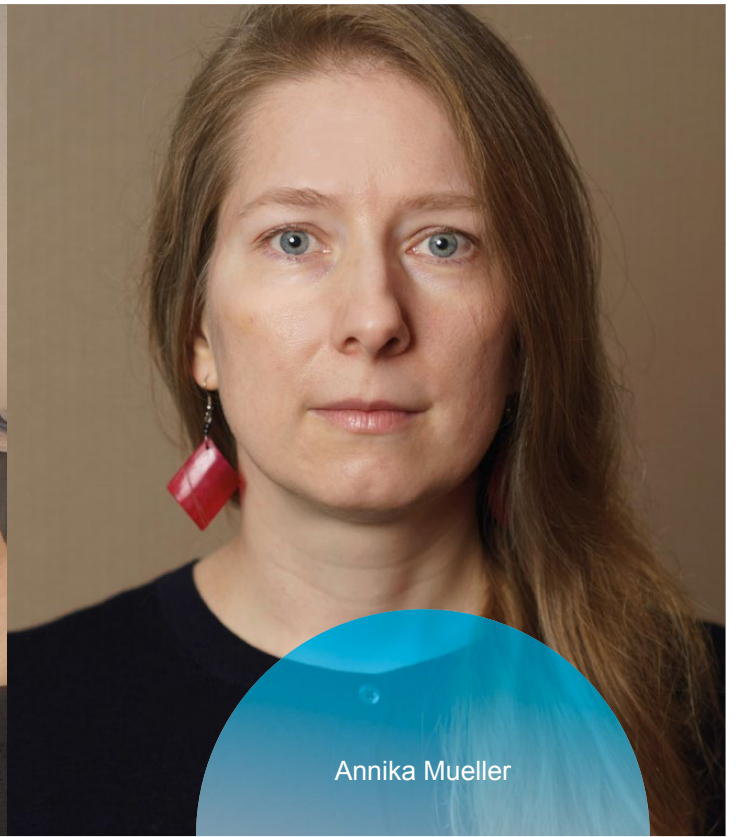


Shan Ahmad



Annika Mueller

Impact Case: Financial inclusion in Pakistan

Creating societal impact is one of the ambitions of FEB's research policy. This case is one of the impact cases rewarded by FEB in 2024.

Much of Dr. Syedah Shan E Ahmad's and Dr. Annika Mueller's collaborative research focuses on microfinance and financial inclusion in Islamic countries. The empirical findings of their research, conducted in collaboration with Professor Robert Lensink, contributed to the redesign of two key features of a savings account to facilitate formal banking access for economically disadvantaged individuals, offered by Pakistan's largest Islamic bank, Meezan Bank. The implemented changes have had a significant impact on financial inclusion in Pakistan.


The changes involved translating the account opening form of a newly introduced type of Islamic savings account from English into Urdu and waiving the cost for the first cheque book. Given that, at the time of the research, Meezan Bank had 660 branches in about 159 cities of Pakistan, and now has 980 branches in over 320 cities, these changes have significantly impacted financial inclusion in a country that has one of the lowest rates of financial inclusion globally.

Financial inclusion is crucial for achieving the United Nations' 17 Sustainable Development Goals (SDGs), including eradicating poverty, achieving gender equality, and reducing inequality. For Pakistan, an Islamic nation with the third-largest unbanked population globally, increasing levels of financial inclusion is thus of critical importance and expected to play a key role in its economic development. Mueller and Ahmad studied interventions to encourage the

adoption and usage of Islamic savings accounts in Pakistan. The interventions they studied addressed religious concerns, high costs, low educational attainment, administrative barriers, and high cognitive load. Their findings are relevant for global public policy debates on the proper design and implementation of financial inclusion strategies in religious settings and among women to achieve the SDGs.

Underpinning Research

Mueller and Ahmad conducted an impact study in the form of a Randomized Controlled Trial (RCT) in collaboration with Meezan Bank from August 2017 to July 2018 in Multan, Pakistan. The purpose of the study was to explore the determinants of the uptake and usage of an Islamic savings account (the “Asaan Savings Account”) offered by Meezan Bank. The Asaan account was designed by Meezan Bank to facilitate formal banking access for economically disadvantaged individuals, but was new and not yet widely known at the time of the study. The RCT, the details of which were developed in close consultation and collaboration with Meezan Bank, considered the effects of three key interventions: implementing subsidies for the account opening fee of the Asaan savings account; providing assistance to account applicants for filling in the account opening form; and a more religiously framed speech compared to a more conventionally framed speech during promotional activities for the account. Mueller and Ahmad aimed to identify whether the above three interventions (subsidy, assistance, and religious speech), individually or in combination, could promote greater account opening and usage of the Asaan account.



Account applicants receive information from staff of the Meezan Bank

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