

Educational Profile and Utilization of Banking Services in Burkina Faso

My Nguyen

Ho Chi Minh City Open University

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Abstract: This study investigate whether educated Burkinabe utilize more banking services (N=37,432). Our results suggest that more educated Burkinabe are more likely to utilize banking services. Quantitatively, an additional year of education in Burkina Faso leads to a 3.0 percentage points rise in the probability of Burkinabe using banking services, completing primary schooling increases the probability of Burkinabe using banking services by 20.5 percentage points, and completing secondary schooling increases the probability of Burkinabe using banking services by 35.5 percentage points.

Keywords: Education; Burkina Faso; Banking Utilization

Introduction

Banks are important in Burkina Faso for offering services to Burkinabe people. However, the banking utilization in Burkina Faso is still very low. Hence, policymakers in Burkina Faso are seeking ways to improve Burkinabe banking utilization.

This study investigate whether educated Burkinabe utilize more banking services (N=37,432). The data is taken from the Burkina Faso Demographic and Health Surveys (DHS-BFA). Regression frame work with DHS-BFA data is employed. The independent is Burkinabe education. The outcome is Burkinabe banking utilization. Focused on DHS-BFA sample of 37,432 Burkinabe, we contribute to the literature concerning the Burkinabe banking-education relationship across Burkina Faso.

Our results suggest that more educated Burkinabe are more likely to utilize banking services. Quantitatively, an additional year of education in Burkina Faso leads to a 3.0 percentage points rise in the probability of Burkinabe using banking services, completing primary schooling increases the probability of Burkinabe using banking services by 20.5 percentage points, and completing secondary schooling increases the probability of Burkinabe using banking services by 35.5 percentage points.

Data

Using information from Burkina Faso Demographic and Health Surveys (DHS-BFA), we investigate whether educated Burkinabe utilize more banking services. DHS-BFA records detailed data on Burkinabe population. Multiple Burkinabe attributes are provided in DHS-BFA. Regression framework with DHS-BFA data is employed. The independent is Burkinabe education. The outcome is Burkinabe banking utilization.

Table 1: Burkinabe Descriptive Statistics

	Mean	SD	N
	(1)	(2)	(3)
Burkinabe Banking Utilization	0.152	0.359	37432
Burkinabe Primary School	0.190	0.392	37432
Burkinabe Secondary School	0.036	0.186	37432
Burkinabe Education	1.774	3.604	37432
Burkinabe Male	0.455	0.498	37432
Burkinabe Age	38.624	16.053	37432
Burkinabe in Rural Areas	0.688	0.463	37432
Burkinabe Currently Married	0.773	0.419	37432
Burkinabe Household Head	0.382	0.486	37432

Table 1 presents the descriptive statistics of our DHS-BFA sample. The sample includes around 37,432 Burkinabe respondents. The average share of Burkinabe using banking services is 0.152. The share of Burkinabe completing primary schooling in DHS-BFA is 0.190. The share of Burkinabe completing secondary schooling in DHS-BFA is 0.036. The average DHS-BFA educational attainment is 1.774 years. The Burkinabe male fraction is 0.455. The average age of Burkinabe respondents is 38.624. The fraction of Burkinabe living in rural areas is 0.688. The share of married Burkinabe is 0.773. The share of DHS-BFA respondents being household head is 0.382.

Empirical Design

To investigate whether educated Burkinabe utilize more banking services, we estimate the following regression(N=37,432),

$$Y_{ist} = \beta_0 + \beta_1 Edu_{ist} + X'_{ist} \Omega + \epsilon_{ist}$$

where i , s , and t refer to Burkinabe individuals, DHS-BFA residential cluster, and DHS-BFA survey date. Y_{ist} is Burkinabe banking utilization.

Edu_{ist} is Burkinabe educational year, Burkinabe completing primary schooling, and Burkinabe completing secondary schooling. X'_{ist} includes Burkinabe age, squared-age, gender, whether Burkinabe respondent is married, whether Burkinabe respondent is in rural areas, whether Burkinabe

respondent is household head, Burkinabe birth year fixed effects, DHS-BFA residential cluster fixed effects, DHS-BFA survey date fixed effects. ϵ_{ist} is the error term.

The coefficient β_1 is the effects of education on Burkinabe banking utilization. Simply put, β_1 depicts the difference in banking utilization of Burkinabe living in the same neighborhood but differing in education.

