



Global Scientific JOURNALS

GSJ: Volume 12, Issue 3, March 2024, Online: ISSN 2320-9186
www.globalscientificjournal.com

**The World Bank's Goal of
Universal Financial Access & Financial Inclusion
is Achievable by 2020 and can Provide a Catalyst for
Growth, Stability, Equality and a Reduction of Poverty
in the Developing Countries; a Critical Evaluation**

**By
Ahmad Swaiss**



**A Dissertation
Submitted in Partial Fulfilment of the Requirements for
LLM Masters Degree in Law**

**School of Law, Criminology and Political Science
University of Hertfordshire**

UK, October 2016

COPYRIGHT © 2016 by Ahmad Swaiss

ahmadswaiss@gmail.com

All rights reserved.

© GSJ

ABSTRACT

The dissertation aims to critically evaluate whether the goal of "Universal Financial Access and Financial Inclusion" is achievable by 2020, and can provide a catalyst for growth, stability, equality and reduction of poverty in the developing countries. It begins with an overview, offers various definitions, focuses on services' scope, and analyses for barriers that make people being excluded from the financial services and products, and their negative consequences. It, then, proves the possibility of achieving its purpose. Donors and Investors can play a key role in funding goal's projects. It emphasises the importance of protecting consumers and using technology and innovation to overcome barriers, chances of experiencing with high-interest rates or over-indebtedness. Furthermore, it explains the relationship between the goal and financial integrity, and illustrates that it can strengthen the confidence of financial institutions and systems. It argues that offering legal and financial environments is the most effective role of governments. It also evaluates Brazil and Bangladesh case studies.

ACKNOWLEDGEMENTS

I would like to express my sincere thanks and gratitude to my supervisor, Mrs Julia Hovannessian, for all generous advice, support and guidance, which she offered me throughout writing my dissertation. Without her guidance, the completion of this dissertation would not have been achieved.

I also extend my appreciation to the World Bank Group and International Monetary Fund for their significant efforts in reducing poverty and developing the economy across the world, particularly in the developing countries.

Last but not least, I am very grateful to my parents, siblings and friends for all their support and love.



STATEMENT

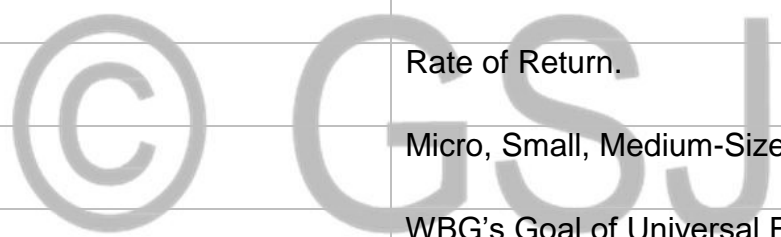
I certify that the dissertation is my own work, that it has not been copied from elsewhere, that I have not colluded with another in the preparation of this dissertation (unless permitted) and that any extracts from books, papers or other sources have been properly acknowledged as references or quotations. I also certify that I have checked the settings of my work before submission to ensure that I have complied with the template instructions. If this is untrue I acknowledge that I will have committed an assessment offence.

© GSJ

ABBREVIATIONS

AfDB	African Development Bank.
AFI	Alliance for Financial Inclusion.
AML/CFT	Anti-Money Laundering and Combating the Financing of Terrorism.
AsDB	Asian Development Bank.
a2i	Access to Information.
BB	Bangladesh Bank.
CGAP	Consultative Group to Assist the Poor.
Crisis	2007-08 Global Financial Crisis.
CSR	Corporate Social Responsibility.
DAIs	Donors and Investors.
DFAT “exc-AusAid”	Department of Foreign Affairs and Trade, Australia’s Aid Programme.
DFID	Department for International Development, UK.
DFIs	Development Finance Institutions.
GDP	Gross Domestic Product.
Gini Coefficient	Normalised Gini Index or Gini ratio.
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit.
Global Findex	Global Financial Inclusion Indicators Database.

G20	Group of Twenty.
ID(s)	Identification(s).
IFAD	International Fund for Agricultural Development.
IFC	International Finance Corporation.
IMF	International Monetary Fund.
ISDB	Islamic Development Bank.
KYC	Know Your Customer.
MIVs	Microfinance Investment Vehicles.
Poor	Poor, Disadvantaged, Low-Income People.
ROR	Rate of Return.
SMEs	Micro, Small, Medium-Sized Enterprises.
UFA-FI	WBG's Goal of Universal Financial Access and Financial Inclusion.
UN	United Nations.
UNCDF	United Nations Capital Development Fund.
UNDP	United Nations Development Programme.
USAID	United States Agency for International Development.
WBG	World Bank Group.



CONTENTS

Abstract	i
Acknowledgements	ii
Statement	iii
Abbreviations	iv-v
Contents	vi-vii
Chapter I: Introduction	1
I.1 Background.....	1-4
I.2 Significance of the research.....	4-6
I.3 Research problem.....	6-7
I.4 Research objectives and hypothesis.....	7-8
I.5 Dissertation structure.....	8-9
Chapter II: “Financial Exclusion” and the “UFA-FI”; concepts, scope, strategy and commitments	10
II.1 “Financial Exclusion”.....	10-22
II.2 The “UFA-FI”	22-34
Chapter III: The importance of UFA-FI for developing countries and whether the goal is realistic	35
III.1 Poverty.....	35-41
III.2 Growth and development.....	42-46
III.3 Equality.....	46-50

III.4 Stability.....	51-58
III.5 Realistic.....	59-60
Chapter IV: Main issues, challenges, roles and case studies.....	61
IV.1 Issues and challenges.....	61
IV.1.1 Financial Integrity.....	61-64
IV.1.2 Consumer protection.....	64-67
IV.1.3 Technology and innovation.....	67-71
IV.1.4 Funds.....	71-75
IV.2 Roles of governments and private sectors.....	75-79
IV.3 Evaluation of case studies.....	80
IV.3.1 Bangladesh.....	80-84
IV.3.2 Brazil.....	84-88
Chapter V: Conclusion.....	89-96
Bibliography.....	97-121



CHAPTER I: INTRODUCTION

I.1 BACKGROUND

Financial institutions play a prominent role in facilitating economic development in the developing countries through decreasing transaction costs and information asymmetries, which inhibits directing economy's savings towards the most productive investment opportunities.¹

If banks, for instance, reach out to multiple customers and ensure efficient allocation of resources in the manner in which they extend credit, they can forge closer and stronger relationships with their customers. Banks can, thus, obtain precise proprietary information about the customers while providing access to financial services and use such information to reduce the information asymmetries that usually hinder arm's length arrangements in market transactions due to moral hazards and adverse selections.² Banks will be also able to offer more funding and lending opportunities to customers through decreasing lender-borrower proximity and reaching out to remote customers, which successfully decreases monitoring and transaction costs.³

¹ Asli Demirgüç-Kunt, Thorsten Beck, and Patrick Honohan, *Finance for all? Policies and pitfalls in expanding access* (1st edn, The World Bank, Washington, DC, 2008) <<http://documents.worldbank.org/curated/en/932501468136179348/pdf/417920PAPER0Fi18082137291301PUBLIC1.pdf>> accessed 01 June 2016; Raghuram G Rajan, and Luigi Zingales, *Financial Dependence and Growth* (1998) 88(3) *The American Economic Review* <<http://www.jstor.org/stable/116849>> 559-86, accessed 02 June 2016.

² Eugene F. Fama, *'What's different about banks?'* (1985) 15(1) *Journal of Monetary Economics* <<http://www.sciencedirect.com/science/article/pii/0304393285900510>> 29-39, accessed 01 June 2016; Douglas W. Diamond, *'Financial Intermediation and Delegated Monitoring'* (1984) 51(3) *The Review of Economic Studies* <<http://www.jstor.org/stable/2297430>> 393-414, accessed 01 June 2016.

³ Hans Degryse and Steven Ongena, *'Distance, lending relationships, and competition'* (2005) 1(60) *The Journal of Finance* <<http://onlinelibrary.wiley.com/doi/10.1111/j.1540-6261.2005.00729.x/pdf>> accessed 01 June 2016, 231-266; Atif Mian, *'Distance Constraints: The Limits of Foreign Lending in Poor Economies'* (2006) 61(3) *The Journal of Finance* <<http://www.jstor.org/stable/3699329>> accessed 04 June 2016, 1465-1505; Saiying (Esther) Deng and Elyas Elyasiani, *'Geographic diversification, bank holding company value, and risk'* (2008) 40(6) *Journal of Money, Credit and Banking* <<http://onlinelibrary.wiley.com/doi/10.1111/j.1538-4616.2008.00154.x/pdf>> accessed 03

Economic growth can be stimulated by the financial development, which is one of the functions of an effective banking sector.⁴ If financial institutions are well-functioning, they can provide more households and firms with access to financial services, ensure efficient allocation of funds, reduce poverty, and enhance growth. Failure to do so may eventually lead to a financial crisis as the Crisis has shown.⁵

Enormous structural and multifaceted reforms in banking sectors have been accomplished worldwide since last two decades.⁶ When the regulatory barriers were dropped, *de novo* entry of numbers of banks rose, diverse sizes were established, new opportunities and styles to diversify business towards modern banking activities were created, technology was developed, and new financial intermediation frontiers, such as electronic and mobile banking, were supported. Such reforms led to building a competitive environment, which has significant impact on an efficient allocation of funds, a borrower's access to finance, a degree of banking stability, resulting in efficient banking operations, and hence economic

June 2016, 1217-1238; Robert Hauswald and Robert Marquez, '*Competition and strategic information acquisition in credit markets*' (2006) 19(3) *Review of Financial Studies* <<http://rfs.oxfordjournals.org/content/19/3/967.full.pdf+html>> accessed 2 June 2016, 967-1000.

⁴ Thorsten Beck, Ross Levine and Norman Loayza, '*Finance and the Sources of Growth*' (2000) 58 *Journal of financial economics*

<<http://siteresources.worldbank.org/DEC/Resources/FinanceandtheSourcesofGrowth.pdf>>

accessed 10 June 2016, 261-300; Rajan and Zingales, *ibid*, and Robert G. King and Ross Levine, '*Finance and growth: Schumpeter might be right*' (1993) *The quarterly journal of economics*, <<http://qje.oxfordjournals.org/content/108/3/717.full.pdf>> accessed 03 June 2016, 717-737.

⁵ Demirgüç-Kunt, Beck, and Honohan, *ibid*.

⁶ Allen N. Berger, Astrid D, Lawrence G Goldberg and Lawrence J. White, '*Competition from Large, Multimarket Firms and the Performance of Small, Single-Market Firms: Evidence from the Banking Industry*' (2007) 39(2-3) *Journal of Money, Credit and Banking*,

<<http://onlinelibrary.wiley.com/doi/10.1111/j.0022-2879.2007.00028.x/pdf>> accessed 11 June 2016, 331-368; Steve Mercieca, Klaus Schaeck and Simon Wolfe, '*Small European banks: Benefits from diversification?*' (2007) 31(7) *Journal of Banking & Finance* <http://ac.els-cdn.com/S0378426607000106/1-s2.0-S0378426607000106-main.pdf?_tid=c3d8b46e-7f51-11e6-b646-00000aabb0f26&acdnat=1474390163_f663a8b62a52e0801e5b054d9e7decb5> accessed 10 June 2016, 1975-1998; Ryan Stever, '*Bank size, credit and the sources of bank market risk*' (2007) BIS Working Paper no. 238, Basel <<http://www.bis.org/publ/work238.pdf>> accessed 10 June 2016;

Sumon Kumar Bhaumik and Jenifer Piesse, '*Does lending behaviour of banks in emerging economies vary by ownership? Evidence from the Indian banking sector*' (2008) 32(2) *Economic*

growth. This environment, consequently, forced banks to not only decrease credit risk and improve the quality of asset through applying high standard policies and procedures in the selection of borrowers and loans' allocation but also concentrated on banking activities, including commission-based and non-interest fee, for higher profits. The approach of Banks in conducting their business activities for profits and their lending decisions may be substantially influenced by the differences in objectives, resources, and expertise among different sizes of banks to monitor loans. Prior to happening the crisis, there was evidence, which revealed that government-owned banks restrict the financial development and lead to suboptimal performances, whereas more recent evidence has illustrated that such banks contributed to smoothing macroeconomic volatility within crisis period. Moreover, sound regulatory frameworks have been built by many governments to facilitate effective institutional infrastructure and supervision. For instance, an out-of-court restructuring programme was introduced in India to enhance financial stability and decrease credit risk for restructuring corporate debts.⁷

The risk associated with servicing, monitoring and administering loans to SMEs and the poor and high operating costs are the most challenging issues for financial institutions to facilitate financial access.⁸ Expanding access to formal financial services has always been considered an antagonistic strategy, which might

Systems <<http://www.sciencedirect.com/science/article/pii/S0939362507000519>> accessed 10 June 2016, 177-196.

⁷ It is called 'Indian Corporate Debt Restructuring (CDR) Mechanism', CDR Cell, 'Genesis of CDR Mechanism in India' (CDR, Mumbai, India) <<http://www.cdrindia.org/aboutus.htm>> accessed 3 June 2016.

⁸ Demirgüç-Kunt, Beck and Honohan, *ibid*; Jonathan Conning, 'Outreach, sustainability and leverage in monitored and peer-monitored lending' (1999) 60(1) Journal of Development Economics <<http://www.sciencedirect.com/science/article/pii/S030438789900036X>> accessed 03 June 2016, 51-77; Robert Lensink, Aljar Meesters and Niels Hermes, 'Outreach and efficiency of microfinance institutions' (2011) 39 World Development <<http://www.aiccon.it/file/lensink.pdf>> accessed 02 June 2016, 938-948.

weaken the banks' performance.⁹ Microfinance has, traditionally, provided the poor micro-entrepreneurs with micro-credits, but it is not adequate. Notably, such entrepreneurs need more than short-term working capital loans to support their businesses. The poor, usually, use informal finance, despite its drawbacks, such as limited services, insecure and expensive.¹⁰

Notwithstanding all banking reforms, the number of unbanked adults is astounding and the need for long-term credits is immense. Almost two billion adults, 38% of the world's adult population, do not use basic formal financial services. Additionally, around 12.7% of the world's population are living at or less than \$1.90 a day. They, thus, still remain in extreme poverty.¹¹

I.2 SIGNIFICANCE OF THE RESEARCH

Since the early 2000s, financial inclusion, or the access to and use of full range of high-quality formal banking services, frequently and regularly, by the poor, at affordable costs, in a convenient manner, has become a genuine concern to a

⁹ Demirgüç-Kunt, Beck and Honohan, *ibid*.

¹⁰ Imran Matin, David Hulme and Stuart Rutherford, '*Financial Services For The Poor And Poorest: Deepening Understanding to Improve Provision*' (1999) <<http://hummedia.manchester.ac.uk/institutes/gdi/publications/workingpapers/archive/fd/fdwp09.pdf>> accessed 12 June 2016; Hari Srinivas, '*14 Reasons why the Informal Credit Market is used by the Poor: Policy Implications for Microcredit Programmes in Developing Countries*' (2016) <<http://www.gdrc.org/icm/14reason.html>> accessed 12 June 2016.

¹¹ Asli Demirguc-Kunt and Leora Klapper, '*Measuring financial inclusion: The Global Findex database*' (2012) The World Bank Policy Research Paper 6025 <<http://elibrary.worldbank.org/doi/abs/10.1596/1813-9450-6025>> accessed 02 June 2016; Jake Kendall, Nataliya Mylenko and Alejandro Ponce, '*Measuring financial access around the world*' (2010) The World Bank Policy Research Working Paper Series 5253 <http://www.carib-export.com/obic/documents/Measuring_Financial_Access.pdf> accessed 2 June 2016; The World Bank, '*UFA2020 Overview: Universal Financial Access by 2020*' (WBG, 18 August 2016) <<http://www.worldbank.org/en/topic/financialinclusion/brief/achieving-universal-financial-access-by-2020>> accessed 20 August 2016; The World Bank, '*Universal Financial Access 2020*' (WBG, 17 April 2015) The World Bank Live, Video <<http://live.worldbank.org/universal-financial-access-2020>> accessed 03 July 2016.

vast majority of governments and policymakers.¹² It has been seen as necessary to lead a normal social life.¹³ Unfettered access is an integral part of an effective and open society, which are prime objectives of public policies.¹⁴

It has gained increased attention since the UN announced 2005 as the international year of microcredit. UN explained financial inclusion's aims as "...access at a reasonable cost for all households to a full range of financial services...; proper and safe institutions...; financial and institutional sustainability...; and competition...".¹⁵ Several central banks have, consequently, adopted diverse initiatives with multilateral agencies, including WBG and IMF, to assist the poor.¹⁶ Additionally, the Nobel Institute awarded Nobel Peace Prize to the microfinance's founder.¹⁷ Furthermore, nine principles for innovative financial inclusion, including leadership and innovation, were endorsed in 2010.¹⁸

In 2015, WBG and its partners announced commitments to achieve UFA-FI. UFA-FI envisions that all adults worldwide will have access to a formal transaction account or electronic instrument, through concentrating on 25 developing countries

¹² Demirgüç-Kunt, Beck and Honohan, *ibid*.

¹³ European Commission, 'Financial Services Provision and Prevention of Financial Exclusion' (2008) <<http://ec.europa.eu/social/BlobServlet?docId=5092&langId=en>> accessed 02 June 2016; Georges Gloukoviezoff, 'The link between financial exclusion and over-indebtedness' (2007) Working paper '<<http://fininc.eu/wp-content/uploads/2016/09/5-The-link-between-financial-exclusion-and-over-indebtedness.pdf>>' accessed 02 July 2016.

¹⁴ The commonwealth, 'strategies for women's financial inclusion in the commonwealth' (2015) discussion paper <<http://thecommonwealth.org/sites/default/files/inline/Women's%20Financial%20Inclusion%20Discussion%20Paper%20FINAL.pdf>> accessed 03 June 2016.

¹⁵ United Nations, 'Building Inclusive Financial Sectors for Development' (2006) <http://www.unctf.org/sites/default/files/Documents/bluebook_1.pdf> accessed 03 June 2016.

¹⁶ Demirgüç-Kunt, Beck and Honohan, *ibid*.

¹⁷ The Nobel Prize, 'The Nobel Peace Prize for 2006' (Oslo, 13 October 2006) <http://www.nobelprize.org/nobel_prizes/peace/laureates/2006/press.html> accessed 03 June 2016.

¹⁸ G20 Financial Inclusion Experts Group, 'Innovative Financial Inclusion' (2010) ATISG Report <https://www.gpfi.org/sites/default/files/documents/Principles%20and%20Report%20on%20Innovative%20Financial%20Inclusion_0.pdf> accessed 03 June 2016.

that have 76% unbanked population. The poor can, accordingly, store money, send and receive payments.¹⁹

I.3 RESEARCH PROBLEM

Financial exclusion prevents the poor from making their everyday decisions. Likewise, private banks do not grant the poor loans to invest in their lives without predictable future cash-flow. The poor cannot, consequently, borrow to survive a starvation or save in harvest time, so they can find themselves in the poverty trap.²⁰

The UFA-FI enables the poor to stabilise or increase their income, improve their livelihoods, plan for their future, provide more options to solve financial issues and flourish as entrepreneurs due to reducing the binding financial restrictions on firms. It, in turn, builds building domestic savings, supports the flow of international remittances and assists the poor to climb the first rung, under their own terms, on the ladder of poverty. It can, accordingly, achieve not only a reduction in extreme poverty but also boost shared prosperity, stability and advance economic development.²¹ It incorporates initiatives. It cannot, therefore, be said that it is an objective in itself because it is a means to an end, or many ends, not an end in itself.

¹⁹ The World Bank, 'UFA2020 Overview: Universal Financial Access by 2020'; Video *ibid*; another SibosTV, 'What is financial inclusion and why should we care?' (YouTube, 02 October 2014) Video <<https://www.youtube.com/watch?v=BGNDQtHyasw>> accessed 02 June 2016.

²⁰ Pamela Lenton and Paul Mosley, 'Financial exclusion and the poverty trap overcoming deprivation in the inner city' (1st edn, Routledge, Canada, 2012) <http://samples.sainsburysebooks.co.uk/9781136626395_sample_926019.pdf> accessed 03 June 2016.

²¹ Beth Porter, 'A means to an end: The post-2015 future of financial inclusion' (UNCDF, 06 April 2015) <<http://www.uncdf.org/en/means-end-post-2015-future-financial-inclusion>> accessed 2 June 2016; IEG World Bank Group, 'Financial Inclusion – A Foothold on the Ladder Toward Prosperity'

UFA-FI should pay attention to all excluded the poor for whatever reason, voluntary or involuntary, such as income and gender. Therefore, availability of financial services may not be sufficient since people may voluntarily exclude themselves as happened in South Africa, 6 million accounts were opened in four years, only 3.5 million accounts became active whilst the rest lie dormant.²² Finance's border, including reaching more remote, poorer and decreasing costs, should also be considered. UFA-FI could be quickly enhanced by improving the technology and protecting the consumers. Furthermore, associations and networks can improve transparency on the performance of financial services providers. Governments can play effective roles in adjusting banking regulations to facilitate granting loans, maintaining macroeconomic stability, and liberalising interest rates. Governments' decisions impacts upon financial infrastructure and providers. Funders, which consist of DAIs, provide and stimulate financial support, which can fuel the attainment of UFA-FI. Even though they have recently realised the importance of, and growth in, UFA-FI, they need to act and identify their relative strengths rather than getting in each other's way and weakening or competing with another.

I.4 RESEARCH OBJECTIVES AND HYPOTHESIS

Although the UFA-FI might seem as a difficult aim to achieve today, it is not impossible for several reasons. Firstly, an observable progress in the number of poor having access is growing every day. Between 2011 and 2014, over 700 million

(You Tube, 29 November 2015) Video <<https://www.youtube.com/watch?v=4jH7A0LORGQ>> accessed 02 June 2016.

²² The World Bank, '*Global Financial Development Report 2014: Financial Inclusion*' (WBG, Washington, D.C, 2014) <<https://openknowledge.worldbank.org/bitstream/handle/10986/16238/9780821399859.pdf?sequence=4>> accessed 2 July 2016, 1.

worldwide have become included.²³ Secondly, services have become cheaper, accessible and less cumbersome. Thirdly, several financial systems have been fostered through supporting E-Banking and extending bank networks. Governments are using their best efforts to build enabling financial environments. Finally, 78% of practitioners, who participated in a survey conducted by WBG's Financial Barometer, confirmed that UFA-FI had improved in last five years.²⁴

To the best knowledge of the author of this dissertation, this is the first dissertation to critical evaluate the UFA-FI, while previous researchers discussed the financial inclusion in general or in case studies. This dissertation, consequently, attempts to fill this literature gap. People could say the UFA-FI is unrealistic to achieve, or perhaps it is an impossible, ambitious, flawed or misguided. However, motivated by the introduction above, the central purpose of the dissertation is to critically evaluate whether the UFA-FI is realistic, achievable by 2020, and can provide a catalyst for growth, stability, equality and reduction in poverty in the developing countries.

I.5 DISSERTATION STRUCTURE

The dissertation is divided into five chapters. Following this introduction, Chapter II focuses on the financial inclusion and exclusion; concepts, scope, strategy and commitments. Chapter III digs deep into the most important aspect in

²³ Asli Demirgüç-Kunt, Leora Klapper, Drothe Singer and Peter Van Oudheusden 'Measuring financial inclusion: The Global Findex database' (2014) The World Bank Policy Research Paper 7255 <<http://documents.worldbank.org/curated/en/187761468179367706/pdf/WPS7255.pdf>> accessed 02 June 2016.

²⁴ Martin Čihák, Asli Demirgüç-Kunt, María Soledad Martínez Pería and Amin Mohseni-Cheraghloo, 'Bank Regulation and Supervision around the World- A Crisis Update' (2012) Policy Research Working Paper No. 6286 <<http://documents.worldbank.org/curated/en/279091468168248726/pdf/wps6286.pdf>> accessed 03 June 2016.

the dissertation; the importance of UFA-FI, why it is realistic and how can it provide a catalyst for growth, equality, stability and a reduction in poverty in developing countries. Chapter IV provides a critical evaluation of main issues, challenges and the case studies of Bangladesh and Brazil. Finally, chapter V offers the overall summary, concludes with implications, findings, final position and suggests recommendations.

© GSJ

CHAPTER II: "FINANCIAL EXCLUSION" AND THE "UFA-FI"; CONCEPTS, SCOPE, STRATEGY AND COMMITMENTS

Improving formal access to the financial services leads to achieving the UFA-FI. People can, generally, be considered as formally financially included if they obtain access to financial services. In contrast, they can be deemed as formally financially excluded if they do not get the access to such services, or are unable to use them, or rejected from using them. A bank account is, certainly, the most significant basic financial service for individuals and firms and it is, usually, required to access other financial services.

II.1 "FINANCIAL EXCLUSION"

The concept of financial exclusion is relatively new. It was originated in the UK in 1994 when Leyshon and Thrift described the geographic process of 'financial infrastructure withdrawal and closing financial institutions' branches from remote communities, less-affluent or deprived regions' that was caused by the earlier debt crisis that happened in the mid-1990s. This process was called 'restructuring for profit' or 'retrenchment'.²⁵ From their perspectives, financial exclusion is related to a group of processes, which deprive certain social individuals and groups, such as disadvantaged social groups and the poor people, from accessing the formal financial services.²⁶ Financial institutions, accordingly, avoid reaching to the areas of these groups because the former do not accept the latter as customers due to the latter's risk level.

²⁵ Shaun French, Andrew Leyshon and Sam Meek, 'The Changing Geography of British Bank and Building Society Branch Networks, 2003-2012' working paper <<https://www.nottingham.ac.uk/business/businesscentres/crbfs/documents/crbfs-reports/crbfs-paper3.pdf>> accessed 02 June 2016; Andrew Leyshon and Nigel Thrift, 'Geographies of Financial Exclusion: Financial Abandonment in Britain and the United States' (1995) 20(3) Transactions of the

Some researchers insist on defining it in a narrow sense, as inappropriate access or lack of access, while others define it in terms of both “accessing” and “using” financial services and products.²⁷

Several researchers explain it through discussing the dimensions of its barriers whilst others clarify the processes that lead to voluntarily or involuntarily financial exclusion.²⁸ For instance, some people do not feel confident enough from the banks when they do not obtain information regarding appropriate financial products from the latter due to targeted marketing. People do not, therefore, go forward with opening bank accounts.

Another researcher describes it from two approaches, narrow and broader.²⁹ The narrow approach focuses on using and considering the banking difficulties in accessing various services or accessing them in an appropriate way. The broader approach discusses the social effect of the difficulties, which prevent customers from making an economic contribution to society.

Institute of British Geographers, New Series <<https://www.jstor.org/stable/pdf/622654.pdf>> accessed 02 June 2016, 312.

²⁶ *ibid.*

²⁷ J Neill Marshall, 'Financial Institutions in Disadvantaged Areas: A Comparative Analysis of Policies Encouraging Financial Inclusion in Britain and the United States' (2004) 63 In Environment and Planning <http://www.cornerstoneleague.coop/repository/Financial_Inclusion.pdf> accessed 02 June 2016, 241-261; Stephen Sinclair, 'Financial Exclusion: An Introductory Survey' (2001) Edinburgh: Heriot Watt University / Centre for Research into Socially Inclusive Services (CRSIS) <http://www.academia.edu/7086629/Financial_Exclusion_An_Introductory_Survey> accessed 03 June 2016; David Gordon and others, 'Poverty and social exclusion in Britain' (2000) <<https://www.jrf.org.uk/sites/default/files/jrf/migrated/files/185935128x.pdf>> accessed 02 June 2016.

²⁸ Elaine Kempson and others, 'In or Out? Financial Exclusion: A Literature and Research Review' (2000) para 3.120 consumer research 3 <http://www.pfrc.bris.ac.uk/Reports/In_or_out.pdf> accessed 02 June 2016; Elaine Kempson and Claire Whyley, 'Kept Out or Opted Out? Understanding and Combating Financial Exclusion' (1st edn, The Policy Press 1999) <<http://www.bristol.ac.uk/media-library/sites/geography/migrated/documents/pfrc9902.pdf>> accessed 02 June 2016.

