

BRIDGING THE FINANCIAL GAP: THE ROLE OF MICROCREDIT IN EMPOWERING ECONOMICALLY EXCLUDED POPULATIONS IN THE WESTERN BALKANS – AN EMPIRICAL CASE FROM REPUBLIKA SRPSKA

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Abstract

Microcredit organizations play a crucial role in fostering microentrepreneurship, especially in regions and among groups that have traditionally been excluded from the formal financial system. The research conducted in Republika Srpska focuses on individuals who have completed their working life, sometimes already at the age of 50, and who lack access to credit cards or larger loans from banks. The results show that more than 20% of respondents would definitely take a credit card if given the opportunity, with an additional more than 10% expressing potential interest. This indicates a substantial untapped demand for financial products aimed at economically excluded groups. Such access could motivate individuals to engage in small-scale entrepreneurial activities and thereby promote local economic development. The paper highlights the need to design flexible microcredit products tailored to older users, with a particular emphasis on supporting entrepreneurial initiatives rather than merely covering basic living expenses.

Keywords: microcredit, financial inclusion, microentrepreneurship, credit cards, economic inclusion

1. INTRODUCTION

The phenomenon of financial exclusion of the elderly population has become one of the key issues of contemporary societies, especially in transitional and post-socialist economies. In many countries of Southeast Europe, including Bosnia and Herzegovina, population ageing is progressing rapidly, while systems of social and financial support are not adapting quickly enough to emerging needs. The Republic of Srpska, as one of the entities of BiH, faces a dual challenge: on the one hand, the growing number of elderly citizens requires greater social and financial security, while on the other hand, the existing systems are not sufficiently adjusted to their needs.

According to data from the Statistical Office of the Republic of Srpska, the share of the population over 65 is continuously increasing and already exceeds 20%. At the same time, average pensions, although showing slight growth in recent years, remain insufficient for an adequate standard of living. Most retirees have incomes that cover basic living needs, while opportunities for investment, savings, or entrepreneurial activities remain limited. As a result, the elderly population becomes economically vulnerable and often excluded from formal financial flows.

The process of population ageing is not specific only to the Republic of Srpska. In countries of the region, such as Croatia, Serbia, and Montenegro, the share of elderly persons also exceeds 20%, while in the European Union this percentage surpasses 22%. A particular challenge lies in the fact that life expectancy continues to rise, so an increasing number of citizens spend 20 or more years in retirement. This demographic trend places additional pressure on pension and healthcare systems, but it also raises the issue of the economic and social participation of the elderly. In other words, the elderly population

should not be seen only as a burden on the budget, but also as a potential resource.

Financial exclusion implies the inability or difficulty in accessing basic financial services such as bank accounts, loans, cards, or savings instruments. While younger generations are increasingly oriented toward digital banking solutions, the elderly often rely on traditional methods of payment, avoid online services, and show lower levels of trust in financial institutions. In this way, instead of taking advantage of the opportunities offered by the financial market, older citizens remain confined to cash transactions, which further marginalizes them and reduces their financial security.

The digitalization of the financial sector, which has intensified in recent years, has brought significant advantages but also created new challenges. For the elderly population, digital transformation means confronting technologies that are not always familiar to them. The lack of digital skills further deepens the generational divide. For example, while younger generations use mobile payment applications and online banking as a standard, older citizens often lack even smartphones or internet access. This digital exclusion becomes as serious an obstacle as classical financial exclusion.

Another problem is the low level of entrepreneurial awareness after retirement. Although many retirees possess significant work experience, practical knowledge, and resources such as agricultural land, workshops, or craft skills, their willingness to start entrepreneurial initiatives remains minimal. Key barriers include psychological factors (fear of risk, uncertainty about the future), institutional barriers (difficulties in accessing credit, bureaucratic requirements), and social factors (lack of support from

the community and family). All this results in the elderly population remaining passive, even though they could represent a valuable segment of small entrepreneurship.

