ITJ | The International Tax Journal

The Reality of Financial Inclusion in Light of Economic Transformations: Evaluating Experiences from Arab Countries (Saudi Arabia, Egypt, Algeria)

Dr. AYACHI Lakhdar [1] and **PhD. BELGHIT Dalal** [2]

[1] Illizi University Center, Laboratory for the Development of Modern Business Economics and Improving its Performance in the Tassili Region, (Algeria). Email: lakhdar.ayachi@cuillizi.dz
[2] Illizi University Center, Laboratory for the Development of Modern Business Economics and Improving its Performance in the Tassili Region, (Algeria). Email: belghit.dalal@cuillizi.dz

Abstract---This research aims to evaluate the financial inclusion experiences in Arab countries, with a focus on the impact of recent economic transformations in these nations. It highlights how economic and social transformations, such as digitization and the increased use of financial technology, affect individuals' access to formal financial services in the Arab world. The study also addresses the challenges facing financial inclusion, including poverty, financial illiteracy, and social inequality, and explores how these factors influence individuals' ability to benefit from these services. The study concentrated on three key case studies: Saudi Arabia, Egypt, and Algeria. The research yielded several important findings. First, the results confirmed a significant improvement in financial inclusion in all three countries, where both Saudi Arabia and Egypt adopted innovative digital financial policies that enhanced access to financial services, particularly through digital platforms and electronic wallets. In Algeria, the digital transformation led to an increase in the use of electronic payment services and mobile money transfers, although financial inclusion remains limited when compared to global standards. Second, the study demonstrated that technical and regulatory challenges, such as the lack of digital infrastructure in rural areas, continue to pose barriers to achieving comprehensive financial inclusion. Furthermore, the findings revealed that the gap between urban and rural areas persists, highlighting the need for further efforts to ensure that all segments of society can access basic financial services.

Keywords---Financial Inclusion, Economic Transformations, Financial Technology (Fintech), Digitization, Arab Countries.

How to Cite:
Lakhdar, A., & Dalal, B. (2025). The reality of financial inclusion in light of economic transformations evaluating: experiences from Arab Countries (Saudi Arabia, Egypt, Algeria). *The International Tax Journal*, *52*(5), 2999–3015. Retrieved from https://internationaltaxjournal.online/index.php/itj/article/view/300

The International tax journal ISSN: 0097-7314 E-ISSN: 3066-2370 © 2025

Submitted: 09 August 2025 | Revised: 13 September 2025 | Accepted: 11 October 2025

Introduction

In light of the major economic transformations that the Arab world has witnessed in recent years, the topic of financial inclusion has become a major focus of economic and social discussions. Financial inclusion refers to the provision of financial services to all individuals and social segments, including the lowest-income groups who, until recently, were deprived of access to basic financial services such as bank accounts, loans, and insurance. This topic has become particularly important in light of the complex economic challenges facing many Arab countries, such as high unemployment rates, poverty, and social inequality.

The Arab region has witnessed radical economic transformations over the past two decades, whether at the political, social, or economic levels. This change has reinforced the need for economic policies aimed at achieving economic sustainability and comprehensive development. Financial inclusion is one of these policies that contribute significantly to improving the economic situation, as it helps integrate informal individuals into the financial system, enhancing their access to finance, supporting small and medium-sized enterprises, and reducing social and economic gaps.

Study Problem:
The following main problem can be posed:
How can successful experiences in promoting financial inclusion in Arab countries be evaluated, and how can they be leveraged in light of current economic transformations?

Sub-questions:
To answer the main problem, the following sub-questions were posed:
- How do the challenges of financial inclusion affect access to financial services in Arab countries?
- How do economic transformations contribute to improving financial inclusion in Arab countries?
- How can Arab countries benefit from successful experiences in financial inclusion in light of current economic transformations?

Study Hypotheses:
To answer the sub-questions, the following hypotheses were formulated:
- Economic, social, and technical challenges such as poverty, financial illiteracy, and the lack of digital infrastructure negatively impact individuals' access to financial services in Arab countries.
- Economic transformations such as digital transformation, increased reliance on financial technology, and government economic reforms significantly contribute to enhancing financial inclusion and increasing individuals' access to financial services in Arab countries.
The Arab countries under study can benefit from successful experiences by adopting innovative digital financial policies and developing electronic banking systems to improve financial inclusion in light of current economic transformations.

Importance of the Study
This study is important not only for understanding the current reality of financial inclusion in the Arab world, but also for highlighting future opportunities and challenges that may impact the development of this field. Understanding these economic dynamics allows researchers and decision-makers to develop innovative financial policies that contribute to improving economic and social conditions in the region.

Objective of the Study:
This study aims to evaluate the experiences of financial inclusion in a group of Arab countries, focusing on the economic transformations they have witnessed recently. Various models of financial policies that have been implemented will be examined, their success in improving financial inclusion analyzed, and the obstacles that have prevented achieving the desired results will be identified. The article will also address the relationship between economic transformations on the one hand and financial inclusion on

the other, and how the global and local economic environments influence financial policies in Arab countries.
The study also aims to provide practical recommendations that contribute to enhancing financial inclusion in the region, thereby enhancing the ability to adapt to global and local economic transformations and ensuring sustainable economic development that benefits all segments of society.

1. Financial Inclusion: Concept, Importance, Challenges

Empowering all members of society, especially those groups that have suffered from marginalization and exclusion from the formal financial system, is a fundamental step toward achieving financial inclusion. When everyone has easy access to financial services, society can be considered truly financially inclusive. This includes individuals of all socioeconomic levels, as well as institutions of all sizes, from small and medium-sized enterprises (SMEs). Access to basic financial services (savings accounts, loans, insurance, payment systems) becomes a right available to everyone without exception. (Shaoming, Cheng, Nawal, Norboy, & Wang, 2025, p. 03) Achieving financial inclusion is one of the key drivers toward building a more just and sustainable economic system. However, its achievement faces numerous obstacles, making it essential to adopt effective strategies to overcome these challenges and support sustainable development.

