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## GRADUATE DISSERTATION

Presentation with a view to obtaining an academic master's degree in the specialty

## CORPORATE FINACIAL MANAGEMENT

Barriers Of Financial Inclusion in Algeria  
Case Study: Ain Kercha Municipality, Oum El  
Bouaghi Province

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## **Abstract**

This study investigated the issue of financial inclusion in Algeria, with a focus on identifying the main barriers that prevented individuals from accessing and using formal financial services. A quantitative approach had been employed, using data collected through a structured questionnaire administered to a sample of 203 residents of the Ain Kercha municipality, Oum El Bouaghi province, located in the eastern part of Algeria. The selection of Oum El Bouaghi province had been motivated by its socio-economic characteristics, which presented a mix of urban and rural areas, providing a representative context for examining the diverse challenges to financial inclusion across different segments of the Algerian population. Data were analyzed using SPSS version 27, and a convenience sampling method was utilized.

The findings revealed that the most commonly cited barriers were religious reasons, lack of money, and perceiving no need for financial services. Financial literacy also played a key role, in addition to socio-demographic characteristics. In contrast, other widely assumed barriers, such as distance, lack of documentation, and lack of trust, were reported less frequently. These results highlighted the importance of addressing both voluntary and involuntary barriers to improve financial inclusion in Algeria. To mitigate financial exclusion, policies should have prioritized enhancing financial literacy through targeted educational programs, particularly in rural areas and among vulnerable socio-economic groups.

**Keywords:** Financial Inclusion, Barriers, Financial Literacy, Socio-demographic factors, Algeria.

**Résumé :**

Cette étude a examiné la question de l'inclusion financière en Algérie, en se concentrant sur l'identification des principaux obstacles qui ont empêché les individus d'accéder et d'utiliser les services financiers formels. Une approche quantitative a été utilisée, avec des données qui ont été collectées via un questionnaire structuré qui a été administré à un échantillon de 203 résidents de la commune d'Ain Kercha, dans la province d'Oum El Bouaghi, située dans la partie est de l'Algérie. Le choix de la province d'Oum El Bouaghi a été motivé par ses caractéristiques socio-économiques, qui présentaient un mélange de zones urbaines et rurales, offrant un contexte représentatif pour examiner les défis divers de l'inclusion financière à travers différents segments de la population algérienne. Les données ont été analysées à l'aide de SPSS version 27, et une méthode d'échantillonnage de convenance a été utilisée.

Les résultats ont révélé que les obstacles les plus fréquemment cités étaient les raisons religieuses, le manque d'argent, et la perception de ne pas avoir besoin de services financiers. La littératie financière a également joué un rôle clé, en plus des caractéristiques socio-démographiques. En revanche, d'autres obstacles largement supposés, tels que la distance, le manque de documentation, et le manque de confiance, ont été rapportés moins fréquemment. Ces résultats ont souligné l'importance de traiter à la fois les obstacles volontaires et involontaires pour améliorer l'inclusion financière en Algérie. Pour atténuer l'exclusion financière, les politiques auraient dû prioriser le renforcement de la littératie financière à travers des programmes éducatifs ciblés, particulièrement dans les zones rurales et parmi les groupes socio-économiques vulnérables.

**Mots-clés :** Inclusion financière, Obstacles, Littératie financière, Facteurs socio-démographiques, Algérie.

## ملخص:

تناولت هذه الدراسة مسألة الشمول المالي في الجزائر، مع التركيز على تحديد العوائق الرئيسية التي منعت الأفراد من الوصول إلى الخدمات المالية الرسمية واستخدامها. تم استخدام منهج كمي، حيث جُمعت البيانات من خلال استبيان منظم تم توزيعه على عينة مكونة من 203 من سكان بلدية عين كرشة في ولاية أم البواقي، الواقعة في الجزء الشرقي من الجزائر. جاء اختيار ولاية أم البواقي بسبب خصائصها الاجتماعية والاقتصادية التي مزجت بين المناطق الحضرية والريفية، مما وفر سياقًا تمثيليًا لفحص التحديات المتنوعة للشمول المالي عبر مختلف شرائح السكان الجزائريين. تم تحليل البيانات باستخدام برنامج SPSS الإصدار 27، وتم استخدام طريقة العينة المريحة.

أظهرت النتائج أن العوائق الأكثر ذكرًا كانت الأسباب الدينية، ونقص المال، والشعور بعدم الحاجة إلى الخدمات المالية. كما لعبت الثقافة المالية دورًا رئيسيًا، بالإضافة إلى الخصائص الاجتماعية والديموغرافية. وعلى النقيض من ذلك، كانت عوائق أخرى مفترضة على نطاق واسع مثل المسافة، ونقص الوثائق، وقلة الثقة أقل تكرارًا في الدراسة. وقد أكدت هذه النتائج على أهمية معالجة العوائق الطوعية وغير الطوعية من أجل تحسين الشمول المالي في الجزائر. وللتخفيف من الاستبعاد المالي، كان ينبغي أن تركزت السياسات على تعزيز الثقافة المالية من خلال برامج تعليمية مستهدفة، لا سيما في المناطق الريفية وبين الفئات الاجتماعية والاقتصادية الضعيفة.

**الكلمات المفتاحية:** شمول المالي، عوائق، ثقافة مالية، عوامل اجتماعية وديموغرافية، جزائر.

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## List of Abbreviations and Acronyms

- AFI: Alliance for Financial Inclusion
- ATM: Automated Teller Machine
- B40: Bottom 40% income group (Malaysia)
- BOD: Board of Directors
- CAF: Development Bank of Latin America
- CCP: Postal Checking Account
- CEO: Chief Executive Officer
- D.G.A.B: Department of Administrative and Budget Management
- DOLS: Dynamic Ordinary Least Squares
- D.P.A.C: Promotion and Commercial Activities Department
- DRE: Direction Régionale d'Exploitation
- FDI: Financial Deepening and Inclusion
- FIEG: Financial Inclusion Experts Group
- FI: Financial Inclusion
- FIs: Financial Institutions
- FMOLS: Fully Modified Ordinary Least Squares
- GDP: Gross Domestic Product
- G20: Group of Twenty
- GPFI: Global Partnership for Financial Inclusion
- IFC: International Finance Corporation
- MENA: Middle East and North Africa
- NGO(s): Non-Governmental Organization(s)
- OECD: Organisation for Economic Co-operation and Development
- OIC: Organization of Islamic Cooperation
- POS: Point of Sale
- PRISMA: Preferred Reporting Items for Systematic Reviews and Meta-Analyses
- SDGs: Sustainable Development Goals
- SMEs: Small and Medium-sized Enterprises

- SPSS: Statistical Package for the Social Sciences
- UNCDF: United Nations Capital Development Fund
- UN: United Nations
- WOS: Web of Science
- G2P: Government-to-Person

# **INTRODUCTION**

## **Background of the study**

Financial inclusion has become a recognized global imperative due to its significant role in fostering economic development, alleviating poverty, and promoting both financial and social equity (Singh & Kodan, 2011). Conceptually, it encompasses the availability and accessibility of essential financial services, including savings mechanisms, credit facilities, insurance products, and secure payment systems, to all segments of the population, irrespective of their socioeconomic standing (Cámara & Tuesta, 2017; Demirguc-Kunt & Klapper, 2012).

However, despite sustained international efforts, a substantial proportion of the global population remains excluded from formal financial systems. Data from the World Bank (2023) indicate that approximately 1.4 billion adults globally were unbanked as of 2021, underscoring persistent impediments such as infrastructural limitations, low levels of financial literacy, and prevailing socioeconomic disparities.

Within the Algerian context, while financial inclusion is acknowledged as a strategic pillar for national progress, the nation continues to encounter both structural and behavioral challenges. These include a constrained banking infrastructure, particularly evident in remote and rural regions, regulatory and bureaucratic complexities, and a prevalent lack of trust in formal financial institutions (Benyoub & Boufelfel, 2023). Furthermore, cultural and religious considerations, alongside the perceived high cost of services, often deter segments of the population from engaging with the formal banking sector. This situation is particularly salient in rural and underserved areas, where many residents rely on informal financial practices. Such exclusion limits individuals' capacity for secure savings, access to necessary credit, and opportunities for future investment, thereby potentially perpetuating cycles of economic vulnerability. A thorough understanding of the underlying barriers of financial inclusion in these areas is, therefore, essential for the formulation of targeted policies aimed at fostering greater inclusion and financial empowerment for all Algerian citizens.

## **The aim of the study**

This research aims to understand and analyze the barriers hindering financial inclusion in Algeria, based on a case study of a sample of residents from the municipality of Aïn Kercha. Previous studies (Babajic et al., 2018; BAHRA & TANI, 2024a; Feredj et al., 2021; Hassan et al., 2020; Kumar et al., 2020; Sayyad & Jadhav, 2023.; Soetan & Umukoro, 2023) have highlighted the importance of this topic, therefore this study aims to:

- Identify the main obstacles to accessing and using formal financial services, such as cost, distance, distrust of institutions, and religious considerations (Babajic et al., 2018; Feredj et al., 2021; Hassan et al., 2020).
- Assess the level of financial literacy among the surveyed population and its influence on financial inclusion or exclusion (Benyacoub, 2021; Sayyad & Jadhav, 2023).
- Analyze the effect of socio-demographic characteristics (age, gender, education level, employment status) on access to financial services (BAHRA & TANI, 2024; Feredj et al., 2021).
- Highlight the specific situation of underserved areas, such as Aïn Kercha, where populations are often financially excluded (Sayyad & Jadhav,2021; Soetan & Umukoro, 2023).
- Propose recommendations to enhance financial inclusion in Algeria, taking into account local realities and the insights gained from both literature and field data (Demirguc-Kunt & Klapper, 2012; Benyacoub, 2021; BAHRA & TANI, 2024).

## **Question of the research**

The research question is formulated as follows:

**“What are the main barriers that hinder financial inclusion in Algeria?”**

The main research problem is divided into three sub-questions:

- **QR 01:** How do socio-demographic factors (such as gender, age, education level, professional status, and place of residence) influence individuals’ financial inclusion in Algeria?

- **QR 02:** What are the most frequently reported structural and socio-cultural barriers that individuals in Algeria face in accessing formal financial services?
- **QR 03:** What is the relationship between financial literacy and financial inclusion among Algerian citizens?

## Hypotheses

To answer our research question, we have formulated three hypotheses based from the existing literature (Babajic et al., 2018; Benyacoub, 2021; Feredj et al., 2021; Hassan et al., 2020; Sayyad & Jadhav, 2023):

**H1:** Socio-demographic characteristics (gender, age, level of education, professional category, region) have a significant influence on financial inclusion in Algeria.

**H2:** Structural and socio-cultural barriers have a significant effect on financial inclusion in Algeria.

- **H2.1:** The remoteness of financial institutions is a significant barrier to financial inclusion.
- **H2.2:** The high cost of financial services hinders financial inclusion.
- **H2.3:** The lack of required documents limits access to formal financial services.
- **H2.4:** The lack of trust in financial institutions negatively affects financial inclusion.
- **H2.5:** Religious reasons negatively influence participation in financial services.
- **H2.6:** Lack of money is a significant obstacle to using financial services.
- **H2.7:** Having another family member with an account reduces the motivation for individual financial inclusion.
- **H2.8:** Perceived lack of need for formal financial services negatively influences financial inclusion.

**H3:** Low levels of financial literacy have a negative impact on individuals' financial inclusion in Algeria.

## Method

In order to respond to the problem, we opted for a quantitative study, which is defined as a

method of gathering information through the distribution of a questionnaire, the answers to which will be analyzed in order to test hypotheses and obtain results.

### **The reason for choosing the topic:**

The choice of this topic was motivated by several personal and objective considerations, which are detailed below.

#### **Personal reasons**

- Personal interest in financial inclusion and economic development issues
- A desire to better understand the challenges faced by local populations in accessing financial services.
- Consistency with our academic background and future career plans.

#### **Objective reasons**

- Financial inclusion is a global priority to reduce poverty and promote development.
- In Algeria, a large part of the population remains excluded from the formal financial system.
- There is a lack of research on the barriers to financial inclusion in Algeria.

### **Field of Study**

This study was conducted in the municipality of Ain Kercha, located in the Oum El Bouaghi province, which served as the research field for collecting primary data on financial inclusion. The region was selected due to its socio-economic diversity, the coexistence of rural and urban areas, and the visible disparities in access to financial services. These characteristics made it a relevant and insightful setting to explore the various barriers to financial inclusion in Algeria. The choice also allowed for direct engagement with local residents, helping to gather meaningful data and better understand the real-life challenges people face in accessing and using formal financial services.

### **Overview of the research plan**

Our research is structured as follows: it begins with an introduction that provides an overview of the context and significance of the topic, the research objectives, the research

problem, and the methodology applied.

This is followed by three chapters:

- **Chapter 1** provides an overview of financial inclusion, examining its fundamental concepts, theoretical frameworks, and its relationship with financial development, income distribution, and poverty reduction. It explores the key dimensions of financial inclusion, including access, usage, and quality, and highlights its benefits. The second part of this chapter focuses on barriers to financial inclusion in different regions and discusses the limitations of existing literature, identifying gaps that justify further research.
- **Chapter 2** presents the methodological framework, divided into two sections. The first section discusses the research methodology, including the epistemological foundations, approach, and justification for using a quantitative method. The second section details the data collection tool, target population, sample size, and sampling method.
- **Chapter 3** presents the results from the field survey, organized into two sections. The first section interprets the data through descriptive statistics, providing an overview of financial access, challenges, and financial literacy. The second section compares the findings with the literature reviewed, offering insights into how the Algerian context aligns with or diverges from global trends in financial inclusion.

Finally, the research concludes with a general conclusion that summarizes the key findings, discusses their implications for improving financial inclusion in Algeria, and offers practical recommendations and suggestions for future research.

# **CHAPTER 1: STATE OF THE ART**

## **Introduction of Chapter 1:**

Over the years, financial inclusion has gained increasing attention from policymakers, researchers, and international organizations, given its direct link to social and economic development. However, despite its recognized importance, financial exclusion remains a major challenge in many developing and emerging economies, including Algeria.

This chapter provides an overview of financial inclusion by examining its fundamental concepts, theoretical frameworks, and its relationship with financial development, income distribution, and poverty reduction. Additionally, it explores the key dimensions of financial inclusion, including access, usage, and quality. Moreover, the benefits of financial inclusion are highlighted, demonstrating how inclusive financial systems contribute to economic stability and social well-being.

The second part of this chapter focuses on barriers related to financial inclusion in different regions of the world. It also discusses the limitations of existing literature and the knowledge gaps that justify further research on this topic.

## Section 1: the foundation of financial inclusion

This section lays the groundwork for understanding financial inclusion by clarifying its definition, exploring the main theories that explain its beneficiaries, delivery mechanisms, and funding models, and examining its links to financial development, income distribution, and poverty reduction. It also presents the key dimensions of financial inclusion and highlights its overall importance and benefits for economic and social development.

### 1 Definition and concept of Financial Inclusion:

According to the literature, the term “financial inclusion” emerged in the early 1990s to illustrate access to commercial banking as part of the financial sector's deregulation. (Demirguc-kunt & klapper, 2012). The concept has undergone significant development. According to (LAHROUR & HERR, 2023), international organizations first realized in the 1950s that disadvantaged populations needed better access to financial services. This was the beginning of financial inclusion. However, financial inclusion did not become a central focus of international development initiatives until a few decades ago. A turning point in the advancement of financial inclusion in developing countries was the World Bank's 2003 introduction of the Financial Deepening and Inclusion (FDI) program. But the major push for global policy on financial inclusion would come in large part through the G20. At the 2009 Pittsburgh Summit, world leaders established the Financial Inclusion Experts Group (FIEG) to open up financial access for the household and small business sectors. The Principles for Innovative Financial Inclusion (table 1) were adopted at the Toronto Summit in 2010 and emphasized the need for regulatory frameworks that underpin financial accessibility.

**Table 1:Principles of Innovative Financial Inclusion**

Principle	Description
Leadership	The government's commitment to promote financial inclusion to reduce poverty.
Diversity	Promoting a competitive financial sector that offers a range of accessible and affordable services.

Innovation	Leveraging new technologies and institutional models to improve access to financial services.
Protection	Ensuring strong consumer protection measures involving regulations, financial providers, and customers.
Empowerment	Enhancing individuals' financial knowledge and skills to make informed decisions.
Collaboration	Establishing clear roles and responsibilities among governments, businesses, and stakeholders.
Knowledge	Using reliable data to design evidence-based policies and track progress.
Proportionality	Implementing regulations that are suited to the risks and benefits of financial innovations.
Framework	Establishing rules that address fraud, money laundering, and encourage financial system interoperability.

Source: Adapted from *Principles for Innovative Financial Inclusion*, by G20 Research Group, 2010, *University of Toronto*. <http://www.g20.utoronto.ca/2010/to-principles-fr.html>

This was followed by the launch of the Global Partnership for Financial Inclusion (GPII) at

the 2010 Seoul Summit, uniting several international organizations including AFI, the World Bank, CGAP, OECD, and IFC to coordinate global financial inclusion efforts (LAHROUR & HERR, 2023).

In order to monitor the improvement of financial inclusion in countries, the GPF and the IFC have developed six tracking indicators (Table 2).

**Table 2: Financial Inclusion Monitoring Indicators**

<b>Indicator</b>	<b>Description</b>
<b>Usefulness and relevance</b>	Main objective: Ensure that core indicators are useful and relevant for national policy formulation.
<b>Pragmatism</b>	Data collection: Use of existing and easily accessible data sources to minimize cost and effort.
<b>Coherence</b>	Adaptation to contexts: Take into account the variability of national policies, economic, geographic, social, and cultural contexts, allowing countries to adapt definitions or use substitute indicators while maintaining data consistency.
<b>Flexibility</b>	Adaptation to context: Consider the diversity of national policies, contexts, and needs by allowing for the definition or use of alternative or proxy indicators, while maintaining data comparability.
<b>Balance</b>	Access and utilization data: Finding a balance between data related to access and utilization of financial services, as well as supply and demand data.
<b>Aspiration</b>	Flexibility with consistency: Use of core indicators to describe financial inclusion, while allowing for adaptations and substitute indicators for countries, while maintaining data consistency.

Source : Reproduced from *Le paradigme de l'inclusion financière : L'évolution des concepts dans un contexte historique et universel* by K. Lahrour & L. Horr, 2023.

Besides the fact that the UN has considered financial inclusion a key driver of economic

development, it is explained that universal access to financial services should be considered a tool that creates jobs and allows economic development equitable in nature, said the UN Secretary-General in May 2013 (LAHROUR & HERR, 2023). The authors illustrate that advancements of all kinds in mobile banking and online platforms have vastly increased the reach of financial tools to people once considered unreachable. These advances have enabled the advancement of microcredit, digital payments, and remittances, all of which help in closing the gap of financial exclusion (LAHROUR & HERR, 2023).

The 2015 adoption of the Sustainable Development Goals (SDGs) further solidified financial inclusion as a vital enabler of global development objectives. Financial inclusion is now a stated target under eight of the 17 SDGs, including poverty eradication, gender equality, economic growth, and reducing inequality (UNCDF, 2024). This recognition reinforced the necessity of inclusive financial systems in achieving sustainable and equitable economic development.

Additionally, financial inclusion stands beyond mere access to financial services, it encompasses financial literacy and education, because according to (LAHROUR & HERR, 2023), when people know what products and services exist in finance, they will be able to make informed choices, manage risks, and use financial instruments wisely. Without proper financial education, susceptible individuals may lack the means to maneuver through the financial sector effectively, which minimizes the entire outcome of all inclusion efforts (LAHROUR & HERR, 2023).

Financial inclusion refers to the opportunity for individuals and businesses to access and use formal financial services. Those who lack this access are considered financially excluded. However, there is no universally accepted definition of financial inclusion or exclusion, as different researchers and institutions describe it in various ways. (Demirguc-kunt & klapper, 2012).

Over time, definitions of financial inclusion have become more detailed, Balliester Reis, (2020) after reviewing 67 studies, proposed a more precise definition: “Financial Inclusion is the access to and usage of deposits, payments, credit, insurance, and savings by individuals provided by for-profit financial institutions” (Balliester Reis, 2021, p. 18). meaning that FI

should focus on individuals, not businesses or entire households (as individuals within a household may still be excluded) and that it is driven by for-profit financial companies, and it includes access to and use of specific financial services like deposits, payments, credit, insurance, and savings. This definition is important because it distinguishes formal financial services from informal ones, highlighting the role of regulated banking institutions. (Balliester Reis, 2021).

International organizations have also provided widely accepted definitions. According to the (World Bank, 2018), "Financial inclusion means that individuals and businesses have access to useful and affordable financial products and services that meet their needs—transactions, payments, savings, credit, and insurance—delivered in a responsible and sustainable way." Here, the focus is not just on access but also on affordability, consumer protection, and responsible service delivery. Haso, (2023) adds that access is more than just having a bank account; it also means that services should be easy to use, fairly priced, and legally protected against unfair banking practices.

In Algeria, the (Bank of Algeria, 2022) defines it as: "The availability and use of all financial services by different segments of society, including institutions and individuals, especially those marginalized through official channels, by offering more adapted financial services at competitive and reasonable prices". This shows that we must focus on helping marginalized groups and making financial services affordable for all.

Lastly, Merniz & Bendjelloul, (2024) provide a broader perspective, defining financial inclusion as a multidimensional process that ensures fairness and ease of access to financial services. They also point out that financial exclusion can limit people's ability to take part in the economy and reduce opportunities for economic growth, which can slow down a country's overall development.

