	126	62	[37 – 214]	[18 - 105]
Credit union	15	1,426	699	[783 – 2,070]	[384 – 1,015]
Loan from microfinance institution	16	697	342	[411 – 984]	[201 - 482]
Employer loan	10	1,295	635	[1,447 – 4,037]	[709 – 1,979]
Finance company credit	22	19,207	9415	[5,513 – 32,901]	[2,702 - 16,128]
Hire purchase	124	881	432	[730 – 1,032]	[358 - 506]
Layby	12	564	276	[219 – 909]	[102 - 446]
Shop credit	84	40	20	[23 – 57]	[11 - 28]

Credit behavior by ethnicity

As with the findings related to ethnicity and inclusion strands and borrowing, borrowing behavior differs by ethnicity (Figure 37). A greater proportion of iTaukei adults (37.2%) reported borrowing during the previous year than Indo-Fijian (24.5%) or others (31.3%).

Figure 37: Proportion of adults borrowing in the previous year, by ethnicity

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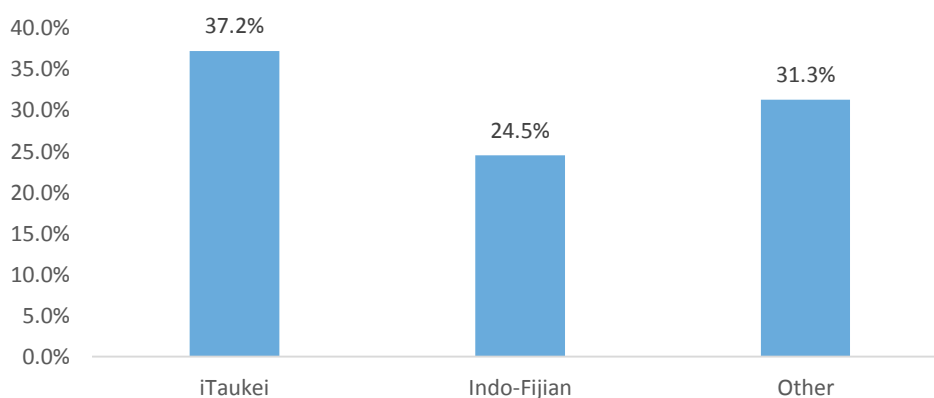
27   Only 4 respondents in the sample reported taking loans from savings groups, thus, those responses were not included here. Further, all credit balances should be interpreted along with the accompanying confidence intervals which provide an estimate of the sample mean. For example, if the Fiji DSS were conducted again using the same sampling methodology, the average amount outstanding for each type of credit would fall within the reported intervals 95% of the time.

Spotlight on mobile money:

Despite high awareness, mobile money usage is low

The Fiji DSS finds low levels of mobile money usage despite high levels of awareness. Nearly 76% of Fijian adults own a mobile phone, and 41% of those who do not own a phone regularly use someone else's phone. Among these, 80% have heard of mobile money. Yet only 6.5% of Fijian adults have a mobile money account.

Even among respondents who both have a SIM card and have heard of mobile money, less than 11% have a mobile money account. A 2012 PFIP Mobile Money Attitudes and Perception Omnibus Survey found that among respondents aware of mobile money, 8% were mobile money users, implying that mobile money usage has not increased since the time of the previous survey.[28]

Table 13 below shows demographic characteristics of mobile money account holders.

Table 13: Demographics for mobile money account holders

% Male	43%
Average age	38
% Urban	63%
(N=85)	

Due to the low number of respondents with mobile money accounts, statistically sound inferences about this segment are not possible. Details in Table 18, Annex B.

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28   Subramanian, Ramanathan. "Mobile Money Attitudes and Perception Omnibus Survey." February, 2012. <http://www.pfip.org/resources/uploads/attachments/documents/Omnibus_Survey_Findings.pdf>

Spotlight on remittances:

A third of urban females received remittances during the last year

About a quarter of survey respondents (23%) said they receive money from acquaintances that live either in Fiji or abroad. This percentage was largely the same among urban and rural respondents (Figure 38). A slightly higher proportion of urban adults sent money in the past year (13%) than rural adults (8%).

Figure 38: Proportion of adults that sent or received remittances during the previous year, by location
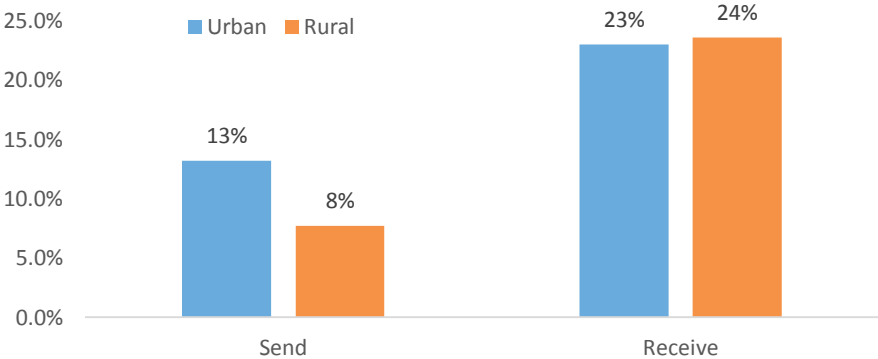
However, when we analyze remittances sent and received by gender and location, sharp differences emerge (Figure 39). A higher percentage of women (28%) receive remittances than men (19%). When we analyze these patterns by location, the differences become more apparent. 30% of urban Fijian females received remittances in the previous year compared with 16% of urban men. While a greater proportion of rural men received remittances (22%) than urban men, this was not the case for rural females. A slightly *lower* proportion (25%) of rural females received remittances than urban females.

Figure 39: Remittance patterns among urban and rural men and women
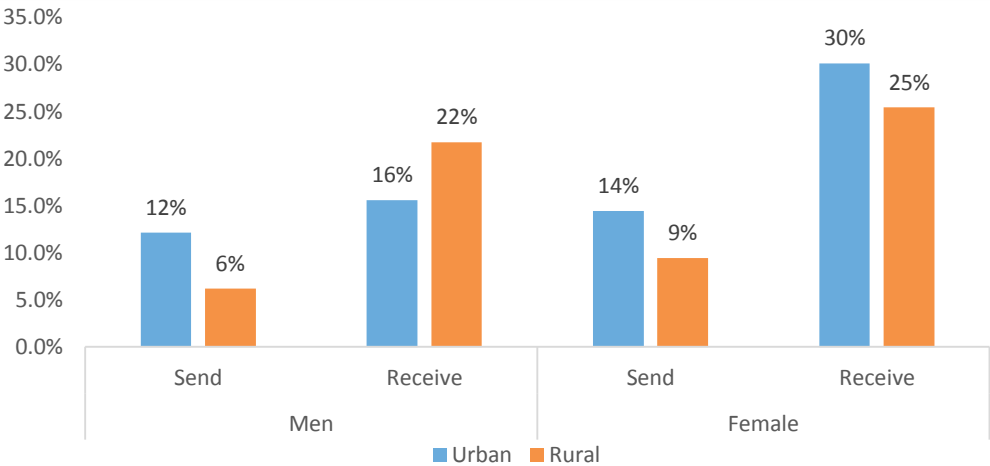
Domestic remittances are significant and channeled through Post Fiji

Nearly all remittance beneficiaries receive money either from abroad or from elsewhere in Fiji, but not both, as Figure 40 below shows. A higher proportion (73%) of urban remittance receivers have someone sending them money from abroad than do rural remittance receivers (52%).

Figure 40: Source of remittances among those receiving remittances respondents

Abroad **59%** **3%** **Fiji** **38%**

n=300
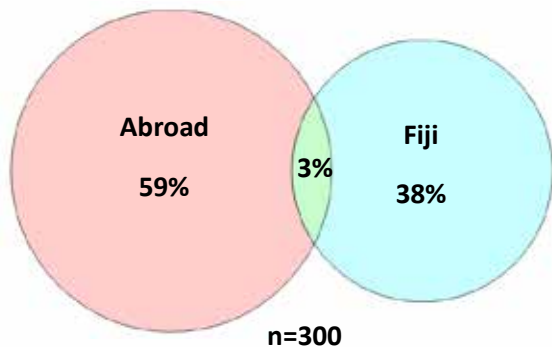
International remittances tend to be sent using different payment mechanisms than domestic remittances: 72% of remittances from abroad are received through a remittance service such as Western Union, and 14% are transferred directly to the receiver's bank account (Figure 41). Remittances from within Fiji are most commonly received through the postal office (43%), followed by cash sent though a relative or acquaintance (31%), and transfer into the receiver's bank account (15%).

