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Financial Accessibility and Inclusion for Disabled People in Pakistan

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ABSTRACT

Disabled people in Pakistan represent a substantial yet often overlooked segment of the population, frequently excluded from formal financial systems. This exclusion not only limits their economic opportunities but also reinforces cycles of poverty. The present study investigates the state of financial inclusion for Disabled people through a mixed-methods approach, collecting primary data from 60 individuals in Bahawalpur, Punjab, and Multan. A Financial Inclusion Index (FII), developed using Principal Component Analysis (PCA), reveals that only 16 participants have access to formal financial services. Key barriers identified include insufficient infrastructure, high service costs, and widespread distrust toward financial institutions. Further, a One-way ANOVA analysis shows no significant differences in financial exclusion between semi-urban and urban settings, highlighting a pervasive accessibility challenge across regions. The findings emphasize the urgent need for targeted policies and interventions to remove structural obstacles, empowering Disabled people to participate fully in economic life rather than remain dependent beneficiaries.

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1. Introduction

Financial inclusion, the gateway to economic empowerment, is heralded as a critical driver for poverty reduction, economic growth, and social equity (Hussain et al., 2022). It enables individuals to save, invest, and invest against risks, and escape the clutches of predatory informal lenders. Yet, the global march towards universal financial access has consistently bypassed one of the most marginalized cohorts: Disabled people The World Bank (2022) estimates that one billion people, or 15% of the global population, live with a disability, with prevalence higher in developing nations. For them, exclusion is not merely a matter of inconvenience but a formidable barrier to fundamental socio-economic participation.

Advent financial inclusion has emerged as a cornerstone for financial development and social equity in Pakistan (BAKUNZIBAKE, 2015). It refers to the get entry to and usage of affordable monetary services by means of all segments of society, specifically the poor and underserved. As one of the international's maximum populous developing countries, Pakistan has traditionally struggled with low degrees of financial penetration, in its rural and occasional-income areas. A large part of the populace remains outside the formal banking gadget, relying on informal channels or remaining financially excluded altogether.

Financial inclusion has emerged as a cornerstone for monetary development and social fairness in Pakistan. It refers to the access and utilization of low-cost monetary offerings by all segments of society, in particular the negative and underserved (Rasheed et al., 2016). As one of the world's maximum populous growing nations, Pakistan has traditionally struggled with low ranges of monetary penetration, specifically in its rural and low-income areas. A massive portion of the populace remains outside the formal banking gadget, relying on informal channels or closing financially excluded altogether.

Over the past decade, sizable strides have been made to make bigger money and get through digital improvements. The upward thrust of cellular banking platforms like Easypaisa and Jazz Cash, along an energetic microfinance area, has broadened the attain of financial offerings. However, the benefits of these innovations are inconsistently allotted, with huge disparities across provinces in terms of getting admission to, literacy, and infrastructure. Those gaps are especially stark in provinces such as Balochistan and Khyber Pakhtunkhwa, wherein geographic and socioeconomic constraints are more stated. consistent with the sector financial institutions worldwide Findex Database (2017), simplest 21% of adults in Pakistan had an account at a economic organization in 2017, as compared to a South Asian average of 70%, indicating the sizable scope for improvement (Bashir et al., 2022).

Inclusive boom increase that benefits all layers of society is a key coverage aim for Pakistan. For boom to be sincerely inclusive, it must be observed by means of strategies that make certain identical possibilities for monetary participation. Financial inclusion is frequently mentioned as a automobile to attain this, with the aid of enabling financial savings, credit get admission to, coverage, and bills mechanisms which could empower families and small agencies. Many studies Ullah et al. (2020); Ahmad (2015) affirmed that expanded economic get right of entry to is associated with higher family welfare and financial participation.

This study investigates the extent to which economic inclusion drives inclusive financial increase in Pakistan's low-earnings areas. With the aid of using provincial facts as a proxy for district-level analysis, the study captures macro-regional variations while that specialize in structural troubles such as human capital, virtual infrastructure, and access inequality. The goal is to contribute empirical insights which could assist policymakers refining economic inclusion techniques to promote equitable boom results. Financial inclusion has won prominence in Pakistan's development discourse, especially for its capability to uplift marginalized communities. With the creation of mobile banking, digital wallets, and microfinance establishments, financial services are more on hand. yet, disparities across provinces avoid inclusive growth (Rawashdeh & Al-Namlah, 2017). This observe seeks to discover whether monetary inclusion can act as a driver of inclusive increase in Pakistan's low-profits districts by means of the use of provincial records as a proxy.

This study steps away from lofty policy talk and looks at what's really happening on the ground. Instead of just focusing on the capital, we pulled in Bahawalpur—a big city down in Southern Punjab to see how things compare between a semi-urban spot and Multan. Here's what we're getting at: financial inclusion for disabled in Pakistan is seriously lacking, and it's not just because policies are missing. The real problem comes from failures in putting those policies to work. Physical barriers, economic roadblocks, and a deep lack of trust keep shutting people out. We're arguing that it's not just a problem in one place or another. Our findings show there's no real difference in financial inclusion for disabled between Bahawalpur and Multan. That tells us the issue stretches across the whole country.

