

A Comparative Analysis of Financial Inclusion in Select Countries of Southern African Development Community (SADC)

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Abstract - The study assesses and compares the level of financial inclusion in the Southern African Development Community (SADC) bloc countries. It undertakes a comparison of financial inclusion indicators for selected low-income, lower-middle-income, and upper-middle-income countries within the SADC bloc and their position vis-à-vis the global context. This study analyzes the significant disparities in financial inclusion across the income classifications of SADC countries, revealing that low-income countries face substantial challenges in engaging with traditional banking services compared to upper-middle-income countries. Key findings indicate that, while the low-income population demonstrates high usage of mobile money services, they exhibit lower account ownership, debit or credit card use, and engagement in financial activities such as withdrawals, deposits, borrowing, and saving. The study emphasizes the urgent need for targeted interventions, including enhancing financial infrastructure, promoting digital financial services, and implementing financial literacy programs tailored to underserved communities. Additionally, it highlights the need to promote mobile money services and to monitor and evaluate progress. These actions aim to create an inclusive financial system that addresses disparities and improves economic growth in low- and middle-income countries, ultimately contributing to a more equitable global financial inclusion landscape.

Keywords: Financial Inclusion, SADC, Mobile Money, Income Disparities, Digital Financial Services

I. INTRODUCTION

The global agenda for financial sector development gives adequate attention to the issue of financial inclusion (Claessens & Feijen, 2007). Financial inclusion enhances a country's financial system by strengthening the availability of economic resources through the practice of savings among poor populations (Mishra *et al.*, 2024). It contributes to economic growth by expanding entrepreneurial and investment opportunities within society. Financial inclusion is crucial because it enables stakeholders to act as needed and maintain momentum towards attaining equitable growth (Demircuc-Kunt *et al.*, 2015). Most importantly, it promotes best practices in efficient resource allocation, which spurs the much-needed economic development of a country. Financial inclusion also allows global leaders to address numerous social issues affecting societies in general (Zins & Weill, 2016). The eradication of poverty is one of the most critical issues that regional and national economic leaders are

addressing through financial inclusion initiatives (Burgess *et al.*, 2005; Chibba, 2009). Policymakers need to be cautious when implementing financial inclusion strategies. It is necessary to assess the progress made as these techniques are applied over time.

The African Union recognizes eight regional economic communities: the Arab Maghreb Union (UMA), Common Market for Eastern and Southern Africa (COMESA), Community of Sahel-Saharan States (CEN-SAD), East African Community (EAC), Economic Community of Central African States (ECCAS), Economic Community of West African States (ECOWAS), Intergovernmental Authority on Development (IGAD), and Southern African Development Community (SADC) (African Union, n.d.; Kidane, 2023). SADC is an economic regional community comprising 16 member states: Angola, Botswana, Comoros, the Democratic Republic of Congo, Eswatini (formerly Swaziland), Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, the United Republic of Tanzania, Zambia, and Zimbabwe (SADC, n.d.). All these member states are geographically located in the southern part of the African continent.

The SADC region has more banked adults in comparison to other African regions, is less regionally integrated, and is more open to global trade (Fall *et al.*, 2014; Burelli, 2023). SADC member states are encouraged to build inclusive economies through a financial inclusion agenda that is integral to their long-term goals. The SADC leadership emphasizes the need for a strategic plan for financial inclusion to address the bloc's commitment, integration, and implementation of its overall regional goals (SADC, n.d.). A sound financial inclusion strategy must be complemented by the assessment and measurement of progress to inform future policy changes and development initiatives.

SADC defines financial inclusion as "the delivery of financial services and products in a way that is available, accessible, and affordable to all segments of society and plays a pivotal role in combatting poverty and contributing to inclusive economic growth" (SADC, 2016). In agreement, the United Nations Capital Development Fund (UNCDF) states that financial inclusion is a critical enabler for

enhancing the well-being of households and individuals. It also raises the productive capacity of micro, small, and medium enterprises (MSMEs) by supporting their growth and helping them move out of poverty (UNCDF, n.d.).

The SADC Financial Inclusion Strategy (2016-2021) outlines three main strategic actions for implementation. First, it supports member states in creating and formulating national financial inclusion strategies. Second, it encourages regular stakeholder engagement for measuring progress, advancing initiatives, and sharing knowledge related to financial inclusion. Third, it aims to coordinate and resolve regional challenges related to financial inclusion (SADC, 2016).

From the SADC's strategic intent and definition, there is a clear emphasis on the dimensions of financial inclusion. SADC identifies access, usage, and quality as the key dimensions. The *access* dimension considers the availability and appropriateness of financial products or services. *Usage* refers to the frequency of interaction between customers and financial services. *Quality* reflects the added value, practicality, compatibility, and risks associated with the services (SADC, 2016).

