

Inaugural lecture 13 September 2022

Presenter: Professor Stephen Mago

Title: What is the future of financial inclusion?

ABSTRACT

Purpose: The purpose of this lecture is to explicate the future of financial inclusion with a focus on Africa. Understanding financial inclusion, its advantages, and its trajectory into the future sets a scene for future research and debates.

Materials and methods: In preparing this lecture, I used systematic literature and bibliometric analysis complemented with field research done in two selected areas (Masvingo district in Zimbabwe and the Kirkwood area in the Eastern Cape, South Africa).

Results/Findings: Results show that financial inclusion benefits poverty alleviation, job/employment creation, small business growth (through innovation and creativity), sustainability, closing inequality gaps, inclusive economic growth and development (local, national, regional, and global), closing gender gaps, and the promotion of digital finance. In other words, it creates opportunities for individuals, businesses, and economies in various ways. It also contributes to the attainment of sustainable development goals (SDGs). Globally, stakeholders such as governments, supranational organisations (the UN, the WB, the IMF, the G20) and development banks are working together to achieve financial inclusion. Alleviation or elimination of financial exclusion (FE) is the ultimate.

Social implications: Financial inclusion promotes socio-economic transformation and livelihood enhancement. The unbanked, or the financially excluded, and the underbanked benefit from financial inclusion, thus allowing them access to financial services.

Conclusions and recommendations: Extant literature and empirical research demonstrate the immense contribution of financial inclusion. It helps to defy the triple challenges of poverty, unemployment, and inequality. This lecture therefore recommends deliberate policy intentions by governments in developing countries to support financial inclusion to benefit the marginalised and promote the attainment of Sustainable Development Goals (SDGs). There is a need to digitise the financial systems for inclusivity. I argue that the future of financial inclusion is achieved not only by technology, but also by acceptance, behaviour, and collaboration/synergy, built around strong ecosystems. An underlying thesis is that financial inclusion benefits economies in many ways.

Key words: financial inclusion, financial exclusion, poverty alleviation, gender gap, inclusive economic growth and development, inequality, job creation, digitising finance.