1.1 The Concept of Financial Inclusion:

The concept of financial inclusion has varied depending on the entities that have addressed it. However, all these definitions agree on common points that highlight its primary objective. This can be explained as follows:
Financial inclusion is an important area for both policymakers and academic researchers, as it represents the ability to access and benefit from financial services, as well as the ability to afford them. (Ojo, Nts'olo, & Lerato, 2025, p. 01)
The International Monetary Fund defines financial inclusion as a multifaceted concept, encompassing various dimensions, including access to and use of financial services, affordability, utility, quality, and awareness of financial services and products. (STEVEN & THEODORE, 2021, p. 04)
It has also been defined as the accessibility of financial services and products to various individuals and companies in order to meet their needs. The primary goal of financial inclusion is to raise the standard of living of beneficiaries while contributing to the general welfare of society. Financial inclusion is measured by three dimensions: (access to financial services, use of financial services, quality of products and service delivery). (Hadj Ali & Bidi Aissaoui , 2024, p. 183)

In light of rapid technological development and the shift towards digitization, the concept of digital financial inclusion has emerged as an advanced stage of financial inclusion. Its content can be explained as follows:
Digital financial inclusion contributes to enhancing access to financial services by reducing transaction costs and expanding their reach. This is achieved through the effective use of information and communications technology (ICT), the application of internet technologies, and data processing. This impact is clearly demonstrated through the use of data analytics, cloud computing, and a range of related financial technologies. Achieving this goal relies on continuous improvement of the financial and technological infrastructure, ensuring the provision of diverse and appropriate financial services to all segments of society at reasonable prices. (Dananjani , Athula , Saroja , & Jayatilleke , 2024, p. 04)
From the above, we conclude that financial inclusion is the access of all segments of society to financial services at a reasonable cost. Digital financial inclusion contributes to accelerating this process by employing modern and advanced technologies to reduce costs and expand the scope of benefits, which supports economic growth and stability.

1.2 The Importance of Financial Inclusion:

Financial inclusion refers to expanding individuals' access to and use of financial services by all poor and marginalized groups, women, and groups excluded from the financial system. The importance of

financial inclusion lies in integrating these groups into the financial system by providing appropriate and accessible services. It also aims to include a broader range of beneficiaries by supporting small and medium-sized enterprises, thus contributing to improving the income and living standards of groups deprived of financial services. (World Bank, 2023, p. 03)
The primary importance of financial inclusion lies in its ability to provide individuals and businesses with access to financial services and products, particularly for marginalized and disadvantaged groups. This makes it a key driver of economic growth and a tool for reducing poverty and promoting social development. Financial inclusion contributes to the following: (LAOUAMRI & CHALOUR , 2025, p. 111)

-Reducing poverty and promoting economic growth
-Reducing income inequality gaps
-Promoting financial stability and global financial development
-Empowering women economically by expanding access to financial services
-Supporting digital financial inclusion, especially through mobile phones
-Enhancing resilience to crises and economic shocks, as highlighted during the COVID-19 pandemic
-Stimulating innovation and entrepreneurship

1.3 Challenges of Financial Inclusion:

Despite significant progress in access to financial services, challenges remain in the area of financial inclusion. Policymakers must therefore overcome these obstacles and challenges in order to achieve higher rates of financial inclusion. These challenges generally include: the need to improve financial literacy, the lack of official identity documents, consumer protection, the poor in rural areas, and gender inequality. (MOUSSAOUI & TAGREROUT, 2023, p. 228)
In addition to the previous challenges, various challenges can be illustrated in the following table:

Table 1: Challenges of financial inclusion

Challenges	***Explain it***
Unemployment and poverty	Poverty and unemployment are major barriers because the lack of regular income and limited resources leave many unable to open or .maintain bank accounts or access formal financial services
financial illiteracy	High levels of financial illiteracy among the poor and low-income people prevent them from understanding and using banking or digital .services, and limit their access to available financial products
Excessive borrowing	Reliance on high-cost loans and a lack of financial planning leads to .unpayable debt, further excluding individuals financially
High bank transaction fees	High banking fees and costs make opening and maintaining formal accounts unaffordable for many poor people, forcing them to rely on .cash transactions or informal service providers
Lack of trust in the banking (system (fear of fraud	High fees, misleading advertising, and poor marketing have made poor people suspicious of banks and concerned about fraud, .discouraging them from engaging in the formal financial system
Lack of required national documents	Lack of or lack of necessary identity documents prevents individuals from meeting the requirements to open accounts and access formal .financial services
Weak legislative and regulatory framework for financial inclusion	There is no specific law or clear framework dedicated to promoting financial inclusion, and existing laws do not include sufficient and specific measures to empower the poor and low-income people, which increases confusion and reinforces reliance on the informal .market

Source:(Howard & Menelisi , 2020, pp. 341-353)

From the above, we conclude that there are many challenges facing financial inclusion, combining economic, social, and regulatory factors. Poverty and unemployment form the foundation from which other obstacles stem, while worsening financial illiteracy, high fees, and excessive indebtedness contribute to limited access to formal services. Furthermore, the lack of trust in financial institutions and the weak legislative framework make it more difficult to integrate vulnerable groups into the financial system. Therefore, achieving effective financial inclusion requires finding solutions to these factors by supporting low-income groups.

2. Economic Transformations and Their Impact on Financial Inclusion:

In light of the economic transformations resulting from globalization, financial institutions have embraced fintech tools as a means of promoting financial inclusion through initiatives aimed at expanding the scope of digital financial services, developing comprehensive financial products, and improving individuals' financial literacy.

2.1 Impact of financial institutions' initiatives on financial inclusion:

Government policies and regulations set the basic framework for achieving financial inclusion, and financial institutions play a pivotal role in implementing this framework. In this section, we will present the impact of these institutions' initiatives in the Arab region on financial inclusion, with a special focus on women, persons with disabilities, and small and medium-sized enterprises. This will be achieved by analyzing reports issued by the thirty largest banks in the region, particularly in high-income countries and a limited number of middle-income economies, with the aim of highlighting tangible results in expanding access to financial services, developing innovative products, adopting inclusive practices, and promoting financial literacy. This can be explained as follows: (Economic and Social Commission for Western Asia, 2025, pp. 36-37)

2.1.1 Enhancing Access to Digital Financial Services

This initiative focuses on expanding the provision of banking services through digital platforms and smart applications, facilitating account opening and access to financial services. It aims to enable low-income groups and remote areas to integrate into the formal financial system easily and safely, and to bridge the digital gap in financial access.