The World Bank Group also categorizes financial inclusion into the dimensions of access, usage, and quality (Appaya, 2021). The Alliance for Financial Inclusion (AFI) builds on this framework by introducing a fourth dimension: welfare. This dimension assesses the impact of financial services on the livelihoods of end users. According to AFI, welfare is challenging to measure, as it includes changes in consumption, business activity, and overall well-being resulting from the use of financial services or products. To obtain meaningful insights into access, usage, quality, and welfare, it is essential to collect data from the user side as well (Alliance for Financial Inclusion, 2010).

The SADC region has made significant progress in financial inclusion over the decade from 2011 to 2021. According to Making Finance Work for Africa (2015) and the World Bank (2021), financial inclusion in the SADC region has improved substantially in terms of access, mobile money, and digital payments. The proportion of adults with a bank account in SADC countries increased from 24% in 2011 to 68% in 2021. This is a notable achievement, as it surpasses the Sub-Saharan Africa average of 49% in account ownership.

Mobile money penetration has also improved significantly in the SADC region, largely due to the expansion of mobile money service providers. Rapid growth occurred in several countries between 2014 and 2021. For example, Tanzania achieved mobile money penetration of 77% of the adult population, while Zambia reached 66%.

Digital payments have likewise increased in most SADC countries, with many adopting digital payment systems, such as South Africa's SASSA (South African Social Security Agency). These systems have enhanced the onboarding

capacity of low-income and previously excluded individuals—particularly women—into formal financial systems. By 2021, 22 million women were financially included in the SADC region, representing 45% of female account ownership.

However, financial inclusion levels vary across the region, ranging from 43% in Malawi to 91% in Mauritius. The highest levels were observed in Mauritius, South Africa, and Namibia (Demirguc-Kunt *et al.*, 2022; SADC, 2023a). Despite this progress, significant challenges remain for financial inclusion in SADC countries. Common barriers include limited financial literacy, high costs of financial services, restricted access to credit, and low usage of financial products. To address these issues, SADC countries have implemented various initiatives, such as national financial inclusion strategies and digital payment systems.

Notably, the Arkwright-SADC Industry Report revealed that in 2021, 13 of the 16 countries in the SADC region had card penetration rates below 30%, despite the region's relatively high rate of banked individuals compared to other African regions. Additionally, the adoption of retail e-payments remained low in 2021, even though 47% of the population subscribed to mobile money services. These limitations are considered major barriers to progress in financial inclusion, particularly in terms of access and usage of financial services (Burelli, 2023).

Against this background, it is pertinent that stakeholders follow recommended frameworks for measuring financial inclusion in a given country or region to ensure that results accurately reflect the situation. This approach complements the strategy advocated by FinMark Trust, which emphasizes the need to adopt a well-established measurement framework for assessing the dimensions of financial inclusion (Owolade, 2019).

Examining a country's level of financial inclusion is crucial, as it informs the development and implementation of effective policies. This strategy has also been adopted by SADC to help its member countries prepare for challenges that impact financial inclusion. The region recognizes financial inclusion as a critical driver of economic growth and development. It enables individuals and businesses to access essential financial services such as banking, savings, credit, and insurance (SADC, 2023b).

Aligned with this objective, the present study aims to compare and analyze the extent of financial inclusion across the SADC bloc nations. The study is structured into six sections. Section 1 covers the introduction and background of the study. Section 2 presents a review of the literature. Section 3 outlines the study's objectives. Section 4 explains the research methodology. Section 5 assesses, compares, and examines the level of financial inclusion in the SADC bloc countries. Section 6 concludes the study and provides suggestions and recommendations.

II. REVIEW OF LITERATURE

In this section, the study reviews literature on financial inclusion in African countries and regions to gain insights that fulfil the objectives of the study.

Bester *et al.*, (2016) examined the critical issue of the gap between bank account access and its active usage in several SADC and ASEAN nations during the period 2011-2014. The study revealed that the mere provision of accounts does not guarantee an increase in the level of financial inclusion. The authors cited affordability, distrust in financial institutions, inconvenience, poor digital infrastructure, and lack of financial and digital literacy as key barriers to financial inclusion. To achieve meaningful inclusion, the study recommended interventions that encourage active account usage, such as reducing costs, building trust, expanding access points, promoting financial literacy, and improving digital infrastructure.

Jukan and Softic (2016) carried out a comparative analytical study on the level of financial inclusion in developing countries around the world for the year 2014. The study compared financial inclusion levels in emerging nations of Eastern, Southern, and Central Asia, Sub-Saharan Africa, and the Western Balkans, using variables such as account ownership (debit card, mobile money account), savings, and borrowings. The results revealed the highest levels of account ownership, debit card usage, and savings in Eastern Asia. The Western Balkans had the highest level of borrowings.