Figure 41: Mechanisms for receiving remittances

	From Fiji	From abroad
Own bank account	15%	14%
Post Office	43%	4%
Mobile money	1%	
Western Union, etc.	6%	72%
Relative or acquaintance (by cash)	31%	6%
Relative or acquaintance (electronically)	3%	3%
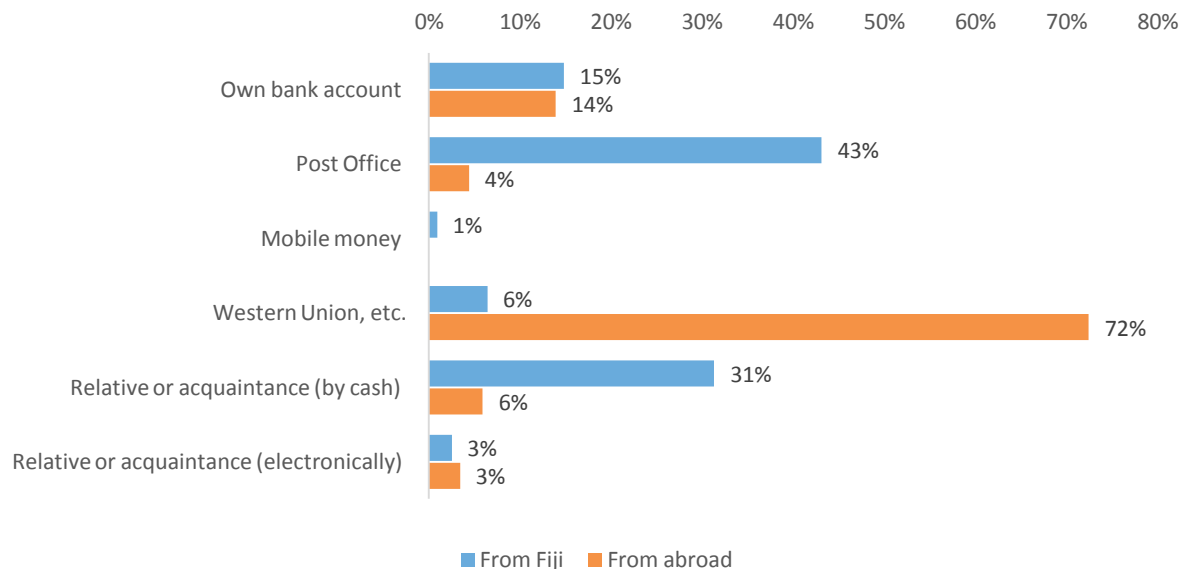
(51%) said they use the post office, while another 17.3% sent money through their bank account (Figure 42).

Figure 42: Mechanisms for sending remittances

Bank account	17%
Post Office	51%
Mobile money account	3%
Western Union, etc.	4%
Relative or acquaintance (cash)	13%
Relative or acquaintance (electronically)	9%
Internet banking	2%
Other	2%

■ Within Fiji
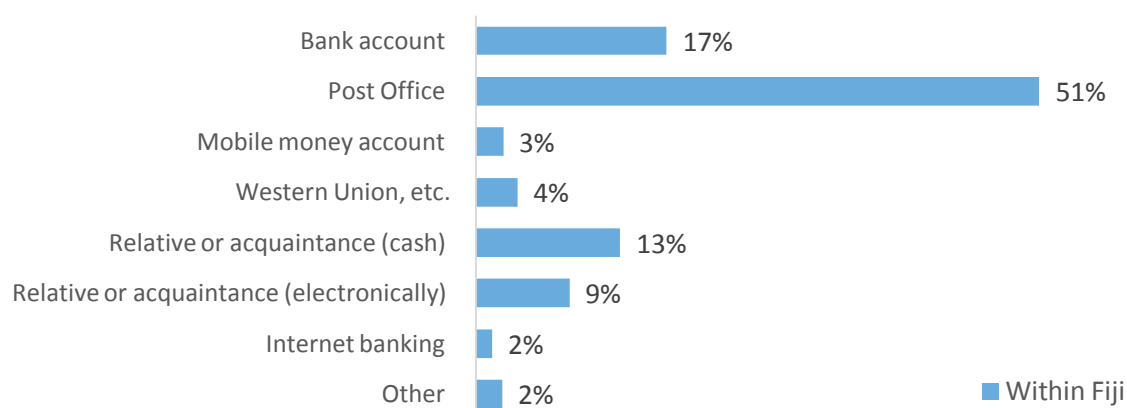
Few Indo-Fijians utilize remittances compared with other groups

As with usage of credit, fewer Indo-Fijians sent or received money during the previous year compared with iTaukei and other respondents (Figure 43). This may be partly due to the fact that Indo-Fijians were brought to Fiji several decades before and have likely lost ties with relatives abroad, but it may also be partly explained by the fact that a larger proportion of Indo-Fijians (56.7%) are located in urban areas compared with iTaukei (44.5%).[29] Fijian culture also has a strong sense of reciprocity and giving among the extended family and community which may explain higher rates of remittances among iTaukei adults.

Although the survey did not ask other respondents to specify their ethnicity, information on the native languages of others indicates that many are from other Pacific Islands or from elsewhere abroad, thus these adults are likely receiving payments from abroad.

Figure 43: Remittance patterns by ethnicity (percent)

■ Send money ■ Receive money

	Send money	Receive money
iTaukei	13	27
Indo-Fijian	6	16
Other	15	39

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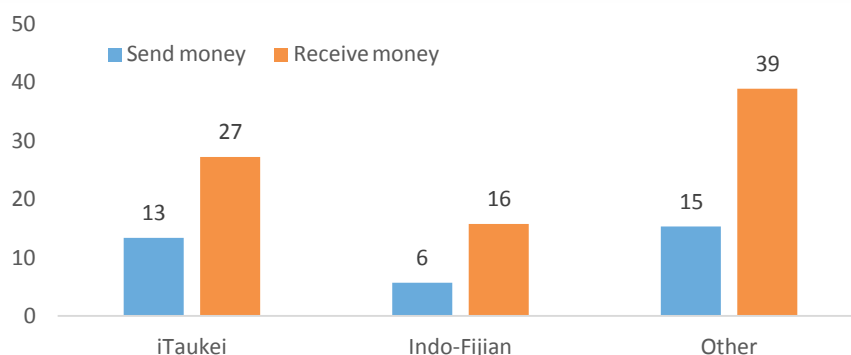
29   Fiji Bureau of Statistics. "2007 Census of Population and Housing: Population Size and Growth by Ethnicity and Geographic Sector." < http://www.statsfiji.gov.fj/index.php/2007-census-of-population> Accessed April 2015.

Spotlight on insurance:

Use of insurance is minimal among the poor

Across the sample, only 12% of respondents have any type of insurance (Figure 36). This rate is higher among urban respondents (17%) compared with rural respondents (7%) and substantially higher among those in the top two income quintiles than among adults in the bottom three income quintiles (Figure 45). This finding suggests that Fijian adults may only be using insurance provided by employers.

Figure 44: Insurance ownership in Fiji
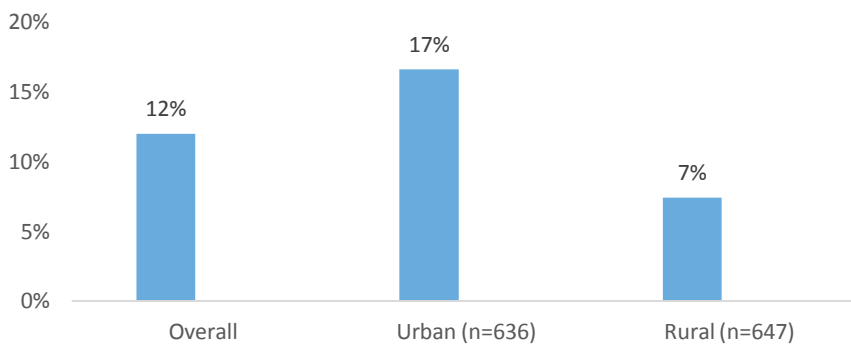
Figure 45: Insurance ownership across income quintiles
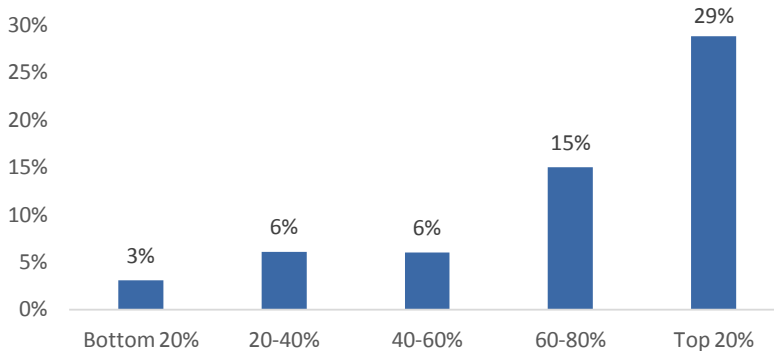
Indeed, as with other formal products, the rate of insurance ownership is higher among employed (27%) than unemployed Fijian adults (7%). When asked why they don't use insurance, 40% of respondents said that they do not need it (Figure 46), while others responded that the price is prohibitive (30%), or that they don't know what it is (25%). Among those that claim to not need insurance, it is likely that understanding of insurance is low. If expanding access to insurance is a priority of the RBF, this may be a topic to include in its financial education efforts.