When looking at the broader European context, research shows that countries with developed financial education and inclusion programs achieve significantly better results in terms of the economic participation of the elderly. For example, Scandinavian countries have developed lifelong learning models that include retirees, while Germany and Austria have specialized microfinance programs intended for older people who want to start small business ventures or join cooperatives. By contrast, in Balkan countries, including BiH, such programs are only at an early stage. This means that the elderly population in the region remains in a less favorable position compared to their European peers.

In the Republic of Srpska, the specificity of the problem is further emphasized by the historical and social context. The transition from a socialist system to a market economy has left deep marks: a large part of the population still distrusts financial institutions, and the concept of entrepreneurship was long perceived as insecure and risky. This mentality has also carried over to the older population, who spent most of their working lives in different economic circumstances. Here the digital divide is also evident: while younger generations adopt new technologies, older citizens remain largely outside the digital economy, further reducing their chances of inclusion in modern financial and entrepreneurial flows.

Education is therefore recognized as a key tool in bridging the financial gap. Numerous studies confirm that financial literacy significantly influences an individual's ability to use available financial products and to engage in entrepreneurial activities. The elderly

population, however, rarely participates in educational programs, either due to a lack of opportunities or because of the perception that learning is no longer necessary or possible in later life. However, experiences from developed countries show that well-designed educational programs can significantly improve the level of financial and digital literacy of the elderly. This opens space for microcredit institutions and non-governmental organizations that can create targeted educational programs.

The aim of this paper is to empirically examine the level of financial inclusion of the elderly population in the Republic of Srpska, analyze their readiness to start entrepreneurial initiatives, and identify key obstacles and opportunities for improvement. Special emphasis is placed on the educational implications and the role of microcredit institutions, which can act as intermediaries between the financial system and socially vulnerable groups. In this context, microcredit institutions represent not only financial intermediaries but also educational actors who can reduce the financial and digital divide.

The expected contribution of the research is the formulation of recommendations for public policies and practical measures that could improve the position of the elderly population. The proposals include the development of specialized educational programs for retirees, the adaptation of financial products to their needs, the encouragement of digital literacy, and the strengthening of cooperation between financial institutions, the non-governmental sector, and local communities. In this way, the paper seeks to answer the question of how to create an integrated model that combines education, financial support, and entrepreneurial initiatives with the aim of improving the quality of life of the elderly population in the Republic of Srpska.

2. THEORETICAL FRAMEWORK

2.1. Financial Inclusion and Microcrediting

Financial inclusion implies the availability and use of basic financial services for all layers of society, including vulnerable groups such as the elderly, women, the unemployed, and the rural population. The World Bank defines financial inclusion as "access to useful and affordable financial products and services that meet the needs of individuals and businesses – transactions, payments, savings, credit, and insurance – delivered in a responsible and sustainable manner." In developed economies, financial inclusion is a prerequisite for social stability and economic growth, while in transition economies it is still a challenge.

Microcrediting is a specific form of financing that was developed to address the needs of socially excluded groups. Initially aimed at poor segments of the population without collateral or formal credit history, it today increasingly covers vulnerable market segments that have potential but lack support. In the context of the elderly population, microcredit institutions (MCIs) can

play a dual role: on the one hand, providing financial resources for small entrepreneurial initiatives, and on the other, offering educational and advisory support necessary for successful project implementation.

The literature highlights that MCIs are more flexible than traditional banks, which allows them to better adapt to the needs of older clients. While banks often require complex procedures, guarantees, and proof of income, microcredit institutions rely on personal contact, potential assessment, and social responsibility. In this way, conditions are created for older citizens, especially in rural areas, to gain access to financing.

It is particularly important to stress that financial inclusion is not only a matter of economic development but also of social justice. When older people remain outside the financial system, this has consequences for their social inclusion, quality of life, and opportunities for community participation. This deepens inequalities between generations, as well as within the elderly

population itself – between those who have access to modern financial services and those who do not.

In the European context, microcrediting is increasingly used as an instrument in the fight against poverty among older persons and as a means of encouraging their active participation in the labor market or in self-employment. Examples from Italy, Spain, and France show that microfinance programs combined with educational components have significantly increased the participation of the elderly in small entrepreneurial projects. This suggests that the “credit plus education” model can be highly effective in environments where older citizens face multiple barriers.