In academic discussions, financial inclusion (alternatively, financial exclusion) has been described within the framework of a broader concern regarding social inclusion (or exclusion) in a community. (Leyshon & Thrift, 1995) tried to clarify financial exclusion by characterizing it as procedures that leads to prevent specific social groups and individuals from having access to the formal financial system. This means that some individuals do not

have access to banks, not because they choose not to, but because of barriers such as lack of nearby banks or strict account requirements.

(Sinclair, 2001) added that financial exclusion happens when people cannot use basic financial services in a convenient and fair way. He explained that exclusion can happen due to various reasons, including lack of physical access to financial institutions, high service costs, strict conditions for account opening, or even self-exclusion, where individuals avoid using financial services because of past negative experiences. Later, (Carbó, 2005) described financial exclusion as the inability of some groups to use the banking system, showing that this problem is both social and financial, reinforcing the idea that exclusion can be both structural and voluntary.

The definitions of financial inclusion discussed earlier, are not solely conceptual, they are grounded in theoretical frameworks that govern and elucidate this phenomenon. These theories establish the foundation for comprehending how financial inclusion functions, its objectives, and its implications, which can be summarized as follows:

Financial inclusion refers to having sustainable, usable, and affordable access to financial services (Demirguc-Kunt & Klapper, 2013). It operates through the provision of accessible banking, digital finance, and regulatory policies to incorporate under-represented populations (LAHROUR & HERR, 2023). Also, the key purposes of financial inclusion include economic growth, poverty reduction, and financial stability (World Bank, Financial Inclusion Overview, 2022). However, the high cost, financial illiteracy, and institutional distrust serve as challenges (Balliester Reis, 2021; Merniz & Bendjelloul, 2024). In addition, the strategies to overcome barriers to financial inclusion involve financial education, infrastructure, and inclusive policy (Sinclair, 2001; Carbó, 2005).

In the end, many researchers and institutions have defined financial inclusion in various ways to represent its complexity and multidimensionality. Some definitions talk solely about access to financial services, while others mention the use, affordability, and financial literacy of such services. The lack of consensus on a definition or definitions necessitates a more holistic view that encompasses both the supply-side and demand-side elements.

## **2 Theories of Financial Inclusion**

In these four theories, (Ozili, 2020) explains who benefits from financial inclusion.

### **2.1 Theories of Financial Inclusion Beneficiary**

These theories explain who benefits from financial inclusion (Ozili, 2020).

#### **2.1.1 Public Good Theory of Financial Inclusion**

According to (Ozili, 2020), the public good theory of financial inclusion suggests that providing formal financial services to the entire population and ensuring unrestricted access to finance should be regarded as a public good that benefits everyone. Since financial services are considered a public good, no individual can be excluded from accessing them.

This perspective implies that essential financial services should be accessible to all without having to pay for them. The availability of financial services to one person does not limit access to others, allowing the entire population to integrate into the formal financial sector, and as a consequence, everyone will benefit from financial inclusion (Ozili, 2020).

Under this principle, individuals and small businesses that open formal bank accounts would receive free debit cards and be able to use ATMs without transaction fees. Financial institutions would have to bear the costs of providing these services. To reduce these costs, the government could give financial help to financial institutions. Furthermore, governments might even deposit a lump-sum amount into the bank accounts of all residents only because they have a formal bank account. By treating financial inclusion as a public benefit, individuals struggling with debt and financial hardship at a micro level could have an opportunity to improve their economic situation (Ozili, 2020).

#### **2.1.2 Dissatisfaction Theory of Financial Inclusion**

The dissatisfaction theory of financial inclusion suggests that initiatives aimed at enhancing financial inclusion should primarily target individuals who once were part of the formal financial system but then left due to negative experiences or dissatisfaction with banking regulations and services (Ozili, 2020).

This theory argues that if the reasons for their dissatisfaction are addressed, it will be easier to bring them back into the system. Convincing these individuals to return is simpler than persuading those who have never used formal financial services before (Ozili, 2020).

According to this idea, financial inclusion programs should prioritize those who left the banking system over those who have never been part of it. People may leave for various reasons, such as fraud, theft, long waiting times for withdrawals, delays in processing payments, high transaction fees, and excessive bank charges (Ozili, 2020).

### **2.1.3 Vulnerable Group Theory of Financial Inclusion**

The vulnerable group theory of financial inclusion asserts that a country's financial inclusion activities or programs should be directed toward the most vulnerable members of society, such as the poor, young people, women, and the elderly, who are the most affected by economic hardship and crises (Ozili, 2020).

Because vulnerable people are disproportionately affected by the financial sector and economic recessions, it makes sense to bring them into the official financial sector. The government-to-person (G2P) social cash transfer into vulnerable people's formal accounts is one approach to do this. Making G2P social cash transfer payments to poor people, young people, women, and the elderly will encourage others in similar conditions to join the formal financial sector and open a formal account to benefit from these social cash transfers, thereby increasing the rate of financial inclusion for vulnerable groups (Ozili, 2020).

Furthermore, when social cash transfers and other tools for achieving financial inclusion are offered to disadvantaged people in society, it might make them feel as though they are being compensated for the current economic gap that they face, allowing them to catch up with the rest of society. The theory implies that financial inclusion efforts should be directed at these individuals (Ozili, 2020).

### **2.1.4 Systems Theory of Financial Inclusion**

According to the systems theory of financial inclusion, financial inclusion outcomes are achieved through existing subsystems (whether economic, social, or financial systems) that financial inclusion relies on. As a result, greater financial inclusion will have positive

benefits for the systems it relies on (Ozili, 2020).

A significant change in a subsystem (one part of the system) can have a significant impact on the expected financial inclusion outcomes. For example, imposing regulations on economic agents and financial service providers, who are part of the economic and financial system, can align their interests with those of basic financial service users, compelling economic agents and financial service providers to provide affordable and high-quality financial services to them (Ozili, 2020).

A substantial change at the entire system level, on the other hand, such as replacing the present national financial inclusion strategy with a completely new plan, does not always imply a change in the existing subsystems, because a subsystem modification must be done at the subsystem level. According to the theory, financial inclusion will increase the efficiency and effectiveness of the subsystems it relies on, and the success or failure of a financial inclusion agenda will be determined by the efficiency and effectiveness of the subsystems (Ozili, 2020).

## **2.2 Theories of Financial Inclusion Delivery**

Theories on financial inclusion delivery are discussed as follows (Ozili, 2020).

### **2.2.1 Community Echelon Theory of Financial Inclusion**

According to the community echelon hypothesis, it is assumed that leaders in communities are significant influencers on the financial inclusion of excluded individuals. They are influential and can often best encourage their communities to use formal financial services that will benefit them. Furthermore, the values of a community greatly define members and leaders. Individuals provide a leader significant trust as they are in the individual's best interests. Leaders also ensure that they make decisions and actions that align with the values and character of the community, showing a two-way influence of leaders and the views of the community altogether (Ozili, 2020).

### **2.2.2 Public Service Theory of Financial Inclusion**

Financial inclusion, according to the public service theory, is a public responsibility that

governments owe to their residents, and citizens expect the government to promote financial inclusion for them. According to this notion, the government should provide financial inclusion to all citizens, including the financially excluded, through public institutions (Ozili, 2020).

### **2.2.3 Special Agent Theory of Financial Inclusion**

The Special Agent Theory of Financial Inclusion suggests that providing financial services directly to excluded or underserved populations is often difficult for formal financial institutions, particularly in contexts marked by complex community structures, strong local customs, or challenging geographical conditions. According to this theory, financial inclusion efforts are more effective when intermediaries — referred to as "special agents" — are engaged to act on behalf of financial institutions. These agents can be individuals, organizations, or entities that possess better local knowledge, cultural sensitivity, and proximity to target communities, allowing them to bridge the gap between formal financial systems and excluded groups. This approach helps to overcome barriers that traditional institutions may face in reaching marginalized or remote populations (Ozili, 2020).

### **2.2.4 Collaborative Intervention Theory of Financial Inclusion**

The collaborative intervention theory suggests that financial inclusion should be achieved through the joint efforts of multiple stakeholders (Ozili, 2020).

### **2.2.5 Financial Literacy Theory of Financial Inclusion**

The financial literacy hypothesis suggests that financial inclusion can be achieved by educating people about money and banking (Ozili, 2020).

## **2.3 Theories of Financial Inclusion Funding**

The theories of financial inclusion funding are discussed as follows:

### **2.3.1 Private Money Theory of Financial Inclusion**

The private money theory of financial inclusion suggests that financial inclusion should be funded by private sources (Ozili, 2020).

### **2.3.2 Public Money Theory of Financial Inclusion**

The public money theory suggests that financial inclusion programs should be funded by the government (Ozili, 2020).

### **2.3.3 Intervention Fund Theory of Financial Inclusion**

The intervention fund theory suggests that financial inclusion programs can be funded by different sources instead of relying on public money, including philanthropists, NGOs, and foreign governments (Ozili, 2020).

**Table 3: Summary of theories of financial**

Base Theory	Sub-theories under the base theory	Benefits of the current study
Theories of financial inclusion beneficiary (Ozili,2020)	1. Public good theory of financial inclusion	This theory says that financial inclusion benefits everyone regardless of position, income level, or demographic differences and that it's the government's duty to pay all the costs related to providing formal financial services to citizens as a public good.
	2. Dissatisfaction theory of financial inclusion	We can easily recognize people who are financially excluded, and according to this theory, financial inclusion can be achieved without public funding. The focus is on convincing those who left the formal financial system because they were dissatisfied, encouraging them to return.
	3. Vulnerable group theory of financial inclusion	This method tries to reduce financial exclusion by targeting vulnerable groups and helping them join the formal financial system. It is easy to recognize those

		who are financially excluded, and demographic factors can help identify people who are most at risk.
	4. Systems theory of financial inclusion	This theory recognizes that a country's economic, financial, and social systems play a role in promoting financial inclusion. It looks at financial inclusion from a broad, overall perspective.
Theories of financial inclusion delivery (Ozili,2020)	1. Community echelon theory of financial inclusion	Theories suggest that community leaders can influence people to make positive changes. They can encourage community members to join the formal financial system, giving them access to financial services.
	2. Public service theory of financial inclusion	We will explore how the government helps with financial inclusion by managing and overseeing the financial system to make it more accessible for everyone.
	3. Special agent theory of financial inclusion	The special agent relationship is not affected by the main problems in

		agency theory, so there is no confusion about the financial inclusion goals to be achieved.
	4. Collaborative intervention theory of financial inclusion	This theory promotes a multi-stakeholder approach to providing formal financial services. The stakeholders feel satisfied knowing they contribute significantly to financial inclusion.
	5. Financial literacy theory of financial inclusion	This theory helps to see how people with financial knowledge are more likely to know about the formal financial services they can use.
Theories of financial inclusion funding (Ozili,2020)	1. Private money theory of financial inclusion	Private funders support financial inclusion programs by investing, donating, or owning shares. When a private individual or company is the main funder, it is easier to charge users to cover program costs.
	2. Public money theory of financial inclusion	This would help distribute income more fairly and reduce inequality for poorer people. Using public funds for financial inclusion

		programs would also stop individuals from taking advantage of them for personal gain.
	3. Intervention fund theory of financial inclusion	This approach avoids political conflicts over public funding. Primary and special funders can gather money and resources locally and globally to achieve financial inclusion goals.

Source: Adapted from Haso, M. (2023). *Financial inclusion and its determinants* (p. 19).

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### **3 Financial development and financial inclusion:**

Financial development means the development of the financial system to provide a favorable environment for financing the economy. This includes an organized financial system, clear laws, and strong infrastructure. Financial development can be realized when financial services become more accessible and are used by more people. These services help individuals improve their financial situation and support the creation and development of businesses. In addition, the use of financial services promotes economic growth and improves the standard of living (Haso, 2023).

(Beck&Levine, 2008) argue that improving financial services is not enough if people do not have better access to them. Many individuals remain underserved simply because they cannot reach these services. Therefore, financial development is most effective when more people can use financial services. A strong financial system alone is not useful unless people actively use it. Even though a deep financial system can support economic growth, it needs to be accessible to have a real impact. The authors also highlight that financial development helps businesses grow, reduces income inequality, and lowers poverty. Without access to financial services, entrepreneurs struggle to expand and must rely on their own limited funds.

(Beck&Levine, 2008) .

#### **4 Financial inclusion, Income Distribution, and Poverty:**

According to (Beck&al, 2008), not having access to financial services is one of the reasons for global income inequality and slow economic growth. When individuals and businesses cannot get credit, they struggle to invest and grow. On the other hand, improving financial access can help reduce income inequality because both the rich and the poor benefit when they have equal opportunities to use financial services. If financial access is limited, poorer individuals will save money at a much slower rate than wealthier people, which increases the gap between them.

Having access to financial services plays an important role in both the economy and people's well-being. Many studies suggest that financial inclusion, which ensures that everyone can access and use financial services, is a key way to reduce income inequality and poverty.

(Beck&al, 2007) studied how financial access affects poverty and income distribution. They found that better access to finance helps reduce poverty and supports income growth. Their findings are similar to those of (Beck&al, 2004) and (Clarke&al, 2003), who also found that expanding financial access improves income distribution, lowers inequality, and helps fight poverty.

(Polloni-Silva et al., 2021) in a study conducted in Latin America found that indeed financial inclusion is a powerful tool to reduce poverty and inequality, these results are aligned with other previous studies (Demir&al, 2020; Fouejieu&al, 2020; Koomson&al, 2020; Mushtaq & Bruneau, 2019; N'Dri & Kakinaka, 2020; Omar & Inaba, 2020) as it was found that as financial inclusion increases, poverty and inequality decrease.

#### **5 Financial Inclusion Dimensions:**

Measuring financial inclusion remains a critical concern for researchers, governments, and policymakers. Traditionally, financial inclusion has been assessed using supply-side aggregate data that tracks access and usage of formal financial services (Honohan, 2007; Sarma, 2008,2012; Chakravarty, 2010; Amidzic, 2014). However, this approach has limitations as it does not accurately capture the real extent of financial inclusion. While the presence of bank branches and ATMs indicates accessibility, it does not guarantee that financial services are being effectively used. Moreover, supply-side data often overestimates

figures such as deposits, particularly in developed countries.

To address these gaps, some studies incorporate demand-side data to offer a more precise measure of financial inclusion. Notably, (Demirgüç-Kunt & Klapper, 2013, 2015) analyzed individual financial inclusion indicators using survey data. However, their approach lacks a comprehensive, unified index for financial inclusion across countries. Similarly, (Dabla-Norris, 2015) focused on Latin America and the Caribbean, developing an index that also considers small and medium-sized enterprises (SMEs). Despite these efforts, existing financial inclusion indices either cover a limited number of countries or face methodological challenges. Additionally, many studies fail to adequately address financial exclusion.

To establish a structured framework for measuring financial inclusion, researchers have identified three key dimensions: usage, access, and barriers (quality). These dimensions are determined through a combination of 20 indicators, incorporating both demand-side individual-level data (for usage and barriers) and supply-side country-level data (for access) (Cámara & Tuesta, 2017).

### **5.1 Usage:**

This dimension assesses the extent to which individuals actively use formal financial services, rather than merely having access. It includes holding at least one active financial product for payments, savings, or loans. Data from the World Bank's Global Findex (2011, 2014) provides insights into financial service usage at an individual level. The survey tracks various indicators such as account ownership at financial institutions (including banks, microfinance institutions, cooperatives, and postal banking systems) and the frequency of transactions. To refine this measure, dormant accounts, where no deposits or withdrawals have been made in the past 12 months, are excluded.

### **5.2 Barriers (Quality):**

Financial exclusion occurs when individuals face obstacles that prevent them from accessing formal financial services. This can be voluntary (due to cultural reasons, lack of interest, or lack of money) or involuntary (due to external barriers like affordability, lack of documentation, distance, or distrust in the financial system). The Global Findex dataset (2011, 2014) provides valuable insights into these barriers. According to the survey, affordability was a major obstacle, preventing 25% of the unbanked population from accessing financial services in both 2011 and 2014. Other significant barriers included

distance (reported by 20% of the unbanked in 2011 and 16% in 2014), documentation requirements (20% in 2011 and 19% in 2014), and lack of trust in the financial system (13% in 2011 and 10% in 2014). These barriers serve as a proxy for the quality of financial inclusion, as reducing them enhances inclusiveness (Cámara & Tuesta, 2017).

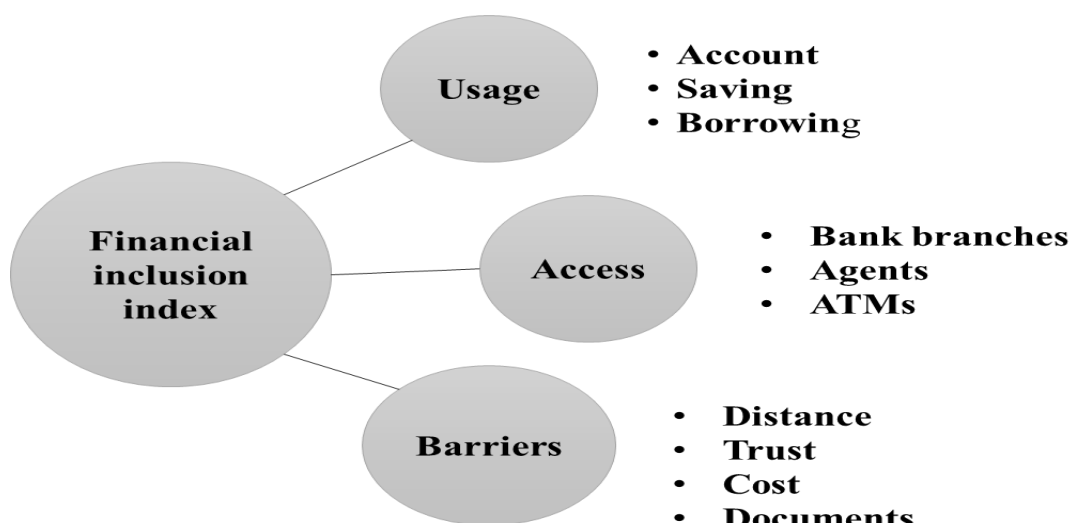
### **5.3 Access:**

While access to financial services is a fundamental requirement for financial inclusion, it is not sufficient on its own. Increased access; through higher numbers of bank branches, ATMs, or financial agents; does not necessarily lead to greater financial inclusion if people do not actively use the services. Data from the International Monetary Fund's Financial Access Survey (2015) measures access through indicators such as the number of ATMs, bank branches, and banking agents per 100,000 adults. Banking agents (also known as banking correspondents) play a significant role in expanding financial services, particularly in rural areas, by operating through local commercial establishments such as grocery stores, gas stations, and pharmacies (Cámara, 2015) . However, despite an increase in financial access points, distance remains a significant challenge in many developing countries.

To improve financial inclusion measurement, researchers propose a "net financial inclusion" approach, which integrates both supply-side and demand-side data. This method considers financial inclusion from two perspectives:

The banked population, by measuring the actual usage of formal financial services (financial system output), and the unbanked population, by incorporating the extent of financial exclusion into the assessment. By combining data on usage, access, and barriers, this comprehensive approach provides a more accurate picture of financial inclusion, addressing both the availability and the quality of financial services. This methodology helps policymakers design more effective strategies to improve financial inclusion, particularly for marginalized populations (Cámara & Tuesta, 2017).

**Figure 1: Multidimensionnel Financial Inclusion Index**



Source : Cámara, N., & Tuesta, D. (2017). *Measuring financial inclusion: A multidimensional index*. BBVA Research & Development Bank of Latin America (CAF).

## **6 The importance and benefits of financial inclusion:**

Since the 1990s, experts such as (Banerjee & Newman, 1993) have said that having access to financial services helps people escape poverty by improving their ability to earn money. This is why financial inclusion (FI) is seen as an important way to support development (Banerjee & Newman, 1993). Over time, more researchers have studied how FI connects to poverty and economic growth. (Aguera, 2015) Explained that FI creates jobs, helps people deal with money problems, and encourages them to invest in education and healthcare. This shows that understanding how FI affects poverty and income inequality can help governments make better policies to expand financial access.

(Turégano & Herrero, 2018) studied whether FI helps reduce income inequality while also looking at other factors like economic growth and government policies. They found that FI does more to reduce income gaps than just having a big financial sector. This means that if governments want to make incomes more equal, they should focus on expanding FI. (Zins & Laurent, 2016) also said that without financial access for everyone, poverty will continue and slow down economic growth.

(Demirguc-Kunt & Klapper, 2013) pointed out other ways FI helps. They said that having access to financial services helps women, small business owners, and informal workers by

giving them more chances to invest in education and work. Because of this, financial inclusion helps lower costs, make better use of resources, support businesses, and reduce income inequality.

Financial deepening, which means expanding financial services, plays an important role in economic growth. Studies show that countries with strong financial systems have faster business growth compared to those with weak banking systems (Levine, 1997). This is because having better access to finance helps people invest, start businesses, and increase productivity (Banerjee & Newman, 1993; Cagetti & Denardi, 2006; Beck et al., 2005; Ayyagari et al, 2008). These factors help boost a country's economy. According to (Dabla-Norris, 2015), better financial access and credit services (access to credit, credit depth, and credit intermediation, which represent the proxy measures of FI) have a direct and strong impact on economic growth (GDP and productivity).

A good financial system benefits a country in many ways. First, it helps move money from savers to borrowers, which encourages investment. Second, it improves how people manage their finances by giving them more options for saving and borrowing. Third, it allows individuals and businesses to use formal financial services instead of turning to unsafe options like loan sharks (Sarma & Pais, 2011). Another important benefit of financial inclusion is reducing poverty (Beck et al., 2007; Clarke & Zou, 2006; Honohan, 2008; Kendall et al., 2010). Without financial services, people have to rely only on their savings, making it harder to start businesses or handle emergencies.