Figure 46: Self-reported reasons for not using any type of insurance
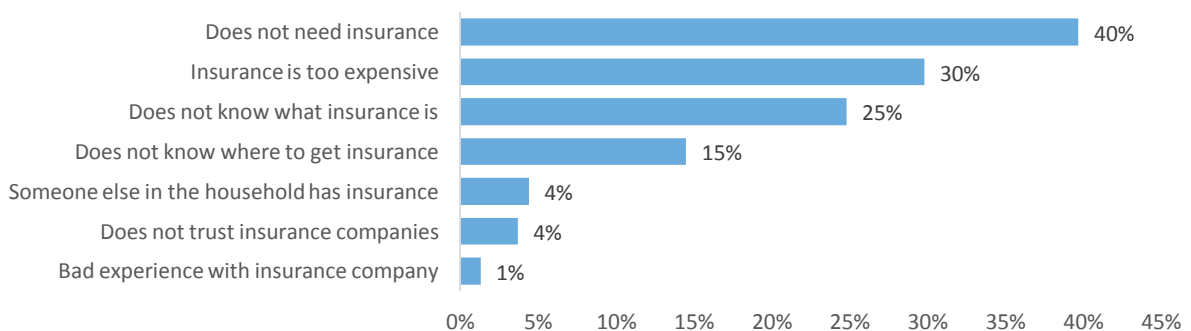
Conclusion:

Priorities for future research and policy action

The Fiji Financial Inclusion DSS provides a benchmark on access to financial services—both formal and informal—among Fijian adults.

Fiji has achieved a relatively high level of formal inclusion to date (60% of adults have an account with a formal financial institution) compared with other Pacific Island countries in which comparable DSS surveys have been conducted and with lower-middle income countries surveyed as part of the Global Findex. It appears that these adults are using their formal products intensively. While Fiji's formal inclusion level lags slightly behind that of other upper-middle income countries (70.4%) included in the Global Findex, this is understandable given that Fiji was reclassified as such only in 2013.

However, the DSS highlights that electronic banking products and features have not demonstrated their full value-add to banked Fijian adults. Banked respondents express a preference for cash rather than electronic money, such as credit cards or mobile banking, suggesting that providers will have to continue to work to make electronic banking products relevant even for Fijian adults that may be relatively financially savvy. Further, it has long been said that mobile money has great potential in the Pacific Region because of large distances between islands. However, there is evidence to suggest that clients do not see mobile money products as useful or relevant, as many people have heard of mobile money, but few are using it.

Despite a high level of inclusion, nearly a third (27%) of adults are completely excluded from any type of financial service. Specifically, inclusion is lower:
- In the Eastern and Western Provinces;
- Among women;
- Among iTaukei adults;
- Among young adults (those aged 15-20); and
- And among agricultural or casual workers.

A large proportion of Fijian adults saved during the previous year (71%), compared with 28% and 35% of adults in lower-middle and upper-middle income countries in the Global Findex survey. These levels are high across income quintiles as well. Even among banked agricultural and casual workers, nearly half (49% and 47%) opened bank accounts to save. These findings suggest a demand for more diverse savings products even among those that are currently financially excluded.

The Fiji DSS results also show that perceptions and actual barriers to using formal financial services do not appear to match. Half of unbanked Fijian adults reported not having enough money, specifically spending money soon after it is received, as the biggest barrier to accessing a bank account. This result suggests that not having money is likely not the immediate barrier. Rather, unbanked Fijian adults may not have a precise understanding of the range of products available from banks beyond long-term savings products. Similarly, although nearly all Fijian adults had at least one form of identification required to open a bank account, 17% of unbanked respondents cited not having proper documents as a reason for not having a bank account. Providing information about the minimal documentation required to open accounts and on financial products that allow clients to cheaply and easily deposit and withdraw quickly could increase the level of inclusion among the segments identified above.

Financial behaviors differ considerably by ethnicity, with iTaukei adults sending and receiving remittances and using credit more than Indo-Fijian adults. Indo-Fijian adults, on the other hand, appear to be saving more than iTaukei adults. Importantly the proportion of men with a bank account is 16 percentage points higher than the proportion of women with an account. Policymakers may wish to prioritize understanding how they can promote financial inclusion to these underserved groups. Given that nearly a third (30%) of urban women and 25% of rural women received remittances during the previous year, it may be worth exploring how to channel these payments through formal accounts.

Use of credit is relatively low overall in Fiji, suggesting that this would be an interesting topic for future research. Cultural factors unique to Fiji—such as a high degree of giving among families and communities—may be partly to explain. However, the DSS suggests an untapped credit market might exist in Fiji with formal credit usage so low, although more research would be needed to learn about this demand. The DSS results do suggest that existing non-bank formal credit providers, such as MFIs and credit unions or cooperatives, are not currently meeting the credit needs of Fijian adults who rely on family and friends, shopkeepers, or use hire purchase facilities to access loans.

Thus, future policy action can be focused on increasing the relevance and use of electronic money among formally included adults and increasing knowledge about formal financial products and services among the excluded (27% of Fijian adults). Small measures such as increasing information on the minimal documentation required to open bank accounts could go a long way in reaching those segments that are currently excluded and unbanked. Further, given the high proportion of Fijian adults that save despite income level, designing or marketing more appropriate savings products may be a means of engaging financially excluded Fijians adults with formal services.

Annex A: Financial inclusion indicators

PIRI Demand-side Indicators

ACCESS INDICATORS			
			Confidence inteval
3.4 % of adults with a mobile phone subscription		74.9%	[71.2%,78.4%]
4.3. Average cost of traveling to the nearest access point (public transit fee or gas costs), converted to USD	Bank branch	$3.33 USD (FJD6.8)	USD [1.23, 5.74] FJD [2.4,11.2]
	ATM	$2.06 (FJD 4.2)	USD [1.03, 3.28] FJD [2.0,6.4]
	Bank agent	$2.25 (FJD 4.6)	USD [.51, 4.15] FJD [1.0,8.1]
	Mobile money agent	$1.52 (FJD 3.1)	USD FJD [1.3,4.8]
4.4. Average time of traveling to the nearest access point in minutes	Bank branch	46.2 min	[22.6, 69.8]
	ATM	22.8 min	[14.5,31.2]
	Bank agent	21.9 min	[15.2,28.7]
	Mobile money agent	23.8 min	[11.2, 36.3]
4.5. Average time waiting to be served when opening a deposit account (in minutes)		54 minutes	[48, 60]
4.7. Percentage of adults reporting that they do not have all identification documents required to open a basic account		0.5%	[0.2%, 1.1%]
USAGE INDICATORS			
			Confidence inteval
5.3. Percent of adults with at least one type of regulated deposit accounts		60.2%	[55.5%, 64.7%]
5.4. Percent of adults with at least one type of regulated credit account		9.4%	[7.8,11.2]
5.5. Percent of Adults with at least one regulated financial product		64.2%	[58.4, 70.2]
5.6. Percent of people with an active deposit account– have had any deposit or withdrawal in the last 90 days		51.9%	[47.3,56.5]
5.7. Percentage of adults earning below US $2 per day who have a deposit account		39%	[32.3,46.0]
6.1. Percentage of adults with at least one active mobile financial services product[30]		-	-
6.2. Percentage of adults who have sent money through mobile financial services in the last 12 months for person to person transfers and bill pay		1.4%	[0.8%, 2.5%]
6.3. Percent of adults who have received money (including e-money) through mobile money in the last 12 months		2.1%	[1.4%, 3.2%]
7.1. Percent of adult women with an active deposit account OR percent of deposit accounts held by women		43.7%	[38.6, 48.9]

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30   The number of active mobile wallet users was so low as to be negligible.

GLOBAL FINDEX indicators – Fiji compared with lower-middle and upper-middle income countries