2.1.2 Expanding the Scope of Traditional Financial Services

This initiative aims to expand the reach of traditional banking services, such as branches and ATMs, to include remote areas and low-income groups. These efforts enhance the ability of financial institutions to reach a wider segment of society and facilitate their financial inclusion.

2.1.3 Developing Inclusive Financial Products

This initiative aims to design financial products that respond to the needs of various segments of society, including small business owners, women, and youth. These efforts seek to diversify the available financial instruments to ensure sustainable and equitable financial inclusion.

2.1.4 Promoting Financial Literacy

This initiative focuses on raising financial awareness and knowledge among various segments of society through financial education, training, and awareness programs. It aims to empower individuals to make informed financial decisions that contribute to better managing their financial resources and enhancing their participation in formal economic activities.

2.2 Changes in financial policy and regulatory frameworks:

Changes in financial policies and regulatory frameworks are essential to supporting financial inclusion, as they enable governments and financial institutions to develop a more open and fair legislative and institutional environment, as well as to keep pace with the rapid technological transformations in the financial sector. This can be illustrated as follows: (Lakhdari , 2024, p. 180)

2.2.1 Comprehensive Financial Policies
Financial policy plays a pivotal role in establishing an environment conducive to financial inclusion by simplifying account opening procedures, enhancing financial consumer protection, and spreading financial literacy among individuals. These measures are essential to encourage previously excluded groups to engage in the formal financial system.
2.2.2 Regulatory Sandboxes in the Financial Sector
These environments allow fintech companies to test their innovations and new products within a flexible and secure regulatory framework, while ensuring consumer protection. This mechanism contributes to accelerating the development of innovative financial solutions that contribute to financial inclusion and support the goals of sustainable economic development.

3. Future Trends for Financial Inclusion in Light of Economic Transformations:
Given the current economic transformations, it has become necessary to present future trends that will contribute to the development of the financial inclusion system. In this context, the most prominent of these trends can be addressed, reflecting their role in supporting financial inclusion and keeping pace with current and future economic transformations and changes.

3.1 The Role of Artificial Intelligence and FinTech in Promoting Financial Inclusion:
The past few years have witnessed a revolution in global and Arab financial systems thanks to artificial intelligence and financial technology applications, making them one of the most important pillars of the future of the banking and financial sector. Customers are increasingly turning to electronic applications and smart solutions for their banking transactions. These applications are characterized by their intelligence, flexibility, and ability to truly transform the structure of financial services, making them more transparent, secure, and less costly, while also making them easily accessible to a wider segment of banking sector customers. Therefore, financial technology and its various applications today represent a real opportunity for the use of artificial intelligence in banks and financial institutions, as they contribute to reducing operating costs and significantly improving the quality of financial and banking services. Therefore, financial institutions are seeking to invest in modern financial technology applications with the aim of enhancing their performance and increasing profitability. Financial technology also encompasses a range of technologies and services that rely on technological innovation to support and develop the banking and financial sector by improving various areas and services, reducing and avoiding errors, and keeping pace with the digital transformation through the adoption of artificial intelligence applications. (Al-Kathiri, 2025, pp. 119-120)

3.2 Promoting financial inclusion as a future direction:
There are four main aspects to improving financial inclusion: (Beleulmi , 2024, p. 75)
3.2.1 Supporting the Financial Infrastructure
Enhancing financial inclusion requires developing the financial system's infrastructure to ensure efficient operations and stable banking systems, enabling financial services to reach a wide range of segments of society.
3.2.2 Protecting Financial Services Consumers
Adopting strong international standards and practices for protecting financial services consumers contributes to enhancing confidence in the banking and financial sectors, supporting the consolidation of the concept of financial inclusion and helping to stabilize the financial system.
3.2.3 Creating Financial Services and Solutions that Adapt to the Requirements of Different Segments of Society
Banks and other financial institutions are responsible for developing and providing new banking products and services that meet the needs of different segments of society, enhancing the inclusiveness of the financial system and helping to meet the diverse needs of customers.
3.2.4 Financial Education
Financial education aims to increase individuals' awareness of the financial aspects of banking and enable them to acquire the knowledge and skills necessary to manage their financial resources and make

sound financial decisions. This contributes to enhancing the concept of financial inclusion and increasing the efficiency of dealing with various financial services.

3.3 Proposed solutions to enhance financial inclusion in Algeria:

The continued limited financial inclusion in Algeria necessitates the search for practical solutions capable of enhancing the integration of various segments of society into the formal financial system. One of the most prominent of these solutions is establishing effective partnerships between banks and mobile phone network operators, given their role in enabling individuals to use their mobile phones to open bank accounts, make transfers, apply for loans, and pay bills, thus contributing to overcoming traditional methods.

To reach financial institutions and bring services to customers' locations, especially in areas with limited banking coverage. Modernizing retail and government payment systems is also a key step toward expanding the use of electronic payment methods instead of cash, enhancing the efficiency of financial transactions and reducing the informal economy.

In addition, improving financial institutions' ability to access credit at lower costs and developing liquidity management mechanisms in payment settlement systems are key factors in supporting financial system stability. This also calls for enhancing interoperability and resilience in payment systems, securities, foreign exchange, and internal banking infrastructure, with the aim of ensuring automated and comprehensive payment processing and achieving effective integration between the various components of the financial system. Furthermore, it is necessary to design financial infrastructure structures capable of controlling legal, operational, and financial risks and improving cost-efficiency in service provision. Strengthening the legal and regulatory framework to protect financial services consumers and ensure disclosure and transparency in transactions is a fundamental step towards establishing trust in the financial sector. It is also necessary to intensify efforts to inform and educate customers, marginalized groups, and financial service providers to enhance their awareness of financial consumer protection principles. Finally, developing national financial education strategies, collecting data, and organizing periodic surveys to measure the level of financial awareness represents an important pillar for assessing the effectiveness of policies and improving them to serve the goals of financial inclusion. (Rakhrour & Daham Said , 2021, pp. 489-490)

Some solutions can be drawn from the following:

- Focus on the legal infrastructure: Greater emphasis is placed on the importance of developing the legislative framework related to financial inclusion, such as personal data protection and privacy laws, which are crucial to ensuring the success of partnerships between banks and mobile network operators.
- Technical challenges: Electronic systems may face challenges such as connectivity issues or internet unavailability in some rural or remote areas.
- Training and awareness: Continuous training of human resources in banks and financial institutions to deal with modern systems. This is essential to ensure the effective implementation of modern technologies.
- Social aspects: Relate to how to change individual behavior when dealing with electronic financial services, especially in areas that lack financial or technological awareness.
- Systemic flexibility: Dealing with legacy systems in banks and financial institutions that may conflict with modern digital transformations.