Lower savings were recorded in Sub-Saharan Africa and Central Asia, suggesting that developing regions had lower levels of financial inclusion compared to developed regions. A report by Fin Mark Trust (2018) examined key facts on financial inclusion in 14 SADC countries for the period 2011-2017, highlighting that 68% of the adult population in the sample countries were financially included. The study revealed varied levels of financial inclusion across the countries, ranging from 97% in Seychelles to 40% in Mozambique. Savings, borrowing, insurance, remittances, and mobile money were identified as significant financial access strands enhancing financial inclusion.

Asuming *et al.*, (2019) analyzed financial inclusion in Sub-Saharan Africa for the period 2011-2014. They conducted a comparative analysis of 31 countries in the region to determine the level of access to and usage of financial services. The study showed a significant increase in growth rates and levels of financial inclusion among the countries. Southern African countries were found to have the highest level of financial inclusion, followed by East and Central African countries, with West African countries recording the lowest level.

Individual-level variables (e.g., age, education, gender, wealth), macroeconomic variables (e.g., GDP growth rate, presence of financial institutions), and business freedom were found to be important determinants of financial

inclusion. The study suggested that policies should target women and youth to enhance inclusion in the region. Abdulmumin *et al.*, (2019) investigated the extent of financial inclusion in Sub-Saharan Africa and found it to be at a moderate level for the period 2005-2015. While access to financial services was a crucial determinant of financial inclusion, the study also highlighted the need to increase the availability of financial institutions to improve service usage. This finding underscores the importance of considering not just access but also usage when evaluating the effectiveness of financial inclusion initiatives.

Owolade (2019) assessed the level of financial inclusion in selected SADC countries for the period 2014-2019, aiming to provide a methodology for measuring and evaluating the impact of financial inclusion strategies adopted by member countries. The study revealed substantial disparities in access to and usage of financial services within the SADC region.

It found that although progress had been made in expanding access to financial accounts, access did not automatically translate into consistent and meaningful usage. The study emphasized the need to address the underlying barriers hindering active usage of financial services by previously excluded populations. Abdullahi (2020) analyzed the level of financial inclusion among African regional blocs, namely SADC, ECOWAS, COMESA, AMU, EAC, ECCAS, IGAD, and GEN-SAD. Efforts toward financial inclusion in these blocs not only improved the economic conditions of member countries but also led to unified financial policies that enhanced their level of financial inclusion. The study employed a two-stage principal component analysis on three dimensions of financial inclusion-access, usage, and quality-to assess the level of financial inclusion during the 2011-2017 period.

The results revealed a relatively high level of financial inclusion in the SADC, ECOWAS, COMESA, and GEN-SAD blocs compared to the AMU, EAC, ECCAS, and IGAD blocs.

Myeni *et al.*, (2020) examined the impact of mobile money in Eswatini for the year 2014. Their findings suggested that although mobile money was associated with a higher likelihood of owning a bank account, it did not significantly enhance the inclusion of structurally excluded individuals from the formal financial system. Factors such as higher education, entrepreneurship, career advancement, and urban residency positively influenced the use of mobile money.

The study also observed that non-financial services, such as financial education and customer empowerment, complemented efforts to improve access and usage. The UN Women (2024) status report highlighted the overall state of financial inclusion in the SADC region for the period 2014-2023. Based on financial access strand estimates, the report found that about two-thirds of the adult population in the region were financially included. Inclusion was primarily driven by formal financial services provided by banks and non-bank financial institutions, while approximately 7% of

the population relied on informal financial services such as savings clubs.

Overall, 75% of the adult population were reported as financially included. Access was evaluated based on coverage and ownership, while usage was measured by the percentage of adults actively using financial services. Bayene *et al.*, (2024) presented a cross-country comparison of access to and usage of financial services-especially through commercial banks-in the ASEAN, WAEMU, and SADC regions for the year 2022. The study analyzed the cost of bank products and services to evaluate pricing as a barrier to financial inclusion for low-income populations.

The results revealed that the WAEMU and SADC regions faced high costs associated with accessing and using financial services, which adversely affected their inclusion levels. Low-income individuals were often excluded due to an inability to afford high banking charges, unlike in the ASEAN region, where bank charges were relatively low. There have been few studies focused on investigating financial inclusion in the SADC region, leading to a notable information gap. Hence, the present study seeks to address this gap by undertaking a comparative analysis of the level of financial inclusion in selected countries within the SADC bloc.

III. OBJECTIVES OF THE STUDY

The study attempts to fulfill the following objectives:

1. To undertake a comparative analysis of the level of financial inclusion in selected countries of the SADC bloc.
2. To examine the level of financial inclusion attained by SADC bloc countries vis-à-vis the world average.

IV. METHODOLOGY

The core aim of the present study is to compare and assess the level of financial inclusion in SADC bloc countries and their position vis-à-vis the world average. The study focuses on the access and usage dimensions of financial inclusion to examine the level of inclusion in the SADC region.

