

FINSCOPE 2003 – Cross-Country Analysis Botswana, Namibia, Lesotho, Swaziland Pilots

Please note that this analysis was done by using between country weights to reflect the BNLS population.

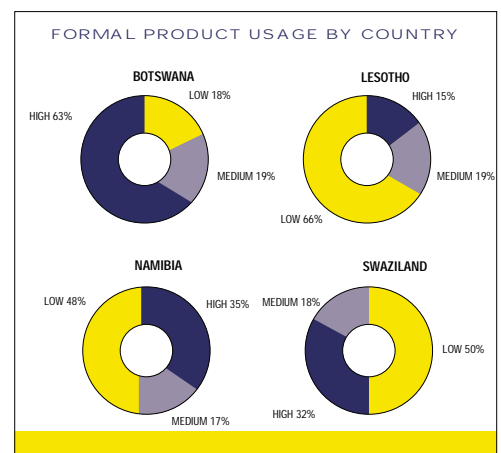
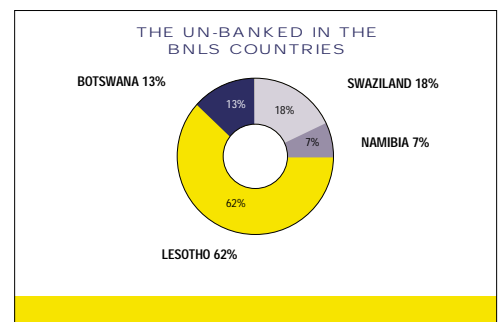
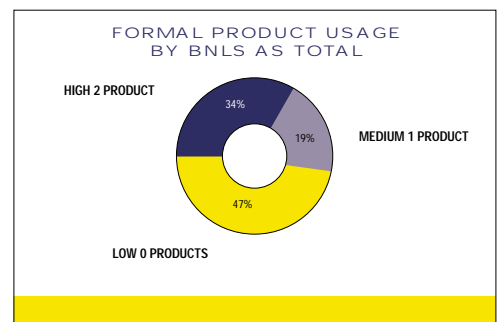
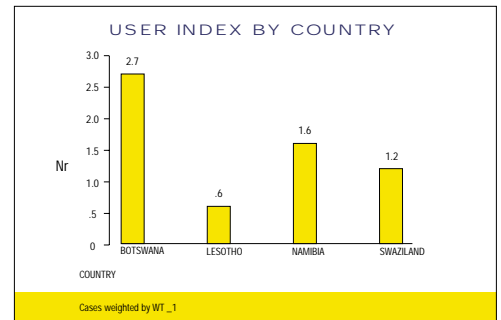
Usage of formal financial services across countries

There is greater usage of financial services in Botswana than in the other three countries, with Lesotho showing very low levels of usage.

- A user index was calculated for all four countries based on case weighted data, and on the mean usage of 22 products (excluding insurance). The user index calculates average number of people who are using one or more products.
- Botswana has the highest usage of financial services, with Lesotho showing the lowest. The user index calculates usage based on the total sample as the base. It indicates that on average a respondent in Botswana is using 2.6 products, and in Lesotho they are using less than one product.
- The usage index can only suggest access problems in Lesotho, Swaziland and Namibia, judging from lower usage rates.
- The index was used to allocate users to usage categories high (more than 1 account), medium (1 account) or low usage (0 product – un-banked). This only gives an indication of relative multiple product usage, since usage in general is low.
- Combining all countries, more people in the samples are low users, i.e. using less than one product and are unbanked. Lesotho accounts for 62% of the low users and Botswana accounts for 57% of high users. 53% of people in rural areas are low users, and 55% in urban areas are high users.
- The difference between urban and rural usage, however, is more marked in Namibia and Swaziland, and lowest in Botswana and Lesotho. The majority of high users are males, and women are low users. Gender gaps in overall usage, however, are highest in Botswana, followed by Swaziland, Namibia, and are lowest in Lesotho.
- Comparing the weighted user index across all four countries, Lesotho is a mirror image of Botswana, and Namibia is very similar to Swaziland. In Botswana most users are high, and in Lesotho they are low. In Namibia and Swaziland about half of the users are low.
- The data was also used to give percentage distribution of the un-banked across all four countries. Lesotho had the highest share of un-banked in the region, and Namibia the lowest. Looking at the region as a market, Lesotho has the highest proportion of respondents who are not using financial services.
- Across the region the majority of financially excluded are in rural areas (84%), and are women (78%). Only 10% of the financially excluded have a cellphone.

Individual product usage shows similar patterns to the overall user index except for formal insurance services.

- Looking at usage of savings (out of 4 products), current accounts and transactions (out of 7 products), and loans (out of 7 products), a similar pattern to the overall user index emerges with Lesotho showing lowest usage, and Botswana highest followed by Namibia. Patterns on rural/urban and gender characteristics are also similar to the overall user index.
- A mean insurance index of 9 products excluding informal services shows higher usage in Namibia (1.4) and Botswana (1.2) in comparison to Lesotho and Swaziland (less than 0.5). Usage in rural vs. urban areas is much lower, with a larger gap in Namibia in comparison to the other three countries. Females have lower usage in all four countries with a larger gap in Botswana.