4. Practical aspect: Evaluating the experiences of Arab countries in financial inclusion: (Saudi Arabia, Egypt, Algeria)

According to the World Bank's Global Findex 2025 report (world bank, 2025) About 1.3 billion adults worldwide remain unbanked, meaning they do not have an account at a formal financial institution or through a non-bank provider. Women are less likely than men to have access to an account—but the global gender gap narrowed by half between 2017 and 2024.

The experiences of Arab countries in the field of financial inclusion represent a rich model for learning and development, as the strategies and policies adopted to expand access to financial services have varied. Studies show that some countries, such as Saudi Arabia, Egypt, and Algeria, have achieved remarkable progress through innovative regulatory reforms and targeted programs, contributing to the expansion of digital finance and access to marginalized groups. However, significant challenges remain, such as weak digital infrastructure, lack of financial awareness, and a lack of coordination among stakeholders. This calls for the adoption of comprehensive and integrated policies to promote financial inclusion in the Arab region. The following will present and evaluate the experiences of a sample of Arab countries, including Algeria, in financial inclusion.

4.1 The Experience of the Kingdom of Saudi Arabia (the Saudi Central Bank)

The following review of the experience of the Saudi Central Bank highlights the progress achieved in this field, along with the existing challenges. This allows for a scientific critical reading that measures the effectiveness of national initiatives in achieving more equitable and sustainable financial integration.

The Saudi Central Bank, also known as the Saudi Arabian Monetary Agency (SAMA), is the body responsible for regulating the financial and banking sector in the Kingdom of Saudi Arabia. It aims to achieve financial and monetary stability by managing monetary policy and supervising banks and financial institutions. The Central Bank also plays a key role in managing foreign reserves and regulating payment and financial transfer systems in the Kingdom. (the Central Bank of Saudi Arabia, Tasks of the Central Bank of Saudi Arabia, 2025)

The Saudi Central Bank plays a pivotal role in promoting financial inclusion by developing policies and procedures aimed at improving access to financial services for all segments of society. Through initiatives such as the Financial Sector Development Program and the Digital Transformation of the Financial System, the Central Bank works to facilitate access to bank accounts, improve digital financial services, and encourage innovation in electronic payments. These efforts contribute to narrowing the financial gap between different segments and increasing individual participation in the formal financial system, thus enhancing financial inclusion in the Kingdom**.** (the Central Bank of Saudi Arabia, Annual Report 59, 2023, p. 152)

The Saudi Arabian Monetary Authority (SAMA) is working to raise the level of financial inclusion in the Kingdom as one of its strategic objectives. This goal is achieved by providing individuals and businesses with access to licensed financial services and products, integrating them into the formal financial system, ensuring customer protection, and overseeing the fairness and transparency of transactions between transacting parties.

The Saudi Central Bank (SAMA) announces its no-objection to D360 Bank starting its banking operations in the Kingdom. This step falls within SAMA's objectives to support the stability of the financial sector, enhance confidence in it, and support economic growth and competition in the banking sector, reflecting the strength, resilience, and attractiveness of the banking sector in particular and the Saudi economy in general.

The Central Bank continues its efforts to enhance the strength, durability, and attractiveness of the banking sector, and increase its contribution to achieving Saudi Vision 2030 and supporting national objectives, in line with promoting the principle of financial inclusion, enabling financial institutions to support private sector growth, and opening the way for new companies to provide financial services. DAL Bank is one of three licensed local digital banks in the Kingdom. (the Central Bank of Saudi Arabia, Tasks of the Central Bank of Saudi Arabia, 2025)

Table No. 02 shows the most important statistics related to financial inclusion through the experience of the Kingdom of Saudi Arabia

Dimension	Indicator	baseline	Objective/Target	How does it support financial inclusion?
Digital financial inclusion	Non-cash payments ratio	36% (2019)	70% (2025)	An indicator of the transition from a cash economy to an inclusive digital economy
Access through bank accounts	Adult Bank Account Ownership	71% (2018)	Supporting the vision of universal access by 2030	Reflects the extent of integration into the formal financial system
Empowering Small Enterprises (Institutional Inclusion)	Share of SME financing in total loans	5.7% (2019)	11% (2025)	Access to fair financing for small productive groups
Financial sustainability for vulnerable groups	Stability of the financial sector and increase in its assets	2.63 trillion riyals (2019)	3.51 trillion riyals (2025)	A requirement for providing comprehensive, safe, and reliable services.
Technical transformation	Number of registered and licensed fintech companies	Not numerically defined by baseline	Continuous annual expansion until 2025	Creating solutions for groups not reached by traditional banks
Expanding financial services	Product diversification to include insurance and savings	Strategic direction within the program	The 2025 targets are expansionary.	It serves low-income groups to insure against their risks
operational efficiency	Easy access to financial services through multiple channels (ATM, POS, Mada, Open Banking)	Continuous development	Enhancing the experience within FSDP	A quality element in financial inclusion
empowering consumers	Protecting the rights of beneficiaries (transparency policies, fair costs)	Presented among the initiatives	gradual improvement	Reducing psychological and financial barriers

Source:(Financial sector development programme, 2025)

The Financial Sector Development Program (FSDP) is a key pillar in achieving the goals of Saudi Vision 2030 and represents the national strategic framework for promoting financial inclusion. The program focuses on expanding access to financial services and improving their use and quality, particularly through digital transformation to provide more inclusive and effective services. According to the program, the percentage of cashless transactions reached 36% in 2019, with a target of reaching 70% by 2025. This represents a gradual transition to a digital financial structure capable of absorbing broader segments of society. Furthermore, the program seeks to increase the share of financing directed to small and medium-sized enterprises (SMEs) from 5.7% in 2019 to 11% by 2025, supporting the integration of small productive groups into the formal financial system and enhancing their opportunities for generating added value. The document also indicates that bank account ownership among adults reached approximately 71% in 2018, a key indicator of the extent of initial integration into the financial system.