A. Country Selection

The World Bank classifies the world's economies into four income groups-low income (< USD 1,045), lower-middle income (USD 1,046-4,095), upper-middle income (USD 4,096-12,695), and high income (> USD 12,695)-based on gross national income (GNI) per capita in current U.S. dollars, using the Atlas method (World Bank, 2024). The Global Findex database is used to determine the income categories of the SADC bloc countries, as displayed in Table I. The study includes only two countries from the low-income category, namely Malawi and Mozambique.

Three countries-Tanzania, Zambia, and Zimbabwe-are selected from the lower-middle-income category. From the upper-middle-income category, Namibia and Mauritius have

been selected. There is no country in the SADC region that falls under the high-income category. Of the 16 SADC bloc countries, seven countries have been considered for the purpose of analysis.

The selection of countries was influenced by factors such as data availability and the economic size of each country. The latest data for 2021 is not available for Democratic Republic of Congo, Madagascar, Angola, Comoros, Lesotho, Botswana, Seychelles, and Eswatini. Additionally, South Africa has been excluded due to its significantly larger economic size, making it not directly comparable to the other SADC bloc countries. Therefore, these nine countries have been excluded from the study.

TABLE I INCOME CLASSIFICATION OF SADC BLOC COUNTRIES

Low Income	Lower-Middle Income	Upper-Middle Income
Malawi	Tanzania	Namibia
Mozambique	Zambia	Mauritius
Democratic Republic of Congo*	Zimbabwe	Botswana*
Madagascar*	Angola*	Seychelles*
	Comoros*	South Africa**
	Lesotho*	
	Eswatini*	

*2021 data not available, **Incomparable economic size

B. Dimensions of Financial Inclusion and Variable Selection

Financial inclusion in the selected SADC bloc countries is analyzed based on access and usage strands. The variables for these two dimensions have been identified in the study. Five variables have been selected for the access dimension: account ownership, debit or credit card ownership, mobile money account ownership, access to the internet, and mobile phone ownership. Six variables have been chosen to assess the usage dimension of financial inclusion: use of a debit or credit card, use of a mobile money account two or more times a month, cash withdrawals, deposits into a financial institution account two or more times a month, borrowing any money, and saving any money. All variables refer to the percentage of the adult population aged 15 years and older.

C. Time Period and Data Source

The present study focuses on the year 2021 for analyzing the extent of financial inclusion in SADC bloc countries, as the latest available data pertains to this year. To effectively serve the research objectives, data for access and usage have been primarily collected from the Global Findex Database (2021). Data for mobile phone ownership in Malawi was sourced from the World Bank Database. The next section addresses the research objectives by presenting evidence of financial inclusion in SADC bloc countries vis-à-vis the global context.

TABLE II VARIABLE DESCRIPTION AND DEFINITION

Access Dimension		
1	Account ownership (% age 15+)	The percentage of respondents who report having an account (by themselves or together with someone else) at a bank or another type of financial institution or report personally using a mobile money service in the past year
2	Debit or Credit card ownership (% age 15+)	The percentage of respondents who report having a debit or credit card
3	Mobile money account (% age 15+)	The percentage of respondents who report personally using a mobile money service in the past year
4	Access to internet (% age 15+)	The percentage of respondents who report having access to the internet
5	Mobile phone ownership (% age 15+)	The percentage of respondents who report owning a mobile phone
Usage Dimension		
1	Used a debit or credit card (% age 15+)	The percentage of respondents who report using a debit or credit card to make a purchase in the past year
2	Used a mobile money account (% age 15+)	The percentage of respondents who report using a mobile money account to make payments, buy things, or to send or receive money two or more times a month
3	Made a withdrawal (% age 15+)	The percentage of respondents who report withdrawing money from their account one or more times in the past year
4	Deposited money (% age 15+)	The percentage of respondents who report that money was deposited two or more times per month into their financial institution account
5	Borrowed any money (% age 15+)	The percentage of respondents who report borrowing any money (by themselves or together with someone else) for any reason and from any source in the past year
6	Saved any money (% age 15+)	The percentage of respondents who report personally saving or setting aside any money for any reason and using any mode of saving in the past year

Source: Global Findex, 2021

TABLE III FINANCIAL INCLUSION IN SADC BLOC COUNTRIES

Variables (% age 15+)	Low-Income Countries		Lower-Middle Income Countries			Upper-Middle Income Countries		World	
	Malawi	Mozambique	Tanzania	Zambia	Zimbabwe	Namibia	Mauritius		
Access									
1	Account ownership	43	49	52	49	60	71	91	76
2	Debit or Credit card ownership	08	22	13	11	18	47	81	53
3	Mobile money account	32	29	45	42	51	43	16	10
4	Access to internet	21	20	20	23	31	50	81	63
5	Mobile phone ownership	60*	55	68	62	81	79	92	86
Usage									
1	Used a debit or credit card	-	12	4	4	12	32	57	40
2	Used a mobile money account	54	75	59	78	68	58	41	56
3	Made a withdrawal	38	34	39	50	49	61	87	64
4	Deposited money	33	38	39	48	52	64	84	65
5	Borrowed any money	10	45	25	59	7	23	20	29
6	Saved any money	21	43	49	50	12	36	29	31

