“Digital remittances will unlock financial inclusion in the Middle East”, Oped in The National, 21 Jan 2026

The article titled “Digital remittances will unlock financial inclusion in the Middle East” appeared in the print edition of The National on 21st January 2026 and is posted below.

Digital remittances will unlock financial inclusion in the Middle East

Nasser Saidi

Financial inclusion remains a challenge for Arab countries in the Middle East. Only 50 per cent of adults in the region have a financial account, the lowest global score in financial account ownership, the World Bank says.

There are also wide gaps between the Gulf and the rest of the region, while women are disproportionately less likely than men to have accounts.

The gender gap in account ownership is most severe in the region, at 15 percentage points, more than double the average of other upper-middle-income countries.

Financial exclusion forces people into the informal cash economy, limiting their ability to save, invest and protect themselves from economic shocks. By contrast, globally, 78.7 per cent of people aged over 15 have an account with a bank, financial institution, or mobile money provider, up from 50.6 per cent in 2011.

Of the 1.3 billion adults that remained unbanked globally in 2024, the majority are located in the Arab region, Asia and Africa.

But digital technology is transforming the financial landscape. The *Global Findex Digital Connectivity Tracker* finds that 84 per cent of adults in developing economies own a mobile phone (in the Middle East and North Africa, it is a higher 89.3 per cent). Mobile phones and internet connectivity allow more people to access and use digital financial services. Mobile money accounts are gaining popularity as an alternative means of accessing financial services, with 2.1 billion registered mobile money accounts globally in 2024, according to the GSMA.

The Middle East is a global hub for migration, characterised by a unique demographic flow.

The Gulf Co-operation Council-South Asia (India, Pakistan, Bangladesh and Nepal) labour flow corridor is the single largest labour migration corridor into the Mena region.

Beyond South Asia, many migrants come from labour exporting Arab states such as Egypt, Jordan, Lebanon and Syria.

Remittance outflows from the Gulf clocked in at $131.5 billion in 2024, with $77 billion from Saudi Arabia and the UAE alone. For recipient countries such as Egypt, Jordan, Lebanon, India and Pakistan, these flows are not merely supplementary income; they are vital economic stabilisers that often outstrip foreign direct investment and official development assistance.

In Lebanon, remittances have become a critical lifeline amid economic collapse, representing 27.5 per cent of gross domestic product and more than 80 per cent of total external resource flows in 2023.

Money to send money

The traditional channels for remittances are costly and slow. High fees erode the value: when a migrant worker pays 7 per cent or more to send money home, it acts like a tax on development, with the reliance on cash agents an additional source of uncertainty and security risks.

The digital space offers a transformative opportunity. Digital remittances are not just about cost, efficiency and convenience; they are a gateway to broader financial inclusion.

The Mena region is already embracing this: in 2024, only 9.1 per cent of respondents to the Global Findex survey used a bank account for sending or receiving domestic remittances, compared to 26.3 per cent by all means including money transfers.

Empirical evidence finds a positive correlation between remittances and formal deposits/ credits, and using accounts for such transfers leads to remitters sending on average 30 per cent more than via informal channels.

By bypassing physical networks and leveraging mobile technology, the cost of sending money can drop to below the UN Sustainable Development Goals target of 3 per cent.

Digital transfers are near-instantaneous and secure, while also reducing the risks associated with carrying cash. Importantly, using digital channels creates a financial footprint.

For a migrant worker or displaced person who has never had a bank account, a digital remittance history can be the first step towards accessing credit, insurance and savings products. The success stories of M-Pesa in Kenya and Jazz Cash in Pakistan highlight mobile money services that have revolutionised financial inclusion by leveraging high mobile phone penetration – sporadic internet access is not a limiting factor in such cases. Both digital platforms have since expanded beyond simple transfers to offer loans, savings, insurance and merchant payments.

These models can be easily introduced in the Mena region, especially given the migration and expatriate labour patterns.

Users in Morocco are embracing digital payments, with various international money transfer operators present in the country (eg, Wise, Remitly, Xoom etc), and government and the central bank are working to streamline regulations for such operators.