	Benchmarking the Fiji Financial Inclusion Indicators		
	57.2%	7.5%	41.4%
0 deposits in a typical month (% with account)	34.6%**	13.7%	11.3%**
0 deposits/withdrawals in a typical month (% with account)	57.8%	12.8%	44.3%
0 withdrawals in a typical month (% with account)	32.4%	63.9%[31]	47.3%
1-2 deposits in a typical month (% with account)	27.5%	56.3%[32]	37.9%
1-2 withdrawals in a typical month (% with account)	8.8%	27.3%	6.6%
3+ deposits in a typical month (% with account)	12.5%	29.9%	13.6%
3+ withdrawals in a typical month (% with account)	3.85%	2.8%	17.8%
ATM is main mode of deposit (% with* account)	42.4	80.7%	55.7%
ATM is main mode of withdrawal (% with account)	41.8%	60.2%	70.4%
Account at a formal financial institution (bank or credit union)	4.14%	2.5%	4%
Account used for business purposes (total population)*	3.3%	7.3%	9.6%
Account used to receive payments from government (total population)	3.73%	4.8%	8.4%
Account used to receive remittances (total population)*	2.9%	0.6%	6.4%
Account used to send remittances (total population)*	5.6%	29.1%	18.1%
Account used to receive salary or wages (total population)	3.48%	80%	70.6%
Bank teller is main mode of deposit (% with account)*	45.8%	10.6%	39.1%
Bank teller is main mode of withdrawal (% with account)	4.84%	1.5%	2.5%
Cheques used to make payments (total population)*	3.7%	2.9%	16.8%
Credit cards(total population)	21.2%	47.2%	45.9%
Debit cards (total population)	1.7%	4.9%	1.2%
Retail store or agent is main mode of deposit (% with account)	1.92%, 2.93%	3.6%	0.9%, 0.7%
Retail store or agent is main mode of withdrawal (% with account)	1.89%	0%	1.7%
Mobile phone used to pay bills (total population)*	3.57%	2.3%	1.3%
Mobile phone used to receive money (total population)*	2.27%	1.4%	1%
Mobile phone used to send money (total population)*	45.6%	71.2%	62.7%
Saved any money in the past year	14.8%	37.9%	32.2%
Saved at a financial institution in the past year (bank, credit union, or MFI)	22.08%	31.2%	25.1%
Saved for emergencies in the past year (total population)*	19.81%	9.2%	22.9%
Saved for future expenses in the past year (total population)*	12.4%	9%	4.9%
Saved using a savings club in the past year	47.4%	32%	37.7%
Loan in the past year (from any source)	7.5%	6.9%	10.4%
Loan from a financial institution in the past year	8.5%	2.7%	2.6%
Loan from a private lender in the past year	4.88%	1.2%	2%
Loan from an employer in the past year*	33.1%	7.5%	24%
Loan from family or friends in past year	8.18%	10.4%	4.8%
Loan through store credit in the past year*	5.15%*	1.2%	32.9%*
Personally paid for health insurance (all respondents)*	57.2%	7.5%	41.4%

Data from database: Global Findex (Global Financial Inclusion Database), last updated: 04/2015
   * Indicator included in 2011 Global Findex only.
   ** While the 2014 Global Findex indicators report 0 deposits or withdrawals in the past year, the Fiji indicator reports 0 deposits or withdrawals in a typical month.

31 This includes deposits which are made infrequently or only a few times per year – 24.4% of banked respondents.
32 This includes withdrawals which are made infrequently (less than once per month) or a few times per year – 24.3% of respondents.

GPFI indicators

GPFI Indicators	Average	95% CI
Formally banked adults: % of adults with an account at a formal financial institution	60.2%	[55.5%,64.7%]
Adults with credit from regulated institutions (bank and credit union only)	6.9%	[5.6%,8.6%]
Adults with credit from regulated institutions (bank, credit union, finance company, or MFI)	9.4%	[7.8,11.2]
Mobile transactional use	-	-
High frequency account usage	23.8%	[20.4%,27.6%]
Adults with insurance	12%	[10.0,14.4]
Saved at a financial institution in the past year (bank, credit union, MFI)	37.9%	[33.7,42.2]
Remittances	23.3%	[20.6%,26.2%]

Annex B: Analysis of inclusion using the Progress out of Poverty Index (PPI)

While analysis of poverty at the USD $2 per day income line is included in the main body of the report, poverty rates are notoriously difficult to capture using income alone. This is especially true in countries, such as Fiji, in which a high percentage of the population relies on home production.

The Grameen Foundation Simple Poverty Scorecard™ (also known as the Progress out of Poverty Index® or PPI) is an analytical tool that estimates the likelihood that respondent households are poor based on known correlations between indicators and poverty without asking about consumption in detail. In the case of Fiji, the PPI uses information from the 2008/9 Household Income and Expenditure Survey to estimate the likelihood that a household in Fiji earns income or consumes below a given poverty line. The Simple Poverty Scorecard™ provides a quick and easy way to collect 10 household indicators which are then used to determine the likelihood of poverty.[33]

To analyze the PPI scores, we grouped households into 3 segments based on their likelihood of earning or consuming below the national poverty line.[34] These segments are as follows:

Poverty likelihood segment	Likelihood of consuming below the national poverty line
Low poverty likelihood	Households with a likelihood score of less than 25%.
Medium poverty likelihood	Households with a likelihood score greater than or equal to 25% and less than 75%.
High poverty likelihood	Households with a poverty likelihood estimate of 75% or greater were classified as highly likely to be poor.

Figure 47: Financial inclusion strand by poverty likelihood segment (using the National Poverty Line)
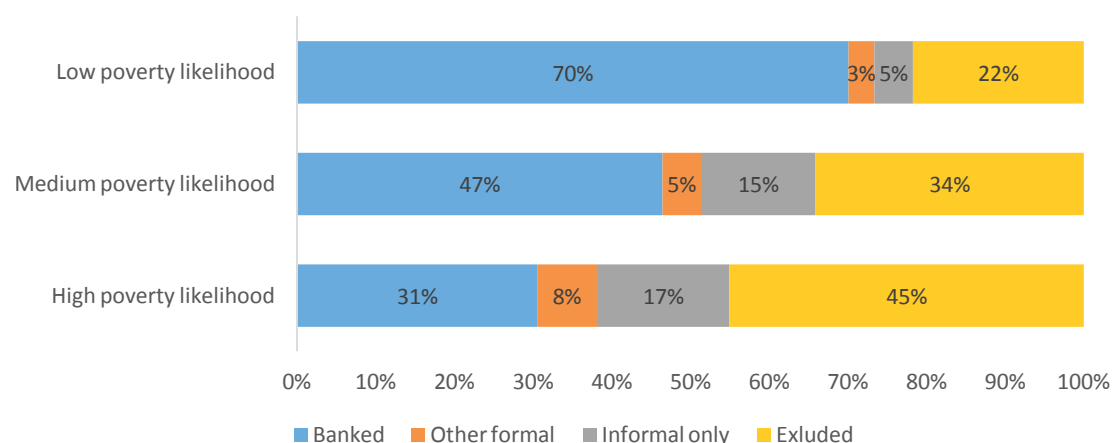
As demonstrated in Figure 47, 45% of households with a high poverty likelihood are excluded from any type of financial service, formal or informal, and only 31% are estimated to have a formal bank account.

The Fiji national poverty line is defined as the cost of basic-needs food and non-food consumption, designed to reflect nutritional requirements and consumption habits in Fiji.[35] Compared with the USD $2 per day international poverty line which is utilized earlier in the report, the national poverty line is likely a more accurate reflection of poverty in the Fijian context. In addition, the national poverty line has a higher threshold than the USD $2 per day line, which comes to roughly FJD 4.21 per adult equivalent per day compared with the national poverty line's equivalent of FJD 6.59 per day in urban areas. Thus, while the national poverty line estimates are more likely to provide an accurate reflection of inclusion among poor Fijians, the USD $2 per day line will be more helpful in making regional or international cross-country comparisons.

Given the higher poverty threshold defined by the Fiji national poverty line, inclusion across all indicators appears slightly worse than when utilizing the international USD $2 per day poverty line alone. For example, compared with the 31% of formally included households with a high poverty likelihood according to the national poverty line, a slightly higher percentage (39%) of households are included when utilizing the USD $2 per day line.

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33   Due to the difficulty of asking one question, only 9 of the indicators were picked up in the DSS. Thus, Microfinance Risk Management, L.L.C. adapted the poverty likelihood estimates specifically for the DSS. The updated table and lookup scores are included below.

34   The national poverty line includes food and non-food expenditure and was FJD 6.59 (USD $3.23) in urban areas, and FJD 5.83 (USD $2.86) in rural areas. See: Fiji Islands Bureau of Statistics. "Preliminary Report: Poverty and Household Incomes in Fiji in 2008-09." Suva, Fiji: 2010.

35   Schreiner, Mark. "A Simple Poverty Scorecard for Fiji." 25 June 2014. <http://www.microfinance.com/English/Papers /Scoring_Poverty_Fiji_2008_EN.pdf>

On the other hand, only 22% of households with a low poverty likelihood are excluded from financial services, and 70% are expected to be banked. Households with a high or medium poverty likelihood are more likely to use informal or other formal services only than those with a low poverty likelihood.

A comparison of inclusion indicators by poverty likelihood and whether a household falls below the USD $2 per day line is provided in Figure 48 below.

Figure 48: Remittances sent, remittances received, and insurance by poverty classification
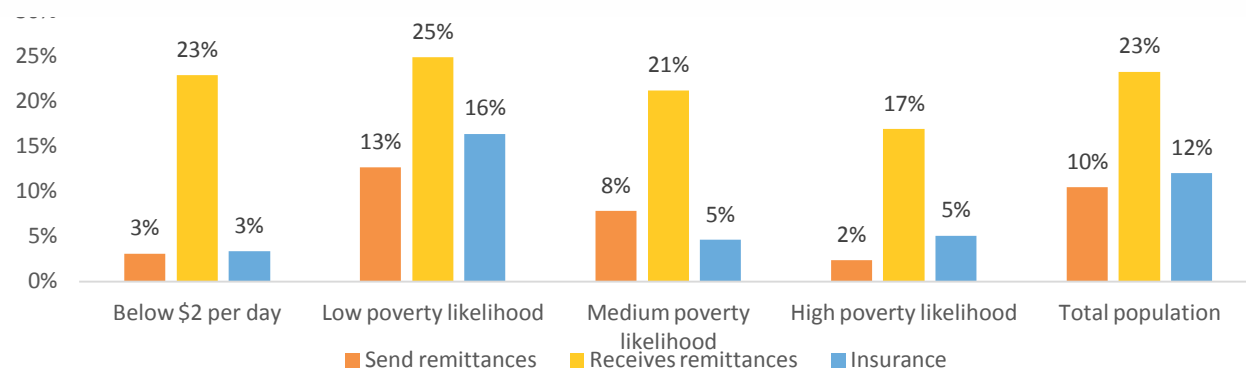
The PPI classification of households at the national poverty line appears to be more sensitive in detecting differences in formal inclusion for indicators which appear to be fairly constant across income levels. For example, households identified as having a high poverty likelihood according to the national poverty line are slightly less likely to receive remittances[36] than other households, although this difference is not detected when utilizing the USD $2 per day line alone.

