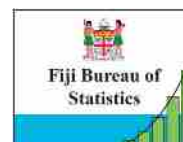




**RESERVE
BANK OF FIJI**
"Leading Fiji to Economic Success"

Fiji Financial Services Demand Side Survey 2020



Published by the Reserve Bank of Fiji
Reserve Bank Building
Pratt Street
Suva, Fiji
Tel: +679 3313611
Email: info@rbf.gov.fj

USP Library Cataloguing-in-Publication Data

Financial services demand side survey 2020 / Reserve Bank of Fiji. -- Suva, Fiji : Reserve Bank of Fiji, 2021.
63 p. : col. ill. ; 30 cm.

ISBN 978-982-101-230-0

1. Financial services industry--Fiji. 2. Banks and banking--Fiji.
3. Finance--Social aspects--Fiji. I. Reserve Bank of Fiji.
HG190.F5F56 2021
332.099611--dc23

Fiji Financial Services Demand Side Survey 2020

Preface

This Report summarises the findings of the second Financial Services Demand Side Survey in Fiji. The Survey, undertaken across the Central, Northern, Western and Eastern Divisions, is a needs assessment study of financial products and services, including digital and green products. The aim is to monitor the progress made in the National Financial Inclusion Strategic Plan 2016-2020 and chart the way forward for the next financial inclusion strategy. The research design, data collection approach, and analysis plan for reporting were finalised in consultation with the United Nations Capital Development Fund (UNCDF). The survey was jointly supported by the Alliance for Financial Inclusion (AFI) and UNCDF.

Alliance for Financial Inclusion (AFI)

AFI is the world's leading organisation on financial inclusion policy and regulation. Currently, 100-member institutions make up the AFI network including central banks, ministries of finance and other financial policymaking or regulatory institutions from 88 developing countries and emerging markets. AFI empowers policymakers to increase the access and usage of quality financial services for the underserved through sustainable and inclusive policies and an effective use of digital technologies.

United Nations Capital Development Fund (UNCDF)

The UNCDF makes public and private finance work for the poor in the world's 47 least developed

countries. With its capital mandate and instruments, UNCDF offers "last mile" finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development. UNCDF's financing models work through two channels: financial inclusion that expands the opportunities for individuals, households, and small businesses to participate in the local economy, providing them with the tools they need to climb out of poverty and manage their financial lives; and by showing how localized investments through fiscal decentralization, innovative municipal finance, and structured project finance can drive public and private funding that underpins local economic expansion and sustainable development.

Acknowledgments

The Reserve Bank of Fiji extends its gratitude to AFI and UNCDF for their partnership towards the project and acknowledges the Fiji Bureau of Statistics (FBoS) for the support provided by their field team. We thank the Micro-Credit Ratings International Limited (M-CRIL) team for the assistance provided to the local team for training of field officers and drafting of the final report. Additionally, we extend our gratitude to the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), with support from the Government of Canada, for their review and input which has added valuable gender lens analysis and content to this publication.

Finally, our sincere appreciation is extended to all respondents and participants of the Survey for their valuable time and input.

Foreword

The Reserve Bank of Fiji is committed to the financial inclusion of all Fijians, especially the most vulnerable members in our society. I am pleased to note that despite the many challenges encountered over the years, including climate-related disasters and the recent COVID-19 pandemic, the level of formal financial inclusion amongst Fijians is progressing well. While we have made great strides in the last decade and over the course of two National Financial Inclusion Strategies (NFIS), a lot of ground remains to be covered in understanding the reach of the financial sector, and particularly, the extent and degree to which women, youths, and persons with disabilities are excluded from the formal financial system. A key challenge moving forward is encouraging greater use of these financial services and ensuring that this translates to improved livelihoods.

In driving the national financial inclusion agenda, we are acutely aware of the significance of obtaining relevant data to not only measure our progress but also identify critical areas to direct our efforts. In this regard, we undertook the first national financial services Demand Side Survey (DSS) in 2014 to gauge the outcome of the first NFIS 2010-2014. The exercise also helped us identify gaps in financial inclusion and obtain baseline data for the formulation of the second NFIS 2016-2020.

In 2020, the Reserve Bank collaborated once again with AFI, the UNCDF and FBoS to conduct a second DSS. The new survey provides a nuanced understanding of the needs of the financial excluded segments of our population that would assist in the design of appropriate policy interventions and in turn improve their lives and grow their businesses. Improvements to the 2020 survey include collecting information

on constraints and barriers to women's access to financial services and the inclusion of a green finance module that will help us better understand Fijians resilience to climate-related events.

The DSS 2020 findings show the considerable financial inclusion progress we have achieved over the years and I am pleased to note the positive performances recorded across all key indicators. Specifically, significant headway was made in improving access to formal financial services among the adult population, especially for women, youth and the self-employed, in the areas of savings, remittances and mobile money. The favourable outcome is a result of the successful partnerships and collaboration with our stakeholders to deliver targeted initiatives that are crucial for financial inclusion.

Information from both surveys provide a rich data source for further research that will assist in identifying local financial inclusion solutions and support the development of a sustainable and inclusive financial ecosystem for all Fijians. We encourage the wider use of the valuable data contained in this report by academia, financial service providers, Government, development agencies and other stakeholders in the development of national policies, research in the area of financial inclusion, donor support and product design.

I take this opportunity to sincerely thank our partners AFI, UNCDF, FBoS, the National Financial Inclusion Taskforce and the Statistics Working Group for your instrumental support and contribution to the survey and the report. We also acknowledge the services of the consultant M-CRIL for their professional guidance in the overall exercise.



Ariff Ali

Governor, Reserve Bank of Fiji

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Abbreviations

ADB	Asian Development Bank
AFI	Alliance for Financial Inclusion
ANZ	Australia and New Zealand Banking Group
ATM	Automated Teller Machine
BSP	Bank South Pacific
CAPI	Computer Assisted Personal Interview
DFS	Digital Financial Services
DSS	Demand Side Survey
EA	Enumeration Area
EFTPOS	Electronic Funds Transfer at Point of Sale
FBoS	Fiji Bureau of Statistics
HHS	Household Heads
FII	Financial Inclusion Index
FJD	Fijian Dollar
FNPF	Fiji National Provident Fund
km	Kilometre
KIIs	Key Informant Interviews
M-CRIL	Micro-Credit Ratings International Limited
MFI	Microfinance Institution
MTOs	Money Transfer Operators
NFISP	National Financial Inclusion Strategic Plan
PPI	Poverty Probability Index
PPS	Probability Proportional to Size
PWDs	Persons with Disabilities
RBF	Reserve Bank of Fiji
RFP	Request for Proposal
UNCDF	United Nations Capital Development Fund
USD	United States Dollar
WAI	Women's Agency Index

Country Overview

Population (2020 projections)	891,445
Adult Population (2020 projections)	629,732
Land Area	18,272km²
Number of islands	312
Main Islands	Viti Levu and Vanua Levu
Capital	Suva
Administrative Units	110
GDP per Capita (2020)	USD10,534.60
Unemployment Rate (2017)	4.5%
Average Inflation Rate (2020)	-2.6%

The currency used throughout the report is Fijian dollars, however, there is use of United States dollars for PPI calculation.

Glossary

Some of the terms used in DSS 2020 are defined below:

Active Mobile Money Usage Using mobile money such as M-PAiSA or MyCash to make payments or transfers in the last 12 months.

Adult Population Fijians 15 years of age and above.

Climate-Related Financial Products Financial products including insurance or credit that protect individuals and assets against or mitigate the effects of climate-related events.

Financial Inclusion All working age adults have effective access to banking, credit, savings, payments and insurance services from formal service providers.

Financial Inclusion Index A measure of Fiji's overall level of financial inclusion. It measures access, usage and awareness of a basket of formal financial products and services that includes access to banks, credit, savings, insurance, remittance and digital financial services.

Formal Financial Services Financial services provided in the past 12 months by licensed financial institutions, credit unions, cooperatives, microfinance institutions (MFIs), finance companies and mobile money operators.

Green Finance Financial products and services available for the sustainable development and management of the environment.

Informal Financial Services Financial services provided through informal means such as borrowing from friends or family, moneylenders, savings clubs etc.

n = The number of respondents for particular survey questions.

Middle-Aged Fijians between the ages 36 to 55 years.

Women's Agency Index Measures women's ability to define goals and act on them through their participation in household financial inclusion (savings, insurance, credit), access and ownership of household assets and participation (in terms of economic activity, education and financial decision making).

Youth Fijians between the ages 15 to 35 years.

Executive Summary

This Report presents the findings from the DSS across Fiji from October to December 2020. The Survey was undertaken with a nationally representative sample of 1,001 respondents from the four administrative divisions - Central, Northern, Eastern and Western. The Survey was undertaken to assess the level of financial inclusion (including awareness of digital and green products) among Fijians with a specific focus on women, youth, persons with disabilities (PWDs) and self-employed entrepreneurs.

Financial inclusion in Fiji has significantly improved with a narrowing gender gap. The level of formal financial inclusion among Fijians has increased in the last six years from 64% in DSS 2014 to 81% in DSS 2020 with savings and remittances being the most accessed financial services. While overall, more women are being financially included through ownership of accounts at financial institutions, the gender gap still persists. Given the many roles women already play in households, opening an account and managing finances through a financial institution may not always be a priority especially for women living in rural and maritime areas where a number of barriers may hinder financial service access, such as the distance from the institution, having insufficient documents to open an account, family or work responsibilities, or the mind-set and certain attitudes towards the financial sector.

Use of informal sources of financial services remains relatively high compared to formal sources. Formal credit uptake of 9% is much lower than informal credit uptake of 12%. In 2014 a spread of 7% for formal credit and 17% for informal credit was reported but the spread has narrowed slightly to 9% and 12% respectively in this Survey. More women than men stated that they did not want to be indebted (41% women, 35% men), did not need credit (39% women, 33% men) and

did not have enough money to repay loans (31% women, 28% men). The data also suggests that many Fijians still rely largely on informal sources of borrowing irrespective of gender.

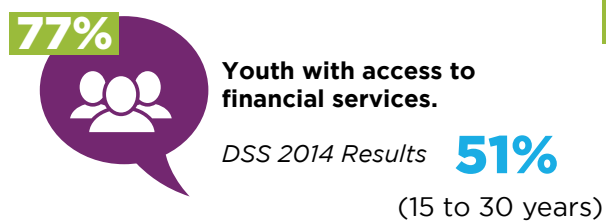
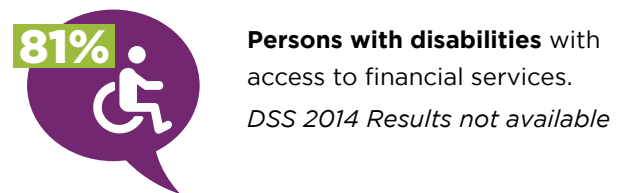
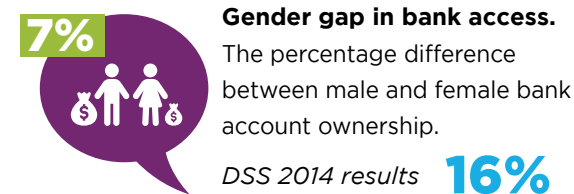
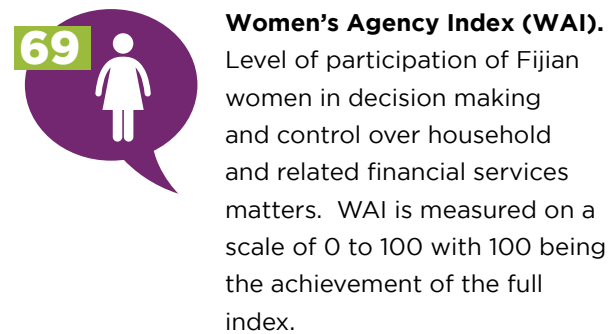
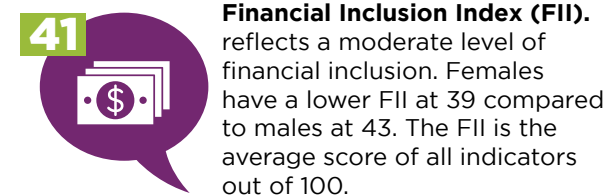
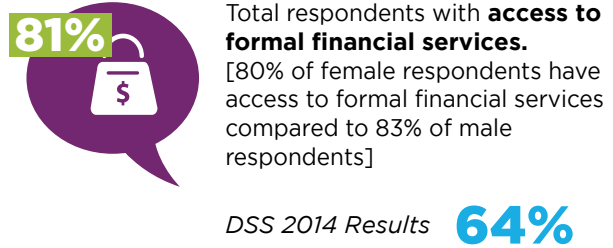
Savings. Slightly more than one-third (36%) of Fijians who saved in the past 12 months saved at home - a survey finding that is also confirmed by qualitative results. The top five reasons for saving included emergencies, old age, social and traditional events, children's education and buying or improving property/house. Interestingly, more people stated that they saved for funerals (21%) than to pay off debt (4%).

Significant progress noted for mobile money and internet banking. Mobile money penetration significantly improved with 17% of respondents using either M-PAiSA or MyCash compared to 7% in DSS 2014. Women (19%) recorded higher levels of uptake for mobile money compared to their male counterparts (15%). Similar findings were also noted for internet banking. The data suggested that since women are likely to play multiple roles within their households, the flexibility offered through internet banking and mobile money provided women with an easy platform to undertake financial matters at their convenience.

Low level of awareness and uptake of Green Finance. The data showed a lack of awareness regarding climate-related products in Fiji. Slightly more women (75%) recorded a lack of awareness of climate-related insurance products compared to men (71%). In addition, there is an absence of affordable "green" insurance products and incentives available in Fiji.

Financial Literacy Awareness. Generally, those in rural areas and women, reported a demand for more awareness of various financial services (access and usage, especially digital financial services) and for financial literacy training.

Summary of Findings





Formal credit taken in the past year as part of a formal financial service.

DSS 2014 results **6.9%**



Remittances sent through formal financial institution channels

DSS 2014 Results **33%**



Women receiving Remittances [Compared to men: 31% in 2020 and 21% in 2014]

DSS 2014 Results **29%**



Fijians with some form of insurance.

[16% of male respondents reported having some form of insurance compared to 14% of female respondents.]

DSS 2014 Results **12%**



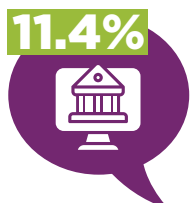
Remittances received from either abroad or another part of Fiji.

DSS 2014 Results **23%**



Mobile money account ownership.

DSS 2014 Results **7%**



Banked adults that **have access to internet banking.**

[40% are male respondents compared to 60% female]

DSS 2014 Results **8.1%**



Awareness of green finance and climate-related products.

DSS 2014 Results not available



Women with mobile money accounts

[Compared to men: 15% in 2020 and 7% in 2014]

DSS 2014 results **6%**



Demand for greater awareness of financial services.

DSS 2014 Results not available



Respondents with a **climate-related insurance** product.

DSS 2014 Results not available



Demand for financial literacy training.

DSS 2014 Results not available

1. Introduction

In 2016, RBF rolled out a second NFISP 2016-2020 – following an earlier plan in 2010 (2010-2014).¹ The NFISP is a roadmap to building a stable and inclusive financial system that aims to provide all Fijian adults, irrespective of their social and economic background, with basic financial services, products and tools for improving their livelihoods. Developed together with key industry stakeholders including financial service providers, the roadmap also set targets for measuring Fiji's progress of financial inclusion against international benchmarks and targets.

The DSS 2014 results tracked the progress of the first NFISP and provided evidence-based recommendations as the basis for formulating the NFISP 2016-2020. Similarly, findings from this DSS 2020 will be used to evaluate the progress of the second NFISP and in turn provide a basis for formulating the next five-year strategic plan for 2022-2026 period.

The overall strategic target of the NFISP 2016-2020 was **to increase the number of adult Fijians with access to formal financial services from 64% in 2014 to 85% by 2020, of which 50% are women.** The target was further subdivided by location; 6% from the Eastern Division, 22% from the Northern Division, 40% from the Western Division and 32% from the Central Division.

To address the policy areas identified and targets set out in NFISP 2016-2020, the DSS 2020 was designed to also assess the financial needs and barriers for women, persons with disabilities (PWDs), young adults and self-employed entrepreneurs in rural and maritime areas.

The DSS exercise was undertaken with a nationally representative sample of 1,001 adults of which 52% were women and 48% were men at the

household level representing rural and urban populations. The sample was selected from the four administrative divisions in Fiji – Central, Northern, Eastern and Western. Additionally, some contextual information was also collected from a sample of study locations to help analyse the survey findings. This report presents an initial analysis and interpretation of the survey data, collected between October-December 2020, from the perspective of adult Fijians, detailing their levels of usage of, and demand for financial services, including digital and green finance.

The **objectives** of the DSS 2020 survey were to:

1. Assess the level of financial inclusion of Fijians with a specific focus on women, PWDs, youths and self-employed entrepreneurs;
2. Assess resilience of Fijians to climate change events;
3. Conduct a needs-assessment study of financial products and services, including digital and green products; and
4. Monitor the progress of the NFISP 2016-2020 and chart the way forward for the next financial inclusion strategy.

Methodologically, the survey was designed using a mixed-methods approach, which primarily entailed undertaking quantitative interviews with a sample of the Fijian population for data collection at the household level – along with Key Informant Interviews (KIIs) at the community level.

Further details of the methodology are provided in **Annex A** which includes a description of the geographical area, study design, tools, sample, implementation of fieldwork and the challenges encountered during fieldwork.

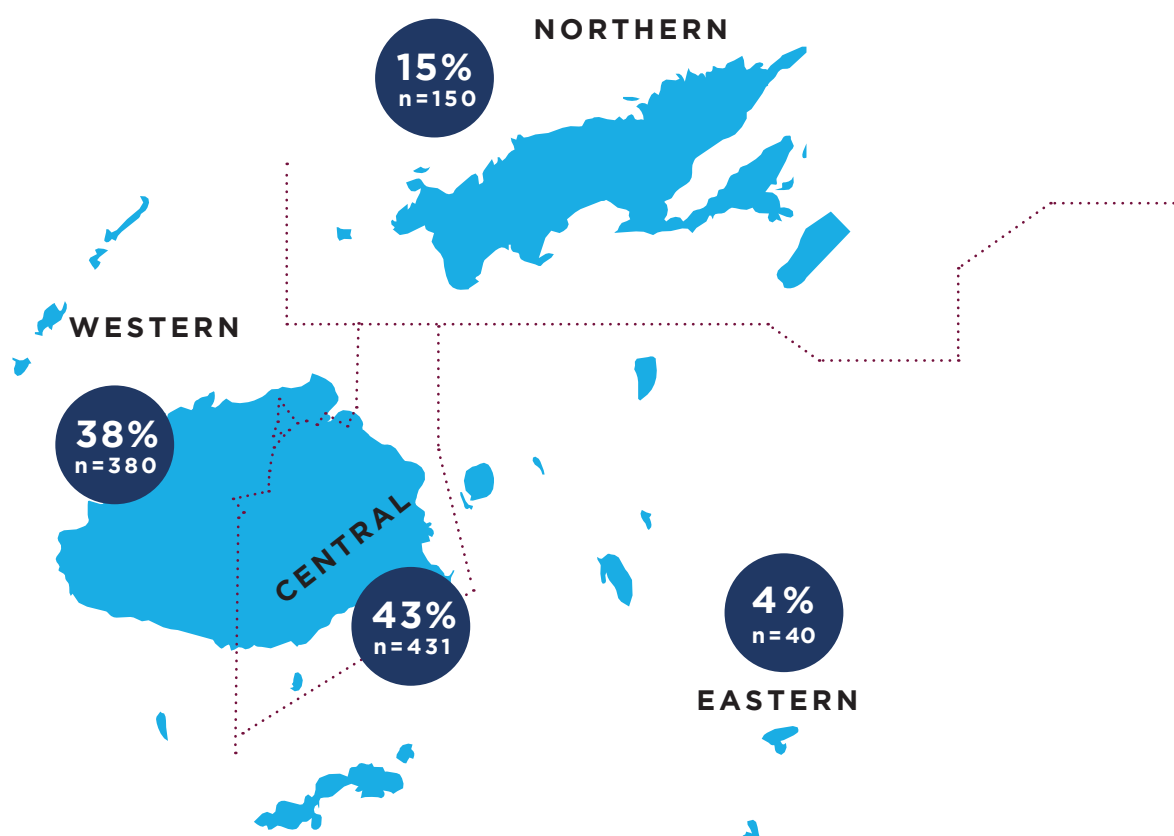
¹National Financial Inclusion Strategic Plan 2016-2020 can be accessed here: <http://www.nfitfiji.com/wp-content/uploads/2016-2020-Fiji-FI-Strategy-Aug26.pdf> (last accessed on 10 January 2021).

2. Profile of the Respondents and the Area

2.1. Socio-Economic Information of Respondents

The profile of respondents as well as the area where the survey was conducted is discussed below. It summarises their characteristics in terms of key indicators and observations. A graphical presentation of the sample distribution by division is noted in Map 1.

Map 1: Sample Distribution by Division



Target Groups and their Representations²:

- Urban respondents constitute 55% of the sample while rural respondents constituted 45%;
- **Women** respondents made up a slightly higher proportion (52%) than men (48%);
- Adult respondents up to 55 years made up nearly two-thirds of the sample (70%); **youths** accounted 35% of the total sample;

- Nearly one-fifth (18%) of the respondents reported some kind of **disability** – representing the Fiji national average (17.5%³); and
- More than one-third (39%) of respondents are **self-employed**.