²⁹ Sinclair; Gordon, *ibid.*

European Commission also argues that financial exclusion refers to a process that causes people to experience difficulties in using and/or accessing appropriate financial products or services in the mainstream market in a way that prevents them from leading a normal social life.³⁰ This is an important reference because it emphasises the mainstream financial institutions' role and financial inclusion's level among individuals that may differ from a person to another. Ultimately, if people are served by formal financial institutions effectively, the UFA-FI can, then, be achieved, because other types of financial providers are, intrinsically, regressive and unfair. However, it could not be said that other providers do not play a crucial role in achieving the financial inclusion.

Several researchers conceptualise financial inclusion rather than exclusion.³¹ A majority of them notice that the financial inclusion is not only access to services but also people's needs and the quality of engagement with such services to promote confidence and improve skills in making informed decisions.³² Opening a bank account, for instance, is not sufficient for promoting financial inclusion because it may be inaccessible due to being only used for money receipt or overdrawn. It, consequently, constitutes a case of exclusion within inclusion.³³

³⁰ European Commission, 'Financial Services Provision and Prevention of Financial Exclusion', *ibid.*

³¹ Sue Regan and Will Paxton, 'Beyond Bank Accounts: Full Financial Inclusion' (2003) <http://www.ippr.org/files/images/media/files/publication/2011/05/beyond_bank_accounts_1297.pdf?noredirect=1> accessed 02 June 2016.

³² *Ibid.*

³³ Elaine Kempson, 'Policy level response to financial exclusion in developed economies: lessons for developing countries' (2006) University of Bristol, The Personal Finance Research Centre <<http://www.bristol.ac.uk/media-library/sites/geography/migrated/documents/pfrc0410.pdf>> accessed 03 June 2016; Adam Clark, Alexandra Forter and Faith Reynolds, 'Banking the Unbanked - A Snapshot' (2005) London, Toynbee Hall <<http://transact.org.uk/shared/get-file.ashx?id=2210&itemtype=document>> accessed 04 June 2016.

The financial exclusion needs to be defined in connection with the society where people live since several financial services depend on local customs, which differ from society to society. It is also subject to taste and people's specific needs, which may vary from person to another. Researchers should, accordingly, take into consideration the economic and social factors when they define UFA-FI. Access to financial services is connected with the social status of people. Significantly, when they have positive credit records or earn high incomes, they will get many options of access to financial services.³⁴

The poor normally struggle with financial issues. They, thus, live a difficult life. Daily expenses cost for, such as housing and education, have become more than before. They, therefore, borrow money from banks sometimes. However, they cannot always borrow or use all financial services. They are, consequently, at risk of being financially excluded, and will be forced in using cash rather than payment service. This will lead to higher costs, more insecure and inconvenience. Additionally, people may, in some countries, feel the money that person pays cash has been stolen or is not clean.³⁵

³⁴ Gloukoviezoff, *ibid*; Steve Quinn, 'Financial Inclusion: Don't Go Banking on it' (2008) 16(2) Journal of Poverty and Social Justice <<https://www.deepdyve.com/lp/policy-press/financial-inclusion-don-t-go-banking-on-it-L4aj0AGVAy>> accessed 03 July 2016, 85-188.

³⁵ Gunnar Prause, 'Baltic Business and Socio-Economic Development 2009: 5th International Conference' (1st ed) Baltic Sea Region, Sweden, 2011) <https://books.google.co.uk/books?id=fVndT4uDmA4C&printsec=frontcover&dq=Baltic+Business+and+Socio-Economic+Development+2009:+5th+International&hl=en&sa=X&ved=0ahUKEwjWsrT3pp_PAhVNIxQKHSglAP0Q6AEIHjAA#v=onepage&q=Baltic%20Business%20and%20Socio-Economic%20Development%202009%3A%205th%20International&f=false> accessed 10 June

The barriers

Although the reasons for financial exclusion may be varied from country to country, the most common supply and demand barriers to using and accessing the financial services can be identified as follows.

1. From an institutional view or supply-side:

- Formal banks are, usually, reluctant to accept the applications of the poor households to borrow because the latter, normally, borrows for non-remunerative needs, such as marriage and crop planting, and the former face difficulties in enforcing the contract with the latter.³⁶ By way of illustration, banks may experience difficulties in the access possibilities frontier with risk management on one axis and cash management on the other. Banks do not usually accept people who are unemployed or who have part-time jobs. They normally target the most well-off people who have a decent and steady job with secured and higher income.³⁷ Moreover, applications for opening full transactions accounts for certain people with high risk, unstable patterns of employment or the poor credit history can be rejected by banks.³⁸ Lack of necessary documentation such as formal proof of domicile and salary slips, particularly with migrants, can also lead

2016, 207; Dan Schulman, 'Financial Inclusion' (You tube, Poptech, 13 November 2013) Video <<https://www.youtube.com/watch?v=GEZWMkQ9BEC>> accessed 02 June 2016.

³⁶ Stijn Claessens, 'Access to Financial Services: A Review of the Issues and Public Policy Objectives' (2006) 21(2) The World Bank Research Observer, <<http://www.fsa.go.jp/frtc/20061205/07-04.pdf>> accessed 06 June 2016, 207 – 240.

³⁷ Beck Thorsten and Augusto De la Torre de la Torre A, 'Broadening Access to Financial Services: Risks and Costs' WBG (2005).

³⁸ Leyshon and Thrift; Kempson E and others, 'In or Out? Financial Exclusion'; European Commission, 'Financial Services Provision and Prevention of Financial Exclusion'; Claessens, *ibid*; Sayantani Roy Choudhury and Debarghya Bagchi, 'Financial Exclusion – A Paradox in Developing Countries' (2016) 7(3) Journal of Economics and Finance <<http://www.iosrjournals.org/iosr-jef/papers/Vol7-Issue3/Version-1/G0703014045.pdf>> accessed 05 June 2016; Sławomir Smyczek and Justyna Matysiewicz, 'Financial exclusion as barrier to socio-economic development of the baltic sea region' (2014) 15 Journal of Economics & Management, <http://www.ue.katowice.pl/fileadmin/migrated/content/uploads/4_Smyczek_Matysiewicz_Financial_Exclusion....pdf> accessed 10 June 2016, 80-104.

to rejecting an application for an opening bank account. Banks may depend on the passport instead of ID card.³⁹

- Formal banks, particularly in less-developed markets, may consider offering a credit as their primary function whilst the remittances or payments as secondary.⁴⁰
- Formal financial services providers, generally, attempt to make a balance between their revenues and costs.⁴¹ They may not, therefore, be interested in the poor because the latter does not have money. Instead, they may seek to enter into partnerships with non-conventional or non-financial entities, such as retail stores and post offices to use their channels, at suitable and preferential costs, in order to access new customers.⁴²
- Geographical exclusion, which is usually caused by closing bank branches.⁴³
- The targeted sales and marketing of providers.⁴⁴
- Official banks may have issues in providing products and services to (i) low-population density regions that almost certainly have smaller firms and poorer customers, and they do not wish to pay additional costs for their transactions as if people pay their bills electronically each month, diverse utility companies can

³⁹ *ibid.*

⁴⁰ *ibid.*

⁴¹ *ibid.*

⁴² *ibid.*

⁴³ *ibid.*

⁴⁴ *ibid.*

offer them discounted rate,⁴⁵ or (ii) less-secure territories, which have a high degree of lawlessness because of a weak control from the governments or a conflict internationally or locally.⁴⁶ This, accordingly, adds extra costs on the banks of doing business.⁴⁷

- The institutions' desire in extending to the excluded people can be hindered by weak systems, including weak information infrastructure, weak legal systems, and lack of banking competitiveness since services' cost and risk could rise by such systems,⁴⁸ where banks' returns from the poor customers are low, then, they probably reduce their investment in new technologies.

2. From a consumer view or demand-side:

- The costs of the financial services and products are sometimes unaffordable for the poor. High fixed costs may make the financial small-sized transactions not feasible for the poor.⁴⁹ If people want to open a checking account in Cameroon, for instance, they will be required to deposit at a minimum of 700 dollars, which is higher than the average GDP per capita of this country.⁵⁰

⁴⁵ *ibid.*

⁴⁶ *ibid.*

⁴⁷ *ibid.*

⁴⁸ *ibid.*

⁴⁹ Rabobank Nederland, 'Access to financial services in developing countries' The Rabobank view <https://economie.rabobank.com/PageFiles/3584/access_tcm64-75165.pdf> accessed 3 July 2016; Claessens, *ibid*; Patrick Honohan and Michael King, 'Cause and effect of financial access cross-country evidence from the finscope surveys' (2009) Trinity College Dublin <<http://siteresources.worldbank.org/INTFR/Resources/PresenterHonohanandKing.pdf>> accessed 04 July 2016; Centre for Social Impact, 'A Global Snapshot of Financial Exclusion' (2014) A research report for National Australia Bank <<https://www.nab.com.au/content/dam/nabrdw/About-Us/corporate-responsibility/docs/140502-global-snapshot-report-final.pdf>> accessed 19 June 2016; Thorsten Beck, Asli Demirgüç-Kunt and Maria Soledad Martinez Peria, 'Banking Services for Everyone? Barriers to Bank Access and Use around the World' (2008) 22(3) The World Bank Economic Review <http://siteresources.worldbank.org/DEC/Resources/WBER_Banking_services_for_everyone.pdf> accessed 10 June 2016, 397-430.

⁵⁰ *ibid.*

- The access and use of financial services can be deterred or become inappropriate with charges, terms and conditions, especially if the charges are regressive and on a transaction basis.⁵¹
- Bank's functions of saving and borrowing are, usually, linked with a bank account⁵². Such functions may be, therefore, considered as "too business-like" as they primarily consider the business activities and entrepreneurial. Such services are not, therefore, suitable for low-income people.⁵³
- Increasing complexity and number of financial providers and products which were caused by the liberalisation of financial services markets.⁵⁴
- Low or unstable income and Lack of enough money.⁵⁵
- The poor can experience difficulties in obtaining financial services due to tightening of money laundering and financing of terrorism rules brings a greater bureaucracy to financial services.⁵⁶
- The lack of appropriate services or products for remote/rural/deprived populations or regions of less developed financial infrastructure.⁵⁷ The poor and entrepreneurs, usually, look for simple transaction accounts instead of checking accounts, which involve the risk of overdraft charges while the timing of receipts

⁵¹ *ibid.*

⁵² *ibid.*

⁵³ *ibid.*

⁵⁴ *ibid.*

⁵⁵ *ibid.*

⁵⁶ *ibid.*

and payments goes wrong.⁵⁸ They might be, also, reluctant to take out loans.⁵⁹ Women in several cultures, for instance, are unable to travel long distances or afford transport to get access to less-profitable services.⁶⁰ Similarly, for disabled people who suffer from Alzheimer, ageing population and dementia.⁶¹ Although technology may help such people, older people can be alienated by such technology.⁶²

- Discrimination: origin, ethnic, languages and religious groups.⁶³
- A family member already has an account.⁶⁴
- Demographic changes, such as increasing the tendency for people to leave home and divorce's levels may affect the financial exclusion.⁶⁵
- Lack of education.⁶⁶ The difficulty in understanding and effectively using financial products and services from people has been a great concern by researchers. The latter have, accordingly, confirmed that the poor need to be able to make efficient using of financial services and products in terms of capability and financial literacy.⁶⁷ Otherwise, they could suffer from exclusion or be locked in a cycle of poverty due to inappropriate choice of products, illegal money lending, or

⁵⁷ *ibid.*

⁵⁸ *ibid.*

⁵⁹ *ibid.*

⁶⁰ *ibid.*

⁶¹ *ibid.*

⁶² *ibid.*

⁶³ *ibid.*

⁶⁴ *ibid.*

⁶⁵ *ibid.*

⁶⁶ *ibid.*

⁶⁷ *ibid.*

high-cost credit.⁶⁸ The financial capability refers to informed and responsible behaviour together with the objective knowledge of financial products.⁶⁹ The financial literacy is related to people's knowledge and understanding of the terminologies of financial services and products, and effectively using them.⁷⁰ Understanding of the annual percentage rates, for instance.⁷¹ Importantly, the poor will not, usually, know how to fill out the banking application forms. They will, accordingly, be unbanked or prejudiced.⁷²

- Voluntary or Self-exclusion:

All households and individuals need to use some formal financial services to contribute to the economy and fulfil their daily needs.⁷³ However, customers, including wealthy and moderately prosperous individuals, may decide not to use some financial services and products.⁷⁴ They may be offered loans at a favourable interest rate, but they, particularly older people, may choose to refuse borrowing money.⁷⁵

Additionally, religious or ethical grounds may make several financial services and products not attractive to customers.⁷⁶ Customers are, therefore, able to access financial products but they may prefer or decide not to use them. The Interest

⁶⁸ *ibid.*

⁶⁹ *ibid.*

⁷⁰ *ibid.*

⁷¹ *ibid.*

⁷² *ibid.*

⁷³ *ibid.*

⁷⁴ *ibid.*

⁷⁵ *ibid.*

⁷⁶ *ibid.*

payable on loans, for instance, can prevent Muslim customers from using such product. Instead, sharia-compliant products can be attractive to them.⁷⁷

Furthermore, this type of exclusion is usually related to psychological and cultural barriers, where people may believe that the financial products or services are not for them, or they would be refused if they request any financial services or products from the provider, or they perhaps have already been refused or they may know somebody who has been refused, or they believe that the provider will not accept them due to their place. They may, consequently, decide to not engage with those financial services.⁷⁸

Moreover, the poor may prefer to budget in cash due to a fear of borrowing, loss of control over spending and to not being tempted to overspend or know exactly where they are.⁷⁹

- Convenience and proximity, including, back office automation's level, mistrust of banks, the rapport with staff, ease of use, language being used and waiting times.⁸⁰

It should be noted that several researchers do not differentiate between voluntary and involuntary excluded from the financial services.⁸¹

⁷⁷ *ibid.*

⁷⁸ *ibid.*

⁷⁹ *ibid.*

⁸⁰ *ibid.*

⁸¹ Regan and Paxton, *ibid.*

Additionally, there is a grey area between voluntary self-exclusion and direct exclusion, where people experience several barriers. Such barriers encourage people to withdraw from the financial system, and they will, accordingly, be self-excluded.⁸²

Even though all financial options make people to some extent constrained, people should have the ability to make informed decisions and choose from various appropriate financial services and products.⁸³

Self or voluntary exclusion needs, consequently, to be distinguished from involuntary exclusion, where people's application is explicitly rejected by the financial providers due to making or setting ill-informed decisions or acting upon narrow chances.

Such barriers make accessing and using the products and services difficult. Financial exclusion, thus, presupposes both difficulties, which are customers' needs and financial services' features. They are also overlapping. It makes the financial exclusion as a dynamic process since people can move in and out for the long term or temporarily.⁸⁴

Making transactions and personal financial management can be supported by accessing to a bank account, insurance and credit.

⁸² Kempson and Whyley, 'Kept Out or Opted Out? Understanding and Combating Financial Exclusion', *ibid.*

⁸³ Regan and Paxton; Centre for Social Impact, *ibid.*

However, the exclusion may lead to security and cost issues in managing payments and cash flow, raising exposure to unregulated, unethical, or predatory financial providers, using informal credit with higher costs, extending reliance on welfare instead of savings, vulnerability to uninsured risks, and compromised standard of living.⁸⁵

Banks are expected to mitigate supply side barriers whilst the financially excluded people may overcome the demand side barriers. Financial inclusion could, therefore, improve when the banks with the excluded people work together and do their best effort in overcoming such barriers. Banks may, for instance, design new programmes to increase the financial literacy and awareness.

II.2 THE "UFA-FI"

In order to fully participate in a country, people should have the right to financial citizenship. The UFA-FI could be, therefore, considered as one of the basic human rights. French laws, for instance, give French citizens the right to have a formal bank account.⁸⁶

The UFA-FI concentrates on returning people who have been financially excluded to be included in the formal financial institutions. It does not have a specific globally accepted definition. However, its definition has improved from

⁸⁴ Kempson and Whyley, 'Kept Out or Opted Out? Understanding and Combating Financial Exclusion'; Centre for Social Impact, *ibid*.

⁸⁵ ANZ-Chant Link and Associates, 'A report on financial exclusion in Australia' (2004) <<http://www.ncrc.org/global/australAsia/Australia/AustraliaArticle6.pdf>> accessed 10 June 2016, Centre for Social Impact, *ibid*.

⁸⁶ Leyshon and Nigel Thrift, 'Geographies of Financial Exclusion: Financial Abandonment in Britain and the United States', *ibid*.

considering physical access to cover using, accessing and understanding of services and products.⁸⁷

It is defined as access to and usage of formal financial services at affordable costs.⁸⁸

The UN defines the financial inclusion as receiving financial services in a timely manner. The poor should have, accordingly, access to providers within a competitive market. The poor should have diverse simple and complex financial services.⁸⁹

The WBG refers to the financial inclusion as delivering financial services and products at affordable costs to the poor with access being provided in a sustainable and responsible manner.⁹⁰

The UFA-FI can be, consequently, defined as a process, which ensures that the adult population worldwide will have access to formal bank accounts or financial instruments that will allow them to use of financial services and products easily and at affordable costs.

The WBG committed to supporting private sectors and national authorities to reach up to one billion financially excluded individuals through developing national

⁸⁷ Kempson, 'Policy level response to financial exclusion in developed economies, *ibid.*

⁸⁸ Ratna Sahy, Martin Cihak, Papa N'Diaye, Adolfo Barajas, Srobona Mitra, Annette Kyobe, Yen Nian Mooi, and Seyed Reza Yousef, 'Financial Inclusion: Can It Meet Multiple Macroeconomic Goals?' (2015) IMF SDN/15/17 <<https://www.imf.org/external/pubs/ft/sdn/2015/sdn1517.pdf>> accessed 05 June 2016; Centre for Social Impact, *ibid.*

⁸⁹ United Nations, *ibid.*

financial inclusion strategies, including reforms and targets, and ensuring that public authorities are executing them using appropriate and comprehensive methods.⁹¹

However, it is working to achieve the UFA-FI in association with its partners. They are trying to encourage and enable private-sector innovation and investment to reach out 25 priority countries, which have the highest percentage of unbanked people.⁹² Moreover, over 60 countries have already improved their financial systems to stimulate an expansion of financial inclusion.⁹³ Furthermore, the “Better Than Cash Alliance” and CGAP play positive roles in accelerating the transition from cash to digital payments and expanding the UFA-FI.⁹⁴

Financial regulators from over 20 countries have made commitments toward financial inclusion, under “Maya Declaration” to merge empowerment and consumer protection; carry out a proportionate regulatory framework, which balances integrity, stability and financial inclusion; use data to track results and inform policies; and build environment that reduce costs and raise access to financial services.⁹⁵

It is to be noted that global data on financial inclusion, which appeared from the interviews with at least 1,000 people per country in 147 countries regarding their

⁹⁰ Ratna and others, *ibid.*

⁹¹ The World Bank, 'UFA2020 Overview: Universal Financial Access by 2020'; Video, *ibid.*

⁹² *ibid.*

⁹³ *ibid.*

⁹⁴ *ibid.*; Better Than Cash Alliance, 'About' (Better Than Cash Alliance, 2016) <<https://www.betterthancash.org/about>> accessed 02 June 2016; CGAP, 'About CGAP' (CGAP, 2016) <<http://www.cgap.org/about>> accessed 02 June 2016; CGAP, 'Financial Inclusion' (CGAP, 2016) <<http://www.cgap.org/topics/financial-inclusion>> accessed 02 June 2016.

⁹⁵ The AFI, 'A Quick Guide to the Maya Declaration on Financial Inclusion' <http://www.afi-global.org/sites/default/files/afi_maya_quick_guide_withoutannex_i_and_ii.pdf?op=Download> accessed 03 July 2016; 'Putting Financial Inclusion on the Global Map' (2013) Maya Declaration Progress Report <http://www.fqda.org/dati/ContentManager/files/Documenti_microfinanza/Afi-2013-Maya-Progress-Report.pdf> accessed 03 July 2016.

finances by the Gallup World Poll survey within 2011, were tracked, collected and published on the database of Global Findex that was constructed by the WBG and Gallup, and become available since 2012 to allow everyone making cross-country comparisons. The data was documented across several indicators, such as ages and genders.⁹⁶

In order to promote UFA-FI, customers need to not only have confidence, skills, and information since individuals should be aware of what their financial options are, they should also be able to access and effectively use a varied range of convenient financial services in the financial mainstream.⁹⁷ The responsibility for improving the UFA-FI is, ultimately, shared, jointly and severally, amongst people and formal financial institutions.

Assisting people to access basic banking services and products is a first step to improving the UFA-FI. UFA-FI is, thus, a relative concept that refers to exclusion from the mainstream market because it relates to the society in which people live.⁹⁸

People should know how they make use of available financial services and products and if wide-range of services and products are suitable for their circumstances and needs. Customers can choose the most appropriate financial

⁹⁶ The World Bank, 'Financial Inclusion Strategies Reference Framework' (2012) <<http://siteresources.worldbank.org/EXTFINANCIALSECTOR/Resources/282884-1339624653091/8703882-1339624678024/8703850-1339624695396/FI-Strategies-ReferenceFramework-FINAL-Aug2012.pdf>> accessed 09 June 2016, 19; Demircuc-Kunt and others, 'Measuring financial inclusion: The Global Findex database' (2014), *ibid*.

⁹⁷ Centre for Social Impact; Regan and Paxton, *ibid*.

⁹⁸ Centre for Social Impact; Gloukoviezoff, (2007); Quinn; (2008); Centre for Financial Inclusion, 'Financial Inclusion 2020: Access and Quality for all' (You Tube, 29 October 2013) Video, *ibid*.

products and services. However, if the available services or products are non-suitable or not guaranteed, then, the exclusion may occur.⁹⁹

The concept of the UFA-FI, as mentioned above, depends on accessing to financial services and products. Such services and products should be appropriate for people. The definition should, thus, include appropriate services, but what does that mean? In fact, what is considered as the most appropriate by somebody is highly subjective and tricky since the options for available services and products may be limited for people. They, consequently, choose the most appropriate services and products from those available. Additionally, different people do not, always, perceive the circumstances and needs in a similar way.¹⁰⁰

However, determining whether financial services or products are convenient can be assessed as follows.

Firstly, if they provide fair provisions, structure, terms and conditions. They should not, therefore, be exploitative. The term 'exploitative' is subjective and depends on anything is commonly regarded in a society nonetheless people may not necessarily aware or agree on unjust conditions and terms. There is a consensus that home credit companies provide people with disadvantageous and expensive credits. The term 'fair' is influenced by the applicable cultural and societal norms.¹⁰¹

⁹⁹ Jan Toporowski, '*Beyond banking: financial institutions and the poor*' (1987) In P. Golding (Ed.) *Excluding the Poor*, pp. 55-69. London: Child Poverty Action Group; Suzanne Speak and Steve Graham, '*Service not included – social implications of private sector service restructuring in marginalised neighbourhoods*' (1st edn, Policy Press, Bristol, UK, 2000); Centre for Social Impact, *ibid.*

¹⁰⁰ Kempson and Whyley, '*Kept Out or Opted Out? Understanding and Combating Financial Exclusion*'; Regan and Paxton; Speak and Graham, *ibid.*

¹⁰¹ Kempson and Whyley, '*Kept Out or Opted Out? Understanding and Combating Financial Exclusion*'; Regan and Paxton, *ibid.*

Finally, people's financial circumstances and needs must be reflected by such services and products. For instance, loan repayments must be affordable.¹⁰²

The concept of the UFA-FI is multidimensional since it can be measured by several dimensions, which are access, usage and quality.¹⁰³ The dimensions are reinforcing each other and inter-related. Each dimension contains various degrees of inclusion. Basic financial needs are namely having transmission, promotional and protective services.¹⁰⁴ The dimensions rely on such needs.

Quality indicators include the capacity of financial products or services in meeting consumer's needs. Such indicators reflect the degree of customers' available options, understanding and awareness of financial services and products, and to what extent the product match customers' needs. These indicators, thus, place emphasis on safety, financial literacy, transparency, consumer protection, products being fit for purpose and their detailed characteristics.¹⁰⁵

Impact indicators: the impact of the UFA-FI on customers. The performance of Businesses, for instance. The WBG is also developing finance policies framework for SMEs.¹⁰⁶

¹⁰² Speak and Graham, *ibid.*

¹⁰³ Financial Inclusion (FI), '*Financial Inclusion in India – Strengthening Financial Inclusion by Increasing Transparency*' (FI, India, 2014)
<http://planetfinanceindia.org/financialinclusioninindia/What_is_FI.html> accessed 19 June 2016;
The World Bank, '*Financial Inclusion Strategies Reference Framework*', United Nations, '*Building Inclusive Financial Sectors for Development*', *ibid.*

¹⁰⁴ *ibid.*

¹⁰⁵ *ibid.*

¹⁰⁶ Financial Inclusion (FI), '*Financial Inclusion in India – Strengthening Financial Inclusion by Increasing Transparency*'; The World Bank, '*Financial Inclusion Strategies Reference Framework*'; United Nations; '*Building Inclusive Financial Sectors for Development*', *ibid.*

Access indicators: the financial institutions' ability to offer financial services and products related to the market, the environment of technology, and regulatory infrastructure. Such indicators reflect the depth of outreach of financial services and examine the barriers, which customers face in accessing the services, and penetration in rural areas by points of sale or bank branches. The indicators can, accordingly, be examined through determining potential barriers, which are facing the products, the customers in using them, or the institutions.¹⁰⁷

Usage indicators: the manner of customers in using the financial services. The duration and regularity of using the financial services or products, for instance. Customers, therefore, must have access to such services. However, accessing the service does not mean that all customers will use the services. Customers should not, accordingly, be treated as unbanked if there are suitable services available to them.¹⁰⁸

The basic life needs of primary financial services for people are recognised, which normally involve payment, saving and credit, and occasionally include pension and insurance.¹⁰⁹ However, savings and current accounts at banks are the most important product among vulnerable individuals because the unavailability of bank accounts has more negative impacts than being without a pension or insurance.¹¹⁰ For instance, it may lead to inconvenience in making payments or savings. Furthermore, such types of accounts do not involve long-term

¹⁰⁷ *ibid.*

¹⁰⁸ *ibid.*

¹⁰⁹ Leyshon and Thrift; Kempson and others, '*In or Out? Financial Exclusion*'; European Commission, '*Financial Services Provision and Prevention of Financial Exclusion*'; Kempson and Whyley, '*Kept Out or Opted Out? Understanding and Combating Financial Exclusion*'; Kempson and others, '*In or Out? Financial Exclusion: A Literature and Research Review*', *ibid.*

arrangements or debt relationship.¹¹¹ People will be forced to borrow, at high costs, from informal lenders if they do not find available formal affordable credits.¹¹² The insurance and pensions are more advanced than credit or payment services since both of them concentrate on future perspective and are linked with steady income or jobs.¹¹³

The fundamental banking services are as follows.

- Savings:

Accessing to only saving or deposit account is not considered to bring many benefits¹¹⁴ due to various reasons, such as complex procedures or contractual,¹¹⁵ negative previous experiments with banks' employees or their prejudice, lack of habit to save money by the poor or lack of their money to save.¹¹⁶

However, it helps people in meeting their expensive needs, such as a wedding and buying cars, and emergencies' needs in rainy days, without paying additional costs or experiencing with debt or repayment issues.

Unexpected expenses or Financial shocks can be treated by people having put aside money in accounts. Without access to such saving accounts, they are vulnerable to theft.

¹¹⁰ *ibid.*

¹¹¹ *ibid.*

¹¹² *ibid.*

¹¹³ *ibid.*

¹¹⁴ Leyshon and Thrift; Kempson and others, '*In or Out? Financial Exclusion*', *ibid.*

¹¹⁵ *ibid.*

¹¹⁶ Mohammad Shafi and Ali Haw Medabesh, '*Financial Inclusion in Developing Countries: Evidences from an Indian State*' (2012) 5(8) International Business Research <<http://www.ccsenet.org/journal/index.php/ibr/article/viewFile/18807/12574>> accessed 12 June 2016; SibosTV, '*What is financial inclusion and why should we care?*' (YouTube, 02 October 2014) Video; Leyshon and Thrift; Kempson and others, '*In or Out? Financial Exclusion*', *ibid.*

- Banking transactions:

A bank account is generally connected with the following transactions:

- Converting vouchers or cheques into cash.
- Making an online payment for goods, top up, services or Bills.
- Making remittances.
- Storing money safely.
- Receiving wages, social assistance or pensions, and any other regular electronic payments of funds.

