Are we really lagging behind or pacing up?  
A Comparative Analysis of Branchless Banking in Pakistan & other Countries

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Abstract

Branchless banking or mobile banking is a relatively new approach in our financial, economic and technological perspective. The industry is in the growth stage. According to World Bank, in the introduction stage of this technology, Pakistan was regarded as the fastest growing mobile-banking industry of the world. The progress has declined a bit but a competitive environment is building up in this industry with the entry of Cellular Companies partnering with Microfinance Institutions (MFI’s), and a few banks demonstrating a risk-taking strategy by introducing mobile banking initiatives, to capture the unbanked population of the country. According to recent studies by State Bank OF Pakistan (SBP), around 15% of our adult population is using banking services and around 10-15% is using mobile banking. This means that more than 60% of the adult population is unbanked. So, that leaves a wide gap of income that remains unaccounted for, which is affecting the tax-base and the economic efficiency of our country. The reasons behind this gap may be due to economical, social, cultural, religious or educational barriers that exist in our geographical perspectives. The studies show that the other countries in the world like Kenya and India etc are rapidly progressing in this industry, are taking it more seriously. Our purpose in this study is to analyze whether we are lagging behind or not, if yes what are the reasons and what should be done by financial institutions to cover this gap.
References


Financial inclusion and mobile banking.