Social Profile:

- Majority are married (58%), nearly a quarter are single (24%), widowed (14%) or divorced/separated (4%).

Income, Expense and Household Demographics:

- Respondents are classified into one of four income groups: \$0 - \$5,000; \$5,001 - \$15,000; \$15,001 - \$30,000, and \$30,001 and above;
- The respondents rely on a combination of income sources: Salary/wages from **formal employment** (50%), **remittance** (43%), **government benefits** (41%), **small businesses and shops** (33%) and **agricultural sources** (26%);
- More than half of the sample (56%) are in the **lowest income group** (<\$5,000), during COVID-19 compared to 43% pre-COVID-19. Their pre and during COVID-19 income were reported separately (bi-annual). **during COVID-19 income** with the proportion of households earning \$5,001 - \$15,000 considerably declined to 34% - from 43% in pre-COVID-19 months. *Please see Annex B for further details;*
- Pre-COVID-19, a lower proportion of households (9%) reported earning less income than their expenses but this significantly increased to 46% households during COVID-19;
- Majority of the households reported having an average size of three to five members; and
- Female-headed households accounted for 26% of respondents - considerably higher than reported nationally (11-12%)⁴.

2.2. Profile of Survey Areas

Key features of the survey area - as analysed through qualitative data from KIIs primarily conducted in a select few rural areas of only three divisions (Western, Northern and Central)⁵ covering seven provinces are discussed below with a detailed discussion presented in **Annex B**.

- Most of the households are engaged in farming activities;
- Most commonly reported livelihood activity is agriculture, followed by fishery and wages. Fishery is particularly prominent in the Central (Tailevu, Rewa) and Northern (Macuata) Divisions, while agriculture and other non-farm activities predominate in the Western Division;
- Most households have electricity supplied by Energy Fiji Limited through hydro power whilst other households use solar power and fossil fuel;
- The main water source in most areas are tap or borehole;
- Some areas reported improvements in financial services in terms of increased access to Automated Teller Machine (ATMS), Electronic Funds Transfer at Point of Sale (EFTPOS) machines, bank branches and M-PAiSA; Two villages in Ba and one in Tailevu reported not having access to any formal financial services; and
- Distance by road to the nearest urban centres typically ranged between 2-13 kilometres.

Overall, formal financial services are accessible in all these areas; the presence of moneylenders and other informal providers were also noted.

²Refer Annexure A for details

³17.5% for those 15 years and above as per the 2017 Census.

⁴Fiji Poverty Trends, Profiles and Small Area Estimation (2003-2009) http://www.spc.int/nmdi/Reports/Fiji_Poverty_Report_2011.pdf

⁵Undertaken in only 3 divisions where majority (96%) of respondents are located.

3. DSS 2020 Findings

3.1 Accessibility of Financial Services

This section discusses the financial inclusion of Fijian adults by detailing the current level and usage of financial services as well as their account ownership. It especially highlights the access to financial services of the focussed groups of *women, youth, PWDs and self-employed* people. The overall findings suggest both a **moderate level of financial inclusion** as well as a reduction in the gender gap in financial access, although a gender gap remains, an important survey finding also reflected in the outcome of two indexes – Financial Inclusion Index (FII) and Women’s Agency Index (WAI) – applied to measure the survey results.

Details of barriers faced by Fijians in terms of cost, time and distance to access financial services are also provided. While the penetration of bank EFTPOS and ATM services seem to be improving, the logistics in terms of transportation and the cost of transportation still continue to be a barrier for certain geographic areas, as reflected in the findings below.

Use of Index Scores

A **FII** was used to assess the ‘inclusion’ of Fijians in four thematic areas – access to banks, savings, digital financial services and insurance.⁶ However, two separate index with credit and remittance were also developed due to the reported survey data on these aspects.

In calculating the index, each indicator under each theme, was allocated a score based on the assessment of its contribution towards the overall level of financial inclusion. The scores given are provisional and are subject to weights to account for the divisional context and the emerging findings from the sample. The final weights are assigned to each theme and indicators to make a total of 100 and the main index is calculated by taking the average score of all indicators out of 100. Two additional components (credit and remittances), were further added to the main index to triangulate the measurement and to allow for a verification of scores with the inclusion of these financial services.

It is observed that⁷:

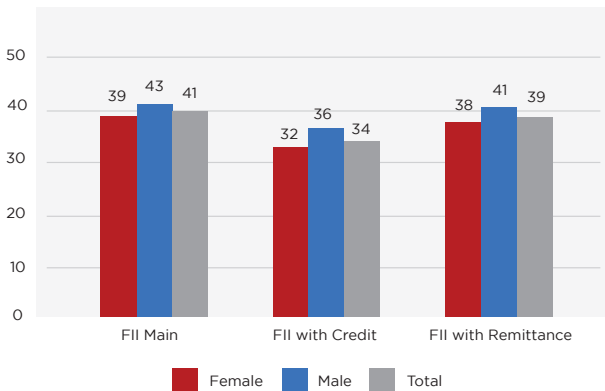
- (i) $75 \leq \text{FII} \leq 100$ = high level financial inclusion;
- (ii) $50 \leq \text{FII} < 75$ = above average level financial inclusion;
- (iii) $25 \leq \text{FII} < 50$ = moderate level of financial inclusion; and
- (iv) $0 \leq \text{FII} < 25$ = low level of financial inclusion.

(Figure 3.1) shows the scores for total FII and FII for credit and remittances. The FII scores in the figure are segregated by gender to examine the extent of financial inclusion and the use of services by men and women. The overall score indicates moderate level of financial inclusion.

⁶These indicators are a customised addition to the standard FII based on a review of the survey data. A full FII along with a list of the indicators, their scores and weightings are presented in Annex D.

⁷https://www.afi-global.org/wp-content/uploads/publications/2016-08/guidelinenote-18_fidwg_progress_index.pdf

Figure 3.1: Financial Inclusion Index



Since the access and use of credit and remittance services across the sample were very low, the FII computed with their (weight) inclusion decreased to 34 with credit and 39 with remittance. The plausible explanation for this overall lower uptake lies in both proximity issues due to island geography and reservations against formal borrowing. Qualitative observations from selected maritime areas indicated that many respondents still preferred saving at home because access to their savings was quick and easy, especially for emergencies. This reduces their dependence on external borrowings outside the household. At the same time, the data showed that saving at banks had increased in the Central Division following an increase in outreach by financial institutions.

There are gender differences within the scores across the three dimensions. There is a 4% gender gap in FII overall facing women which was also consistent across the dimension of credit. In terms of remittances the gender gap was marginally lower at 3%.

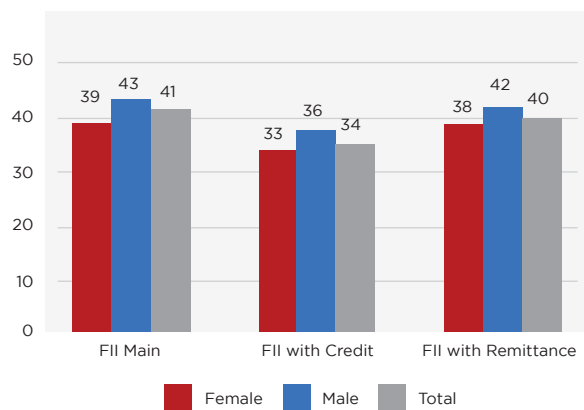
The variation of financial inclusion across the four divisions (**Figure 3.2**), and other focus groups

for DSS 2020 – self-employed, PWDs and age-groups are discussed below.

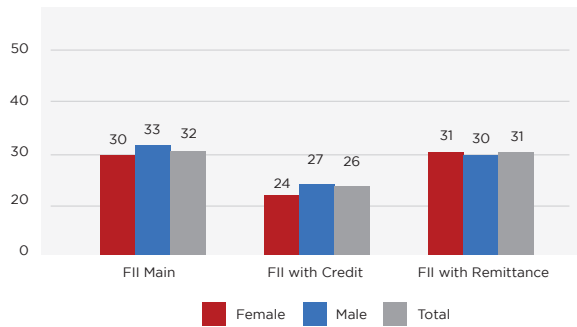
- FII by Division:** Central, Western and Northern Divisions have similar FIIs suggesting a similar pattern around the extent of access and uptake of financial services. By contrast, the Eastern Division has the lowest FII of 32 and likewise a lower uptake of credit and remittance. This is most likely attributed to the geography of the Eastern Division which comprises scattered islands with its own barriers to accessibility in the form of travel time, distance, means of transport and cost. Overall, females lag slightly behind their male counterparts in the access and use of financial services including credit and remittances across all the four divisions, with the highest gender gap overall being in Northern Division, and lowest gap being in Eastern and Western Divisions respectively. Of particular note is that in the Eastern Division, women score marginally better than men in terms of remittances. It is assumed that the purpose of the remittances may have been for household related expenses and living hence the reason it is sent mostly to women.

Figure 3.2: Financial Inclusion Index by Divisions

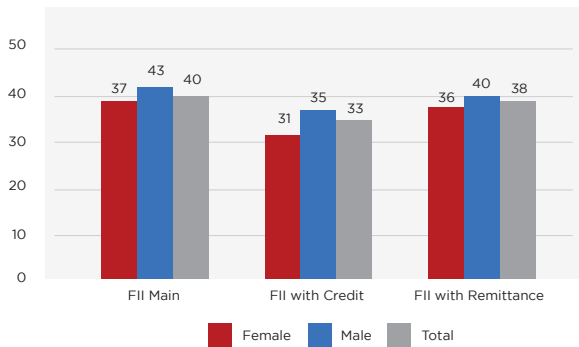
Central Division



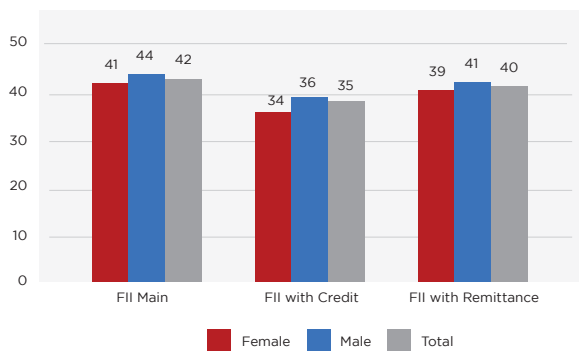
Eastern Division



Northern Division



Western Division



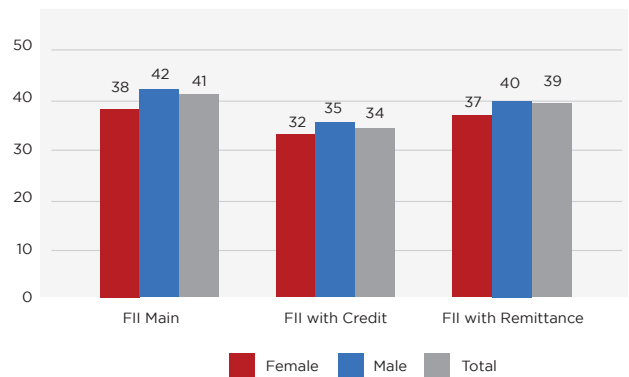
FII by Other Social-economic Indicators: FII score of self-employed individuals (**Figure 3.3**) are same as overall FII. The main FII for self-employed individuals is 41 and that with credit and remittance is 34 and 39 respectively. Men score a slightly higher FII than women, overall and in terms of credit and remittances, implying a higher level of engagement in banking and digital services.

Overall, there is a need to further include self-employed individuals in the existing financial services.

A similar FII is also observed among PWDs signalling the need for a more inclusive financial reforms for all without any discrimination.

Figure 3.3: Financial Inclusion Index of Self-Employed and PWDs

Self-Employed Individuals



PWDs

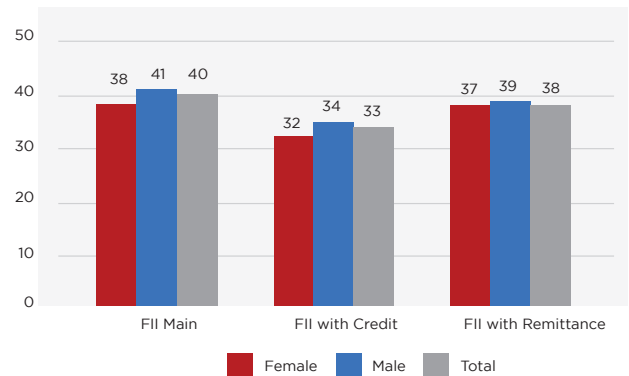
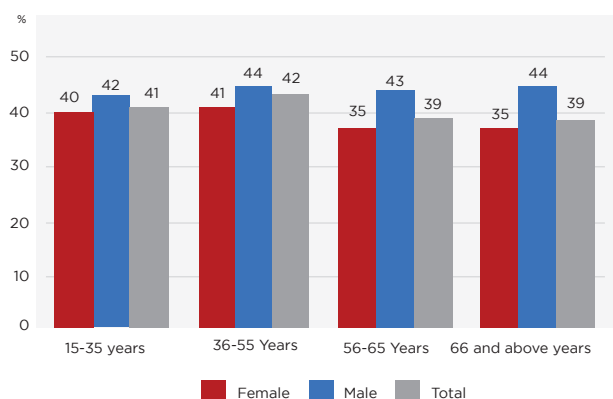


Figure 3.4: Financial Inclusion Index by Age Groups



Across the different age groups (Figure 3.4) access and uptake of financial services is more or less the same (moderate at all levels). Perhaps, more targeted age-wise initiatives need to be undertaken particularly for youths and the middle-aged to increase awareness, access and uptake of financial services. It is notable that there are significant gender differences with female having lower scores across each of the age group brackets. Most notable also is that the biggest gap between women and men is in the 56+ age bracket. The lowest difference between women and men is in the 15-35 age bracket.

The **WAI** measures the level of women's empowerment. The term 'Agency' is defined as the ability to voice, negotiate, influence, and participate in decision-making about strategic life choices and achieve a desired outcome for which power was previously denied⁸.

WAI is measured on a scale of 0 to 100. Achievement of the full index would give a score of 100. A high WAI indicates more autonomy and decision-making power by women. WAI indicators for this assignment drew on questions covered in the survey on aspects related to:

- Women's financial inclusion (savings, credit, and insurance);
- Household assets that affect women's quality of life (access to clean cooking fuel, mobile phone and washing machine); and
- Entitlement or participation (economic activity and decision-making).

Scores and weights given to each indicator and dimension are guided by their relevance to the index. Score-wise, the WAI for a sample of 520 Fijian women identified as primary respondents is 69 (Figure 3.5).⁹

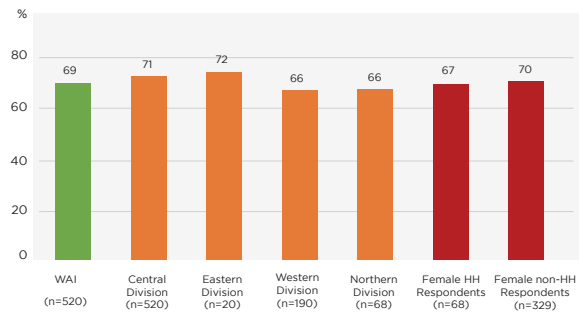
Comparison by the administrative divisions shows that the score is highest for women in the Eastern Division (72) followed by Central Division (71), with the Western and Northern Divisions having the same lower scores. The results are quite positive and suggest that Fijian women are on the path of making and acting on well-informed decisions for themselves and their households independently. Female respondents that are household heads have a lower WAI at 67 compared to those that are not, which stands at 70. This suggests that there can be greater barriers faced by those women that are household heads. Furthermore, the data from the DSS 2020 shows that in total there are 191 households which are female headed and only 42 out of these household heads (HHs) are married. 149 household heads are either single, divorced/separated or widows.

In some cases, women are merely de jure household heads and the actual decision making rests with male members.

⁸Kabeer, 1999; The World Bank, 2014

⁹The full index is presented in Annex E.

Figure 3.5: Women’s Agency Index



The weighted score, as mentioned above, is arrived at by using three dimensions. Sampled Fijian women scored 22, 14 and 33 out of a maximum score of 40, 20 and 40 assigned to Financial Inclusion, Assets and Entitlement dimensions, respectively.

When analysed by components, financial inclusion appears to contribute one-third to the overall score suggesting that women have access to formal financial services, evident by the data showing that almost 75% women used their accounts for making or receiving deposits in the last 12 months (proxy indicator for making decisions).

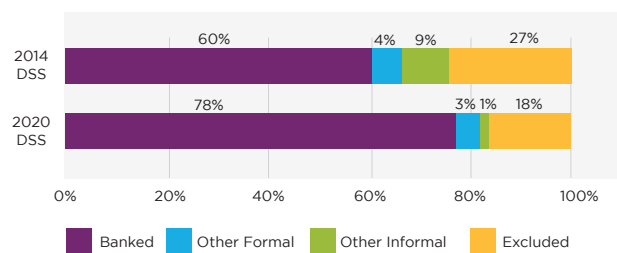
The data shows that more than 96% of sampled women are educated and employed, have made personal financial decisions and managed household finances on their own. They are considered to be wise decision-makers if they have a history of managing household budgets in the past, chose to work extra to earn money and borrowed money from formal sources in difficult situations. Seeking loans from informal sources was used as a proxy response for uninformed decisions. Furthermore, women are actively involved in strategic decision-making for their households in consultation with other members, and sometimes independently. All factors combined show that the sampled women enjoy a high level of entitlement – the contribution of this dimension (at 48%) is higher to the overall score compared to level of financial

inclusion (32%) and household assets that affect their quality of life (20%).¹⁰ The low score for access to assets indicates that there is still a challenge in terms of access to assets for women which can also influence their financial inclusion, in terms of access to credit.

3.2 Financial Services among Adult Fijians

The majority of adult Fijians use formal financial services of banks, credit unions, MFIs, and mobile money operators. Significant progress was noted for the banked adult population increasing from 60% in 2014 to 78% in 2020.

Figure 3.6: Financial Inclusion Strands



Slightly more male respondents (82%) have access to bank accounts compared to female respondents (75%) and despite a significant reduction in the gender gap in financial access from 16% in 2014 to 7%, a gender gap facing women remains. Additionally, the progress made on increasing access to formal financial services commensurate with the decline in informal and excluded sector. The excluded sector is almost equally distributed among urban (49%) and rural (51%) respondents. Of the 18% that are excluded, there are 10% more females (55%) excluded from financial services compared to males (45%).

Of those with bank accounts, 85% have only one account while 15% have two or more accounts. Most banked Fijians have maintained their accounts for more than four years (58%) which could indicate positive growth in the access and usage of financial services.

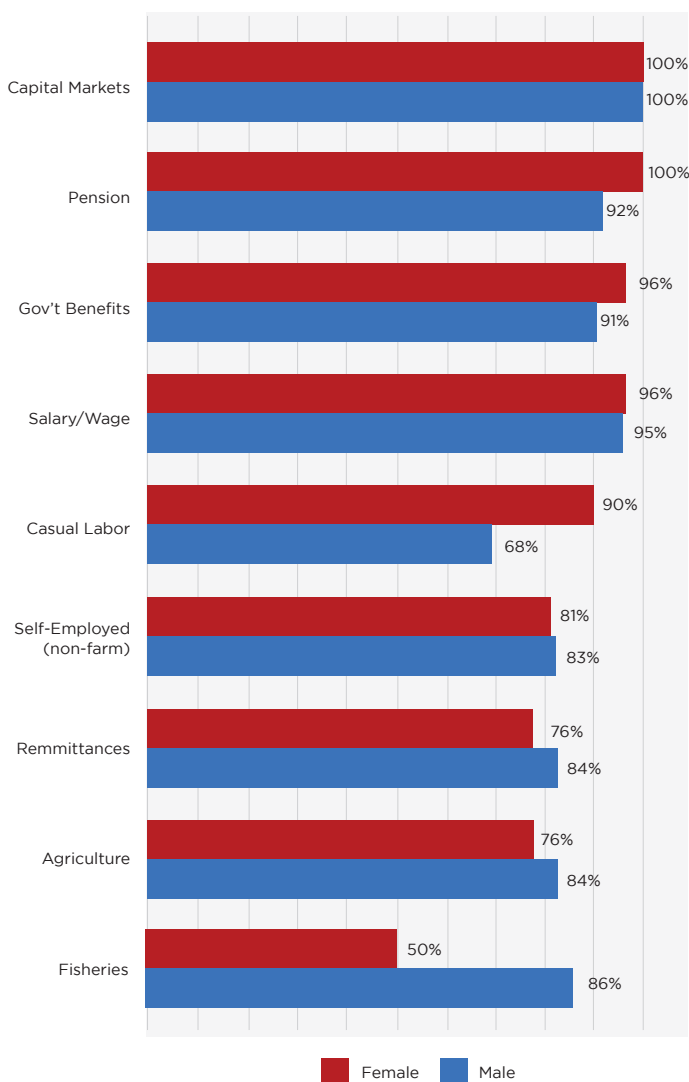
¹⁰Level of entitlement of Fijian women is based on 5 parameters. Our calculations show that sampled women scored 83% on entitlement dimension (33 out of 40) – at least 13% more than other dimensions used for WAI calculation. For this reason, the contribution of this dimension to the overall score is also the maximum.