In Jordan, "Digi#ances" (a CBJ-GIZ implemented project) aims to increase the use of digital financial services, including cross-border remittances via e-wallets, among unbanked Jordanians and refugees, with a specific focus on women.

Cross-border interoperability between payment systems is important, with the Arab Regional Payment System (Buna) aiming to streamline clearing and settlement across Arab currencies.

Blockchain technology holds the promise of offering transparent and immutable ledgers for cross-border transactions.

The use of central bank digital currency (CBDCs) also offers a transformational solution for financial inclusion. A retail CBDC can be stored in a digital wallet on a basic mobile phone (even without access to the internet), allowing unbanked populations in rural areas to receive funds directly and safely.

Superapps are imminent, with remittances just one feature within a broader set of lifestyle and financial services, embedding financial inclusion into users' daily digital experience.

Nasser Saidi is the president of Nasser Saidi and Associates. He was formerly Lebanon’s economy minister and a vice-governor of the Central Bank of Lebanon.

Interview with BBC’s World Business Report on World Bank’s $250mn funding to Lebanon, 26 Jun 2025

In an interview with BBC’s World Business Report, Dr. Nasser Saidi discussed Lebanon’s immense reconstruction and redevelopment needs following the war between Israel and Hizbollah and the devastation of infrastructure, housing, agriculture, businesses and mass population displacement, adding to more than a decade of an absence of investments in infrastructure and public utilities and services.

Key points from the discussion below:

The World Bank recently approved a USD 250mn loan to launch a broader USD 1bn recovery and reconstruction initiative called the Lebanon Emergency Assistance Project – while a positive step, the amount is a drop in the ocean compared to what is required for reconstruction & redevelopment in Lebanon. The World Bank satellite-based estimates of reconstruction requirements of about $11bn have to be complemented by in-depth field estimates. Israel’s use of bunker buster bombs can have an impact destructive radius of up to 200m in urban areas.

Well-aware of the problems needed to be sorted out domestically, from economic policy and structural reforms to combating endemic corruption & the need for accountability and transparency. Reconstructing and redevelopment investments need to go in tandem with the other reforms. But it is a bit like the chicken & egg problem. If we don't have reconstruction, then poverty will grow & displacement and migration will continue, eventually leading to greater socio-economic and political instability.

I am an advocate of creating an international reconstruction fund (funding that comes mostly as grants rather than debt which cannot be sustained and serviced) to support LB with the strong backing and engagement of the GCC countries. A comprehensive package is required that includes a build up military, security assets and capability and political assistance to provide security and stability. This will be a massive support for the country that has seen a new boost in confidence with the new President Aoun, PM Salam & government – promising a strong willingness to reform, a break from the ineffective governments since the onset of crises in 2019.

Listen to the interview (Dr. Saidi joins from the 7:00 minute mark in the link below)

https://www.bbc.co.uk/sounds/play/w3ct75vh

Comments on "Was Lebanon the

world’s biggest Ponzi scheme?” in Arab News, Aug 9 2022

Dr. Nasser Saidi’s comments appeared in an Arab News article titled “Was Lebanon the world’s biggest Ponzi scheme?” published on 9th August 2022.

The comments are posted below.

“Lebanon is the greatest Ponzi scheme in economic history,” Nasser Saidi, a Lebanese politician and economist who served as minister of economy and industry and vice governor for the Lebanese central bank, told Arab News.

Unlike financial crises elsewhere in the world through history, Saidi said the cause of Lebanon’s woes could not be pinned to any single calamity that was outside the government’s control.

“In Lebanon’s case it was not due to an actual disaster, not due to a sharp drop in export prices in commodities, it is effectively man-made.

“The World Bank talks about Ponzi finance, and they are right to point to the fact that you have two deficits over several decades. One was a fiscal deficit brought on by continued spending by the government more than revenues.

“The problem was that the government’s spending did not go for productive purposes. It did not go for investment in infrastructure or to build up human capital. It went for current spending. So, you didn’t build up any real assets. You had a buildup of debt, but you didn’t build up assets in proportion or to compare to the borrowing that you had.”