Researchers find links between employability and financial exclusion since many employers require paying wages and financial benefits directly to employees' accounts, and they do not usually accept employees who do not have accounts.¹¹⁷

A lack of use or access to such transactions has negative impacts on the UFA-FI. First of all, paying wages in cash can increase the risk of poverty and of monies being stolen.¹¹⁸ Secondly, exclusion can mean having to resort to payment procedures that are time-consuming and inefficient.¹¹⁹ Finally, it is a gateway, key or passport to accessing other services and products.¹²⁰

¹¹⁷ Adam Clark and Helen Aynsley, 'Employability and financial inclusion; examining the links' (2008) <<http://transact.org.uk/shared/get-file.ashx?id=119&itemtype=document>> accessed 12 June 2016; James F. Devlin, 'A Detailed Study of Financial Exclusion in the UK' (2005) 28 Journal of Consumer Policy, 75-108

<https://www.researchgate.net/publication/5149356_A_Detailed_Study_of_Financial_Exclusion_in_the_UK> accessed 12 June 2016; Speak and Graham; Shafi and Medabesh, *ibid*

¹¹⁸ Shafi and Medabesh, *ibid*.

¹¹⁹ *ibid*.

¹²⁰ *ibid*.

- Insurance:

In several developing countries, there are some types of insurance which are essential, for instance, insurance for motor vehicles. The insurance for the motor vehicle and fire insurance for the shops are compulsory across many developing countries. However, it is not clear what types of insurance are considered as the most important for people. Such types should be, therefore, specified. It would, thereafter, be possible to determine that people who lack access to one or more specific insurance types are financially excluded. UFA-FI must consider easy usage and access to insurance as part of its goal.

- Credit:

It offers access to expenditures or goods, which are more than the monthly budget. Furniture, for instance. It may, therefore, give protection against income shocks and smooth consumption.

The lack of use and access of an appropriate credit has negative impacts on the UFA-FI¹²¹ since it can force people to obtain high-cost or exploitative credit or subprime loan from informal financial institutions, or be excluded from using financial services. It can, thus, decrease and stigmatise self-esteem and welfare levels of individuals and households due to raising the budget disequilibrium for them and difficulties of reimbursement, which lead to over-indebtedness and lack of ability to meet their commitments, including credit repayments.¹²²

¹²¹ European Commission, 'Towards A Common Operational European Definition of Over-Indebtedness' (2008) <<http://www.bristol.ac.uk/media-library/sites/geography/migrated/documents/pfrc0805.pdf>> accessed 12 June 2016; European Commission, 'Financial Services Provision and Prevention of Financial Exclusion'; Prause, *ibid.*

The ability or willingness to repaying a loan cannot be equated with income level. The poor is neither a sufficient nor a necessary to default.¹²³ On the other hand, high-income people could experience unexpected ignorance or changes in their life, they can, thus, default on a loan.¹²⁴ The trustworthiness of the borrower in a credit record shall be considered, regardless of customers' incomes.¹²⁵

The levels of people and firms in the banking sector are as follows.

Firstly, 'Unbanked': firm or people who are usually with no bank at all. It includes voluntary and involuntary excluded.¹²⁶

Secondly, 'Marginally banked': customers have deposit accounts, without financial facilities, for instance, chequebook. It can refer also to the customers who have such facilities but decide to not use them or use a tiny proportion of them in specific circumstances.¹²⁷

Finally, 'Fully banked': customers who have access to a full-range of appropriate products and services.¹²⁸

It could be observed that the WBG differentiates between financially served and formally served.¹²⁹ Financially served refers to customers who have access to

¹²² *Ibid.*

¹²³ *Ibid.*

¹²⁴ *Ibid.*

¹²⁵ *Ibid.*

¹²⁶ European Commission, '*Financial Services Provision and Prevention of Financial Exclusion*', Kempson, '*Policy level response to financial exclusion in developed economies*'; The World Bank, '*Global Financial Development Report 2014: Financial Inclusion*' *ibid.*

¹²⁷ *ibid.*

¹²⁸ *ibid.*

financial services and products, regardless if the providers are providing finance formally or informally.¹³⁰ For the purpose of 'Inclusion', customers need to be 'formally served, which means that they need to get access to such services and products from banks and formal providers.¹³¹

© GSJ

¹²⁹ *ibid.*

¹³⁰ *ibid.*

CHAPTER III: THE IMPORTANCE OF UFA-FI FOR DEVELOPING COUNTRIES AND WHEATHER THE GOAL IS REALISTIC

III.1 POVERTY

Eradication of extreme poverty has become an increasingly important objective of countries-organisations worldwide. It was the first goal of Millennium Development Goals.¹³² More recently, the international community has set the goal of ending it by 2030 through reducing people's percentage who live on less than the international poverty line, which is \$1.90 a day to less than 3%. WBG has, to achieve this objective, launched UFA-FI.¹³³ The importance of UFA-FI is to potential value for reaching approximately 2 billion unbanked adults to financial services. Unbanked will be given powers to use such services. Their lives would be, accordingly, improved. Opening a bank account for receiving wages is the first step toward reducing poverty since an account can support its holder in achieving main life aims.

WBG finds links between "Poverty" and "Services", such as levels of health and education. It also determines "Extremely Poor" as a person who lives on the

¹³¹ *ibid.*

¹³² UN, 'GOAL 1: ERADICATE EXTREME POVERTY & HUNGER' (UN, USA, 2015) <<http://www.un.org/millenniumgoals/poverty.shtml>> accessed 12 July 2016; UNICEF, 'MILLENNIUM DEVELOPMENT GOALS - Eradicate extreme poverty and hunger' (Unicef, USA, 2015) <<http://www.unicef.org/mdg/poverty.html>> accessed 12 July 2016; UNDP, 'Millennium Development Goals' (UNDP, USA, 2015) <http://www.undp.org/content/undp/en/home/sdgooverview/mdg_goals.html> accessed 12 July 2016; African Development Bank Group, 'Goal 1: Eradicate extreme poverty and hunger' (African Development, Algeria, 2015) <<http://www.afdb.org/en/topics-and-sectors/topics/millennium-development-goals-mdgs/goal-1-eradicate-extreme-poverty-and-hunger/>> accessed 12 July 2016.

¹³³ The World Bank, 'What We Do' (The World Bank, Washington, DC, USA) <<http://www.worldbank.org/en/about/what-we-do>> accessed 02 June 2016; The World Bank, 'Ending Extreme Poverty and Promoting Shared Prosperity' (The World Bank, Washington, DC, USA) <http://www.worldbank.org/en/news/feature/2013/04/17/ending_extreme_poverty_and_promoting_shared_prosperity> accessed 02 June 2016; The World Bank, 'Poverty Reduction: How and Where We Work' (The World Bank, Washington, DC, USA) <<http://www.worldbank.org/en/news/feature/2013/02/05/povertyreductioninpractice>> accessed 02 June 2016; Wall Street Journal, 'What is financial inclusion' (YouTube, 17 March 2015) Video

edge of subsistence, which lives on an average consumption of \$1.25 or less daily.¹³⁴

Poverty can be, consequently, defined as a condition characterised by severe deprivation, where people struggle in meeting their basic needs, such as food and access to services, including banking.

The percentage of people who live in extreme poverty downgraded from 37.1% to 9.6% between 1990 and 2015.¹³⁵ Approximately 4.3 billion people live on less than \$5 per day but they are not able to meet their basic needs.¹³⁶ Such data can make anyone think more about how the poor live, how they protect themselves?

However, these data give only information regarding poor's purchasing power. Additionally, the poverty line seems as controversial and misleading because it should depend on the purchasing power and real value of currencies. For instance, people may be able to live on less than \$1.90 per a day in Bangladesh whilst this amount of money is not sufficient for living an hour in a developed

<<https://www.youtube.com/watch?v=ogUqrJudwIE>> accessed 02 June 2016; The World Bank, 'UFA2020 Overview: Universal Financial Access by 2020', *ibid*.

¹³⁴ The World Bank, 'Chapter 2 The Definitions of Poverty'

<<http://siteresources.worldbank.org/INTPOVERTY/Resources/335642-1124115102975/1555199-1124115187705/ch2.pdf>> accessed 02 June 2016; Namrata Kotwani, Ruqayya Abdul-Karim and Marion Danis 'At the Frontlines: Confronting Poverty in Primary Care Medicine'

<<http://cdn.intechopen.com/pdfs-wm/35838.pdf>> accessed 02 June 2016; Maged Samir Melio, 'The Challenges of Poverty Measurement in the Arab Region' (2015)

<<http://iariw.org/egypt2015/magedmelio.pdf>> accessed 02 June 2016.

¹³⁵ The World Bank, 'World Bank Forecasts Global Poverty to Fall Below 10% for First Time; Major Hurdles Remain in Goal to End Poverty by 2030' (WBG, Washington, DC, 4 October 2015)

<<http://www.worldbank.org/en/news/press-release/2015/10/04/world-bank-forecasts-global-poverty-to-fall-below-10-for-first-time-major-hurdles-remain-in-goal-to-end-poverty-by-2030>> accessed 06 June 2016.

country since people have to pay more to fulfil their basic needs. The countries should, therefore, introduce and develop their own local poverty lines.

The poor usually finance their SMEs through their personal capitals or borrowing from informal providers such as private financial institutions, friends and family. UFA-FI aims to provide them with suitable loans from mainstreams to avoid various difficulties in getting loans as follows. Firstly, private providers usually reluctant in lending them due to a lack of collateral, such as steady income and physical assets. Secondly, high costs and interest rates for small loans, credit monitoring and assessing. Finally, official procedures for informal financing application.¹³⁷

Credits can act as a cushion for financial difficulties or unplanned events, such as unemployment or illness.¹³⁸ The poor, usually, try to maintain a balance between their expenditures and incomes.¹³⁹ However, unexpected changes in their lives may lead to incomes' decrease or expenses' increase.¹⁴⁰ Although they may be able to save small money and use them when any events occur, their savings could not be, generally, sufficient to remedy all events.¹⁴¹ They will, therefore, force

¹³⁶ Martin Kirk, 'Four Reasons to Question the Official 'Poverty Eradication' Story of 2015' (Common Dreams, USA, 16 March 2015) <http://www.commondreams.org/views/2015/03/16/four-reasons-question-official-poverty-eradication-story-2015>> accessed 06 June 2016.

¹³⁷ Thorsten Beck and Asli Demirgu-Kunt, 'Access to Finance: An Unfinished Agenda' (2008) 22(3) The World Bank Economic Review, <<http://documents.worldbank.org/curated/en/877861468331178045/Access-to-finance-an-unfinished-agenda>> accessed 20 June 2016, 383-396.

¹³⁸ R. Glenn Hubbard, 'Money, the financial system, and the economy' (6th edn, Pearson Addison-Wesley, 2007); Carruthers BG and Ariovich L, 'Money and Credit: A Sociological Approach' (1st edn, Polity Press, 2010).

¹³⁹ *ibid.*

¹⁴⁰ *ibid.*

¹⁴¹ *ibid.*

sometimes to meet their difficulties by borrowing money. Borrowing is, thus, considered as a way to support who cannot meet his/her financial difficulties.

Additionally, the poor can close the gap between their uneven expenses and incomes through credits since credits can give them alternative cash flows when they spend all their incomes.¹⁴² They will be, accordingly, able to consume. Borrowing money is necessary for the poor because of they cannot rely on only their income or saving and/or reduce their consumption.¹⁴³

If the poor access to financial services, they have, accordingly, a better opportunity to get out from a vicious cycle of income inequality and poverty. This does not mean that UFA-FI makes every the poor borrow.¹⁴⁴ However, UFA-FI's impact on poverty and economic development differs based on service's type. Evidence of benefits savings and payments are completely supportive. A positive impact of insurance products. Mixed picture for microcredit. Accessing to finance for firms is connected with growth, innovation and job creation.¹⁴⁵

It could be said that WBG has been, systematically, engaged in promoting the poor worldwide, attempting to legitimate its programmes through pro-poor propaganda and policies of controlled participation while the institutional framework's creation within which global capitalist accumulation can be sustained.

¹⁴² Hubbard, '*Money, the financial system, and the economy*', *ibid.*

¹⁴³ Carruthers BG and Ariovich L, '*Money and Credit: A Sociological Approach*' *ibid.*

¹⁴⁴ Kendall, Mylenko and Ponce, '*Measuring financial access around the world*', and Vivien Kappel, '*The Effects of Financial Development on Income Inequality and Poverty*' (2010) Working Paper 10/127 – Economics Working Paper Series <<https://www.ethz.ch/content/dam/ethz/special-interest/mtec/cer-eth/cer-eth-dam/documents/working-papers/WP-10-127.pdf>> accessed 12 June 2016.

UFA-FI aims to, primarily, the systematic transformation of developing countries' institutions and social relations to facilitate and generalise build capitalist hegemony by country ownership and promoting legitimating schemes of community participation, capitalist accumulation and proletarianisation globally.¹⁴⁶

The poor have unpredictable lives. They need to, therefore, save money for difficult days. UFA-FI gives them access to transaction accounts, which makes them able to save money safely and securely, and more prepared for dealing with difficulties. Their basic life needs will become achievable, which means achieving better lives at all levels. Additionally, they will get financial educations and develop positive financial habits.¹⁴⁷

UFA-FI can empower the inexperienced poor to use financial services effectively since transaction accounts can assist them in overcoming barriers.¹⁴⁸ For instance, if they use accounts through mobile phones or retail stores, they will not

¹⁴⁵ Sahy and others, 'Financial Inclusion: Can It Meet Multiple Macroeconomic Goals?'; IEG World Bank Group, 'Financial Inclusion – A Foothold on the Ladder Toward Prosperity' (You Tube, 29 November 2015) Video, *ibid*.

¹⁴⁶ Paul Cammack, 'What the World Bank Means by Poverty Reduction, and Why it Matters' (2004) 9(2) New Political Economy <<http://dx.doi.org/10.1080/1356346042000218069>> accessed 12 June 2016; Paul Cammack, 'The G20, the Crisis, and the Rise of Global Developmental Liberalism' (2012) 33(1) Third World Quarterly <http://dx.doi.org/10.1080/01436597.2012.628110> accessed 12 June 2016, 1-16; Toby Carroll, 'Delusions of Development – The World Bank and the Post-Washington Consensus in Southeast Asia' (1st edn, Palgrave Macmillan, UK, 2010) <<https://books.google.co.uk/books?id=9YqFDAAAQBAJ&printsec=frontcover&dq=Delusions+of+Development:+The+World+Bank+and+the+Post-Washington+Consensus&hl=en&sa=X&ved=0ahUKEwiuv-aQy6LPAhXhIMAKHVYSCxgQ6AEIITAA#v=onepage&q=Delusions%20of%20Development%3A%20The%20World%20Bank%20and%20the%20Post-Washington%20Consensus&f=false>> accessed 12 June 2016.

¹⁴⁷ Gloria M. Grandolini, '5 Ways Universal Financial Access Can Help People Build a Better Life' (Mastercard Centre for Inclusive Growth, USA, 28 April 2015) <<http://mastercardcenter.org/insights/5-ways-universal-financial-access-can-help-people-build-better-life/>> accessed 17 June 2016; Jake Kendall, 'A Penny Saved: How Do Savings Accounts Help the Poor?' <<http://www.microfinancegateway.org/sites/default/files/mfg-en-paper-a-penny-saved-how-do-savings-accounts-help-the-poor-2010.pdf>> accessed 17 June 2016; Wall Street Journal, 'What is financial inclusion' (YouTube, 17 March 2015) Video, *ibid*.

¹⁴⁸ *ibid*.

deal with banks' employees directly. They can, accordingly, reduce negative behaviours or attitudes impacts that may be experienced from banks employees because the latter may deal with the former by relying on latter's financial knowledge or appearance.¹⁴⁹ UFA-FI can also protect them from fraud, mis-sell and other market abuses.¹⁵⁰ Furthermore, it can increase their financial education and awareness.¹⁵¹

Offering the poor access to loans has, economically, massive effects on reducing rural poverty through increasing employment, innovation of new products, disbursement, services/goods amounts, an output of harvest, an output from economic activity, cattle, increasing assets and household incomes. Based on Pakistan Poverty Alleviation Fund data 2005, income growth for borrowers were 6% while non-borrowers were 2%.¹⁵² Borrowers are, therefore, most benefited. Additionally, borrowing can contribute to raising the poor's welfare.

UFA-FI can increase the poor's abilities to pay more for food and non-food needs. It can lead to improving their needs' quality. It may also make them aware of healthy habits, including drinking clean water and using sterile toilets. Additionally, they can pay for doctors' costs, hospitals and medicines, particularly if their illness is serious, which their governments' healthcare system do not cover it. Furthermore, UFA-FI can encourage households in investing in their children's education since the availability of money will increase the households' ability to pay the tuition fees

¹⁴⁹ *ibid.*

¹⁵⁰ *ibid.*

¹⁵¹ *ibid.*

¹⁵² Nasim Shah Shirazi, 'Targeting and Socio-Economic Impact of Microfinance: A Case Study of Pakistan' (2012) 20(2) Islamic Economic Studies
<<http://www.irti.org/english/research/documents/ies/032.pdf>> accessed 12 June 2016.

and education equipment costs, such as books and transportations, thus, more opportunities for studying in schools and universities. If their children graduate with bachelor degrees or higher, then, they will have effective thinking skills, hence develop their methods in maintaining, using and investing in money, and they can ultimately compete for rewarding job opportunities with competitive wages.

Unleashing entrepreneurial activity and reduction of poverty can be achieved by expanding access to micro-credit through developing consumptions and limiting restrictions for expanding commercial activities, which can be led to improving welfare, income and redistributive.¹⁵³ Bangladeshi households with additional SMEs income, for instance, have much better lives than others.¹⁵⁴

Funds' allocation to the most productive uses is one of financial systems' functions.¹⁵⁵ Firms and SMEs usually need funds to fix their asset investments or finance their working capitals.¹⁵⁶ Transaction costs and principal-agent problems may lead to excluding firms from financial services and being unable to grow or do their businesses.¹⁵⁷

¹⁵³ The World Bank, 'Global Financial Development Report 2014: Financial Inclusion' *ibid.*

¹⁵⁴ *ibid.*

¹⁵⁵ Joseph E. Stiglitz, 'More Instruments and Broader Goals: Moving Toward the post-Washington Consensus' (World Institute for Development Economics Research, The United Nations University, USA) <<http://www.ecofuente.freeservers.com/neo/stiglitz.htm>> accessed 20 June 2016; Cammack, 'What the World Bank Means by Poverty Reduction, and Why It Matters' *ibid.*

III.2 GROWTH AND DEVELOPMENT

UN third international conference on financing for development, which was held in July 2015, highlighted the importance of UFA-FI.¹⁵⁸ UFA-FI has become, accordingly, a substantial component in formulating Sustainable Development Goals.¹⁵⁹ Additionally, it is important to make economic growth performance more sustained and inclusive since the poor can raise their economic well-being and develop their assets whilst the lack access to such services can be lead to an inability to participate in financial development.¹⁶⁰

High economic growth could be achieved by improving financial sectors. Financial development is considered not only for expanding financial services but also deepening financial sector through extending users' numbers to such services and financial institutions' forms, including banks and microfinance.¹⁶¹ These forms' raising the participation to economic growth, which leads to generating resources and wealth for development and economic growth.¹⁶²

Several positive impacts for economic growth from UFA-FI, such as raising households' numbers that use financial services and giving access to services for

¹⁵⁶ *ibid.*

¹⁵⁷ *ibid.*

¹⁵⁸ The commonwealth, '*strategies for women's financial inclusion in the commonwealth*' *ibid*; United Nations, 'Report of the Special Rapporteur on *Extreme Poverty and Human Rights*' (2012) A/67/278 <<http://www.ohchr.org/Documents/Issues/Poverty/A-67-278.pdf>> accessed 14 June 2016.

¹⁵⁹ United Nations, '*Sustainable Development – Knowledge Platform*' <<http://www.un.org/sustainabledevelopment/sustainable-development-goals/>> accessed 14 June 2016; UNDP, '*Sustainable Development Goals*' <<http://www.undp.org/content/undp/en/home/sustainable-development-goals.html>> accessed 14 June 2016.

¹⁶⁰ The AFI, '*Policy Frameworks to Support Women's Financial Inclusion*' <http://www.afi-global.org/sites/default/files/publications/2016-08/2016-02-womenfi.1_0.pdf> (2016) AFI Special Report.

¹⁶¹ Ross Levine, '*Finance and Growth: Theory And Evidence*' (2015) 1A Handbook of Economic Growth, <http://faculty.haas.berkeley.edu/ross_levine/Papers/Forth_Book_Durlauf_FinNGrowth.pdf> accessed 19 June 2016, 866-923.

firms.¹⁶³ However, such impacts are negatively affected by increasing financial depth. UFA-FI contributes to rapidly grow sectors, which have assets that are not tangible or those that rely on external finance.¹⁶⁴

Inclusive growth refers to pattern and pace of growth.¹⁶⁵ Both are crucial for decreasing poverty, achieving sustainable and high growth record. Broad inclusive, which enables people in participating of economic growth, is necessary to achieve poverty reduction.¹⁶⁶

Instead of focusing on increasing incomes or channelling income redistribution, inclusive growth concentrates on long-term impacts of productive employment, which can lead to reducing poverty in better ways.¹⁶⁷

¹⁶² *ibid.*

¹⁶³ Mohsin S. Khan and Abdelhak S. Senhadji, 'Financial Development and Economic Growth: A Review and New Evidence' (2003) 2012(2) Journal Of African Economies, <http://jae.oxfordjournals.org/content/12/suppl_2/ii89.full.pdf+html> accessed 20 June 2016, 89-110; Prabir C. Bhattacharya and M. N. Sivasubramanian, 'Financial Development and Economic Growth in India: 1970-1971 to 1998-1999' (2003) 13 Applied Financial Economics <<http://www.tandfonline.com/doi/pdf/10.1080/0960310032000129590?needAccess=true>> accessed 20 June 2016, 925-929; Allen N. Berger, Iftekhar Hasan and Leora F. Klapper, 'Further Evidence on the Link between Finance and Growth: An International Analysis of Community Banking and Economic Performance' (2004) 25(2/3) Journal of Financial Services Research <http://siteresources.worldbank.org/DEC/Resources/CommunityBanking_WP.pdf> accessed 20 June 2016, 169-202.

¹⁶⁴ P. J. Dawson, 'Financial development and growth in economies in transition' (2003) <<http://dx.doi.org/10.1080/1350485032000154243>> accessed 21 June 2016, 833-836.

¹⁶⁵ Alula Berhe Kidani, 'Sustained Growth and Inclusive Development Strategies (1)' (Sudan Vision, An Independent Daily, 09 August 2016) <<http://news.sudanvisiondaily.com/details.html?rsnpid=266563>> accessed 28 August 2016; Abbi M. Kedir, 'Inclusive Growth and Inequalities in the Context of Structural Transformation: Ethiopia' Report (2014) <<http://africainequalities.org/wp-content/uploads/2016/07/PAN-AFRICAN-CONFERENCE-ON-INEQUALITIES-IN-THE-CONTEXT-OF-STRUCTURAL-TRANSFORMATION.pdf>> accessed 20 June 2016; Elena Ianchovichina, Susanna Lundstrom and Lenardo Garrido, 'What is Inclusive Growth' (2009) The World Bank <<http://siteresources.worldbank.org/INTDEBTDEPT/Resources/468980-1218567884549/WhatIsInclusiveGrowth20081230.pdf>> accessed 20 June 2016.

¹⁶⁶ *ibid.*

¹⁶⁷ OECD, 'Growing Unequal? : Income Distribution and Poverty in OECD Countries' (2008) Summary in English <<https://www.oecd.org/els/soc/41527936.pdf>> accessed 12 June 2016.

Income distribution has negative impacts, and cannot be a sole response to poverty in developing or developed countries.¹⁶⁸ It is also impossible to do so in countries where average income less than \$700 annually.¹⁶⁹

Several researchers emphasise the importance of developing financial sector and mentioned positive relationships between economic growth and financial depth.¹⁷⁰ They also indicated that GDP is led by developments in financial sectors.¹⁷¹ Additionally, they find links between improved GDP and healthy small banks since such banks provide SMEs with their finance and loans needed, which can positively improve GDP growth.¹⁷²

In countries with greater financial depth, sectors that rely on external finance can grow more quickly.¹⁷³ Such sectors can grow to the maximum with UFA-FI. Growth through reducing financial constraints can, consequently, promote financial development.

Well-functioning and effective financial systems are able to allocate financial risk to those who can best bear them, and channel funds to the most productive users. They can, accordingly, reduce poverty, improve opportunities, boost

¹⁶⁸ *ibid.*

¹⁶⁹ *ibid.*

¹⁷⁰ Allen N. Berger, Iftexhar Hasan and Leora F. Klapper, 'Further Evidence on the Link between Finance and Growth: An International Analysis of Community Banking and Economic Performance'; Prabir C. Bhattacharya and M. N. Sivasubramanian, 'Financial Development and Economic Growth in India: 1970-1971 to 1998-1999'; Mohsin S. Khan and Abdelhak S. Senhadji, 'Financial Development and Economic Growth: A Review and New Evidence', *ibid.*

¹⁷¹ *ibid.*

¹⁷² *ibid.*

¹⁷³ Rajan, and Zingales, 'Financial Dependence and Growth', *ibid.*

economic growth and distribute income. In contrast, with limited available services and access, poverty is likely to increase among people.¹⁷⁴

Economics seek to build inclusive financial systems and improve access, which can be achieved by making services available and enhancing their quality of the poor's benefits, hence tapping the full potential of economies, facilitating sustained productivity, growth, and spreading opportunities' equality.¹⁷⁵

Poverty traps or income inequality could be persistently generated by financial market frictions.¹⁷⁶ SMEs and the poor need to their internal resources and personal wealth to become entrepreneurs and invest in their education and professional lives in non-inclusive financially systems.¹⁷⁷ They, which normally lack credit histories, connections or collateral, are affected by financial market imperfections, such as transactions costs and information asymmetries, thereby slower growth, inequality and reduce opportunities.¹⁷⁸

The poor and SMEs are affected by financial development and depth. Greater access is connected with greater depth.¹⁷⁹ They could directly benefit from

¹⁷⁴ Cammack, 'What the World Bank Means by Poverty Reduction, and Why It Matters'; Asli Demirgüç-Kunt, Thorsten Beck, and Patrick Honohan, 'Finance for all? Policies and pitfalls in expanding access', *ibid*; Reinhard H Schmidt and Aneta Hryckiewicz, 'Financial Systems-Importance, Differences and Convergence' (2006) Working paper Series No.4 <<https://core.ac.uk/download/pdf/14506961.pdf>> accessed 20 June 2016; Centre for Financial Inclusion, 'Financial Inclusion 2020: Access and Quality for all' (You Tube, 29 October 2013) Video <<https://www.youtube.com/watch?v=K0FdB8mC3mk>> access 02 June 2016.

¹⁷⁵ *ibid*.

¹⁷⁶ *ibid*.

¹⁷⁷ *ibid*.

¹⁷⁸ *ibid*.

¹⁷⁹ *ibid*.

opportunities of investment, and indirectly by generating new vacancies, raising incomes and equality.¹⁸⁰

Although there are several studies focus on UFA-FI's importance in financial development, there is a limited empirical evidence on that.¹⁸¹ UFA-FI decrease both price and non-price barriers that can limit access to financial services.¹⁸² Such services should be available for all the poor at affordable costs, taking into account all costs that may be incurred by the poor, such as, costs of transportation, and provider's profits.¹⁸³

III.3 EQUALITY

Despite achieving considerable advances in UFA-FI for gender between 2011 and 2014, women are still lag behind in using or accessing financial services.¹⁸⁴ 54% of men worldwide had formal bank accounts, compared to 47% of women, whilst in 2014, percentages of both men and women, who had formal bank accounts, notably increased to approximately 65% and 58%, respectively.¹⁸⁵ In developing countries, 46% of men and 37% of women had formal bank accounts in 2011 while after three years, the percentage had risen to be around 59% of men

¹⁸⁰ *ibid.*

¹⁸¹ *ibid.*

¹⁸² *ibid.*

¹⁸³ *ibid.*

¹⁸⁴ The AFI, 'Policy Frameworks to Support Women's Financial Inclusion', *ibid.*, and Cafod, 'What is "inclusive growth"?' (2014) CAFOD discussion paper (Full version) <<http://cafod.org.uk/content/download/17223/133621/file/Inclusive%20Growth%20full%20paper.pdf>> accessed 20 June 2016; Asli Demirguc-Kunt, Leora Klapper and Dorothe Singer, 'Financial Inclusion and Legal Discrimination Against Women – Evidence from Developing Countries' (2013) Policy Research Working Paper No. 6416 <<http://documents.worldbank.org/curated/en/801311468330257772/pdf/wps6416.pdf>> accessed 18 July 2016.