However, these indicators, while important in reflecting digital transformation and expanding institutional access to finance, still need to be complemented by detailed measurements at the population level, such as low-income groups, rural areas, and women, in addition to measuring the actual activity of bank accounts and the quality of services provided. Therefore, assessing financial inclusion in Saudi Arabia requires integrating what is included in the Financial Sector Development Program with more detailed databases measuring usage and social impact, allowing for a more comprehensive and equitable picture of the extent of integration of all groups into the financial system.

The financial inclusion experience in Saudi Arabia demonstrates remarkable progress in developing digital infrastructure and expanding access to formal financial services. The shift to cashless payments is one of the most notable successes, as digital services have become a primary means of daily transactions, enhancing ease of use and reducing reliance on cash for individuals and institutions. Initiatives related to financing small and medium-sized enterprises (SMEs) have also contributed to supporting institutional financial inclusion and creating broader opportunities for entrepreneurs and startups. There is also progress in the diversity of financial channels, such as digital banks and fintech companies, which have helped provide innovative solutions to reach new segments of society. In addition, national policies have focused on protecting financial consumers and promoting financial literacy, contributing to a more transparent and trustworthy environment within the financial system.

Despite the progress achieved in digital and institutional aspects, the experience still suffers from clear shortcomings in aspects related to the social impact of financial inclusion. Furthermore, the diversification of financial products and the development of savings and microfinance tools remain limited compared to the actual needs of these groups, while indicators measuring service quality and operational efficiency from the beneficiary perspective require further monitoring.

As a result, it appears that the Saudi experience remains stronger in its digital dimension than in achieving fair and sustainable financial inclusion that meets the diverse social and economic needs within society.

Egypt's experience (Central Bank of Egypt)

Egypt's financial inclusion experience is a pioneering model in the Arab region. The Central Bank of Egypt launched a National Financial Inclusion Strategy (2022–2025) that aims to integrate all segments of society into the formal financial system. By June 2025, the financial inclusion rate had risen to 76.3% of adults, representing 53.8 million citizens, compared to 74.8% in December 2024..(Business Today Staff, 2025) The following will present and evaluate this experience:

In 2015, the Central Bank's Board of Directors approved a supply-side gap study to measure the level of financial inclusion and assess the financial services provided by financial institutions. The results led the bank to establish a gender-based financial inclusion database in 2018 using the national ID number. Data on Egyptian individuals, including clients of the banking sector and the Egyptian Post Office, is collected and analyzed, and the database is updated monthly.

To measure women's financial inclusion, the Central Bank, with technical support from the Alliance for Financial Inclusion (AFI), developed indicators for measuring women's financial inclusion in 2018. Data was then collected and classified by gender for individuals and companies using the unified definition of companies owned or managed by women.

A study was also conducted to measure individual financial inclusion in 2017, which revealed that 33% of citizens maintain accounts with either banks or the Egypt Post Office. A preliminary report on the state of financial inclusion in Egypt was also prepared based on the results of this study. As part of setting clear goals and a vision for developing and designing a financial inclusion strategy, a demand-side financial inclusion survey was conducted for individuals and micro, small, and medium-sized enterprises (MSMEs) (both formal and informal sectors) in 2020. The survey was implemented in collaboration with the Central Agency for Public Mobilization and Statistics (CAPMAS) and with technical support from the European Union and the German Agency for International Cooperation (GIZ). The survey aimed to identify gaps and obstacles to accessing finance for individuals and businesses, as well as their needs for financial services and products.

Indicators of the financial inclusion database for natural persons indicate remarkable progress, as the percentage of citizens (15 years and older) financially covered reached 76.3% in June 2025. The period from 2016 to June 2025 also witnessed an increase in the percentage of financially covered citizens at a growth rate of 214%**.** (Central Bank of Egypt, 2025)

Egypt has made significant progress in promoting financial inclusion, with the percentage of citizens with active financial accounts rising to 76.3%, equivalent to 53.8 million citizens out of a total adult population of 70.5 million. Key financial inclusion indicators in Egypt until 2025:

- General financial inclusion: The rate reached 76.3%, an increase of 214% since 2016.
- Women's financial inclusion: The rate reached 70%, reflecting the success of initiatives supporting women's economic empowerment.
- Youth financial inclusion: The rate reached 54.4%, supported by encouraging policies such as allowing bank accounts starting at the age of 15.
- Financial inclusion in rural areas: Rural areas have witnessed a significant increase in financial inclusion, as a result of the expansion of banking services in villages and remote areas.
- Digital financial products: The use of electronic wallets and prepaid cards has witnessed significant growth, contributing to facilitating financial transactions and reducing cash handling.

These indicators are based on a National Financial Inclusion Strategy (2022–2025) launched by the Central Bank of Egypt, which aims to integrate all segments of society into the formal financial system, with a focus on marginalized groups such as women, youth, and rural areas.

Positive Points:

- Increasing Financial Inclusion:

Egypt has made remarkable progress in enhancing financial inclusion, with the financial inclusion rate rising to 76.3% in June 2025, a 214% increase compared to 2016. This rate reflects the success of policies implemented to enable citizens to access formal financial services.

- Empowering Women and Youth:

The financial inclusion rate for women reached 70%, reflecting effective efforts to empower women economically by facilitating access to financial services. Financial inclusion among youth (15-35 years old) also reached 54.4%, indicating the empowerment of youth to participate in economic activities.

- Expanding Services in Rural Areas:

Initiatives in rural areas have achieved significant success, providing access to banking services for individuals in villages and remote areas. This has helped improve financial inclusion in areas that previously lacked banking coverage.