Since the end of the civil war, Lebanon should have been undergoing a period of reconstruction. However, spending on such infrastructure projects remained low, with the money seemingly siphoned off elsewhere.

"The infrastructure that was required – electricity, water, waste management, transport, and airport restructuring – was neglected," said Saidi.

But it was not just material infrastructure of this kind that was neglected. Institutions that would have improved and solidified governance, accountability, and inclusiveness were also ignored, leaving the system vulnerable to abuse.

"Whenever you go through a civil war, you need to think about the causes of the war, and much of it was due to dysfunctional politics, political fragmentation, and the break-up of state institutions," said Saidi.

"There was no rebuilding of state institutions and because of that, budget deficits continued, and a very corrupt political class began owning the state. They went into state-owned enterprises and government-related enterprises and considered that all state assets are their possessions and instead of possessions of the state."

Lebanon's "Ponzi scheme" was also driven by current account deficits and the overvalued exchange rate caused by the central bank policy of maintaining fixed rates against the dollar.

In economics, said Saidi, this is what you called the "impossible trinity," meaning that a state could not simultaneously have fixed exchange rates, free capital movements, and independence of monetary policy.

"If you peg your exchange rate, you no longer have any freedom of monetary policy. Lebanon's central bank tried to defy the impossible trinity and tried to maintain an independent

monetary policy at a time in which the exchange rate was becoming more and more over-valued."

The World Bank report calls for a comprehensive program of macro-economic, financial, and sector reforms that prioritize governance, accountability, and inclusiveness. It says the earlier these reforms are initiated, the less painful the recovery will be for the Lebanese people. But it will not happen overnight.

"Even if the reforms and laws were passed, it will take time to recover and to restore trust," said Saidi. "Trust in the banking system, in the state, and in the central bank has been destroyed. Until that trust is rebuilt, Lebanon will not be able to attract investment and it will not be able to attract aid from the rest of the world."

And although Lebanon held elections in May, propelling several anti-corruption independents to parliament, Saidi doubted their influence would be enough to drive change.

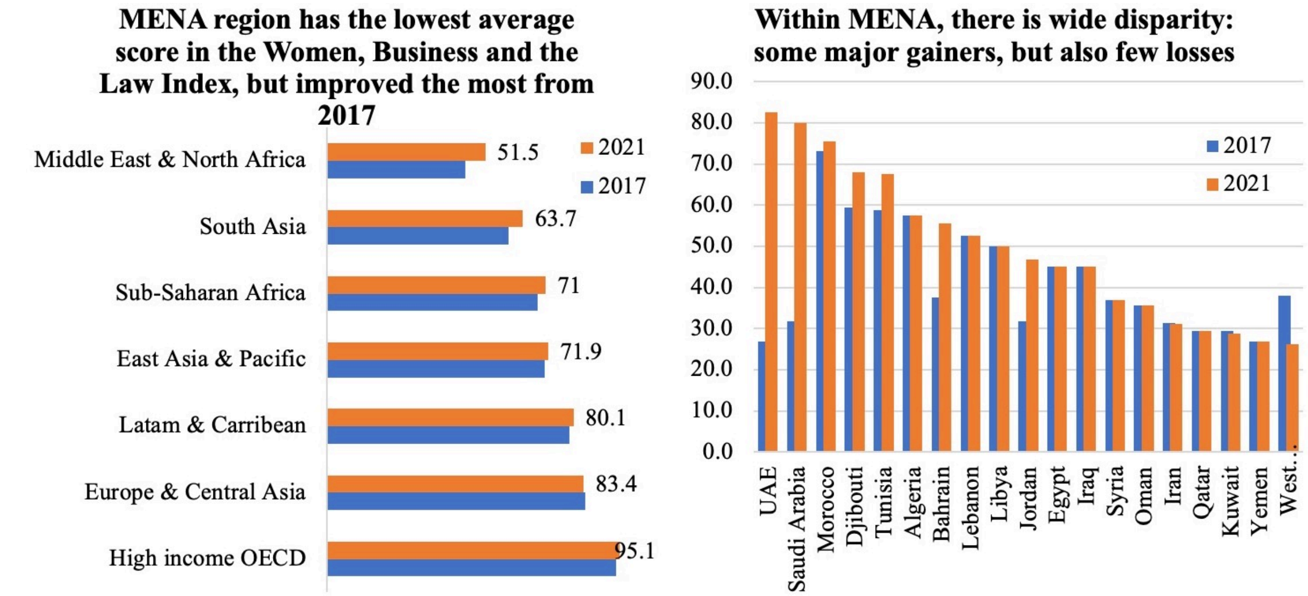
"Some 13 new deputies entered parliament, but they are unlikely to make the changes that are required," he said. "Politically, business continues as usual. There is a complete denial of reality."