On the other hand, both the USD $2 per day line and the PPI poverty likelihood classifications associated with the national poverty line detect lower insurance penetration and a lower likelihood to send remittances among poor households. This is likely due to the sharp disparity in access or sending patterns by income level, which are detected despite which poverty line is used.

In the case of saving at home, which appears to be relatively constant despite likelihood of earning below the poverty line (Figure 49), there is no significant difference in the percentage of households that save at home regardless of poverty line used. However, while no significant difference is detected in use of savings clubs between the general population and those earning below USD $2 per day, we do see a slightly significant difference between those households with a high or intermediate poverty likelihood than those with a low poverty likelihood using the national poverty line.[37]

Figure 49: Usage of saving instruments by poverty likelihood
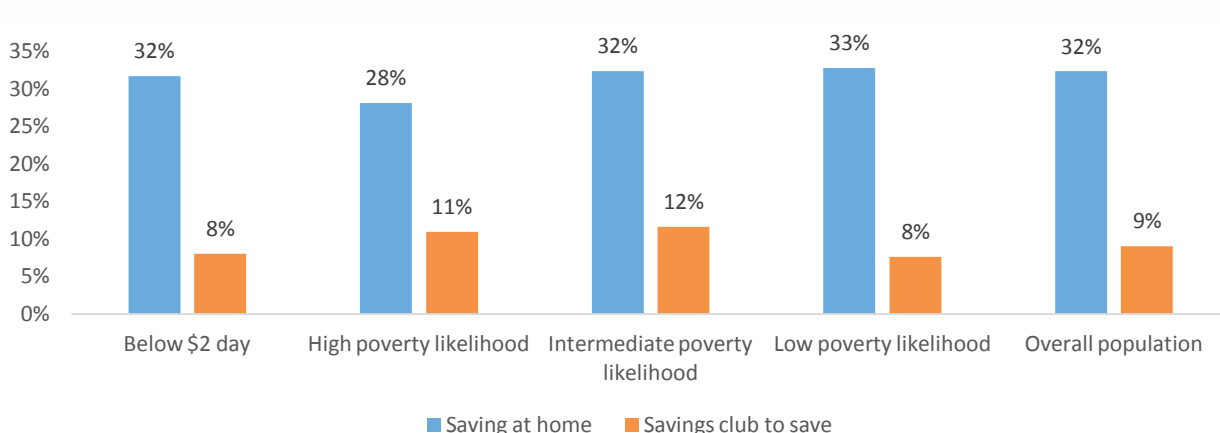
36   T- test of equality of proportions of high poverty households receiving remittances versus intermediate or low poverty households: t= 1.7519, p= 0.0800, df=1285
37   T-test of proportions of households using savings club identified as high or intermediate poverty likelihood versus households classified as low poverty likelihood. T= t = -2.1513, df=1285, p 0.0316

Thus, the PPI measures of poverty likelihoods appear slightly more sensitive in terms of detecting significant differences in financial access in cases in which indicators appear relatively constant across sub-segments.

Figure 50 below illustrates the distribution of households throughout the sample, according to their PPI poverty likelihood classifications. The sample contained a higher proportion of households which were classified as having a low poverty likelihood as evidenced by the concentration of households clustered between the poverty likelihood of 0 and 20 on the y axis. Relatively few households were classified as having a high poverty likelihood (those sitting at 75 or higher on the y axis).

Figure 50: Sample distribution of likelihood of being below the national poverty line

PPI Acknowledgements

Annex C: Detailed results

Table 14: Bank account types and motivation for opening account

Does anyone in your household apart from you currently have any type of account with a bank?		95% CI
Yes (n=938)	73.1%	[68.8%,77.0%]
No (n=336)	26.2%	[22.3%,30.5%]
N=1,284		
Have you, personally, ever had any type of account with a bank?		**95% CI**
Used to have, but no longer have (n=152)	11.7%	[9.6%,14.2%]
I have this now (n=772)	60.2%	[55.5%,64.7%]
Never had (n=359)	28%	[24.2%,32.3%]
N=1,284		
Bank account holders		
How many bank accounts do you have?		**95% CI**
1 (n=618)	79.2%	[75.2%,82.7%]
2 (n=133)	18%	[15.1%,21.4%]
3 (n=16)	2.3%	[1.2%,4.2%]
N=771		
In which bank is your account? (account 1)		**95% CI**
WestPac (n=234)	30.9%	[27.8%,34.2%]
ANZ (n=178)	22.9%	[19.5%,26.6%]
BSP (n=283)	35.5%	[31.7%,39.4%]
BOB (n=56)	7.7%	[5.7%,10.2%]
Bred Bank (n=15)	2.4%	[1.3%,4.3%]
N=771		
What type of account is this? (account 1)		**95% CI**
Basic or access account (n=346)	44.1%	[38.4%,49.9%]
Cheque account (n=7)	0.9%	[0.3%,2.4%]
Savings account (n=405)	53.3%	[47.4%,59.2%]
Fixed deposit or programmed account (n=3)	0.4%	[0.1%,1.3%]
Other (n=7)	1%	[0.5%,2.1%]
N=771		
Has at least one bank 0 account (banked respondents, all accounts)		**95% CI**
Yes (n=479)	62.9%	[57.0%,68.4%]
No (n=294)	37.1%	[31.6%,43.0%]
N=773		
Has at least one basic or access bank account - for banked respondents, all accounts		**95% CI**
Yes (n=368)	47%	[41.4%,52.6%]
No (n=406)	53%	[47.4%,58.6%]
N=773		

What is the main reason that you opened this account?		95% CI
To receive a payment (salary, remittances, other) (n=362)	46.2%	[41.7%,50.7%]
To keep my money safe (n=82)	10.2%	[7.8%,13.3%]
To receive government benefits (n=48)	6.1%	[4.4%,8.4%]
To get a loan (n=6)	0.8%	[0.4%,1.8%]
To save (n=241)	32.5%	[27.7%,37.6%]
Other (n=32)	4.2%	[3.0%,6.0%]
N=771		
In the past 12 months, have you used your account(s) for the following (all accounts):		95% CI
To receive money or payments for work or for selling goods directly into your account (n=381)	48.5%	[44.3%,52.8%]
To receive money or payments from the government (n=94)	12.1%	[9.7%,15.1%]
To receive money from family members living elsewhere directly into this account (n=62)	8%	[6.0%,10.6%]
To send money to family members living elsewhere using the account (n=8)	1%	[0.4%,2.3%]
To save money (n=271)	36%	[28.7%,44.1%]
N=771		
In which year did you open this account? (account 1)		
1990 or earlier (n=54)	7%	
1991-2000 (n=106)	13.8%	
2001-2010 (n=286)	37.1%	
2011 (n=62)	8.2%	[6.4%,10.4%]
2012 (n=58)	7.3%	[5.6%,9.6%]
2013 (n=113)	14.9%	[12.2%,18.0%]
2014 (n=93)	11.7%	[9.0%,15.1%]
N=771		

Table 15: Documentation

Do you currently have a birth certificate?		95% CI
Yes (n=1,247)	97%	[95.2%,98.2%]
No (n=37)	3%	[1.8%,4.8%]
N=1,284		

7.2 Do you currently have a valid photo ID?		95% CI
Yes (n=1,225)	95.4%	[93.8%,96.6%]
No (n=58)	4.5%	[3.3%,6.1%]
N=1,284		

Do you currently have a TIN letter or card?		95% CI
Yes (n=1,120)	87.1%	[83.3%,90.2%]
No (n=163)	12.8%	[9.8%,16.7%]
N=1,284		

Where did you open this account? (account 1)		95% CI
Bank branch (n=711)	92.3%	[89.4%,94.4%]
Rural banking (n=15)	1.7%	[0.9%,3.4%]
School banking (n=20)	2.6%	[1.7%,4.0%]
Agent came to me (n=17)	2.3%	[1.3%,4.2%]
Other (n=8)	1.1%	[0.5%,2.5%]
N=771		

Was a minimum balance required to open the account? (account 1)		95% CI
Yes (n=668)	86.6%	[82.6%,89.8%]
No (n=89)	11.5%	[8.7%,15.1%]
N=771		