¹⁸⁵ *ibid* and Demirgüç-Kunt and others, 'Measuring financial inclusion: The Global Findex database' *ibid.*

and 50% of women.¹⁸⁶ It could be observed that accessing to financial services have been significantly advanced among women. However, there is still a tiny gap in gender.

There is a clear relationship between UFA-FI and income inequality since the latter and financial inequality goes together.¹⁸⁷ For instance, Haiti has the high rate of income inequality, and financial access only for richest people, whereas the Swedish poor and rich, have similar bank accounts' shares, and Sweden is considered as one of the most income distributions worldwide.¹⁸⁸ However, each one is not necessary causes the other.

Women can improve their economic status through accessing to finance.¹⁸⁹ Additionally, their participation in financial systems can achieve important benefits in social well-being, economic growth and greater equality.¹⁹⁰ Furthermore, expanding borrowing's possibilities can assist the poor in increasing their income and gender inequalities.¹⁹¹ Moreover, broader economic development in emerging markets could be achieved by giving women better chances to control and earn income.¹⁹² For instance, promoting access to training, finance and better support networks among female entrepreneurs assist in increasing SMEs' productivity of managed and owned by women.

¹⁸⁶ *ibid.*

¹⁸⁷ The World Bank, 'Global Financial Development Report 2014: Financial Inclusion' *ibid.*

¹⁸⁸ *ibid.*

¹⁸⁹ The AFI, 'Policy Frameworks to Support Women's Financial Inclusion', *ibid*; Vighneswara Swamy, 'Financial Inclusion, Gender Dimension, and Economic Impact on Poor Households' (2014) 56 World Development 1-15 <<http://dx.doi.org/10.1016/j.worlddev.2013.10.019>> accessed 20 June 2016.

¹⁹⁰ *ibid.*

¹⁹¹ *ibid.*

UFA-FI can raise asset's ownership and serve as a stimulation to begin significant economic, social and political empowerment of women.¹⁹³ Assessing to basic deposit accounts has intrinsic values for women.¹⁹⁴ It can create a trustworthy payment connection with government, family members and employer.¹⁹⁵ An account is a bridge to obtain other services, which can be used in tough times.¹⁹⁶

Men, usually, experience fewer barriers than women in gaining finance. This leads to negative impacts not only on women but also households, economics and financial systems.¹⁹⁷ Empowering women financially can be caused by improving family's welfare.¹⁹⁸ Financial stability and growth-promoting potential of financial can be limited by excluding women from financial services.¹⁹⁹

IFC's research demonstrated that gains in GDP between 2% and 3.5% would be achieved by greater UFA-FI of women.²⁰⁰

According to IMF research, immense macroeconomic gains could be achieved when women can evolve their full labour market potential.²⁰¹

¹⁹² *ibid.*

¹⁹³ Nava Ashraf, Dean Karlan and Wesley Yin, 'Female Empowerment: Further Evidence from a Commitment Savings Product in the Philippines' (2010) 38(3) World Development <<http://karlan.yale.edu/sites/default/files/1-s2.0-s0305750x09001910-main.pdf>> accessed 20 June 2016; 333-344; Pascaline Dupas and Jonathan Robinson, 'Why Don't the Poor Save More? Evidence from Health Savings Experiments' (2013) 103(4) American Economic Review, <http://web.stanford.edu/~pdupas/DupasRobinson_HealthSavings.pdf> accessed 20 June 2016, 1138-1171.

¹⁹⁴ *ibid.*

¹⁹⁵ *ibid.*

¹⁹⁶ *ibid.*

¹⁹⁷ *ibid.*

¹⁹⁸ *ibid.*

¹⁹⁹ *ibid.*

²⁰⁰ The AFI, 'Policy Frameworks to Support Women's Financial Inclusion', *ibid*; The MasterCard Foundation and IFC, 'The Partnership for Financial Inclusion – Women Make the Best DFS Agents' <<https://www.ifc.org/wps/wcm/connect/16fafca1-dbbc-4e0f-be83-4daf75aabadf/Field+Notes+5+-+Women+DFS+Agents.pdf?MOD=AJPERES>> accessed 20 June 2016.

A Goldman Sachs study suggested that more than 70% of women-led SMEs are financially underserved or unserved.²⁰² However, per capita incomes could on average be 12% higher by 2030 if credits gaps are eliminated by 2020.²⁰³ Per capita incomes and economic growth could be, therefore, improved by UFA-FI.

Women usually spend money more than men for care-taking of their families, educating children, improving their housing and healthcare. They should have financial resources to help them in investing and growing their businesses. Their access to financial services has benefits, thus, not only to them but also their families, communities and countries. Investments in their families and SMEs can be lead to long-term security and prosperity.²⁰⁴

In order to eliminate inequality and gender gaps, following measures should be met.

- Creating space for innovation through reforming regulatory and legal frameworks.²⁰⁵
- Remedying social norms, which usually restrict women in accessing and using financial services.²⁰⁶

²⁰¹ *ibid.*

²⁰² *ibid.*

²⁰³ *ibid.*

²⁰⁴ Abby Piper, 'Women spend much more money than men to participate in the 'Bachelor' franchise' (Hercampus, 07 July 2016) <<http://www.hercampus.com/entertainment/women-spend-much-more-money-men-participate-bachelor-franchise>> accessed 12 August 2016; Michael Cheng, 'Men vs. Women: Who Spends More and On What?' (Lifehack) <<http://www.lifehack.org/articles/money/men-women-who-spends-more-and-what.html>> accessed 12 August 2016; the AFI, 'Policy Frameworks to Support Women's Financial Inclusion', *ibid*

²⁰⁵ Making Finance Work for Africa and others, 'Policy Brief: Advancing African Women's Financial Inclusion' <http://www.africa-platform.org/sites/default/files/cop_resources/advancing_womens_financial_inclusion_0.pdf> accessed 01 September 2016; the AFI, 'Financial Inclusion for Gender and Women' (2016), <<http://www.afi-global.org/sites/default/files/publications/2016-08/FS-BTG-105x297-digital.pdf>> accessed 01 August 2016; the AFI, 'Policy Frameworks to Support Women's Financial Inclusion', *ibid.*

- Fine-tuning an enabling policies environments by researching and collecting gender-disaggregated data. Measures to increase UFA-FI should be country-specific, which rely on their opportunities, challenges and gender gaps.²⁰⁷
- The digitalisation of services and delivery channels, such as mobile transfers through e-money, agent banking and cell-phones.²⁰⁸ Digital financial services can be lead to providing more confidentiality by shielding money from family and community members, addressing mobility constraints, shifting social and economic power, and breaking down cultural barriers.²⁰⁹
- Financial literacy programmes and education for women.²¹⁰
- Achieving inclusive and transparent policies for women by concentrating on explicit policy quantitative targets, objectives, and value proposition for women.²¹¹
- Strengthening financial consumer protection regulation to protect women and solve their major issues and concerns.²¹²
- Developing financial infrastructure.²¹³

²⁰⁶ *ibid.*

²⁰⁷ *ibid.*

²⁰⁸ *ibid.*

²⁰⁹ *ibid.*

²¹⁰ *ibid.*

²¹¹ *ibid.*

III.4 STABILITY

The most common reasons for the instability of financial systems are internal factors to financial institutions, which includes asymmetric information; institutional factors that affect the overall economy and general budget; external factors, which is the international financial markets infrastructure, which may lead to exchange rates' crisis; existence of unstable policies and weak governance rules.²¹⁴

Internal factors are the negative flow of information, which impedes the efficient functioning of financial markets. Information asymmetry occurs when a party has information more than other parties regarding the size of potential risks and returns of proposed investments. Credit high-risk could be yielded in the case of providing loans to borrowers without getting enough information about them, which will lead to risks of payments defaults due to declining borrowers' creditworthiness. For reducing such risks, lenders should make prudent credit studies, which include correcting evaluation's basis and following up. Banks distinguishes from other financial intermediaries by their abilities to build long-term

²¹² *ibid.*

²¹³ *ibid.*

²¹⁴ IMF, 'Factors Affecting Financial Stability' (2006)

<<https://www.imf.org/external/np/seminars/eng/2006/macrop/eng/Tombini.pdf>> accessed 02 August 2016; Monetary Bulletin, 'The financial system: Strengths and Weaknesses' <<http://www.sedlabanki.is/lisalib/getfile.aspx?itemid=2624>> (2000) accessed 02 September 2016; Claes Norgren, 'The Causes of the Global Financial Crisis and their Implications for Supreme Audit Institutions' (2010) <<http://www.intosai.org/uploads/gaohq4709242v1finalsubgroup1paper.pdf>> accessed 01 September 2016; Vahur Kraft, 'Factors Influencing The Financial System Stability Oriented Policies Of A Small Country Soon To Become An EU Member – Estonian Experience' (2003) <https://www.eestipank.ee/sites/default/files/publication/en/Archive/kroon_economy/2003/09-15kraft.pdf> accessed 02 September 2016; Alin Croitoru, 'The Theory of Economic Development: An Inquiry into profits, capital, interest and the business cycle - Translated from the German by Redvers Opie, New Brunswick (U.S.A) and London (U.K.): Transaction Publisher' (2012) 3(2) Journal of Comparative Research in Anthropology and Sociology <<http://compaso.eu/wp-content/uploads/2013/01/Compaso2012-32-Croitoru.pdf>> accessed 01 August 2016; Ross Levine, 'Financial Development and Economic Growth – Views and Agenda' (1996) The World Bank - Policy Research Working Paper No. 1678 <http://papers.ssrn.com/sol3/papers.cfm?abstract_id=604955&download=yes> accessed 02 August 2016; King and Levine, 'Finance and growth: Schumpeter might be right' *ibid.*

credit relationships with customers and use such relationships in credit limits granted to customers, which reduces problems of information asymmetries among parties.²¹⁵

Central banks' task of maintaining financial stability could be supported by increased UFA-FI for many reasons.

- Obtaining access to financial mainstream systems can diversify depositors base in banks and raise aggregate savings, which can lead to improving financial institution's ability due to deposit funding's stability.²¹⁶ Additionally, aggregate balances in the poor's accounts move step-by-step and are not subject to unexpected swings from time-to-time.²¹⁷ Such flexibility might be especially pertinent within crises if low-income savers are susceptible to preserve their deposits when large depositors head for the exits.²¹⁸ In fact, during crises, when UFA-FI's degree was higher in terms of bank deposits, total deposits drop by less in economies, particularly for middle-income countries.²¹⁹
- Financial institutions could be assisted by UFA-FI in diversifying their loan portfolios through improving firms' credit access.²²⁰ Additionally, loan portfolios'

²¹⁵ *ibid.*

²¹⁶ Tanju Yorulmazer, 'Literature Review On the Stability of Funding Models' (2014) Federal Reserve Bank of New York, 20(1) Economic Policy Review <http://www.bis.org/publ/qtrpdf/r_qt1503h.pdf> accessed 02 August 2016, 3-16.

²¹⁷ Julia Abakaeva and Jasmina Glisovic, 'Are deposits a stable source of funding for microfinance institutions?' (2009) CGAP <<http://www.cgap.org/sites/default/files/CGAP-Brief-Are-Deposits-a-Stable-Source-of-Funding-for-Microfinance-Institutions-Jun-2009.pdf>> accessed 01 August 2016.

²¹⁸ Rui Han and Martin Melecky, 'Financial Inclusion for Financial Stability: Access to Bank Deposits and the Growth of Deposits in the Global Financial Crisis' (2013) Policy Research Working Paper No. 6577 The World Bank <<https://openknowledge.worldbank.org/handle/10986/16010>> accessed 12 July 2016.

²¹⁹ *ibid.*

²²⁰ Peter J. Morgan and Victor Pontines, 'Financial stability and financial inclusion' ADBI Working Paper No. 448 <<http://www19.iadb.org/intal/intalcdi/PE/2014/14477.pdf>> accessed 02 August 2016;

average credit risk may be reduced by getting firms, which formerly financially excluded, access to credit and borrow.²²¹ Lower probability of default and reduction in nonperforming loans by financial institutions are connected with an increased number of SMEs borrowers.²²²

Studies have shown that there is a close relationship between UFA-FI and financial stability since they have made comparisons between UFA-FI and its relationship with other macroeconomic variables, and they illustrated that UFA-FI and stability reinforce each other.²²³

Achieving UFA-FA is difficult in an absence of stability in financial systems. It is also hard to imagine continued financial stability with a growing proportion of a society and an economic sector, such as a rural population and a group of underprivileged in urban areas, are still excluded from financial services.²²⁴

UFA-FI leads to stronger families and SMEs sectors through financial developments that support social and political stabilities, which leads to, in turn, increasing a stability of financial systems.²²⁵ Furthermore, UFA-FI can improve the

Dejan Soskic, 'Financial literacy and financial stability' (2011) Keynote speech at the Bank of Albania Ninth International Conference Building our future through financial literacy <<http://www.bis.org/review/r110929e.pdf>> accessed 12 August 2016; Xavier Gine, Jessica Goldberg and Dean Yang, 'Credit market consequences of improved personal identification: field experimental evidence from Malawi' (2012) 102(6) American Economic Review <<http://pubs.aeaweb.org/doi/pdfplus/10.1257/aer.102.6.2923>> accessed 02 August 2016; Alfred Hannig and Stefan Jansen, 'Financial inclusion and financial stability: current policy issues' (2010) ADBI Working Paper No. 259. <<https://www.adb.org/sites/default/files/publication/156114/adbi-wp259.pdf>> accessed 02 August 2016.

²²¹ *ibid.*

²²² *ibid.*

²²³ *ibid.*

²²⁴ *ibid.*

²²⁵ Francis M. Mweya, 'Financial regulation in Kenya: Balancing inclusive growth with financial stability' (2014) <<https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/9279.pdf>> accessed 20 July 2016; Stephany Griffith-Jones, Ewa Karwowski and Florence Dafe,

efficiency of intermediation between deposits and investment process, and increase formal financial sector's shares at the expense of an informal sector, which can support an effectiveness of monetary policy.²²⁶ It could be observed that diversity of portfolio assets and liabilities enhance risk distribution and avoid its concentration.²²⁷

At commitments' side, inclusive financial sectors are usually characterised by a stable deposit base if they are more diverse since it has been proven that 10% of per capita, who are able to get a bank deposit may lead to mitigating or reducing rates of withdrawal of deposits by approximately 3-8 percentage points. It has also turned out that low-income savers turn usually to maintain deposits within periods of systemic crises, and thus, deposits of the poor are normally considered as a stable source of funding if other sources finished or are difficult to obtain.²²⁸

However, in stress periods or financial crises, savers may withdraw their deposits from banks, which negatively affects liquidity situations in banking sectors, and it can be reduced if deposits are more diverse. This diversity is achieved by

'A financial sector to support development in low income countries' (2014) Report <https://www.die-gdi.de/uploads/media/ODI_Report.pdf> accessed 20 July 2016.

²²⁶ *ibid.*

²²⁷ *ibid.*

²²⁸ Don Johnston Jr. and Jonathan Morduch, 'The Unbanked: Evidence from Indonesia' (2008) 22(3) The World Bank Economic Review <<http://documents.worldbank.org/curated/en/229371468269124119/pdf/775810JRN020080PUBLIC0The0Unbanked.pdf>> accessed 02 August 2016, 517-537; SmartRamps Commentary, 'What Really is a Stable Deposit?' (2012) McGuire Performance Solutions <<https://www.mpsaz.com/common/files/MPS%20SmartRamps%20Commentary%20for%20063012.pdf>> accessed 02 August 2016; Kathryn Imboden and Barry Herman, 'Building Inclusive Financial Sectors for Development – Widening Access, Enhancing Growth, Alleviating Poverty' (2005) UNCDF <<http://www.un.org/esa/ffd/msc/bluebook/FULL%20REPORT%20OF%20E-CONFERENCE.pdf>> accessed 02 August 2016; United Nations, 'Building Inclusive Financial Sectors for Development'; Abakaeva and Glisovic, 'Are deposits a stable source of funding for microfinance institutions?'; Han and Melecky, 'Financial Inclusion for Financial Stability: Access to Bank Deposits and the Growth of Deposits in the Global Financial Crisis', *ibid.*

obtaining bank deposits from several individuals, which in turn, leads to increasing possibilities to achieve UFA-FI.

UFA-FI could lead to changing the structure of financial systems and support their efficiency in respect of products and transactions that are developed, customers who use different services, new and emerging risks, and institutions that were built or expanded into new markets.²²⁹

The ROR on loans that have high-risk credit is usually increased, but this leads to counterproductive because high-risk borrowers are usually willing to pay a higher ROR, which will, in turn, affect ROR's balance in markets, hence, occurring non-existence of financial stability.²³⁰

The existence of unstable and inconsistent macroeconomic policies will lead to happening of conflicts of exchange rates in countries due to conflicts between financial and exchange policies with prevailing exchange rates, which leads, in turn, to lack of financial stability.²³¹ Additionally, some countries may exaggerate in borrowing from other countries by foreign currencies, which ultimately leads to increasing of public debt and a budget deficit that affects countries' budgets, thus,

²²⁹ *ibid.*

²³⁰ *ibid*, Jeffrey Frieden, 'Globalization and exchange rate policy' Harvard University <http://scholar.harvard.edu/files/jfrieden/files/globalization_and_exchange_rate_policy.pdf> accessed 02 August 2016, 344-357; Annina Kaltenbrunner and Juan Pablo Paineira, 'Emerging Countries and Inconsistencies in Macroeconomic Policy: The Inflation Targeting Regime and Exchange Rate Management' (2012) <http://www.augurproject.eu/IMG/pdf/InflationTargetingRegime_Brazil_Kaltenbrunner-Paineira_Feb2012.pdf> accessed 07 August 2016; Jason Van Bergen, '6 Factors That Influence Exchange Rates' and Video (INVESTOPEDIA, updated) <<http://www.investopedia.com/articles/basics/04/050704.asp>> accessed 02 August 2016; Ibrahim A. Elbadawi, Linda Kaltani and Klaus Schmidt-Hebbel, 'Post-Conflict Aid, Real Exchange Rate Adjustment, and Catch-up Growth' <<http://siteresources.worldbank.org/INTCONFLICT/Resources/PCP3795ElbadawiKaltaniSchmidt.pdf>> accessed 02 August 2016.

leads to financial instability of a prevailing system.²³² Moreover, countries that borrow from others will inevitably suffer from an exchange rate's risks, which will lead to a deficit balance of foreign exchange in countries.²³³

Stability can be fostered by UFA-FI channels. Firstly, banks could get additional solid funding bases, particularly in stress periods, if more people use bank deposits. Secondly, boosting resilience and achieving better risk management tools for customers of financial institutions could be provided by UFA-FI.²³⁴

Effects of expanding access to credit on banking stability rely on supervision's quality.²³⁵ According to new IMF analysis, the relationship between banks' distance to banks' ordeal or stability approximated by z-score, and UFA-FI depends frequently on its measure.²³⁶

There is a sharp lack of women in financial governance. In order to advance stability through UFA-FI, women, who have access to financial services, should be participated in making financial policies among regulators, boards and financial providers.²³⁷ Supervisory and financial institutions should also allow to such women

²³¹ *ibid.*

²³² *ibid.*

²³³ *ibid.*

²³⁴ Han and Melecky, 'Financial Inclusion for Financial Stability: Access to Bank Deposits and the Growth of Deposits in the Global Financial Crisis', *ibid.*

²³⁵ Martin Čihák, Davide S. Mare and Martin Melecky, 'The Nexus of Financial Inclusion and Financial Stability – A Study of Trade-Offs and Synergies' (2016) Policy Research Working Paper No. 7722 <<http://documents.worldbank.org/curated/en/138991467994676130/pdf/WPS7722.pdf>> accessed 21 July 2016; Ratna Sahay, Martin Čihák, Papa N'Diaye, Adolfo Barajas, Ran Bi, Diana Ayala, Yuan Gao, Annette Kyobe, Lam Nguyen, Christian Saborowski, Katsiaryna Svirydzenka, and Seyed Reza Yousefi, 'Rethinking Financial Deepening: Stability and Growth in Emerging Markets' (2015) IMF Staff Discussion Note No. SDN/15/08 <<https://www.imf.org/external/pubs/ft/sdn/2015/sdn1508.pdf>> accessed 02 July 2016.

²³⁶ *ibid.*

²³⁷ Rachel Croson and Uri Gneezy, 'Gender Differences in Preferences' (2009) 47(2) Journal of Economic Literature, <<http://rady.ucsd.edu/faculty/directory/gneezy/pub/docs/gender-differences->

policymaking. Participation of women could, accordingly, positively affect the quality of bank supervision, bank risk-taking behaviour, and ultimately on financial stability.²³⁸

Entering, capitalising and growing new nonfinancial firms is an example of the link between stability and UFA-FI.²³⁹ Increasing efficient of capital's allocation in a firm is associated with financial development, which is positively associated with entering and growing firms.²⁴⁰ Additionally, losses on large loans, in Chilean banks, for instance, pose a more systemic risk and predictable than small.²⁴¹ Greater UFA-FI to credit might, consequently, coincide with greater stability at financial providers' level.²⁴²

Catalysing banks to enhance delivering credits to the poor and households, who were previously financially excluded, would increase UFA-FI, provided that banks do not give attention for the poor's ability in repaying loans.²⁴³ It would be better if banks adjust their terms and conditions accordingly.

[preference.pdf](#)> accessed 06 July 2016, 1-27; Muriel Niederle, 'Gender' (2014) NBER Working Paper Series No. 20788 <<http://www.nber.org/papers/w20788.pdf>> accessed 06 July 2016; Julie A. Nelso, 'Are women really more risk – averse than men? A re-analysis of the literature using expanded methods' (2015) 29(3) Journal of Economic Surveys, <http://onlinelibrary.wiley.com/doi/10.1111/joes.12069/epdf?r3_referer=wol&tracking_action=preview_click&show_checkout=1&purchase_referrer=www.google.co.uk&purchase_site_license=LICENSE_EXPIRED> accessed 06 July 2016, 566-585.

²³⁸ *ibid.*

²³⁹ Jeffrey Wurgler, 'Financial markets and the allocation of capital' (2000) 85 Journal of Financial Economics, <<http://people.stern.nyu.edu/jwurgler/papers/capallocation.pdf>> accessed 02 July 2016, 187-214; Leora Klapper, Luc Laeven and Raghuram Rajan, 'Entry regulation as a barrier to entrepreneurship' (2006) 82 Journal of Financial Economics, <<https://faculty.chicagobooth.edu/raghuram.rajan/research/papers/entry.pdf>> accessed 02 July 2016, 591-629.

²⁴⁰ *ibid.*

²⁴¹ *ibid.*

²⁴² *ibid.*

The low-income poor may need to get payment or savings instruments more than credits. Promoting UFA-FI could be, therefore, achieved by offering the poor needs without providing credit that may have risks.

The evidence is not developed yet for if UFA-FI could maintain or enhance a greater stability, financial exclusion may lead to more financial instability.²⁴⁴ However, it is obvious that large opportunity costs could be imposed by financial exclusion. It also depends on the financial status of excluded people and to what extent they can participate in enhancing stability if they are included. Additionally, low-income households and SMEs are affected by underdeveloped financial systems, which could lead to negative impacts on societal tenacity. Furthermore, individuals, households and firms, in high-level financially excluded countries, should depend on how can the poor replaced for mainstream financial services. Moreover, financial exclusion has been explicitly recognised by Financial Action Task Force as a risk against its endeavours in combating terrorist financing and money-laundering.²⁴⁵ Informal services can themselves, in an extreme, be an 'instability source'. For instance, lack of confidence, social and political unrest can be triggered in banking systems by organising pyramid schemes as informal investment and savings opportunities.

²⁴³ Soskic, 'Financial literacy and financial stability' and Xavier Gine, Jessica Goldberg and Dean Yang, 'Credit market consequences of improved personal identification: field experimental evidence from Malawi', *ibid*.

²⁴⁴ Daryl Collins, Jonathan Morduch, Stuart Rutherford and Orlanda Ruthven, 'The Portfolios of the Poor' (Princeton University Press, USA, 2009) <<http://www.portfoliosofthepoor.com/pdf/Chapter1.pdf>> accessed 02 July 2016; FATF, 'Guidance for a risk-based approach – The banking sector' (2014) <<http://www.fatf-gafi.org/media/fatf/documents/reports/Risk-Based-Approach-Banking-Sector.pdf>> accessed 20 July 2016; Louis de Koker, Kate Laur and Timothy Lyman, 'Deepening Insights on Financial Exclusion Risks' (CGAP, Washington, DC, USA, 09 June 2016) <<http://www.cgap.org/blog/deepening-insights-financial-exclusion-risks>> accessed 20 July 2016.

²⁴⁵ FATF, 'Guidance for a risk-based approach – The banking sector'; Louis de Koker, Kate Laur and Timothy Lyman, 'Deepening Insights on Financial Exclusion Risks' *ibid*.

III.5 REALISTIC

According to Peter Drucker, American management consultant, "You cannot improve what you cannot measure".²⁴⁶ Firstly, achieving UFA-FI by 2020 is realistic because it is measured by WBG. There are around two billion adults unbanked worldwide.²⁴⁷ Secondly, Global Findex has shown types of services that should be reached by UFA-FI.²⁴⁸ Thirdly, many governments, institutions and organisations, have already agreed on the importance of achieving it. Researchers and WBG have also tried to remove obstacles and solve challenges and issues that usually face the poor in using and accessing such services. Additionally, there were remarkably advanced in shifting financially excluded people to financially included between 2011 and 2014.²⁴⁹ Furthermore, it is continuously measuring and analysing UFA-FI data in a little data book.²⁵⁰

UFA-FI is a bridge to escape poverty through focusing on giving the poor, at individual level, access to financial services, hence making them dependent on their selves and building their own businesses from scratch, without intervention from their countries or WBG as may happen when WBG or IMF grants the poor countries loans in accordance with their programmes. "Structural Adjustment Programme"²⁵¹ for instance.

²⁴⁶ Dave Lavinsky, 'The Two Most Important Quotes in Business' (growthink, USA, 25 June 2013) <<http://www.growthink.com/content/two-most-important-quotes-business>> accessed 02 June 2016.

²⁴⁷ The World Bank, 'UFA2020 Overview: Universal Financial Access by 2020'; Video; Demirguc-Kunt and others, 'Measuring financial inclusion: The Global Findex database', *ibid*.

²⁴⁸ *ibid*.

²⁴⁹ *ibid*.

²⁵⁰ The World Bank, 'The Little Data Book' (2016) <<https://openknowledge.worldbank.org/handle/10986/23968>> accessed 20 July 2016.

²⁵¹ Muchael Ukah, 'Structural Adjustment Programme and its Negative Effect on Education in Nigeria: A Philosophical Reconceptualization' (2014) 2(2) International Journal of Public Administration and Management Research <<http://rcmss.com/2014/IJPAMR-VOI2-No2/Structural%20Adjustment%20Programme%20and%20its%20Negative%20Effect%20on%20Education%20in%20Nigeria%20A%20philosophical%20Reconceptualiz.pdf>> accessed 05 July 2016, 170-186; Patrick Imam, 'Effect of IMF Structural Adjustment Programs on Expectations: The Case of

Although such programme provides countries with quick-disbursing loans, it has been criticised by researchers for various reasons.²⁵²

- It forces debtors to provide safeguards, which can prove that they can repay and would take necessary steps to ensure the rescue of their budgets in short-terms.²⁵³
- Its activities usually include reducing the size and structure of governments spending, privatisation of state-owned industries and firms, restructuring of economic sectors to comply with trade liberalisation rules and affecting internal legislations' contents of countries.²⁵⁴
- Loans agreements are usually entered into force without involving citizens or letting them know.²⁵⁵

Transition Economies' (2007) IMF Working Paper No. WP/07/261

<<https://www.imf.org/external/pubs/ft/wp/2007/wp07261.pdf>> accessed 12 July 2016; Anup Shah, 'Structural Adjustment – a Major Cause of Poverty' (Global Issues, UK, 24 March 2013)

<<http://www.globalissues.org/article/3/structural-adjustment-a-major-cause-of-poverty>> accessed 02 July 2016; Rushidan Islam Rahman, 'Consequences of Structural Adjustment Policies on the Poor' (2000) Final Draft <http://www.saprin.org/bangladesh/research/ban_poverty.pdf> accessed 10 July 2016.