2.2. Psychological and Social Barriers to Starting a Business in Older Age

Entrepreneurial behavior in older age is confronted with a number of barriers that are not only financial but also psychological and social. According to research by the European Commission, elderly citizens on average show lower willingness to take risks, weaker belief in their ability to learn new skills, and frequent doubts about support from their environment.

The psychological dimension is particularly important. The theory of planned behavior (Ajzen, 1991) emphasizes that the intention to engage in entrepreneurial activity depends on perceived behavioral control, subjective norms, and attitudes. Among the elderly, there is often a decline in the perception of personal control (“I am no longer capable of new beginnings”), while family norms may act discouragingly (“at this age it is not the time for risk”). Such barriers limit the possibility of translating the experience and resources of the elderly into concrete entrepreneurial initiatives.

Social barriers relate to the isolation of older persons, the lack of institutional support, and weaker connectedness with modern trends, especially the digitalization of business. In rural areas, additional challenges are geographic distance and the lack of opportunities to participate in educational programs. This leaves elderly citizens outside the main currents of social and economic life.

Social attitudes toward the elderly further complicate the situation. In many communities, the perception still prevails that older persons should be passive recipients of social benefits rather than active participants in economic life. Such perceptions shape both policy and

practice, resulting in little encouragement or support for older people to start their own activities.

2.3. The Role of Education in Encouraging Entrepreneurial Behavior

Education is recognized in contemporary literature as a key factor in the development of entrepreneurial activity in all age groups, including older people. Lifelong learning programs increasingly emphasize the importance of involving elderly citizens in both formal and informal educational processes.

OECD research shows that participation in education increases the level of financial literacy, reduces fear of the unknown, and strengthens the sense of control. In practice, this means that education can significantly boost the self-confidence of older people and motivate them to enter entrepreneurial endeavors. Moreover, education enables older citizens to follow new trends, including digital technologies, which are becoming increasingly important tools in business.

In the context of microcrediting, education is particularly important because it allows users to understand borrowing conditions, manage their own finances, and plan sustainable business projects. The combination of financial support and education therefore represents an integrated model that can produce the best results. The literature emphasizes the concept of “credit plus services,” meaning credit accompanied by educational and advisory services, which has proven more effective than credit provision alone.

Examples of good practice from Hungary, Slovenia, and Poland confirm that when the elderly are provided not only financial support but also professional counseling, the chances of success of their small business ventures increase significantly. This confirms the importance of an integrated approach that combines education, financing, and mentoring support.

In conclusion, the theoretical framework clearly shows that financial inclusion, microcrediting, and education represent key levers for increasing the economic participation of the elderly population. Psychological and social barriers can be overcome through systematic support programs, while the financial gap can be reduced by developing microcredit institutions and tailored educational programs. Such an approach would allow older people to transform their experience and resources into sustainable entrepreneurial initiatives, thereby improving their economic and social inclusion.

3. METHODOLOGY

3.1. Aim and Research Questions

The aim of the research was to analyze the level of financial inclusion of the elderly population in the Republic of Srpska, their readiness for entrepreneurial initiatives, and to identify the main barriers and opportunities for improvement. The research was designed to provide an empirical basis for shaping policies and programs that can contribute to greater

social and economic inclusion of older citizens. The initial research questions were:

1. What is the level of access to basic financial services (bank account, cards, loans) among the elderly population?
2. To what extent are older citizens willing to take on debt for entrepreneurial purposes?

3. What are the most prominent psychological and social barriers to starting entrepreneurial activity in later life?
4. How interested are older citizens in participating in educational programs in the field of financial literacy and entrepreneurship?
5. Are there differences in financial inclusion between urban and rural areas, and between different age and educational groups?