Table 16: Constraints to access

		Mean	95% CI
Distance to bank branch (km)	Urban (n=578)	3.3 km	[2.1,4.5]
	Rural (n=498)	27.1 km	[12.6,41.6]
	Overall (N=1,076)	13.9 km	[6.9,20.9]
Cost to bank branch (FJD)	Urban (n=628)	FJ$ 3.2	[1.2,5.2]
	Rural (n=628)	FJ$ 9.5	[2.1,17.0]
	Overall (N=1,256)	FJ$ 6.8	[2.4,11.2]
Time to bank branch (min)	Urban (n=625)	17.1 min	[10.9,23.3]
	Rural (n=623)	76.7 min	[30.7,122.8]
	Overall (N=1,248)	46.2 min	[22.6,69.8]
Distance to ATM (km)	Urban (n=582)	2.8 km	[1.1,2.9]
	Rural (n=504)	24.9 km	[6.3,12.2]
	Total (n=1,086)	12.7 km	[3.2,6.6]
Cost to ATM (FJD)	Urban (n=635)	FJD 3.5	[0.7,6.3]
	Rural (n=628)	FJD 4.7	[1.5,7.9]
	Overall (N=1,263)	FJD 4.2	[2.0,6.4]
Time to ATM (min)	Urban (n=630)	12.1 min	[8.1,16.0]
	Rural (n=623)	38.4 min	[20.3,56.5]
	Overall (N=1,253)	22.8 min	[14.5,31.2]
Distance to bank agent (km)	Urban (n=539)	2.2 km	[1.0,1.8]
	Rural (n=502)	13.6 km	[6.6,12.7]
	Total (n=1,041)	7.5 km	[3.6,7.5]
Cost to bank agent (FJD)	Urban (n=634)	FJ$ 1.4	[1.0,1.8]
	Rural (n=644)	FJ$ 6.3	[0.8,11.8]
	Overall (N=1,278)	FJ$ 4.6	[1.0,8.1]
Time to bank agent (min)	Urban (n=624)	9.7 min	[7.8,11.6]
	Rural (n=643)	32.7 min	[21.5,43.8]
	Overall (N=1,267)	21.9 min	[15.2,28.7]
Distance to mobile money agent (km)	Urban (n=422)	2.2 km	[0.9,1.8]
	Rural (n=440)	17 km	[5.0,10.3]
	Total (n=862)	9.5 km	[2.9,6.0]
Cost to bank mobile money agent (FJD)	Urban (n=629)	FJ$ 0.9	[0.5,1.2]
	Rural (n=618)	FJ$ 5.1	[2.0,8.2]
	Overall (N=1,247)	FJ$ 3.1	[1.3,4.8]
Time to mobile money agent (min)	Urban (n=545)	10.1 min	[7.7,12.4]
	Rural (n=592)	37.6 min	[13.2,62.0]
	Overall (N=1,137)	23.8 min	[11.2,36.3]

Table 17: Account usage

Do you use your account(s) for personal transactions, business purposes, or both?	%	95% CI
Personal transactions (n=739)	95.7%	[93.7%,97.1%]
Business purposes (n=5)	0.6%	[0.2%,1.7%]
Personal and business transactions (n=25)	3.5%	[2.2%,5.5%]
N=771		
In the past 12 months, have you used your account(s) for the following:		**95% CI**
To receive money or payments for work or for selling goods directly into your account (n=381)	48.5%	[44.3%,52.8%]
To receive money or payments from the government (n=94)	12.1%	[9.7%,15.1%]
To receive money from family members living elsewhere directly into this account (n=62)	8%	[6.0%,10.6%]
To send money to family members living elsewhere using the account (n=8)	1%	[0.4%,2.3%]
To save money (n=271)	36%	[28.7%,44.1%]
To save money (n=458) –alternative question 7.27	60.8%	[56.0%,65.5%]
N=771		
In the past 12 months, have you borrowed money from any of these banks?	**%**	**95% CI**
Yes (n=83)	10.4%	[8.4%,12.8%]
N=771		
When was the last time you, yourself, made a DEPOSIT into this account? (account 1)		**95% CI**
Don't know (n=14)	1.7%	[1.0%,2.9%]
Never (n=264)	34.7%	[30.8%,38.8%]
In the past 30 days (n=264)	33.3%	[29.4%,37.5%]
In the past 90 days (n=51)	6.7%	[4.9%,9.0%]
3 to 6 months ago (n=68)	9%	[7.0%,11.6%]
6 to 12 months ago (n=41)	5.6%	[3.8%,8.0%]
Over a year ago (n=67)	8.8%	[6.8%,11.3%]
Total (n=771)		
When was the last time someone else made a DEPOSIT into this account (including the government, an employer)? (account 1)		**95% CI**
Don't know (n=9)	1%	[0.5%,2.1%]
Never (n=251)	32.9%	[28.7%,37.5%]
In the past 30 days (month) (n=400)	51.6%	[47.2%,55.9%]
In the past 90 days (3 months) (n=30)	4.3%	[2.9%,6.5%]
3 to 6 months ago (n=36)	4.8%	[3.5%,6.5%]
6 to 12 months ago (n=12)	1.4%	[0.7%,2.6%]
Over a year ago (n=33)	4%	[2.9%,5.5%]
Total (n=771)		

In a typical month, how many times is money deposited into this account (by		95% CI
Don't know (n=9)	1.1%	[0.6%,2.2%]
0 (n=58)	7.5%	[5.6%,10.0%]
Less than once per month (n=185)	24.4%	[20.7%,28.5%]
1-2 times (n=310)	39.5%	[35.6%,43.6%]
3-5 times (n=205)	27%	[23.0%,31.4%]
6 times or more (n=3)	0.3%	[0.1%,1.1%]
Total (n=771)		
When was the last time you or someone else made a WITHDRAWAL from this account		95% CI
Don't know (n=4)	0.4%	[0.2%,1.2%]
Never (n=128)	16.1%	[13.0%,19.8%]
In the past 30 days (month) (n=485)	62.2%	[57.9%,66.2%]
In the past 90 days (3 months) (n=36)	5.4%	[3.6%,8.1%]
3 to 6 months ago (n=63)	8.7%	[6.8%,11.0%]
6 to 12 months ago (n=22)	2.9%	[1.8%,4.8%]
Over a year ago (n=32)	4.2%	[2.9%,6.0%]
Total (n=771)		
In a typical month, how many times is money withdrawn from this account (by		95% CI
Don't know (n=7)	0.8%	[0.3%,1.9%]
0 (n=100)	12.8%	[10.5%,15.5%]
Less than once per month (n=172)	23.3%	[20.0%,27.0%]
1-2 times (n=260)	33%	[29.1%,37.2%]
3-5 times (n=198)	25.7%	[21.6%,30.2%]
6 times or more (n=33)	4.2%	[2.7%,6.5%]
Total (n=771)		

Table 18 : Mobile money

Do you, yourself, have a mobile phone?		95% CI
Yes (n=974)	75.8%	[71.9%,79.3%]
No (n=309)	24.1%	[20.7%,28.0%]
Total (n=1,284)		
Do you regularly use another person's mobile phone?		95% CI
Yes (n=129)	40.6%	[33.8%,47.9%]
No (n=190)	59.4%	[52.1%,66.2%]
Total (n=319)		
How many active SIM cards do you have?		95% CI
1 (n=811)	83.1%	[80.4%,85.5%]
2 (n=149)	16.2%	[13.8%,18.9%]
3 (n=6)	0.6%	[0.2%,1.3%]
4 (n=1)	0.1%	[0.0%,0.9%]
Total (n=967)		

How often do you use a phone to send text messages?		95% CI
Once an hour or more (n=15)	1.5%	[0.8%,2.5%]
A few times a day (n=138)	13%	[10.4%,16.2%]
A few times a week (n=190)	16.5%	[13.6%,19.9%]
About once a week (n=95)	8.5%	[6.7%,10.8%]
Once a month or less (n=56)	5%	[3.8%,6.5%]
Very rarely (n=377)	35.2%	[30.9%,39.7%]
Never (n=225)	20.4%	[17.5%,23.7%]
Total (n=1,096)		
Have you HEARD about sending and receiving money using your phone?		**95% CI**
Don't know (n=14)	1.2%	[0.7%,2.3%]
Yes (n=876)	79.9%	[75.2%,83.9%]
No (n=214)	18.8%	[15.2%,23.1%]
Total (n=1,105)		
Do you, personally, have a mobile money account?		**95% CI**
Yes (n=85)	10.6%	[8.2%,13.6%]
No (n=705)	89.4%	[86.4%,91.8%]
Total (n=790)		
In the last 12 months, have you used a mobile money account?		**95% CI**
Yes, to send and receive (n=8)	0.9%	[0.4%,2.2%]
Yes, to receive only (n=17)	2.2%	[1.3%,3.6%]
Yes, to send only (n=10)	1.1%	[0.6%,2.2%]
No, never in the past year (n=835)	95.1%	[93.3%,96.4%]
Total (n=876)		
When did you last SEND money through Digicel Mobile Money, Vodafone mPaisa or other?		**95% CI**
More than 12 months ago (n=1)	5.8%	[0.6%,38.9%]
In the last 12 months (n=5)	25.3%	[9.7%,51.5%]
In the last 90 days (n=4)	22.6%	[8.7%,47.2%]
In the last 30 days (n=7)	38.7%	[17.8%,64.8%]
Total (n=18)		
When did you last RECEIVE money through Vodafone/Digicel Mobile Money or another mobile money services?		**95% CI**
More than 12 months ago (n=6)	22.3%	[9.9%,43.0%]
In the last 12 months (n=8)	33.3%	[15.9%,56.8%]
In the last 90 days (n=4)	18.7%	[5.6%,47.1%]
In the last 30 days (n=4)	17.4%	[5.0%,46.0%]
Total (n=24)		