## **Section 2: Barriers of Financial Inclusion**

This section reviews the state of financial inclusion in different countries and regions and the barriers hindering its success. It focuses on studies from Africa, Asia, the Middle East, and North Africa (MENA), and Algeria.

### **1 Barriers and obstacles to financial inclusion:**

Despite global efforts, many individuals remain excluded from formal financial services. Key barriers include several constraints, limiting access and usage. Understanding these challenges is essential for fostering inclusive financial systems.

#### **1.1 In the global context:**

(Akasumbawa et al., 2024) in their study titled “Drivers and barriers to financial inclusion: New insights from Muslim countries” examined the factors driving and hindering financial inclusion in Organization of Islamic Cooperation (OIC) countries from 2011 to 2021, they employed panel data analysis using fully modified ordinary least squares (FMOLS) and dynamic ordinary least squares (DOLS) methods, collecting data from the World Bank's Global Fidex database.

The results show that economic growth hinders financial inclusion in the long term due to widespread low income, leading to financial marginalization. On the other hand, banking stability supports financial inclusion by building public trust through effective management.

(Shirono, 2024) In the study titled “Understanding Barriers to Financial Access: Insights from Bank Pricing Data,” analyzed the costs associated with banking services and provided insights into the affordability aspect of financial access. The methodology involved collecting detailed bank pricing information through a market research approach from 197 banks in 34 countries.

The results revealed that the costs of maintaining a bank checking account and conducting basic transactions can exceed 5% of a consumer's monthly income in more than 10 percent of the sampled countries.

These findings underscore the considerable challenge of affordability as a significant barrier to access to financial services, especially for low-income households and SMEs.

Another study conducted by (Sayyad & Jadhav,2023) aimed to identify and analyze the key

barriers to financial inclusion faced by rural households in India, for this aim, a quantitative approach was adopted, employing convenience and snowball sampling methods to collect data from 136 financially excluded respondents in the Pune District,

The findings show that financially excluded individuals struggle to understand banking operations.

Geographical barriers also play a role, as some people must travel long distances to access financial services while others may feel too shy to enter a bank, additionally, economic costs pose a significant challenge, as the expenses associated with deposits and withdrawals at convenient times discourage access to banking services. The language barriers further exacerbate the problem, as many financially excluded individuals lack literacy skills, making it difficult for them to read and understand banking procedures.

(Saluja et al., 2023) conducted a systematic review to synthesize knowledge on barriers and interventions affecting women's financial inclusion.

Following the PRISMA approach, the study systematically reviewed literature from Scopus and WOS databases, based on 67 eligible studies, the results identified six key barriers to women's financial inclusion: patriarchal structures, psychological factors, low income/wages, low financial literacy, limited financial accessibility, and ethnicity.

another study titled “Issues and Challenges of Financial Inclusion Among Low-Income Earners In Rural Areas of Malaysia” by (Sharizan et al., 2021) ,aimed to analyze the key barriers faced by Financial Institutions (FIs) in attracting rural individuals to participate in the Islamic financial sector.

Based on, a qualitative methodology, through semi-structured interviews, with four expert bankers from Financial Institutions (FIs) in Kuala Rompin, Pahang, and two representatives from the B40 customers in the rural areas of Pekan, Pahang, Malaysia.

The findings show that barriers faced by the supply sides of the FIs include 1) high risk of cost and security, 2) barriers in communication and lack of financial education, and 3) lack of proof documents. The other challenges are 1) competition with conventional institutions, 2) default risk due to non-payment, and 3) internet connection problems. On the demand side, the issues and challenges found include 1) lack of confidence, 2) lack of proof documents, 3) misuse of capital, and 4) lack of financial literacy. These findings are important for Islamic banking and finance in understanding the challenges of providing

financial services to low-income groups in Malaysia.

(Hassan et al., 2020) examined financial inclusion in Quetta, Pakistan, identifying key barriers and their impact on economic participation. The researchers used a questionnaire administered to 293 respondents through convenience sampling to assess access to financial services and obstacles to inclusion. The findings reveal that insufficient financial resources, irregular income patterns, and lack of trust in formal financial institutions are the main challenges. These barriers significantly hinder financial inclusion, emphasizing the need for policies that enhance financial literacy, promote economic stability, and build institutional trust.

(Babajic et al., 2018) investigate barriers to financial inclusion among youth, focusing on factors that limit their engagement with banking services. The researchers employed a structured questionnaire administered to 205 graduate students from the University of Tuzla, Bosnia and Herzegovina, using convenience sampling. The study finds that the primary reasons for being unbanked include reliance on a family member's account, insufficient funds, and a lack of perceived necessity for financial services. Additional barriers include the absence of required documentation, distrust in financial institutions, high service costs, religious beliefs, and limited awareness of banking products. These findings highlight the need for targeted financial literacy programs and policy interventions to enhance youth participation in the formal financial system.

## **1.2 In the African context:**

(BAHRA & TANI, 2024a) Conducted a comparative study on financial inclusion in Morocco and selected MENA countries, analyzing key enablers and barriers. Using secondary data from the Global Findex database (2017, 2021), they examined financial inclusion indicators, focusing on factors that promote or hinder access to financial services. The study revealed that mobile phone usage had no significant impact on financial inclusion, while a notable gender gap persisted. Key barriers included inadequate infrastructure, low financial literacy, high service costs, and geographical constraints. Cultural factors, such as religion, also played a role in financial exclusion, emphasizing the need for targeted policies to enhance accessibility and financial education.

(Williams et al., 2023) investigated the impact of illiteracy and unemployment on financial

inclusion in rural Nigeria. The Findings indicate that illiteracy reduces financial participation, while unemployment further restricts inclusiveness. The study underscores the need for policies promoting education, job creation, and infrastructural development to enhance financial inclusion in rural communities.

Another study titled “Financial Inclusion in Rural and Urban Nigeria done by (Soetan & Umukoro (2023), explored financial inclusion among vulnerable customers in an emerging economy, focusing on rural-urban differences in access and usage of financial services. It also identified key challenges and possible interventions based on insights from customers and bank managers.

The results indicate that financial inclusion is significantly lower in rural areas compared to urban regions due to limited banking infrastructure, high service costs, and digital illiteracy. While urban residents actively use financial services, rural populations face challenges related to accessibility and affordability, leading many to rely on informal financial networks. In addition, High transaction fees further discourage low-income individuals from engaging with formal banking. Bank managers highlighted regulatory and operational challenges but suggested policy reforms and financial education as potential solutions to enhance financial inclusion.

The dynamics of financial inclusion in rural South Africa were explored by (Simatele & Maciko, 2022), who examined the multifaceted barriers that hinder access to formal financial services. The study categorized these barriers into supply-side and demand-side constraints. On the supply side, high banking costs, inadequate financial infrastructure, and complex bureaucratic requirements significantly limit accessibility. On the demand side, irregular income patterns, widespread financial illiteracy, and persistent unemployment further exacerbate financial exclusion. These structural challenges contribute to a cycle of limited financial participation, reinforcing economic disparities in rural communities. The research emphasizes the urgent need for targeted policy reforms, expansion of financial services, and robust financial education programs to promote inclusivity and empower rural populations with sustainable financial opportunities (Simatele & Maciko, 2022).

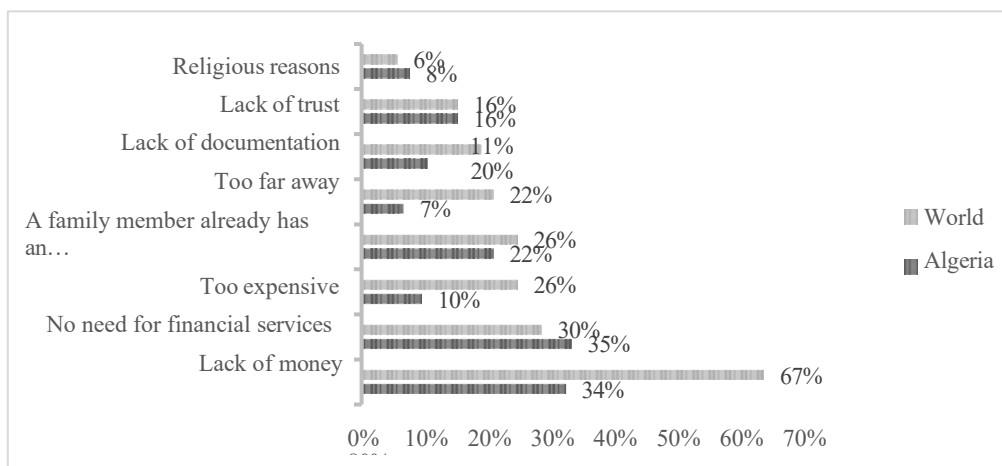
(Benyacoub, 2021) conducted an empirical study to identify and analyze the barriers to women's financial inclusion in Morocco. Using a quantitative approach and an online questionnaire, the study examined the demographic, socioeconomic, professional, and financial characteristics of 141 women from various regions. The findings revealed several key barriers of financial inclusion, including a lack of financial resources, low levels of financial literacy, religious considerations, complex banking procedures, and a general lack of trust in financial institutions. Furthermore, a significant proportion of women reported an aversion to credit. The study emphasized the importance of promoting financial education, simplifying access conditions, and leveraging mobile banking technologies to improve financial accessibility for women.

### **1.3 In the Algerian context:**

A study conducted by (Belkacemi, 2023) to compare the basic indicators of financial inclusion between Algeria and Tunisia through a comparative study in terms of availability, utility, and quality indicators, based on the World Bank data. The author found that Algeria lags behind Tunisia in each of the criteria. this is due to voluntary reasons such as the religious factor or involuntary and exogenous reasons such as the lack of money for the poor, the barrier "too far" as the extent of the expansion of the banking network does not cover the entire national territory, but also to internal practices, imbued with certain bureaucratic reflexes.

(Tharouma, 2022) studied the current situation, key definitions, and challenges of financial inclusion in Algeria. analyzing the results of the "Global Findex - 2017" survey, the obstacles to financial inclusion found were:

**Figure 2: Barriers to financial inclusion in Algeria (%), 2017**



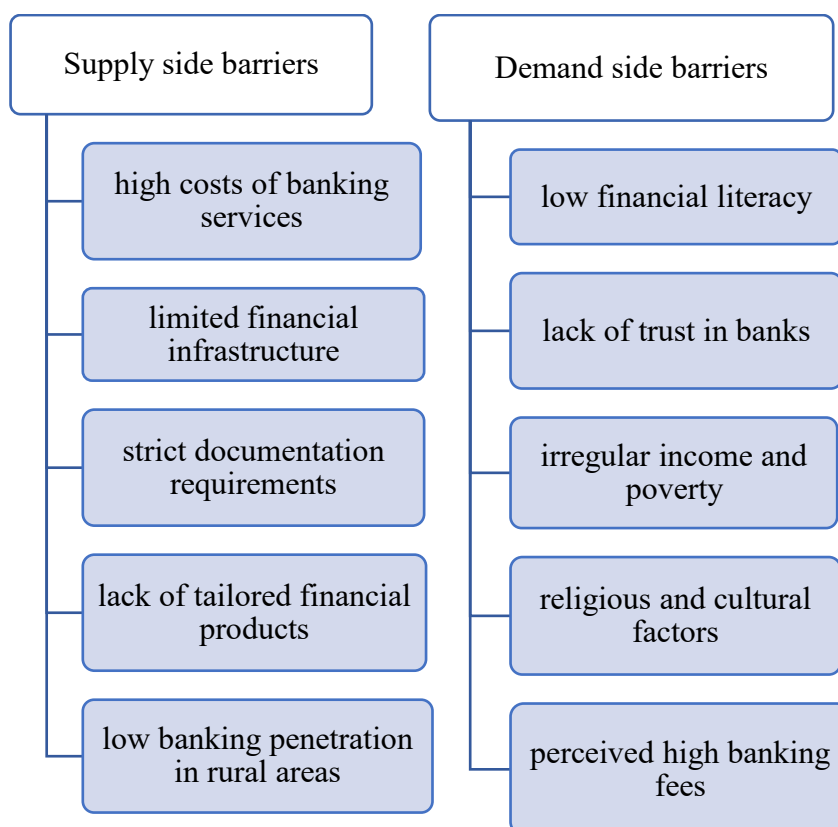
Source: Tharouma, S. (2022). *State of Play, Definitions and Challenges of Financial Inclusion in Algeria. Administrative and Financial Sciences Review*, 6(2), p 374.

The most important involuntary reason mentioned by Algerian adults is the lack of money (34%). It should be noted that this obstacle is the most mentioned worldwide with a proportion of 67%. Other unintentional barriers were less important to Algerian adults as a reason for not having an account at a financial institution, such as lack of documentation (11%), too high cost (10%), and distance from the bank (7%). Finally, we can see that about 6% of adults surveyed who do not have a formal account worldwide cite "religious reasons" for not having one, and this figure is 8% in Algeria.

Another study titled "Financial Inclusion in Algeria: Determinants and Constraints", conducted by (Feredj et al., 2021), aimed to analyze the determinants and constraints of financial inclusion in Algeria. The authors sought to understand the phenomenon of banking savings and credits aversion and measure the impact of individual characteristics on various indicators of financial inclusion, based on an empirical analysis using probit models applied to data collected from the World Bank's Findex database. This database includes a sample of the Algerian population from a survey conducted in 2014. The study's main findings indicate that financially excluded individuals in Algeria are primarily women, youth, the poor, and those with lower education levels. The analysis of financial inclusion barriers shows that women are financially excluded mainly for voluntary reasons, such as religious beliefs or because a family member already has an account. For young people, the main issue

is that financial services are too expensive. Poor individuals see the lack of money as the biggest obstacle to financial inclusion. Meanwhile, those with lower education levels consider the lack of required documents as the main reason for their exclusion.

**Figure 3: barriers to financial inclusion**



Source: Developed by the author based on the previously cited studies

## 2 limitation, and knowledge gap:

**Table 4: Research Methods, Studies, and Limitations**

Method	Studies That Used the Method	Method Limitations & Gaps in Findings
Surveys	<ul style="list-style-type: none"> <li>- (Sayyad &amp; Jadhav, 2023)</li> <li>- (Hassan et al.,2020)</li> <li>- (Babajic et al.,2018)</li> <li>- (Williams et al.,2023)</li> <li>- (Soetan &amp; Umukoro, 2023)</li> <li>- (Benyacoub, 2021)</li> </ul>	<p>Studies conducted in countries outside Algeria will likely have findings that differ from the Algerian context. This is because financial inclusion is shaped by various local factors such as culture, economic conditions, infrastructure, and even legal frameworks</p>
Interviews	<ul style="list-style-type: none"> <li>- (Sharizan et al., 2021)</li> <li>- (Simatele &amp; Maciko, 2022)</li> <li>- (Soetan &amp; Umukoro, 2023) (qualitative phase)</li> </ul>	<ul style="list-style-type: none"> <li>- Subjectivity and interviewer bias can affect the responses.</li> <li>- Small sample sizes may not represent the broader population.</li> <li>- Responses may be influenced by social desirability bias.</li> </ul>
Mixed Methods (Surveys + Interviews)	<ul style="list-style-type: none"> <li>- (Soetan &amp; Umukoro, 2023)</li> </ul>	<ul style="list-style-type: none"> <li>- Combines strengths of both methods but can be time-consuming and costly.</li> <li>- Requires rigorous integration of qualitative</li> </ul>

		and quantitative findings.
Market Research & Pricing Analysis	- (Shirono, 2024)	- Focuses mainly on affordability but does not capture behavioral aspects of financial exclusion. - Lacks insights into sociocultural or psychological barriers.
Systematic Literature Review	- Saluja et al. (2023)	- Relies on secondary data, which may not reflect recent trends. - Limited by the availability and quality of past studies.
Empirical Models	- (Chabane et al., 2021) (Probit models) - (Kumar et al., 2020) (ISM MICMAC) - (Williams et al., 2023) (ARDL) - (Hassan et al., 2020) (Factor analysis) - (Akasumbawa et al., 2024) (FMOLS & DOLS, Panel Data Analysis)	- Findings depend on the quality of secondary data. - Cannot fully capture non-quantifiable factors such as personal trust or behavioral attitudes toward financial services.
Secondary Data Analysis (Findex, Global Databases, Reports, etc.)	- (Bahra & Tani, 2024) - (Feredj et al., 2021) -(Belkacemi, 2023)	- Lacks real-time or localized insights. - May not reflect the latest financial behavior patterns

	- (Tharouma, 2022)	of individuals.
Focus Groups	- (Simatele & Maciko, 2022)	- Small, specific groups may not be representative of the general population. - Group dynamics can influence individual responses.

Source: Developed by the author based on the previously cited studies

In contrast to the reviewed studies, most of which were conducted in other countries or relied heavily on secondary data, our study provides a localized and up-to-date empirical analysis of the barriers to financial inclusion in Algeria. By focusing on a specific Algerian municipality and using primary data collected through a structured questionnaire, this study addresses the gap in context-specific research and offers insights that reflect the unique socio-economic, cultural, and institutional realities of the country. The added value of this dissertation lies in its contribution to filling the existing knowledge gap regarding the factors that hinder financial inclusion in Algeria and in providing evidence that can inform policymakers and practitioners working to improve access to financial services for underserved populations.

**Chapter's conclusion:**

In summary, this chapter has laid the conceptual framework for understanding financial inclusion and its multifaceted impact on economic and social development. By reviewing key theoretical foundations and identifying common barriers across various contexts, it has highlighted both the progress made and the persistent challenges in promoting inclusive financial systems. The identified gaps in the literature and the complexity of financial exclusion, particularly in developing countries like Algeria, underscore the relevance and necessity of the present research.

## **CHAPTER 2: METHODOLOGICAL FRAMEWORK**

## **Introduction of Chapter 2:**

This chapter presents the methodological framework adopted to conduct the present study. It is divided into two main sections. The first section is dedicated to the research methodology, where we discuss the epistemological foundations of the study, the chosen research approach, the deductive reasoning adopted, and the justification for opting for a quantitative method within a defined time frame. The second section focuses on the data aspect, including a detailed explanation of the data collection tool, its construction and structure, the pre-testing phase, the survey period, and the mode of administration. This section also outlines the target population, the sample size, and the sampling method used. This chapter thus lays the foundation for the empirical investigation by clarifying the research choices and contextual elements that guided the study.

## **Section 1: Research Methodology**

The methodological framework is the backbone of scientific research in all fields, including management. This section discusses the methodological framework adopted to ensure the reliability, validity, and generalizability of the results obtained, which are the very foundations of the quality of our research.

### **1 Research epistemology:**

Epistemology, which originated in the early 20th century, is a branch of the philosophy of science that investigates the theories and foundations of knowledge (Cherkaoui & Haouata, 2017). As noted by Piaget (1967), this field focuses on constructing valid knowledge by examining its nature, origin, and legitimacy.

Wacheux (1996) points out that the epistemological framework helps researchers build a solid foundation for their work and justify its validity (Cherkaoui & Haouata, 2017). In the field of management sciences, three main epistemological perspectives are commonly used: positivism, which tries to explain reality objectively; constructivism, which sees knowledge as something that comes from social interactions; and interpretivism, which seeks to understand phenomena through the experiences of individuals, as discussed by (Girod-Séville & Perret, 2003, as cited in Cherkaoui, 2017).

Positivism is fundamentally about exact sciences and the research principles applied therein. Its epistemological position presumes that reality is objective and exists independently from the researcher, and it has laws that operate universally and unchanging. The researcher's role in this epistemological approach is to identify those laws in an objective and contextless manner (D'Amboise, 1996, as cited in Cherkaoui, 2017).

Our research adopts a positivist paradigm, focusing on objectively measuring the barriers influencing financial inclusion in Algeria with evidence from Ain Kercha municipality.