Majority of respondents (77%) were aware that a minimum bank account balance (mode \$10) is required. To open a bank account 46% reported waiting between 10 to 30 minutes, 24% reported waiting between 30 to 60 minutes and 18% waiting less than 10 minutes. 12% reported that they did not know or they did not have a bank account.

Account Ownership by Income Source

Most adult Fijians accessing formal financial services are investors (capital markets), salary or wage earners, pensioners or recipients of government benefits (Figure 3.7).

Figure 3.7: Bank Account Ownership by Income Source

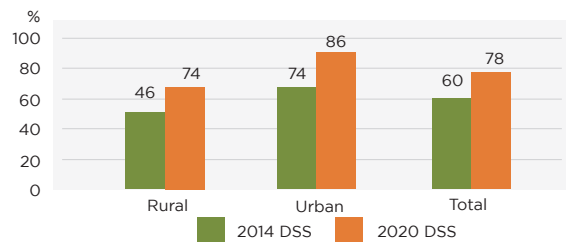


The data also suggested that respondents earning income from sources such as casual labour, agriculture and fisheries, self-employed and remittance recipients were more likely to rely on informal sources of financing due to their irregular income which require flexible, accessible and affordable financial management tools. Whilst more females used their bank accounts to receive pensions and government benefits, the data also shows a large number of females involved in casual labour.

Access to Bank Accounts - Rural/Urban

As expected, access to bank accounts is higher in urban areas, however, there has been notable progress in improving access to bank accounts in the rural areas from 46% in 2014 to 74% in 2020 (Figure 3.8). It is possible that some of this increase is due to the bank account requirement for welfare benefit recipients by government, increased financial literacy and rural based services by financial service providers and improvement of access points in the rural areas.

Figure 3.8: Bank Account Ownership by Urban/Rural



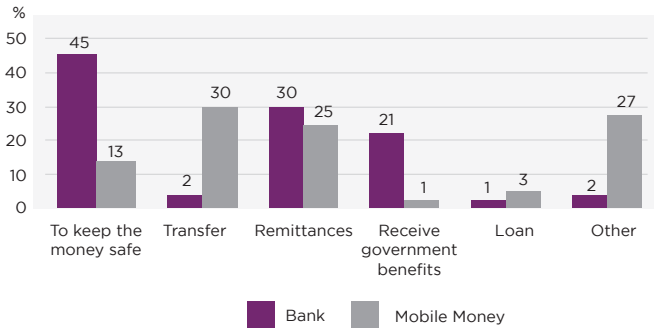
Bank and Mobile Money Account Usage

On account usage, more than two thirds (79%) reported using their accounts for receiving money or making payments and receiving government benefits.

Most Fijians use mobile money accounts to facilitate domestic transfers (30%), receive international remittances (25%) or pay for utility bills and airtime top-ups (27%), while a bank account is the preferred option for keeping money safe (45%) or for receiving government benefits¹¹ (Figure 3.9).

¹¹Social welfare recipients are required to have a bank account, except for cases where the recipient is immobile or unable to access banking services particularly those in the maritime and rural areas. In such a case, a third party may receive a voucher on behalf of the recipient.

Figure 3.9: Reasons for opening a Bank and Mobile Money Account (n=815)



Bank Account Usage in the last 12 Months

Within the banked population, the data shows that 89% of Fijians reported the purpose of the account to be for personal use only and 10% reported using the account for both personal and business use. A significant number of respondents (23%) reported using the account for ‘other’ purposes which included for saving money, receiving scholarships or student allowances and other income such land rentals.

Figure 3.10: Bank Account Usage (n=784)

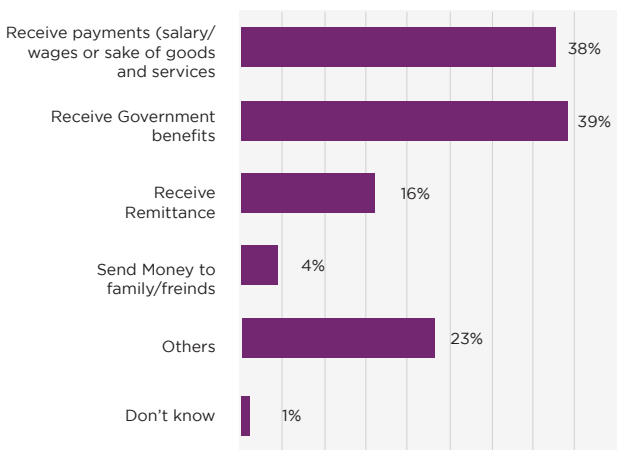
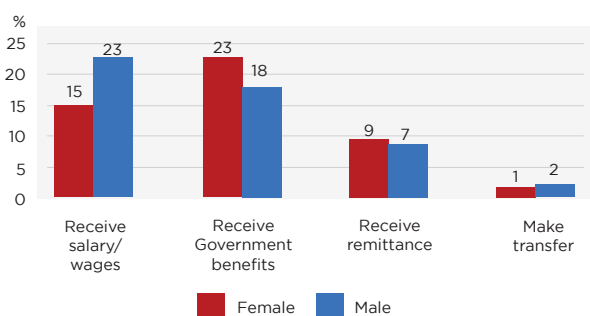


Figure 3.11: Bank Account Usage by Gender (n=784)



3.3 Women, Youth, PWDs and Self-Employed

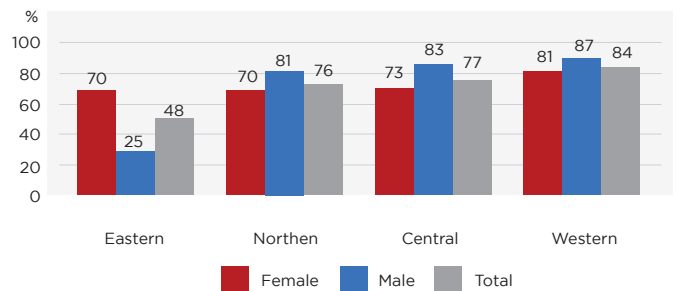
DSS 2020 shows significant progress made on the level of financial inclusion for women and youth.

Whilst women’s access to formal financial services has improved, a gender gap remains with 3% more male respondents (83%) having access to financial services than female respondents (80%).

The gender gap is slightly wider for bank account ownership at 7% (82% male vs 75% female). However, this gap has narrowed by 9 percentage points from DSS 2014. This could mean that either women still have lower levels of bank access than men or used alternative financial services. Interestingly however, the data indicated that within the six month period just prior to the Survey women used their bank accounts more (42%) than men did (38%) – a 4% gender difference.

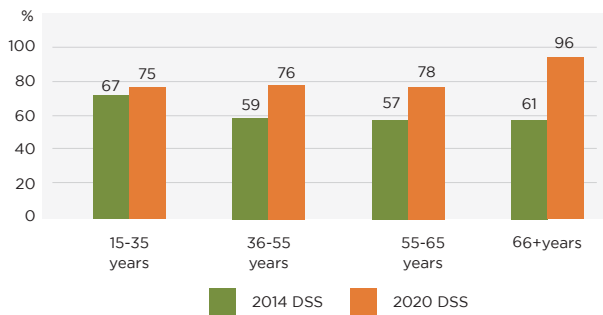
Figure 3.12 shows the account ownership by division where the Eastern Division has the lowest account ownership (48%) while the Western Division shows the highest account ownership. In the geographical context of Fiji, this is expected as the Eastern Division is the maritime area comprising scattered islands with very limited or no access to banking services. Interestingly however, women in the Eastern Division have significantly higher bank account ownership than men. Further research is needed to understand the pattern and possibly replicate this in other divisions to help narrow the gender gap.

Figure 3.12: Bank Account Ownership by Division (n=784)



Youth, reported having similar financial service access levels as middle-aged Fijians. The 2020 Survey reported the highest rates of inclusion among respondents over 55 years of age. An improvement is noted in bank account ownership across all the age groups, especially for those aged 66 and above.

Figure 3.13: Bank Account Ownership by Age Groups

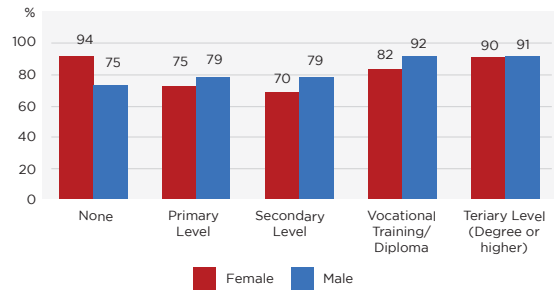


Majority (83%) of self-employed Fijians have access to formal financial services. Self-employed Fijians with no access to formal financial services reported saving at home and borrowing from informal sources (17%) like friends and family or taking out hire purchases.

Majority of PWDs (81%) are financially included. At least one-fifth (18%) of the respondents were living with some form of disability and less than one-fifth of PWDs reported not having any access. Whilst no particular follow-up question was asked during the Survey, it is assumed that mobility limitations and distance to access points are the main factors for PWDs having no access. Although under the government social welfare scheme the payments are directed to a bank account, in practice various circumstances prevent PWDs from accessing banking services. This leads to a third party collecting the social welfare voucher on the recipient's behalf. Additionally, not all PWDs are social welfare recipients.

There is no clear correlation between the level of education and financial inclusion.

Figure 3.14: Financial Inclusion and Level of Education

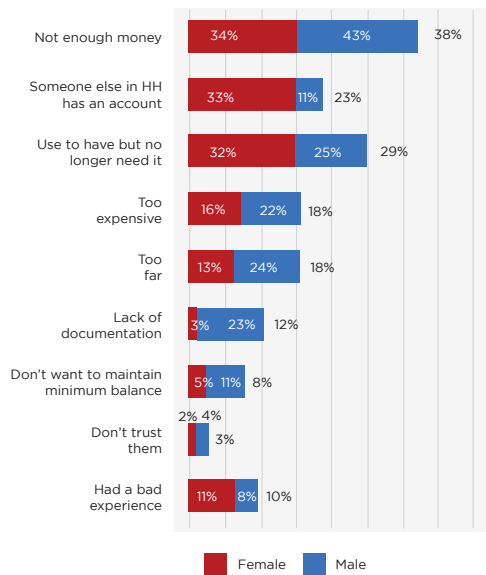


The gaps between men and women are seen at all levels below tertiary but narrows significantly at tertiary level. This suggests that at tertiary level both males and females have an increased access to information that leads to higher usage of financial services.

3.4 Barriers to Formal Financial Inclusion

Most unbanked respondents cited lack of money as one of the main reasons for not having a bank account. A higher percentage of excluded women stated reasons such as someone else in the household with an account and bad experience as reasons for not having an account. A follow-up question was asked to respondents who reported not enough money as a reason for not having a bank account to help provide underlying reasons for this response. The results indicate that irrespective of gender, they spend their money soon after receiving it (75% male; 71% female) while more women (49%) said that they prefer to have easy access to their money compared to men (33%).

Figure 3.15: Reasons for No Bank Account (n=186)

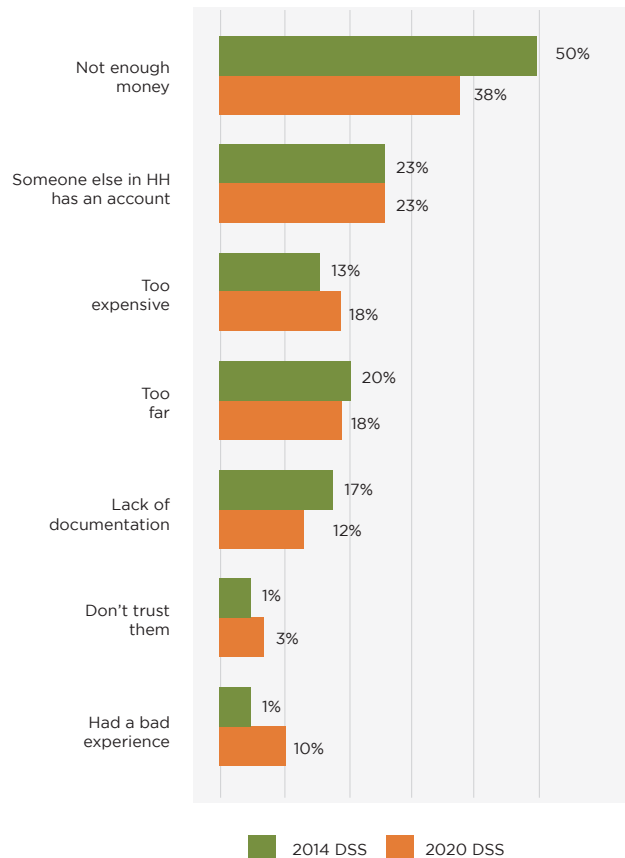


Of those Fijians who held an account in the past, most (29%) reported not using it anymore as they did not need it or they did not have enough money (38%). This finding largely reinforces the observation that the lack of money is used as the main reason for those excluded from formal financial services. Other barriers include someone else in the household owning a bank account (23%) - a more common reason reported for unbanked female respondents. Whilst the numbers may be low, there is an increase in people who do not trust the banks, think that they are too expensive and have had an unpleasant past experience. Other reasons specified for not having a bank account include physical or mental disability, unemployment or irregular income.

Accessibility to financial services in terms of cost and distance continue to be a considerable barrier for many Fijians.

While respondents have access to bank branches, ATMs, EFTPOS and mobile money agents from their homes as well as from their workplace, the average distance from their homes are further than from their workplaces. Around 20% of the respondents report not knowing the distance of these services from their home although they did know the location of the same. While all respondents report knowing the location of the bank branch from their home, a small proportion (2%) of the population did not know the location or distance to the nearest ATM. Similarly, 13% did not know the location or distance to the nearest EFTPOS terminal while 14% did not know the location or distance to a nearby mobile money agent. **Simple information campaigns** on location, access and usage of digital services could increase the financial services awareness and financial inclusion.

Figure 3.16: Reasons for No Bank Account



Based on the findings, a pronounced gap exists in rural areas particularly for banked and unbanked respondents. The average distance to accessing a bank branch in rural areas is 16.1km compared to an average of 3.4km for urban respondents. The longest distance reported was 90km from the maritime area and the respondent would have to travel by boat to access a bank branch. **Figure 3.17** below shows that on average, workplaces have higher accessibility in terms of distance to a financial access point.

Figure 3.17: Average Distance to Access Points

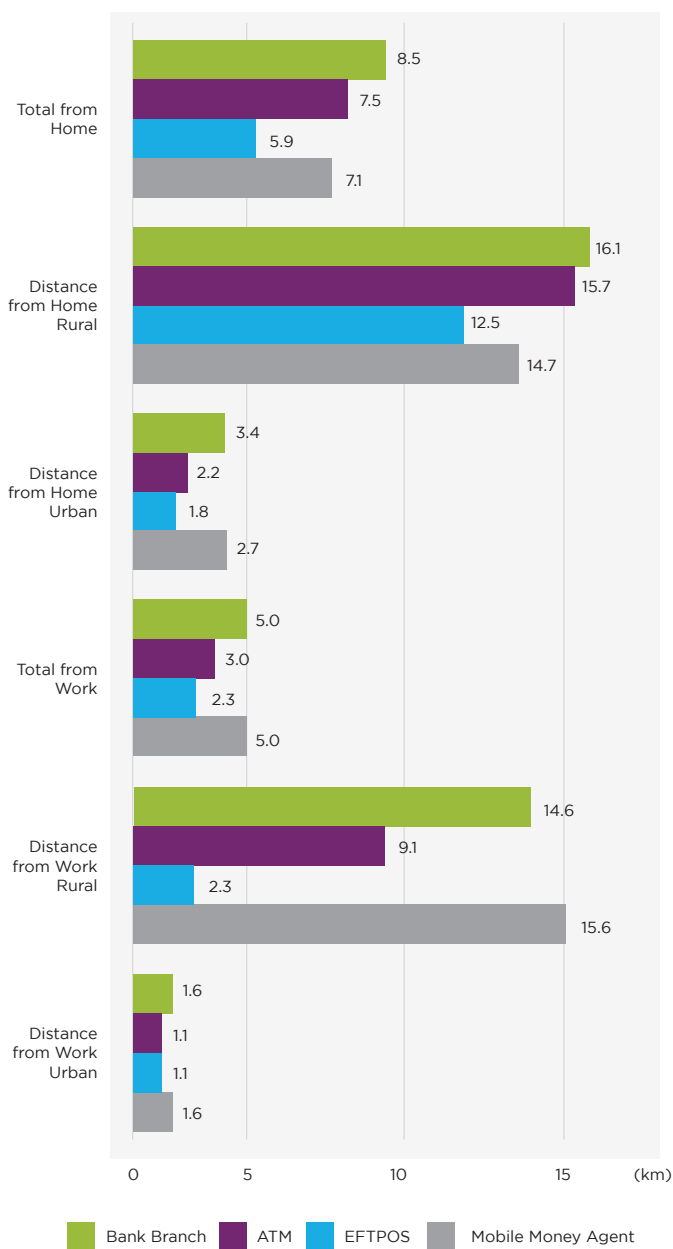
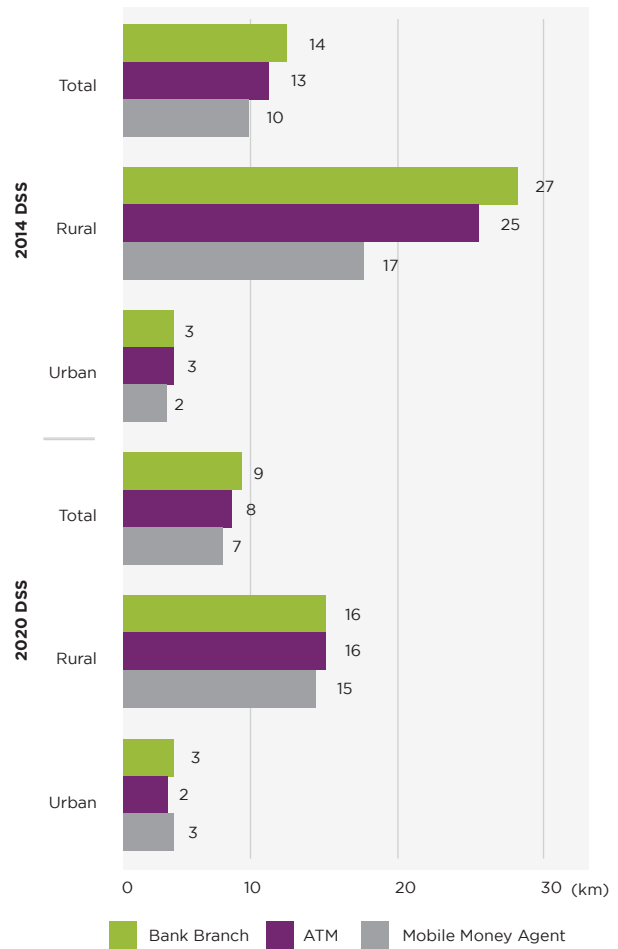


Figure 3.18: Average Distance to Access Points for Rural/Urban



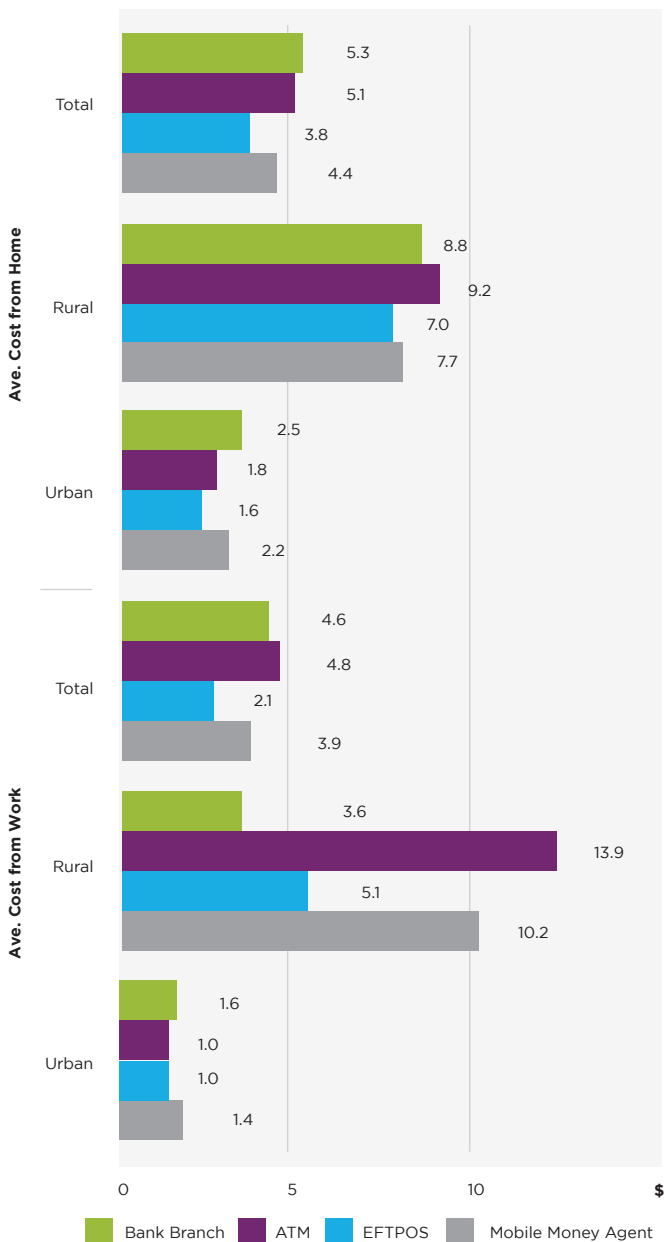
In comparison with 2014, average distance to accessing financial services in rural areas have significantly improved (**Figure 3.18**). For instance, average distance to bank branches reported in 2014 was 27kms compared to an average of 16kms in 2020.