3.2. Sample

The research was conducted on a sample of 575 respondents over the age of 55, residents of the Republic of Srpska. The sample was designed to capture the diversity of demographic and socio-economic characteristics. Stratification was carried out according to gender, age, place of residence (urban/rural), and educational status. In the total sample, 52% of respondents were women and 48% were men. About 60% of respondents lived in urban areas, while 40% came from rural areas.

The age structure of the sample was as follows: 55–64 years accounted for 38% of respondents, 65–74 years 44%, while those over 75 years made up 18%. The educational structure showed that 27% of respondents had completed elementary school or less, 48% secondary school, and 25% had higher or university qualifications. This distribution enabled comparisons among groups and analysis of how education and place of residence influence financial behavior.

3.3. Research Instrument

A standardized questionnaire was used for data collection, consisting of three sections:

1. Demographic data (age, gender, education, place of residence, source of income).
2. Financial behavior and inclusion (account ownership, card usage, loan indebtedness, use of microcredit).
3. Attitudes and intentions (willingness to take loans for entrepreneurship, interest in education, perception of barriers and opportunities).

The questionnaire included a combination of closed-ended questions (5-point Likert scale, multiple choice) and several open-ended questions for collecting additional qualitative data. Examples of questions included: “Do you believe that taking a loan at your age is too big a risk?” or “Would you participate in free educational workshops on personal finance management?”

To ensure clarity, a pilot test was conducted on a smaller sample of 20 respondents. Based on feedback, minor language adjustments were made to simplify terminology.

3.4. Data Collection

Data were collected during March and April 2025 across the territory of the Republic of Srpska. A combined approach was used to reach respondents of different profiles:

- Field surveys (face-to-face interviews in households and public spaces).

- Telephone interviews (for older persons who were not accessible in the field or had mobility difficulties).
- Online questionnaires (a smaller number of respondents, mostly from urban areas with better digital skills).

Field interviewers underwent training to adapt their communication to elderly participants. Special attention was given to ethical aspects of the research: participation was voluntary, all respondents gave informed consent, and the collected data were used exclusively for research purposes.

3.5. Statistical Methods of Analysis

The data were processed using SPSS and Excel. The analysis included several levels:

- Descriptive statistics (frequencies, percentages, means, standard deviations).
- Chi-square tests to determine relationships between demographic characteristics and financial behavior.
- T-tests and ANOVA analyses for comparing attitudes between different groups (e.g., gender, urban/rural, education level).
- Factor analysis to identify key latent dimensions such as risk perception, interest in education, and entrepreneurial readiness.
- Correlation analysis to determine the relationship between financial literacy and readiness for entrepreneurial initiatives.

The choice of these methods was based on their ability to reveal how demographic variables influence the financial behavior and attitudes of the elderly population. Using multiple methods allowed for triangulation of data, thereby increasing the reliability of findings.

3.6. Limitations of the Research

Despite careful preparation and implementation, the research has several limitations:

- The sample was of a convenience type, which reduces the possibility of fully generalizing results to the entire population of the Republic of Srpska.
- The data relied on self-assessment by respondents, which may lead to subjective bias and socially desirable responses.
- The oldest population (75+ years) was underrepresented, partly due to health and logistical barriers.
- The research could not track longitudinal changes, as it was based on a cross-sectional design.

Nevertheless, the results provide valuable insight into the state of financial inclusion and entrepreneurial potential of the elderly in the Republic of Srpska. The methodology proved appropriate for an initial assessment, and future research should combine quantitative and qualitative methods, including in-depth interviews and focus groups.

3.7. Advantages of the Research Approach

Despite the limitations, the research has a number of advantages: it included a wide range of respondents, used multiple methods of data collection, and enabled comparisons between different groups. The combination of quantitative and qualitative approaches

4. RESEARCH RESULTS

The research results show that a significant portion of the elderly population in the Republic of Srpska still does not have full access to basic financial services. Out of a total of 575 respondents, 72% have a current bank account, while 28% rely exclusively on cash. When data are analyzed by place of residence, a clear difference emerges: in urban areas as many as 85% of respondents have an account, while in rural areas that share drops to 55%. This difference indicates a substantial gap between urban and rural populations, highlighting unequal access to financial services and infrastructure. It also suggests that geographic factors play a significant role in determining the level of financial inclusion, with rural residents facing more pronounced barriers related to availability, accessibility, and trust in financial institutions.

