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# The Role of ICT in Financial Inclusion for the Elderly in Thailand

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# THE PAPER (1)

- ❖ Current challenges linked with **financial systems** in developing areas
  - Could promote inclusive growth and reduce poverty
- ❖ Thailand: 5th among the top quartile in **financial inclusion** in Asia Pacific
  - Frontier **benchmark** of the region
- ❖ Over 80% of population has a bank account (World Bank Findex survey in Thailand, 2017)
  - Among bank-account holders, more than 50% are 55 years old or above
  - 36.7% holders are officially defined as the elders
- ❖ Thai older people: **limited** access to **financial services** and **low** level of **financial inclusivity**
  - Limited use of mobile phone devices for financial transactions

# THE PAPER (2)

- ❖ Dataset (1): *Global Financial index (2017)*
- ❖ Measure of **financial inclusion (FI)** scores → two main components (five different measures)
  - The FI scores' values ranged from 0 to 5 (equal weights between indicators) and are standardized
- ❖ Econometric model based on **OLS** with two specifications (basic and extended)
  - Positive associations of FI with labor force participation, income level and education level but
  - Negative associations related to age or age groups
  - Strong correlation between mobile phones and mobile money accounts
- ❖ Dataset (2): *Thailand's national survey on the use of ICT (2016)*
- ❖ Limited access to the internet and low utilization of ICT devices of the elderly
  - Control for socio-economic and demographic factors
  - Limited use of internet banking or mobile banking transactions
  - If Internet user → elderly is very much likely to use mobile/internet banking services

# COMMENTS

- ❖ **Goal:** Need to look at the financial inclusion of the older people in Thailand (individual level)
  - Mainly household level → separation of the elderly financial inclusion is impossible
- ❖ **Utility:** Financial transactions are essentials in daily lives → Design and implement appropriate measures for higher inclusion
  - Results of the project can be useful for studies related to issue of aging, for financial service providers, for policymakers and other government stakeholders
- ❖ **Provide explanations:** Not using the Internet due to underdeveloped skills, rather than lack of interest or the necessity of using such service
- ❖ **Suggestions:**
  - Promotion of internet access among the elderly, emphasizing the role of ICT and digital technology
  - Cheaper Internet fees and cheaper mobile call rates
  - Financial literacy rather than general education
  - Public-private partnerships to coordinate policy makers and ICT service providers

# SUGGESTED IMPROVEMENTS

- ❖ **Control** for **more variables** in extended specification (e.g. marital status, n. of children, relationship with children, etc.)
- ❖ **Mention** directly the list of variables used in model (e.g. rural vs urban)
- ❖ “ [...] *substantial difference in the labor force participation between gender across age groups and such gaps seem to be wider as we move to higher age brackets*” (p. 18)
  - Adding an **interaction** variable?
- ❖ Keep in mind the **ambiguity** in the relation between having a mobile phone and having Internet banking among elderlies