The means of transport used included public transport, village trucks, boats and personal vehicles. Some respondents, especially in the rural and maritime areas, reported transport costs exceeding \$100 while for respondents who have these services within a walking distance, reported 'no cost'. The cost of transportation, specifically for rural and maritime areas, is certainly a barrier for those who have to pay more to reach these access points. On average, the required travel time is under 30 minutes but, the maximum time reported is 180 minutes which poses a considerable access challenge for those who live this far from formal services. These respondents travel by boat. Similar to the

distance factor, **Figure 3.19** shows the lower cost of accessing financial services from the workplace, indicating easier accessibility in urban areas.

On average, 20% of respondents do not know the distance to a particular access point, however, they are aware of where it is located and the cost to reach those access points. This resulted in a discrepancy in results reported for ATMs in particular as some respondents reported no knowing the distance to access points but were able to report on costs. This mostly applies to respondents in rural and maritime areas where the average cost reported was around \$40-\$50 to travel by boat.

Figure 3.19: Cost of Transportation to Access Points

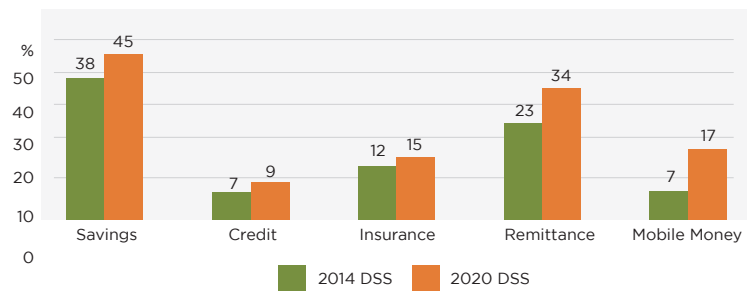


Waiting time to be served is mostly higher at bank branches averaging 50 minutes for branches close to home and 38 minutes for branches close to the workplace. Other financial services (ATM, EFTPOS and mobile money) reported less than 10 minutes of waiting time. Respondents reported visiting these financial service access points not more than two times on average in a month.

3.5 Usage of Other Financial Products and Services

The following section presents data on the usage, uptake and satisfaction on key financial inclusion instruments - savings, credit, remittance, insurance and mobile money. **Figure 3.20** shows the proportion of formal financial services used by Fijians, with savings being the most commonly used financial service while credit uptake is the least. In comparison with DSS 2014, progress is noted across all financial inclusion instruments.

Figure 3.20: Uptake of Financial Services



3.5.1 Savings

Overall, 56% of Fijians reported saving in the past 12 months - with 45% of all respondents saving in a formal financial institution; only 2% reported saving in a savings club. Surprisingly, there is a unique gender parity experienced for formal savings. While overall savings has decreased (ostensibly due to the COVID-19 situation)¹² vis-à-vis DSS 2014 (71%), there is a 7 percentage points increase in saving with a formal financial institution. However there was a gender difference with males (15%) more likely than females (11%) to save.

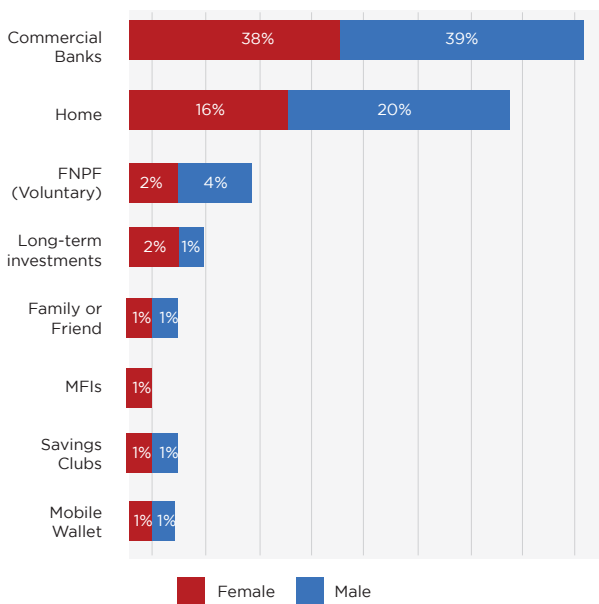
¹²As survey data was collected in the post-COVID-19 lockdown period when joblessness and reduced working hours abounded, the analysis is affected as such. Therefore, while using the DSS 2020 findings for future policy decisions, it will have to be taken into consideration.

Table 3.1: Savings Behaviour

Savings behaviour	DSS 2014	DSS 2020
Self-reported savings in the past 12 months	71%	56%
Savings at a formal institution (banks, MFIs, etc.)	38%	45%

Of those who reported saving in the past year using multiple modes of savings, nearly 76% did so at a commercial bank (38% female; 39% male), while 36% saved at home (16% female; 20% male) and 6% voluntarily at the Fiji National Provident Fund (FNPF) (2% female; 4% male).

Figure 3.21: Modes of Savings (n=559, multiple responses apply)



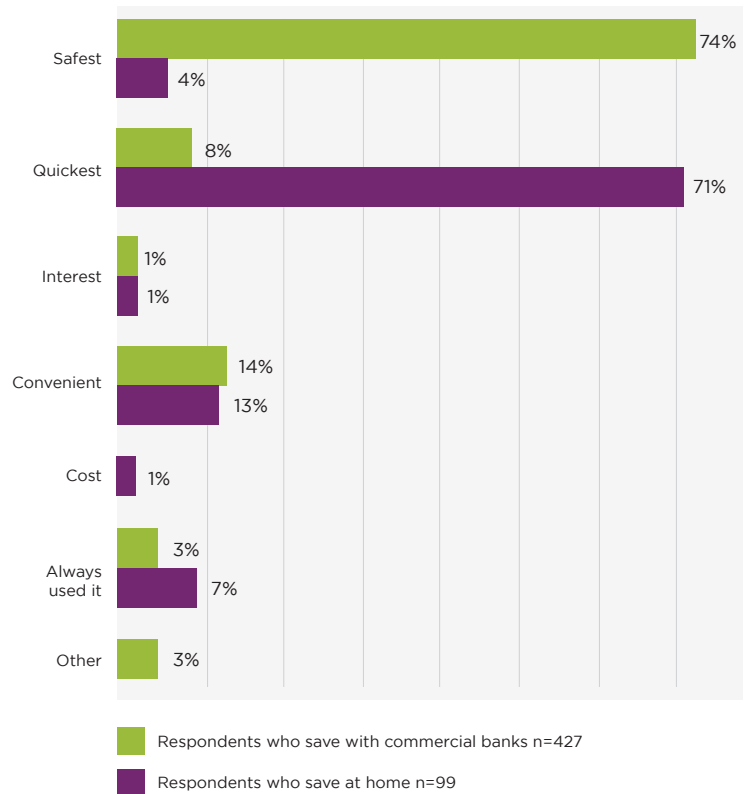
The most common frequency of saving has been reported once a month by 55% of the respondents who do save. Those who have not saved in the past year most commonly responded that they spend their money shortly after receiving it leaving no money left to save.

Fijians reported using informal saving methods at similar rates across divisions. The qualitative findings suggest that saving at home remains common across different provinces and divisions

for the ease of access to their savings when needed. This is also recorded in the quantitative findings with 13% of all respondents who save, reporting the reason to save at home as it offers ‘quickest’ access to their money.

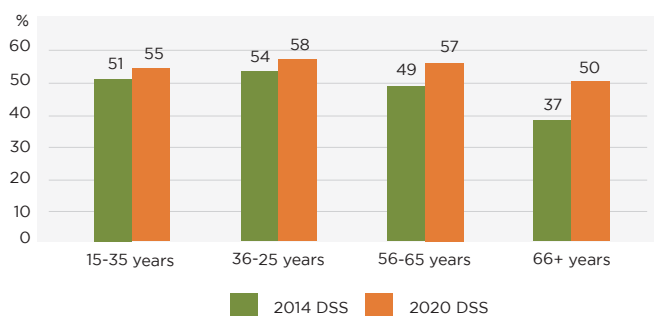
Fijians who reported saving in a commercial bank did so mainly because it is the ‘safest’ place to save their money. This suggests a good consolidation of Fijians’ trust in banks which also seem to suggest a good network of bank branches across the country.

Figure 3.22: Saving - Commercial Banks vs. Home



Saving patterns differ by division and age groups, although this remains the same by gender. When looking at the frequency of savings, the most common is to save once a month (55%) followed by 24% of the respondents saving more than once a month whilst 21% saving less than once a month.

Figure 3.23: Savings Behaviour by Age Groups



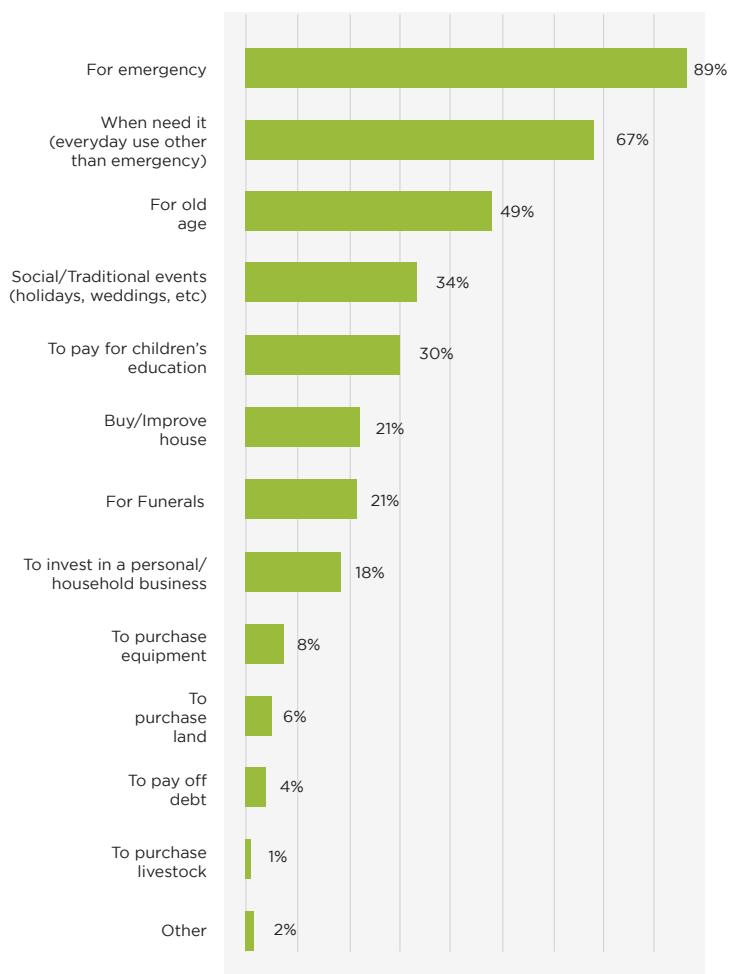
The age group between 36 to 55 years saves the most and significantly improved from 2014, although frequency of savings is almost consistent with youth at 18% and 17% respectively for 2020 DSS. A unique gender parity was observed for savings behaviour. The Central and Western Divisions comprise the majority of Fijians who save money with 43% and 37%, respectively as shown in the **Table 3.2**.

Table 3.2: Savings Behaviour by Division

Division	No. of respondents n=559	% of respondents reported saving
Central	241	43
Eastern	23	4
Northern	89	16
Western	206	37

Reasons for Saving. Of those that reported saving, nearly 89% saved for an emergency such as natural disasters. The top five reasons given for savings includes saving for emergencies, old age, social and traditional events, children’s school expenses and to purchase or improve property. Interestingly, more people reported saving for funerals than they do for investments in personal or household businesses or to pay off debt.

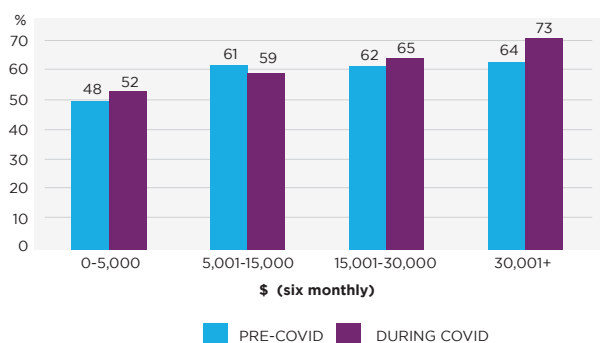
Figure 3.24: Reasons for Saving (n=559, multiple responses apply)



Savings behaviour correlate with income groups pre-COVID-19 and during COVID-19 periods. Income groups are reported on a six monthly basis pre-COVID-19 and during COVID-19. It was noted that during COVID, a number of respondents experienced a downward shift in income which also had an impact on their level of savings.

Interestingly, three out of the four age groups saved post-COVID with expectedly slightly more female respondents (53%) in the two lower income groups and more male respondents (55%) saving in the upper two income groups. There are slightly more urban respondents (54%) reported saving compared to rural respondents (46%).

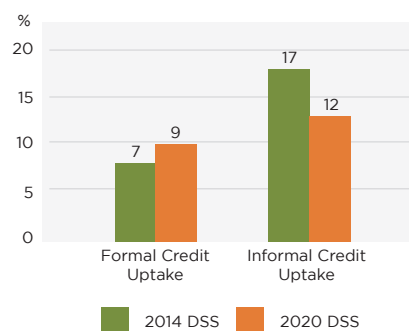
Figure 3.25: Savings Behaviour by Income Groups



3.52 Credit

Use of credit – both formal and informal continues to be relatively low, perhaps more accentuated now by the COVID-19 situation. Only 8.9% of respondents reported borrowing from formal sources (nearly half borrowed from the banks) in the last 12 months while 1% reported having an existing loan. The marginal proportion of borrowing shows an increase in formal credit uptake from the DSS 2014 (6.9%). The most common formal source of credit are commercial banks (49%) followed by other financial institutions such as finance companies and credit unions (39%) and MFIs (11%). **Figure 3.26** shows the uptake of formal and informal credit compared to DSS 2014 and indicates a lower credit uptake.

Figure 3.26: Uptake of Credit



About 12% of Fijians (n=1,001) reported relying on informal credit sources such as borrowing from friends and family or hire purchase. While this has decreased from 17% as recorded in DSS 2014, responses suggest that informal sources are still preferred for accessing credit.

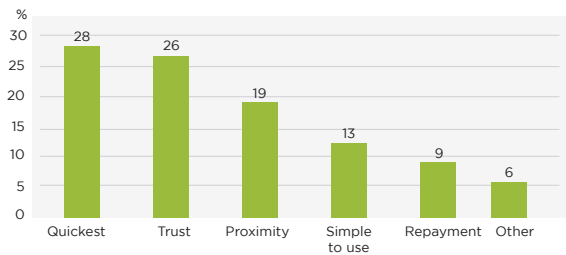
Table 3.3: Sources of Credit

Sources of formal credit	Male	Female
Bank	18	26
Credit Institution	9	0
Credit Union	3	0
Finance Companies	12	3
MFIs	1	9
Other Formal	4	4

There is still a lot of room for financial service providers to meet the credit needs of Fijians as seen from the low percentage of respondents borrowing from them – between 1 to 1.5% of total respondents (n=1,001).

The qualitative data also suggests that reliance on moneylenders as a common source of finance may not be correct with, only four respondents reportedly borrowing from moneylenders. Those who reported borrowing from informal sources do so because it is quick, they trust the source and repayment is flexible.

Figure 3.27: Reasons for Informal Borrowing (n=118)



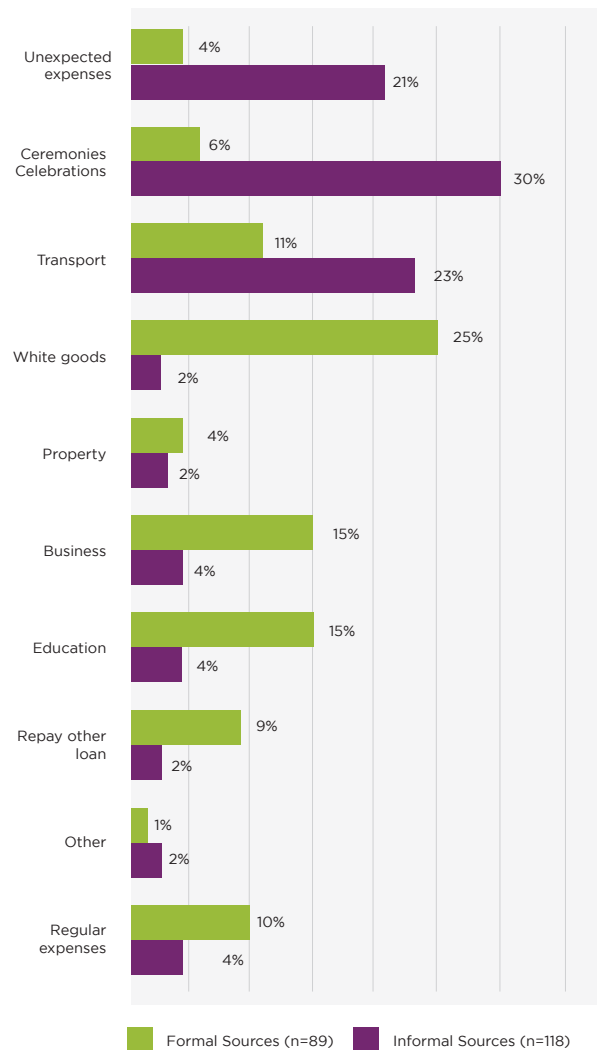
75% of respondents who took up credit reported having no difficulties in repaying their loan.

Those who responded having difficulties repaying the loan cited lack of funds, low business due to COVID-19 pandemic (35%), job loss (23%), loan amount being too high (23%), reduced pay (13%) and diversion of their funds elsewhere (6%) as reasons for difficulties in repaying their loan.

For those who borrowed from informal sources, 23% are financially excluded or unbanked and mostly reliant on family or friends for such borrowings.

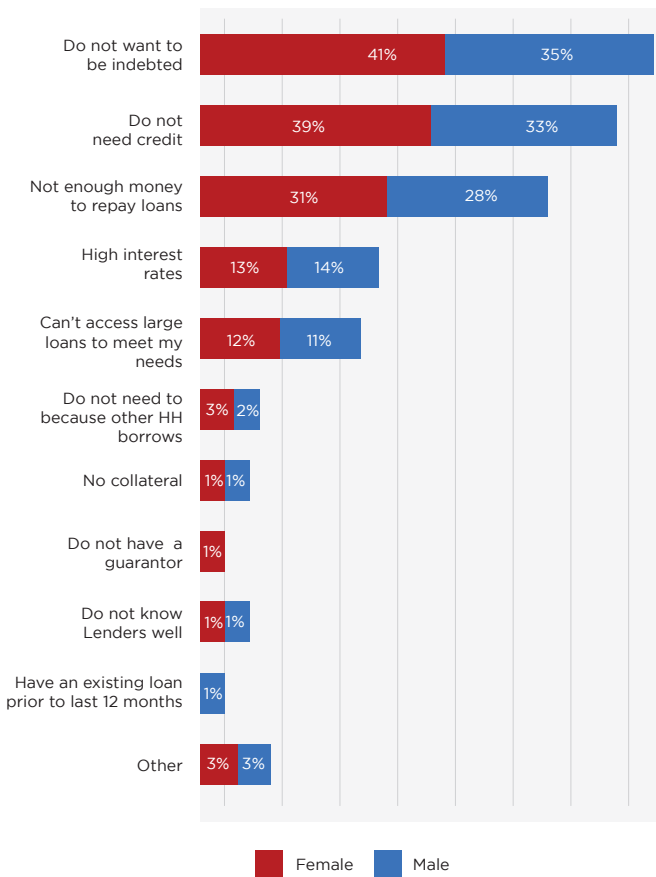
Figure 3.28 shows that most informal borrowing were for personal expenses such as emergency, unexpected expenses and for various regular expenses. However, formal borrowing was largely for transportation, to purchase properties or for business.

Figure 3.28: Purpose of Loan



The most common reason for not taking credit was the unwillingness to be indebted (77%) or lack of money (59%) and is more apparent for women. This was also reflected in the qualitative findings. Nearly 72% of the respondents reported that they did not need credit whilst 1% reported that they had existing loans which were taken prior to the last 12 months. Refer to **Figure 3.29**.

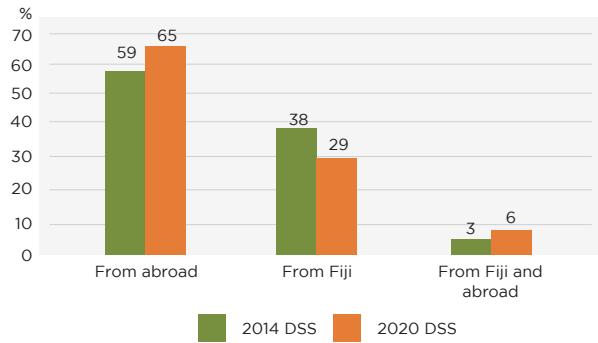
Figure 3.29: Reason for Not Borrowing (n=805, multiple responses apply)



3.53 Remittances

About one third of respondents (34%) reported receiving remittances from relatives or acquaintances who lived in Fiji and/or abroad. This has increased from DSS 2014 which reported 23% receiving remittances. In Figure 3.30, majority of the remittance are sent from 'abroad'. The domestic remittance transfers have reduced in comparison to DSS 2014, however, this should be read with caution due to the outbreak of COVID-19 pandemic and lockdowns imposed during the surveyed period.

