

## TECHNICAL SESSION-8: INSTITUTIONS AND GOVERNANCE REFORMS

**Chair:** Prof. Dr. Asif Yasin, Institute of Commerce, BZU, Multan

**Paper Title:** Trust in Financial Institutions: Examining Regional, Gender, and Urban-Rural Disparities in Pakistan  
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**Presenter:** Aribah Aslam

**Abstract:** Post Covid-19 and 2007-08 financial crisis, financial institutions, primarily banks in many countries have been globally facing what seems to be a serious “trust-crisis”. This sharp decline in trust in banks and financial institutions, are the likely outcome of the near-collapse of banking systems during both of these crisis and it is hardly captured by any empirical literature, particularly in the context of Pakistan. This literature bridge gap of the serious shortcomings in existent literature, while delving into the determinants of trust in Financial institutions in Pakistan at four aspects (i) country level, (ii) regional level, (iii) gender variations and (iv) rural –urban variations. In particular, the paper identifies three related dimensions of trust on financial institutions in Pakistan. Firstly, it established a substantial connection between individuals’ perceptions of the justice system and their trust in financial institutions, suggesting that perceptions of a just legal system were linked to higher levels of trust in banks. This finding emphasises the necessity for comprehensive reforms in the justice system to enhance public confidence in both the legal and financial sectors in Pakistan. Secondly, income disparities were found to be a significant factor influencing trust in financial institutions (banks), with lower-income individuals displaying higher levels of trust in financial institutions in rural areas. This underscores the importance of implementing policies geared towards improving financial inclusion, particularly for low-income individuals, as a means to bridge this trust gap and increase confidence in the banking sector. Third and Lastly, the study shed light on notable gender-specific and region-specific effects on trust in banks through variables such as income, education, employment status, family size, and health. These findings underscore the imperative for developing gender-sensitive financial policies and initiatives aimed at promoting gender equality in terms of access to financial resources and enhancing financial literacy among women in Pakistan.

**Discussant:** Dr. Ayesha Ashraf, Assistant Professor, Women University, Multan