Source: Global Findex, 2021; *World Bank Database

IV. FINANCIAL INCLUSION IN SOUTHERN AFRICAN DEVELOPMENT COMMUNITY (SADC) BLOC

Data for the access and usage strands, along with sub-indicators used to measure the financial inclusion of SADC bloc countries and the world, are presented in Table III. These data are also demonstrated graphically (Graphs 1-8) to enable

meaningful comparisons and to draw inferences regarding the access and usage dimensions of financial inclusion across three income categories in SADC bloc countries-low-income, lower-middle-income, and upper-middle-income-as well as the global average.

A. SADC Bloc Countries and World: Access to Financial Services

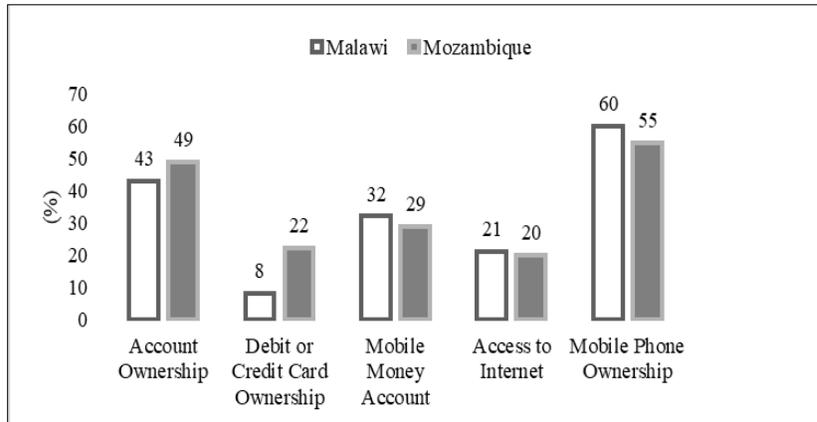


Fig. 1 Access Variables for Low Income Countries

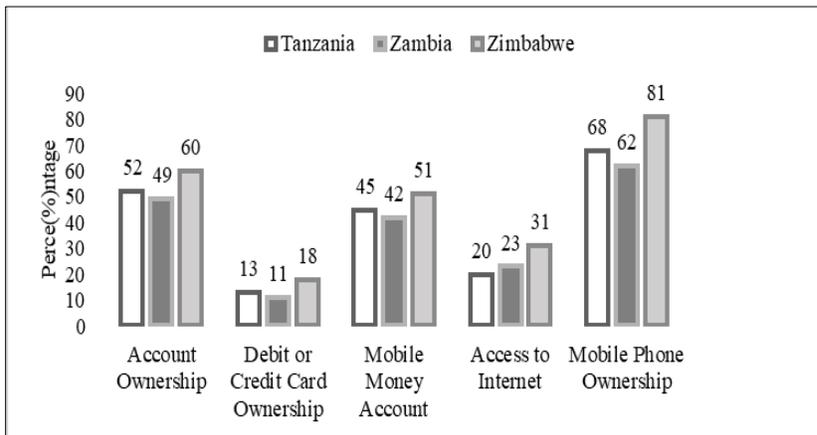


Fig. 2 Access Variables for Lower-Middle Income Countries

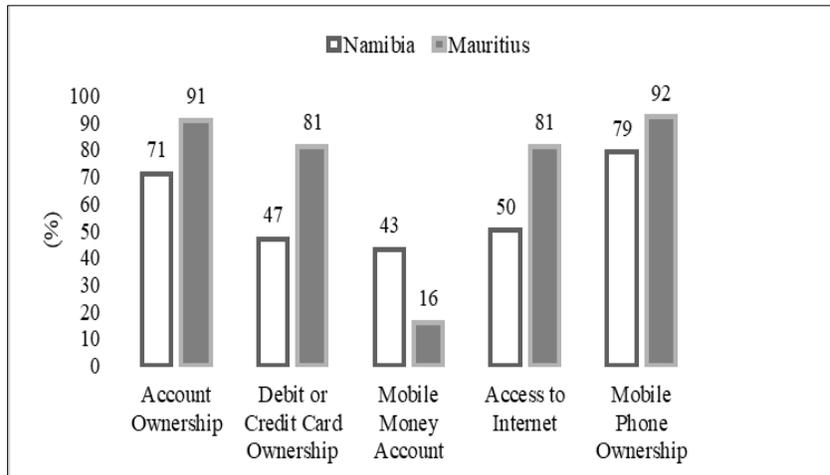


Fig. 3 Access Variables for Upper-Middle Income Countries

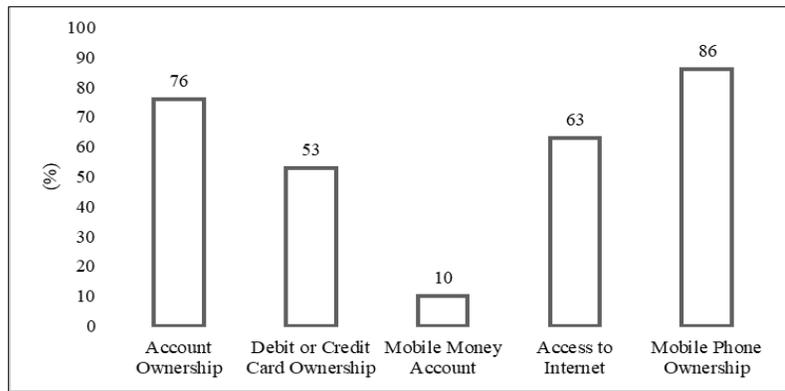


Fig. 4 Access Variables for the World

B. SADC Bloc Countries and World: Usage of Financial Services

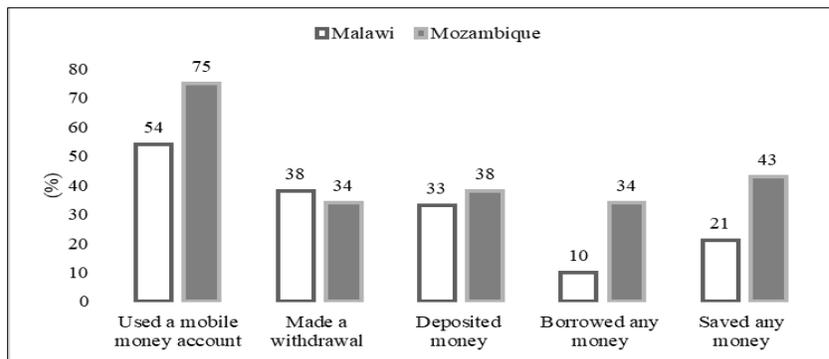


Fig. 5 Usage Variables for Low Income Countries

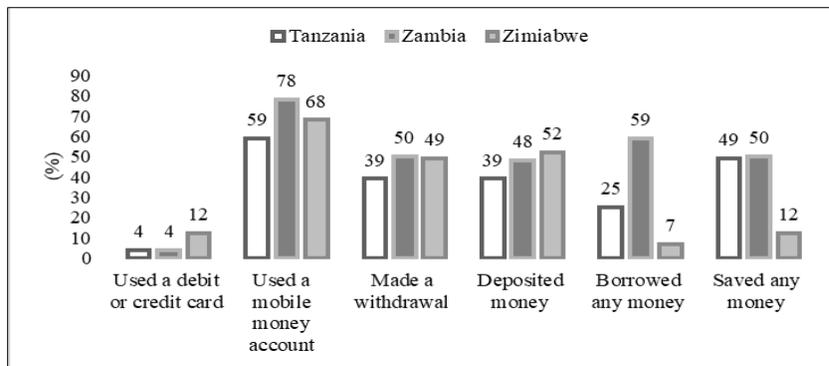


Fig. 6 Usage Variables for Lower-Middle Income Countries

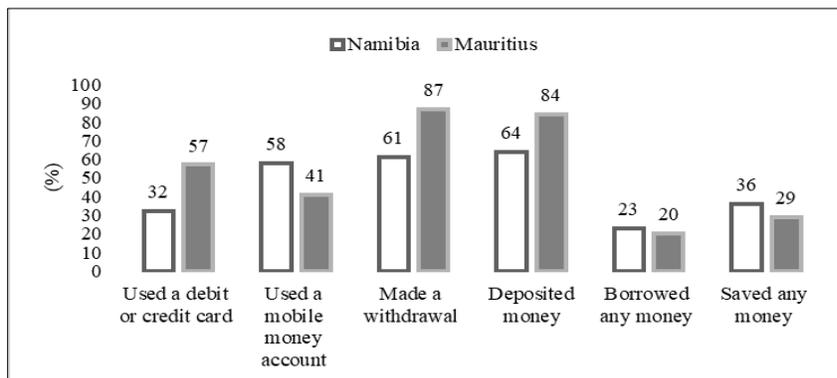


Fig. 7 Usage Variables for Upper-Middle Income Countries

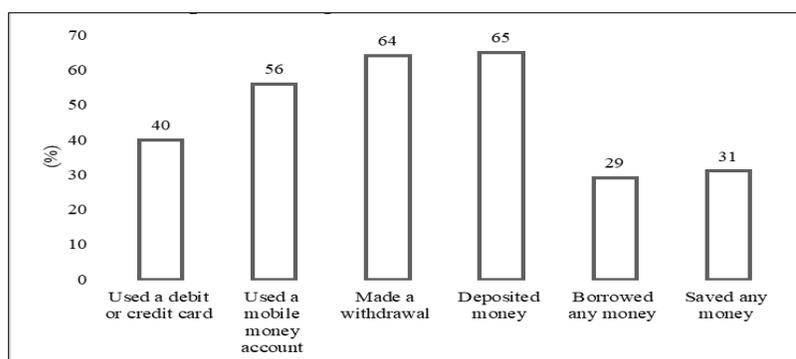


Fig. 8 Usage Variables for the World

Note: The data for 'Used a debit or credit card' is not available for Malawi

C. Data Analysis

Observations are drawn from Table III and Fig.1 to 8. Fig. 1 to 4 examine the level of financial inclusion based on access dimensions across low-income, lower-middle-income, and upper-middle-income countries in the SADC region and the world.