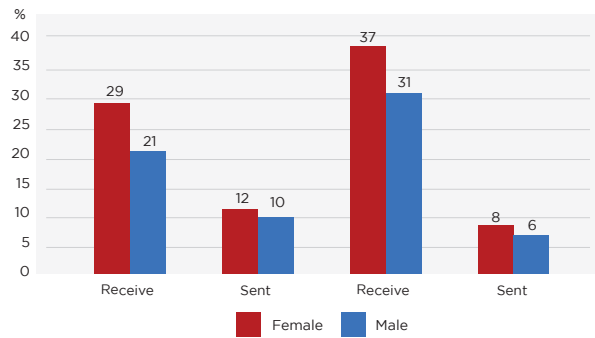
Figure 3.30: Receiving Remittance



Remittances are mostly sent by youths and middle-aged Fijians. Majority (53%) of those who sent remittances were either youths or middle-aged people (38%). In terms of receiving remittance, most of the receivers were middle-aged Fijians (36%) and youths (27%).

Similar to DSS 2014, more women than men received and sent remittances.

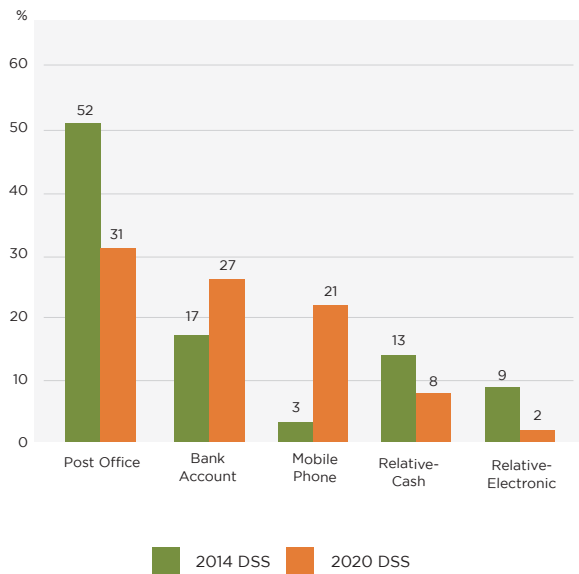
Figure 3.31: Remittances Progress



Similar to DSS 2014, domestic remittances were largely channelled through the Post Offices (31%), although there has been a decline in the usage of this channel, followed by transfer of money to a bank account (27%) and using mobile money (21%). International remittances received through mobile money has seen an increase indicating greater use of digital financial services (DFS).

Remittance is used mainly for personal expenses including meals and paying utilities (82%), dealing with an emergency or unforeseen event (57%) and health expenses (35%).

Figure 3.32: Sending Remittance within Fiji



International remittances received through mobile money has seen an increase indicating greater use of digital financial services (DFS). Money Transfer Operators (MTOs) such as Western Union, MoneyGram, UniMoney remain the most common channel for receiving international remittance while domestic remittance channels are spread across cash through a relative, bank transfers and mobile money in 2020 (Figure 3.33).

Remittances is largely used for personal expenses including meals and paying for utilities as well as dealing with emergencies. Nearly 80% reported receiving up to 1,000 FJD on an average in the past 12 months. The figures below shows the various mechanisms used to receive remittances.

Figure 3.33: Mechanism for Receiving Remittance

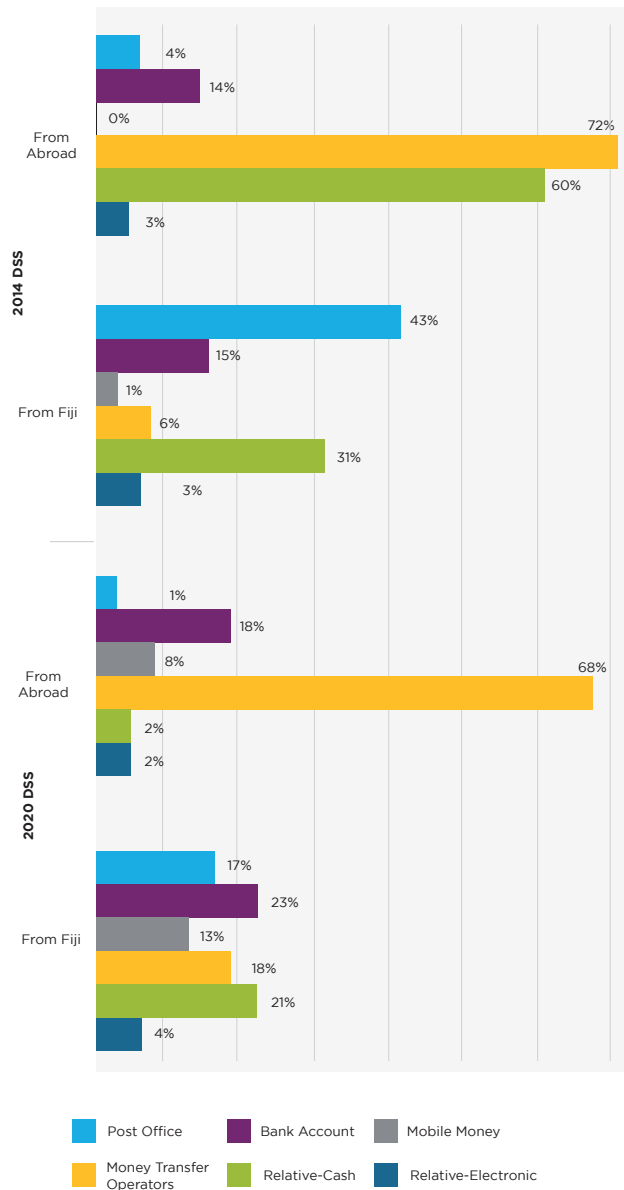
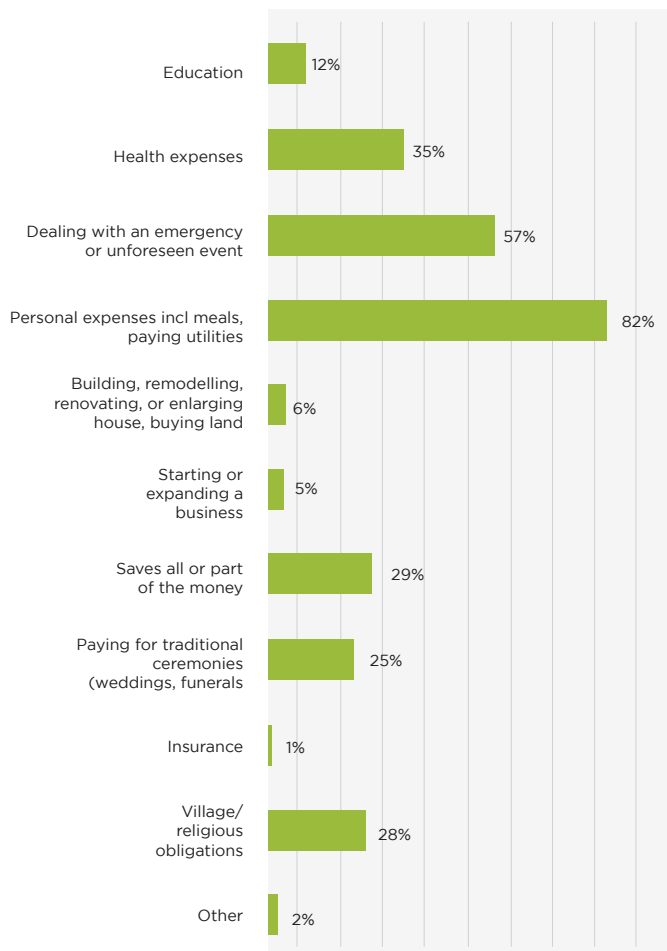


Figure 3.34: Purpose of Receiving Remittance



3.54 Insurance

There has been a **slight improvement in insurance uptake** from 12% in 2014 to 15% in 2020. The result is lower than expected given the recent bundled insurance developments¹³ and may indicate that some respondents are not aware that they have insurance cover, therefore suggesting a need for more awareness. Insurance uptake is significantly higher in Central and Western Divisions as compared to Eastern and Northern Divisions. This may be partly due to the increased accessibility of insurance provider branches in the Central and Western Divisions and indicates a need for focussed awareness and accessibility of insurance in Eastern and Northern Divisions particularly when these areas are most affected by natural disasters.

The Survey reported a slight difference in insurance uptake across gender with 49% of women having insurance compared to 51% men.

Figure 3.35: Insurance Uptake by Division

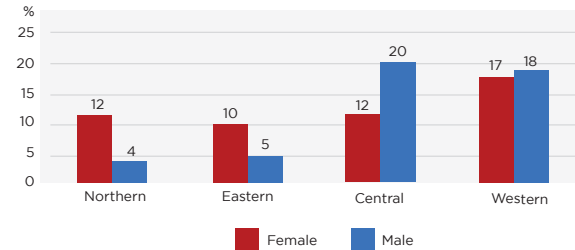
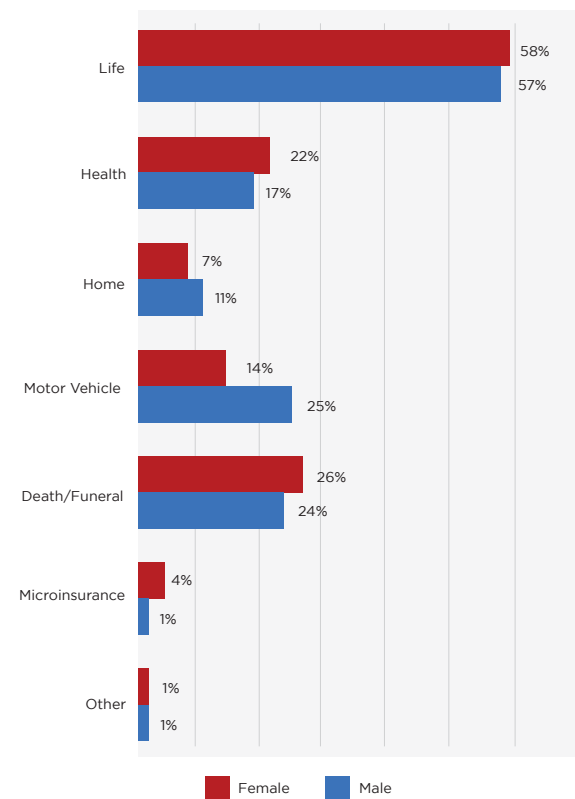


Figure 3.36: Types of Insurance Owned



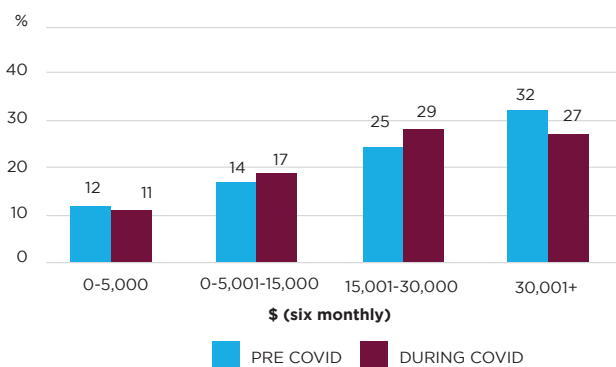
¹³Total bundled insurance uptake surpassed 135,000 in 2019 comprising government social welfare recipients, civil servants and farmers (sugar, copra rice and dairy). In 2020, Government ceased payments on the bundled insurance cover for about 35,041 civil servants but continued paying for social welfare recipients. Additionally 2019 data from insurers reported that 41% of Fijians had access to an insurance product.

In terms of age, youth (31%) and middle-aged persons (30%) were reported taking up some form of insurance. The most common insurance products reported were life (57%), death benefit or funeral (25%), health (20%) and motor vehicle (20%). The qualitative findings also reflected respondents reporting having life and medical insurance. Most of the respondents who reported having health insurance either personally purchased their policy (41%), insurance was paid by their employer (27%) or part of a family health insurance cover (24%).

In line with expectations, insurance take-up is higher for high income groups. A higher percentage of those earning salary and wages (32%), capital market investments (26%), self-employed (19%) and/or receiving government benefits (18%) have insurance although the insurance uptake for respondents receiving government benefits is much lower than expected.

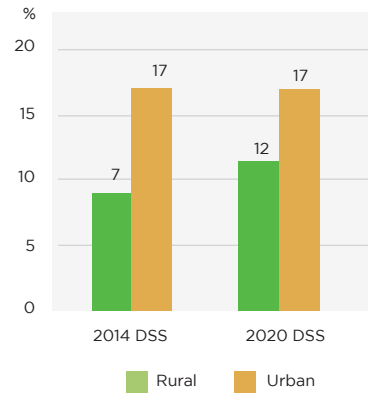
In 2018, the Fiji Government fully subsidised a bundled insurance scheme for all social welfare recipients, however, only 18% of respondents receiving government benefits reported having an insurance. The lower percentage reported could be a result of lack of awareness of the benefits of insurance and therefore efforts could aim at raising awareness to this segment.

Figure 3.37: Insurance Uptake by Income Groups



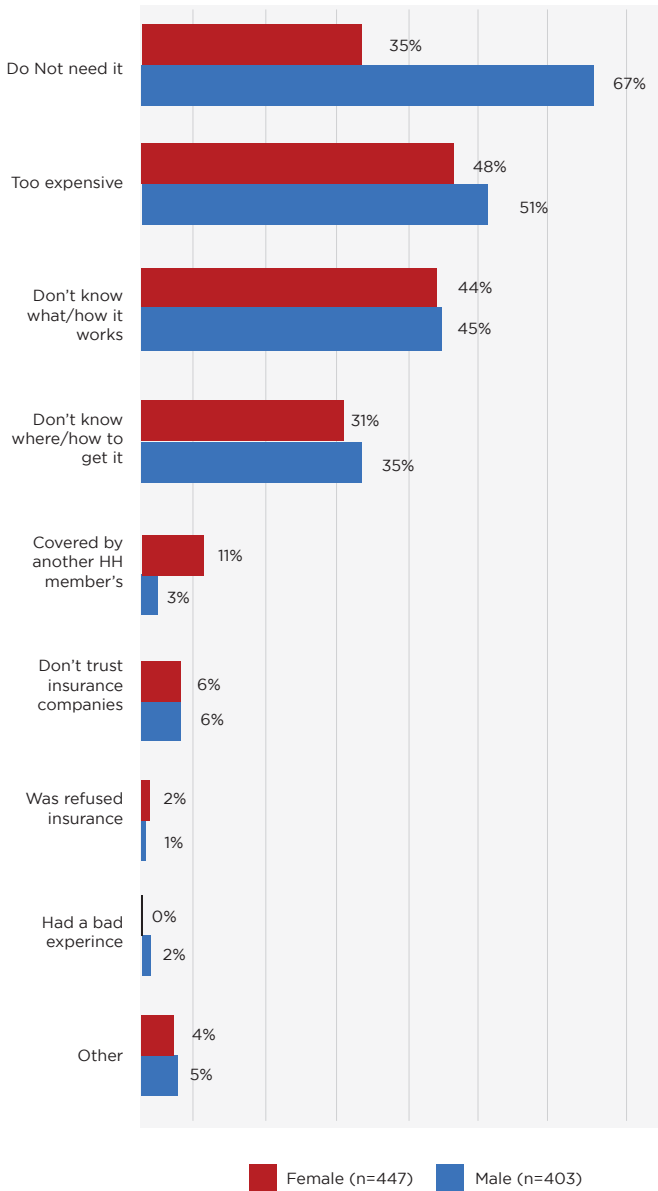
The uptake of insurance is higher for urban respondents and could be linked to ease of access to financial services. However, slight improvements noted in rural uptake from 7% in 2014 to 12% in 2020 while uptake in the urban area remained the same.

Figure 3.38: Insurance Uptake - Rural/Urban



The self-reported reasons suggest that the overall level of understanding of insurance is low amongst Fijians and there is also a need to build trust. Majority of respondents (85%) do not have insurance and the most common reasons include not needing it (50%), product cost (49%), not knowing what it is/how it works (44%) or where/how to access it (33%).

Figure 3.39: Reasons for No Insurance (multiple responses apply)



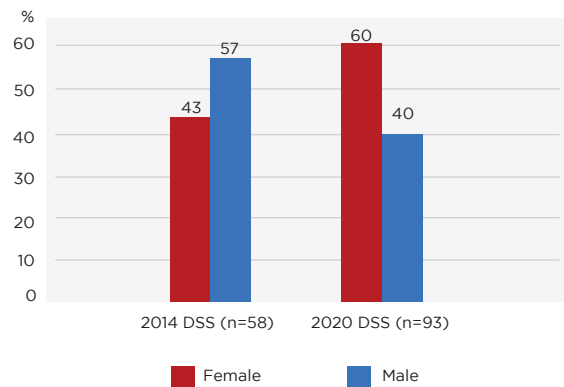
3.6 Need-Assessment of Financial Products and Services - Digital and Green Finance Products

3.6.1 Access and Usage of Digital Financial Services

This section captures the Survey findings relating to access and usage of internet banking and mobile money. While DSS 2014 covered mobile financial services, it did so briefly and at a time when it was at a nascent stage in Fiji. Over the years, access to DFS has increased and this section captures the same along with its usage

Internet Banking: The data suggested that majority of the banked population (88%) had not signed up for internet banking for any of their accounts. Of the banked respondents who have signed up for internet banking (n=93) 60% are women and this significantly improved from 2014 at 43%.¹⁴ Despite women having lower levels of bank access, they are more likely to use internet banking. This could be due to the convenience and flexibility that it provides for women as they balance their multiple roles of managing household and work responsibilities. Despite the increased banked population in 2020, the low numbers suggest a lack of awareness around the use of internet banking.

Figure 3.40: Internet Banking Usage

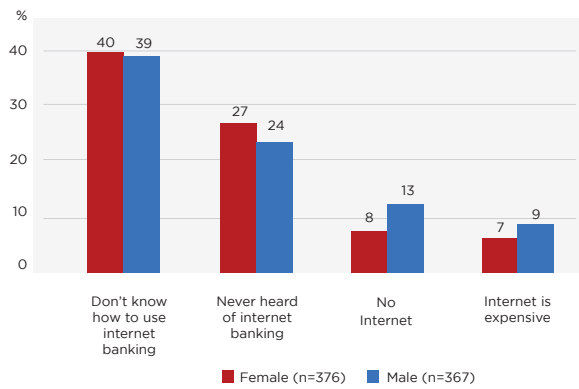


¹⁴This information should be read with the caution that access and connectivity to internet across the country is not the same.

Majority (75%) of respondents who signed up for internet banking or mobile banking applications, used it mainly for payments (bill payments, transfers and online purchases). This is a significant increase from DSS 2014 where 58% of people recorded access and usage of internet banking. Of those who signed up for internet banking or mobile banking applications 70% use it one to two times per month and 24% use it three to five times per month. The vast majority (87%) of respondents who use internet banking connect to the internet using mobile data while the remainder use home WiFi (11%) or office internet connections (2%).

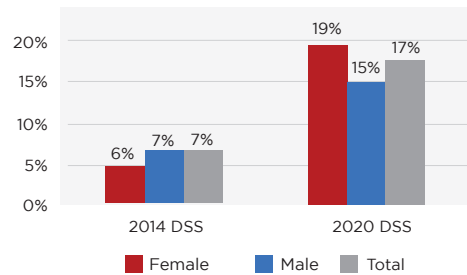
More than half of the respondents (69%) were unwilling to use internet banking due to their lack of digital literacy and awareness on the benefits of DFS. This is apparent for female respondents who reported not using internet banking. Other reasons include the lack of interest in using it as it is deemed unnecessary by some respondents and safety concerns of cyber-crime.

Figure 3.41: Reasons for No Internet Banking



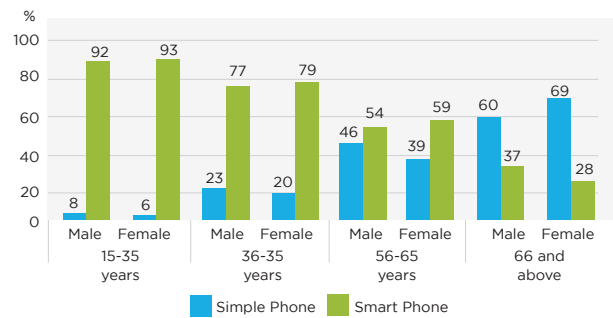
Mobile money: Overall, mobile money usage increased from 7% in DSS 2014 to 17% in DSS 2020. **Figure 3.42** shows the growth in mobile money account ownership by gender.

Figure 3.42: Mobile Money Account Ownership



Majority of respondents (81%) have a mobile phone of which 49% were male and 51% female. Almost three quarters of mobile phones users were between the ages of 15 to 55 years (72%). **Figure 3.43** shows the ownership of different types of mobile phones by age and gender, highlighting the penetration of digital technology with three quarters owning a smart phone and more apparent for youth and middle-aged compared to the older generation irrespective of gender.