Weekly Insights 11 Mar 2021: Will removing legal & regulatory barriers reduce

MENA’s yawning gender gap?

Download a PDF copy of this week’s insight piece here.

Chart 1. MENA & OECD high-income economies reformed the most in Women, Business & the Law Index 2021



Source: Women, Business and the Law (WBL) database. Charts created by Nasser Saidi & Associates

- The latest edition of Women, Business and the Law found that **economies in MENA reformed the most, posting an average score of 51.5 in 2021.** Agreed, most started from a low base, have lot to catch up on and cross-country variations are the highest!
- **Within the region, the lowest score is at 26.8 (West Bank & Gaza) and highest at 82.5 (UAE)**
- WEF’s **Global Gender Gap Index** found that gender gap in MENA narrowed by 3.6 points b/n 2006 & 2019: assuming same progress rate, **it will take approx. 150 years to close gender gap in MENA**

Chart 2. Removing Regulatory Barriers Is Only the Start: it’s a Long Way to Gender Parity!

Where are the Middle East nations lagging behind when it comes to the Law related to women and...

	Mobility	Workplace	Pay	Marriage	Parenthood	Entrepreneurship	Assets	Pension
UAE	100	100	100	60	60	100	40	100
Bahrain	50	75	25	40	40	100	40	75
Djibouti	100	100	50	20	60	100	40	75
Algeria	75	75	50	60	60	75	40	25
Egypt	50	75	0	0	20	75	40	100
Iran	0	0	50	0	60	75	40	25
Iraq	25	100	50	0	20	75	40	50
Jordan	25	0	75	20	40	100	40	75
Kuwait	50	0	0	40	0	75	40	25
Lebanon	100	50	50	60	20	75	40	25
Libya	75	50	75	20	40	75	40	25
Morocco	100	100	50	60	80	100	40	75
Oman	0	75	25	20	0	75	40	50
Qatar	25	0	50	20	0	75	40	25
Saudi Arabia	100	100	100	60	40	100	40	100
Syria	25	25	0	40	40	75	40	50
Tunisia	100	100	25	60	40	75	40	100
West Bank & Gaza	25	25	0	20	0	75	40	25
Yemen	25	25	25	0	0	75	40	25

Source: Women, Business and the Law (WBL) database. Table created by Nasser Saidi & Associates

- **Consider the "best performing" regulatory aspects in MENA** (from the table below):
  - **Entrepreneurship**: 7 of the 19 nations score a perfect 100 and others 75;
  - **Mobility & workplace** regulations should encourage women to enter the workforce;
- ***Does this translate into practice?***

Chart 3. Have Better Regulations Supported Entry of More Women Entrepreneurs in MENA?

Women's Entrepreneurship: Is the gap narrowing in the Middle East?