²⁵² *ibid.*

²⁵³ *ibid.*

²⁵⁴ *ibid.*

²⁵⁵ *ibid.*

CHAPTER IV: MAIN ISSUES, CHALLENGES, ROLES AND CASE STUDIES

IV.1 ISSUES AND CHALLENGES

IV.1.1 FINANCIAL INTEGRITY

The international standards promote financial integrity through AML/CFT. Money from illegal sources is laundered to disguise its origin, including the trade of human trafficking, drugs, bribery, crimes or tax evasion.²⁵⁶

AML/CFT aims to verify and record customers' information and transactions, reduce financial crimes and criminal proceeds through monitoring customers' suspicious activities, discovering and reporting them to relevant authorities, including making such information and transactions available to law enforcement authorities. The poor can, therefore, get low-level of privacy, whilst in 2009, KPMG survey found high-level of privacy concern among customers.²⁵⁷

In emerging markets, inappropriate implementation of standards is a key factor in excluding the poor from formal financial services. Such markets usually impose barriers for providers and customers, such as raising compliance cost and tough ID verification system.²⁵⁸ Banks are, accordingly, reluctant in dealing with the poor in the absence of their data or if they are incomplete in applications. Resorting

²⁵⁶ IMF, 'Anti-Money Laundering / Combating the Financing of Terrorism (AML/CFT)' (2009) <<https://www.imf.org/external/np/otm/2009/anti-money.pdf>> accessed 02 June 2016; FATF, 'International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation' (2012) – Updated June 2016 <http://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF_Recommendations.pdf> accessed 20 July 2016; Jennifer Isern and Louis de Koker, 'AML/CFT: Strengthening Financial Inclusion and Integrity' (2009) CGAP No.56 <<https://www.cgap.org/sites/default/files/CGAP-Focus-Note-AML-CFT-Strengthening-Financial-Inclusion-and-Integrity-Aug-2009.pdf>> accessed 20 July 2016.

²⁵⁷ *ibid*; KPMG, 'Consumers & Convergence III: Consumers Taking Charge. Executive Summary' (2009) <<http://www.primaonline.it/wp-content/uploads/allegati/1242737992ConsumersandConver39C4AF.pdf>> accessed 20 July 2016.

²⁵⁸ IMF, 'Anti-Money Laundering / Combating the Financing of Terrorism (AML/CFT)', FATF, 'International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation'; Isern and Koker, 'AML/CFT: Strengthening Financial Inclusion and Integrity', *ibid*.

to informal providers, thus, impedes law enforcement authorities from strengthening financial integrity due to a lack of ability in tracking the movement of funds.²⁵⁹

If the financial system is weak in AML/CFT, customers' records may be used in commercial or criminal purposes.²⁶⁰ Bankers may also collude in hiding original customers' IDs or accepting fake IDs.²⁶¹

Lack of ID systems, or if systems lack integrity, or are difficult to access data, financial institutions can suffer from additional costs in checking due-diligence of customers' information, which may lead to withdrawing institutions from low-value or least profitable transactions.²⁶² Additionally, countries that have documented systems for verifying ID may fail to cover a considerable number of the poor or who live in remote rural areas and leave them without official IDs or documents.²⁶³

Governments should adopt a clear and comprehensive AML/CFT policy, providing for the following objectives:

- Consultation and coordination among relevant parties, including private providers, social care services providers, ID-cards bodies, credit information

²⁵⁹ *ibid.*

²⁶⁰ *ibid.*, and FATF, 'Anti-Money Laundering and Terrorist Financing Measures and Financial Inclusion' (2013) <http://www.fatf-gafi.org/media/fatf/documents/reports/AML_CFT_Measures_and_Financial_Inclusion_2013.pdf> accessed 20 July 2016.

²⁶¹ *ibid.*

²⁶² *Ibid.*, also IDBI Bank, 'Policy on Know your customer (KYC) norms and anti-money laundering (AML) measures' <http://www.idbi.com/hindi/pdf/policy/KYC_AML_Policy.pdf> accessed 20 July 2016; Genci Bilali, 'Know your customer – or not' (2012) 43(319) The University of Toledo Law Review, The World Bank, 'Strengthening the Collaborative Process for Building and Effective Anti-Money Laundering and Counter-Terrorism Financing Regime in Afghanistan' (2004) <http://siteresources.worldbank.org/EXTAML/Resources/396511-1146581427871/afghan_aml.pdf> accessed 20 July 2016; J&K Bank, 'Know your customer' guidelines anti money laundering standards' <<http://www.jkbank.net/pdfs/policy/revaml.pdf>> accessed 20 July 2016.

offices bodies, and the law enforcement authorities, to ensure performing and developing an effective AML/CFT framework, which supports UFA-FI requirements.²⁶⁴

- Assessing AML/CFT risks in countries: the process of governments risk assessment assists in identifying weak points in current procedures, thus, designing them to properly fit the level of risk. The assessment also helps in determining AML/CFT's nature and size.²⁶⁵
- Preparing effective appropriate AML/CFT tools, which are commensurate with transactions and providers. Governments can apply simplified and flexible procedures for the due-diligence examination and use tools that do not hinder UFA-FI in low-risk AML/CFT. The approach perhaps involves modifying specific conditions of documents that are provided by customers, simplifying terms of record-keeping and launching new service channels by using modern technology ways.²⁶⁶
- Meeting AML/CFT and KYC standards should be gradual, within acceptable and specific dates schedule for the stages of application, to avoid designing expensive control tools with limited influence. For countries that do not have effective resources to cover all possible risks areas, they can track a risk-based approach pursuant to the relative importance.²⁶⁷

²⁶³ *ibid.*

²⁶⁴ *ibid.*

²⁶⁵ *ibid.*

²⁶⁶ *ibid.*

- Facilitating the procedures for opening bank accounts. For instance, Indian banks have started opening accounts for the poor who are unable to produce standard ID, provided they present any other acceptable proof or are introduced by any other customer who has had an account for over 6 months, show satisfactory transactions and has been subjected to full due-diligence procedures.²⁶⁸
- Formulating a code of conduct for formal providers and increasing services level.²⁶⁹

IV.1.2 CONSUMER PROTECTION

A global concern regarding the impact of high-negative lending practices, highly-interest rates and over-indebtedness on the poor borrowers has grown since the occurrence of the crisis. As a result, the strengthening of consumer financial protection is important as it could effectively respond to the emerging risks and market changes.²⁷⁰ Available information to consumers for financial transactions is still scarce and leaves them unable to understand available options.²⁷¹ Consumer

²⁶⁷ *ibid.*

²⁶⁸ *ibid.*

²⁶⁹ *ibid.*

²⁷⁰ CGAP, 'Interest Rate Ceilings and Microfinance: The Story So Far' (2004) Occasional Paper No.9 <<http://documents.worldbank.org/curated/en/572411468139208387/pdf/334790rev0ENGLISH0OccasionalPaper19.pdf>> accessed 09 July 2016; David Porteous, Daryl Collins and Jeff Abrams, 'Policy Framing Note 4: Interest Rate Policy' (2010)

<<http://www.microfinancegateway.org/sites/default/files/mfg-en-paper-interest-rate-policy-jan-2010.pdf>> accessed 09 July 2016; J.O. Asantey & S. Tengey, 'An Empirical Study on the Effect of Bad Loans on Banks' Lending Potential and Financial Performance: the Case of SMEs Lending in Ghana' (2014) 2(11) International Journal of Research in Business Management <<http://www.impactjournals.us/download.php?fname=2-78-1415772545-1.Management-AN%20EMPIRICAL%20STUDY%20ON%20THE%20EFFECT%20OF%20BAD%20LOANS%20ON%20BANKS%20LENDING%20POTENTIAL%20AND%20FINANCIAL%20PERFORMANCE.pdf>>

accessed 20 July 2016; CGAP, 'Protecting Microfinance Borrowers' (2005) Focus Note No.27 <<http://documents.worldbank.org/curated/pt/816351468140397916/pdf/334570rev0FocusNote127.pdf>> accessed 20 July 2016.

²⁷¹ *ibid.*

protection attempts, consequently, to create a balance in the relationship between consumers and financial services.²⁷²

Mediators and providers should take into account providing fair transactions for consumers without using any deceptive, unfair, inappropriate or coercive practices. Such practices should be explicitly prohibited.²⁷³ If any such practice happens, sanctions such as the avoidance of repayment obligation, and/or compensation benefiting consumers should be applied.²⁷⁴ Methods of products' promotion and contracts' terms should not be misleading or difficult to understand. Moreover, all consumers, including the poor who may not be perceived as "income-generating consumers", should be treated with respect and as equals.²⁷⁵

All sufficient information, including actual interest rates' price, consumers' duties, responsibilities, loans' terms and conditions, should be adequately disclosed to consumers by using concise, clear and easy-to-understand language to make wise and educated decisions.²⁷⁶ If financial services are developed and complex, the gap between financial institutions and their consumers is high.²⁷⁷ Additionally, supervisory authorities or institutions may publish list prices of financial services in newspapers or other types of advertisements to improve transparency.²⁷⁸

²⁷² *ibid.*

²⁷³ Susan L. Rutledge, 'Consumer Protection and Financial Literacy – Lessons from Nine Country Studies' (2010) Policy Research Working Paper No. 5326 The World Bank <http://siteresources.worldbank.org/EXTFINANCIALSECTOR/Resources/Consumer_Protection_and_Fin_LiteracyWPS5326.pdf> accessed 20 July 2016; CGAP, 'A Guide to Regulation and Supervision of Microfinance' (2012) <https://www.cgap.org/sites/default/files/Consensus-Guideline-A-Guide-to-Regulation-and-Supervision-of-Microfinance-Oct-2012_0.pdf> accessed 20 July 2016; The World Bank, 'Global Financial Development Report 2014: Financial Inclusion'; Dan Schulman, 'Financial Inclusion' (You tube, Poptech, 13 November 2013), *ibid.*

²⁷⁴ *ibid.*

²⁷⁵ *ibid.*

²⁷⁶ *ibid.*

²⁷⁷ *ibid.*

²⁷⁸ *ibid.*

Mechanisms could be implemented to handle consumers' complaints or disputes.²⁷⁹ Referring many loans' disputes that are related to a small amount of money to courts will not be viable. Making providers, therefore, responsible for resolving their disputes with consumers amicably is a favourable way, whilst if they do not settle disputes, then disputes could be resolved by mediators.²⁸⁰ However, consumers' trust on the possibility of settling their disputes with providers and regulators should be increased. Furthermore, oversight and supervision from independent third-parties could be beneficial to enhance confidence in existing systems.²⁸¹

Consumers should be financially educated, to fulfil their rights and obligations, and make wise decisions, Moreover, consumers can be educated by governments' agencies or consumer associations since they often offer programmes through public awareness campaigns. Stakeholders play roles in strengthening market discipline.²⁸² Financial institutions can provide a positive environment.²⁸³ Regulators can provide oversight and supervision to ensure consumer needs are met and strengthen confidence in the existing system. Regulatory tools include collating product-related information, telephone interviews, conducting surveys of industry and consumers to enable regulators to respond to challenges and issues by implementing appropriate rules and procedures.²⁸⁴

²⁷⁹ *ibid.*

²⁸⁰ *ibid.*

²⁸¹ *ibid.*

²⁸² *ibid.*

²⁸³ *ibid.*

²⁸⁴ *ibid.*

Banks always want to meet and satisfy consumers' needs. They should, accordingly, provide advice to their consumers on available products and services to raise their satisfaction.²⁸⁵ They should assess consumers' needs and their risks' level at affordable costs.²⁸⁶ Credit counselling bodies can be effective in assisting consumers who are unable to meet his/her financial obligations.²⁸⁷ Such bodies help consumers in managing their resources through educating and counselling them, with developing plans to manage debts, and negotiating with creditors to try reducing repayments by lowering interest rates, facilitating repayment terms and extending them for a longer period.²⁸⁸

Controlling the risk of increasing interest rates and exorbitant fees through setting ceilings of fees and/or interest rate. However, if the regulators set too low, there will be a risk of not entering providers to financial markets or leaving from them or stopping from providing services.²⁸⁹

IV.1.3 TECHNOLOGY AND INNOVATION

Using new technology and innovative business models is the most significant way to address major barriers that increase the expected and actual transaction costs of accessing finance.²⁹⁰ It assists in gradually improving the transparency in

²⁸⁵ *ibid.*

²⁸⁶ *ibid.*

²⁸⁷ *ibid.*

²⁸⁸ *ibid.*

²⁸⁹ *ibid.*; Islamic Research and Training Institute – Islamic Development Bank, 'Framework and Strategies for Development of Islamic Microfinance Services' (2007) Working Paper for IFSD Forum <<https://www.scribd.com/document/141122450/Policy-Framework-Paper-on-Microfinance>> accessed 20 July 2016.

²⁹⁰ Susy Cheston, Tomas Conde, Arpitha Bykere and Elisabeth Rhyne, 'The Business of Financial Inclusion: Insights from Banks in Emerging Markets' (2016) <http://www.centerforfinancialinclusion.org/storage/documents/IIF_CFI_Report_FINAL.pdf> accessed 21 July 2016; Asian Development Bank, 'Promoting Financial Inclusion through Financial Technology' (2015) Technical Assistance Report <<https://www.adb.org/sites/default/files/project-document/178633/49418-001-tar.pdf>> accessed 21 July 2016; Centre for Financial Inclusion,

providing services, enhancing their display and delivery, improving the financial capacity of the poor and advancing their familiarity level.²⁹¹ Additionally, it can increase access to bank branches and credit, facilitate and extend the scope of financial services.²⁹² This can lead to extending and attracting the poor to use services, hence achieving UFA-FI.²⁹³

Access to services can be advanced through different business models, for instance, the use of correspondent banks, where representatives act on behalf of a certain bank for banks in performing transactions by using the existing networks of customers and institutions.²⁹⁴ Postal banks, Banco Postal in Brazil, for instance, act as a correspondent bank for Bradesco bank.²⁹⁵

'Technology Enables Full Financial Inclusion, Financial Inclusion 2020 Technology-Enabled Business Models Working Group' (2013) <<https://centerforfinancialinclusionblog.files.wordpress.com/2013/10/technology1.pdf>> accessed 23 July 2016; World Council of Credit Unions, *'Technical Guide Using Mobile Technology to Expand Financial Inclusion'* (2012) <https://www.woccu.org/documents/WOCCUTechnicalGuide_MobileTechnology> accessed 20 July 2016; United Nations Conference on Trade and Development, *'Mobile Money for Business Development in the East African Community'* (2012) a Comparative Study of Existing Platforms and Regulations <http://unctad.org/en/PublicationsLibrary/dtlstict2012d2_en.pdf> accessed 12 July 2016; Denise Dias, *'Advancing financial access for the world's poor – Does technological innovation equal financial inclusion? What would be the role of financial education?'* (2011) <<https://www.oecd.org/finance/financial-education/48211411.pdf>> accessed 24 July 2016; the AFI, *'Bill Gates on the digital future and financial inclusion'* (You Tube, 10 September 2013) Video <<https://www.youtube.com/watch?v=6xkwAL3jwJs>> accessed 20 June 2016.

²⁹¹ *ibid.*

²⁹² *ibid.*

²⁹³ *ibid.*

²⁹⁴ *ibid.*; Universal Postal Union, *'Global Panorama on Postal Financial Inclusion: Business Models and Key Issues'* (2012) <<https://www.finextra.com/finextra-downloads/newsdocs/unupu.pdf>> accessed 23 July 2016; Alexandre Berthaud, *'The Impact of access to financial services, Including by Highlighting the Impact on Remittances on Development: Economic Empowerment of Women and Youth'* (2014) United Nations Conference On Trade and Development, <http://unctad.org/meetings/en/Presentation/ciem6_2014_Berthaud_en.pdf> accessed 24 July 2016; Alexandre Berthaud and Gisela Davico, *'Global Panorama on Postal Financial Inclusion – Key Issues and Business Models'* (2013) <http://www.uniglobalunion.org/sites/default/files/pictures/post/globalpanoramafinancial_inclusion_-_upu_-en.pdf> accessed 22 July 2016; Veronika Thiel, *'Access all areas – Mobile Phone Banking and the Promotion of Financial Inclusion'* <<http://transact.org.uk/shared/get-file.ashx?id=106&itemtype=document>> accessed 21 July 2016.

²⁹⁵ Anjali Kumar, Ajai Nair, Adam Parsons and Eduardo Urdapilleta, *'Expanding Bank Outreach through Retail Partnerships Correspondent Banking in Brazil'* (2006) The World Bank Working Paper No. 85 <<http://siteresources.worldbank.org/INTTOPCONF3/Resources/363980Retail0p101OFFICIAL0USE0>>

Determining borrowers' IDs has become easy through using biometric data such as fingerprints and iris scans.²⁹⁶ Additionally, the poor can fulfil their transactions and make payments by mobile phone smoothly.²⁹⁷ Furthermore, technology has provided the poor with more privacy and security, particularly women who want to protect their money from communities or family' members.²⁹⁸

Mobile phone operator networks have expanded their networks and services by wireless applications.²⁹⁹ Money is saved elsewhere, either in a bank or in a postal bank while a network of agents facilitates converting money to mobile money, payments or receipts.³⁰⁰ Mobile money services are linked to bank accounts for taking advantage of other financial services.³⁰¹ Developing countries had only 130 mobile money services systems in 2012 while systems' numbers were increased to 250 in 2014.³⁰² Africa relied on 60 systems, in 2012, while it became reliant on over

[ONLY1.pdf](#)> accessed 20 July 2016; Noelia Camara, David Tuesta and Pablo Urbiola, 'Expanding access to the formal financial system: the banking correspondent business model' (2015) Working Paper No. 15/10 <https://www.bbvarresearch.com/wp-content/uploads/2015/04/WP15-10_Banking_correspondents.pdf> accessed 20 July 2016; Gautam Ivatury, 'BRAZIL'S BANKING CORRESPONDENTS' CGAP <http://www.cab.org.in/ICTPortal/Lists/Knowledge%20Bank/Attachments/27/Brazil_Banking_Correspondents_Technology_16_12_2007.pdf> accessed 20 July 2016.

²⁹⁶ Cheston and others, 'The Business of Financial Inclusion: Insights from Banks in Emerging Markets'; Asian Development Bank, 'Promoting Financial Inclusion through Financial Technology'; Centre for Financial Inclusion, 'Technology Enables Full Financial Inclusion, Financial Inclusion 2020 Technology-Enabled Business Models Working Group'; World Council of Credit Unions, 'Technical Guide Using Mobile Technology to Expand Financial Inclusion'; United Nations Conference on Trade and Development, 'Mobile Money for Business Development in the East African Community'; Dias, 'Advancing financial access for the world's poor – Does technological innovation equal financial inclusion? What would be the role of financial education?', *ibid.*

²⁹⁷ *ibid.*

²⁹⁸ *ibid.* and Demirguc-Kunt and others, 'Financial Inclusion and Legal Discrimination Against Women – Evidence from Developing Countries'.

²⁹⁹ *ibid.*

³⁰⁰ *ibid.*

³⁰¹ *ibid.*

³⁰² GSMA, 'State of the Industry – Mobile Financial Services for the Unbanked' (2014) <http://www.gsma.com/mobilefordevelopment/wp-content/uploads/2015/03/SOTIR_2014.pdf> accessed 20 July 2016; GSMA, 'State of the Industry Report – Mobile Money' (2015) <http://www.gsma.com/mobilefordevelopment/wp-content/uploads/2016/04/SOTIR_2015.pdf> accessed 20 July 2016.

130 systems in 2014.³⁰³ M-PESA network in Kenya made achievements in the number of customers and transfer's transactions over what Western Union Company achieve worldwide since M-PESA had near 15 million active customers in 2012, which transfer around 56 billion Kenyan shillings monthly.³⁰⁴

The mobile money services benefits have been proven, particularly in serving farmers, expanding the coverage of rural areas and allowing for the emergence of new businesses and commercial services, which are related to the achievement of agricultural development.³⁰⁵ The volume of global demand for financial services among small farmers was estimated at approximately \$450 billion in 2012, while the percentage of those meeting demands did not exceed 2%, which has led to the development of specific mobile money services types for farmers.³⁰⁶ This prompted banks to build partnerships with mobile money service providers to expand their customer base and benefit from the information that is related to the patterns of

³⁰³ *ibid.*

³⁰⁴ UNCTAD, 'Report of the multi-year expert meeting on trade, services and development on its first session' (2013) TD/B.C.I.MEM.4/3

<http://unctad.org/meetings/en/SessionalDocuments/c1mem4d3_en.pdf> accessed 20 July 2016; William Jack and Mit Sloan, 'The Economics of M-Pesa' (2010) <<http://www.mit.edu/~tavneet/M-PESA.pdf>> accessed 20 July 2016.

³⁰⁵ Kevin Donovan, 'Mobile Money for Financial Inclusion' (2012) <<http://siteresources.worldbank.org/EXTINFORMATIONANDCOMMUNICATIONANDTECHNOLOGIES/Resources/IC4D-2012-Chapter-4.pdf>> accessed 21 July 2016; GSMA, 'State of the Industry – Mobile Financial Services for the Unbanked'; Cheston and others, 'The Business of Financial Inclusion: Insights from Banks in Emerging Markets'; Asian Development Bank, 'Promoting Financial Inclusion through Financial Technology'; Centre for Financial Inclusion, 'Technology Enables Full Financial Inclusion, Financial Inclusion 2020 Technology-Enabled Business Models Working Group'; World Council of Credit Unions, 'Technical Guide Using Mobile Technology to Expand Financial Inclusion'; United Nations Conference on Trade and Development, 'Mobile Money for Business Development in the East African Community'; Dias, 'Advancing financial access for the world's poor – Does technological innovation equal financial inclusion? What would be the role of financial education?', *ibid.*

³⁰⁶ Dalberg Global Development Advisor, 'Catalysing smallholder agricultural finance' (2012) <http://dalberg.com/documents/Catalyzing_Smallholder_Ag_Finance.pdf> accessed 20 July 2016; International Finance Corporation, 'Access to finance for smallholder farmers' (2014) <<http://www.ifc.org/wps/wcm/connect/071dd78045eadb5cb067b99916182e35/A2F+for+Smallholder+Farmers-Final+English+Publication.pdf?MOD=AJPERES>> accessed 21 July 2016.

using mobile phone and mobile money transactions as alternative systems for credit rating systems.³⁰⁷

Access to loans and deposits has been simplified due to the increased use of mobile phones, which reduces time, cost, distance, financial mediation and barriers, thereby, promoting economic growth.³⁰⁸

Improving access to financial services through technology should take into account analysing markets, specifying and grading KYC requirements, facilitating the registration of mobile phones and sim cards, determining customers' priorities and understanding their needs, protecting consumers through marketing channels and communication, easy-to-use and reliable networks, privacy and targeted marketing.³⁰⁹

Using the technology, for instance, paying by mobile phone can, thus, serve as a starting point to take advantage of formal services.³¹⁰

IV.1.4 FUNDS

Achieving UFA-FI cannot occur automatically by 2020. It needs financial support as the latter is considered as a key ingredient to advance the former. Multiple types and several numbers of domestic and global funding sources for UFA-FI have appeared recently.³¹¹

³⁰⁷ *ibid.*

³⁰⁸ *ibid.*

³⁰⁹ *ibid.*

³¹⁰ *ibid.*

³¹¹ Matthew Lahaye, 'International Funding for Financial Inclusion: What's New?' (CGAP, Washington, DC, USA, 25 March 2015) <http://www.cgap.org/blog/international-funding-financial->

DAIs support the poor through committing to pay billions of dollars annually to fuel the growth and development of projects that promote poverty alleviation, economic development, and achieve the broader UFA-FI to approximately 2 billion adults who were financially excluded by 2020.

CGAP's survey in 2014 shown that DAIs committed to paying \$31 billion, or 76% of the total global commitments' shares, to support UFA-FI's projects in 2013.³¹² This can lead, ultimately, to establishing more strong formal financing institutions across the world.³¹³ The survey also demonstrated that average growth rate per year between 2011 and 2013 was estimated 7%.³¹⁴

DAIs' motivations may be varied from one to another, from achieving social mission to commercial purpose. However, DAIs could stimulate or complement a responsible market development, which starts with determining market obstacles

[inclusion-whats-new](#)> accessed 24 July 2016; Estelle Lahaye, Edlira Dashi, Eda Dolke and Matthew Sourourian, 'Spotlight on International Funders' Commitments to Financial Inclusion' (2015) <<http://www.cgap.org/sites/default/files/Brief-Spotlight-on-International-Funders%27-Commitments-to-Financial-Inclusion-Mar-2015%20.pdf>> accessed 24 June 2016; CGAP, 'Infographic: International Financial Inclusion Funding' (CGAP, Washington, DC, USA) <<http://www.cgap.org/data/infographic-international-financial-inclusion-funding-2014>> accessed 24 July 2016; CGAP, '2015: International Financial Inclusion Funding Data' (CGAP, Washington, DC, USA) <<http://www.cgap.org/data/2015-international-financial-inclusion-funding-data>> accessed 24 June 2016; CGAP, 'Donors and Investors' (CGAP, Washington, DC, USA) <<http://www.cgap.org/topics/donors-and-investors>> accessed 24 June 2016; Mayada El-Zoghbi, 'Smart Aid Index 2013 – United Nations Capital Development Fund (UNCDF)' (2013) <<http://www.uncdf.org/sites/default/files/documents/smartaid2013.pdf>> accessed 25 June 2016; J. Adam Cobb, Tyler Wry and Eric Yanfei Zhao, 'Funding Financial Inclusion: Institutional Logics and the Contextual Contingency of Funding for Microfinance Organisations' <<https://mgmt.wharton.upenn.edu/files/?whdmsaction=public:main.file&fileID=10146>> accessed 24 June 2016; Centre for Financial Inclusion, 'Sponsors & Partners' (Centre for Financial Inclusion, Washington, DC, USA) <<http://www.centerforfinancialinclusion.org/collaborators-a-sponsors/sponsors>> accessed 24 June 2016.

³¹² Lahaye, 'International Funding for Financial Inclusion: What's New?'; CGAP, '2015: International Financial Inclusion Funding Data - Methodology'; Lahaye and others, 'Spotlight on International Funders' Commitments to Financial Inclusion'; CGAP, 'Infographic: International Financial Inclusion Funding'; CGAP, '2015: International Financial Inclusion Funding Data'; CGAP, 'Donors and Investors', *ibid*.

³¹³ *ibid*.

³¹⁴ *ibid*.

that hinder financial systems from serving the poor. Promoting the adoption of markets that successfully serve the interests of the poor is the second necessary step toward catalysing such market. They can, thus, lead to making marketplaces that are self-sustaining and do not rely on external subsidies.³¹⁵

UFA-FI's Donors include variety range of international development agencies or partners as follows.