1. Low-income countries have lower levels of account ownership compared to other income categories and the global average. In Malawi and Mozambique, account ownership stood at 43% and 49%, respectively. In lower-middle-income countries, account ownership ranges from 49% to 60%, while in upper-middle-income countries, it is significantly higher-between 70% and 91%. Both Namibia and Mauritius exceed the global average of 76%. Low levels of account ownership in low-income countries are largely due to a lack of disposable income, making it difficult to maintain bank accounts or meet associated costs and charges (Bayene *et al.*, 2024).
2. Debit or credit card ownership is particularly low in Malawi (8%) compared to Mozambique (22%). Interestingly, Mozambique shows a higher percentage of card ownership than some middle-income countries. Mauritius, an upper-middle-income country, has a notably high card ownership rate of 81%, well above the global average of 53%. In contrast, low- and lower-middle-income countries tend to rely more heavily on mobile money services due to their affordability. These countries also suffer from inadequate infrastructure, particularly in rural areas, which limits access to card-based financial services (Demirguc-Kunt *et al.*, 2015; Fanta *et al.*, 2016).
3. Lower-middle-income countries exhibit the highest levels of mobile money account usage. Zimbabwe leads with 51%, followed by Tanzania at 45%. The global average is much lower, at just 10%. These findings align with earlier studies showing that low-income individuals tend to rely more on mobile money services than on traditional banking services (Alampay *et al.*, 2017; Aron & Muellbauer, 2019). Mauritius, despite being an upper-

middle-income country, reports low mobile money usage due to its well-established formal financial system, which encourages reliance on conventional banking.