### **2 Research approach:**

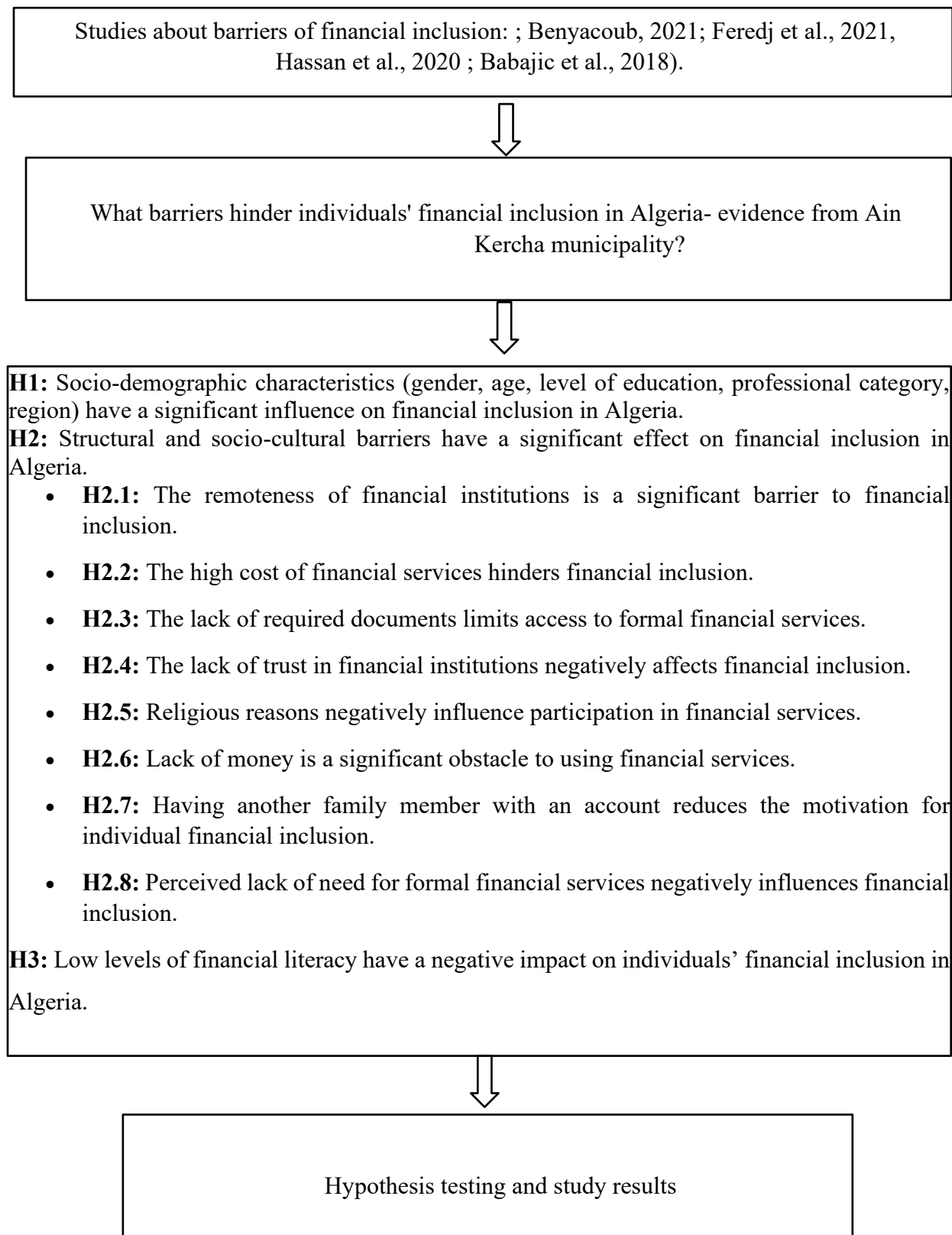
The research approach can be divided into two categories: deductive and inductive. These approaches are closely linked to the choice of an epistemological posture suited to the research. The study adopts a predominantly deductive approach, grounded in operational logic, where facts are developed from theoretical frameworks and hypotheses using a hypothetico-deductive reasoning strategy (Belaidi, 2023; Sanders et al., 2019). This method

is particularly relevant for our research, as it enables the testing of theoretical models against empirical data. In statistical analysis, the strength of this approach lies in its ability to produce successful predictions derived from hypotheses, thereby confirming their validity (Sprenger, 2011).

### **3 Research Time Frame:**

Based on a cross-sectional design, the present study collects data in a single phase over a limited time frame. The objective of this research is to examine the potential causal links between key barriers and financial inclusion, in order to better understand what prevents individuals from accessing and using formal financial services (Al-Ababneh, 2020; Saunders et al., 2016).

**Figure 4: The deductive approach of the research**



Source: Author, inspired by Thiétart et al. (2014)

#### **4 Choice of quantitative approach:**

Broadly speaking, there are three main research approaches: qualitative, quantitative, and mixed methods (Creswell, 2009; Creswell & Plano, 2007). To examine the barriers of financial inclusion in Algeria, using evidence from Ain Kercha Municipality, this study adopted a quantitative research approach.

According to Creswell & Plano (2007), a quantitative approach explains phenomena by collecting numerical data, which is then analyzed using statistical techniques. This method involves structured inquiry techniques, such as experiments and surveys, and relies on predetermined instruments to generate statistical data.

Some of the significant strengths of quantitative research include producing reliable and measurable data, which facilitate generalizations, practical testing and validation of theories before data collection by structured use of testing hypotheses, and understanding the cause-effect relationships through identification of major variables and standard measurement and observation methods (Creswell, 2009).

## **Section2: data**

This section describes the data collection process, the tools and procedures used to gather information, and the characteristics of the study population. It explains how the questionnaire was designed, administered, and analyzed, and presents the sampling method and the context of the study area. Together, these elements provide the foundation for understanding how the study's empirical data were obtained and processed.

### **1 Data collection tool:**

Kothari (2004) contended that primary data refers to new information collected for the first time in its original form (Haso, 2023). This study addressed the barriers to financial inclusion in Algeria, with a specific focus on the municipality of Ain Kercha, Oum El Boughi province. The researcher used primary data gathered first-hand from the selected sample participants in the study area. The data, responses, and information provided by these participants formed the basis for the analysis and findings.

#### **1.1 Questionnaire construction:**

In order to evaluate the original hypotheses outlined in this research, a structured questionnaire survey was delivered in the designated study area. The questionnaire was purposefully developed to gather appropriate data to answer the research objectives and gather the perceptions and experiences of the intended participants about the barriers to financial inclusion. The questionnaire was developed based on the literature and previous studies related to the topic, such as: the Global Findex Questionnaire (2021), Haso (2023), Benyacoub (2021), Sam (n.d.), Hassan et al. (2020), and Babajic et al. (2018). The instrument was initially developed in English and subsequently translated into Arabic, which is the predominant language among the participants in the target population, to ensure that it was fully comprehensible to them.

#### **1.2 Questionnaire Structure**

The questionnaire was designed around three central thematic sections, complemented by an introduction and a general information section. Its objective was to capture the key aspects of financial inclusion, emphasizing the Algerian context, while maintaining clarity and respecting respondent confidentiality.

### **1.2.1 General Information About the Participant**

This initial section gathered fundamental socio-demographic data using five closed-ended questions. The variables covered included gender, age group, level of education, employment status, and whether the respondent resided in an urban or rural area. These elements are crucial for contextualizing the findings and analyzing how personal characteristics relate to financial inclusion outcomes. The section is composed entirely of closed-ended and multiple-choice questions.

### **1.2.2 Theme 1: Access to and Use of Financial Services**

This section aimed to evaluate participants' access to and actual use of formal financial services. It included questions about whether respondents held a bank or postal (CCP) account, and the types of accounts they possessed. Participants were also asked if they had used their accounts within the past 12 months and whether they had applied for any form of credit.

To further understand financial behavior, respondents were asked about the types of loans they had requested, and to rate the importance of each loan type using a five-point Likert scale. Additionally, the section explored the use and satisfaction with different payment methods, such as cash, online, and electronic payments (POS).

This theme included a combination of dichotomous questions (yes/no), multiple-response items, and Likert-scale questions, providing insights into both access to financial tools and the extent of their utilization in everyday transactions.

### **1.2.3 Theme 2: Barriers of Financial Inclusion**

This section explored the primary factors that hinder individuals from accessing or using formal financial services. The initial question employed a multiple-response format to identify perceived barriers such as geographical distance, high service fees, lack of required documentation, issues of trust, religious objections, and a general absence of perceived need or interest.

Following this, a five-point Likert scale was used to measure the extent to which respondents agreed with each identified barrier, offering deeper insight into the intensity of these perceptions.

Another question examined reasons for not applying for loans, using a similar multiple-response format to capture various explanations, including lack of necessity, time

limitations, lack of collateral, high banking fees, religious reasons, and geographical constraints. This theme includes both multiple-response and Likert-scale questions to capture a broad range of attitudes and experiences.

#### 1.2.4 Theme 3: Knowledge of financial inclusion terms

The final section assessed the level of financial literacy among participants. Respondents were presented with a list of financial terms and were asked to identify which ones they recognized. This multiple-response question served as an indicator of basic financial knowledge.

In addition, participants were asked if they felt the need for financial education and how beneficial they believed such education would be, with the latter question rated on a five-point Likert scale. This section incorporates a mix of multiple-response questions, dichotomous items, and Likert-scale questions to evaluate knowledge and perceived educational needs.

**Table 5: Themes and Questions of the Questionnaire with Corresponding Sources**

Theme	Question	Type of response	Source
General Information (About the Participant)	What is your gender?	Dichotomous (Female / Male)	(Benyacoub, 2021; Global Findex Questionnaire, 2021; Haso, 2023)
	What is your age?	Multiple choice (Age ranges)	
	What is your educational level?	Multiple choice	
	What is your employment sector?	Multiple choice	
	Do you live in an area that is:	Dichotomous (Urban / Rural)	
Theme 01: Access to and Use of Financial Services	Do you have a bank account?	Dichotomous (Yes/No)	((Babajic et al., 2018; Benyacoub, 2021; Sam, n.d.).
	Do you have a CCP account (Postal Checking Account)?	Dichotomous (Yes/No)	
	What type of bank account do you have?	Multiple choice (Check all that apply)	
	Have you used your bank account in the past 12 months?	Dichotomous (Yes/No)	
	Have you ever applied for a loan	Dichotomous (Yes/No)	

	from a bank or financial institution?		
	If yes, please indicate the type of loan	Multiple choice (Check all that apply)	
	Degree of importance for each loan type	Likert scale (1 to 5)	
	Which payment methods do you use most often?	Multiple choice (Check all that apply)	
	Satisfaction with payment methods	Likert scale (1 to 5)	
Theme 2: Barriers to Financial Inclusion	In your opinion, what are the main reasons that prevent you from accessing financial services?	Multiple choice (Check all that apply)	(Babajic et al., 2018; Benyacoub, 2021; Global Findex Questionnaire, 2021; Hassan et al., 2020)
	What is your level of agreement with the following reasons as barriers to financial inclusion?	Likert scale (1 to 5)	
	What are the reasons you avoid applying for a bank loan?	Multiple choice (Check all that apply)	
Theme 3: Knowledge of financial inclusion terms	Which of the following financial concepts do you know?	Multiple choice (Check all that apply)	(Babajic et al., 2018; Benyacoub, 2021)
	Do you believe you need financial education?	Dichotomous (Yes/No)	
	To what extent do you think financial education would be useful for you?	Likert scale (1 to 5)	

Source: author

### 1.3 Pre-testing the Questionnaire :

Pre-testing is an important step before launching the final version of a questionnaire. It helps

to ensure that the questions are clear and understandable and that the responses collected will be reliable. According to Thiétart (2014), Rothgeb et al. (2007), Bell et al. (2019), and Belaidi (2023), the pre-test allows researchers to confirm the validity and reliability of the measurement tools on a small sample before applying them on a large scale.

In this study, the questionnaire was pre-tested from April 8 to April 14, 2025. First, it was validated by 10 experts, then it was tested on a small and easily reachable group from the target population. Based on the participants' feedback, some questions were reformulated due to difficulties in understanding, and the response scales were refined to avoid confusion and minimize bias in the data collection.

#### **1.4 Survey period:**

Regarding data collection, our study took place from 14/04/2025 to 30/04/2022, for a total of 203 responses.

#### **1.5 Mode of administration:**

The questionnaire was administered face-to-face with residents of the municipality of Ain Kercha, particularly in public places such as local markets, shops, and administrative institutions. In some cases, shop owners and public employees were asked to complete the questionnaire and share it with customers or visitors who were willing to participate. To overcome accessibility challenges and time constraints, some responses were also collected through phone calls with participants who could not be reached physically. This mixed method of distribution helped maximize the number of collected responses and ensured broader coverage despite the limited cooperation.

#### **1.6 Method of data analysis:**

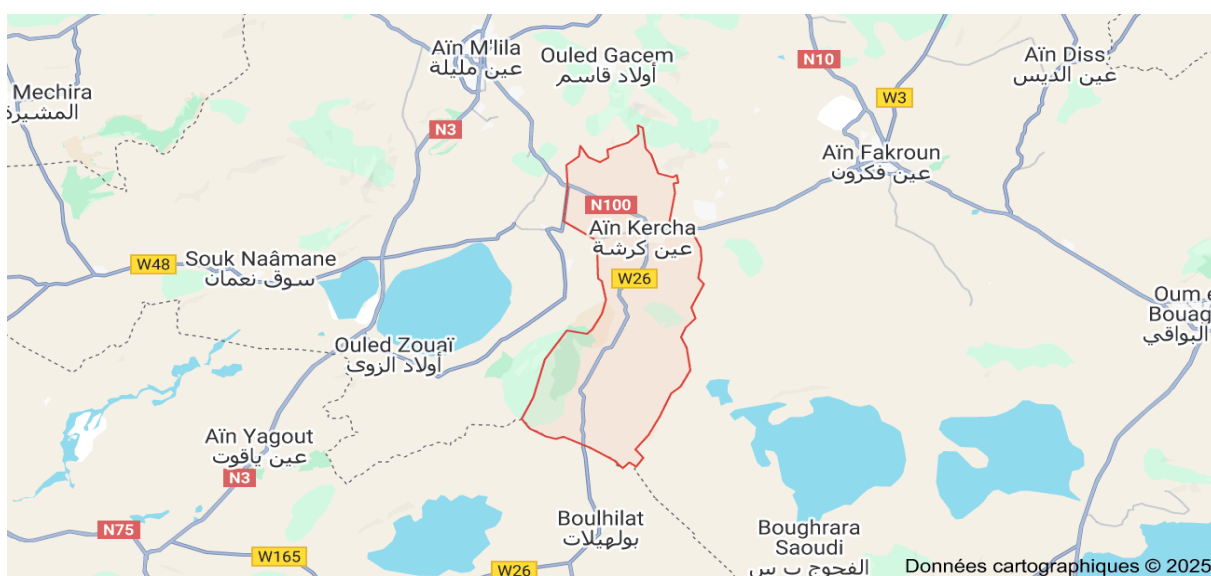
To properly answer the research question and meet the objectives of the study, it was important to carry out a detailed analysis of the collected data. This step was key to making sense of the questionnaire responses and drawing meaningful conclusions. A quantitative method was chosen for this analysis. Once the questionnaires were filled out and collected, the responses were carefully sorted, coded, and prepared for processing.

The data analysis was carried out using SPSS, version 27, with additional support from Microsoft Excel 2019 for creating graphs and visual summaries.

## 2 Study population:

The objective of the current research was to explore the barriers that hinder the success of financial inclusion. For this reason, the town of Aïn Kercha was selected as the study area. It is a municipality in the Oum El Bouaghi Province, located in the northeastern part of Algeria. It represents a mix of rural and urban population settings, an ideal context for examining varying levels of financial inclusion. One of the primary reasons for choosing this location is the absence of a local bank branch. The nearest bank branch is located approximately 18 to 20 kilometers away, posing a significant challenge for many residents, especially those without access to reliable transportation. The limited availability of public transport to and from these financial service points further restricts access to basic services such as credit, and electronic payments via POS. Moreover, Aïn Kercha remains largely under-researched in terms of financial inclusion, offering valuable opportunities to contribute new insights to the existing literature. Finally, the researcher's residence in Aïn Kercha facilitated easier engagement with local residents and enabled field visits without significant travel constraints, thereby rendering data collection both efficient and comprehensive.

**Figure 5: Map of Ain Kercha, Oum El Bouaghi, Algeria**



**source:** Google. (2025). *Map of Aïn Kercha, Oum El Bouaghi, Algeria* [Google Maps].

Retrieved April 2, 2025, from <https://www.google.com/maps>

### 3 Sample size:

According to data obtained from a source within the Ain Kercha (Municipality of Ain Kercha, personal communication, April 2, 2025), the population size was 35602 in 2022. The number of adults aged 18 and above in the city was not known. Because the population frame is unknown to determine the appropriate sample size for the study, Cochran's formula was employed. This formula is particularly useful for calculating sample sizes in situations where the population is large or unknown. It provides an ideal sample size based on the desired level of precision, confidence level, and estimated proportion of the attribute present in the population (Cochran, 1977).

The formula is expressed as:

$$n_0 = \frac{z^2 \cdot p \cdot q}{e^2}$$

Where:

- $n_0$ : Initial sample size.
- $Z$ : Z-score corresponding to the desired confidence level ( $Z=1.96$  for 95% confidence).
- $p$ : Estimated proportion of the population ( $p=0.5$ ).
- $q=1-p$ : Proportion without the attribute( $q=0.5$ ).
- $e$ : Desired margin of error ( $e=0.05$ ).

The sample size was found to be 384.

only 203 valid responses were collected due to field constraints, resulting in a slightly higher margin of error (approximately 6.9%).

### 4 Sampling method:

Because the population frame is unknown, a non-probability sampling technique was used. Specifically, convenience sampling was adopted, which involves selecting participants who are easily accessible and available to the researcher (Rahi, 2017). This method is commonly used when it is difficult to reach the entire population and helps save both time and costs. As MacNealy (1999) explains, it often involves approaching individuals in public places to

participate in the study. Although it is sometimes criticized for not fully representing the target population, Koerber & McMichael (2008) emphasize its usefulness in situations where the researcher has limited access or control over the sample. In this study, convenience sampling was considered the most practical and realistic way to collect data from people in the selected area. Due to the large sampling area, the intended sample size, and certain security issues, the researcher was unable to reach all regions of the municipality. This approach has also been used in similar studies (Hassan et al., 2020; Sayyad & Jadhav, 2023).

**Chapter's conclusion:**

Overall, the methodological framework established in this chapter provides a solid foundation for the empirical analysis that follows. The clarity and coherence of the research design, data collection process, and contextual setting ensure the reliability and relevance of the study's findings.

## **CHAPTER 3: RESULTS AND DISCUSSION**

**Introduction of chapter 3 :**

In this chapter, we take a closer look at the results we gathered from the questionnaire used in our field survey. The chapter is organized into two sections. First, we'll present and interpret the collected data through descriptive statistics. This section gives an overview of access to financial services, the key challenges individuals face, and the level of financial literacy among our respondents. We make sure to explain each result clearly, showing how it ties back to the study's objectives. In the second part, we'll discuss these findings in relation to the existing literature we reviewed. This comparison allows us to see where the situation in Algeria aligns with or diverges from trends observed in other contexts. By connecting our results to previous research, we hope to gain a deeper understanding of the unique challenges and dynamics surrounding financial inclusion in Algeria.

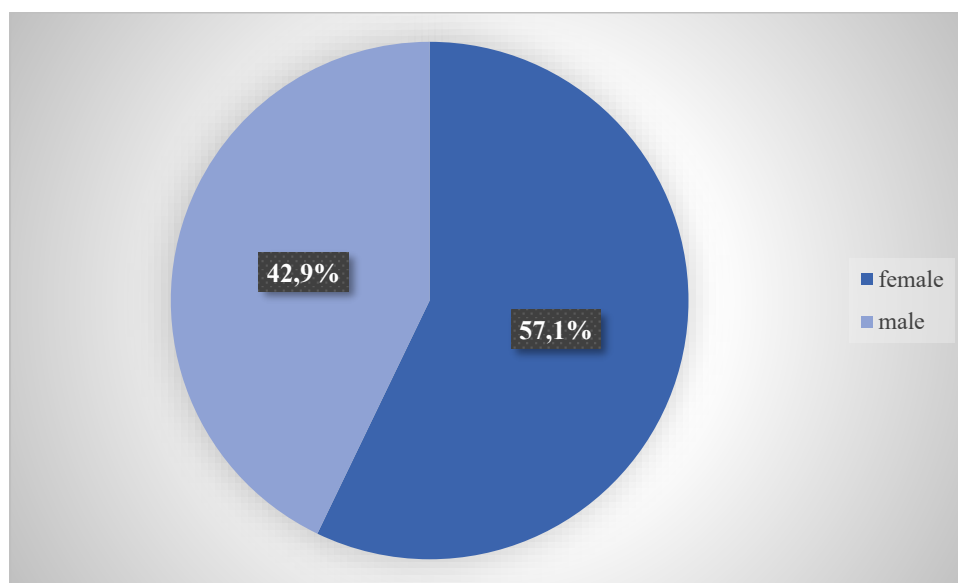
## Section 1: Results

### 1 General Information about the study participants:

This part presents the key socio-demographic characteristics of the participants, providing essential context for interpreting the study's findings.

#### 1.1 Gender:

**Figure 6: Gender Distribution of the Sample**



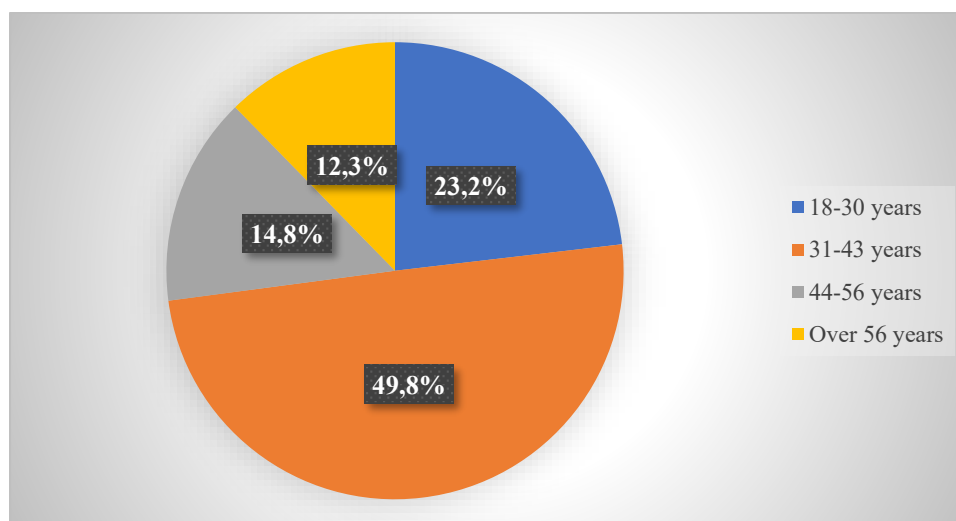
Source: Author's own elaboration based on SPSS results.

The study sample consisted of 203 respondents. The gender distribution indicates that 57.1% of the respondents were females, while 42.9% were males, indicating a marginal majority of female respondents.

This slight predominance of female participants provides an opportunity to capture the perspectives of women regarding financial inclusion, which is particularly relevant given that women may face specific barriers to accessing financial services. The gender balance in the sample also allows for meaningful comparisons between male and female experiences with financial inclusion.