- Bilateral agencies, such as DFAT "exc-AusAid", DFID, GIZ, and USAID.³¹⁶
- Multilateral agencies, including, AfDB, AsDB, European Commission, IFAD, ISDB, UNCDF, WBG.³¹⁷
- Foundations, such as Bill & Melinda Gates Foundation, MasterCard foundation.³¹⁸

UFA-FI's investors are public or private entities such as DFIs, institutional investors, and MIVs.³¹⁹

In 2013, Central Asia and Eastern Europe regions got \$6.2 billion as funds to improve UFA-FI's projects, followed by \$3.7 billion to South Asia, \$3.5 billion to Sub-Saharan Africa, \$2.8 billion to Latin America, \$2.2 billion to East Asia and \$1.8 billion to the Middle East and North Africa, respectively.³²⁰ Sub-Saharan Africa had 788 projects out of total UFA-FI's projects of 3,128. Additionally, the most

³¹⁵ *ibid.*

³¹⁶ CGAP, '2015: International Financial Inclusion Funding Data - Methodology' (CGAP, Washington, DC, USA, 2015) <<http://www.cgap.org/data/2015-international-financial-inclusion-funding-data>> accessed 25 July 2016; Lahaye and others, 'Spotlight on International Funders' Commitments to Financial Inclusion', *ibid.*

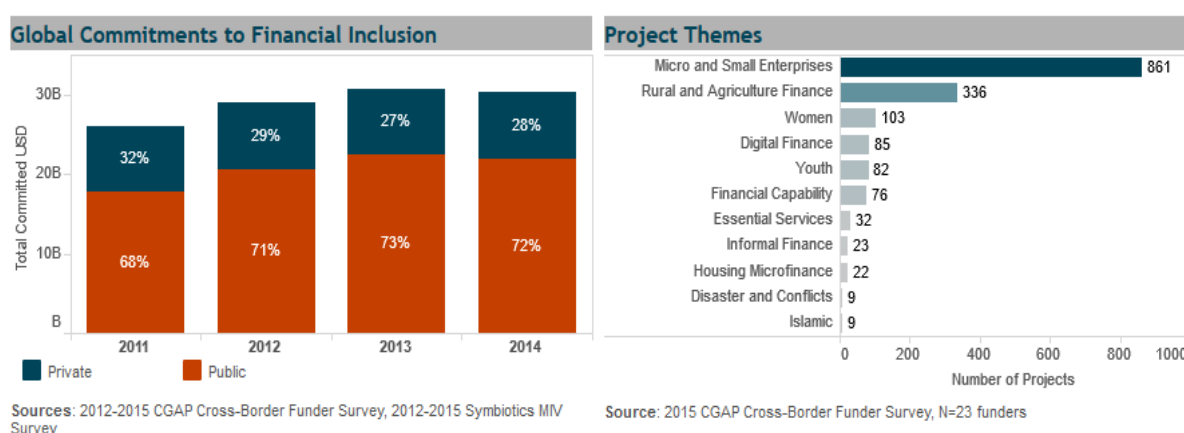
³¹⁷ *ibid.*

³¹⁸ *ibid.*

³¹⁹ *ibid.*

³²⁰ *ibid.*

substantial instrument for funding UFA-FI is debt financing.³²¹ DAIs made commitments to finance \$13.8 billion on a debt form.³²² Furthermore, several DAIs concentrate on providing funds for the providers' growth since 76% of their commitments, or \$17.9 billion, was directed toward this aim.³²³ Moreover, \$0.6 billion was directed to support market infrastructure, \$0.5 to enhance customers' capabilities, \$0.5 billion toward developing enabling policy environments.³²⁴



Funds may be provided in a form of a foreign currency loan, which may cause issues for some countries that are not aware of or do not understand how to deal with foreign exchange risks, including currency rate fluctuations.³²⁵

³²¹ *ibid.*

³²² *ibid.*

³²³ *ibid.*

³²⁴ *ibid.*

³²⁵ Ken Garrett, 'Foreign currency risk and its management' (ACCA global, UK, 3 September 2015) <<http://www.accaglobal.com/uk/en/student/exam-support-resources/fundamentals-exams-study-resources/f9/technical-articles/forex.html>> accessed 07 July 2016; Piet Sercu, 'International Finance: Theory into Practice – Solutions to exercises' (2009) <http://press.princeton.edu/releases/sercu_solutions.pdf> accessed 07 July 2016; Dennis Essers, 'Developing country vulnerability in light of the global financial crisis: Shock therapy?' (2013) 3 Review of Development Finance, 61-83; Rose W. Ngugi, 'Remittance Markets in Africa' Chapter 6 Kenya <http://siteresources.worldbank.org/EXTDECPROSPECTS/Resources/476882-1157133580628/RMA_Ch6.pdf> accessed 06 July 2016, 155-183.

Although the number and types of DAIs are on the rise, DAIs are still needed to proliferate and diversify to include domestic funders together with governments since governments cannot alone address funds challenge, that hinders achieving UFA-FI, nor can they provide funds with the necessary speed, especially with high-external-governmental-debt, which may find the ROR too low, costs or risk too high, and as a result choose to withdraw funding of UFA-FI.³²⁶

International and local firms and banks in developing countries should be promoted to be involved in taking their CSR through encouraging them to provide funds that can support advancing UFA-FI, particularly if the global DAIs stop financing countries' national projects.³²⁷ Governments can also provide a catalyst for them to do so through helping to reduce barriers to doing business.³²⁸

IV.2 ROLES OF GOVERNMENTS AND PRIVATE SECTORS

Governments and private sectors have played crucial roles in advancing UFA-FI through adopting various measures since Global Findex shows that approximately 700 million adults received transaction accounts between 2011 and

³²⁶ Lahaye, 'International Funding for Financial Inclusion: What's New?'; CGAP, '2015: International Financial Inclusion Funding Data - Methodology'; Lahaye and others, 'Spotlight on International Funders' Commitments to Financial Inclusion'; CGAP, 'Infographic: International Financial Inclusion Funding'; CGAP, '2015: International Financial Inclusion Funding Data'; CGAP, 'Donors and Investors', *ibid*.

³²⁷ Poornima Mishra and Swati Chauhan, 'CSR Funds in Banking Sector as an Effective Means for Financial Inclusion Initiatives in India' <http://pioneerjournal.in/files.php?force&file=CSR_Funds_in_Banking_Sector_as_an_Effective_Means_for_Financial_Inclusion_Initiatives_in_India_756999930.pdf> accessed 20 July 2016; Christopher N, Sutton and Beth Jenkins, 'The Role of the Financial Services Sector in Expanding Economic Opportunity' (2007) <https://www.hks.harvard.edu/m-rcbg/CSRI/publications/report_19_EO%20Finance%20Final.pdf> accessed 20 July 2016; Patil-Dake Jayashree 'Corporate Social Responsibility in Indian Banking Sector' <http://www.mmbgims.com/docs/full_paper/32_Jayashree%20Patil_pp.pdf> accessed 20 July 2016; Santander Bank, 'Corporate Social Responsibility Report' (2014) <http://www.santander.co.uk/csdlv/r/ContentServer?c=SANDocument_C&pagename=WCSUKPublicaLte%2FSANDocument_C%2FSANDocumentPreview&cid=1324581680357> accessed 20 July 2016.

2014, and the percentage of adults who have accounts has increased from 51% to 62%.³²⁹

Several countries have formulated national strategies to promote UFA-FI, which are commensurate with the risks involved with such innovative services and which go some way to closing the gap between supply and demand sides. Strategies are prepared on the basis of consultative process, which involving agreeing to coordinate the efforts of public sectors, such as central banks and finance ministries, civil society, for instance, microfinance institutions, and private sectors, such as non-bank financial institutions and commercial banks.³³⁰

There is not a standard model that suits all countries' needs since it depends on their local circumstances, the financial awareness level of their citizens and the degree of financial development.³³¹

³²⁸ *ibid.*

³²⁹ The World Bank, 'UFA2020 Overview: Universal Financial Access by 2020'; Video; Demirguc-Kunt and others, 'Measuring financial inclusion: The Global Findex database', *ibid.*

³³⁰ The World Bank, 'National Partnership for Financial Inclusion – Action Plan to Strengthen the Institutional Environment / Brazil' (2012)

<http://www.bcb.gov.br/Nor/reincfin/Brazil_Financial_Inclusion_Action_Plan.pdf> accessed 20 July 2016; The World Bank, 'A National Mission on Financial Inclusion in India' (2014)

<<http://financialservices.gov.in/banking/PMJDY%20BROCHURE%20Eng.pdf>> accessed 20 July 2016; Philippine International Convention Centre, 'National Strategy for Financial Inclusion' (2015)

<<http://www.bsp.gov.ph/downloads/publications/2015/PhilippinesNSFIBooklet.pdf>> accessed 20 July 2016; Roland Berger Strategy Consultants, 'National Financial Inclusion Strategy – Summary Report - Nigeria' (2012) <<https://www.cbn.gov.ng/Out/2012/publications/reports/dfd/CBN-Summary%20Report%20of-Financial%20Inclusion%20in%20Nigeria-final.pdf>>

> accessed 20 July 2016.

³³¹ The World Bank, 'Overview: National Financial Inclusion Strategies' (WBG, Washington, DC, USA, 11 November 2015) <<http://www.worldbank.org/en/topic/financialinclusion/brief/national-financial-inclusion-strategies>> accessed 20 July 2016; Gateshead, 'Money Matters Financial Inclusion Strategy' (2013)

<<https://gateshead.gov.uk/DocumentLibrary/CBS/Care/FinancialInclusion/FinancialInclusionStrategy.pdf>> accessed 20 July 2016; the AFI, 'National Financial Inclusion Strategies Current State of Practice' (2015) <http://www.afi-global.org/sites/default/files/publications/fisplg-state_of_practice.pdf> accessed 20 July 2016.

The strategy could be a part of the general development strategy or an independent strategy.³³² WBG has implemented and supported the development of the national strategies for over 20 countries.³³³ Finnmark Trust research helped the central bank of Kenya in drafting Kenyan strategy.³³⁴ Nigeria has formulated a standard national strategy to reduce financial exclusion's size from 46% to 20% by 2020.³³⁵

- Governments can set up and develop proper regulatory and supervisory frameworks that stimulate more competition. They can, therefore, act as a legislator when issuing frameworks that may include consumer protection, facilitate banks in providing e-payment and correspondent bank services, exempt from burdensome requirements regarding required documents, prohibit discrimination and AML/CFT, force banks to provide services at affordable costs or expand their services to certain priority sectors such as the poor or SMEs, and amend laws by removing UFA-FI's obstacles.³³⁶

³³² *ibid.*

³³³ The World Bank, 'Overview: National Financial Inclusion Strategies', *ibid.*

³³⁴ Thouraya Triki and Issa Faye, 'Financial Inclusion in Africa' (2013)

<http://www.afdb.org/fileadmin/uploads/afdb/Documents/Project-and-Operations/Financial_Inclusion_in_Africa.pdf> accessed 20 July 2016; The World Bank, 'Global Financial Development Report 2014: Financial Inclusion' *ibid.*

³³⁵ *ibid.*

³³⁶ The AFI, 'The 2011 AFI Global Policy Forum Report – Taking Stock – Setting Goals – Moving Forward' (2011) <http://www.afiglobal.org/sites/default/files/pdfimages/AFI_2011GPFReport_HighRes_Updated15Aug2012_pg44.pdf> accessed 22 July 2016; The World Bank Development Research Group, the Better Than Cash Alliance and the Bill & Melinda Gates Foundation, 'The Opportunities of Digitizing Payments' (2014) <http://siteresources.worldbank.org/EXTGLOBALFIN/Resources/8519638-1332259343991/G20_Report_Final_Digital_payments.pdf> accessed 20 July 2016; CGAP, 'Regulation and Supervision' (CGAP, Washington, USA) <http://www.cgap.org/topics/regulation-and-supervision>> accessed 20 July 2016; Organisation for Economic Co-Operation and Development, 'Addressing Financial Consumer Protection Deficiencies in the Post Crisis ERA' (2010) DAF/CMF(2010)6 <http://webcache.googleusercontent.com/search?q=cache:Q8NFswZolOIJ:www.brunel.ac.uk/_data/assets/word_doc/0007/93427/09-Financial-consumer-protection-

UFA-FI's technologies have become more complicated, particularly after the expansion in the use of points-of-sales systems, e-cash and banking services via mobile phones.³³⁷ Frameworks should, consequently, be flexible and updated to adapt to such techniques.³³⁸

Furthermore, the crisis has shown consequences of an improper prudential regulation, which encourages customers to borrow beyond their ability to pay.³³⁹ According to WBG, if the competition is not accompanied with a sound framework, it can lead to imprudent lending binges.³⁴⁰

G20 adopted nine principles of innovative UFA-FI in 2010, aimed to create a conducive and organised policy environment.³⁴¹ Moreover, guiding principles have been adopted to improve UFA-FI in 108 developing countries. Multiple regulatory institutions in 46 developing countries have provided, pursuant to Maya declaration, obligations to establish an appropriate regulatory framework to achieve UFA-FI's complementary goals, formulate its policy and enhance consumer protection.³⁴²

- Governments can act as a facilitator through providing services or subsidies, supporting banks to promote low-cost products, offering mechanisms to handle with customers' complaints, strengthening financial sector by making it able to withstand financial shocks, and encouraging intermediation, supporting and

[DAF CMF 2010 6.doc+&cd=4&hl=en&ct=clnk&gl=uk](#)> accessed 20 July 2016; The World Bank, 'Global Financial Development Report 2014: Financial Inclusion' *ibid.*

³³⁷ *ibid.*

³³⁸ *ibid.*

³³⁹ *ibid.*

³⁴⁰ Demirgüç-Kunt and others, 'Finance for all? Policies and pitfalls in expanding access', *ibid.*

³⁴¹ The AFI, 'G20 Principles for Innovative Financial Inclusion' (2010)

<<http://www.gpfi.org/sites/default/files/documents/G20%20Principles%20for%20Innovative%20Financial%20Inclusion%20-%20AFI%20brochure.pdf>> accessed 18 June 2016.

supervising providing information, performing research projects to examine financial exclusion's causes and take measures to address them, encouraging the investment in physical infrastructure areas and reducing their weak points, including prejudice, corruption and excessive bureaucracy, providing education, advice, training and the opportunity to take advantage of technological innovations.³⁴³

Additionally, they can develop judicial systems, insolvency, enforcement of contracts, strengthen prudential regulations and provide the appropriate regulatory infrastructure to increase the flow of information and establish specialised commercial courts to deal with bank disputes.³⁴⁴

- Private sectors can support governments' role in advancing UFA-FI and national strategies through providing technical assistance, opinions, training, data analysis, meeting market's needs and enabling the poor to access financial products at affordable costs.³⁴⁵

³⁴² AFI, 'A Quick Guide to the Maya Declaration on Financial Inclusion', *ibid.*

³⁴³ Bernard Bayot, Lise Disneur & Elaine Kempson, 'Legislative Action by Government To Promote Financial Inclusion' Working Paper <<http://fininc.eu/wp-content/uploads/2016/09/2-Legislative-action-by-governments-to-promote-financial-inclusion.pdf>> accessed 20 July 2016; Deena M. Burjorjee and Barbara Scola, 'A Market Systems Approach to Financial Inclusion – Guidelines for Funders' (2015) CGAP <https://www.cgap.org/sites/default/files/Consensus-Guidelines-A-Market-Systems-Approach-to%20Financial-Inclusion-Sept-2015_0.pdf> accessed 20 July 2016; Thankom Arun and Rajalaxmi Kamath, 'Financial Inclusion: Policies and Practices' (2015) 27(4) IIMB Management Review <<http://dx.doi.org/10.1016/j.iimb.2015.09.004>> accessed 20 June 2016, 267-287; Shalini Choithrani, 'A SWOT Analysis of financial inclusion in context of India and its banking sector' (2015) 1(10) International Journal of Business Quantitative Economics and Applied Management Research <<http://ijbemr.com/wp-content/uploads/2015/04/A-SWOT-Analysis-of-financial-Inclusion-in-context-of-India-and-its-Banking-sector.pdf>> accessed 20 July 2016; AFI, 'Bill Gates on the digital future and financial inclusion' (You Tube, 10 September 2013) Video, *ibid.*

³⁴⁴ *ibid.*

³⁴⁵ *ibid.*

IV.3 EVALUATION OF CASE STUDIES

IV.3.1 BANGLADESH

Bangladesh is a low-income developing country, considered as one of the 25-top-priority-countries in UFA-FI by WBG, and one of the highest populated countries worldwide with near 161 million people and a GDP of \$195.079 billion in 2015.³⁴⁶ 37% of adults have become account holders at either microfinance institutions or banks, and although deposit accounts' number is regularly growing, roughly 25% of adult population is yet to be financially included.³⁴⁷

348

Table 1: Selected Economic Indicator

Description	2010	2011	2012	2013	2014	2015
GDP (billion USD)	115.279	128.638	133.356	149.99	172.885	195.079
GDP per capita (USD)	760	839	859	954	1,090	1,210
GDP growth rate (annual %)	5.57	6.46	6.52	6.01	6.06	6.55
Inflation, GDP deflator (annual %)	7.14	7.86	8.16	7.17	5.67	5.87

Source: *World Development Indicators, World Bank*

Additionally, it is a leader in empowering the poor to access financial services and microfinance, including lending, through several formal and informal financial institutions, microfinance, cooperatives, such as Grameen Bank, and BARD, which offer programmes to alleviate poverty, thus, expanding UFA-FI and reducing financial systems' bottlenecks.³⁴⁹ The number of poor who are living below the

³⁴⁶ *World Development Indicators, Financial Inclusion Data/Global Findex, and Demirgüç-Kunt, 'Measuring financial inclusion: The Global Findex database'; The World Bank, 'UFA2020 Overview: Universal Financial Access by 2020', ibid.*

³⁴⁷ *ibid.*

³⁴⁸ *(Author's own work).*

³⁴⁹ The World Bank, '*Poverty Maps of Bangladesh – Key Findings*' (2010) <http://www.bbs.gov.bd/WebTestApplication/userfiles/Image/LatestReports/Poverty_Map_brochure1_0.pdf> accessed 21 July 2016; IMF, '*Bangladesh – Progress Report – Poverty Reduction Strategy Paper*' (2015) <<https://www.imf.org/external/pubs/ft/scr/2015/cr15305.pdf>> accessed 21 July 2016; The World Bank, '*Bangladesh: Towards Accelerated, Inclusive and Sustainable Growth – Opportunities and Challenges*' (2012) <<https://openknowledge.worldbank.org/bitstream/handle/10986/12121/67991.pdf?sequence=1>>

poverty line, accordingly, declined from 56,6% in 1992 to 31,5% in 2010.³⁵⁰ Furthermore, Bangladesh concentrates on digital financial services and providing a responsive regulatory environment and has been ranked 16th of 21 countries for its efforts in providing financial and digital inclusion.³⁵¹

352

Table 2: Public UFA-FI Scenario for +15 Years Old Population in 2014

Description	% of population above 15 years of age
Account at a financial institution	29.1
Formal Savings	7
Formal Borrowing	10
Account at a financial institution, female	25.2
Account at a financial institution, income, poorest 40%	21.5
Account used to receive wages	1.6
Account used to receive government transfer	0.4
Account used to receive remittances	0
Saved any money in the past year	23.9
Saved using a savings club or person outside the family	5.2
Loan in the past year	0
Deposit in the past year	60.1
Debit card	5.2
Credit card	0.3
Mobile account	2.7

Source: World Bank Findex

accessed 20 July 2016; Mohammad A. Auwal and Arvind Singhal, 'Poverty Alleviation and the Grameen Bank' (1992) <<http://utminers.utep.edu/asinghal/technical%20reports/poverty%20alleviatio.pdf>> Accessed 24 July 2016; M. Khalid Shams, 'Accelerating Poverty Reduction in Bangladesh Through the Grameen Family of Companies – Building Social Enterprises as Business Ventures' (2009) <<http://www.grameenfoundation.org/sites/default/files/archive-dev09/Khalid-Shams-Accelerating-Poverty.pdf>> accessed 24 July 2016.

³⁵⁰ World Development Indicators, Financial Inclusion Data/Global Findex, and Demirgüç-Kunt, 'Measuring financial inclusion: The Global Findex database'; The World Bank, 'UFA2020 Overview: Universal Financial Access by 2020'; The World Bank, 'Poverty Maps of Bangladesh – Key Findings'; S.R. Osmani, 'Achievements and Challenges of the Bangladesh Economy: an Overview' <http://uir.ulster.ac.uk/11273/1/Bangladesh_Economy_Overview.doc> accessed 24 July 2016; International Monetary Fund, 'Bangladesh – Progress Report – Poverty Reduction Strategy Paper'; Mohammad A. Auwal and Arvind Singhal, 'Poverty Alleviation and the Grameen Bank'; M. Khalid Shams, 'Accelerating Poverty Reduction in Bangladesh Through the Grameen Family of Companies – Building Social Enterprises as Business Ventures', *ibid*

³⁵¹ *ibid*.

³⁵² (Author's own work).

A rural development Scheme, which was introduced by Islamic Bank Bangladesh, is an innovative microfinance programme that was designed to serve the poor in rural areas, who voluntarily excluded themselves from a financial system for religious reasons. It was launched as an empirical project that covered, in the beginning, only four villages, whereas in 2013, over 800,000 poor have benefited.³⁵³

UFA-FI initiatives are executed, and financial system is monitored and regulated by, financial regulatory bodies, which are Department of Cooperatives, BB, Insurance Development Regulatory Authority, Microcredit Regulatory Authority, Securities and Exchange Commission and the ministry of finance.³⁵⁴ These bodies collect data regarding issues, process them, then, recommend and make policies that can resolve them, for instance, excessive interest rates by microfinance institutions.³⁵⁵ Additionally, these regulatory bodies have stimulated and channelled financial institutions towards inclusive banking policies through concentrating on breaking psychological barriers, improving financial Literacy and dedicating financial policies for encouraging providing diverse products, innovations, serving women and SMEs.³⁵⁶

³⁵³ Islami Bank, 'Rural Development Scheme' (Islami Bank, Bangladesh) <<http://www.islamibankbd.com/prodServices/rdsScheme.php>> accessed 24 July 2016; UNDP, 'Poverty Reduction – Scaling Up local Innovations for Transformational Change' (2012) <http://www.undp.org/content/dam/undp/library/Poverty%20Reduction/Participatory%20Local%20Development/Bangladesh_D10_web.pdf> accessed 20 July 2016; T. Jinan, A. Bashar, N. Jahan and T.S. Khanam, 'Impact of Rural Development Scheme of Islami Bank Bank Bangladesh Limited on Beneficiaries In Mymensingh Sadar Area' (2008) 19(2) Progress. Agric. <<http://banglajol.ubiquity.press/index.php/PA/article/viewFile/16963/11914>> access 20 July 2016, 205-215.

³⁵⁴ Md. Ezazul Islam and Salim Al Mamun, 'Financial Inclusion: The Role of Bangladesh Bank' Working Paper Series: WP1101 (2011) <<https://www.bb.org.bd/pub/research/workingpaper/wp1101.pdf>> Accessed 22 July 2016; The World Bank, 'Bangladesh: Towards Accelerated, Inclusive and Sustainable Growth – Opportunities and Challenges'; S.R. Osmani, 'Achievements and Challenges of the Bangladesh Economy: an Overview', *ibid.*

³⁵⁵ *ibid.*

357

Table 3: Contribution to Financial Inclusion by Types of Institution in 2012

Institution / Programme	Loan Outstanding (Million USD)	Percent of GDP	No. of Clients (Millions)
Financial Banks	54,960.68	47.54	9.67
Non-banking Financial Institutions	3,308.54	2.86	
Microfinance Institutions	2,598.68	2.25	23.82
Grameen Bank	1,038.99	0.89	8.40
Government Programmes	222.00	0.19	0.80
Cooperatives	376.43	0.32	8.50
Mobile Banking	670.01	0.60	2.83
Total	63,175.33	54.64	54.02

Source: MRA-2012, Bangladesh Bank, Grameen Bank, Ministry of Finance

Bangladesh has adopted numerous proper measures and policies, for instance, increasing the portion of SMEs receiving financing services, which have positively impacted in boosting UFA-FI, including contributing to GDP and empowering women. BB, for instance, increased financing's volume size of SMEs from Tk.24,000 crore in 2009 to Tk.75,000 crore in 2013.³⁵⁸ Approximately 30% of total loans have been granted to entrepreneurs, male and female.³⁵⁹ Additionally, SME & Special Programmes and Green Banking & CSR departments have been newly established in BB.³⁶⁰ Furthermore, BB's Agricultural Credit Department has been converted into Agricultural Credit and Financial Inclusion Department.³⁶¹ The popularity of a mobile bank account is dramatically increasing.³⁶² One-sixth of the total population currently have a mobile bank account and over 8% of their daily e-

³⁵⁶ *ibid.*

³⁵⁷ (Author's own work).

³⁵⁸ *ibid.*, and Hossain Mohammed Omar Khayum and Noshin Tasneem, 'Financial Inclusion in Bangladesh: Policy Recommendation for Modified Unit Banking System' (2016) <https://www.preprints.org/manuscript/201607.0019/v1/download/final_file> accessed 20 July 2016; Toufic Ahmad Choudhury, 'Financial Inclusion in Bangladesh: Background, Issues, Regulatory Measures and Challenges' (2014) <<http://bea-bd.org/site/images/pdf/040.pdf>> accessed 20 July 2016.

³⁵⁹ *ibid.*

³⁶⁰ *ibid.*

³⁶¹ *ibid.*

³⁶² *ibid.*

transactions, which were estimated at approximately Tk.3.5 billion, are made through using mobile services via a bKash LTD.³⁶³ BB has pushed financial institutions to extend their offering of SMEs loans and credit to the poor. An initiative for instilling a socially responsible financing ethos has been launched by BB, which encourages UFA-FI and an environmentally benign green financing.³⁶⁴

“Union Digital Centre” has opened approximately 3,700 life insurance schemes and provided mobile financial services to near 100,000 yearly.³⁶⁵ It has announced applying an approach of “a2i” programme to address exclusion's issues and experiment a ‘transfer management system’ to digitally manage payment.³⁶⁶

IV.3.2 BRAZIL

Brazil is an upper middle-income developing country, considered as one of the 25-top-priority-countries in UFA-FI by WBG and one of the world’s most densely populated with approximately 207.847 million people and a GDP of \$1.775 trillion in 2015.³⁶⁷ Its financial system and intermediation are larger and more in-depth than other Latin America countries.³⁶⁸

³⁶³ *ibid.*

³⁶⁴ *ibid.*

³⁶⁵ Asif Showkat Kallol and Ishtiaq Husain, ‘Digital Transaction Under Big Expansion Plan’ (DhakaTribune, Bangladesh, 17 February 2016) <http://hawker.com.bd/news_details.php?news_id=466537&news_category_id=5&val_lan=> accessed 19 July 2016; Union Digital Centres, ‘Innovation Brief’ <<http://www.a2i.pmo.gov.bd/wp-content/uploads/2016/08/Innovation-Brief-Union-Digital-Center.pdf?autoplay=1>> accessed 20 July 2016; Tulus Tahi Hamonangan Tambunan, ‘SMEs in Asian Developing Countries’ (1st edn, Tulus Tahl Hamonangan Tambunan, London, 2009) <<http://www.palgraveconnect.com/pc/doifinder/view/10.1057/9780230250949>> accessed 20 July 2016.

³⁶⁶ *ibid.*, and a2i, ‘About Us’ (a2i, Prime Minister Office, Bangladesh, 2016) <<http://www.a2i.pmo.gov.bd/>> accessed 20 July 2016; UNDP, ‘Access to Information (II)’ (2012) <http://www.bd.undp.org/content/bangladesh/en/home/operations/projects/democratic_governance/access-to-information--II-.html> accessed 20 July 2016.

³⁶⁷ *World Development Indicators; Financial Inclusion Data/Global Findex*; Demirgüç-Kunt, ‘Measuring financial inclusion: The Global Findex database’; The World Bank, ‘Brazil - Overview’ <<http://www.worldbank.org/en/country/brazil/overview>> accessed 20 July 2016; Alexandre Tombini,

Between 2003 and 2014, the percentage of inequality and poverty dramatically fell with 29 million people being lifted out of the poverty cycle, the income growth of 4.4% with declining “Gini Coefficient” from 11% down to 0.515, the income level of 40% of the poorest people increased, on average, 7.1%.³⁶⁹ However, the reduction of inequality and poverty has shown recession signals since 2015.³⁷⁰

371

Table 1: Selected Economic Indicators

Description	2010	2011	2012	2013	2014	2015
GDP (Trillion USD)	2,208,872	2,614,573	2,460,658	2,465,773	2,417,046	1,774,724
GDP per capita (USD\$)	11,121.4	13,039.1	12,157.3	12,071.8	11,728.8	8,538.6
GDP growth rate (annual %)	7.5	3.9	1.9	3.0	0.1	-3.8
Inflation, GDP deflator (annual %)	8.4	8.3	7.8	7.4	6.9	8

Source: World Development Indicators, World Bank

In the 1990s, almost 1,680 out of 5,600 municipalities, or 30% of all municipalities, have no bank branch, and only third of the population, approximately 60 million people have bank accounts.³⁷² Although the number of banks has decreased, UFA-FI has not reduced but remained stable.³⁷³

Brazil has succeeded in introducing, performing and adopting various initiatives and policies recently that better promotes UFA-FI than other middle-

³⁶⁸ *Financial Inclusion in Brazil* (2012)

<http://siteresources.worldbank.org/FINANCIALSECTOR/Resources/2012-04-20-G20_Brazil_Financial_Inclusion.pdf> accessed 20 July 2016; Banco Central Do Brasil, ‘Financial

Inclusion’ (2009) <https://www.bcb.gov.br/pre/microfinancas/financial_inclusion_first_forum.pdf> accessed 20 July 2016; The World Bank, ‘UFA2020 Overview: Universal Financial Access by 2020’,

ibid.