This research study's main objectives are to:

- Quantify the level of financial inclusion among disabled people using a robust, multidimensional index.
- Identify and rank the most significant barriers across usage, access, and attitudinal dimensions.
- Empirically test for differences in the financial inclusion experience between disabled people in Bahawalpur and Multan.

2. Literature Review

The conversation around financial inclusion has shifted over time. Instead of only measuring how many people have bank accounts, experts now look at how easy it is for people to access and use quality financial services (Cámara & Tuesta, 2014). Beck et al. (2007) showed that financial inclusion goes together with economic growth and reducing poverty. Yet, many discussions treat people living in poverty as one group, without acknowledging the specific struggles faced by sub-populations such as individuals with disabilities (disabled people).

2.1. The Disability-Exclusion Nexus

Research from around the world shows that disabled are much more likely to experience financial exclusion. They make up a large part of the global poor, and this is both a cause and a result of their disabilities (Ishaq et al., 2022). Poverty can lead to disabilities—think of malnutrition or poor healthcare and disabilities can also lead to poverty, for example, due to discrimination in the workplace or higher living expenses (World Bank, 2022). Financial exclusion makes this cycle even worse. Studies like Imandojemu et al. (2018) founded that people with visual impairments faced prejudice and physical obstacles trying to use financial services, especially getting loans. The study highlighted that financial inclusion is about more than just money; it's also about dignity and being part of society.

2.2. A Triad of Barriers to Disabled Individuals

Researchers tend to group the challenges faced by disabled into three main types:

(I). Physical and Infrastructure Barriers: The most obvious barriers are physical. For example, Lewis (2004) showed that many banks aren't accessible—there are no ramps, doorways are too narrow, and counters are too high. ATMs can be mounted too high for wheelchair users or lack features like audio instructions or Braille for people who are visually impaired. Our findings agree with this: over 70% of respondents said that inaccessible bank buildings are a major problem.

(II). Attitudinal and Systemic Barriers: Gul (2020) founded that microfinance staff often doubted the abilities of disabled, believing they weren't trustworthy or capable in business. This kind of discrimination Rasheed, Ishaq, Anwar, et al. (2021) can make people give up before they even try to access services. On top of that, many disabled don't trust banks, often because of past bad experiences or because they feel banks aren't for "people like them" (Mahmood et al., 2022).

(III). Product and Information Barriers: Most financial products aren't designed with disabled in mind. Rukhsana et al. (2017) pointed out that microcredit programs often have rigid terms that don't fit the way disabled earn money. Plus, there's often a lack of information and financial education about services or policies that could help them. Arsh et al. (2019) argued that knowing how to manage money is key to inclusion, but many disabled don't have access to this knowledge.

2.3. The Pakistani Context and Research Gap

In Pakistan, the majority of studies on financial inclusion concentrate on aspects such as gender equality and the advancement of digital finance ((Rasheed et al., 2022) ;(Rasheed, Ishaq, & ur Rehman, 2021). However, there is a noticeable lack of attention given to individuals with disabilities. While some policies, such as the State Bank of Pakistan's refinance scheme, do exist, their practical effectiveness remains largely unknown. Jans' 2019 research was one of the earliest to establish a baseline for this issue. Building on that foundation, our study investigates the region of Bahawalpur and offers a more in-depth analysis. Through this effort, we aim to provide local insights that can inform the development of better, evidence-based policies for disabled in Pakistan, thereby addressing a significant gap in the existing literature.

3. Research Methods

3.1. Research Design and Data Collection

The study used a mixed-methods design was used in this investigation. A standardized questionnaire was used to gather primary quantitative data through in-person interviews. The study was carried out in two target locations: Multan and Bahawalpur divisions in Punjab. Lists of registered disabled people from the corresponding Social Welfare offices were used to create the sample. To assure representation across all types of disabilities (physical, visual, hearing/speech, intellectual, numerous), a convenience sampling technique was used to choose 60 disabled people, 30 from each location. Financial behavior, obstacle perceptions, and demographics were all covered in the questionnaire.

3.2. Variable Construction and Financial Inclusion Index (FII)

To move beyond a simplistic measure of account ownership, a multidimensional FII was constructed based on three dimensions:

1.Usage Dimension: Measured by binary indicators: having an account (0.55 weight from PCA), having savings (0.42 weight), and having a formal loan (0.03 weight). 2.Barriers Dimension: Captured through four indicators: distance to bank (0.38 weight), affordability of services (0.40 weight), documentation complexity (0.30 weight), and lack of trust (0.26 weight).3. Access Dimension: Focused on physical infrastructure: accessibility of bank building (0.80 weight), availability of auto-doors (1.80 weight), availability of elevators (0.35 weight), and appropriateness of ATM height (1.70 weight).