## 1.2 Age:

**Figure 7: Age group distribution of the sample**



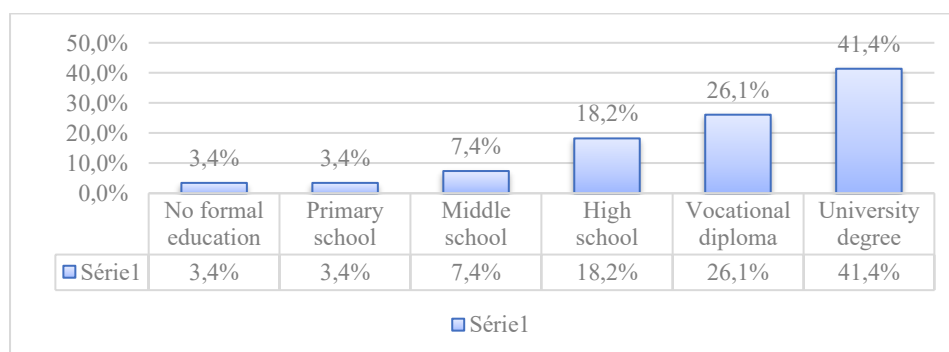
Source: Author's own elaboration based on SPSS results.

About age distribution, 49.8% of the respondents were between 31 and 43 years old, 23.2% were aged 18 to 30, 14.8% were between 44 and 56 years old, and 12.3% were over 56 years old. This shows a concentration of responses among adults in the middle age group (31–43 years).

This age profile suggests that the sample predominantly reflects the views of economically active individuals who are likely to be more engaged with or in need of financial services. The lower representation of younger adults and seniors also suggests that the findings may primarily capture the experiences and challenges of middle-aged participants, who often bear greater financial responsibilities within households.

## 1.3 Educational level:

**Figure 8: Educational level distribution of the sample**



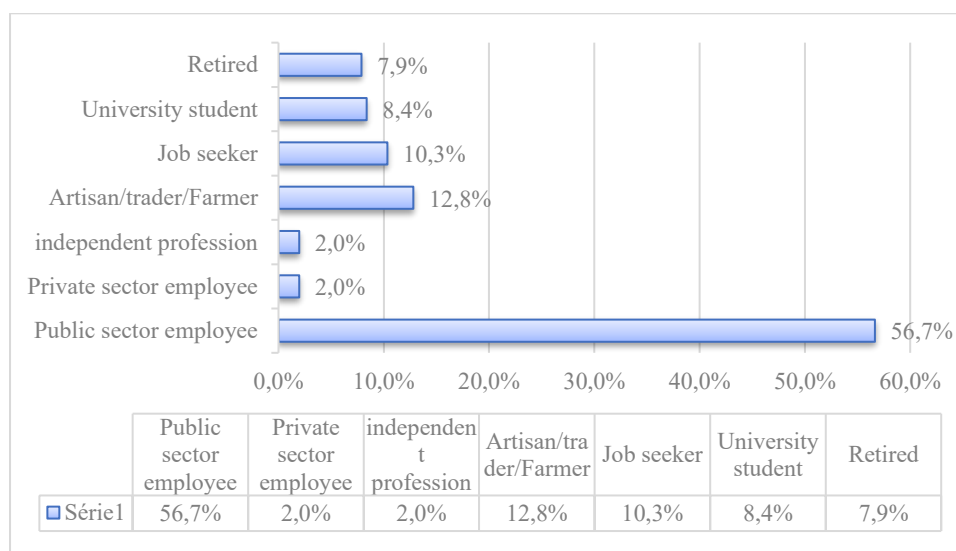
Source: Author's own elaboration based on SPSS results.

Most of the respondents had a university degree or a vocational diploma (a certificate from a specialized institute after training in a specific job skill), 41.1% and 26.1%, respectively. 18.2% were high school graduates, 7.4% were middle school graduates, and 3.4% were primary school graduates. Additionally, 3.4% had no formal education.

This distribution shows that the sample was relatively well-educated overall, with a significant portion having higher education or specialized training. The presence of respondents with lower educational levels and no formal schooling also provides important insights into the potential link between educational attainment and barriers to accessing or using formal financial services.

#### 1.4 Respondent's occupation:

**Figure 9: Socio-professional distribution of the sample**



Source: Author's own elaboration based on SPSS results.

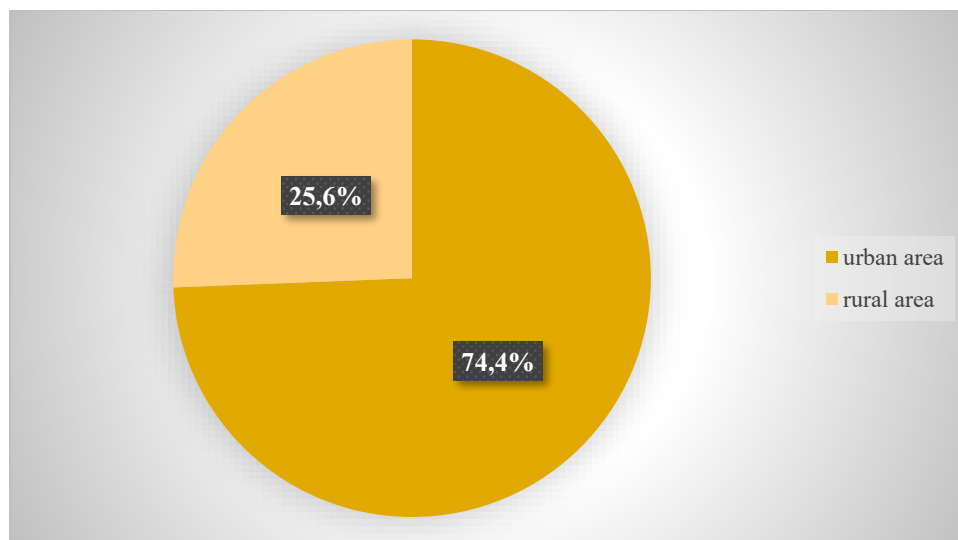
Concerning the socio-professional status of the respondents, the majority were employed in the public sector (56.7%), followed by artisans, farmers, or traders (12.8%). 10.3% were job seekers, 8.4% were university students, and 7.9% were retirees, while private sector workers and independent professionals accounted for 2% each.

This distribution indicates that the sample was largely composed of individuals with stable public sector jobs, which may influence their level of financial inclusion due to greater job security and access to formal financial services. The relatively small proportions of private

sector workers and self-employed professionals reflect either their lower presence in the study area or potential challenges in reaching these groups during data collection. The diversity in socio-professional categories provides an opportunity to observe how employment status relates to financial service access and use.

### 1.5 place of residence:

**Figure 10: Place of residence distribution of the sample**



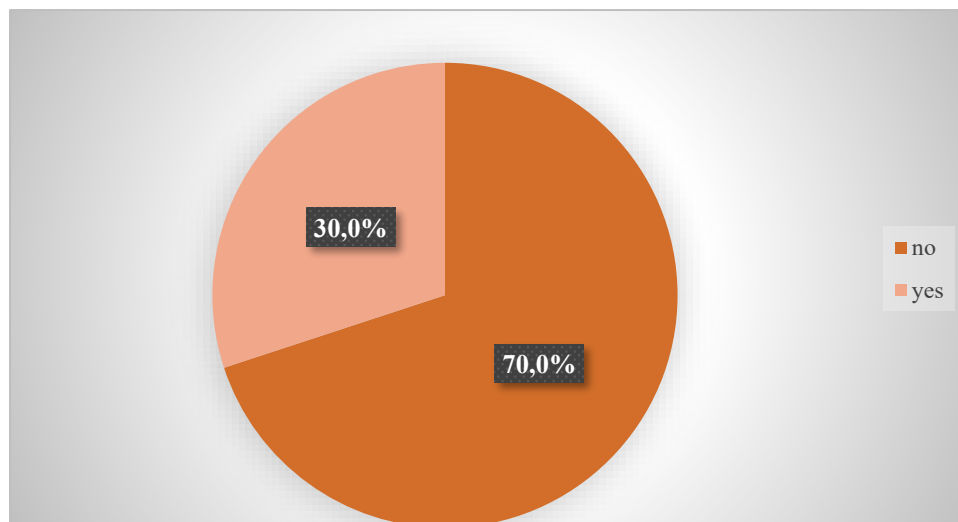
Source: Author's own elaboration based on SPSS results.

Regarding the place of residence, 74.4% of respondents lived in urban areas, while 25.6% resided in rural areas. This distribution highlights that the sample was predominantly urban, which reflects the population structure of the study area, or may be due to the greater ease of accessing urban residents during data collection.

## 2 Theme 01: Access to and Use of Financial Services:

### 2.1 Bank account ownership:

**Figure 11: Bank account ownership among respondents**

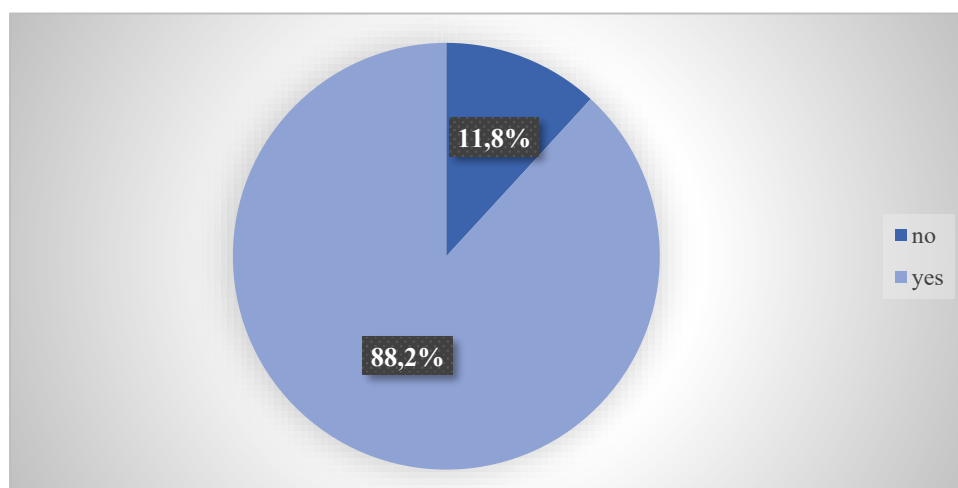


Source: Author's own elaboration based on SPSS results.

The figure shows that 70% of the respondents do not have a bank account, while only 30% reported owning one.

### 2.2 CCP account ownership:

**Figure 12: CCP account ownership among respondents**

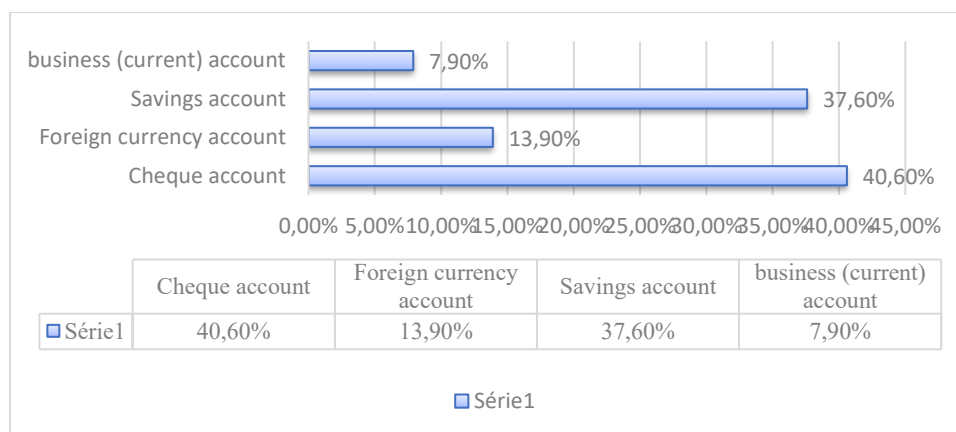


Source: Author's own elaboration based on SPSS results.

The figure shows that 88.2% of respondents owned a CCP account, while 11.8% did not. This indicates a high level of CCP account ownership within the sample, suggesting that a majority of the population has access to postal services.

### 2.3 Type of bank account

**Figure 13: Types of bank accounts held by respondents**

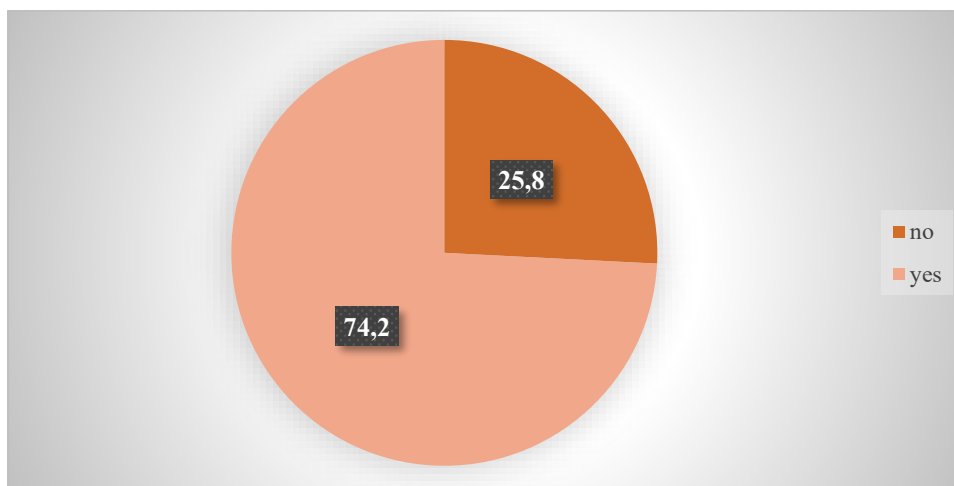


Source: Author's own elaboration based on SPSS results.

Among bank account holders, cheque accounts were the most common (40.6%), followed by savings accounts (37.6%). Foreign currency accounts represented 13.9%, while business (current) accounts made up 7.9% of the total.

### 2.4 Bank account usage in the past 12 months

**Figure 14: Bank account usage in the past 12 months**

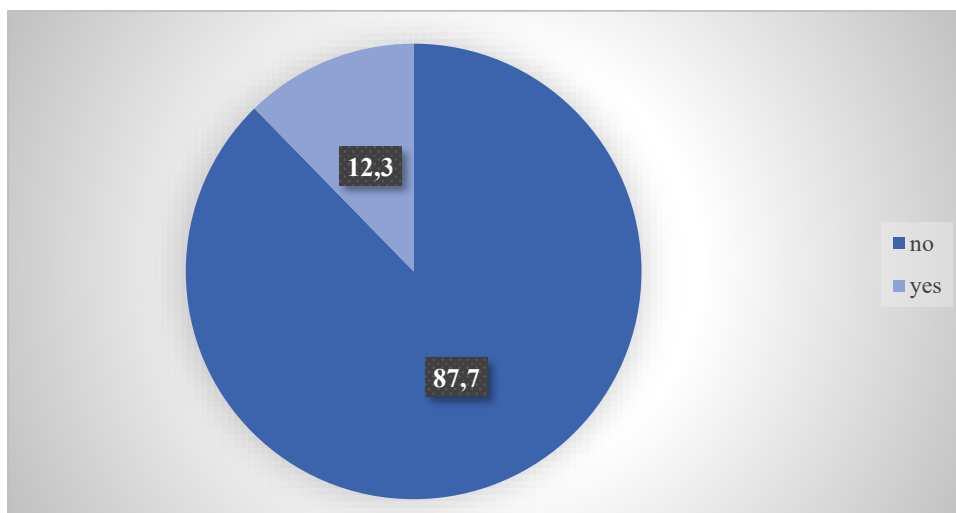


Source: Author's own elaboration based on SPSS results.

The figure shows that 74.2% of bank account holders used their accounts in the past 12 months, while 25.8% did not. This indicates that while a good majority (74.2%) of people with bank accounts are actively using them, a good portion (25.8%) have accounts that are inactive. This suggests that simply having an account doesn't guarantee financial inclusion; active usage is also crucial.

## 2.5 Respondents Who Have Ever Applied for a Loan from a Bank or Financial Institution

**Figure 15: Respondents who have ever applied for a loan from a bank or financial institution**

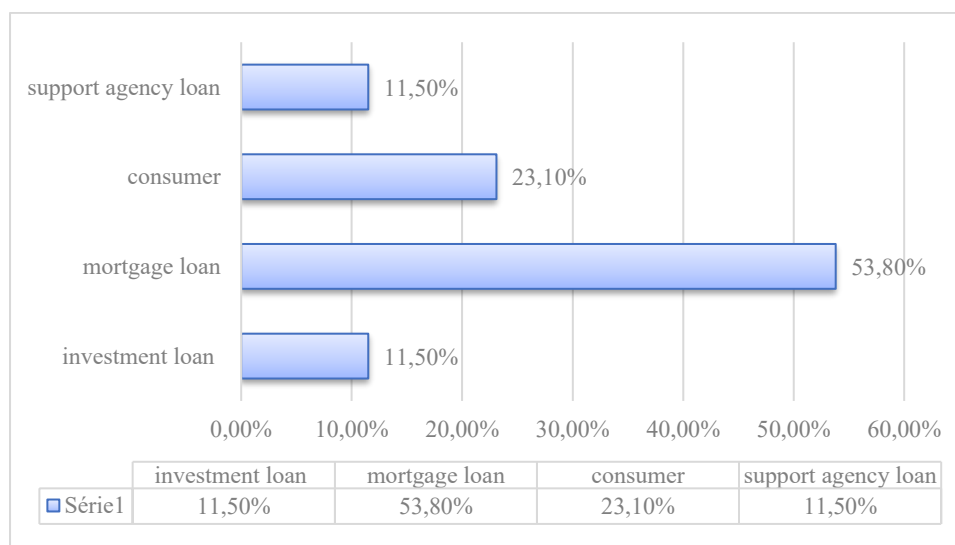


Source: Author's own elaboration based on SPSS results.

As shown in the figure, 87.7% of respondents had never applied for a loan from a bank or financial institution, while only 12.3% had. This suggests a preference for informal borrowing channels over formal credit services.

## 2.6 Types of loans requested by respondents:

**Figure 16: Types of loans requested by loan applicants**



The figure shows that mortgage loans make up the largest percentage of loan applications at 53.8%. Consumer loans are second at 23.1%, and then investment and support agency loans are both at 11.5% of total loan applications. The figures indicate most loan applications are focused on acquiring mortgages, which shows the higher demand for housing or property financing.

## 2.7 Perceived Importance of Different Types of Loans

**Table 6: Perceived Importance of Different Types of Loan**

items	Likert										Mean	Std deviation	Response trend
	Not at all important		Slightly important		Neutral		Important		Very important				
	n	%	n	%	n	%	n	%	n	%			
Investment loan	0	0	3	1,5%	197	97,08.	0	0	3	1,5%	3,014	0,272	Neutral
Mortgage loan	0	0	1	0,5%	179	88,2%	7	3,4%	16	7,9%	3,187	0,566	Neutral
Consumer	0	0	1	0,5%	188	92,6%	8	3,9%	6	3,0%	3,093	0,393	Neutral

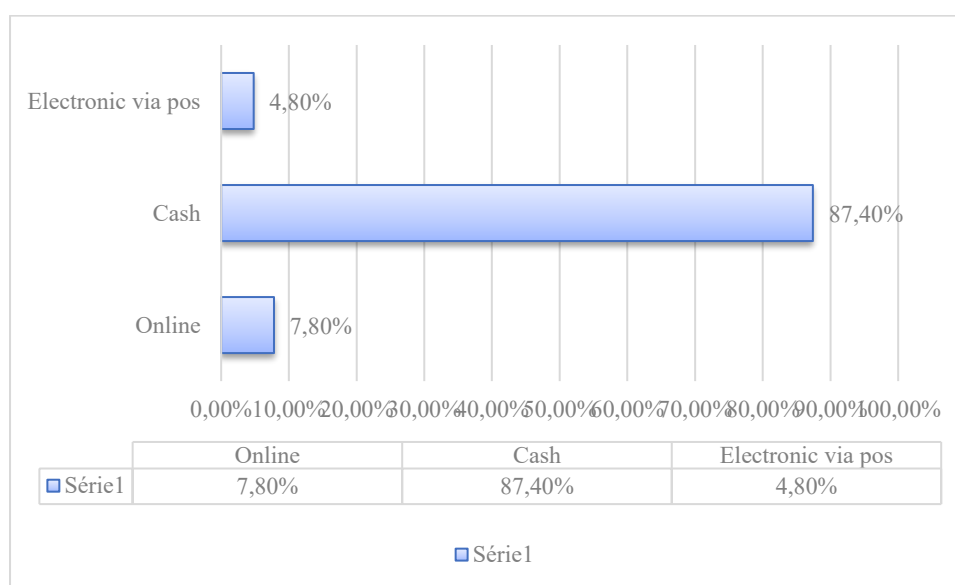
loan													
Support agency loan	0	0	1	0,5%	184	90,6%	8	3,9%	10	4,9%	3,133	0,474	Neutral

Source: Author's own elaboration based on SPSS results.

The results show that overall ratings for all loan types (investment, mortgage, consumer, and support agencies loans) fell within the 'neutral' range. This implies that the respondents lack strong opinions regarding the importance of these loan types. Neutrality of response may be a result of limited exposure to or knowledge of these loan products and a lack of perceived relevance in the financial needs of the respondents.

## 2.8 Payment method:

**Figure 17: Most frequently used payment methods among respondents**



Source: Author's own elaboration based on SPSS results.

The results reveal a strong preference for cash payments, with 87.4% of respondents indicating it as their most frequently used payment method. Online payment was used by 7.8%, while electronic payment via Point of Sale (POS) terminals accounted for 4.8%.