³⁶⁸ *ibid.*

³⁶⁹ *ibid.*

³⁷⁰ *ibid.*

³⁷¹ (Author’s own work).

³⁷² *ibid.*

income or developing countries, particularly for the cooperative, banking correspondent and microfinance institutions, such as making the process of opening bank branches and accounts simpler, launching new methods in accessing financial services, allocating credit at low interest rates that depend on support from huge public banks, mandating lending, expanding the presence of small microfinance and cooperatives institutions, extending correspondents' scope and ATMs.³⁷⁴

A "Lifeline" banking form has also been successfully introduced. It has low-balance requirements, is designed for serving the poor without a need to pay monthly fees, and is offered by large banks.³⁷⁵ It does not automatically allow the poor to obtain low-interest loans.³⁷⁶ However, when offering such loans for the poor, monthly fees should be inexpensive whilst sufficient to cover the costs of the bank.³⁷⁷

Additionally, new measures have been introduced recently, such as services relating to low-cost technologies, credit scoring, which rely on the internet, phone connectivity, and telephone, minimum or basic accounts, new guarantees and disclosure requirements and expanding micro-lending from banks up to an obligatory ceiling.³⁷⁸

³⁷³ *ibid.*

³⁷⁴ *ibid.*

³⁷⁵ *Ibid*; Bonds News, 'Update 6-Brazil deposit guarantee fund throws \$1.6 bln lifeline to BTG Pactual' (Reuters, 4 December 2015) <<http://www.reuters.com/article/brazil-corruption-btg-pactual-sa-idU5L1N13T0DZ20151204>> accessed 12 July 2016; Sergio G. Lazzarini, Aldo Musacchio, Rodrigo Bandeira-de-Mello and Rosilene Marcon, 'What Do Development Banks Do? Evidence from Brazil, 2002-2009' (2011) <<http://www.hbs.edu/faculty/Publication%20Files/12-047.pdf>> accessed 20 July 2016.

³⁷⁶ *ibid.*

³⁷⁷ *ibid.*

³⁷⁸ *ibid.*

Furthermore, Central Bank has played a central role in improving UFA-FI through guaranteeing the quality of delivering financial services, providing financial services to the not-served municipalities by correspondents' outlets, which constitutes over half of all accessible points to financial services. As a result, correspondents' numbers increased from 2000 to 2010, 19,000 to 150,000, developing instruments to adapt better, and expanding distribution channels through a network of agents or bankers.³⁷⁹

Moreover, national programmes to strengthen family farms (Pronaf) and the national microcredit for income-generating activities (PNMPO), and "private savings accounts-simplified" and "demand deposits" have been introduced in 2004.³⁸⁰



³⁷⁹ *ibid.*

³⁸⁰ *Ibid*, and FAPDA, 'Country situation and role of agriculture – Country Fact Sheet on Food and Agriculture Policy Trends' (2014) <<http://www.fao.org/docrep/field/009/i3759e/i3759e.pdf>> accessed 20 July 2016; Ricardo L.C Feijo, 'The Impact of a Family Farming Credit Programme on the Rural Economy of Brazil' <<http://www.anpec.org.br/encontro2001/artigos/200105070.pdf>> accessed 20 July 2016.

381

Table 2: Public UFA-FI Scenario for +15 Years Old Population in 2014

Description	% of population above 15 years of age
Account at a financial institution	68.1
Formal Savings	12
Formal Borrowing	12
Account at a financial institution, female	64.8
Account at a financial institution, income, poorest 40%	58.5
Account used to receive wages	22.9
Account used to receive government transfer	13.2
Account used to receive remittances	0
Saved any money in the past year	28
Saved using a savings club or person outside the family	3.5
Loan in the past year	0
Deposit in the past year	86.3
Debit card	59.2
Credit card	32
Mobile account	0.9

Source: World Bank Findex

Targeted policies and regulatory reforms that may be adopted by the government, such as maintaining competition in the market, reporting difficult requirements for micro-finance, avoiding providing high-cost special public funding, harmonising and decreasing taxes, reducing formal borrowing requirements, including its costs, can enable more poor people and entrepreneurs to effectively participate in the financial market, decrease current chances for regulatory arbitrage among various financial systems, and reduce the burden on intermediation, which ultimately leads to make the market working more smoothly.³⁸² They can, therefore, improve UFA-FI.

³⁸¹ (Author's own work).

³⁸² *ibid.*

It would also be beneficial if the legislator effectively incorporates disclosure requirements to the “Home Mortgage Disclosure and the Community Reinvestment Acts”,³⁸³ to advance UFA-FI and alleviate the discriminatory acts against the poor.

© GSJ

³⁸³ *Brazilian Home Mortgage Disclosure Act 1975 & Community Reinvestment Act 2003.*

CHAPTER V: CONCLUSION

This dissertation has critically evaluated UFA-FI through five main chapters.

Approximately two billion adults worldwide do not have bank accounts. A call for UFA-FI has, therefore, been made to be achieved, and numerous commitments have been provided. UFA-FI calls for all adults to have access to formal transaction accounts or financial instruments, which allow them to use and access convenient financial services and products, at affordable costs.

UFA-FI enables the poor to get accounts at low costs, which makes them eligible to gain loans and other services that allow them to build projects and SMEs, through obtaining appropriate financial support to provide capital and grow their assets, which can ultimately make them able to engage in a winning and setting up projects, generating incomes, profits and providing investment for their future, pursuant to their own terms. UFA-FI, thereby, improve the standard quality and well-being of the poor and their families living, hence climbing the first step in escaping poverty. It empowers households to invest in educating their children since the ability to pay for tuition fees and educational equipment can increase education opportunity and improve their employability. Education can also improve their financial literacy enabling them to access the type of financial services that can lift them out of the poverty trap.

Multiple barriers have a negative impact on promoting UFA-FI and contribute to decreasing access opportunities or a lack of access. Such barriers particularly affect the poor. Financial exclusion, which was originally introduced to describe the

process of "financial infrastructure withdrawal from remote communities" has been developed to describe all barriers and difficulties, voluntary and involuntary, which limits individuals and small business from accessing financial services.

The exclusion from mainstream financial services will force the poor to choose inferior alternative sources with tough terms and conditions, or cause them to be excluded from financial services since alternative services may not suit their financial status, for instance, a subprime credit or loan, that may ultimately increase their financial vulnerability.

A bank may consider the poor to have less creditworthiness or yield low profits for it. It cannot, consequently, provide them with its services due to its high operating costs combined with the assumption that their lack of creditworthiness will result in a higher level of defaults. Additionally, people may be financially excluded because their own lack of confidence in engaging with the financial sector or lack of access to the required documents for opening an account. Furthermore, such services may be available at affordable costs, but people may be reluctant to obtain them, especially if they conflict with people' religious beliefs or moralities.

Providing the poor with financial services will push providers to improve their services, and introduce new initiatives, thereby achieving greater inclusion and a broadening of the financial sector in a way that promotes growth and development.

UFA-FI is affected by the degree of market structure, the stage of development of the financial sector and the regulatory framework. The market may

fail due to the lack of full competition or information asymmetry, which can cause increasing financing's cost, the concentration or the segmentation of markets, excessive indebtedness and shortages in the supply of credit to certain people that will, eventually, lead to a lack of diversity in the financial sector that could increase the likelihood or severity of external shocks. Enhancing UFA-FI's effectiveness, by introducing sound financial systems that are able to cope with such structural problems would be, therefore, necessary.

UFA-FI mitigates internal, institutional and foreign factors, which usually lead to financial instability, through reducing information asymmetry, limiting crisis of exchange rates, strengthening policies and governance rules, and minimising borrowing of foreign currencies. It can improve the efficiency of the mediation process between investments and deposits, and increase the share of informal sectors to support the effectiveness of monetary policy and diversifying portfolio assets of banks. An inclusive financial system allows banks to exploit untapped potential of customers who were previously unbanked or underbanked, helps to strengthen and balance their budgets and makes them more flexible against future potential shocks, thus, achieve financial stability.

UFA-FI prohibits discrimination by seeking to achieve equality between genders that ultimately, allows women to work as entrepreneurs and then raise the women as an economic force.

The financial integrity outlined in the UFA-FI initiatives strengthens the confidence in financial institutions and the financial system as a whole, thus,

promoting the access to the financial sector. This dissertation has argued that a blanket approach AML/CFT programme with onerous 'tick the box' and due diligence requirements may hamper attempts to increase UFA-FI whilst it is undoubtedly necessary to curb financial fraud and the funding of terrorist activities, what is needed is a risk-based approach that balances security concerns with the need to provide the poorest in our societies with access to financial services.

New technologies and innovative business models play an essential role in mitigating and overcoming barriers that prevent people from accessing to services. Payment systems in various developing countries are ineffective and do not provide safety for consumers. Advantages of technology should be, therefore, taken to facilitate financial transactions. The public needs to be made aware of the existence of the new technologies. Additionally, by building partnerships with institutions and creating new distribution channels, including points of sales, which financial institutions can extend their accessibility to various excluded people.

Consumer protection, education and literacy can reduce the chances of dealing with high-interest rates, or over-indebtedness. Furthermore, achieving stability requires introducing and developing regulatory standards to protect consumers, and encourage the cooperation between various regulatory bodies. Regulators and central banks should identify main obstacles that prevent customers from accessing to financial services, taking into account available evidence and data to facilitate decision-making. Furthermore, public and private sectors with regulatory bodies should work together to facilitate the implementation of such standards and the introduction of an integrated system that would gradually develop

to ensure consumer protection, increased consumers awareness and promote financial literacy. Well-qualified financial academics, advisors and think tanks have, therefore, a role in providing research and offering new ideas for beneficial initiatives.

The poor, especially uneducated consumers, are less likely to be able to make rational decisions. Governments must, therefore, protect them, by forcing providers and Intermediaries to be transparent, announcing and disclosing all financial services' information, including prices, loans' terms and conditions, to consumers through all appropriate means they should use, provided a clear, understandable and not misleading language, avoid using unfair, improper, coercive or discriminatory practices and avoid onerous punishments or fines against customers who default.

The most effective role of governments is to offer legal and financial environments that allow diverse financial service providers to thrive in a competitive market. However, governments are recommended to act as a legislator and facilitator. They can implement roles, such as introducing and improving regulatory frameworks, national strategies and laws, creating the conditions and incentives that encourage the expansion of the supply of affordable financial services through exempting or mitigating tax, adjusting and supervising the regulation of banking sectors, stimulating the competition among providers, and generating more demand for financial services. Additionally, governments should endeavour to simplify the procedures for obtaining financial services, reduce transaction costs, protect the deposits of the poor, provide e-payment service, and motivate banks to grant

accounts and services at reasonable costs to the poor. Such governmental interventions would significantly contribute to achieving UFA-FI. Governments have to liberalise interest rates, ensure macroeconomic stability, and introduce banking supervision and regulation. Private sectors should work in tandem with and support these government initiatives. Governments should support and enhance UFA-FI's empirical projects. Providers must work and cooperate together to promote, deliver and introduce UFA-FI, overseen by governments' processes.

UFA-FI cannot be achieved without sufficient funds. Governments of the poor countries could not be solely responsible for financing UFA-FI's projects, especially if they have high external debts. Instead, this dissertation has, therefore, argued that global DAIs can, collectively, finance such projects. In 2013, several DAIs have committed to pay \$31 billion. However, DAIs should be multiplied, diversified, and their activities need to increase and they should not undermine or weaken each other. Governments should encourage private companies and banks, which are located in their territories, to contribute in providing funds as a part of their 'corporate social responsibility'.

It has been proven that Bangladesh and Brazil have adopted unique programmes and measures, such as "a2i" and "lifeline", which have made great achievements that move the UFA-FI forward.

Although the dissertation has evaluated several dimensions, issues, challenges and barriers in order to provide a clear picture of UFA-FI, its scope has been limited to the evaluation of only developing countries. Some other obstacles,

particularly the confidence of the poor in banks, still need to be, therefore, considered by other researchers in the future.

UFA-FI at the current rate would achieve its purpose within the timeframe and it is realistic since it is measurable. WBG has already taken this task by publishing customers' data at Global Findex and a Little Data Book. The poor' incomes are also increasing. Additionally, achieving UFA-FI was highlighted as a priority by several governments and organisations. Furthermore, there were remarkable achievements in shifting about 700 million people from exclusion to inclusion between 2011 and 2014. Moreover, UFA-FI enables people to build their businesses and SMEs from scratch without any interference or direction. It makes, therefore, people more self-reliant, as opposed to other programmes and initiatives such as "structural adjustment programmes", which this dissertation has mentioned. The enormous achievements that have been made in the developing countries, especially in Bangladesh and Brazil, in shifting considerable numbers of people from financial exclusion to financial inclusion, introducing technology and consumer protection, opening and activating new bank accounts, during the short period of time, confirm that governments are still committing to achieve UFA-FI within their specific time frames and schedules, and, consequently, achieving the UFA-FI by 2020 is possible. The number of activated bank accounts in Nigeria has also reached around 59 million at the end of the last year compared to 47.2 million at the beginning of the same year. Adopting new initiatives, particularly in financial literacy and education, would also accelerate achieving UFA-FI at an impressive rate.

To sum up, this dissertation has proven that UFA-FI is realistic and achievable by 2020, and can reduce the poverty, provide a catalyst for growth, equality and stability in developing countries.

© GSJ

BIBLIOGRAPHY

Books

Carroll T, 'Delusions of Development – The World Bank and the Post-Washington Consensus in Southeast Asia' (1st edn, Palgrave Macmillan, UK, 2010)

<<https://books.google.co.uk/books?id=9YqFDAAAQBAJ&printsec=frontcover&dq=Delusions+of+Development:+The+World+Bank+and+the+Post-Washington+Consensus&hl=en&sa=X&ved=0ahUKEwiuv-aQy6LPAhXhIMAKHVYSCxgQ6AEIITAA#v=onepage&q=Delusions%20of%20Development%3A%20The%20World%20Bank%20and%20the%20Post-Washington%20Consensus&f=false>> accessed 12 June 2016.

Carruthers BG and Ariovich L, 'Money and Credit: A Sociological Approach' (1st edn, Polity Press, 2010).

Collins D, Morduch J, Rutherford S and Ruthven O, 'The Portfolios of the Poor' (Princeton University Press, USA, 2009)

<<http://www.portfoliosofthepoor.com/pdf/Chapter1.pdf>> accessed 02 July 2016.

Demirgüç-Kunt A, Beck T, and Honohan P, 'Finance for all? Policies and pitfalls in expanding access' (1st edn, The World Bank, Washington, DC, 2008)

<<http://documents.worldbank.org/curated/en/932501468136179348/pdf/417920PAPER0Fi18082137291301PUBLIC1.pdf>> accessed 01 June 2016.

Hubbard R, 'Money, the financial system, and the economy' (6th edn, Pearson Addison-Wesley, 2007).

Kempson E and Whyley C, 'Kept Out or Opted Out? Understanding and Combating Financial Exclusion' (1st edn, The Policy Press 1999)

<<http://www.bristol.ac.uk/media-library/sites/geography/migrated/documents/pfrc9902.pdf>> accessed 02 June 2016.

Lenton P and Mosley P, 'Financial exclusion and the poverty trap overcoming deprivation in the inner city' (1st edn, Routledge, Canada, 2012)

<http://samples.sainsburysebooks.co.uk/9781136626395_sample_926019.pdf> accessed 03 June 2016.

Prause G, 'Baltic Business and Socio-Economic Development 2009: 5th International Conference' (1st edn, Baltic Sea Region, Sweden, 2011)

<https://books.google.co.uk/books?id=fVndT4uDmA4C&printsec=frontcover&dq=Baltic+Business+and+Socio-Economic+Development+2009:+5th+International&hl=en&sa=X&ved=0ahUKEwjWs_rT3pp_PAhVNlxQKHSglAP0Q6AEIHjAA#v=onepage&q=Baltic%20Business%20and%20Socio-Economic%20Development%202009%3A%205th%20International&f=false> accessed 10 June 2016.

Speak S and Graham S, 'Service not included – social implications of private sector service restructuring in marginalised neighbourhoods' (1st edn, Policy Press, Bristol, UK, 2000).

Tambunan T, 'SMEs in Asian Developing Countries' (1st edn, Tulus Tahl Hamonangan Tambunan, London, 2009)
<<http://www.palgraveconnect.com/pc/doi/finder/view/10.1057/9780230250949>
> accessed 20 July 2016.

The World Bank, 'Global Financial Development Report 2014: Financial Inclusion' (WBG, Washington, D.C, 2014)
<<https://openknowledge.worldbank.org/bitstream/handle/10986/16238/9780821399859.pdf?sequence=4>> accessed 2 July 2016.

Articles

Abakaeva J and Glisovic J, 'Are deposits a stable source of funding for microfinance institutions?' (2009) CGAP
<<http://www.cgap.org/sites/default/files/CGAP-Brief-Are-Deposits-a-Stable-Source-of-Funding-for-Microfinance-Institutions-Jun-2009.pdf>> accessed 01 August 2016.

ADB, 'Promoting Financial Inclusion through Financial Technology' (2015) Technical Assistance Report <<https://www.adb.org/sites/default/files/project-document/178633/49418-001-tar.pdf>> accessed 21 July 2016.

ANZ-Chant Link and Associates, 'A report on financial exclusion in Australia' (2004) <<http://www.ncrc.org/global/australAsia/Australia/AustraliaArticle6.pdf>> accessed 10 June 2016.

Arun T and Kamath R, 'Financial Inclusion: Policies and Practices' (2015) 27(4) IIMB Management Review
<<http://dx.doi.org/10.1016/j.iimb.2015.09.004>> accessed 20 June 2016.

Asantey J & Tengey S, 'An Empirical Study on the Effect of Bad Loans on Banks' Lending Potential and Financial Performance: the Case of SMEs Lending in Ghana' (2014) 2(11) International Journal of Research in Business Management <<http://www.impactjournals.us/download.php?fname=2-78-1415772545-1.Management-AN%20EMPIRICAL%20STUDY%20ON%20THE%20EFFECT%20OF%20BAD%20LOANS%20ON%20BANKS%20LENDING%20POTENTIAL%20AND%20OFINANCIAL%20PERFORMANCE.pdf>> accessed 20 July 2016.

Ashraf N, Karlan D and Yin W, 'Female Empowerment: Further Evidence from a Commitment Savings Product in the Philippines' (2010) 38(3) World Development <<http://karlan.yale.edu/sites/default/files/1-s2.0-s0305750x09001910-main.pdf>> accessed 20 June 2016.

Auwal M and Singhal A, 'Poverty Alleviation and the Grameen Bank' (1992) <<http://utminers.utep.edu/asinghal/technical%20reports/poverty%20alleviation.pdf>> Accessed 24 July 2016.

Banco Central Do Brasil, 'Financial Inclusion' (2009) <https://www.bcb.gov.br/pre/microfinancas/financial_inclusion_first_forum.pdf> accessed 20 July 2016.

Bayot B, Disneur L & Kempson E, 'Legislative Action by Government To Promote Financial Inclusion' Working Paper <<http://fininc.eu/wp-content/uploads/2016/09/2-Legislative-action-by-governments-to-promote-financial-inclusion.pdf>> accessed 20 July 2016.

Beck T and Demirgu-Kunt A, 'Access to Finance: An Unfinished Agenda' (2008) 22(3) The World Bank Economic Review, <<http://documents.worldbank.org/curated/en/877861468331178045/Access-to-finance-an-unfinished-agenda>> accessed 20 June 2016.

Beck T, Levine R, Loayza N, 'Finance and the Sources of Growth' (2000) 58 Journal of financial economics <<http://siteresources.worldbank.org/DEC/Resources/FinanceandtheSourcesofGrowth.pdf>> accessed 10 June 2016.

Berger A, Astrid D, Goldberg L, White, L, 'Competition from Large, Multimarket Firms and the Performance of Small, Single-Market Firms: Evidence from the Banking Industry' (2007) 39(2-3) Journal of Money, Credit and Banking, <<http://onlinelibrary.wiley.com/doi/10.1111/j.0022-2879.2007.00028.x/pdf>> accessed 11 June 2016.

Berger A, Hasan I and Klapper L, 'Further Evidence on the Link between Finance and Growth: An International Analysis of Community Banking and Economic Performance' (2004) 25(2/3) Journal of Financial Services Research <http://siteresources.worldbank.org/DEC/Resources/CommunityBanking_WP.pdf> accessed 20 June 2016

Berthaud A, 'The Impact of access to financial services, including by Highlighting the Impact on Remittances on Development: Economic Empowerment of Women and Youth' (2014) United Nations Conference On Trade and Development, <http://unctad.org/meetings/en/Presentation/ciem6_2014_Berthaud_en.pdf> accessed 24 July 2016.

Berthaud A and Davico G, 'Global Panorama on Postal Financial Inclusion – Key Issues and Business Models' (2013) <http://www.uniglobalunion.org/sites/default/files/pictures/post/globalpanoramafinancial_inclusion_-_upu_-_en.pdf> accessed 22 July 2016.

Bhattacharya P and Sivasubramanian M, 'Financial Development and Economic Growth in India: 1970-1971 to 1998-1999' (2003) 13 Applied Financial Economics

<http://www.tandfonline.com/doi/pdf/10.1080/0960310032000129590?needAccess=true> accessed 20 June 2016.

Bhaumik S.K, Piesse J, 'Does lending behaviour of banks in emerging economies vary by ownership? Evidence from the Indian banking sector' (2008) 32(2) Economic Systems
<http://www.sciencedirect.com/science/article/pii/S0939362507000519> accessed 10 June 2016.

Bilali G, 'Know your customer – or not' (2012) 43(319) The University of Toledo Law Review, The World Bank, 'Strengthening the Collaborative Process for Building and Effective Anti-Money Laundering and Counter-Terrorism Financing Regime in Afghanistan' (2004)
http://siteresources.worldbank.org/EXTAML/Resources/396511-1146581427871/afghan_aml.pdf accessed 20 July 2016.

Burjorjee D and Scola B, 'A Market Systems Approach to Financial Inclusion – Guidelines for Funders' (2015) CGAP
https://www.cgap.org/sites/default/files/Consensus-Guidelines-A-Market-Systems-Approach-to%20Financial-Inclusion-Sept-2015_0.pdf accessed 20 July 2016.

Cafod, 'What is "inclusive growth"?' (2014) CAFOD discussion paper (Full version)
<http://cafod.org.uk/content/download/17223/133621/file/Inclusive%20Growth%20full%20paper.pdf> accessed 20 June 2016.

Camara N, Tuesta D and Urbiola P, 'Expanding access to the formal financial system: the banking correspondent business model' (2015) Working Paper No. 15/10 https://www.bbvaresearch.com/wp-content/uploads/2015/04/WP15-10_Banking_correspondents.pdf accessed 20 July 2016.

Cammack P, 'The G20, the Crisis, and the Rise of Global Developmental Liberalism' (2012) 33(1) Third World Quarterly
<http://dx.doi.org/10.1080/01436597.2012.628110> accessed 12 June 2016.

Cammack P, 'What the World Bank Means by Poverty Reduction, and Why It Matters' (2004) 9(2) New Political Economy
<http://dx.doi.org/10.1080/1356346042000218069> accessed 12 June 2016.

Centre for Financial Inclusion, 'Technology Enables Full Financial Inclusion, Financial Inclusion 2020 Technology-Enabled Business Models Working Group' (2013)
<https://centerforfinancialinclusionblog.files.wordpress.com/2013/10/technology1.pdf> accessed 23 July 2016.

Centre for Social Impact, 'A Global Snapshot of Financial Exclusion' (2014) A research report for National Australia Bank
<https://www.nab.com.au/content/dam/nabrwd/About-Us/corporate->

[responsibility/docs/140502-global-snapshot-report-final.pdf](#)> accessed 19 June 2016.

CGAP, 'A Guide to Regulation and Supervision of Microfinance' (2012) <https://www.cgap.org/sites/default/files/Consensus-Guideline-A-Guide-to-Regulation-and-Supervision-of-Microfinance-Oct-2012_0.pdf> accessed 20 July 2016.

CGAP, 'Infographic: International Financial Inclusion Funding' (CGAP, Washington, DC, USA) <<http://www.cgap.org/data/infographic-international-financial-inclusion-funding-2014>> accessed 24 July 2016.

CGAP, 'Interest Rate Ceilings and Microfinance: The Story So Far' (2004) Occasional Paper No.9 <<http://documents.worldbank.org/curated/en/572411468139208387/pdf/334790rev0ENGLISH0OccasionalPaper19.pdf>> accessed 09 July 2016.

CGAP, 'Protecting Microfinance Borrowers' (2005) Focus Note No.27 <<http://documents.worldbank.org/curated/pt/816351468140397916/pdf/334570rev0FocusNote127.pdf>> accessed 20 July 2016.

Cheston S, Conde T, Bykere A and Rhyne E, 'The Business of Financial Inclusion: Insights from Banks in Emerging Markets' (2016) <http://www.centerforfinancialinclusion.org/storage/documents/IIF_CFI_Report_FINAL.pdf> accessed 21 July 2016.

Choithrani S, 'A SWOT Analysis of financial inclusion in context of India and its banking sector' (2015) 1(10) International Journal of Business Quantitative Economics and Applied Management Research <<http://ijbemr.com/wp-content/uploads/2015/04/A-SWOT-Analysis-of-financial-Inclusion-in-context-of-India-and-its-Banking-sector.pdf>> accessed 20 July 2016.

Choudhury S and Bagchi D, 'Financial Exclusion – A Paradox in Developing Countries' (2016) 7(3) Journal of Economics and Finance <<http://www.iosrjournals.org/iosr-jef/papers/Vol7-Issue3/Version-1/G0703014045.pdf>> accessed 05 June 2016.

Choudhury T, 'Financial Inclusion in Bangladesh: Background, Issues, Regulatory Measures and Challenges' (2014) <<http://bea-bd.org/site/images/pdf/040.pdf>> accessed 20 July 2016.

Christopher N, Sutton and Jenkins B, 'The Role of the Financial Services Sector in Expanding Economic Opportunity' (2007) <https://www.hks.harvard.edu/m-rcbg/CSRI/publications/report_19_EO%20Finance%20Final.pdf> accessed 20 July 2016.

Čihák M, Demirgüç-Kunt A, Soledad M and Mohseni-Cheraghloo A, 'Bank Regulation and Supervision around the World- A Crisis Update' (2012) Policy Research Working Paper No. 6286

<<http://documents.worldbank.org/curated/en/279091468168248726/pdf/wps6286.pdf>> accessed 03 June 2016.

Čihák M, Mare D and Melecký M, 'The Nexus of Financial Inclusion and Financial Stability – A Study of Trade-Offs and Synergies' (2016) Policy Research Working Paper No. 7722
<<http://documents.worldbank.org/curated/en/138991467994676130/pdf/WPS7722.pdf>> accessed 21 July 2016.

Claessens S, 'Access to Financial Services: A Review of the Issues and Public Policy Objectives' (2006) 21(2) The World Bank Research Observer,
<<http://www.fsa.go.jp/frtc/20061205/07-04.pdf>> accessed 06 June 2016.

Clark A and Aynsley H, 'Employability and financial inclusion; examining the links' (2008) <<http://transact.org.uk/shared/get-file.ashx?id=119&itemtype=document>> accessed 12 June 2016.

Clark A, Forter A and Reynolds F, 'Banking the Unbanked - A Snapshot' (2005) London, Toynbee Hall <<http://transact.org.uk/shared/get-file.ashx?id=2210&itemtype=document>> accessed 04 June 2016.

Cobb J, Wry T and Zhao E, 'Funding Financial Inclusion: Institutional Logics and the Contextual Contingency of Funding for Microfinance Organisations' <<https://mgmt.wharton.upenn.edu/files/?whdmsaction=public:main.file&fileID=10146>> accessed 24 June 2016.

Conning J, 'Outreach, sustainability and leverage in monitored and peer-monitored lending' (1999) 60(1) Journal of Development Economics
<<http://www.sciencedirect.com/science/article/pii/S030438789900036X>> accessed 03 June 2016.

Croitoru A, 'The Theory of Economic Development: An Inquiry into profits, capital, credit, interest and the business cycle - Translated from the German by Redvers Opie, New Brunswick (U.S.A) and London (U.K.): Transaction Publisher' (2012) 3(2) Journal of Comparative Research in Anthropology and Sociology <<http://compaso.eu/wp-content/uploads/2013/01/Compaso2012-32-Croitoru.pdf>> accessed 01 August 2016.