Results

Burkinabe Education- The effects of Burkinabe education on banking utilization in DHS-BFA is in Table 2. Column 1, where only Burkinabe education is included, depicts the effects of Burkinabe education on banking utilization in DHS-BFA. We find that an additional year of education in Burkina Faso leads to a 4.6percentage points rise in the probability of Burkinabe using banking services.

This estimate is simply a correlation between banking utilization and Burkinabe education in DHS-BFA, while factors in DHS-BFA are not included. Hence, we include Burkinabe features and DHS-BFA temporal-spatial fixed effects. Evident from Column 3, we find that an additional year of education in Burkina Faso leads to a 3.0 percentage points rise in the probability of Burkinabe using banking services.

Table 2: Burkinabe Education

	(1)	(2)	(3)
Burkinabe Education	0.046*** (0.000)	0.038*** (0.001)	0.030*** (0.001)
Observations	37432	37432	37432
Cluster FE	.	.	X
Characteristics	.	X	X

Burkinabe Primary Schooling- The effects of Burkinabe primary education on banking utilization in DHS-BFA is in Table 3. Column 1, where only Burkinabe primary education is included, depicts the effects of Burkinabe primary education on banking utilization in DHS-BFA. We find that completing primary schooling increases the probability of Burkinabe using banking services by 36.4percentage points.

This estimate is simply a correlation between banking utilization and Burkinabe primary education in DHS-BFA, while factors in DHS-BFA are not included. Hence, we include Burkinabe features and DHS-BFA temporal-spatial fixed effects. Evident from Column 3, we find that completing primary schooling increases the probability of Burkinabe using banking services by 20.5percentage points.

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Table 3: Burkinabe Primary Schooling

	(1)	(2)	(3)
Burkinabe Primary	0.364*** (0.004)	0.275*** (0.005)	0.205*** (0.005)
Observations	37432	37432	37432
Cluster FE	.	.	X
Characteristics	.	X	X

Burkinabe Secondary Schooling - The effects of Burkinabe secondary education on banking utilization in DHS-BFA is in Table 4. Column 1, where only Burkinabe secondary education is included, depicts the effects of Burkinabe secondary education on banking utilization in DHS-BFA. We find that completing secondary schooling increases the probability of Burkinabe using banking services by 62.4percentage points.

This estimate is simply a correlation between banking utilization and Burkinabe secondary education in DHS-BFA, while factors in DHS-BFA are not included. Hence, we include Burkinabe features and DHS-BFA temporal-spatial fixed effects. Evident from Column 3, we find that completing secondary schooling increases the probability of Burkinabe using banking services by 35.5 percentage points.

Table 4: Burkinabe Secondary Schooling

	(1)	(2)	(3)
Burkinabe Secondary	0.624*** (0.009)	0.470*** (0.009)	0.355*** (0.009)
Observations	37432	37432	37432
Cluster FE	.	.	X
Characteristics	.	X	X

Conclusion

Banks are important in Burkina Faso for offering services to Burkinabe people. However, the banking utilization in Burkina Faso is still very low. Hence, policymakers in Burkina Faso are seeking ways to improve Burkinabe banking utilization. This study investigate whether educated Burkinabe utilize more banking services (N=37,432). The data is taken from the Burkina Faso Demographic and Health Surveys (DHS-BFA). Regression framework with DHS-BFA data is employed. The independent is Burkinabe education. The outcome is Burkinabe banking utilization. Focused on DHS-BFA sample of 37,432Burkinabe, we contribute to the literature concerning the Burkinabe banking-education relationship across Burkina Faso.

Our results suggest that more educated Burkinabe are more likely to utilize banking services. Quantitatively, an additional year of education in Burkina Faso leads to a 3.0 percentage points rise in the probability of Burkinabe using banking services, completing primary schooling increases the probability of Burkinabe using banking services by 20.5 percentage points, and completing secondary schooling increases the probability of Burkinabe using banking services by 35.5 percentage points.

The results are related to research on factors affecting Burkinabe well-being. For example, food shortage and violence in Burkina Faso cause to poor survival rates; extreme temperature and precipitation in Burkina Faso worsen living standard; education, nutrition, and land programs improve Burkinabe wellbeing; measures to diseases in Burkina Faso also affect wellbeing (Hang et al., 2020a, 2020b; Le, 2020a, 2020b, 2020c).

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