- Digital Transformation and Increased Use of Electronic Payments:

The Central Bank has contributed to promoting the use of e-wallets and prepaid cards. This shift in electronic payments has helped reduce traditional cash transactions, speeding up transactions and reducing the risks associated with a cash economy.

Negative points:

-Challenges related to the technological environment:

Despite significant progress in the digitization of financial services, some technical challenges remain in some remote areas, where citizens may face difficulty using digital services due to lack of internet connectivity or the unavailability of smart devices.

-Unequal financial coverage among groups:
Despite improved access to financial services, some groups still face difficulty accessing these services, especially low-income groups or those living in urban areas with limited coverage.
-Limited financial awareness:
There is still a lack of financial awareness among many citizens, especially in rural areas and marginalized groups, limiting their full access to available financial services.
-Slow dissemination of financial literacy:
Despite the existence of consumer awareness programs and the promotion of financial literacy, awareness of financial rights and how to benefit from banking services remains limited.

Recommendations:
- Improving digital infrastructure:
Digital infrastructure in remote areas should be improved, including enhanced internet connectivity and the provision of appropriate electronic devices to ensure that all segments of society can benefit from digital financial services.
- Increasing financial awareness:
Financial awareness campaigns targeting various segments of society, especially in rural areas and among youth and women, should be intensified to educate them on how to use and benefit from digital financial services.
- Expanding awareness programs:
Efforts should be intensified to expand awareness programs through digital channels, as well as through schools and universities, to promote financial literacy among new generations.
- Targeting low-income groups:
Financial programs should be developed specifically for low-income groups, offering flexible and affordable financial products to encourage their participation in the financial system.
- Enhancing incentives to encourage digital transactions:
Additional incentives should be provided to individuals and small businesses to use digital payments, such as reduced transaction fees or financial incentives for new users.
Egypt's experience with financial inclusion is a regional success, achieving tangible progress in enhancing access to financial services. However, there are challenges that need to be addressed, particularly with regard to financial awareness and full digital transformation. By implementing the previous recommendations, Egypt can further enhance this experience and achieve greater financial inclusion for all segments.

Algeria's experience (Central Bank of Algeria)

Algeria's experience in promoting financial inclusion is an important step towards achieving sustainable economic and social development. Through the Central Bank of Algeria, the country seeks to improve access to financial services for all segments of society, including marginalized and rural groups.

Financial inclusion is a priority for the Central Bank of Algeria. At the legislative level, Regulation No. 25-03 was issued in April 2025, concerning the protection of bank and financial institution customers, enhancing confidence in the financial system. It seeks to ensure that individuals and institutions have access to appropriate and affordable financial services. Studies have shown that the percentage of bank account ownership among adults in Algeria improved slightly between 2011 and 2017, but it remains below global and Arab averages. In 2024, Algeria achieved remarkable progress in promoting financial inclusion, supported by digital transformation and the development of financial infrastructure. This is reflected in the following financial inclusion indicators. (dina presse, 2025)**:**
- Increase in the use of bank accounts: Algeria has seen an improvement in the percentage of adults with bank accounts, although this rate remains below global and Arab averages.
- Growth in electronic payments: Algeria recorded more than 19 million online electronic payment transactions in 2024, with a value exceeding 5100 billion centimes, representing approximately 43.28% of total transactions since 2016.

- Increase in mobile phone transfers: The number of mobile phone transfers exceeded 36 million transactions in 2024, with a total value exceeding 50 trillion centimes, an increase of 109% compared to the previous year.
- Payment cards: The total number of payment cards in circulation reached 19,844,903, a 20% increase compared to 2023. Of this number, the number of CIB payment cards (issued by banks) reached 4,239,021 cards (+5%), including 217,784 "Business" cards. The number of gold cards (issued by Algeria Post) reached 15,605,882 cards (+25%).

Table No. 03 shows the volume of card transactions for the year 2024

Card nature	2023			2024		
	Total	**Golden**	**Between banks**	**Total**	**Golden**	**Between banks**
Available for trading	40222023	12487304	16509507	4239021	15605882	19844903
Activated	12572330	11028570	12285800	1488113	14307568	15795681
Activity rate	%31.26	%88.32	%74.42	%35.11	%91.68	%79.60

Source:(Bank of Algeria, 2024, p. 82)
Activity Rate = Trading Cards Issued / Activated

The attached table shows the current status of transactions made using bank cards in 2024, compared to 2023. This reflects the development of digital banking and financial services in the country, which are key indicators of financial inclusion**.**
In terms of**:**
-Number of bank cards: The table reflects the number of bank cards issued or used. An increase in these numbers indicates increased financial inclusion, as more people use electronic payment services**.**
-Volume of transactions: The table shows details about the volume of transactions made using bank cards between 2023 and 2024. This volume reflects the extent to which individuals rely on bank cards for their daily transactions, indicating increased use of the formal financial system**.**
-Coverage ratio: The percentages shown in the table (such as 79.60% and 91.68%) indicate the proportion of transactions made using bank cards compared to the total financial transactions in the market. These ratios demonstrate the effectiveness of financial inclusion in facilitating access to financial services through digital channels**.**
Overall, if these figures indicate an increase in transactions and bank card ownership, they are a positive indicator of the progress of financial inclusion in Algeria, with improved access to digital financial services for individuals**.**

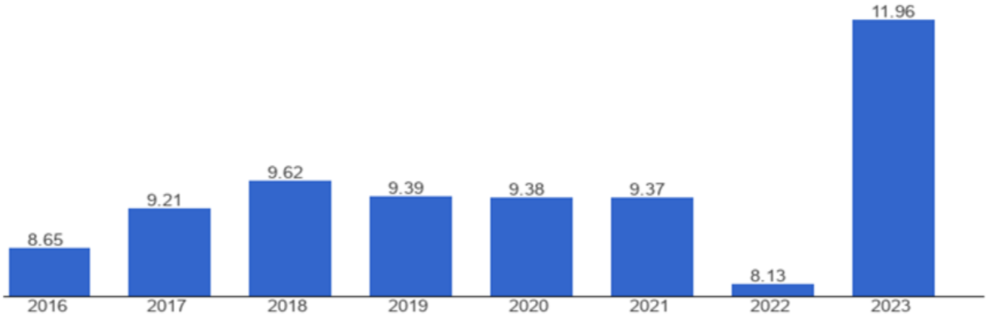

Figure No. 01 shows the number of ATMs in Algeria.
Source:(the global economy, Algeria: ATMs per 100,000 adults, 2025)