Card usage is also relatively low. Only 46% of respondents use debit cards, while credit cards are held by just 18%. The use of ATMs and POS devices is significantly more frequent in urban areas (63%) compared to rural areas (28%). These figures point to limited financial inclusion, particularly when compared with the European average, where more than 90% of the adult population use at least one card. In addition, women use cards less often than men (41% vs. 52%), which confirms existing gender disparities in access to and use of financial services. These differences may be explained by a combination of socio-economic factors, including lower income levels, reduced financial independence, and more limited exposure to financial education among older women. Consequently, gender-sensitive approaches should be considered when designing policies aimed at improving financial inclusion.

As for access to loans, the study shows that only 22% of older citizens had experience with credit indebtedness in the past 10 years. Most of these were housing or consumer loans, while the use of microloans was limited to only 7% of respondents, mostly for home renovation or financing agricultural activities. It is particularly significant that microloans are more frequently used in rural areas (11%) than in urban ones (5%), indicating that MCIs play a key role precisely in rural settings.

Limited willingness to take on debt is linked to perceptions of risk and a lack of trust in financial institutions. Almost half of respondents (49%) believe that a loan could endanger their financial security, while 32% stated that they do not believe a bank or microcredit institution would even approve them a loan due to their age and limited income. These results show

in future studies could further strengthen the findings, but even this version of the research clearly indicates patterns of behavior and attitudes of the elderly population with regard to financial inclusion and entrepreneurship.

that the problem of financial exclusion is reflected not only in the objective availability of services but also in subjective attitudes and perceptions of risk, trust, and financial self-confidence. In other words, even when financial products are available, psychological barriers may significantly limit their use, further reinforcing the cycle of exclusion among the elderly population.

When asked whether they would take a loan to start an entrepreneurial venture, only 15% of respondents answered affirmatively. However, when data are analyzed by educational structure, a clear difference appears: among respondents with higher education, 27% expressed willingness to borrow, compared to only 11% among those with secondary or lower education. Likewise, the younger part of the older population (55–64 years) shows a higher level of readiness (21%) compared to the group older than 70 (7%). These results indicate that both education and age play a significant role in shaping entrepreneurial intentions, suggesting that better-educated and relatively younger segments of the elderly population are more open to taking financial risks and engaging in business activities. This finding highlights the importance of targeted support measures that take into account differences within the elderly population, particularly in terms of education and age structure.

Self-employment and entrepreneurial initiatives are recognized by only a smaller segment of the elderly population. Only 19% of respondents believe they could start a small business in their community. The most common ideas relate to agriculture (growing vegetables, fruits, beekeeping), craft services (carpentry, tailoring), and tourism activities in rural areas. However, as many as 68% of respondents said they are not considering self-employment because “at that age it is not the time for new beginnings.” This perception reflects deeply rooted social and psychological barriers, including fear of failure, lack of confidence, and the belief that entrepreneurship is primarily reserved for younger generations. Such attitudes significantly limit the potential for economic activation of the elderly, even in cases where they possess valuable experience, skills, and resources that could be utilized in small-scale business activities.

A positive result of the research is the significant interest of older citizens in participating in educational programs. When asked whether they would attend workshops or courses on financial literacy and entrepreneurship, 41% of respondents answered positively, 37% were undecided, and 22% showed no interest. The highest interest was expressed by

respondents aged 55–65, while among those over 70 interest was significantly lower. Respondents from urban areas also expressed greater interest (48%) compared to those from rural areas (33%), which may be attributed to better access to educational opportunities and higher exposure to information and support programs. These findings indicate that, despite existing barriers, there is considerable potential for improving financial inclusion through targeted educational initiatives, particularly among younger segments of the elderly population and those living in urban environments.