## 2.9 Level of Satisfaction with Payment Methods:

**Table 7: Level of Satisfaction with Payment Methods**

Items	Likert										Mean	Std deviation	Response trend
	not satisfied		slightly satisfied		Neutral		satisfied		Very satisfied				
	n	%	n	%	n	%	n	%	n	%			
Cash payment	0	0%	0	0%	0	0%	64	31,5%	139	68,5%	4,684	0,465	Very satisfied
Electronic payment via POS	0	0%	7	3,4%	184	90,6%	11	5,4%	1	0,5%	3,029	0,328	Neutral
Online payment via the Internet	0	0%	8	3,9%	168	82,8%	19	9,4%	8	3,9%	3,133	0,523	Neutral

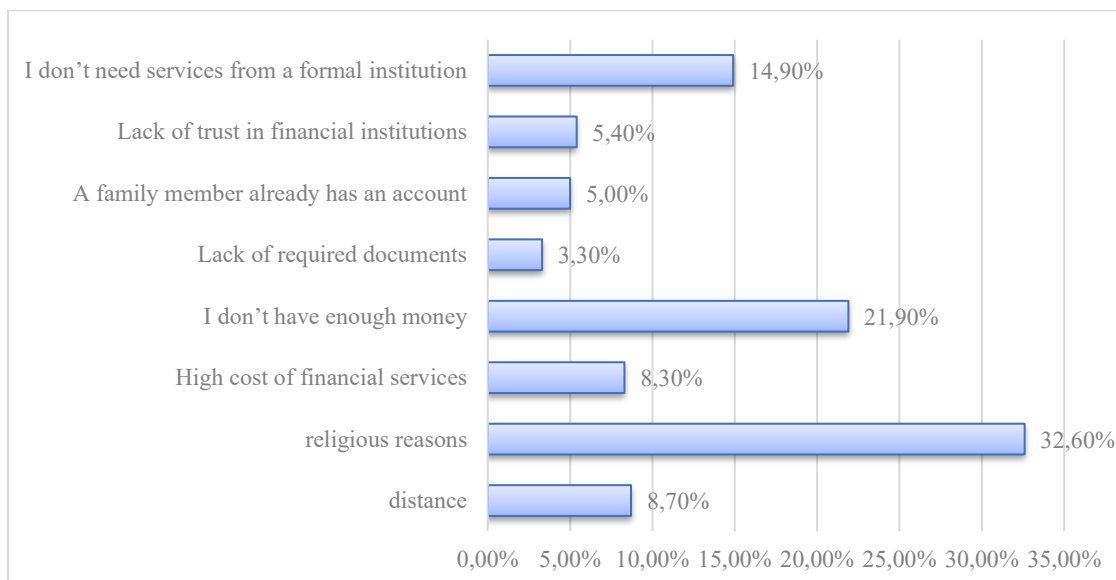
Source: Author's own elaboration based on SPSS results.

The examination of satisfaction levels regarding different payment methods reveals a clear preference for cash transactions among the participants. Specifically, 68.5% of the respondents indicated high satisfaction with cash payments, and none of them expressed dissatisfaction. This finding implies a widespread trust in or habitual reliance on conventional payment modes. In comparison to the opinions on electronic payments via POS terminals, a relatively mixed opinion with 90.6% receiving a neutral response. The neutrality may potentially result from practical barriers such as poor infrastructure or merchants not accepting or not adopting this method of payment. Online payments fared similarly, with mostly neutral ratings and more variation than electronic payments. The variation may indicate that their user experiences vary based on perceived security, access to the internet, and usability issues with the platform. The consistency in the way participants responded illustrates the prominence of cash in Algeria.

### 3 Theme 02: Barriers to Financial Inclusion:

#### 3.1 Main Self-Reported Obstacles to Accessing Financial Services

**Figure 18: Main self-reported obstacles to accessing financial services**



Source: Author's own elaboration based on SPSS results.

The primary barriers faced by respondents in accessing financial services are presented in the figure. Religious considerations emerged as the most frequently cited obstacle, reported by 32.6% of participants. Other notable barriers include the perception that formal financial services are unnecessary (14.9%) and insufficient financial resources (21.9%). Additionally, a smaller proportion of respondents identified the high cost of financial services (8.3%) and the physical distance to financial institutions (8.7%) as barriers.

Less commonly reported barriers comprised the lack of required documentation (3.3%), having a family member who already holds an account (5.0%), and distrust in financial institutions (5.4%).

#### 3.2 Respondents' Level of Agreement with Common Barriers to Financial Inclusion

**Table 8: Respondents' Level of Agreement with Common Barriers to Financial Inclusion**

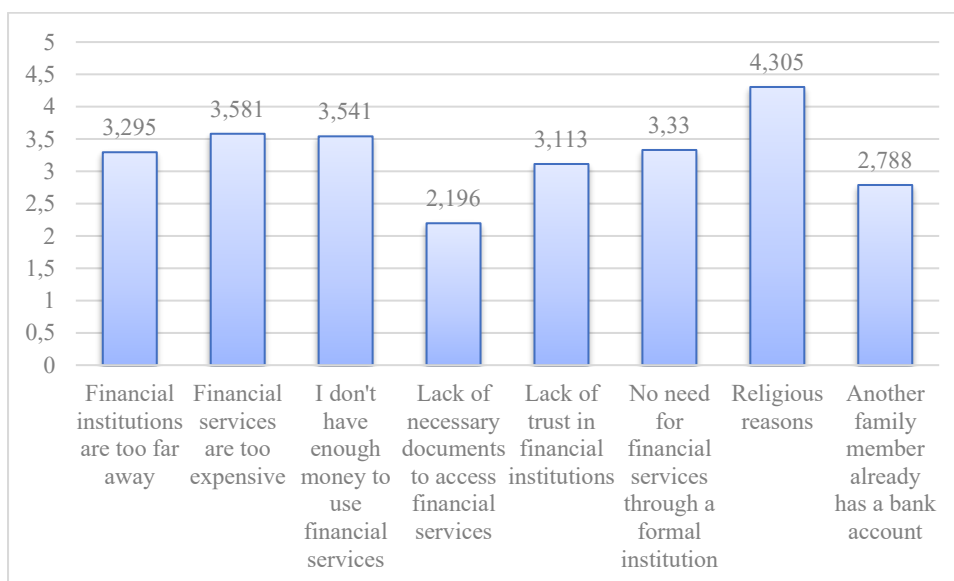
items		Strongly disagree	disagree	Neutral	Agree	Strongly agree	Mean	Std deviation	Response trend
Financial institutions are too far away	n	0	22	137	6	38	3,295	0,896	Neutral
	%	0%	10.8%	67.5%	3.0%	18.7%			

Financial services are too expensive	n	0	11	113	29	50	3,581	0,921	Agree
	%	0%	5.4%	55.7%	14.3%	24.6%			
I don't have enough money to use financial services	n	0	17	116	13	57	3,541	0,991	Agree
	%	0%	8.4%	57.1%	6.4%	28.1%			
Lack of necessary documents to access financial services	n	1	43	144	2	13	2,196	0,702	Disagree
	%	0.5%	21.2%	70.09%	1%	6.4%			
Lack of trust in financial institutions	n	0	14	167	7	15	3,113	0,622	Neutral
	%	0%	6.9%	82.3%	3.4%	7.4%			
No need for financial services through a formal institution	n	0	26	128	5	44	3,330	0,956	Neutral
	%	0%	12.8%	63.1%	2.5%	21.7%			
Religious reasons	n	0	3	55	22	123	4,305	0,920	Strongly agree
	%	0%	1.5%	27.1%	10.8%	60.6%			
Another family member already has an account	n	1	72	114	1	15	2,788	0,795	Neutral
	%	0.5%	35.5%	56.2%	0.5%	7.4%			

Source: Author's own elaboration based on SPSS results.

The most significant obstacles to financial inclusion, according to respondents' rankings in the agree to strongly agree range, were religious reasons ( $M = 4.31$ ,  $SD = 0.92$ ), the high cost of financial services ( $M = 3.58$ ,  $SD = 0.92$ ), and a lack of funds to utilize these services ( $M = 3.54$ ,  $SD = 0.99$ ). Religious reasons and cost concerns were the primary obstacles to the population's financial inclusion. On the other hand, the distance to financial institutions ( $M = 3.30$ ,  $SD = 0.90$ ), the perception that formal financial services are unnecessary ( $M = 3.33$ ,  $SD = 0.96$ ), and the lack of trust ( $M = 3.11$ ,  $SD = 0.62$ ) were all seen as neutral factors, implying that they had a less noticeable impact on limiting access. The lack of necessary paperwork ( $M = 2.20$ ,  $SD = 0.70$ ) was the only factor on which respondents disagreed, suggesting that administrative barriers are not a major concern.

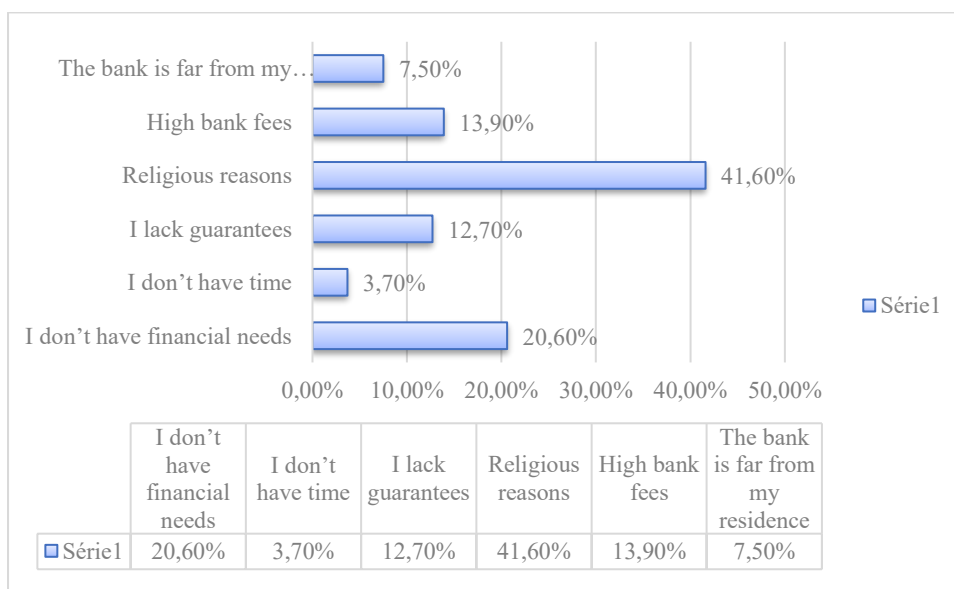
**Figure 19 :Mean Ratings of Perceived Barriers to Financial Inclusion**



Source: Author's own elaboration based on SPSS results.

### 3.3 Reported Reasons for Not Applying for a Bank Loan

**Figure 20: Reported reasons for not applying for a bank loan**



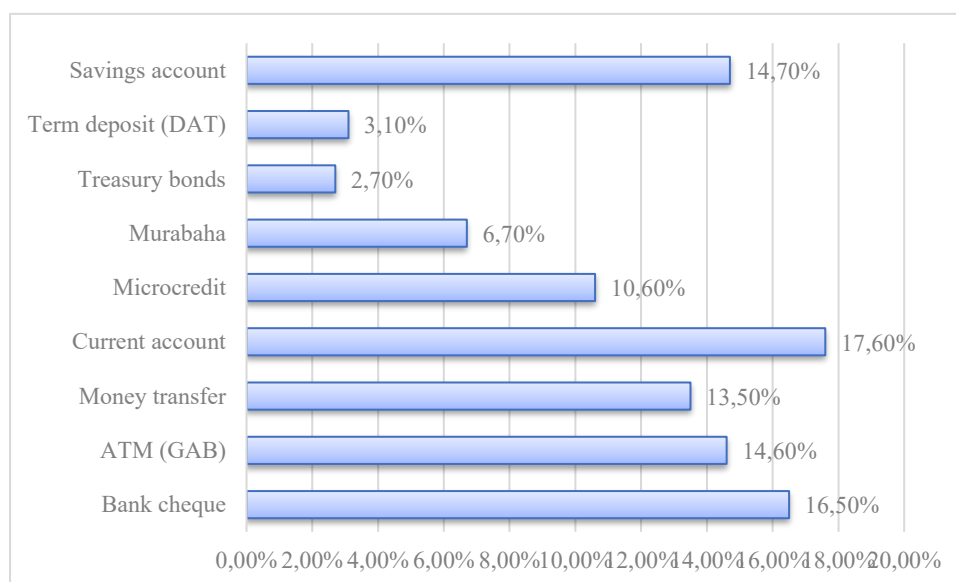
Source: Author's own elaboration based on SPSS results.

Religious considerations were the main cause respondents did not apply for a bank loan, according to the data, with 41.6% of respondents named this as a reason. The absence of financial need (20.6%) and the lack of guarantees (12.7%) were other notable considerations. The high cost of banking services (13.9%) was also a major barrier for many participants. The bank's distance (7.5%) and the limited time (3.7%) were mentioned less often as causes. These results demonstrate that religious beliefs and not having a financial need are the primary reasons for not obtaining a bank loan in the sample.

#### 4 Theme 03: Knowledge of Financial Terms:

##### 4.1 Respondents' Awareness of Basic Financial Concepts

**Figure 21: Respondents' awareness of basic financial concepts**



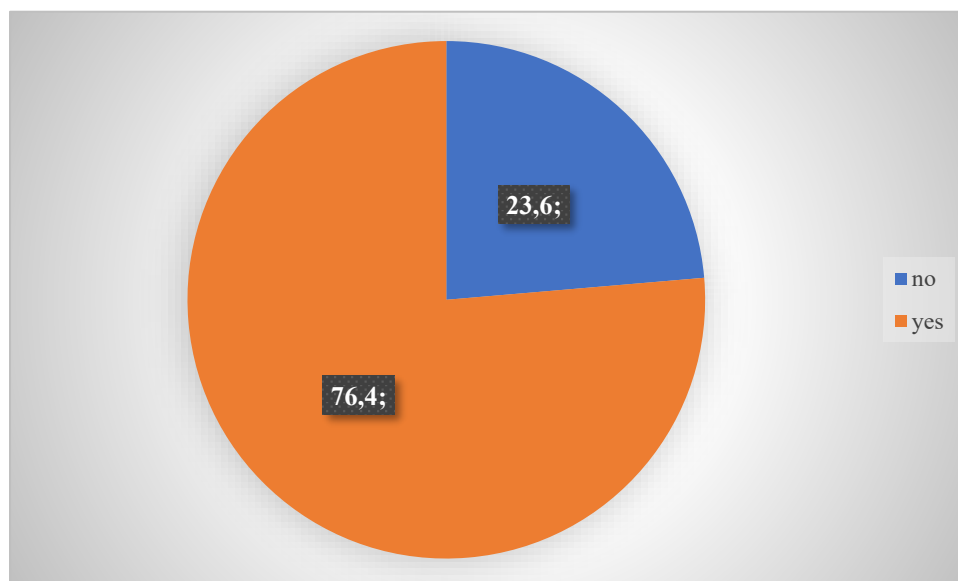
Source: Author's own elaboration based on SPSS results.

The figure illustrates respondents' awareness of basic financial concepts and products. The most widely recognized products are the current account (17.6%), bank cheques (16.5%), and savings accounts (14.7%), suggesting a general familiarity with conventional banking services among the sample. Other commonly known services include ATMs (14.6%) and money transfers (13.5%). In contrast, awareness of more specialized financial instruments is considerably lower, with products such as Murabaha (6.7%), treasury bonds (2.7%), and term deposits (3.1%) being less familiar to respondents. Despite the cultural and religious significance of Islamic finance in Algeria, the relatively low recognition of Murabaha may

reflect limited market penetration, lack of education, or insufficient promotion of Islamic banking products in the surveyed area. Awareness of microcredit (10.6%) and money transfer services indicates some level of familiarity with alternative financial services beyond traditional banking.

#### 4.2 Perceived Need for Financial Education Among Respondents:

**Figure 22: Perceived need for financial education among respondents**

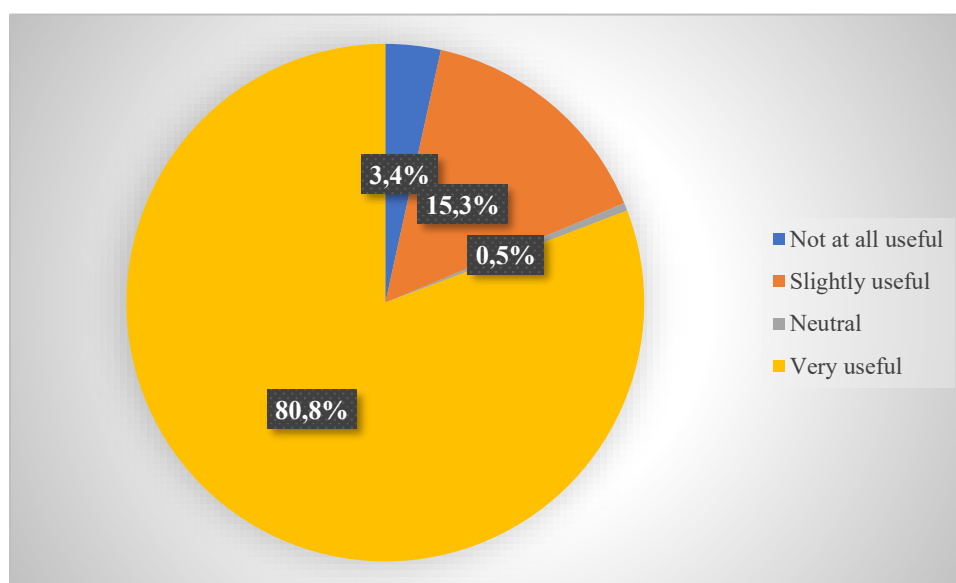


Source: Author's own elaboration based on SPSS results.

The figure shows that a vast majority of respondents, around 76.4%, felt that financial education was needed, whereas 23.6% felt there was no such need. This data represents that most of the respondents believe that financial literacy should be improved, which in turn indicates a broad-based recognition of the importance of financial education.

### 4.3 Perceived Usefulness of Financial Education:

**Figure 23: Perceived usefulness of financial education**



Source: Author's own elaboration based on SPSS results.

The above figure shows that 80.8% of respondents find financial education highly useful, displaying a strong belief in the value of obtaining some form of financial knowledge. A smaller percentage (15.3%) finds it only slightly useful; only 3.4% of respondents consider it not useful at all, while a very negligible percentage of 0.5% stays neutral on this. This means that most respondents recognized the possibility of upgrading their financial literacy and decision-making skills through financial education.

## 5 Indicator of Financial Inclusion:

In this study, the possession of a formal account, whether a bank account or a CCP (postal checking) account, was selected as the primary indicator of financial inclusion. This decision aligns with international standards, such as those adopted by the World Bank and the Global Findex database, which define financial inclusion primarily through ownership of an account at a formal financial institution, which is considered to be the main indicator of financial inclusion, since an individual with an account will be more inclined to use other financial services ( Feredj et al., 2021). CCP accounts in Algeria provide access to essential services like money transfers and cash withdrawals, and digital transactions. On the other hand, bank accounts generally provide a wider range of financial, including access to credit, savings

instruments, digital payments, and investment opportunities. This approach has also been adopted in several previous studies, including (Babajic et al., 2018; BAHRA & TANI, 2024; Feredj et al., 2021; Hassan et al., 2020).

**Table 9: The cross-tabulation between bank account ownership and CCP account ownership**

		CCP account ownership				Total	
		no		yes		n	%
		N	%	N	%		
Bank account ownership	no	19	79.2%	123	68.7%	142	70.0%
	yes	5	20.8%	56	31.3%	61	30.0%
Total		24	100,0%	179	100,0%	203	100,0%

Source: Author's own elaboration based on SPSS results.

Cross-tabulation between bank account ownership and CCP account ownership reveals notable financial inclusion disparities within the sample (n = 203). Among respondents without CCP accounts (n = 24), 79.2% also lacked bank accounts, while the remaining 20.8% had bank accounts. Among those with a CCP account (n = 179), 68.7% did not have bank accounts, while 31.3% did. Overall, a combined 70.0% did not have a bank account, while 88.2% had a CCP account. In particular, 9.36% (n = 19) of respondents reported having neither a bank nor a CCP account; thus, their exclusion from the formal financial sector is total. These findings suggest that CCP accounts are much more popular than bank accounts in the studied municipality, possibly due to the former's ease of access, costs involved, or even some semblance of trust in these accounts. These findings support the notion that potential cost barriers, distrust of institutions, or religious concerns might be preventing banking services from being an option.

## 6 Socio-demographic factors and financial inclusion:

### 6.1 Gender and account ownership

**Table 10: Gender and account ownership**

gender	Bank account				CCP account				Total	
	yes		no		Yes		no		n	%
	n	%	n	%	n	%	n	%		
<b>Male</b>	34	55.7%	53	37.3%	75	41,9%	12	50,0%	87	42.9%
<b>Female</b>	27	44.3%	89	62.7%	104	58,1%	12	50,0%	116	57.1%
<b>Total</b>	61	100%	142	100%	179	100%	24	100%	203	100%

Source: Author's own elaboration based on SPSS results.

the cross-tabulation between gender and account ownership reveals gender differences in the financial inclusion of the population. Regarding bank account ownership, 62.7% of females did not have a bank account against 37.3% of males. Contrarily, among those who do own a bank account, males reportedly form the larger share (55.7%) while females constitute the smaller share (44.3%), thereby shedding light on the tendency of men to own bank accounts more so than women.

Those without a CCP account are evenly divided between 50% males and 50% females, whereas, among those with a CCP account, females outnumber males at 58.1% and 41.9%, respectively.