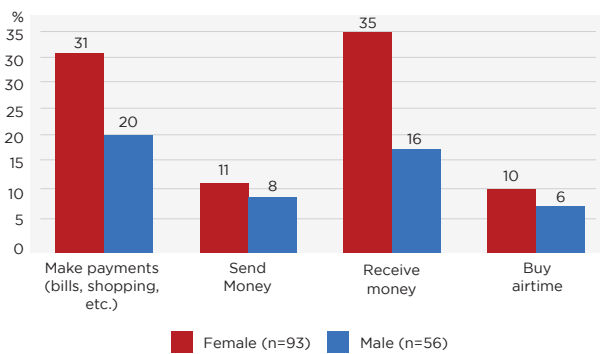
Figure 3.43: Mobile Phone Ownership



There is a significant increase in the usage of mobile money accounts since DSS 2014. Nearly two-thirds (67%) of the respondents have heard about mobile money companies like Digicel and Vodafone of which a quarter (25%) reported having a mobile money account. In 2014 this was only 11%. Among the respondents who reported having a mobile money account, 85% (n=149) reported using it in the past 12 months.

The results show that there is an awareness among the people for mobile money, but they do not find it essential to sign up for mobile money or have the mobile money app. M-PAiSA remains the most popular mobile money wallet in Fiji. The respondents who have a mobile money account, mostly reported using it one to two times a month. Only a quarter of respondents who have a mobile money account (n=47) also reported having a mobile money application on their phones.

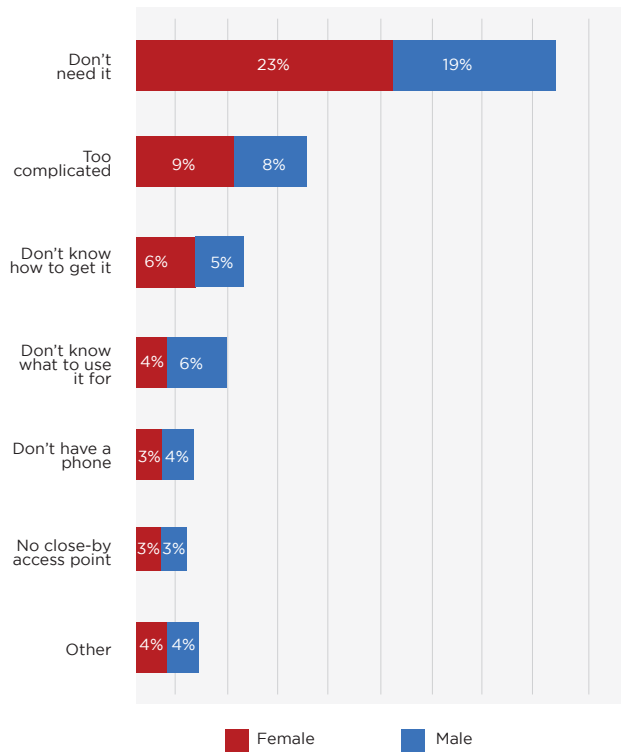
Figure 3.44: Mobile Money Usage



Majority (91%) of the respondents who send or receive funds through mobile money reported not encountering any difficulties while doing so. In the last 12 months more women actively used mobile money (62%) but mostly for payments and sending and receiving money. Similar to internet banking, the mobile money platform offers women a convenient and cost effective way of transacting while attending to multiple roles of household tasks and work responsibilities.

Reasons for not using mobile money showed that 41% of the respondents did not see the need to do so, lack of awareness, lack of accessibility and cost particularly for women. More than one third of the respondents (33%) have not heard of mobile money.

Figure 3.45: Reasons for Not using Mobile Money (n=481)



Debit Card: Majority (94%) of the banked respondents have a local debit card, 2.7% have an international debit card and only 1% reported having a credit card. This can be attributed to the difficulty of meeting the minimum requirements, especially for credit card applications.

The table below provides an overview of the usage of local debit card, international debit card and credit card by gender. The data suggests more women users than men.

Table 3.4: Debit Card vs. Credit Card Usage

Type of card	% of females using it	% of males using it
Local Debit Card (n=765)	50	50
International Debit Card (n=22)	59	41
Credit Card (n=8)	63	37

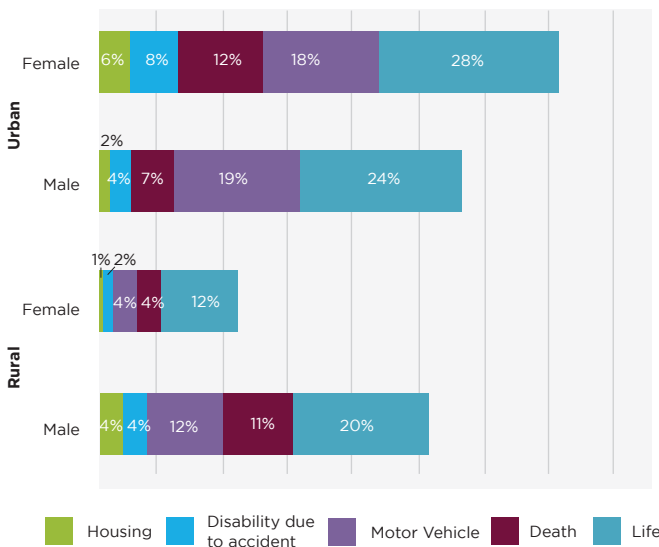
3.62 Awareness and Usage of Green Finance

This section covers the survey findings related to awareness, access and use of green finance, specifically climate-related financial products. This is a new area which was not covered in DSS 2014.

Climate-related financial products: Majority of respondents (73%) were not aware of any specific climate-related financial product. Of those that were aware (27%), irrespective of gender and location, their knowledge were largely limited to insurance-type products. Only 2% of respondents, mostly male, reported having an existing climate-related insurance product.¹⁵

Figure 3.46 shows that a larger proportion of respondents' awareness of climate-related financial products mostly relate to life and motor vehicle insurance products.

Figure 3.46: Climate-Related Financial Products Awareness (n=270)



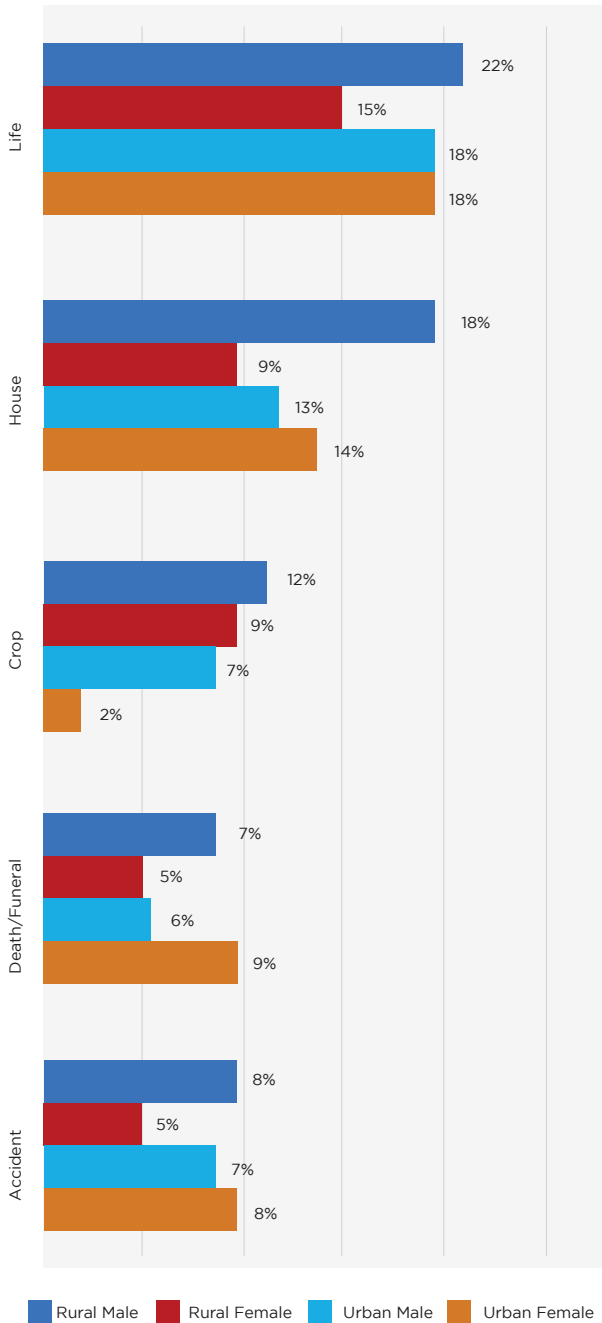
Nearly two thirds (60%) of the respondents who did not have a climate-related product reported they were not ready to spend money on one and this was mainly noted for women (66%). For those who were ready, one-fifth (20%) were willing to pay the full premium once a year while 16% preferred a lower more frequent (monthly) payment arrangement.

The results indicate a strong need for awareness and education about the benefits of climate-related insurance products. The survey also reflected the need to design specific products that are priced to suit and attract a wider range of prospective customers.

Climate-related insurance products: The respondents were asked about the type of financial product they would be willing to take up to protect their family and assets against climate-related events. The most common answers included life, house, crop, accident and funeral insurance shown in **Figure 3.47**. The preferences differ by location where rural respondents, irrespective of gender prefer insurance for life, house and crop insurance whereas urban respondents prefer life house and funeral policies. However, there are other preferred products such as credit (1%) and insurance for motor vehicle (16%), business infrastructure (9%), fisheries (5%) and micro insurance (2%). Only 4% reported they would prefer to wait for government assistance.

¹⁵In Fiji the green/ climate elements are mostly typical riders added to the main policies.

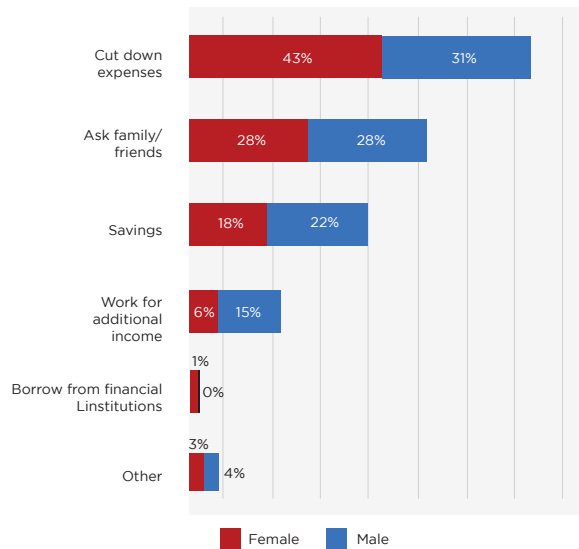
Figure 3.47: Preferred Climate-Related Financial Products (n=386, multiple responses apply)



3.7 Financial Management and Resilience

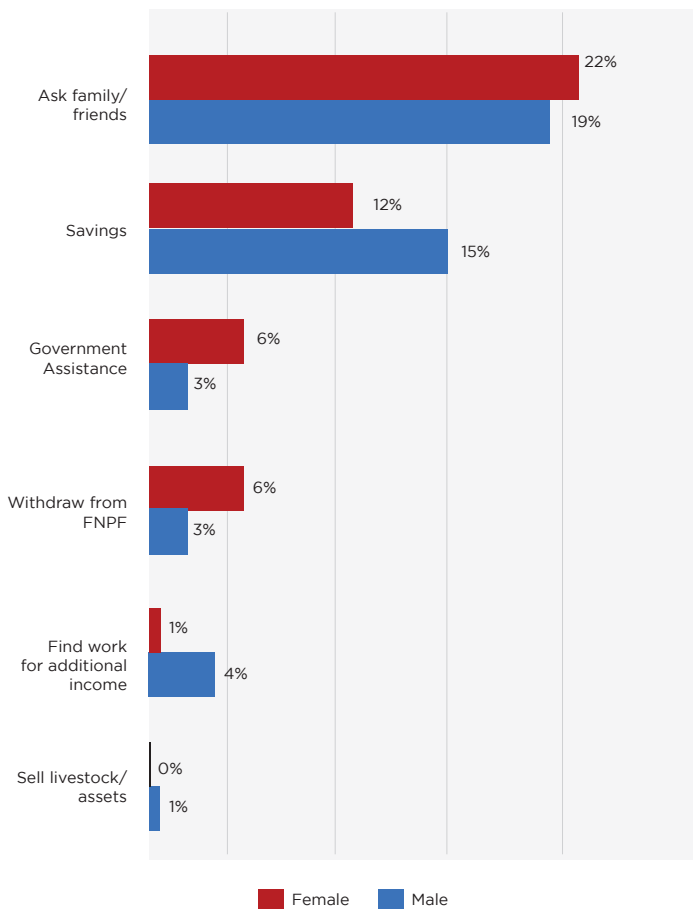
The results indicated that, irrespective of gender, when Fijians experience a shortage of money to cover their daily expenses, they were more likely to cut down on expenses or borrow from friends and family. However, male respondents also reported working for additional income. A few respondents, listed as “other” in **Figure 3.48**, were unsure how to cope with such difficulties.

Figure 3.48: Coping with Lack of Money (n=355, multiple responses apply)



More than one third of respondents (35%) reported experiencing a negative event such as death of a family member (44%), serious illness (42%) or natural disaster (9%). To cope with negative events, women respondents were more likely to ask friends or family for assistance, withdraw from FPNF or relied on government assistance. Male respondents, on the other hand, were likely to use their savings or work for additional money as shown in **Figure 3.49**.

Figure 3.49: Coping with a Negative Event



3.8 Do Fijians Need More Specialised Products and Services?

While improvements in access were noted across financial products, more work remains on enhancing usage particularly for women and the rural areas. For instance, there is a gradual shift towards usage of digital products and services but there is still room to increase usage of internet banking and other services. There is also a lack of awareness and accessibility among the public and a generalisation that financial products and services are expensive.

Fiji is largely an untapped market that needs more specialised product and services and a customer centric approach for diverse population segments:

- Fijians have shown an interest in learning more about mobile money (47%), solar power (62%) and internet banking (32%) in the future. Whilst women lead in terms of usage for mobile money and internet banking, barriers still remain in terms of digital and financial literacy. The results are positive however and has the potential to narrow the gender gap.
- The insurance uptake in Fiji remains low with only 15% having some kind of insurance. Fijians are willing to buy insurance if products are affordable and relate to issues affecting their families or livelihoods e.g., life, house and crop insurance. Therefore, policies should focus on targeted insurance along with awareness regarding access premium and processes for claiming insurance.
- The data indicates that a high proportion (73%) of Fijians, of which three quarters are women, are not aware of any climate-related insurance and credit products. There remains a huge potential to change the insurance and digital landscape of the country. This is of particular importance given the role climate risk insurance mechanisms can play to support the population adapt to the increase frequency of disasters driven by climate change.
- Around 41% of the population do not feel the need to use mobile money. Once they are made aware of its benefits, they will become a huge segment for mobile money which will require customised products and services.
- Respondents felt that these services and products were complicated and preferred to use cash instead. There is great potential for financial inclusion in the creation of simpler and specialised mobile applications that are relevant to the general public along with efforts for increasing digital literacy.

4. Mapping the Progress of NFISP 2016 2020

The benchmarking against DSS 2014 gives an interesting and varied set of results. These are detailed below.

Financial Inclusion

DSS 2020 recorded significant progress in terms of the parameters on financial inclusion:

- Account holders at formal financial institutions have increased from 64% to 81% slightly below the NFISP target of 85%;
- The banked population has also increased substantially from 60% to 78%;
- There is significant progress in closing the gender gap in financial access – a reduction of 9 percentage points since 2014. Only slightly more male respondents (82%) have access to financial services than female respondents (75%) showing a 7 percentage point gender gap. In comparison with DSS 2014, these figures were 68% for males and 52% for females, showing a 16 percentage point gender gap for accessing financial services. Furthermore, in terms of financial inclusion by gender, the NFISP target for women (72%) has been achieved;
- The target set for youth was to reach 80% financial inclusion, however, the DSS 2020 results slightly fall short at 75%;
- The results of the DSS 2020 compared to the NFISP targets are tabulated and note considerable improvement particularly in the Northern and Western Divisions. Work remains in improving access at the divisional level specifically in the Eastern Division where barriers to accessing financial services are more pronounced.

Table 3.5: Divisional Targets

	Baseline: DSS 2014	DSS 2020 Results	NFISP 2020 Target
Eastern	44	48	70
Northern	55	76	80
Western	62	84	85
Central	73	77	90

Savings Behaviour

- Savings behaviour has also increased amongst the population with 45% of respondents saying they had saved money at a formal financial institution compared to 38% in DSS 2014. In addition, the NFISP target to reach 45% of the adult population saving at formal financial institutions has been achieved.

Credit Uptake

- Formal credit uptake increased to 8.9% over DSS 2014 findings (6.9%) despite the COVID-19 pandemic which affected formal credit uptake globally;
- Consistent with the above, informal credit uptake was reported lower at 13% of respondents against 17% in 2014;
- The NFISP target was to increase the percentage of adult population borrowing at formal financial institutions to 15%. Whilst the results showed an improvement, the survey was undertaken during COVID-19 period and hence the context of consumer preferences during these unprecedented times need to be taken into consideration.

Remittances

- Remittance transactions saw an uptick in the current DSS from 23% in 2014 to 34%;
 - In terms of domestic remittance channels, post offices retained its dominant role with 31% using the same mechanism versus 41% in DSS 2014;
 - Significantly, inward remittances from abroad saw a marked increase from 59% to 67% indicating the growing contributions of the Fijian diaspora in routing money back to their Fijian families.
- Mobile phone penetration (81%) and awareness of mobile money (67%) also remain high. However, DSS 2020 results noted a steady increase in mobile money usage to 17% of the overall population from 6.5% in DSS 2014. Among those who are aware of mobile money, 25% reported having a mobile money account which is a significant growth from 11% in DSS 2014;
 - Mobile money users also indicated a diversity of use cases including sending money, paying bills, receiving remittances, etc.

Usage of Digital Channels

DSS 2014 had limited coverage of mobile financial services, although there are some inferences we can draw:

- In the case of bank account holders who have signed up for internet banking or mobile banking, there is a significant increase with about 75% of these respondents using these services compared to 58% in 2014;
 - 2020 results indicate a more active diversification of usage by formal bank account holders. In the case of DSS 2014, the only major digital channel used was for access cards (non-card scheme debit cards);
 - Adoption of DFS other than mobile money has been slow and only slightly increased from 8.1% in DSS 2014 to 11.4%. As a result the NFISP target of reaching 15% of the adult population was not achieved and efforts need to focus on digital literacy and building trust in DFS amongst Fijians.
- Insurance coverage remained low, increasing only slightly from 12% in 2014 to 15% but below the NFISP target of 25%. However, this is contrary to the supply side data and the roll-out of the bundled insurance product which indicates that the set target has been achieved. This suggests a considerable lack of awareness particularly for the bundled insurance product as people may be covered but unaware;
 - Low insurance uptake remains a challenge as a considerable proportion of survey respondents in both 2014 and 2020 reported not seeing a need for it (40% vs 50%), found the cost prohibitive (30% vs 49%) or the mechanism of insurance unclear (25% vs 44%). This is in line with the results of DSS 2014 and will require collaborative efforts from the industry and stakeholders;
 - A positive development is the increase of insurance penetration among the low-middle income segment (6% in DSS 2014 vs 13% in DSS 2020) that needs to be leveraged.

5. Conclusion

The 2020 survey results show that Fiji has made considerable progress in increasing access to financial services over the past six years. The contributing factors to this outcome include the increased adoption of mobile money, significant progress made in narrowing the financial inclusion gender gap and awareness campaigns around the country.

Despite these achievements there is still a need to address the 19% of the adult population that remain excluded from the financial sector and the persistent financial inclusion gaps among disadvantaged Fijians such as women, youth, persons with disabilities, those in rural and maritime areas and low-income groups. These gaps present an opportunity to drive financial inclusion efforts holistically by looking at cross-cutting issues that are barriers to financial inclusion and building customer-centric products as a result.

Understanding the reasons for the low levels of participation of women, youth and PWDs provides useful information that can be used to design and make available relevant and affordable financial products and services in Fiji. The one-size-fits-all approach must be reviewed to ensure that products and services meet specific customer needs and are designed with specific interests in mind.

The growth and penetration of credit uptake (both formal and informal) remains sub-optimal. Some of the factors around this include limited access, poverty, high costs of borrowing or the immediate fall in household income due to the COVID-related economic slowdown. There is an express need, highlighted by the data, to undertake a separate inquiry into the factors (both structural and cultural) behind Fijians' observed reluctance in accessing 'formal' credit, even from a 'trustworthy' commercial bank. Financial products must be

adapted to women, youth and PWD's needs, not only to enable their account opening but more so to increase usage of their own account and improve their financial literacy.

Remittance flows remain consistently high in Fiji supported by a growing prevalence towards digitisation, particularly for international remittance transactions. This presents an opportunity to build remittance linked products to drive greater financial inclusion and security. Remittance-linked insurance poses some opportunities but may require more research and contextualisation for Fiji.

Digital channels like mobile money and internet banking have shown an increase of awareness amongst users when compared to DSS 2014. Women's greater demand for internet banking and mobile money can be further promoted to support women's banking access. At the same time, efforts to increase men's usage of internet banking cannot be ignored and greater awareness on how to effectively use digital channels and platforms must be implemented for both men and women. Mobile money has demonstrated significant growth in terms of accounts opened and its usage. However, significant effort is still required to increase user confidence and convert prospective users into actual customers.