	Owners of new LLCs	Sole propreitors	Directors of new LLCs
	Share of female business owners	Share of female sole proprietors	Share of female directors
Algeria_2014	6.2%	6.0%	6.1%
Algeria_2018	6.9%	6.6%	6.8%
Bahrain_2014	22.6%	n.a.	17.5%
Bahrain_2018	21.5%	n.a.	19.2%
Jordan_2014	14.6%	16.0%	n.a.
Jordan_2018	17.8%	17.8%	n.a.
Morocco_2014	15.6%	n.a.	10.6%
Morocco_2018	16.7%	41.0%	13.1%
Oman_2014	17.3%	23.1%	12.1%
Oman_2018	13.8%	29.7%	10.6%
Qatar_2014	13.3%	29.3%	7.9%
Qatar_2018	12.6%	21.6%	8.0%
Saudi Arabia_2014	n.a.	n.a.	n.a.
Saudi Arabia_2018	14.6%	n.a.	10.7%
UAE_2014	9.7%	13.5%	n.a.
UAE_2018	8.8%	14.4%	n.a.

Source: World Bank's Entrepreneurship Survey and database.

- **Less than one-fifth of new limited liability company owners are women in the Middle East**: ranges between a high of 21.5% in Bahrain to low of 6.9% and 8.8% in Algeria & UAE respectively
- **Sole proprietorships are more frequently used by female entrepreneurs**: but, evidence shows a wide disparity of women business owners relative to men. This male-female **gap is the lowest in Morocco** with share of women business owners (as sole proprietors) at 41% versus men at 59%

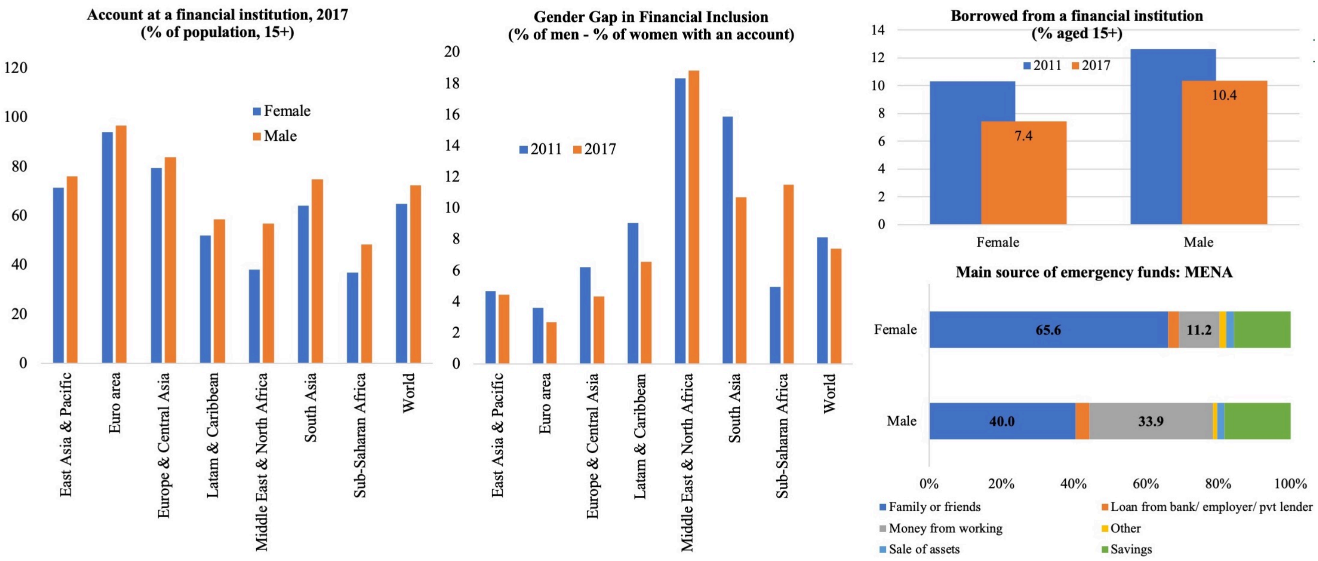
Chart 4. Access to Finance is a Major Barrier

- **One of the biggest challenges when it comes to women**

entrepreneurs is access to finance

1. Higher the access to bank accounts for women, the higher the share of female entrepreneurs;
2. Higher the lending to women, the higher the share of female entrepreneurs