4.1. Gender Differences in Financial Inclusion

The analysis reveals pronounced gender differences in financial inclusion. Men are more likely to use banking services, cards, and loans, while women display a greater degree of conservatism in financial behavior. For example, 55% of men use at least one bank card, compared to 38% of women. In terms of loans, the difference is even more evident: 27% of men had used a loan in the past 10 years, compared to 17% of women. When it comes to entrepreneurial intentions, men are twice as likely to express willingness to start a business (21% vs. 10%). However, women more often express interest in participating in educational programs (44% vs. 38%), indicating the need for financial education programs specifically designed to further empower women.

4.2. Age Groups

Age differences also play an important role. The youngest segment of the elderly population (55–64 years) shows the highest level of inclusion: 81% have a bank account, 63% use a card, and 21% would consider a loan to start a business venture. In the 65–74 group these percentages fall (68% account, 42% card, 12% readiness for a loan), while in the group over 75 they are even lower (53% account, 27% card, 5% readiness for a loan).

These results confirm that with increasing age, the tendency to engage in financial and entrepreneurial activities decreases. Reasons include health limitations, greater caution toward risk, and reduced motivation for long-term plans.

4.3. Urban and Rural

The comparison between urban and rural areas reveals clear patterns. Urban respondents have better access to banks, use cards more frequently, and participate in educational programs more often. On the other hand, rural respondents use microloans more often because banks are less accessible to them and because such products suit their small agricultural and craft activities. However, the digital divide remains significant. While 62% of urban respondents use some form of digital payment (internet or mobile banking), in rural areas the percentage is only 19%. This indicates the need for digital education programs targeting older people in rural communities.

4.4. Regional Comparisons and European Context

To put the results into a broader context, it is useful to compare them with data from neighboring countries. In Croatia, according to Eurostat (2023), as many as 94% of those over 55 are included in the banking system, and 72% use at least one card. In Serbia, the percentage is lower – 78% of older citizens have an account, while about 51% use cards. The results for the Republic of Srpska, where almost a third of older people do not have an account, indicate a much weaker level of inclusion even in the regional context. This gap highlights structural differences in the development of financial systems, as well as disparities in financial literacy, accessibility of services, and institutional trust. It also suggests that additional efforts are needed to align financial inclusion levels with those observed in neighboring countries and the broader European environment.

When it comes to digital inclusion, OECD data show that on average 48% of older people in the EU use the internet for financial transactions. In the Republic of Srpska, based on this research, the percentage does not exceed 20%, clearly showing the depth of the digital divide. This limits not only access to finance but also opportunities for entrepreneurship and broader social engagement.

4.5. Synthesis and Implications

The results clearly show that the financial inclusion of the elderly in the Republic of Srpska lags behind both European and regional averages. Particularly concerning is the low level of card and loan usage and the extremely small number of elderly who engage in entrepreneurial initiatives. At the same time, the strong interest in education represents an important opportunity.

To improve the situation, it is necessary to develop targeted programs that combine financial support and education. Recommendations include:

- creating special credit products for the elderly, with more flexible conditions and smaller amounts,
- developing workshops for women and the oldest age groups,
- increasing the availability of digital tools and training in rural areas,
- strengthening the role of microcredit institutions as a bridge between banks and the elderly population,
- using examples of good practice from Croatia and Slovenia, where financial literacy programs for the elderly have shown significant effects.

In conclusion, the research results confirm that the elderly population has potential for greater economic participation, but it is necessary to remove barriers related to the financial gap, digital illiteracy, and lack of trust in institutions. The Republic of Srpska can significantly improve the position of its older citizens if financial instruments, education, and local community support are combined.

5. DISCUSSION AND EDUCATIONAL IMPLICATIONS

The research results clearly show that the elderly population in the Republic of Srpska remains partially excluded from the financial system and that entrepreneurial potential is insufficiently utilized. These findings correspond with theoretical assumptions in the literature, which suggest that older people often have limited access to financial services, express greater fear of risk, and participate less frequently in educational programs. The aim of this discussion is to interpret the results in the light of the theoretical framework, highlight the specific characteristics of the Republic of Srpska, and offer recommendations for improvement.