4. Internet access is relatively low in low-income (approximately 20%) and lower-middle-income countries (20-30%). Zimbabwe performs slightly better, with 31% internet penetration. In contrast, upper-middle-income countries report significantly higher levels, with Mauritius reaching 81%. The global average is 63%. Poor infrastructure, low broadband penetration, and limited smartphone access-particularly among low-income populations-are primary contributors to these disparities (Bester *et al.*, 2016; Demirguc-Kunt *et al.*, 2022).
5. Mobile phone ownership in low-income countries is comparable to that in lower-middle-income countries (ranging from 60% to 81%). Upper-middle-income countries show much higher levels, with Mauritius topping the list at 92%, surpassing even the global average of 86%. The higher gross national income (GNI) per capita and better infrastructure in these countries enable wider mobile phone adoption, thereby facilitating greater access to financial services (Fantom & Serajuddin, 2016).

Overall, upper-middle-income countries demonstrate higher levels of financial inclusion based on access dimensions. This is attributed to factors such as improved financial infrastructure, stronger economic conditions, greater mobile phone penetration, and a well-functioning formal banking sector, all of which contribute to enhanced financial inclusion (SADC, 2016). Fig 5 to 8 highlights the level of financial inclusion in low-income, lower-middle-income, and upper-middle-income countries in the SADC region and globally, based on usage dimensions.

1. The data reveal that lower-middle-income countries have significantly lower debit or credit card usage than upper-middle-income countries. For example, Tanzania and Zambia report usage rates as low as 4%, whereas Namibia and Mauritius report 32% and 57%, respectively. The global average stands at 40%. The lower usage in lower-middle-income countries is

primarily due to insufficient financial infrastructure (i.e., fewer bank branches, ATMs, and POS terminals), which hinders usage even among those who possess cards. Additionally, lower financial inclusion levels and limited disposable income contribute to the disparity (Demirguc-Kunt *et al.*, 2022; Mwatosya, 2024).