Climate-related products, such as insurance and credit, is an area that requires more awareness. Knowledge of climate-related financial products is largely limited to insurance and majority of the respondents did not see value and therefore the need to spend on such products. This highlights the need for effective consumer awareness campaigns on climate risk and the benefits of climate-related products. Customer-centric efforts to develop products and services which can drive customer interest and thus uptake among diverse economic and demographic is key to addressing the different climate risk profiles.

ANNEX A: Survey Methodology

Study Areas

Primary data for this survey was collected through face-to-face individual interviews at the household level from major 4 divisions of Fiji, as part of a nationally representative sample.

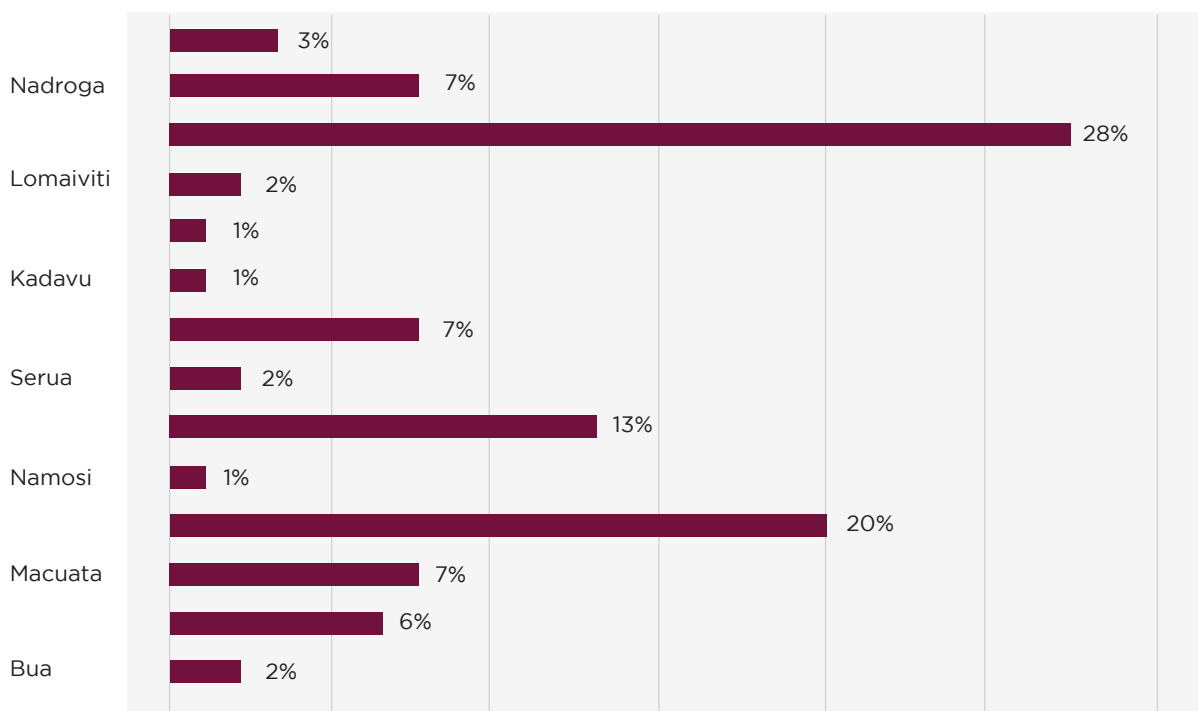
Sample Strategy

The sampling for DSS 2020 was carried out using principles of stratified random sampling and Probability Proportional to Size (PPS) to select the enumerations areas (EAs). The KII sample was administered to eligible community respondents who had the knowledge of financial flows in the area. These respondents were selected with additional variables applied according to the four specific categories that the DSS 2020 aims to

focus upon, i.e., women, youth, PWDs and self-employed. To ensure a proportional representation of each of these categories, a certain number of respondents were chosen from each of these categories per EA. This number was determined by the population proportion of the focussed categories in Fiji. This proportion was as follows: 4 to 5 respondents, out of the 10 respondents per EA, chosen were to be women; 3 to 4 respondents were to be youth; 1 to 2 respondents were to be persons with disability; and 4 to 5 respondents were to be self-employed.

In driving the national financial inclusion agenda, we are acutely aware of the significance of obtaining relevant data to not only measure our progress but also identify critical areas to direct.

Figure A.1: Sample Distribution by Provinces, Fiji



Respondents for this survey were selected from a sample stratification of 100 EAs, a stratification of national population originally done by FBoS for the 2007 Population and Housing Census. The rural-urban distribution of EAs across the four major divisions was done/updated in line with the 2017 Population and Housing Census, which shows approximately 56% of Fiji’s population living in urban areas. A total of 1,001 households was surveyed across four divisions, 14 provinces and 100 EAs. 10 households, on an average, were surveyed from each EA. Sample in provinces had been further distributed in urban and rural areas as per the proportion of urban-rural households/ population in respective provinces. Each province sample was distributed in its constituting tikinas¹⁶

and then into the EAs. The households from the EAs were randomly selected. A list of EAs was prepared based on the EA distribution for each division before commencing the data collection. The quantitative household survey sample was guided by the sampling of DSS 2014 and a discussion with RBF, in terms of need for a nationally representative survey. Sample of each division to be distributed into its provinces and tikinas was finalised by FBoS in consultation with M-CRIL.

Tools for Data Collection

The following tools were used in this study:

- A Household Survey questionnaire
- KII

Table A.1: Research Tools and Sample Focus

Research objectives	Tools	Sample focus
<ul style="list-style-type: none"> • To assess the level of financial inclusion of Fijians • To assess the needs of financial services and products including digital and green finance products 	Household Survey	<ul style="list-style-type: none"> a. Women b. Youth c. PWD d. Self- employed
<ul style="list-style-type: none"> • To assess the access to financial services and financial flows in the area • To collect background/contextual information on the area 	Key informant interviews/community discussions	<ul style="list-style-type: none"> a. Random selection from EAs

¹⁶Several *Koros* or villages combine to make up a *Tikina*. Two or more *Tikinas* make up a province in Fiji.

Household Survey Questionnaire

A close-ended quantitative questionnaire was administered to the sampled population at the household level in order to understand firstly, the level of financial inclusion of Fijians and their resilience, secondly, the needs of financial services and products including digital and green finance products. These objectives were achieved through a multi-module questionnaire including modules on financial management and resilience, access and usage of financial services, digital finance and green finance. The questionnaire was finalised in consultation with the RBF team. It also incorporated feedback from AFI and was designed to adapt to the local context of Fiji. This tool was digitized in English using SurveyCTO, a Computer-Assisted Personal Interviews (CAPI) platform, which was accessed on Android tablets by the enumerators.

Key Informant Interviews (KIIs)

Key informant interviews were undertaken at the individual or community level mainly with community members who had some knowledge regarding the financial flows in the area. It was used simultaneously during the data collection to collect some background/contextual information by Supervisors/Field Coordinators. It aimed to understand the level of financial inclusion of that particular region and the access of financial services for targeted population such as women, youth and persons with disability. A semi-structured checklist was used to collect their perceptions.

Indices

To capture key dimensions of financial inclusion as well as to validate the overall survey findings, the study uses three relevant indices – **Poverty Probability Index (PPI)**, **Financial Inclusion Index (FII)** and **Women’s Agency Index (WAI)**.

- Poverty Probability Index: is a recognised statistical tool developed for each country

from national survey data (on household size, education and assets), to benchmark household economic levels by national and international poverty lines.¹⁹ Two in-house tools of M-CRIL were applied as part of this methodology:²⁰

- Financial Inclusion Index: combines household indicators of access, awareness and usage of different financial services (credit, savings, insurance, remittance and DFS).
- Women’s Agency Index: reflects indicators of women’s individual empowerment, including financial inclusion (savings, insurance, credit), household assets relevant to women, economic activity and financial decision making.

Study Implementation – Using Hybrid Approach

The survey was implemented using a hybrid approach to data collection – part remotely and part in person. For work undertaken remotely, the team relied on online tools like Zoom and SurveyCTO for interacting with field teams during training, data collection and monitoring while the field teams conducted all interviews face-to-face. Given the COVID-19 travel restrictions for the core research team (based in India), a series of virtual meetings with the UNCDF and the RBF team were organised to gain a better understanding of the research objectives and finalise the tools for the study. These meetings were followed by finalisation of the tool with RBF and AFI. Training for data collection lasted two weeks for the field supervisors and enumerators – and was conducted remotely by the M-CRIL team from India. The first week entailed training of trainers (ToTs) including Coordinators, IT managers and field supervisors, led by the Survey Team Leader, which was then followed by further training of the enumerators by these trained field staff in the following week.

Five field teams consisting of three-five enumerators and 1 supervisor administered the household survey questionnaire to the target respondents. The field research teams were recruited by FBoS consisting of Fijian field

¹⁹Indicators of the PPI for Fiji are presented in Annex

²⁰Details of these two indices are presented in Annex

enumerators and supervisors. The field work was conducted with support from RBF staff. Besides 20 enumerators and five supervisors, there were 5 field coordinators, three IT personnel, and a survey project manager to ensure the quality control and monitoring of surveys in Fiji. These personnel also helped in client identification and other logistical matters.

Data was collected in about 6 weeks starting from October 26 to December 4, 2020. Every day, about 30-40 households were interviewed from the sampled areas, in addition to the KILs. While onsite monitoring and quality control was supported by the RBF team, given the hybrid approach of the study implementation, remote monitoring of the survey data was undertaken by a dedicated staff of M-CRIL at desk in real-time using SurveyCTO, overseen by the study Team Leader in India. Amidst the COVID-19 pandemic and travel restrictions, the crucial task of monitoring and quality check was done with a judicious use of technology. For example, a Viber group was created bringing all field teams in Fiji, the RBF and research team in India in a virtual room for a more sustained and real-time interactions and feedback sharing on the data collection. All field related issues and problems were trouble-shooted in a real-time manner. This was followed by cleaning and analysis of quantitative and qualitative data as per the mutually agreed analysis plan between M-CRIL, RBF and the UNCDF team. Data analysis has been done by overall as well as disaggregated at the division and socio-economic level.

Study Limitations

Some of the challenges faced, especially during the field survey, are worth mentioning in the interest of authenticity, transparency, and integrity of this report:

- **COVID-19 lockdown:** The biggest limitation of this study was the international travel restrictions that were imposed by Fiji and India amid COVID-19 pandemic. This hampered the on-ground training of data collection team by the lead research agency, as originally planned. To mitigate this limitation, M-CRIL undertook the training for data collection remotely – largely over Zoom – with the support of the RBF team on the ground. This hybrid approach to the study successfully delivered the results and has proven to be a catalyst in the area of field research during these uncertain times.
- **Biases:** Possible bias in respondents’ responses were noted largely due to the manner in which the data collection team introduced themselves to the respondents. M-CRIL team actively intervened and interacted with the field teams to minimize such biases during data monitoring process.
- Despite these challenges, field teams were nonetheless able to meet the sample targets and effectively completed the fieldwork as per the plan.
- The research team was led by M-CRIL’s Senior Vice President and Head of Research, Dr Shahid Perwez, along with the following members:

Research Team	
Team Leader	Dr Shahid Perwez
Digital Finance Expert	Achin Bansal
Lead Analyst	Shreya Rajpuriya
Other team members	Ujjwal Dadhich Ratika Kathuria Shayandeep Chakraborty Chitransh Choudhary

Annex B: Profile of Respondents and Area

Data presented below summarises the socio-economic profile of the surveyed respondents first. The survey captured individual and personal details such as respondent's age, gender,

disability, employment, income, education level and composition of household size. These are presented without identifying the individuals and persons involved in the study.

Figure B.1: Distribution of Primary Respondents (n=1,001)

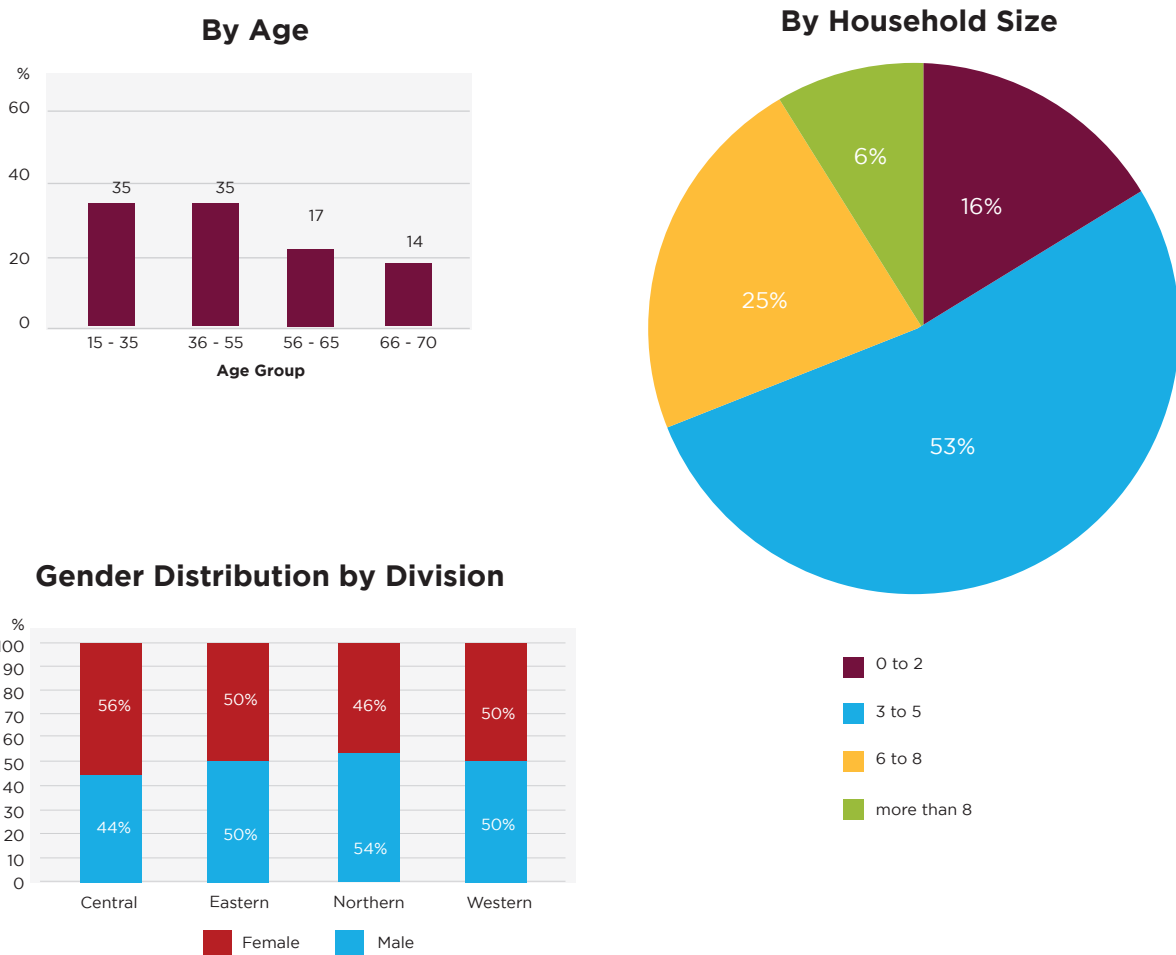


Figure B.2: Distribution of Respondents' Education Level (n=1,001)

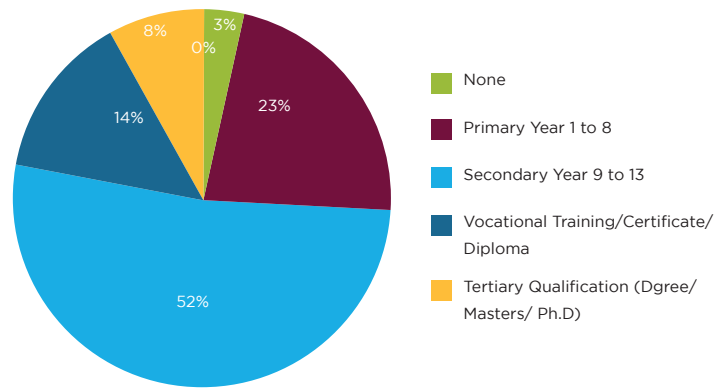


Figure B.3: Distribution of Respondents by Main Income Sources (n=1,001)

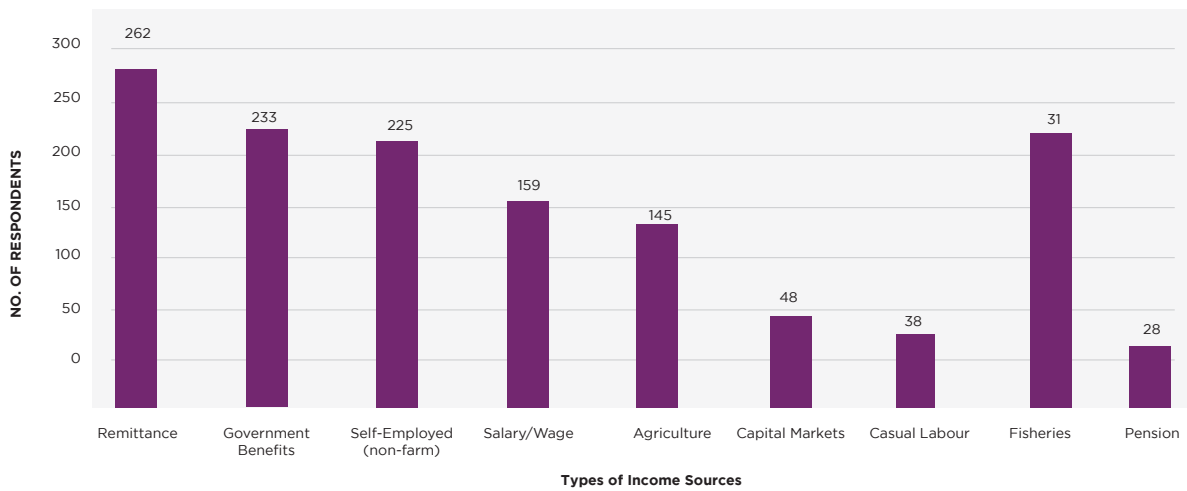


Figure B.4: No. of Earning Members on an Average (n=1,001)