Table 19: Remittances

Do you have any relatives or acquaintances living elsewhere (in Fiji or abroad		95% CI
Yes (n=300)	23.3%	[20.6%,26.2%]
No (n=984)	76.7%	[73.8%,79.4%]
N=1,284		
Is the money sent from…?		**95% CI**
Abroad (n=179)	58.6%	[50.7%,66%.1%]
Both from abroad and from Fiji (n=10)	3.1%	[1.7%,5.7%]
Another part of Fiji (n=111)	38.2%	[31.2%,45.7%]
N=300		
How is the money from abroad usually sent to you?		**95% CI**
Own bank account (n=27)	13.9%	[9.4%,20.1%]
The Post Office (n=8)	4.4%	[1.9%,9.7%]
Western Union, Money Gram, other (n=138)	72.4%	[64.8%,78.8%]
A relative or acquaintance (by cash) (n=8)	4.9%	[2.4%,9.6%]
A relative or acquaintance (electronically, using their mobile or bank account) (n=3)	1.4%	[0.4%,4.4%]
Other (specify) (n=5)	3.0%	[1.2%,7.6%]
N=189		
How is the money from elsewhere in Fiji usually sent to you?		**95% CI**
Own bank account (n=19)	14.8%	[8.9%,23.5%]
The Post Office (n=51)	43.1%	[30.1%,57.2%]
Your mobile money account (n=1)	0.9%	[0.1%,6.4%]
Western Union, Money Gram, other (n=8)	6.4%	[3.0%,13.1%]
A relative or acquaintance (by cash) (n=34)	27.5%	[18.4%,39.0%]
A relative or acquaintance (electronically, using their mobile or bank account) (n=3)	2.5%	[0.8%,7.6%]
Internet banking (n=1)	1.0%	[0.1%,7.0%]
Other (specify) (n=4)	3.8%	[1.3%,10.8%]
N=121		
About how often do you usually receive this money?		**95% CI**
Once a week or more (n=9)	2.8%	[1.3%,5.9%]
Every two weeks (n=24)	8.1%	[5.6%,11.8%]
Once a month (n=77)	25.6%	[20.2%,31.8%]
Once every 3 months (n=59)	20.2%	[15.7%,25.7%]
Once every 6 months (n=59)	19.0%	[14.5%,24.4%]
Once a year (n=50)	16.5%	[11.9%,22.3%]
Less frequently than every year (n=19)	6.5%	[4.0%,10.2%]
Other (specify) (n=3)	1.3%	[0.4%,4.4%]
N=300		

Do you regularly send any money to family or friends (living elsewhere in Fiji		95% CI
Yes (n=132)	10.5%	[8.3%,13.1%]
No (n=1,152)	89.5%	[86.9%,91.7%]
N=1,284		
Where do you send the money to?		**95% CI**
To another part of Fiji (n=127)	96%	[88.7%,98.6%]
Both from Fiji and abroad (n=1)	0.7%	[0.1%,5.1%]
Abroad (n=4)	3.3%	[1.0%,10.9%]
N=132		
How do you usually send the money to other parts of Fiji?		**95% CI**
Your bank account (n=23)	17.3%	[10.7%,26.6%]
The Post Office (n=65)	51.1%	[41.1%,61.0%]
Your mobile money account (n=3)	2.5%	[0.8%,7.2%]
Western Union, Money Gram, other (n=5)	3.8%	[1.5%,9.2%]
A relative or acquaintance (by cash) (n=15)	13.1%	[7.4%,22.3%]
A relative or acquaintance (electronically, using their mobile or bank account) (n=12)	8.5%	[4.0%,17.0%]
Internet banking (n=2)	1.5%	[0.4%,5.7%]
Other (specify) (n=3)	2.4%	[0.8%,7.2%]
N=128		
How do you usually send the money abroad?		**95% CI**
Your bank account (n=2)	44%	[1.1%,98.2%]
Western Union, Money Gram, other (n=1)	17.5%	[0.3%,94.2%]
A relative or acquaintance (electronically, using their mobile or bank account) (n=1)	22.8%	[0.4%,95.9%]
Internet banking (n=1)	15.8%	[0.2%,93.4%]
N=5		
About how often do you usually send this money?		**95% CI**
Once a week or more (n=1)	0.9%	[0.1%,6.2%]
Every two weeks (n=16)	12.8%	[8.1%,19.6%]
Once a month (n=41)	29.6%	[21.6%,39.1%]
Once every 3 months (n=33)	26.8%	[19.7%,35.3%]
Once every 6 months (n=19)	12.9%	[7.8%,20.5%]
Once a year (n=9)	6.6%	[3.3%,12.8%]
Less frequently than every year (n=10)	7.9%	[4.2%,14.3%]
Other (specify) (n=3)	2.6%	[0.7%,9.7%]
N=132		
Sends or receives remittances		**95% CI**
Yes (n=387)	30.1%	[26.7%,33.7%]
No (n=900)	69.9%	[66.3%,73.3%]
N=1,287		

Table 20: Financial services, by financial inclusion segment

	Excluded (N=358)	Informal only (N=103)	Other formal (N=54)	Banked (N=772)
In the past 12 months, have you saved or put aside any money, even a little	26.5%	30.2%	48.4%	64.8%
	[21.2%,32.6%]	[22.0%,39.8%]	[34.5%,62.5%]	[59.8%,69.4%]
Have you given loans to OR borrowed from family or friends during the last				
Yes, giving loans only	1%	15.3%	1.9%	5.9%
	[0.4%,2.6%]	[7.4%,29.1%]	[0.3%,12.7%]	[4.1%,8.4%]
Yes, borrowing only	5.5%	14.6%	5.6%	5.3%
	[3.3%,9.0%]	[9.6%,21.6%]	[1.8%,16.4%]	[3.4%,8.2%]
Yes, giving AND borrowing	0.2%	2.7%	0%	1.7%
	[0.0%,1.5%]	[0.9%,7.9%]		[0.9%,3.0%]
Have you saved at home during the last 12 months?	28.1%	54.9%	41.1%	30.5%
	[23.1%,33.6%]	[42.0%,67.2%]	[28.6%,55.0%]	[26.8%,34.4%]
Have you given other people money to keep safe for you during the last 12 months	4.1%	3.7%	5.7%	5.1%
	[2.4%,7.0%]	[1.4%,9.8%]	[1.8%,16.1%]	[3.0%,8.5%]
Have you, personally, taken a loan from an employer or client during the last 12 months	0.3%	0.7%	0%	1.8%
	[0.0%,1.8%]	[0.1%,4.8%]		[1.0%,3.0%]
Have you, personally, taken a layby during the last 12 months?	0.7%	0%	2%	2%
	[0.2%,2.3%]		[0.3%,12.5%]	[1.1%,3.6%]
Have you, personally, pawned something during the last 12 months?	0.6%	0%	1.9%	0.1%
	[0.1%,2.3%]		[0.3%,12.7%]	[0.0%,0.9%]
Have you used a savings club to save OR borrow during the last 12 months?				
Yes, to save only	0%	39.2%	5.3%	7.7%
		[26.3%,53.9%]	[1.2%,19.8%]	[4.9%,11.7%]
Yes, to borrow only	0%	3.1%	0%	0.1%
		[1.1%,8.0%]		[0.0%,0.7%]
Yes, to save and borrow	0%	1%	2%	1.1%
		[0.1%,7.1%]	[0.3%,12.5%]	[0.5%,2.2%]