3.3. Analytical Techniques

Principal Component Analysis (PCA): A polychoric PCA was conducted on the dichotomous indicators to derive statistically valid weights for constructing the normalized sub-indices and the overall FII. The first principal component for each dimension was used, with the component loadings serving as weights.

One-way Analysis of Variance (ANOVA): This test was used to determine if there were any statistically significant differences in the mean scores of the FII and its three sub-indices between the Bahawalpur and Multan samples.

Linear Probability Model (LPM): An LPM was estimated to identify the key determinants of financial inclusion (a binary outcome of being included or not). The model was specified as:

$$FI\_Score = \beta_0 + \beta_1 Qualification + \beta_2 Income + \beta_3 Bank\_Infrastructure\_Access + \beta_4 Trust + \varepsilon$$

4. Results & Discussion

4.1. The Stark Reality of Financial Exclusion

The numbers don’t look good (see Figure 1). Out of everyone we surveyed, just 16%—that’s only 10 people—were financially included. So, 84% of disabled people in our study are still cut off from the formal financial system. That’s way below the national average, and it really shows how much this group gets left out.

Table 1
Financial Inclusion Status of Respondents

Status	Frequency	Percentage
Financially Included	10	16.7%
Financially Excluded	50	83.3%
Total	60	100%

Results of study survey, 2023

4.2. Deconstructing the Barriers: PCA and Ranking

The PCA-based weights really show which barriers matter most. In the Access category, Auto-doors (1.80) and ATM height (1.70) stand out as big issues. They're important, but most places just don't have them. One wheelchair user in Bahawalpur put it plainly: "The ramp is so steep it's like a slide; I fear going up and need two people to help me." That's not just a local problem, either. A study in India found in 2017, bad infrastructure is the first thing people run into (Mathew Martin & Rabindranath, 2017).

Analysis of Barriers sub-index (Table 2), it can be inferred that 52 out of 60 people landed in the highest barrier group. Affordability and distance came up as the main problems. So even if we fix the physical stuff, money and how far things are will still block a lot of people.

Table 2
Ranking of Barriers Sub-Index

Barrier Level	Score Range	Frequency	Cumulative %
Very High	0 – 2.80	52	86.7%
High	2.81 – 4.20	5	95.0%
Moderate	4.21 – 5.60	3	100.0%

Results of study survey, 2023

4.3. Comparison of Locations: A National Problem

The results of the one-way ANOVA were insightful, as displayed in Table 3. There were no statistically significant differences in the overall Financial Inclusion Index (FII) or its three subindices when comparing Bahawalpur and Multan, with p-values exceeding 0.05 for all comparisons. This outcome strongly bolsters our hypothesis. It suggests that the marginalization of Individuals with disabilities (disabled people) is not solely a matter of regional underdevelopment; rather, it is a systemic issue that persists even in the nation's capital, where one would expect the highest levels of policy awareness and resource availability.

Table 3
One-way ANOVA Comparing Bahawalpur and Multan

Dimension	F-statistic	p-value	Result
Overall FII	0.75	0.521	Not Significant
Usage Index	0.82	0.480	Not Significant
Barriers Index	1.15	0.332	Not Significant
Access Index	1.90	0.135	Not Significant

Results of study survey, 2023

4.4. Determinants of Inclusion: The LPM Results

Key inclusion drivers were found using the Linear Probability Model regression (Table 4). The relationship between socioeconomic position and financial access was further supported by the positive and very significant ($p < 0.01$) relationship between qualification and income. Importantly, Bank Infrastructure Access was positive and significant ($p < 0.05$), indicating that a PWD's ability to maintain an account is mostly determined by their physical accessibility.

Table 4
Determinants of Financial Inclusion (LPM Results)

Variable	Coefficient	Std. Error	p-value
Constant	-0.205	0.108	0.062
Qualification	0.041***	0.009	0.001
Income	7.21e-06***	2.55e-06	0.006
Bank Infrastructure Access	0.175**	0.085	0.043
Trust	-0.105	0.060	0.083
R^2	0.45		

Results of study survey, 2023; *** p<0.01, ** p<0.05

On the other hand, although it was only marginally significant in this model ($p=0.08$), a higher degree of reported mistrust in financial institutions was adversely connected with inclusion, suggesting a crucial area for trust-building initiatives.

5. Conclusion

This study estimated reality of financial inclusion for disabled in Pakistan, and honestly, the results are hard to ignore. Only 16% of Disabled people have any real access to financial services. The problems run deep and show up everywhere: it does not matter if you are in Bahawalpur or Multan, the barriers are just as tough.

The study explored a few problems and analyzed it from every angle. Three main hurdles stand out: banks and services aren't accessible, disabled people face economic exclusion, and there's a major trust gap. The study makes it clear that good policies on paper are not enough. Without real follow-through, strict enforcement, and banks changing how they work, not much will change.

The study suggests that there is need to write new rules and making sure these must be implemented. Enforce accessibility standards, push banks to design products that actually work for Disabled people, and kick off real, widespread financial education programs. In this way Pakistan can finally start breaking down the walls that have kept too many people shut out of the financial system and, really, from fully taking part in society.

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