The latest value from 2023 is 11.96 ATMs per 100,000 adults, up from 8.13 ATMs per 100,000 adults in 2022. By comparison, the global average is 52.77 ATMs per 100,000 adults, based on data from 139 countries. Historically, the average for Algeria from 2004 to 2023 was 6.76 ATMs per 100,000 adults. The minimum value, 1.27 ATMs per 100,000 adults, was reached in 2004, while the maximum, 11.96 ATMs per 100,000 adults, was recorded in 2023. See the global rankings or world map for this indicator, or use the country comparison to compare trends over time**.**

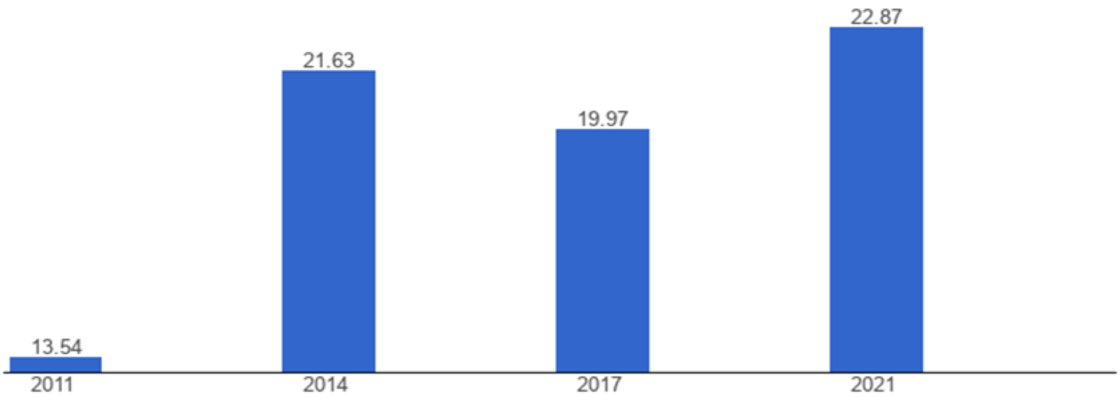

Figure No. 02 shows the number of people over 15 years old who have a debit card.
Source (the global economy, Algeria: Percent people with debit cards, 2025)

The latest figure for 2021 is 22.87 percent, up from 19.97 percent in 2017. By comparison, the global average is 51.23 percent, based on data from 121 countries. Historically, the average for Algeria from 2011 to 2021 was 19.5 percent. The minimum value, 13.54 percent, was reached in 2011, while the maximum of 22.87 percent was recorded in 2021. See the global rankings or world map for this indicator, or use the country comparison to compare trends over time**.**

Algeria's experience in financial inclusion shows clear progress, especially after 2024, through its reliance on digitalization as a means of financial inclusion. More than 19 million electronic payment transactions were recorded, worth over 5,100 billion centimes, and 36 million mobile phone transfers, a 109% increase, reflecting a real shift towards digital financial services. The number of payment cards also increased to 19.8 million (up 20%), with high activity rates, in addition to improved physical coverage through ATMs (11.96 devices per 100,000 adults in 2023, the highest level in Algeria's history). All this indicates a real expansion in access to financial services.

Despite this progress, financial inclusion in Algeria remains below the global average. The percentage of adults (15+ years) who own a debit card reached only 22.87% in 2021, compared to a global average of approximately 51.23%. The rate of bank account ownership in Algeria also remains below the Arab and global averages. Geographic disparities persist, with rural areas listed among the target groups, indicating that they have not yet been adequately integrated. Moreover, a large portion of financial inclusion relies on a single dominant channel (Algeria Post and the Gold Card), rather than a diverse and competitive banking system.

The next phase requires expanding financial inclusion to include unbanked groups, rather than limiting it to digitizing services for those already within the system. Investment must be made in expanding financial and digital infrastructure in marginal and rural areas, and intensifying financial education to enhance confidence in digital services. Commercial banks must also be encouraged to provide accessible, socially and geographically appropriate services so that financial inclusion no longer relies primarily on the postal system, but rather becomes a comprehensive, competitive, and sustainable financial system.

Conclusion

In light of the major economic transformations witnessed by many Arab countries, financial inclusion has become a vital topic that supports economic growth and reduces social gaps. Financial inclusion contributes to enabling marginalized groups to access basic financial services such as bank accounts, loans, and insurance, enhancing the ability to adapt to global and local economic changes.

The experience of financial inclusion in Algeria, Saudi Arabia, and Egypt is pivotal in studying economic transformations and their impact on access to financial services. With the development of digital financial tools and the expansion of financial services, each of these countries seeks to improve the level of financial inclusion by implementing innovative banking policies that support different segments of society.

This study reviews the developments witnessed in these countries in the field of financial inclusion and highlights the most important experiences that may be useful in adopting effective strategies to strengthen the financial system and economic inclusion in the region. In this context, Algeria seeks to enhance its financial inclusion by expanding individuals' access to formal financial services. Despite the significant improvement in financial inclusion indicators in Algeria, the challenge of achieving comprehensive access for all social and geographical groups remains. This article analyzes the current state of Algeria's experience with financial inclusion, focusing on digital transformations and ongoing challenges.

Key Findings: The study reached the following key findings:
- Digital development in financial inclusion: The three countries witnessed a significant improvement in the transition towards digital financial inclusion, through the use of electronic payment technologies and mobile money transfers.
- Increase in financial transactions: A significant increase in the number of financial transactions using bank cards was recorded in Algeria, reflecting an expansion in the use of financial services.
- Focus on marginalized groups: The focus was on promoting financial inclusion for marginalized groups such as women and youth in the three countries, with financing and awareness programs specifically designed for them.