Have you given loans to others with interest OR borrowed from moneylenders				
Yes, giving loans only	0.8%	0.9%	0%	1.1%
	[0.3%,2.4%]	[0.1%,6.2%]		[0.6%,2.2%]
Yes, borrowing only	0%	0.8%	0%	1.7%
		[0.1%,5.7%]		[0.7%,4.6%]
Have you, personally, taken a loan for small things at the shop during the last 12 months	0%	58.7%	18.3%	7.6%
		[42.2%,73.4%]	[9.2%,33.1%]	[5.1%,11.2%]
Have you, personally, taken a hire purchase during the last 12 months?	0%	10.9%	11.4%	15%
		[5.6%,19.9%]	[5.8%,21.1%]	[12.2%,18.2%]
Have you, personally, saved OR borrowed with a credit union or cooperative				
Yes, to save only	0%	0%	2.5%	0.8%
			[0.4%,15.6%]	[0.3%,2.0%]
Yes, to borrow only	0%	0%	1.7%	0.9%
			[0.2%,11.6%]	[0.4%,2.1%]
Yes, to save and borrow	0%	0%	0%	1.2%
				[0.6%,2.4%]
Have you, personally, saved with OR borrowed from a microfinance institute				
Yes, to save only	0%	0%	2%	0.6%
			[0.3%,12.5%]	[0.2%,1.3%]
Yes, to borrow only	0%	0%	7%	0.8%
			[2.0%,21.4%]	[0.3%,2.1%]
Yes, to save and borrow	0%	0%	7%	1.2%
			[2.7%,16.9%]	[0.6%,2.4%]
Have you used a superannuation fund (FNPF) to save during the last 12 months	0%	0%	69.8%	40%
			[54.3%,81.9%]	[35.4%,44.7%]
Have you, personally, taken a loan from a finance company during the last 12 months	0%	0%	2.7%	2.6%
			[0.6%,10.9%]	[1.6%,4.2%]
Have you made any long term investments, including stocks, bonds, and other investments	0%	0%	0%	1.3%
				[0.7%,2.3%]

Table 21: Financial services, by location

|	Urban		Rural	
In the past 12 months, have you saved or put aside any money, even a little?	56%	[50.2%,61.6%]	45.5%	[41.1%,49.9%]
Have you saved at home during the last 12 months?	28%	[24.1%,32.4%]	36.8%	[32.0%,41.9%]
Have you used a savings club to save OR borrow during the last 12 months? (to borrow only)	4.7%	[2.5%,8.7%]	11.8%	[7.1%,18.8%]
Have you used a superannuation fund (FNPF) to save during the last 12 months?	36.1%	[31.2%,41.4%]	17.6%	[13.5%,22.5%]
Have you, personally, taken a loan for small things at the shop during the last 12 months?	4.4%	[2.9%,6.8%]	16.4%	[11.7%,22.6%]
Have you, personally, taken a hire purchase during the last 12 months?	13%	[10.1%,16.5%]	7.8%	[5.7%,10.5%]
Do you have any type of insurance?	16.6%	[13.5%,20.2%]	7.4%	[5.4%,10.1%]

Annex D: Methodology

The Fiji DSS covered a nationally representative sample of 1,284 respondents throughout Fiji. The sample was selected from the national census household sample frame using stratified, 2-stage systematic sampling. The first stage of sampling was at the division level, and the 2nd stage was at the enumeration area (EA) level proportional to population size. 10 households, along with 3 extra, were randomly selected in each of 100 EAs. Enumerators then used a kish grid to randomly select one adult respondent (15 years or older) per household. Statistical weights were constructed following completion of data collection by the Fiji Bureau of Statistics (FBOS).

While an initial demand side survey was created in Phase 1 of the Data Measurement Project, the survey was tailored and piloted extensively to ensure that the survey met the priorities of the RBF and was appropriate for the Fijian context.

Training on the survey instrument was conducted by BFA and FBOS. All surveys were collected on tablets using computer assisted personal interview (CAPI) software.
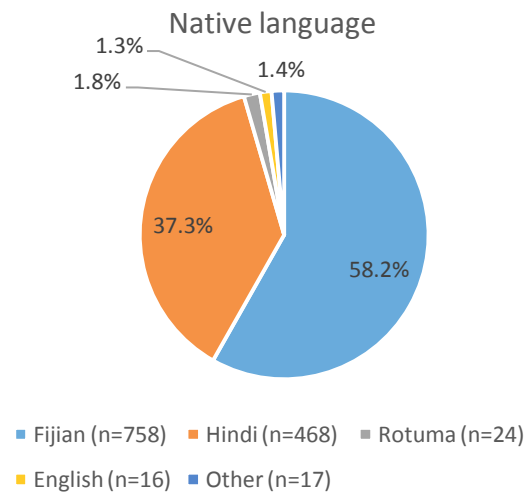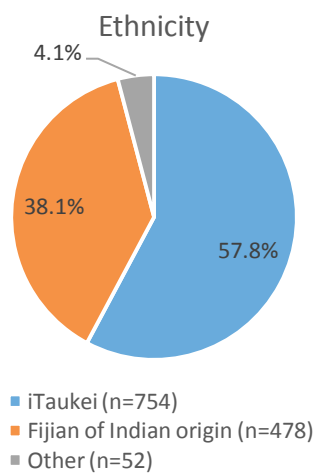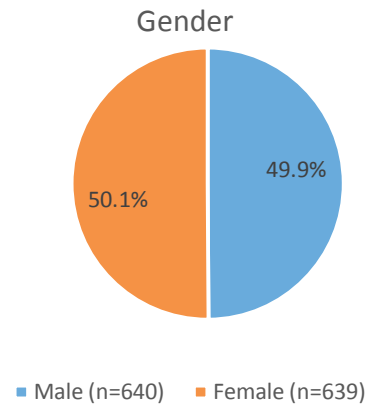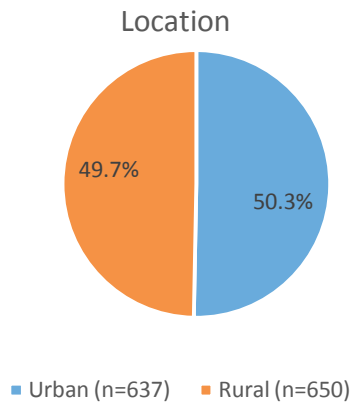
Description of the sample

The sample of 1,287 respondents was drawn from all four divisions of Fiji, proportional to their population.

- Central (n=511)
- Eastern (n=61)
- Northern (n=208)
- Western (n=507)
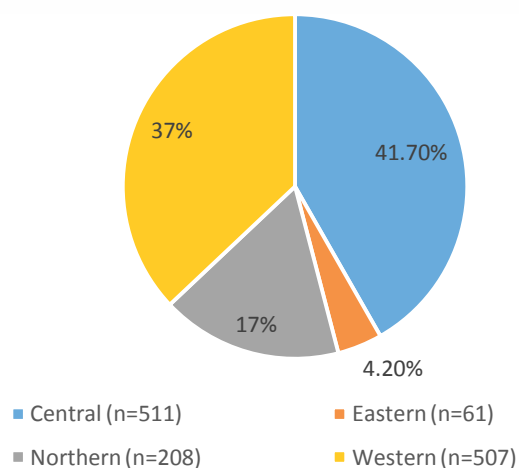
The Fijian provinces were represented as follows.

Province	
Ba (n=364)	26.8%
Bua (n=26)	2.6%
Cakaudrove (n=78)	6.7%
Kadavu (n=22)	1.6%
Lau (n=13)	0.9%
Lomaiviti (n=13)	1%
Macuata (n=104)	7.7%
Nadroga/Navosa (n=91)	6.3%
Naitasiri (n=257)	22.4%
Namosi (n=13)	1.1%
Ra (n=52)	4%
Rewa (n=150)	10.7%
Rotuma (n=13)	0.8%
Serua (n=26)	2.4%
Tailevu (n=65)	5.1%
N=1,287	

All respondents were over 15 years old. The average age of the respondents was 40.7 years.

Location

- Urban (n=637)
- Rural (n=650)

49.7%
50.3%

Gender

- Male (n=640)
- Female (n=639)

49.9%
50.1%

Ethnicity

4.1%

- iTaukei (n=754)
- Fijian of Indian origin (n=478)
- Other (n=52)

38.1%
57.8%

Native language

1.3%
1.8%
1.4%

- Fijian (n=758)
- Hindi (n=468)
- Rotuma (n=24)
- English (n=16)
- Other (n=17)

37.3%
58.2%

Reading in English

72.1%

5.9%

22.0%
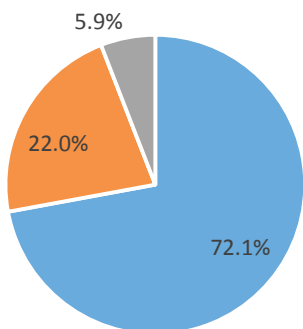
- Yes, comfortably (n=923) - Yes, a little (n=285)
- No, not at all (n=76)

Reading in native language

77.0%

9.4%

13.6%
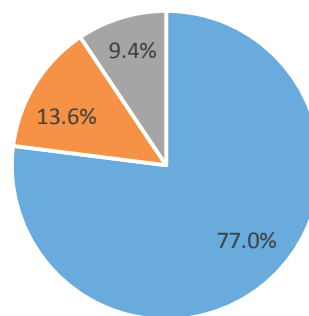
- Yes, comfortably (n=982) - Yes, a little (n=172)
- No, not at all (n=114)

Education level

None (n=18)	1.4%
Primary school incomplete (n=179)	13.8%
Primary complete (n=128)	10.4%
Secondary incomplete (n=487)	37.4%
Secondary complete (n=184)	14.4%
University incomplete (n=103)	8.1%
University complete (n=167)	13.0%
Masters or doctorate (n=11)	0.9%
Other (n=7)	0.6%