The African Economic Research Consortium (AERC) in collaboration with the School of Oriental and African Studies (SOAS) held a Policy Platform virtually on Wednesday and Thursday, September 08-09, 2021. The conference was on the theme: Inclusive Financial Services Policy Platform. H.E. Dr. Mahamudu Bawumia, Vice President of the Republic of Ghana who was the Guest of Honour at the official opening of the Seminar delivered a Keynote. The second keynote was delivered by Dr. Vera Songwe, Under-Secretary-General at the United Nations & Executive Secretary of the United Nations Economic Commission for Africa. The welcoming remarks was by Professor Victor Murinde, Director of Centre for Global Finance, SOAS University of London and Prof. Njuguna Ndung’u, AERC Executive Director, gave the opening remarks.

The digital finance revolution is in full swing. It is one of the mega trends in global finance today. Digital finance is revolutionising the role of financial institutions, the behaviour of financial markets and the scope of financial instruments in developing as well as developed economies. It is transforming our daily economic activity such as sending and receiving money, paying bills, reshaping business models, facilitating financial inclusion and driving regulatory changes.

Indeed, during COVID-19 and associated lockdown across the globe, digital finance has been the lifeboat for sustaining financial transactions and economic activity, especially in Africa and many developing economies. However, there are many serious gaps in knowledge, policy and practice that require urgent attention. For example, existing literature has not identified the crucial country characteristics which facilitate the use of digital finance: Why is the diffusion of digital finance, especially FinTech, high in some countries and very low in others? In addition, notwithstanding the fact that the UN 2030 Agenda for Sustainable Development and the G20 High-Level Principles for Digital Financial Inclusion highlight the importance of digital financial exclusion in promoting inclusive growth and sustainable economic development, some research questions remain unanswered and innovations in policy and practice are urgently required. For instance, what policy initiatives are governments putting in place to ensure that digital finance supports the growth of the private sector in developing countries, or empower women through financial inclusion, or promote financial literacy, trust, and confidence?

“That the financial system plays a critical role in economic development and growth has long been established in the economic literature. Today’s conversation pushes that well known maxim of finance and development further up in a digital ecosystem. We will all agree that the COVID-19 Pandemic did not only uncover some of the socioeconomic vulnerabilities in our societies, but the COVID experience also highlighted some of the endless possibilities in leveraging digital technology to drive an inclusive growth powered by greater access to finance of the unbanked and a more efficient payment system, said H.E. Dr. Bawumia, Vice President of the Republic of Ghana.

“Many economies in Africa remain undiversified due to low levels of innovation and investment, limited productive capabilities, and low quality of education. Financial innovation to support financial inclusion is a promising option to increase opportunities for firms and households, thus translating growth into less inequality. The private sector, as the engine of growth, can help catalyze investment in infrastructure and industrialization and so can contribute crucially to post-COVID-19 economic recovery. The digital revolution under way in Africa, currently mainly based on mobile phone networks, presents opportunities for scaling up alternative finance and
sustainably developing private sector finance” Dr. Vera Songwe, Under-Secretary-General at the United Nations & Executive Secretary of the United Nations Economic Commission for Africa said during the conference.

The UN 2030 Agenda for Sustainable Development and the G20 High-Level Principles for Digital Financial Inclusion highlight the importance of digital financial developments in promoting inclusive growth and sustainable economic development. Digital financial transformation is a major trend in global finance and digital platforms are transforming the role of financial institutions, behaviour of financial markets and the scope of financial instruments. It is important to note that digital financial platforms are an efficient enabler of financial inclusion and financial development said, Prof. Njuguna Ndung’u, AERC, Executive Director.

The AERC-SOAS Inclusive Financial Services Policy Platform featured new research findings on the above issues. The event was based on the Economic and Social Research Council (ESRC) research grant under the Development and Economic Growth Research Programme (DEGRP) on “Delivering Inclusive Financial Development and Growth”. The event brought together key stakeholders who have important roles to play in shaping new research findings, paving new policy directions, and initiating innovative practices in the areas of digital financial inclusion and sustainable economic development. Specifically, participants from policy makers, the banking industry, private sector practitioners, financial sector regulators and fellow researchers who questioned new research findings in the light of the main pressing issues in Africa and globally.

About the African Economic Research Consortium (AERC)
Established in 1988, African Economic Research Consortium is a premier capacity building institution in the advancement of research and training to inform economic policies in sub-Saharan Africa. AERC’s mission rests on two premises: first, that development is more likely to occur where there is sustained sound management of the economy; second, that such management is more likely to happen where there is an active, well-informed cohort of locally-based professional economists to conduct policy-relevant research. AERC builds that cohort through a programme that has three primary components: research, training, and policy outreach. The organization integrates high quality economic policy research, postgraduate training, and policy outreach within a vast network of researchers, universities, and policy makers across Africa and beyond. Learn more at www.aercafrica.org, follow us for latest updates.

About the School of Oriental and African Studies (SOAS)
SOAS University of London is a public research university in London, England, and a constituent college of the federal University of London. Founded in 1916, SOAS is in the Bloomsbury area of central London. SOAS is one of the world’s leading institutions for the study of Asia, Africa, and the Middle East.

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