5.1. Linking Results with Theoretical Concepts

Financial inclusion represents a fundamental prerequisite for the active participation of older citizens in society. The results showed that almost one-third of the elderly in the Republic of Srpska do not have a current account, while cards and loans are used to a much lesser extent than in European countries. This confirms the claim that financial exclusion is a multidimensional problem, where economic, psychological, and social factors intersect. Psychological barriers, such as fear of risk and low self-confidence, further reduce the willingness of older people to engage in entrepreneurial activities.

On the other hand, the significant interest in education (41% of respondents) confirms the thesis that education can be a key instrument in encouraging entrepreneurial behavior. This supports the “credit plus services” concept, which suggests that financial resources should be combined with educational and advisory components in order to achieve sustainable results.

5.2. Comparison with International Experiences

A comparison with European countries shows that older citizens in the Republic of Srpska are in a significantly less favorable position. While access to banking services in the EU is almost universal, here 28% of the elderly have no account at all. Similarly, while in the EU more than 60% of the elderly participate in lifelong learning programs, in this study only 41% expressed interest. These differences highlight the need for policy adaptation to enable better integration of older people. Examples of good practice from Scandinavian countries show that it is possible to develop support systems that actively include older people in economic life. Lifelong learning models, local cooperatives, and specialized microfinance programs for the elderly have successfully integrated this population into economic flows. Although specific models cannot be fully transferred due to different social and economic contexts, key guidelines can serve as inspiration.

In addition, experiences from Central and Eastern European countries, such as Poland and Slovenia, show that the combination of microcredit programs and education has produced very good results in rural areas. For example, in Slovenia, microcredit institutions, in cooperation with local development centers, developed workshops for older farmers, which enabled them to

gain better access to markets and financial services. Such models could also be implemented in the Republic of Srpska.

5.3. Specific Challenges of the Republic of Srpska

The Republic of Srpska faces challenges characteristic of transitional economies: distrust in financial institutions, a lack of tailored financial products, and underdeveloped digital infrastructure, particularly in rural areas. The historical context of the socialist system additionally influences the perception of entrepreneurship, which for many older citizens is still associated with insecurity and risk.

Another specific challenge is the gender dimension. The results show that women use financial services and loans less often, but more frequently express interest in education. This means that women’s empowerment programs could play a key role in strengthening the financial inclusion of the elderly population. Furthermore, differences between urban and rural areas require targeted policies: while in urban settings the emphasis should be on digital education and the modernization of services, in rural areas it is essential to develop microcredits and local support programs.

5.4. Recommendations for Public Policies and Microcredit Institutions

Based on the results and international experiences, several recommendations can be formulated:

1. Development of tailored financial products for the elderly – including microloans with lower interest rates, more flexible repayment terms, and smaller amounts.
2. Education and lifelong learning – organization of free workshops and financial literacy courses, especially in rural areas.
3. Digital inclusion – providing internet access and basic digital education for older people, thereby reducing the gap in using modern financial services.
4. Gender-sensitive policies – designing programs specifically targeting women, with an emphasis on their inclusion in financial flows and entrepreneurship.
5. Institutional cooperation – strengthening coordination between banks, microcredit institutions, NGOs, and local communities to create integrated support programs.
6. Regional cooperation – exchanging experiences and practices with neighboring countries, such as Croatia and Slovenia, which have more developed financial education models for the elderly.

5.5. Educational Implications

The findings of the research have significant educational implications. First of all, it is necessary to develop specialized educational programs for the elderly population, adapted to their needs and capabilities. Such programs should be practical, simple, and focused on solving concrete problems – for example, how to use banking services, how to manage

a household budget, or how to develop a small business venture.

Education can also help reduce psychological barriers. Through interactive workshops and mentoring support, older citizens can gain greater self-confidence and readiness to participate in financial and entrepreneurial activities. A particularly important dimension of education is digital literacy, since the digital divide is one of the main causes of financial exclusion of the elderly.