In the entire population for which our survey data was available, females make up 57.1% of the total sample; while they are underrepresented among bank account holders, they are overrepresented among CCP account holders. This might imply that a CCP account is either more accessible to women or preferred by them, whereas regular bank accounts still remain more inclined to be in possession of men.

## 6.2 Age and account ownership:

**Table 11: Age and account ownership**

Age	Bank account				CCP account				Total	
	yes		no		yes		no			
	n	%	n	%	n	%	n	%	n	%
<b>18-30 years</b>	10	16.4%	37	26.1%	39	21.8%	8	33.3%	47	23.2%
<b>31-43 years</b>	24	39.3%	77	54.2%	94	52.5%	7	29.2%	101	49.8%
<b>44-56 years</b>	10	16,4%	20	14,1%	27	15.1%	3	12.5%	30	14.8
<b>Over 56 years</b>	17	27,9%	8	5,6%	19	10.6%	6	25.0%	25	12.3
<b>Total</b>	61	100%	142	100%	179	100%	24	100%	203	100%

Source: Author's own elaboration based on SPSS results.

The table illustrates how bank and CCP account ownership varies among different age groups.

Regarding bank account ownership, the age group of 31–43 years constituted the largest segment of the sample, representing 49.8%. This group also had the highest percentage of individuals without a bank account at 54.2%, while 39.3% of those with a bank account belonged to this age range. The 18–30 age group accounted for 23.2% of the overall sample, with 26.1% of the unbanked and only 16.4% of those who had a bank account. Notably, the group aged over 56 years, despite making up just 12.3% of the total sample, had a greater proportion of bank account holders at 27.9% compared to only 5.6% among the unbanked, indicating that older individuals may be more inclined to possess a bank account.

In terms of CCP account ownership, the 31–43 age group again led, representing 52.5% of CCP account holders and 29.2% of those without one. The 18–30 age group made up 21.8% of CCP account holders and 33.3% of those without one. Overall, CCP ownership was observed across all age categories, indicating a preference for or easier access to CCP services compared to bank accounts, which are less commonly owned. Taken together, these findings show that younger individuals (especially those aged 18–30) are the least likely to hold a bank account, whereas middle-aged adults (31–43) dominate overall financial access. This underscores age as a key determinant of inclusion.

### 6.3 Educational level and financial inclusion:

**Table 12: Educational level and financial inclusion**

educational level	Bank account				CCP account				Total	
	yes		no		yes		no			
	n	%	n	%	n	%	n	%	n	%
<b>No formal education</b>	5	8.2%	2	1.4%	5	2.8%	2	8.3%	7	3.4%
<b>Primary school</b>	3	4.9%	4	2.8%	3	1.7%	4	16.7%	7	3.4%
<b>Middle school</b>	6	9.8%	9	6.3%	10	5.6%	5	20.8%	15	7.4%
<b>High school</b>	6	9.8%	31	21.8%	28	15.6%	9	37.5%	37	18.2%
<b>Vocational diploma</b>	14	23.0%	39	27.5%	51	28.5%	2	8.3%	53	26.1%
<b>University degree</b>	27	44.3%	57	40.1%	82	45.8%	2	8.3%	84	41.1%
<b>Total</b>	61	100%	142	100%	179	100%	24	100%	203	100%

Source: Author's own elaboration based on SPSS results.

The table shows that account ownership rises steadily with educational level, and at every tier, CCP accounts are more widespread than bank accounts. Among respondents without formal education ( $n = 7$ ), 8.2 % hold a bank account versus 2.8 % a CCP account, while primary-school graduates ( $n = 7$ ) report 4.9 % and 1.7 % ownership, respectively. Middle-school attendees ( $n = 15$ ) exhibit 9.8 % bank and 5.6 % CCP account penetration; high-school graduates ( $n = 37$ ) register 9.8 % bank and 15.6 % CCP uptake. Those with a vocational diploma ( $n = 53$ ) show 23.0 % bank and 28.5 % CCP ownership, and university-educated individuals ( $n = 84$ ) record the highest rates at 44.3 % for bank accounts and 45.8 % for CCP accounts. These figures demonstrate that both forms of formal account use grow with education, with CCP services preferred at each educational stratum.

Furthermore, financial exclusion, defined as lacking both bank and CCP accounts, disproportionately affects those who did not complete higher education. Of the 19 individuals who are financially excluded (representing 9.36% of the total sample of 203), 16

of them did not complete higher education. Overall, these findings underscore educational level as a crucial determinant of financial inclusion

#### 6.4 Respondent's occupation and financial inclusion:

**Table 13: Respondents' occupation and financial inclusion**

occupation	Bank account				CCP account				Total	
	Yes		no		yes		no			
	n	%	n	%	n	%	n	%	n	%
<b>Public sector employee</b>	30	49.2%	85	59.9%	115	64.2%	0	0.0%	115	56.7%
<b>Private sector employee</b>	0	0.0%	4	2.8%	4	2.2%	0	0.0%	4	2.0%
<b>independent profession</b>	4	6.6%	0	0.0%	4	2.2%	0	0.0%	4	2.0%
<b>Artisan/trader/Farmer</b>	10	16.4%	16	11.3%	16	8.9%	10	41.7%	26	12.8%
<b>Job seeker</b>	2	3.3%	19	13.4%	12	6.7%	9	37.5%	21	10.3%
<b>University student</b>	4	6.6%	13	9.2%	15	8.4%	2	8.3%	17	8.4%
<b>Retired</b>	11	18.0%	5	3.5%	13	7.3%	3	12.5%	16	7.9%
<b>Total</b>	61	100%	142	100%	179	100%	24	100%	203	100%

Source: Author's own elaboration based on SPSS results.

The distribution of financial account ownership varies considerably by occupational status among the respondents (n = 203), reflecting disparities in financial inclusion across professional categories among the population. As shown in the table, CCP accounts are markedly more prevalent than bank accounts, with public sector employment emerging as a strong determinant of financial inclusion.

Among the sample, public sector employees (n = 115, 56.7%) form the largest group and exhibit the highest rates of account ownership. Remarkably, every public sector employee has a CCP account, with 49.2% also holding a bank account. This indicates a systemic relationship between public sector employment and CCP account ownership, influenced by government payroll systems and a preference for CCP services within institutions.

In contrast, private sector employees (n = 4, 2.0%) and independent professionals (n = 4, 2.0%) display different levels of financial account ownership. None of the private sector employees reported having a bank account, and both groups have CCP accounts (2.2%).

However, due to the limited sample sizes, conclusions about these groups should be

approached with caution.

Among artisans, traders, and farmers ( $n = 26$ , 12.8%), 16.4% hold bank accounts, while only 8.9% have CCP accounts. A substantial portion (41.7%) reported not having a CCP account, the highest rate of not owning a CCP account among all groups.

Job seekers ( $n = 21$ , 10.3%) and university students ( $n = 17$ , 8.4%) exhibit notably low rates of bank account ownership, with only 3.3% and 6.6%, respectively, holding a bank account. However, the ownership of CCP accounts among students is comparatively higher at 8.4%. This trend can be attributed to the monthly government-issued stipends that university students receive, which are directly deposited into their CCP accounts. This automatic financial connection likely fosters early engagement with CCP services among students, helping to explain the greater prevalence of CCP accounts in this group, even in the face of limited income or job opportunities. Conversely, a significant 37.5% of job seekers do not possess CCP accounts, which may indicate economic difficulties or systemic barriers to access.

In contrast, retired individuals ( $n = 16$ , 7.9%) demonstrate one of the highest levels of bank account ownership at 18.0%. Nevertheless, only a smaller fraction (7.3%) reported having a CCP account, with 12.5%.

The prevalence of CCP accounts across various professions indicates their popularity, likely attributed to their ease of access, reduced fees, and common utilization.

Nevertheless, a notable issue of financial exclusion, defined as lacking both bank and CCP accounts, is concentrated among informal or otherwise vulnerable employment categories. Specifically, of the 19 respondents (9.36% of the sample) lacking both account types, a preponderance hail from these groups: 42.1% are artisans, traders, or farmers; 42.1% are job seekers; 5.3% are university students; and 10.5% are retired. This pronounced concentration of exclusion may be ascribed to irregular income flows, the absence of employer-mediated payroll systems, all of which impede the establishment and maintenance of formal financial accounts.

## 6.5 Place of residence and financial inclusion:

**Table 14: Place of residence and financial inclusion**

Place of residence	Bank account				CCP account				Total	
	yes		no		yes		no			
	n	%	n	%	n	%	n	%	n	%
<b>Urban area</b>	45	73.8%	106	74.6%	138	77.1%	13	54.2%	151	74.4%
<b>Rural area</b>	16	26.2%	36	25.4%	41	22.9%	11	45.8%	52	25.6%
<b>Total</b>	61	100%	142	100%	179	100%	24	100%	203	100%

Source: Author's own elaboration based on SPSS results.

The following table illustrates the relationship between individuals' place of residence and financial inclusion

### **Ownership of Bank Accounts:**

In a survey of urban dwellers (n = 151), 45 individuals (73.8%) indicated that they possess a bank account. In contrast, among rural inhabitants (n = 52), only 16 individuals (26.2%) reported having one. These statistics reveal a clear disparity, with urban residents demonstrating a much higher likelihood of having bank accounts, even in the absence of local banking facilities. On the other hand, rural residents represent merely about a quarter of the total bank account holders.

### **Ownership of CCP Accounts:**

CCP accounts exhibit a wider acceptance. Within the urban population, 138 individuals (77.1% of all CCP account holders) stated they own a CCP account, while only 41 individuals (22.9%) from rural areas reported the same. Although CCP accounts are more commonly held than bank accounts in both demographics, urban residents are still disproportionately represented. This trend likely stems from the availability of post offices in urban settings, which enhances access to these accounts. Among the 24 participants who lacked a CCP account, 13 (54.2%) were from urban areas, and 11 (45.8%) were from rural regions. The fact that nearly half of those without a CCP account are urban residents highlights the ongoing accessibility issues.

This data underscores a distinct divide between urban and rural financial inclusion in the city. Although bank accounts are not fully utilized in either region, their scarcity in rural locales points to ongoing access difficulties. Conversely, CCP accounts are more commonly used and play an essential role as a financial resource, especially where traditional banking

options are lacking. Nevertheless, the limited adoption of these accounts in rural settings indicates that challenges still persist.

A notable urban–rural disparity exists in financial exclusion, defined as lacking both bank and CCP accounts. While urban areas have a larger absolute number of individuals totally excluded (12 out of 151, representing approximately 7.9%), the rate of exclusion is higher in rural areas (7 out of 52, representing approximately 13.5%), indicating that a greater proportion of rural residents are entirely outside the formal financial system. This suggests that despite the wider acceptance of CCP accounts, rural populations face more significant barriers to basic financial inclusion compared to their urban counterparts.

- The results regarding several socio-demographic groups and their relationship with financial inclusion, in line with our study's first hypothesis:

Hypothesis 01: Socio-demographic characteristics significantly influence financial inclusion in Algeria.

Descriptive cross-tabulations revealed notable patterns across several socio-demographic groups in relation to financial inclusion. For instance, bank account ownership was significantly higher among public sector employees and urban residents, whereas CCP accounts were nearly universal among public employees and students. Gender patterns also emerged, with males slightly more represented among bank account holders. These differences suggest that socio-demographic characteristics are closely associated with access to formal financial services in our study population.

## **7 Barriers of financial inclusion:**

The analysis of structural and socio-cultural barriers revealed varying levels of influence on financial inclusion in Algeria, providing partial support for Hypothesis 2 and its sub-hypotheses. Regarding the first sub-hypothesis, which posits that the remoteness of financial institutions hinders inclusion, only 8.7% of respondents cited distance as a main obstacle, with a neutral mean agreement score ( $M = 3.29$ ,  $SD = 0.89$ ), indicating weak support for this hypothesis. concerning the high cost of financial services, was more strongly supported: although only 8.3% selected cost as a primary barrier, the perception was rated relatively high ( $M = 3.58$ ,  $SD = 0.92$ ), and 13.9% of respondents cited excessive fees as a reason to avoid bank loans. The third sub-hypothesis, which addresses the lack of required documents, was not supported, as only 3.3% identified it as a barrier, and it received the lowest

agreement score among all items ( $M = 2.19$ ,  $SD = 0.70$ ), indicating general disagreement. Similarly, the fourth one, which concerns the lack of trust in financial institutions, showed limited support, with just 5.4% citing it and a neutral mean score ( $M = 3.11$ ,  $SD = 0.62$ ). In contrast, the fifth sub-hypothesis, which posits that religious reasons negatively influence financial inclusion, was strongly supported. It was the most frequently reported obstacle (32.6%) and received the highest agreement rating ( $M = 4.31$ ,  $SD = 0.92$ ); moreover, 41.6% of respondents identified religious reasons as a key factor preventing them from applying for a loan. Sixth sub-hypothesis, addressing the lack of money as a barrier, was also supported: 21.9% reported insufficient funds, and the item received a high agreement score ( $M = 3.54$ ,  $SD = 0.99$ ). The seventh sub-hypothesis, which hypothesized that having another family member with an account reduces individual motivation for inclusion, was not supported; only 5% selected this as a barrier, and the item received a neutral mean score ( $M = 2.79$ ,  $SD = 0.80$ ). Finally, the last sub-hypothesis, which concerns the perceived lack of need for formal financial services, received moderate support: 14.9% of respondents reported this perception, and the item received a neutral-to-moderate agreement level ( $M = 3.33$ ,  $SD = 0.96$ ). Overall, the three most cited barriers to financial inclusion were religious reasons (32.6%), lack of money (21.9%), and perceived lack of need for formal services (14.9%), suggesting that while some structural barriers, particularly cost and liquidity constraints, play a moderate role, socio-cultural factors, especially religious beliefs, constitute the most significant limitations to financial inclusion within the studied population.

## **8 Financial literacy and financial inclusion:**

In order to test the third hypothesis of our study, which indicates:

Hypothesis 03: Low levels of financial literacy have a negative impact on individuals' financial inclusion in Algeria.

A descriptive analysis using a financial literacy score based on question 18 was conducted to assess the idea that financial literacy has a detrimental impact on financial inclusion in Algeria. The survey asked respondents to choose all financial concepts they were familiar with from a list of nine items (e.g., ATM, money transfer, microcredit, treasury bond). The total score (between 0 and 9) was used to categorize people into three levels of financial literacy, low (1–3 known concepts), medium (4–6), and high (7–9), with each selected

concept being assigned a value of 1.

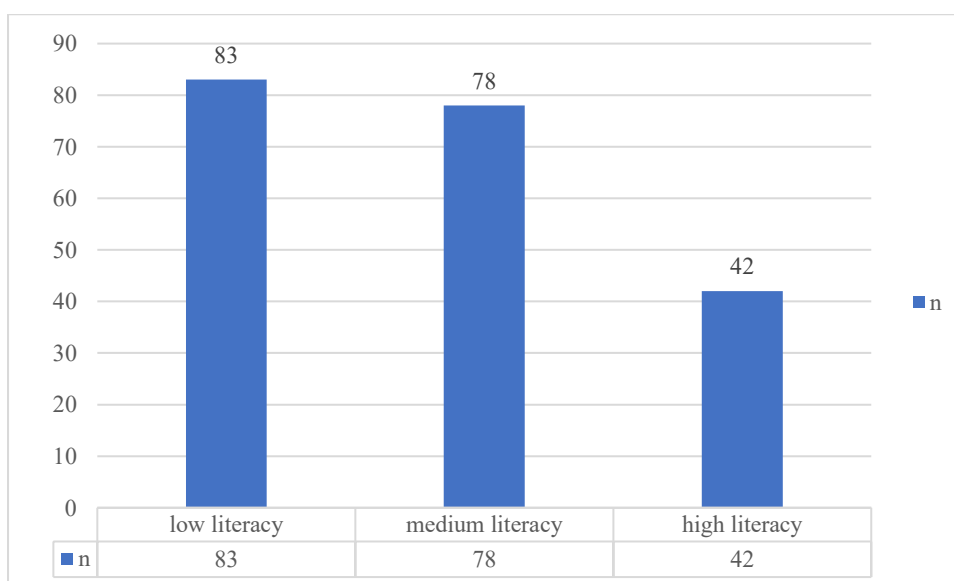
**Table 15: Financial Literacy Level**

<b>financial literacy level</b>	<b>n</b>	<b>%</b>
<b>low literacy</b>	83	40,9%
<b>medium literacy</b>	78	38,4%
<b>high literacy</b>	42	20,7%
<b>Total</b>	203	100%

Source: Author's own elaboration based on SPSS results.

The distribution of financial literacy levels among the 203 respondents shows that a large portion of the population demonstrates limited knowledge of basic financial concepts, with 40.9% categorized as having low literacy and 38.4% as having a moderate level. Only 20.7% of individuals exhibit a high level of financial literacy, suggesting that advanced financial knowledge is relatively uncommon. These findings highlight a substantial gap in financial understanding within the surveyed population.

**Figure 24: Distribution of respondents by financial literacy level**



Source: Author's own elaboration based on SPSS results.

**Table 16: Financial Literacy score and account ownership**

Financial literacy score	Bank account				CCP account				Total	
	yes		no		yes		no			
	n	%	n	%	n	%	n	%	N	%
<b>low literacy</b>	15	24.6%	68	47.9%	71	39.7%	12	50.0%	83	40.9%
<b>medium literacy</b>	21	34.4%	57	40.1%	69	38.5%	9	37.5%	78	38.4%
<b>high literacy</b>	25	41.0%	17	12%	39	21.8%	3	12.5%	42	20.7%
<b>Total</b>	61	100%	142	100%	179	100%	24	100%	203	100%

Source: Author's own elaboration based on SPSS results.

Among individuals with high financial literacy ( $n = 42$ ), 41.0% ( $n = 25$ ) reported having a bank account, compared to 34.4% ( $n = 21$ ) in the medium literacy group ( $n = 78$ ) and only 24.6% ( $n = 15$ ) in the low literacy group ( $n = 83$ ). Conversely, 47.9% ( $n = 68$ ) of those without a bank account fall into the low literacy category, while only 12.0% ( $n = 17$ ) belong to the high literacy group.

Regarding CCP account ownership, 39.7% ( $n = 71$ ) of individuals with low literacy hold a CCP account, a proportion similar to the medium group (38.5%,  $n = 69$ ), while only 21.8% ( $n = 39$ ) of high-literacy individuals do so. Interestingly, among those without a CCP account ( $n = 24$ ), 50.0% ( $n = 12$ ) have low literacy, and just 12.5% ( $n = 3$ ) have high literacy. This weaker relationship between financial literacy and CCP account ownership may be attributed to the broader accessibility of CCP accounts, potentially due to lower entry requirements, wider availability through postal networks, and their common use for basic transactions or government payments that might not necessitate advanced financial understanding.

Also, the majority (57.9%) of the 19 individuals lacking both bank and CCP accounts exhibit low financial literacy. A notable portion (36.8%) have medium literacy, while only 5.3% demonstrate high financial literacy within this group. This underscores a strong inverse relationship between financial literacy and complete financial exclusion among these individuals.

These figures suggest an association between financial literacy and account ownership. The

data provides initial evidence supporting the idea that potentially low financial literacy in Algeria acts as a barrier to financial inclusion, particularly impacting the adoption and use of financial services like bank accounts. which confirms our last hypothesis.

## **Section2: discussion**

### **General financial inclusion situation:**

The findings reveal that, although only 30% of respondents hold a bank account, which is well below the 94% average in developed countries (Babajic et al., 2018), 88.2% possess a CCP account. Consequently, 90.64% of the sample is included in the formal financial sector by our study's criterion (ownership of either a bank or CCP account), leaving just 9.36% without any formal account. These results highlight the pivotal role of postal checking accounts in achieving widespread financial inclusion in this population.

### **1 Socio-demographic factors and financial inclusion:**

#### **1.1 Gender:**

Among the respondents, 62.7% of females did not have a bank account against 37.3% of males. Contrarily, among those who do own a bank account, males reportedly form the larger share (55.7%) while females constitute the smaller share (44.3%), thereby shedding light on the tendency of men to own bank accounts more so than women, which aligns with the result found by (BAHRA & TANI, 2024; Feredj et al., 2021).

while women are underrepresented among bank account holders, they are overrepresented among CCP account holders. This might imply that a CCP account is either more accessible to women or preferred by them, whereas bank accounts still remain more inclined to be in possession of men.

#### **1.2 Age:**

The age-specific data reveal clear differences in formal account ownership (bank and CCP) across age groups:

Only 16.4 % of respondents aged 18–30 hold a bank account (versus 26.1 % who do not), suggesting that younger adults face barriers such as lower incomes, less work stability, and

sensitivity to account fees.

In contrast, only 5.6 % of those over 56 are unbanked, while 27.9 % of this group have a bank account, reflecting greater familiarity with banking services.

The 31–43 age group dominates overall account ownership (49.8 %), indicating that middle-aged adults are the most included, likely because they benefit from more stable employment, higher disposable incomes, and increased financial responsibilities, which drive demand for formal financial services.

These findings show that age strongly influences financial inclusion among our population, and align with the findings of ( Feredj et al., 2021).

### **1.3 Educational level:**

Our findings indicate that financial exclusion, defined as the absence of both bank and CCP accounts, is heavily concentrated among the least-educated respondents. Of the 19 individuals excluded from both account types (9.36% of the sample), 16 did not complete higher education. More broadly, 70.0% of those without a bank account and 11.8% of those without a CCP account have not completed higher education. This pattern underscores the pivotal role of education in fostering financial inclusion: higher educational attainment imparts the financial literacy necessary to understand and compare products (both bank and CCP accounts) and facilitates access to formal employment and required documentation. These results align with Feredj et al. (2021) and Benyacoub (2021), reaffirming education as a critical determinant of engagement with formal financial systems.