- Technical and regulatory challenges: Despite progress, some challenges remain, such as the lack of digital infrastructure in some rural areas and poor financial awareness, among the factors affecting the effectiveness of financial inclusion.
- Increased use of digital services: The use of digital payments has increased significantly in Egypt and Saudi Arabia, enhancing financial inclusion and increasing financial sustainability.
- Urban-rural gap: The results indicate that the gap in access to financial services between urban and rural areas persists, requiring greater focus on remote areas.

Key Recommendations: The most important recommendations can be summarized as follows:
- Strengthening digital infrastructure: The three countries must continue to improve digital infrastructure in rural and remote areas to facilitate access to financial services.
- Increasing financial awareness: It is necessary to intensify financial awareness programs, especially in less developed regions, to raise awareness of the importance of financial inclusion.
- Expanding digital financial solutions: It is recommended to expand the scope of digital payments to include all segments, including small and medium-sized enterprises.
- Enhancing regional cooperation: It is recommended to enhance cooperation among Arab countries to exchange expertise and best practices in the field of digital financial inclusion.

Bibliography

1. Al-Kathiri, S. (2025, 05 19). The Role of Artificial Intelligence in Enhancing Financial Inclusion Among Financial Institutions. Dhofar University , pp. 108-125.
2. Economic and Social Commission for Western Asia, U. (2025). Annual SDG Review 2025 Financial inclusion in the Arab region. Beirut: United Nations Economic and Social Commission for Western Asia.
3. Bank of Algeria. (2024). Annual Report 2024. Algeria: Bank of Algeria. Récupéré sur https://www.bank-of-algeria.dz/stoodroa/2025/09/Rapport-2024-AR.pdf
4. Beleulmi , A. (2024, 12 01). The Role of Digital Finance in Enhancing Financial Inclusion. Journal of economics studies and researches in renewable energies, 11(02), pp. 71-85.
5. Business Today Staff. (2025, 09 03). Financial inclusion in Egypt reaches 76.3% by June 2025. Récupéré sur business today: https://www.businesstodayegypt.com/Article/1/6685/Financial-inclusion-in-Egypt-reaches-76-3-by-June-2025
6. Central Bank of Egypt, C. (2025, 09 14). Financial Inclusion Measurement and Reporting. Récupéré sur Central Bank of Egypt: https://www.cbe.org.eg/ar/financial-inclusion/data-measurement-and-reports
7. Dananjani , B., Athula , N., Saroja , S., & Jayatilleke , S. (2024, 09 21). Financial inclusion through digitalization and economic growth in Asia-Pacific countries. International Review of Financial Analysis(96), pp. 1-19.
8. dina presse, d. (2025, 10 25). Record increase in money transfers and mobile payments in Algeria in 2024. Récupéré sur dina presse: https://www.dinapresse.com/2025/03/16
9. Financial sector development programme. (2025). Financial Sector Development Program (FSDP) 2020–2025. : vision 2030. Récupéré sur https://www.vision2030.gov.sa/media/lfzehmqo/program-charter-2020-2025-fsdp-ar.pdf
10. Hadj Ali, A., & Bidi Aissaoui , S. (2024, 01 15). The impact of Islamic finance on Financial Inclusion Evidence from Algeria. Journal of Contemporary Business and Economic Studies, 07(01), pp. 181-194.
11. Howard , C., & Menelisi , N. (2020, 08 20). Legislative and Other Selected Challenges Affecting Financial Inclusion for the Poor and Low Income Earners in South Africa. JOURNAL OF AFRICAN LAW, 64(03), pp. 337-355.
12. Lakhdari , N. (2024, 06 02). The Role of Financial Inclusion in Achieving Sustainable Development. Review MECAS, 20(01), pp. 173-187.

13. LAOUAMRI , B. A., & CHALOUR , O. (2025, 06 30). Digital Banking: A Gateway to Financial Inclusion – A Comparative Analysis of Algeria and Malaysia-. Journal of Administrative and Financial Sciences, 09(01), pp. 108-127.
14. MOUSSAOUI, S., & TAGREROUT, M. (2023). THE ROLE OF FINANCIAL TECHNOLOGY IN PROMOTING FINANCIAL INCLUSION, WITH REFERENCE TO THE CASE OF ALGERIA. Journal of Economics and Finance, 09(02), pp. 216-230.
15. Ojo, J. A., Nts'olo, M., & Lerato, M. (2025, 08 15). The impact of bank competition on financial inclusion in Lesotho: An empirical analysis. Finance Research Open, 01, pp. 1-10.
16. Shaoming, H., Cheng, Q., Nawal, A. A., Norboy, K., & Wang, Z. (2025, 08 08). Understanding the relationship: Financial inclusion's influence on bank stability in emerging economies. Energy Strategy Reviews, 61, pp. 1-12.
17. STEVEN, L., & THEODORE, L. (2021). SCOPING AND DEFINING FINANCIAL INCLUSION, ACCESS TO CREDIT, AND SUSTAINABLE FINANCE. LAW AND CONTEMPORARY PROBLEMS, 84(01), pp. 1-15.
18. the Central Bank of Saudi Arabia, t. (2023). Annual Report 59. Riyadh: the Central Bank of Saudi Arabia. Récupéré sur https://www.sama.gov.sa/ar-sa/EconomicReports/AnnualReport/Fifty_Ninth_Annual_Report-AR.pdf
19. the Central Bank of Saudi Arabia, t. (2025, 10 27). Tasks of the Central Bank of Saudi Arabia. Récupéré sur Tasks of the Central Bank of Saudi Arabia: https://www.sama.gov.sa/ar-sa/About/Pages/SAMAFunction.aspx
20. the global economy. (2025, 10 25). Algeria: ATMs per 100,000 adults. Récupéré sur the global economy: https://www.theglobaleconomy.com/Algeria/ATM_machines/
21. the global economy. (2025, 10 25). Algeria: Percent people with debit cards. Récupéré sur the global economy: https://www.theglobaleconomy.com/Algeria/people_with_debit_cards/
22. World Bank. (2023). Financial Inclusion Lessons from World Bank Group Experience, Fiscal Years 2014–22. . Washington: Independent Evaluation Group.
23. World Bank, w. (2025, 10 27). https://digitalfinance.worldbank.org/. Récupéré sur https://digitalfinance.worldbank.org/: https://digitalfinance.worldbank.org/