- **MENA reported the largest access to finance gender gap of any region**: 52% of men vs only 35% of women have an account; the **gender gap in financial access increased between 2011 and 2017!**
- **Borrowing from a financial institution was low for both men and women in MENA**: 10.4% and 7.4% respectively in 2017 (lower than in 2011). When in need of emergency funds, **women raise money from friends & family (65%) than other sources**

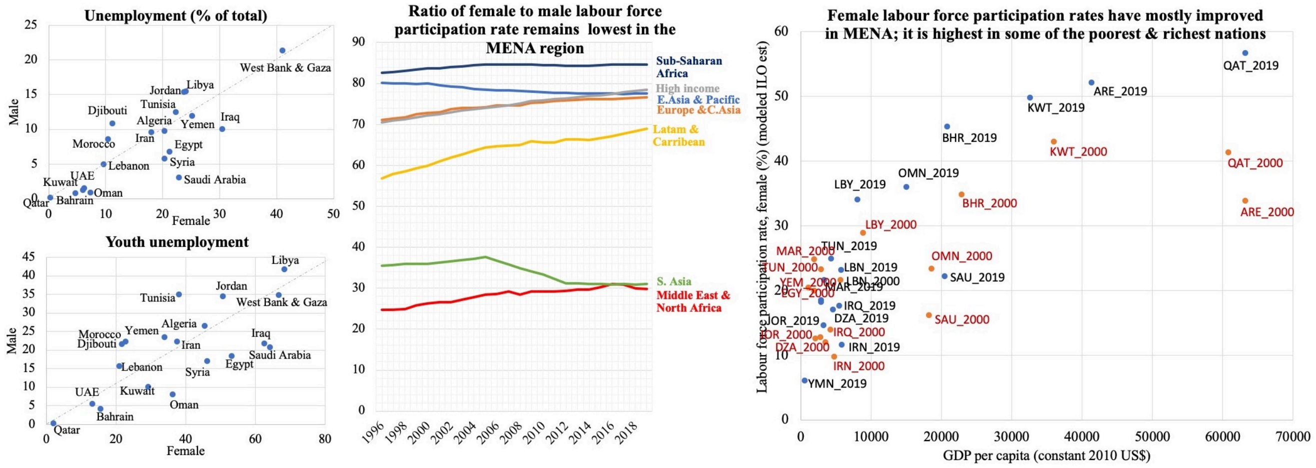


Source: Global Findex database, World Bank. Charts created by Nasser Saidi & Associates

Chart 5. Gender Inequality in Labour Market Outcomes Persist in the MENA region

- **Ratio of female to male labour force participation rates (LFPR) continue to be the lowest in MENA**
- **Large variations in Female LFPRs within MENA**: as high as 56% in Qatar, 34% in Libya (low-income) to lows of 6% & 11% in Yemen and Iran respectively. In most cases, **female LFPR is higher among single women than married** (signalling the influence of cultural/ social norms)

- Even when women actively participate in the workforce, their **share of employment in senior & middle management is small**: 15.8% in the UAE, 19.3% in Tunisia, 19.8% in Iran and 28.9% in Lebanon (ILO)
- Despite relatively high levels of education, **female unemployment is high in MENA & female youth unemployment even higher!**



Source: World Development Indicators, ILO. Charts created by Nasser Saidi & Associates

What can be done to support regulatory reform aiming for gender equality?

- Removing legal and regulatory barriers is necessary but not sufficient condition to reduce the yawning gender gap in the Middle East & North Africa region
- The IMF estimates that reducing the gender gap in labour force participation to double (rather than triple) the average for emerging market and developing economies would have doubled GDP growth in MENA over the past decade: a gain of USD 1trn in cumulative output
- Digital economy and labour market reforms (part-time, flexible work arrangements) will boost women's overall participation
- Support for women entrepreneurs via: (a) access to finance (loan guarantees, grants, microfinance); (b) women-led networks (VC, angel investors) to invest in women-owned businesses; (c) a "sandbox" for texting new products/ concepts

- Encourage the collection of disaggregate data by gender by the private sector, share them with regulators for policymaking (e.g. share of females employed in senior & management levels, reason for leaving employment, banks' loan portfolios etc.)

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