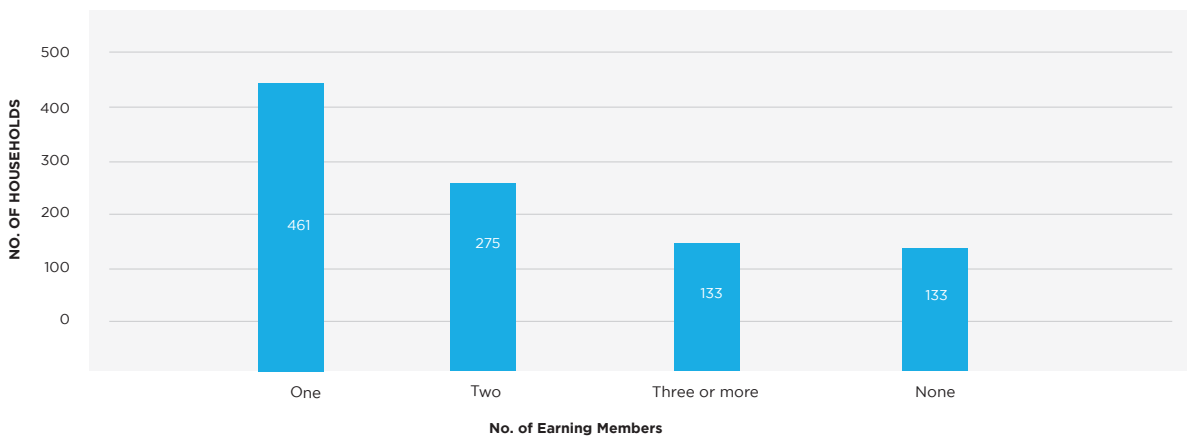


Figure B.5: Poverty Rates Disaggregated by Division and Gender

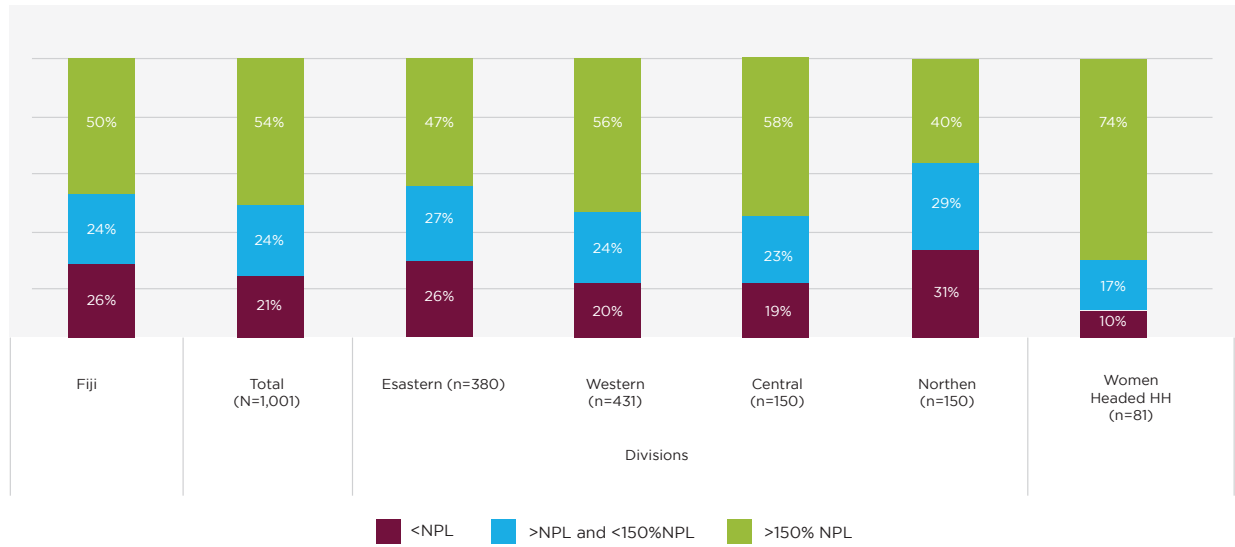


Figure B.6: Poverty Rates Compared to Fiji Benchmarks

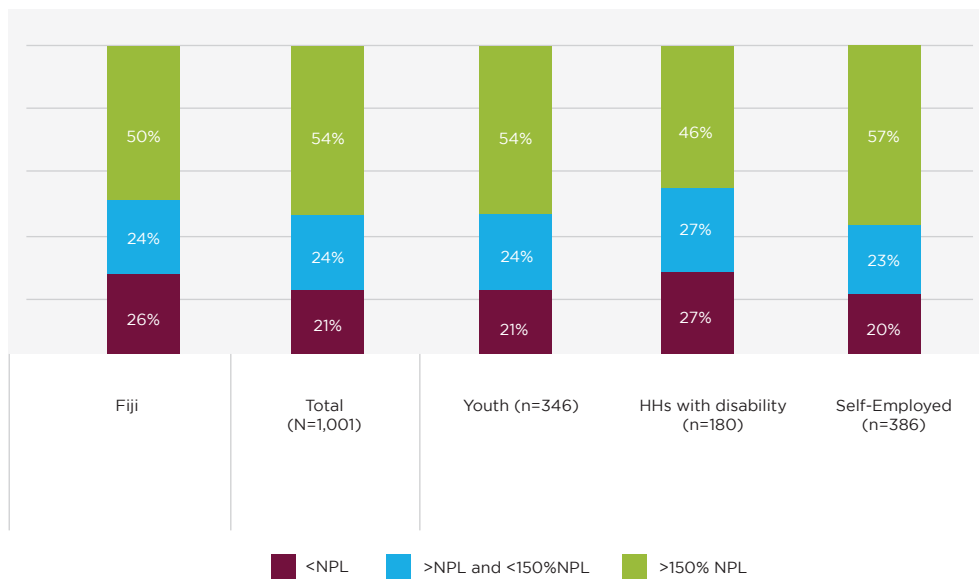
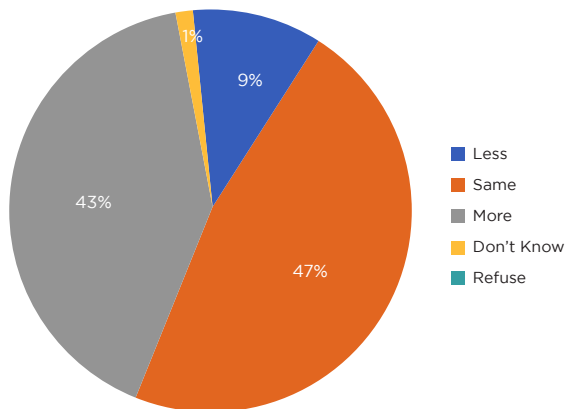


Table B.1: Poverty Income Rates Compared to Fiji Benchmarks

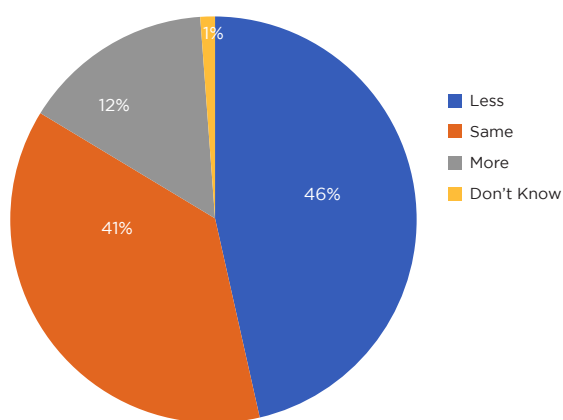
	\$1.25/day 2005 pp		\$2.50/day 2005 pp	
	Fiji	Outreach	Fiji	Outreach
Total (n=1,001)	2.5%	6.9%	21.9%	17.2%
Eastern (n=40)		9.1%		21.2%
Western (n=380)		5.7%		15.5%
Central (n=431)		5.9%		15.3%
Northern (n=150)		12.4%		25.8%
WHHHs (n=81)		1.2%		6.9%
Youth (n=346)		6.9%		17.2%
HHs with disability (n=386)		10.2%		22.3%
Self-employed (n=386)		6.2%		15.6%

Figure B.7: Impact of COVID-19 on Income and Expenditure (n=1,001)

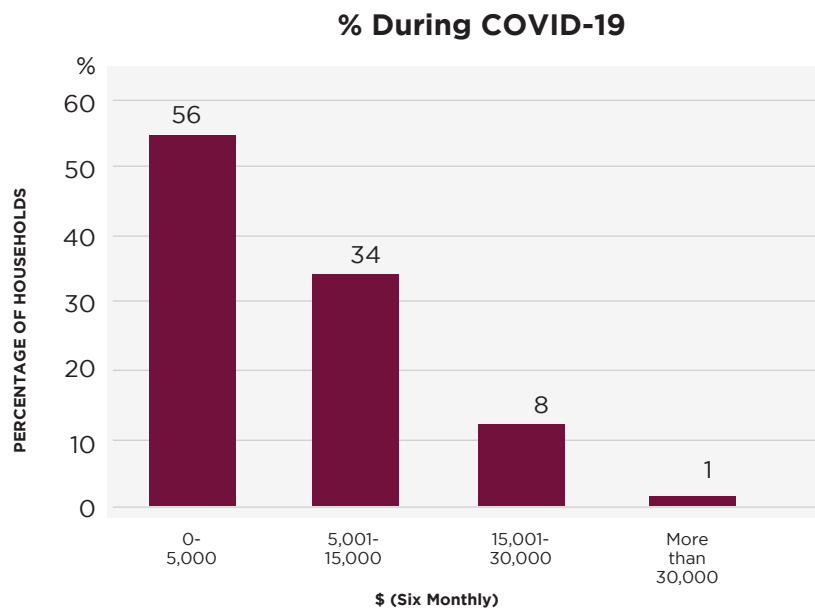
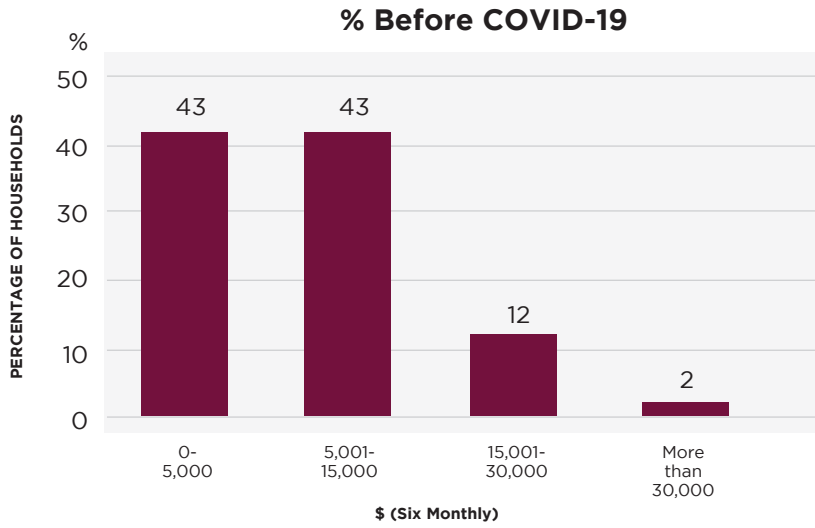
Income vs. Expense - pre-COVID-19



Income vs. Expense - during COVID-19



Figures B.8: Gross Income Reported Before and During COVID-19 (in FJD, n=1,001)



Study Areas - a Brief Profile of the Enumeration Areas for Survey Findings

The study undertook qualitative research in form of KIIs in the 3 divisions and 7 provinces. A total of 35 KIIs were collected capturing information

on the profile of the EA, financial services and institutions present in the region and the financial inclusion of disadvantaged groups in the area. The table below gives a snapshot of the divisions and provinces visited by their rural and urban categories. Majority of the EAs visited for the KIIs were rural areas.

Table B.2: Distribution of KII Sample Across Divisions and Provinces

Division	Province	Enumeration Areas	Rural	Urban
Western	Ba	15	7	7
	Nadroga	7	8	0
	Ra	3	2	1
Northern	Macuata	3	3	0
Central	Naitasiri	2	1	1
	Tailevu	3	3	0
	Rewa	2	1	1
Total		35	25	10

Table B.3: Livelihood Source by Division and Province

Division	Province	Agriculture	Fishery	Non-farm/Wages and salaried employees
Western	Ba	Most	Few	Most
	Nadroga	Most	Most	Few
	Ra	All	None	None
Northern	Macuata	Most	Few	None
Central	Naitasiri	Most	Most	None
	Tailevu	Most	Most	None
	Rewa	Most	Most	None

Table B.4: Access to Services by Division

Having access to...	Western	Central	Northern
Electricity	All	All	All
Schools	All	All	All
Banks	All	All	All
ATM	Most	Most	All
Mobile Money	Most	Most	All
Moneylenders	Few	Few	None
Financial Services - savings, pension, insurance, remittance	All	All	All

Annex C: Poverty Probability Index

Measuring Poverty of the Sample Households - by the PPI

The Poverty Probability Index (PPI) is a country specific tool to measure household poverty levels based on statistical scoring of indicators that

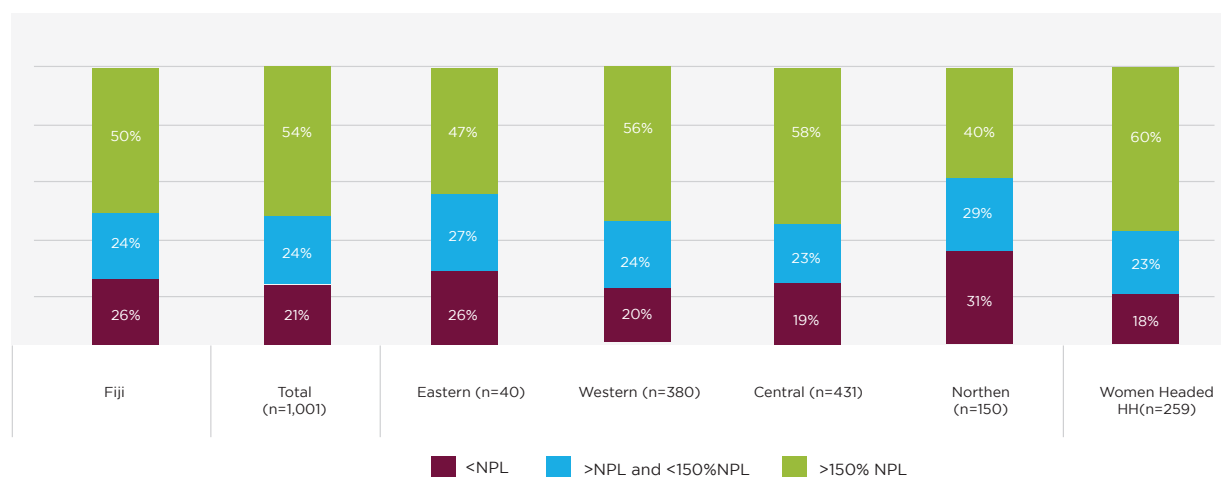
are easier/more reliable to capture than household expenditure. The answers to 10 questions (see box below) are scored to calculate the likelihood that the household is living below national and international poverty lines. The PPI for Fiji was constructed using Fiji's 2008/09 Household Income and Expenditure Survey.²¹

Box 1: 10 PPI Indicators for Fiji

10 PPI Indicators	
1	Number of members in the household
2	Number of household members (>10 years or more) worked for money
3	Male household head/spouse worked for money
4	Female household head/spouse worked for money
5	Highest level of education attained by male head/spouse
6	Material of outer walls of the dwelling
7	Type of stove used for cooking
8	Access to black & white/colour TV
9	Access to washing machine
10	Fuel used for cooking

The PPI enables a benchmarking of poverty level with national and international poverty lines, as presented in **Figures C.1 and C.2** below:

Figure C.1: Poverty Rates Compared to Fiji Benchmark by Division and Gender



²¹<http://www.nfitfiji.com/wp-content/uploads/PPI-for-Fiji.pdf>

Figure C.2: Poverty Rates Compared to Fiji Benchmark by Focused Category

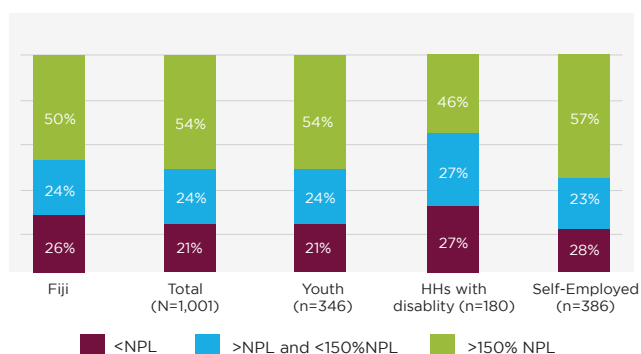


Figure C.1 shows that 21% of the sample (1001) households in project areas are living below the National Poverty Line (NPL), compared to the Fiji

benchmark of 26%. In terms of poverty levels across various divisions in the outreach areas, PPI data shows interesting differences with the Northern division having the highest incidence (31%) of poverty. Poverty level in the Eastern division is equivalent to that of Fiji. There were not much of a difference with regards to poverty levels in the Central division vis-a-vis the Western division. Only 18% of women-headed HHs are living below which is quite low in comparison to all the divisions and also across the entire Fiji.

Poverty levels of HHs having youth (21%) and self-employed (20%) is less in comparison to the Fiji benchmark (26%). While the poverty levels of HHs with disability (27%) is slightly higher to that of Fiji benchmark (26%).

Table C.1: Poverty Income Rates Compared to Fiji Benchmarks

	\$1.25/day 2005 pp		\$2.50/day 2005 pp		\$2.50/day 2005 pp	
	Fiji	Outreach	Fiji	Outreach	Fiji	Outreach
Total (n=1,001)	2.5%	1.3%	12.6%	6.9%	21.9%	17.2%
Eastern (n=40)		1.8%		9.1%		21.2%
Western (n=380)		1.0%		5.7%		15.5%
Central (n=431)		1.1%		5.9%		15.3%
Northern (n=150)		2.3%		12.4%		25.8%
Women-Headed HHs (n=259)		0.8%		4.4%		13.5%
Youth (n=346)		1.2%		6.9%		17.2%
HHs with disability (n=386)		2.2%		10.2%		22.3%
Self-employed (n=386)		1.1%		6.2%		15.6%

Table C.1 above shows that 1.3% of the entire sample earns up to \$1.25/ day which is lower than the Fiji benchmark which is 2.5%. The analysis also shows that income levels in Northern region is quite low when compared with other divisions and overall Fiji. This is in alignment with the data presented in Figure C.1 which depicts that

Northern Division has the highest incidence of poverty and women headed households have the lowest incidences.

A lower proportion of women-headed households earn up to \$1.25/day and \$2.50/day compared to youth, HHs with disability and self-employed.

Annex D: Financial Inclusion Index (FII)

Adapted for DSS, Fiji 2020

This is an adapted tool – from M-CRIL's several in-housed tools – to assess the level of financial inclusion in four thematic areas – access to

banks, savings, digital services and insurance. In calculating the index, we have taken indicators under each theme, and given them scores based on the assessment of its contribution in overall financial inclusion.

Table D.1: FII Weights and Scores

Dimensions	Scores		Main Index		Add. - credit		Add. - remittances	
	10	5	Max score	Weight	Max score	Weight	Max score	Weight
Accessing banks			20	30	20	25	20	25
Banks	Has bank account and used at least once in last 6 months	Has bank account and has not used in last 6 months						
	Knows mechanisms to make complaint							
Savings			20	30	20	20	20	20
Access	Saves at banks – national and commercial	Saves in other formal/semi-formal institutions						
Frequency	Saves at least once a month	Saves less than a month						
Digital Services			30	30	30	25	30	25
Banking	Has an ATM card/debit card/credit card	-						
Digital and Mobile	Use mobile banking more than once in last 6 months	-						
	Uses mobile money at least once in last 6 months	Has mobile money application						
Digital Services			30	30	30	25	30	25
Access	Has insurance coverage							
Total			80	100				
Credit			35	20			30	25
Source	Has formal credit from banks	Has credit from MFIs or other semi-formal institutions						
Use	Use loan for investment and business							
Understanding	Knows principal outstanding							
		Knows interest rate						
Total Score					115	100		
Remittance			20	5				
Mode of receiving	Receives remittance through formal source							
Frequency of receiving	Receives remittance at least once in 6 months	Receives remittance once in a year						
							20	20
Total Score							100	100

Table D.2: Access and Uptake of Financial Services by Gender

S. No.	Indicators	Total (n=1,001)	Female (n=520)	Male (n=481)
Accessing banks				
1	Has a bank account and used at least once in last six months	40%	42%	38%
2	Has a bank account and has not used in last six months	37%	37%	38%
3	Knows mechanisms to make a complaint	72%	68%	76%
Savings				
4	Save at banks	43%	42%	43%
5	Save in other formal/semi-formal institutions	2%	2%	3%
6	Save at least once a month	13%	11%	15%
7	Save less than a month in a year	3%	4%	2%
Digital Services				
8	Has a local debit card	76%	74%	79%
9	Has an international debit card	2%	3%	2%
10	Has a /credit card	1%	1%	1%
11	Use mobile banking more than once in last 6 months	7%	8%	7%
12	Use mobile money more than once in last 6 months	5%	5%	4%
13	Has mobile money application	7%	7%	6%
Insurance				
14	Having access to insurance	15%	14%	16%
Credit				
15	Having formal credit from banks, MFIs in last 12 months	9%	9%	9%
16	Used loan for investment and business	3%	3%	2%
17	Knows principal outstanding from formal sources	8%	8%	7%
18	Knows interest rate of formal sources	8%	8%	7%
Remittance				
19	Receiving remittance through formal source	34%	36%	32%
20	Receiving remittance monthly	26%	27%	25%
21	Receiving remittance once in a year	8%	9%	7%

Annex E: Women's Agency Index (WAI)

Adapted for DSS, Fiji 2020

This is an adapted tool – from M-CRIL's several in-house tools – to examine the nature and extent

of women's inclusion in Fiji in productive matters of the household in the broad areas of financial inclusion, asset quality, education and economic decisions.

Table E.1: WAI Weights and Scores

I. No	Dimension	Indicator	Scores			Max score	Weight	
			10	5	0	55	40	
I		Financial Inclusion						
		Savings						
1.1	Access	Has savings account in her name (bank, MFIs, e-wallet/ credit union account)	Yes		No			
1.2	Use	Used in previous 1 year	Used in previous 3 months (any savings account in her name)	Used in last 1 year	never saved/ never used			
1.3	Understanding	Minimum balance		Knows minimum balance needed to open/keep account	Does not know			
		Insurance						
1.4	Access	Has insurance coverage in her name (any kind)	Yes		No			
		Credit						
1.5	Accessibility	Can seek a loan in future easily	Yes (formal & semi-formal sources)		Informal source (moneylender) / not accessible			
1.6	Raising a complaint	Women state what they will do in case of complaint	Call Online Post Visit Branch Contact Representative	No complaint	Will Do Nothing Don't Know No account Others take care			
II		Assets That Affect Women's Quality Of Life				30	20	
2.1	Cooking	Belongs to household where main fuel used in cooking is clean/ easy to use	Gas, electricity	kerosene	Coke, firewood, dung cake charcoal			
2.2	Washing machine	Belongs to household that owns a washing machine	Household owns a washing machine		No			

Financial Services Demand Side Survey Fiji 2020

2.3	Mobile phone	Owens a mobile phone	Smart phone/ both smart & simple	Simple phone/ uses someone else's phone regularly	Not available		
III	Entitlement					45	40
3.1	Education	Education attained by her	Secondary and above (tertiary/ vocational)	Cocompleted primary	None		
3.2	Economic activity	Works in any economic activity	Yes		No		
3.3	Has photo ID	Owens a photo ID		Yes	No		
3.4	Planning & financial management	Reports ability to plan and manage money and source additional money in difficult situations	Well planned	Borrow money from a financial institution	Borrow money from money lender		
			Cut down on expenses	Use savings	Ask from family or friends		
			Work for additional income	Sell assets	Any other HH member plans & manages finance		
3.5	Decisions on expenditure	Role in household decision making- reports having a say in household's financial decisions	Takes decision by herself or jointly with another member of the household, other earning members		Not involved – spouse takes decisions		
						130	100

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ISBN 978-982-101-230-0



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