### **1.4 Occupation:**

Overall, CCP account ownership exceeds that of bank accounts across the majority of occupational cohorts, with public-sector workers exhibiting the highest rates of inclusion, an outcome attributable to predictable salary disbursements and institutional facilitation. Nevertheless, of the 19 respondents (9.36 % of the sample) who lack both bank and CCP accounts, a preponderance hail from informal or otherwise vulnerable employment categories: 42.1 % are artisans, traders, or farmers; 42.1 % are job seekers; 5.3 % are university students; and 10.5 % are retired. This pronounced concentration of exclusion among these groups may be ascribed to irregular income flows, and the lack of formal salary payments, all of which impede the establishment and maintenance of formal financial accounts. In contrast, public-sector employment, characterized by stable remuneration and

institutional backing, facilitates access to both bank and CCP services. These findings corroborate those of Williams et al. (2023) and underscore the pivotal role of employment formality and income stability in shaping patterns of financial inclusion.

### **1.5 Place of residence:**

The findings show a clear urban–rural gap in financial inclusion. While rural residents constitute 25.6% of the sample, the rate of total financial exclusion (lacking both bank and CCP accounts) is higher in rural areas (13.5%) compared to urban areas (7.9%). Although a larger number of individuals are totally excluded in urban areas, the proportion of rural residents facing complete exclusion from formal finance is significantly higher relative to their population share. This higher exclusion rate in rural areas occurs despite the wider acceptance of CCP accounts and is likely exacerbated by poor infrastructure, fewer branches, and long travel distances, hindering access and adoption. In contrast, while urban areas exhibit higher rates of account ownership, under-use of banking services may still persist despite closer proximity to providers. The limited adoption of even more accessible CCP accounts in rural settings suggests that information gaps, and travel difficulties continue to impede full inclusion. These results likely support Soetan and Umukoro’s (2023) findings.

## **2 Barriers to financial inclusion:**

Based on the survey findings, the most important barriers to financial inclusion in Algeria are religious reasons, lack of money, and the perception that financial services are not needed. These three barriers may contribute significantly to the limited use of formal financial services among the population.

Religious reasons are a particularly significant barrier. A large percentage of respondents (32.6%) mentioned this as a key reason for not using financial services, and it also had the highest mean agreement score ( $M = 4.31$ ), showing a strong belief about this for many people. Furthermore, a considerable 41.6% stated that their religious beliefs stopped them from applying for loans. This indicates a strong cultural and ethical influence on financial decisions, especially regarding borrowing, despite the availability of Islamic financial products in Algeria, which suggests a lack of awareness, understanding, or trust in existing Sharia-compliant options. (Benyacoub, 2021; Feredj et al., 2021; Hassan et al., 2020).

The second major barrier, lack of money, points to real economic limitations. It was mentioned by 21.9% of respondents as a reason, and the mean agreement score was also high ( $M = 3.54$ ), confirming that financial capacity is a real obstacle limiting the ability to participate in the formal financial system (Cámara & Tuesta, 2017; Feredj et al., 2021; Tharouma, 2022).

The third barrier, the belief that financial services are not needed, likely reflects certain views or lifestyles. While fewer people mentioned this reason (14.9%), the agreement level was moderate ( $M = 3.33$ ). This suggests a group of people who may not see a direct benefit or need for formal financial tools in their daily lives, this may be due to a lack of awareness about available financial products and services. (Babajic et al., 2018).

In contrast, the barrier of high cost of financial services, although not mentioned as a main obstacle by many (only 8.3%), still had a high mean agreement score ( $M = 3.58$ ). Also, 13.9% of respondents said that high fees prevented them from taking out bank loans. This result indicates that cost remains an important factor influencing the decision to use financial services and loans for many (BAHRA & TANI, 2024; Feredj et al., 2021; Williams et al., 2023).

On the other hand, some barriers were less important in this context. Distance to financial institutions was reported by only 8.7% of people and had a neutral mean score, suggesting that physical access is generally not a major problem. Lack of documents was even less important, chosen by just 3.3% with a low mean score ( $M = 2.20$ ), indicating that paperwork is not seen as a big issue for most. Similarly, lack of trust in financial institutions and already having a family member with an account were rarely mentioned (5.4% and 5%, respectively), and both had neutral mean agreement scores ( $M = 3.11$  and  $M = 2.79$ ). These findings suggest that these barriers are less influential compared to the other barriers mentioned (Tharouma, 2021).

In short, these findings show that religious beliefs (Benyacoub, 2021; Feredj et al., 2021; Hassan et al., 2020), insufficient financial resources (Cámara & Tuesta, 2017; Feredj et al., 2021; Tharouma, 2022), and a perceived lack of need for financial services (Babajic et al.,

2018) are the biggest challenges to achieving financial inclusion in this population. Other issues like distance, lack of trust, or paperwork appear to be less important in comparison.

### **3 Financial literacy and financial inclusion:**

The findings of this study demonstrate a strong link between financial literacy and financial inclusion among the population, notably regarding bank account ownership. The survey revealed that only 20.7% of the respondents had a high degree of financial literacy, while 38.4% had medium literacy, and 40.9% fell into the low literacy group. This widespread lack of financial understanding seems to be a significant barrier to people using formal financial services. Remarkably, people with greater literacy are more likely to have bank accounts: 41.0% of respondents with high literacy claimed to have a bank account, whereas only 24.6% of those with low literacy did. On the other hand, the majority of people without bank accounts (47.9%) belonged to the low-literacy category. Notably, there was a weaker relationship between financial literacy and CCP account ownership. CCP accounts were more evenly distributed across literacy levels, with ownership rates of 39.7% among low-literacy respondents, 38.5% among medium, and 21.8% among high-literacy individuals. Due to their widespread use in public payroll systems and their simpler requirements, this discovery implies that CCP accounts are more accessible. Furthermore, when focusing specifically on the most financially excluded individuals, the 19 respondents lacking both bank and CCP accounts, a clear pattern emerges: the majority (57.9%) of this vulnerable group exhibit low financial literacy, with a notable portion (36.8%) having medium literacy, and only a small fraction (5.3%) demonstrating high financial literacy. This underscores the critical role of financial literacy as a foundational element for basic financial inclusion. Additionally, understanding of financial products was focused on essential services like current accounts (17.6%), checks (16.5%), and ATMs (14.6%), with limited knowledge of more specialized instruments like treasury bonds (2.7%), term deposits (3.1%), and Murabaha (6.7%). It's clear that while many people have access to basic financial tools, a lot of them aren't using a broader range of financial services simply because they lack the knowledge. A significant 76.4% of survey participants strongly support the idea that financial education is essential, highlighting the urgent need for initiatives that enhance financial literacy (BAHRA & TANI, 2024; Benyacoub, 2021; H. Williams et al., 2023; Soetan & Umukoro, 2023).

**Chapter's conclusion:**

This chapter presented and analyzed the empirical findings of the study, offering valuable insights into the current state of financial inclusion in Algeria. Through descriptive analysis, we identified the main barriers affecting access, usage, and understanding of financial services among the surveyed population. The discussion linked these results to existing literature, revealing both commonalities and distinctive features of the Algerian context. These findings not only validate certain trends observed in other developing countries but also highlight specific areas requiring targeted interventions to improve financial inclusion locally.

# **CONCLUSION**

This research aimed to explore the barriers of financial inclusion in Algeria, with a specific focus on a sample of residents from the municipality of Ain Kercha. Based on related studies, three hypotheses were developed: that socio-demographic characteristics influence financial inclusion, that low financial literacy reduces the likelihood of inclusion, and that barriers such as cost, distance, lack of documentation, mistrust, and religious beliefs significantly affect access to financial services. To conduct the study, a quantitative approach was adopted using a questionnaire as the main data collection tool. The questionnaire was distributed through face-to-face method to reach a diverse sample.

### **Research relevance:**

- **Academic contribution:** This study helps deepen the understanding of the financial inclusion landscape in Algeria, especially regarding the specific obstacles encountered by the population.
- **Managerial contribution:** The findings are valuable for financial institutions and policymakers aiming to design more inclusive strategies, adapt financial services to better meet citizens' needs, and ultimately enhance financial access and usage. This research may support efforts to identify priority areas for intervention and develop solutions tailored to the local context.

### **Main findings:**

Based on 203 responses collected from residents of Ain Kercha municipality, our study revealed key insights into the state of financial inclusion in Algeria:

- Although only 30% of respondents reported holding a bank account, 88.2% maintained a CCP account. Therefore, overall financial inclusion in the sample is high, driven primarily by CCP account ownership.
- Socio-demographic breakdowns reveal that women (62.7%), young adults aged 18–30, individuals with lower educational levels, job seekers, and rural residents were less likely to have a bank account, yet most within these groups did hold CCP accounts. This pattern confirms that while certain populations may gravitate away

from conventional banks, they nevertheless engage with the financial system through CCP services. Consequently, policy interventions aiming to deepen financial inclusion should recognize CCP accounts as a crucial access point, especially for demographic segments with traditionally lower bank-account uptake.

- Regarding barriers to inclusion, the most significant factors identified were:
  - Religious reasons (32.6%) with the highest agreement score (M = 4.31),
  - Lack of money (21.9%, M = 3.54),
  - And the perception of not needing financial services (14.9%, M = 3.33).
- In contrast, factors like distance, lack of documentation, and lack of trust were less influential. These findings confirmed our second hypothesis regarding both voluntary and involuntary barriers.
- The distribution of financial literacy among respondents indicates that 40.9% exhibit low literacy, 38.4% moderate literacy, and only 20.7% high literacy. Correspondingly, bank account ownership rises markedly with literacy level, 24.6% among low-literacy, 34.4% among moderate-literacy, and 41.0% among high-literacy respondents. In contrast, CCP account ownership is comparatively homogeneous, 39.7% low, 38.5% moderate, and 21.8% high, suggesting that financial literacy exerts a substantially weaker influence on CCP account adoption.
- These results confirm the critical role of socio-demographic characteristics, barriers (both personal and structural), and financial knowledge in determining financial inclusion outcomes in Algeria.

## **Recommendations:**

Based on the findings of this study, several recommendations can be made to policymakers, financial institutions, and stakeholders aiming to improve financial inclusion in Algeria.

- First, greater efforts should be made to promote the opening of bank accounts among women, youth, job seekers, and rural residents. Tailored financial products and inclusive outreach strategies are essential in addressing their specific needs.

- Second, religious concerns should be taken seriously by expanding the offering and promotion of Sharia-compliant financial services, such as Islamic banking products. This would help reduce voluntary exclusion driven by personal beliefs.
- Third, financial literacy programs must be strengthened, especially targeting low-education populations. Awareness campaigns and basic financial education, delivered through schools, community centers, and media, can empower individuals to use financial services more confidently and effectively.
- Finally, since CCP accounts appear more accessible and widely used, the government and financial institutions should leverage this platform to introduce more inclusive financial products, possibly linking them to savings, microloans, or digital payment systems, particularly in underserved rural areas.

### **Limitations of the Study:**

As with any research, this study presents certain limitations.

- Although 203 respondents participated in the survey, this number falls short of the recommended sample size. This shortfall is largely due to time constraints and limited accessibility, in addition to security concerns, particularly in reaching rural population segments.
- second, many participants were unfamiliar with structured surveys, especially Likert scale questions, which made the data collection process more challenging. The study was also one of the first of its kind in this context, contributing to respondents' hesitancy and the effort required to gather valid answers.

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# **APPENDICES**

## **Appendix A: Questionnaire**

## استبيان حول العوائق التي تواجه الشمول المالي في الجزائر-دراسة حالة عينة من سكان بلدية عين كرشة -

### مقدمة:

أعزاءنا المشاركين،  
نشكركم على تخصيص وقتكم للإجابة على هذا الاستبيان. يُعد هذا الاستبيان جزءًا من دراسة أكاديمية في إطار إعداد مذكرة تخرج لنيل شهادة الماستر، وتهدف هذه الدراسة إلى التعرف على العوائق التي تمنع الأفراد من الاستفادة من الخدمات المالية الرسمية في الجزائر، سواء من حيث الوصول أو الاستخدام. إجاباتكم ستساعدنا على فهم التحديات التي تواجهونها والمساهمة في إيجاد حلول لتحسين الوصول إلى هذه الخدمات.

**الوقت المقدر للإجابة:** من 5 إلى 7 دقائق  
**الخصوصية:** مشاركتكم في هذا الاستبيان تطوعية وسرية تمامًا. لن تُستخدم معلوماتكم إلا لأغراض بحثية علمية، ولن يتم الكشف عن أي معلومة شخصية تخصكم.  
نقدّر صدقكم في الإجابات، وشكرًا جزيلاً على مساهمتكم القيمة.

### المعلومات العامة

1. ما هو جنسك؟  
 أنثى  ذكر
2. كم عمرك؟  
 من 18 إلى 30 سنة  من 31 إلى 43 سنة  من 44 إلى 56 سنة  أكثر من 56 سنة
3. ما هو مستواك التعليمي؟  
 غير ممتدرس  ابتدائي  متوسط  ثانوي  شهادة أو دبلوم مهني  جامعي
4. ما هو مجال عملك؟  
 موظف في القطاع العام (وظيفة حكومية)  باحث عن العمل  
 موظف في القطاع الخاص  طالب جامعي  مهنة حرة (مثل طبيب/محامي مستقل)  
 حرفي/ تاجر / فلاح  متقاعد
5. هل تعيش في منطقة؟  
 حضرية (مدينة)  ريفية (قرية)

### المحور الأول: الوصول إلى الخدمات المالية واستخدامها

6. هل لديك حساب بنكي؟  
 نعم  لا
7. هل لديك حساب بريدي (CCP)؟  
 نعم  لا
8. إذا كنت تملك حساب بنكي، ما نوع الحساب البنكي الذي تملكه؟ (يمكن اختيار أكثر من إجابة)  
 حساب شيك  حساب توفير  
 حساب بالعملة الصعبة  حساب تجاري (جارٍ)
9. هل استخدمت حسابك البنكي خلال آخر 12 شهرًا؟  
 نعم  لا

10. هل سبق وأن طلبت قرضاً من بنك أو مؤسسة مالية؟

نعم  لا

11. إذا كانت إجابتك "نعم"، ما نوع القرض؟

قرض استثماري  قرض استهلاكي  
 قرض عقاري  قرض من جهاز دعم (CNAC ، ANGEM ، ANADE)

12. ما مدى الأهمية التي توليها لكل نوع من أنواع القروض التالية؟

(1 = غير مهم على الإطلاق، 5 = مهم جداً)

نوع القرض	1	2	3	4	5
قرض استثماري					
قرض عقاري					
قرض استهلاكي					
قرض من جهاز دعم (ANADE ، ANGEM ، CNAC)					

13. ما هي وسائل الدفع التي تستعملها غالباً؟ (يمكن اختيار أكثر من إجابة)

الدفع عبر الإنترنت  الدفع نقدًا  الدفع الإلكتروني عبر أجهزة الدفع (TPE)

14. إلى أي مدى أنت راضٍ عن وسائل الدفع التالية؟

(1 = غير راضٍ على الإطلاق، 5 = راضٍ جداً)

وسيلة الدفع	1	2	3	4	5
الدفع نقدًا					
الدفع الإلكتروني عبر أجهزة TPE					
الدفع عبر الإنترنت					

المحور الثاني: العوائق أمام الشمول المالي

15. برأيك، ما هي الأسباب الرئيسية التي تمنعك من الوصول على الخدمات المالية؟ (يمكن اختيار أكثر من إجابة)

بُعد المؤسسات المالية  أسباب دينية  
 تكلفة الخدمات المالية مرتفعة  لا أملك مالاً كافياً  
 نقص الوثائق المطلوبة  أحد أفراد الأسرة لديه حساب  
 عدم الثقة في المؤسسات المالية  لا أحتاج لخدمات مالية من مؤسسة رسمية

16. ما هو مدى موافقتك على الأسباب التالية كعوائق أمام الشمول المالي؟

(1 = لا أوافق على الإطلاق، 5 = أوافق تمامًا)

العائق	1	2	3	4	5
المؤسسات المالية بعيدة جداً عن مكان السكن					
تكلفة الخدمات المالية مرتفعة					
لا أملك مالاً كافياً لاستخدام الخدمات المالية					

					نقص الوثائق المطلوبة للحصول على الخدمات المالية
					عدم الثقة في المؤسسات المالية
					لا أحتاج إلى خدمات مالية من مؤسسة رسمية
					أسباب دينية
					أحد أفراد الأسرة لديه حساب

17. ما هي الأسباب التي تجعلك تتجنب التقدم بطلب للحصول على قرض بنكي؟؟ (يمكن اختيار أكثر من إجابة)

ليس لدي احتياج مالي  لا أملك الوقت (الإجراءات تأخذ وقت طويل)

لا أملك ضمانات  أسباب دينية

رسوم البنك مرتفعة  البنك بعيد عن مكان السكن

### المحور الثالث: المعرفة بالمصطلحات المتعلقة بالشمول المالي

18. ما هي المصطلحات المالية التي تعرفها؟ (اختر ما ينطبق)

شيك بنكي  القرض الصغير (Microcrédit)  حساب توفير

جهاز صرف آلي (GAB)  المرابحة

تحويل الأموال  سندات الخزينة

حساب جاري  الوديعة لأجل (DAT)

19. هل تعتقد أنك بحاجة إلى تثقيف مالي أو تعزيز للقدرات في المجال المالي؟

نعم  لا

20. إلى أي مدى تعتقد أن التثقيف المالي سيكون مفيداً لك؟

(1 = غير مفيد على الإطلاق، 5 = مفيد جداً)

5  4  3  2  1

## **Appendix b: English Questionnaire**

## **Questionnaire on the Barriers to Financial Inclusion in Algeria – A Case Study of a Sample of Residents from the Municipality of Ain Kercha**

### **Introduction:**

Dear participants,

Thank you for taking the time to answer this questionnaire. This questionnaire is part of an academic study for a Master's degree dissertation. The aim of this study is to identify the barriers that prevent individuals from accessing and using formal financial services in Algeria. Your answers will help us understand the challenges you face and contribute to finding solutions to improve access to these services.

**Estimated time to complete:** 5 to 7 minutes

**Privacy:** Your participation is entirely voluntary and strictly confidential. Your information will be used for scientific research purposes only, and no personal information will be disclosed.

We appreciate your honesty in your responses, and thank you very much for your valuable contribution.

### **4 General Information**

1. **What is your gender?**  
 Female  Male
2. **What is your age?**  
 18 to 30 years  31 to 43 years  44 to 56 years  Over 56 years
3. **What is your educational level?**  
 No formal education  Primary  Middle  Secondary  
 Vocational certificate/diploma  University
4. **What is your field of work?**  
 Public sector employee (government job)  Job seeker  
 Private sector employee  University student  
 Self-employed (e.g., doctor/lawyer)  Artisan / Trader / Farmer  
 Retired
5. **Do you live in an area that is:**  
 Urban (city)  Rural (village)

### **5 Theme 1: Access to and Use of Financial Services**

6. **Do you have a bank account?**  
 Yes  No
7. **Do you have a postal checking account (CCP)?**  
 Yes  No
8. **If you have a bank account, what type of account do you have?** (You can choose more than one answer)  
 Chequing account  Savings account  
 Foreign currency account  Business (current) account
9. **Have you used your bank account in the past 12 months?**  
 Yes  No
10. **Have you ever applied for a loan from a bank or financial institution?**  
 Yes  No
11. **If yes, what type of loan?**  
 Investment loan  Consumer loan  
 Mortgage  Loan from a support scheme (ANADE, ANGEM, CNAC)
12. **How important do you consider each of the following loan types?**  
 (1 = Not at all important, 5 = Very important)

Loan type	1	2	3	4	5
Investment loan					
Mortgage					
Consumer loan					
Loan from a support scheme (ANADE, ANGEM, CNAC)					

13. **What payment methods do you use most often?** (You can choose more than one answer)

- Online payment  Cash payment  Electronic payment via POS

14. **How satisfied are you with the following payment methods?**

(1 = Not at all satisfied, 5 = Very satisfied)

Payment method	1	2	3	4	5
Cash payment					
Electronic payment via POS					
Online payment					

## 6 Theme 2: Barriers to Financial Inclusion

15. **In your opinion, what are the main reasons that prevent you from accessing financial services?** (You can choose more than one answer)

- Distance from financial institutions  Religious reasons  
 High cost of financial services  I don't have enough money  
 Lack of required documents  A family member already has an account  
 Lack of trust in financial institutions  I don't need financial services from a formal institution

16. **To what extent do you agree that the following are barriers to financial inclusion?**

(1 = Strongly disagree, 5 = Strongly agree)

Barrier	1	2	3	4	5
Financial institutions are too far from where I live					
The cost of financial services is too high					
I don't have enough money to use financial services					
Lack of required documents to obtain financial services					
Lack of trust in financial institutions					
I don't need financial services from a formal institution					
Religious reasons					
A family member already has an account					

17. **What are the reasons that make you avoid applying for a bank loan?** (You can choose more than one answer)

- I don't need a loan  I don't have time (procedures take too long)  
 I don't have collateral  Religious reasons  
 Bank fees are too high  The bank is far from where I live

## 7 Theme 3: Knowledge of Financial Inclusion Terms

18. **Which of the following financial terms do you know?** (Choose all that apply)

- Bank cheque  Microcredit  
 Savings account  ATM  
 Murabaha  Money transfer  
 Current account  Treasury bonds  
 Term deposit (DAT)

19. **Do you think you need financial education or capacity-building in financial matters?**

- Yes  No

20. **To what extent do you think financial education would be useful for you?**  
(1 = Not useful at all, 5 = Very useful)  
 1  2  3  4  5