Botswana, Namibia, Lesotho and Swaziland – At a Glance

	BOTSWANA			NAMIBIA			LESOTHO			SWAZILAND		
	Total n=530	Urban n=162	Rural n=368	Total n=810	Urban n=388	Rural n=422	Total n=534	Urban n=114	Rural n=420	Total n=604	Urban n=156	Rural n=448
Financially included	85%	93%	81%	61%	73%	49%	64%	72%	62%	52%	67%	46%
Financially excluded	15%	7%	19%	39%	27%	51%	36%	28%	38%	48%	33%	54%
Current account	52%	64%	46%	34%	49%	20%	17%	32%	14%	37%	53%	31%
Credit	35%	41%	32%	19%	30%	9%	6%	18%	3%	17%	31%	12%
Loans	19%	30%	15%	14%	24%	4%	2%	4%	1%	9%	21%	5%
Savings	67%	67%	54%	40%	57%	25%	7%	16%	5%	21%	39%	15%
Transmission	42%	61%	34%	35%	53%	17%	10%	28%	6%	17%	36%	10%
Insurance	54%	58%	35%	42%	53%	32%	11%	33%	5%	15%	31%	9%
Informal	38%	35%	40%	12%	16%	8%	56%	50%	58%	29%	34%	27%
Received	76%	85%	72%	75%	73%	76%	63%	60%	64%	41%	40%	42%
• Use bank	30%	44%	24%	32%	44%	21%	5%	15%	3%	7%	10%	5%
• Personal receiving	38%	19%	47%	58%	42%	73%	72%	62%	74%	23%	24%	31%
Send	73%	88%	66%	72%	77%	67%	47%	62%	43%	31%	24%	51%
• Use bank	27%	43%	21%	34%	49%	20%	5%	18%	2%	2%	2%	1%
• Personal delivery	46%	33%	51%	66%	61%	71%	66%	74%	64%	30%	49%	23%
ATM card	47%	66%	38%	39%	74%	26%	11%	32%	6%	18%	40%	11%

PROFILE OF SAMPLE

No. of income sources	4.9	3.8	5.4	6.1	5.3	7	5.6	4.9	5.8	7.2	5	8
No. HH members	4.2	3.4	4.6	5.6	5.1	5.9	5.3	4.6	5.5	6.2	4.3	6.7
No. of earners	1.8	1.7	1.8	1.8	1.7	1.9	1.4	1.5	1.4	1.9	1.8	1.9
% HH with salary & wage	80%	91%	74%	65%	85%	46%	50%	73%	44%	52%	70%	45%
Have cell phone	53%	61%	50%	25%	42%	10%	10%	27%	6%	28%	46%	21%
Greatest risk to household security	Death	Job Loss	Death	Illness in HH	Illness in HH	Illness in HH	Death of HH	Death	Death	Death	Death	Death

FINANCIALLY EXCLUDED

% access to cell phone	33%	42%	32%	10%	24%	4%	5%	16%	3%	12%	15%	11%
Multiple income	5.7	3.7	6.0	5.9	2.9	6.3	5.2	4.8	5.4	7.1	4.7	7.7

Mean where 5 is excellent and 1 is poor:

Best way to save:												
group	2.15	1.9	2.2	1.97	1.76	2.08	2.6	2.75	2.57	2	1.8	2
burial society	4.17	4	4.2	3.66	3.86	3.57	4.10	3.6	4.19	3.3	3.2	3.4
bank	3.74	4.27	3.65	4.1	4.3	3.99	4.48	4.32	4.52	4.2	4.4	4.2
POSB	4.05	4.33	4	3.83	4.08	3.71	3.57	3.46	3.59	-	-	-

Mean where 5 is not a problem and 1 is a big problem:

Problems with banks:												
requirements	2	2	2	2.6	2.7	2.6	1.8	2	1.7	2.3	2.3	2.3
beaurocracy	3.2	3.3	3.1	3.5	3.4	3.5	2.9	3.1	2.8	3.2	3.2	3.2
technology	2.33	3	2.3	2.4	2.4	2.4	1.8	2	1.7	2.5	2.5	2.5
safety	2.3	2	2.3	2.3	2.5	2.2	1.7	2.3	1.6	2.7	2.7	3

FINANCIALLY INCLUDED

% cell phone	56%	62%	54%	35%	49%	16%	14%	34%	8%	42%	61%	33%
Multiple source	4.7	3.8	5.2	7.1	2.8	7.7	5.8	5	6	7.3	55.1	8.3

Mean where 5 is excellent and 1 is poor:

Best way to save:												
group	1.94	1.86	1.99	1.78	1.70	1.91	2.61	2.57	2.8	2.3	2	2.4
burial society	3.65	3.5	3.73	3.49	3.57	3.43	4.43	4.30	4.47	3.6	3.3	3.7
bank	3.87	4.21	3.87	4.17	4.10	4.28	4.54	4.36	4.6	4.3	4.4	4.2
POSB	3.73	3.68	3.76	3.63	3.54	3.75	3.65	3	3.81	-	-	-

Mean where 5 is not a problem and 1 is a big problem:

Problems with banks:												
requirements	2.2	2.1	2.2	2.6	2.6	2.4	1.9	2.2	1.8	2.3	2.3	2.2
beaurocracy	3.6	4	3.5	3.6	3.6	3.6	3	3.3	2.9	3.4	3.5	3.3
technology	2.5	2.4	2.6	2.5	2.3	2.6	1.8	1.9	1.8	2.4	2.4	2.3
safety	2.4	2.2	2.4	2.4	2.6	2	1.8	2.3	1.7	2.7	3	2.5