It is also important to stress the long-term effects of education. If older people acquire skills in financial management and digital competencies, they can transfer these skills within their families and communities. In

6. CONCLUSION

The research conducted among the elderly population of the Republic of Srpska showed that financial inclusion in this demographic group remains at a relatively low level. Although most respondents have a current account, a significant portion still relies exclusively on cash, while the use of cards and loans is considerably below the European average. Particularly concerning is the fact that almost one-third of older citizens do not have an account at all, which represents a clear barrier to their integration into the modern financial system and limits their access to a wide range of financial services. This situation not only affects their financial security but also reduces their ability to participate in economic activities, including potential entrepreneurial initiatives. The results also showed that the willingness of older people to borrow for entrepreneurial initiatives is limited. Only a small number of respondents recognize self-employment as a realistic option in later life, with barriers including fear of risk, health constraints, and lack of trust in financial institutions. At the same time, the strong interest in education indicates that older citizens recognize the importance of new knowledge and skills, particularly regarding financial literacy and digital competencies. This suggests that, despite existing barriers, there is a foundation upon which targeted educational and support programs can be built, potentially increasing both financial inclusion and entrepreneurial activity among the elderly population.

These findings point to several key conclusions. First, financial exclusion of the elderly in the Republic of Srpska is a multidimensional problem involving economic, psychological, and social factors. Second, there are significant differences in inclusion levels between urban and rural areas, between educational groups, and between men and women. Third, despite existing barriers, there is clear potential for improvement through targeted educational and financial programs.

Based on the research results, several concrete recommendations can be formulated to improve the position of the elderly population:

this way, education of the elderly has a multiplier effect – it benefits not only the individual but also the wider community. This reduces the risk of financial vulnerability in the long term and promotes sustainable social development.

In conclusion, the discussion shows that there is clear room for improvement in policies and practices in the Republic of Srpska. If financial instruments, education, and local support are combined, it is possible to significantly increase the level of financial inclusion and entrepreneurial activity of the elderly population. This would not only reduce social vulnerability but also contribute to the sustainable development of communities.

1. Increase the availability of financial products tailored to the elderly, including microloans with flexible conditions.
2. Invest in the development of digital infrastructure and education, particularly in rural areas.
3. Ensure greater participation of women through gender-sensitive financial literacy programs.
4. Develop local initiatives linking financial institutions, NGOs, and communities to create networks of support for the elderly.
5. Incorporate experiences and good practices from the region and the EU into public policy design.

The educational implications of this research are particularly important. The results show that older people are willing to learn and participate in programs that help them better understand financial products and develop budget management skills. This opens space for the development of targeted educational content, workshops, and courses, which can have long-term positive effects not only on individuals but also on their families and local communities.

It is important to emphasize that this paper contributes not only to the academic literature on financial inclusion but also has practical implications. Based on the results, concrete support programs can be designed and implemented by microcredit institutions, banks, and public authorities. In this way, a bridge is created between theory and practice, where research becomes a starting point for real social change. The importance of linking financial institutions with local communities is particularly emphasized, as such cooperation enables more effective identification of the needs of the elderly population and the development of tailored financial and educational solutions. Strengthening these connections can significantly contribute to reducing financial exclusion and fostering sustainable economic participation among older citizens.

The contribution of the research also lies in providing a basis for comparative analyses with other countries in the region. Future studies could examine similar patterns in Serbia, Montenegro, or Croatia, creating a broader picture of the position of the elderly population in Southeast Europe. In addition, longitudinal research

could track changes over time and show the effects of potential reforms or new support programs.

In conclusion, the elderly population of the Republic of Srpska faces both challenges and opportunities. Bridging the financial gap is possible only through an integrated approach that combines education, the development of tailored financial instruments, and the strengthening of local support. Such an approach would enable older citizens to become more active participants in

social and economic life, reducing their vulnerability and increasing their contribution to the community. Ultimately, the findings of this research highlight the need for coordinated efforts among financial institutions, policymakers, and educational organizations in order to create sustainable solutions that will improve both financial inclusion and overall quality of life for the elderly population.

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