2. In low-income countries, 54-75% of people report using mobile money accounts, which is comparable to the global average of 64%. Similarly, Namibia (an upper-middle-income country) reports 58% usage, while Mauritius has the lowest usage among SADC countries at 41%. Lower-middle-income countries show the highest usage, ranging from 59% to 78%, with Zambia at the top. The widespread use of mobile money accounts can be attributed to their suitability for low-cost, small-value transactions, especially among low-income populations (Alampay *et al.*, 2017; Aron & Muellbauer, 2019).
3. Withdrawal frequency from financial institution accounts is lowest in low-income countries, with Mozambique at 34%. Lower-middle-income countries report moderate withdrawal rates (39%-49%), while upper-middle-income countries show much higher levels-Mauritius, for instance, reports 87%. The global average is 64%. Increased economic activity and more advanced financial systems in middle- and upper-income countries contribute to more frequent withdrawals. These systems often provide a broader range of services, including insurance and remittances, which influence transactional behavior (African Development Bank, 2011; Finscope, 2023; Longley, 2023).
4. Deposit activity is lowest in low-income countries (33%-38%), moderate in lower-middle-income countries (39%-52%), and highest in upper-middle-income countries (64%-84%), with Mauritius leading at 84%. The global average is 65%. Limited income, low levels of financial literacy, and high poverty rates are key factors contributing to lower deposit rates in low-income nations (Reserve Bank of Malawi, 2021; Demirguc-Kunt *et al.*, 2022; World Bank, 2025).
5. The percentage of people who borrowed money varies significantly. Zimbabwe has the lowest borrowing rate at 7%, and Malawi follows at 10%. Zambia shows the highest borrowing activity at 59%. Other SADC countries fall within the 20%-34% range. The global average is 29%. High borrowing rates in Zambia reflect greater access to credit, while limited borrowing in Zimbabwe and Malawi is due to factors such as lack of collateral, excessive documentation requirements, and high interest rates (IMF, 2021; Demirguc-Kunt *et al.*, 2022).
6. Saving behavior is low across the region. In Zimbabwe, only 12% of people report saving money. Tanzania and Zambia have moderately higher rates (49%-50%). Low-income countries generally report savings rates between

21% and 43%, while upper-middle-income countries report rates between 29% and 36%. The global average is 31%. Limited income, low financial literacy, and widespread reliance on informal saving methods discourage formal saving practices (Demirguc-Kunt *et al.*, 2022; Reserve Bank of Zimbabwe, 2021).

Withdrawals and deposits remain lower in low-income countries than in their counterparts due to limited financial infrastructure, economic constraints, the digital divide, and the impact of the COVID-19 pandemic (Olowade *et al.*, 2021). This analysis underscores the challenges of financial inclusion, with low-income countries often demonstrating higher reliance on mobile money services but lower participation in traditional banking compared to upper-middle-income countries.

V. CONCLUSIONS, SUGGESTIONS, AND RECOMMENDATIONS OF THE STUDY

The analysis highlights significant disparities in financial inclusion across different income classifications of SADC countries and the world. Low-income countries exhibit less engagement with traditional banking services, such as debit or credit cards and account ownership, compared to upper-middle-income countries. Although low-income countries show a high reliance on mobile money services, their overall rates of financial product adoption remain considerably lower than those of lower-middle- and upper-middle-income countries.

The prevalence of financial activities-such as withdrawals, deposits, borrowing, and savings-further underscores the challenges that low- and lower-middle-income countries face in achieving comprehensive and sustainable financial inclusion. These findings emphasize the need for targeted interventions to improve access to and usage of financial services and to promote economic growth across the region.

Suggestions and recommendations to address these disparities and promote greater financial inclusion in the SADC bloc include the following:

1. Enhance access to financial services through infrastructure development and digital innovation. Investment in financial infrastructure, particularly in low- and lower-middle-income countries, would improve physical access to banks and financial institutions. These countries should also support the expansion of digital banking and mobile money services using user-friendly platforms tailored to underserved populations.
2. Encourage financial education and literacy through targeted training and community engagement. Low- and lower-middle-income countries should implement financial literacy programs designed for underserved communities to help them understand banking products, budgeting, saving, and borrowing.

These efforts should involve local communities and use culturally relevant approaches to ensure effective communication and acceptance.

3. Promote mobile money services by incentivizing mobile network operators (MNOs) and integrating services. SADC countries should collaborate with mobile service providers to reduce transaction costs and increase accessibility, especially in remote areas. Integrating mobile money platforms with traditional banking services would ensure seamless transactions and greater convenience for underserved populations.
4. Encourage savings and investments by incentivizing savings platforms and expanding microfinance options. Offering incentives such as higher interest rates can motivate low-income populations to save more. Expanding access to microfinance institutions (MFIs) provides low-income individuals with tailored credit and savings options that align with their financial needs.
5. Monitor and evaluate progress through effective data collection and feedback mechanisms. SADC countries should consistently collect and analyze data on financial inclusion efforts to track progress and identify areas needing immediate attention. Additionally, establishing user feedback systems can help capture insights on customer experiences and challenges, enabling continuous improvement in service delivery.

By implementing these suggestions and recommendations, stakeholders across the SADC region can work toward reducing financial inclusion gaps at all income levels, ultimately fostering economic growth and development in the region's underserved countries.

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