Crosen R and Gneezy U, 'Gender Differences in Preferences' (2009) 47(2) Journal of Economic Literature,
<<http://rady.ucsd.edu/faculty/directory/gneezy/pub/docs/gender-differences-preference.pdf>> accessed 06 July 2016.

Dalberg Global Development Advisor, 'Catalysing smallholder agricultural finance' (2012)
<http://dalberg.com/documents/Catalyzing_Smallholder_Ag_Finance.pdf> accessed 20 July 2016.

Dawson P, 'Financial development and growth in economies in transition' (2003) <<http://dx.doi.org/10.1080/1350485032000154243>> accessed 21 June 2016.

Degryse H, Ongena S, 'Distance, lending relationships, and competition' (2005) 1(60) The Journal of Finance <<http://onlinelibrary.wiley.com/doi/10.1111/j.1540-6261.2005.00729.x/pdf>> accessed 01 June 2016.

Demirgüç-Kunt A and Klapper L, 'Measuring financial inclusion: The Global Findex database' (2012) The World Bank Policy Research Paper 6025 <<http://elibrary.worldbank.org/doi/abs/10.1596/1813-9450-6025>> accessed 02 June 2016.

Demirguc-Kunt A, Klapper L and Singer D, 'Financial Inclusion and Legal Discrimination Against Women – Evidence from Developing Countries' (2013) Policy Research Working Paper No. 6416 <<http://documents.worldbank.org/curated/en/801311468330257772/pdf/wps6416.pdf>> accessed 18 July 2016.

Demirgüç-Kunt A, Klapper L, Singer D and Oudheusden P 'Measuring financial inclusion: The Global Findex database' (2014) The World Bank Policy Research Paper 7255 <<http://documents.worldbank.org/curated/en/187761468179367706/pdf/WPS7255.pdf>> accessed 02 June 2016.

Deng S.E and Elyasiani E, 'Geographic diversification, bank holding company value, and risk' (2008) 40(6) Journal of Money, Credit and Banking <<http://onlinelibrary.wiley.com/doi/10.1111/j.1538-4616.2008.00154.x/pdf>> accessed 03 June 2016.

Devlin J, 'A Detailed Study of Financial Exclusion in the UK' (2005) 28 Journal of Consumer Policy, 75-108 <https://www.researchgate.net/publication/5149356_A_Detailed_Study_of_Financial_Exclusion_in_the_UK> accessed 12 June 2016.

Diamond D, 'Financial Intermediation and Delegated Monitoring' (1984) 51(3) The Review of Economic Studies <<http://www.jstor.org/stable/2297430>> accessed 01 June 2016.

Dias D, 'Advancing financial access for the world's poor – Does technological innovation equal financial inclusion? What would be the role of financial education?' (2011) <<https://www.oecd.org/finance/financial-education/48211411.pdf>> accessed 24 July 2016.

Donovan K, 'Mobile Money for Financial Inclusion' (2012) <<http://siteresources.worldbank.org/EXTINFORMATIONANDCOMMUNICATIONANDTECHNOLOGIES/Resources/IC4D-2012-Chapter-4.pdf>> accessed 21 July 2016.

Dupas P and Robinson J, 'Why Don't the Poor Save More? Evidence from Health Savings Experiments' (2013) 103(4) American Economic Review, <http://web.stanford.edu/~pdupas/DupasRobinson_HealthSavings.pdf> accessed 20 June 2016.

Elbadawi I, Kaltani L and Schmidt-Hebbel K, 'Post-Conflict Aid, Real Exchange Rate Adjustment, and Catch-up Growth' <<http://siteresources.worldbank.org/INTCONFLICT/Resources/PCP3795ElbadawiKaltaniSchmidt.pdf>> accessed 02 August 2016.

El-Zoghbi M, 'Smart Aid Index 2013 – United Nations Capital Development Fund (UNCDF)' (2013) <<http://www.uncdf.org/sites/default/files/documents/smartaid2013.pdf>> accessed 25 June 2016.

Essers D, 'Developing country vulnerability in light of the global financial crisis: Shock therapy?' (2013) 3 Review of Development Finance.

European Commission, 'Financial Services Provision and Prevention of Financial Exclusion' (2008) <<http://ec.europa.eu/social/BlobServlet?docId=5092&langId=en>> accessed 02 June 2016.

European Commission, 'Towards A Common Operational European Definition of Over-Indebtedness' (2008) <<http://www.bristol.ac.uk/media-library/sites/geography/migrated/documents/pfrc0805.pdf>> accessed 12 June 2016.

Fama, E.F, 'What's different about banks?' (1985) 15(1) Journal of Monetary Economics <<http://www.sciencedirect.com/science/article/pii/0304393285900510>> accessed 01 June 2016.

FAPDA, 'Country situation and role of agriculture – Country Fact Sheet on Food and Agriculture Policy Trends' (2014) <<http://www.fao.org/docrep/field/009/i3759e/i3759e.pdf>> accessed 20 July 2016.

FATF, 'Anti-Money Laundering and Terrorist Financing Measures and Financial Inclusion' (2013) <http://www.fatf-gafi.org/media/fatf/documents/reports/AML_CFT_Measures_and_Financial_Inclusion_2013.pdf> accessed 20 July 2016.

FATF, 'Guidance for a risk-based approach – The banking sector' (2014) <<http://www.fatf-gafi.org/media/fatf/documents/reports/Risk-Based-Approach-Banking-Sector.pdf>> accessed 20 July 2016.

FATF, 'International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation' (2012) – Updated June 2016 <http://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF_Recommendations.pdf> accessed 20 July 2016.

Feijo R, 'The Impact of a Family Farming Credit Programme on the Rural Economy of Brazil'
<<http://www.anpec.org.br/encontro2001/artigos/200105070.pdf>> accessed 20 July 2016.

French S, Leyshon A and Meek S, 'The Changing Geography of British Bank and Building Society Branch Networks, 2003-2012' working paper
<<https://www.nottingham.ac.uk/business/businesscentres/crbfs/documents/crbfs-reports/crbfs-paper3.pdf>> accessed 02 June 2016.

Frieden J, 'Globalization and exchange rate policy' Harvard University
<http://scholar.harvard.edu/files/jfrieden/files/globalization_and_exchange_rate_policy.pdf> accessed 02 August 2016.

Gateshead, 'Money Matters Financial Inclusion Strategy' (2013)
<<https://gateshead.gov.uk/DocumentLibrary/CBS/Care/FinancialInclusion/FinancialInclusionStrategy.pdf>> accessed 20 July 2016.

Gine X, Goldberg J and Yang D, 'Credit market consequences of improved personal identification: field experimental evidence from Malawi' (2012) 102(6) American Economic Review
<<http://pubs.aeaweb.org/doi/pdfplus/10.1257/aer.102.6.2923>> accessed 02 August 2016.

Gloukoviezoff G, 'The link between financial exclusion and over-indebtedness' (2007) Working paper '<http://fininc.eu/wp-content/uploads/2016/09/5-The-link-between-financial-exclusion-and-over-indebtedness.pdf>' accessed 02 July 2016.

Gordon D and others, 'Poverty and social exclusion in Britain' (2000)
<<https://www.jrf.org.uk/sites/default/files/jrf/migrated/files/185935128x.pdf>> accessed 02 June 2016.

Griffith-Jones S, Karwowski E and Dafe F, 'A financial sector to support development in low income countries' (2014) Report <https://www.die-gdi.de/uploads/media/ODI_Report.pdf> accessed 20 July 2016.

GSMA, 'State of the Industry – Mobile Financial Services for the Unbanked' (2014) <http://www.gsma.com/mobilefordevelopment/wp-content/uploads/2015/03/SOTIR_2014.pdf> accessed 20 July 2016.

GSMA, 'State of the Industry Report – Mobile Money' (2015)
<http://www.gsma.com/mobilefordevelopment/wp-content/uploads/2016/04/SOTIR_2015.pdf> accessed 20 July 2016.

G20 Financial Inclusion Experts Group, 'Innovative Financial Inclusion' (2010) ATISG Report
<https://www.gpfi.org/sites/default/files/documents/Principles%20and%20Report%20on%20Innovative%20Financial%20Inclusion_0.pdf> accessed 03 June 2016.

Hannig A and Jansen S, 'Financial inclusion and financial stability: current policy issues' (2010) ADBI Working Paper No. 259.
<<https://www.adb.org/sites/default/files/publication/156114/adbi-wp259.pdf>> accessed 02 August 2016.

Han R and Melecky M, 'Financial Inclusion for Financial Stability: Access to Bank Deposits and the Growth of Deposits in the Global Financial Crisis' (2013) Policy Research Working Paper No. 6577 The World Bank
<<https://openknowledge.worldbank.org/handle/10986/16010>> accessed 12 July 2016.

Hauswald R, Marquez R, 'Competition and strategic information acquisition in credit markets' (2006) 19(3) Review of Financial Studies
<<http://rfs.oxfordjournals.org/content/19/3/967.full.pdf+html>> accessed 2 June 2016.

Honohan P and King M, 'Cause and effect of financial access cross-country evidence from the finscope surveys' (2009) Trinity College Dublin
<<http://siteresources.worldbank.org/INTFR/Resources/PresenterHonohanandKing.pdf>> accessed 04 July 2016.

Ianchovichina E, Lundstrom S and Garrido L, 'What is Inclusive Growth' (2009) The World Bank
<<http://siteresources.worldbank.org/INTDEBTDEPT/Resources/468980-1218567884549/WhatIsInclusiveGrowth20081230.pdf>> accessed 20 June 2016.

IDBI Bank, 'Policy on Know your customer (KYC) norms and anti-money laundering (AML) measures' <http://www.idbi.com/hindi/pdf/policy/KYC_AML_Policy.pdf> accessed 20 July 2016.

Imam P, 'Effect of IMF Structural Adjustment Programs on Expectations: The Case of Transition Economies' (2007) IMF Working Paper No. WP/07/261
<<https://www.imf.org/external/pubs/ft/wp/2007/wp07261.pdf>> accessed 12 July 2016.

Imboden K and Herman B, 'Building Inclusive Financial Secotrs for Development – Widening Access, Enhancing Growth, Alleviating Poverty' (2005) UNCDF
<<http://www.un.org/esa/ffd/msc/bluebook/FULL%20REPORT%20OF%20E-CONFERENCE.pdf>> accessed 02 August 2016.

IMF, 'Anti-Money Laundering / Combating the Financing of Terrorism (AML/CFT)' (2009) <<https://www.imf.org/external/np/otm/2009/anti-money.pdf>> accessed 02 June 2016.

IMF, 'Bangladesh – Progress Report – Poverty Reduction Strategy Paper' (2015) <<https://www.imf.org/external/pubs/ft/scr/2015/cr15305.pdf>> accessed 21 July 2016.

International Finance Corporation, 'Access to finance for smallholder farmers' (2014)

<<http://www.ifc.org/wps/wcm/connect/071dd78045eadb5cb067b99916182e35/A2F+for+Smallholder+Farmers-Final+English+Publication.pdf?MOD=AJPERES>> accessed 21 July 2016.

Isern J and Koker L, 'AML/CFT: Strengthening Financial Inclusion and Integrity' (2009) CGAP No.56 <<https://www.cgap.org/sites/default/files/CGAP-Focus-Note-AML-CFT-Strengthening-Financial-Inclusion-and-Integrity-Aug-2009.pdf>> accessed 20 July 2016.

Islamic Research and Training Institute – Islamic Development Bank, 'Framework and Strategies for Development of Islamic Microfinance Services' (2007) Working Paper for IFSD Forum <<https://www.scribd.com/document/141122450/Policy-Framework-Paper-on-Microfinance>> accessed 20 July 2016.

Islam M and Al Mamun S, 'Financial Inclusion: The Role of Bangladesh Bank' Working Paper Series: WP1101 (2011) <<https://www.bb.org.bd/pub/research/workingpaper/wp1101.pdf>> Accessed 22 July 2016.

Ivatury G, 'BRAZIL'S BANKING CORRESPONDENTS' CGAP <http://www.cab.org.in/ICTPortal/Lists/Knowledge%20Bank/Attachments/27/Brazil_Banking_Correspondents_Technology_16_12_2007.pdf> accessed 20 July 2016.

Jack W and Sloan M, 'The Economics of M-Pesa' (2010) <<http://www.mit.edu/~tavneet/M-PESA.pdf>> accessed 20 July 2016.

Jayashree P 'Corporate Social Responsibility in Indian Banking Sector' <http://www.mmbgims.com/docs/full_paper/32_Jayashree%20Patil_pp.pdf> accessed 20 July 2016.

Jinan T, Bashar A, Jahan N and Khanam T, 'Impact of Rural Development Scheme of Islami Bank Bank Bangladesh Limited on Beneficiaries in Mymensingh Sadar Area' (2008) 19(2) Progress. Agric. <<http://banglajol.ubiquity.press/index.php/PA/article/viewFile/16963/11914>> access 20 July 2016.

J&K Bank, 'Know your customer' guidelines anti money laundering standards' <<http://www.jkbank.net/pdfs/policy/revaml.pdf>> accessed 20 July 2016.

Jr D and Morduch J, 'The Unbanked: Evidence from Indonesia' (2008) 22(3) The World Bank Economic Review <<http://documents.worldbank.org/curated/en/229371468269124119/pdf/775810JRN020080PUBLIC00The0Unbanked.pdf>> accessed 02 August 2016.

Kaltenbrunner A and Painceira J, 'Emerging Countries and Inconsistencies in Macroeconomic Policy: The Inflation Targeting Regime and Exchange Rate

Management' (2012)

<http://www.augurproject.eu/IMG/pdf/InflationTargetingRegime_Brazil_Kaltenbrunner-Painceira_Feb2012.pdf> accessed 07 August 2016.

Kappel V, 'The Effects of Financial Development on Income Inequality and Poverty' (2010) Working Paper 10/127 – Economics Working Paper Series

<<https://www.ethz.ch/content/dam/ethz/special-interest/mtec/cer-eth/cer-eth-dam/documents/working-papers/WP-10-127.pdf>> accessed 12 June 2016.

Kedir A, 'Inclusive Growth and Inequalities in the Context of Structural Transformation: Ethiopia' Report (2014) <<http://africainequalities.org/wp-content/uploads/2016/07/PAN-AFRICAN-CONFERENCE-ON-INEQUALITIES-IN-THE-CONTEXT-OF-STRUCTURAL-TRANSFORMATION.pdf>> accessed 20 June 2016.

Kempson E and others, 'In or Out? Financial Exclusion: A Literature and Research Review' (2000) para 3.120 consumer research 3

<http://www.pfrc.bris.ac.uk/Reports/In_or_out.pdf> accessed 02 June 2016.

Kempson E, 'Policy level response to financial exclusion in developed economies: lessons for developing countries' (2006) University of Bristol, The Personal Finance Research Centre <<http://www.bristol.ac.uk/media-library/sites/geography/migrated/documents/pfrc0410.pdf>> accessed 03 June 2016.

Kendall J, 'A Penny Saved: How Do Savings Accounts Help the Poor?'

<<http://www.microfinancegateway.org/sites/default/files/mfg-en-paper-a-penny-saved-how-do-savings-accounts-help-the-poor-2010.pdf>> accessed 17 June 2016.

Kendall J, Mylenko N, Ponce A, 'Measuring financial access around the world' (2010) The World Bank Policy Research Working Paper Series 5253

<http://www.carib-export.com/obic/documents/Measuring_Financial_Access.pdf> accessed 02 June 2016.

Khan M and Senhadji A, 'Financial Development and Economic Growth: A Review and New Evidence' (2003) 2012(2) Journal of African Economies,

<http://jae.oxfordjournals.org/content/12/suppl_2/ii89.full.pdf+html> accessed 20 June 2016.

Khayum H and Tasneem N, 'Financial Inclusion in Bangladesh: Policy Recommendation for Modified Unit Banking System' (2016)

<https://www.preprints.org/manuscript/201607.0019/v1/download/final_file> accessed 20 July 2016.

Kidani A, 'Sustained Growth and Inclusive Development Strategies (1)' (Sudan Vision, An Independent Daily, 09 August 2016)

<<http://news.sudanvisiondaily.com/details.html?rsnpid=266563>> accessed 28 August 2016.

King R.G and Levine R, 'Finance and growth: Schumpeter might be right' (1993) The quarterly journal of economics, <<http://qje.oxfordjournals.org/content/108/3/717.full.pdf>> accessed 03 June 2016.

Klapper L, Laeven L and Rajan R, 'Entry regulation as a barrier to entrepreneurship' (2006) 82 Journal of Financial Economics, <<https://faculty.chicagobooth.edu/raghuram.rajan/research/papers/entry.pdf>> accessed 02 July 2016.

Kotwani N, Abdul-Karim R and Danis M 'At the Frontlines: Confronting Poverty in Primary Care Medicine' <<http://cdn.intechopen.com/pdfs-wm/35838.pdf>> accessed 02 June 2016.

KPMG, 'Consumers & Convergence III: Consumers Taking Charge. Executive Summary' (2009) <<http://www.primaonline.it/wp-content/uploads/allegati/1242737992ConsumersandConver39C4AF.pdf>> accessed 20 July 2016.

Kraft V, 'Factors Influencing The Financial System Stability Oriented Policies Of A Small Country Soon To Become An EU Member – Estonian Experience' (2003) <https://www.eestipank.ee/sites/default/files/publication/en/Archive/kroon_economy/2003/09-15kraft.pdf> accessed 02 September 2016.

Kumar A, Nair A, Parsons A and Urdapilleta E, 'Expanding Bank Outreach through Retail Partnerships Correspondent Banking in Brazil' (2006) The World Bank Working Paper No. 85 <<http://siteresources.worldbank.org/INTTOPCONF3/Resources/363980Retail0p101OFFICIAL0USE0ONLY1.pdf>> accessed 20 July 2016.

Lazzarini S, Musacchio A, Bandeira-de-Mello R and Marcon R, 'What Do Development Banks Do? Evidence from Brazil, 2002-2009' (2011) <<http://www.hbs.edu/faculty/Publication%20Files/12-047.pdf>> accessed 20 July 2016.

Lensink R, Meesters A, Hermes, N, 'Outreach and efficiency of microfinance institutions' (2011) 39 World Development <<http://www.aiccon.it/file/lensink.pdf>> accessed 02 June 2016.

Leyshon A and Thrift N, 'Geographies of Financial Exclusion: Financial Abandonment in Britain and the United States' (1995) 20(3) Transactions of the Institute of British Geographers, New Series <<https://www.jstor.org/stable/pdf/622654.pdf>> accessed 02 June 2016.

Levine R, 'Finance and Growth: Theory and Evidence' (2015) 1A Handbook of Economic Growth, <http://faculty.haas.berkeley.edu/ross_levine/Papers/Forth_Book_Durlauf_FinNGrowth.pdf> accessed 19 June 2016.

Levine R, 'Financial Development and Economic Growth – Views and Agenda' (1996) The World Bank - Policy Research Working Paper No. 1678 <http://papers.ssrn.com/sol3/papers.cfm?abstract_id=604955&download=yes> accessed 02 August 2016.

Making Finance Work for Africa and others, 'Policy Brief: Advancing African Women's Financial Inclusion' <http://www.africa-platform.org/sites/default/files/cop_resources/advancing_womens_financial_inclusion_0.pdf> accessed 01 September 2016.

Marshall J, 'Financial Institutions in Disadvantaged Areas: A Comparative Analysis of Policies Encouraging Financial Inclusion in Britain and the United States' (2004) 63 In Environment and Planning <http://www.cornerstoneleague.coop/repository/Financial_Inclusion.pdf> accessed 02 June 2016.

Matin I, Hulme D and Rutherford S, 'Financial Services For The Poor And Poorest: Deepening Understanding to Improve Provision' (1999) <<http://hummedia.manchester.ac.uk/institutes/gdi/publications/workingpapers/archive/fd/fdwp09.pdf>> accessed 12 June 2016.

Melio M, 'The Challenges of Poverty Measurement in the Arab Region' (2015) <<http://iariw.org/egypt2015/magedmelio.pdf>> accessed 02 June 2016.

Mercieca S, Schaeck K, Wolfe S, 'Small European banks: Benefits from diversification?' (2007) 31(7) Journal of Banking & Finance <http://ac.els-cdn.com/S0378426607000106/1-s2.0-S0378426607000106-main.pdf?_tid=c3d8b46e-7f51-11e6-b646-00000aab0f26&acdnat=1474390163_f663a8b62a52e0801e5b054d9e7dec5> accessed 10 June 2016.

Mian, A, 'Distance Constraints: The Limits of Foreign Lending in Poor Economies' (2006) 61(3) The Journal of Finance <<http://www.jstor.org/stable/3699329>> accessed 04 June 2016.

Mishra P and Chauhan S, 'CSR Funds in Banking Sector as an Effective Means for Financial Inclusion Initiatives in India' <http://pioneerjournal.in/files.php?force&file=CSR_Funds_in_Banking_Sector_as_an_Effective_Means_for_Financial_Inclusion_Initiatives_in_India_756999930.pdf> accessed 20 July 2016.

Monetary Bulletin, 'The financial system: Strengths and Weaknesses' <<http://www.sedlabanki.is/lisalib/getfile.aspx?itemid=2624>> (2000) accessed 02 September 2016.

Morgan P and Pontines V, 'Financial stability and financial inclusion' ADBI Working Paper No. 448 <<http://www19.iadb.org/intal/intalcdi/PE/2014/14477.pdf>> accessed 02 August 2016.

Mwega F, 'Financial regulation in Kenya: Balancing inclusive growth with financial stability' (2014) <<https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/9279.pdf>> accessed 20 July 2016.

Nelso J, 'Are women really more risk – averse than men? A re-analysis of the literature using expanded methods' (2015) 29(3) Journal of Economic Surveys,
<http://onlinelibrary.wiley.com/doi/10.1111/joes.12069/epdf?r3_referer=wol&tracking_action=preview_click&show_checkout=1&purchase_referrer=www.google.co.uk&purchase_site_license=LICENSE_EXPIRED> accessed 06 July 2016.

Ngugi R, 'Remittance Markets in Africa' Chapter 6 Kenya
<http://siteresources.worldbank.org/EXTDECPROSPECTS/Resources/476882-1157133580628/RMA_Ch6.pdf> accessed 06 July 2016.

Niederle M, 'Gender' (2014) NBER Working Paper Series No. 20788
<<http://www.nber.org/papers/w20788.pdf>> accessed 06 July 2016.

Norgren C, 'The Causes of the Global Financial Crisis and their Implications for Supreme Audit Institutions' (2010)
<<http://www.intosai.org/uploads/gaohq4709242v1finalsubgroup1paper.pdf>> accessed 01 September 2016.

OECD, 'Growing Unequal?: Income Distribution and Poverty in OECD Countries' (2008) Summary in English
<<https://www.oecd.org/els/soc/41527936.pdf>> accessed 12 June 2016.

Organisation for Economic Co-Operation and Development, 'Addressing Financial Consumer Protection Deficiencies in the Post Crisis ERA' (2010) DAF/CMF(2010)6
<http://webcache.googleusercontent.com/search?q=cache:Q8NFswZoIOIj:www.brunel.ac.uk/data/assets/word/doc/0007/93427/09-Financial-consumer-protection-DAF_CMF_2010_6.doc+&cd=4&hl=en&ct=clnk&gl=uk> accessed 20 July 2016.

Osmani S, 'Achievements and Challenges of the Bangladesh Economy: An Overview'
<http://uir.ulster.ac.uk/11273/1/Bangladesh_Economy_Overview.doc> accessed 24 July 2016.

Philippine International Convention Centre, 'National Strategy for Financial Inclusion' (2015)
<<http://www.bsp.gov.ph/downloads/publications/2015/PhilippinesNSFIBooklet.pdf>> accessed 20 July 2016,

Piper A, 'Women spend much more money than men to participate in the 'Bachelor' franchise' (Hercampus, 07 July 2016)
<<http://www.hercampus.com/entertainment/women-spend-much-more-money-men-participate-bachelor-franchise>> accessed 12 August 2016.

Porteous D, Collins D and Abrams J, 'Policy Framing Note 4: Interest Rate Policy' (2010) <<http://www.microfinancegateway.org/sites/default/files/mfg-en-paper-interest-rate-policy-jan-2010.pdf>> accessed 09 July 2016.

Quinn S, 'Financial Inclusion: Don't Go Banking on it' (2008) 16(2) Journal of Poverty and Social Justice <<https://www.deepdyve.com/lp/policy-press/financial-inclusion-don-t-go-banking-on-it-L4aj0AGVAy>> accessed 03 July 2016.

Rabobank Nederland, 'Access to financial services in developing countries' The Rabobank view <https://economie.rabobank.com/PageFiles/3584/access_tcm64-75165.pdf> accessed 3 July 2016.

Rahman R, 'Consequences of Structural Adjustment Policies on the Poor' (2000) Final Draft <http://www.saprin.org/bangladesh/research/ban_poverty.pdf> accessed 10 July 2016.

Rajan G and Zingales L, 'Financial Dependence and Growth' (1998) 88(3) The American Economic Review <<http://www.jstor.org/stable/116849>> accessed 02 June 2016.

Regan S and Paxton W, 'Beyond Bank Accounts: Full Financial Inclusion' (2003) <http://www.ippr.org/files/images/media/files/publication/2011/05/beyond_bank_accounts_1297.pdf?noredirect=1> accessed 02 June 2016.

Roland Berger Strategy Consultants, 'National Financial Inclusion Strategy – Summary Report - Nigeria' (2012) <<https://www.cbn.gov.ng/Out/2012/publications/reports/dfd/CBN-Summary%20Report%20of-Financial%20Inclusion%20in%20Nigeria-final.pdf>> accessed 20 July 2016.

Rutledge S, 'Consumer Protection and Financial Literacy – Lessons from Nine Country Studies' (2010) Policy Research Working Paper No. 5326 The World Bank <http://siteresources.worldbank.org/EXTFINANCIALSECTOR/Resources/Consumer_Protection_and_Fin_LiteracyWPS5326.pdf> accessed 20 July 2016.

Sahay R, Čihák M, N'Diaye P, Barajas A, Mitra S, Kyobe A, Mooi Y, and Yousef S, 'Financial Inclusion: Can It Meet Multiple Macroeconomic Goals?' (2015) IMF SDN/15/17 <<https://www.imf.org/external/pubs/ft/sdn/2015/sdn1517.pdf>> accessed 05 June 2016.

Sahay R, Čihák M, N'Diaye P, Barajas A, Bi R, Ayala D, Gao Y, Kyobe A, Nguyen L, Saborowski C, Svirydzenka K, and Yousefi S, 'Rethinking Financial Deepening: Stability and Growth in Emerging Markets' (2015) IMF Staff Discussion Note No. SDN/15/08 <<https://www.imf.org/external/pubs/ft/sdn/2015/sdn1508.pdf>> accessed 02 July 2016.

Santander Bank, 'Corporate Social Responsibility Report' (2014)
<http://www.santander.co.uk/csdlv1r/ContentServer?c=SANDocument_C&pageName=WCSUKPublicate%2FSANDocument_C%2FSANDocumentPreview&cid=1324581680357> accessed 20 July 2016.

Schmidt R and Hryckiewicz A, 'Financial Systems- Importance, Differences and Convergence' (2006) Working paper Series No.4
<<https://core.ac.uk/download/pdf/14506961.pdf>> accessed 20 June 2016.

Sercu P, 'International Finance: Theory into Practice – Solutions to exercises' (2009) <http://press.princeton.edu/releases/sercu_solutions.pdf> accessed 07 July 2016.

Shafi M and Medabesh A, 'Financial Inclusion in Developing Countries: Evidences from an Indian State' (2012) 5(8) International Business Research
<<http://www.ccsenet.org/journal/index.php/ibr/article/viewFile/18807/12574>> accessed 12 June 2016.

Shams M, 'Accelerating Poverty Reduction in Bangladesh Through the Grameen Family of Companies – Building Social Enterprises as Business Ventures' (2009)
<<http://www.grameenfoundation.org/sites/default/files/archive-dev09/Khalid-Shams-Accelerating-Poverty.pdf>> accessed 24 July 2016.

Shirazi N, 'Targeting and Socio-Economic Impact of Microfinance: A Case Study of Pakistan' (2012) 20(2) Islamic Economic Studies
<<http://www.irti.org/english/research/documents/ies/032.pdf>> accessed 12 June 2016.

Sinclair S, 'Financial Exclusion: An Introductory Survey' (2001) Edinburgh: Heriot Watt University / Centre for Research into Socially Inclusive Services (CRSIS)
<http://www.academia.edu/7086629/Financial_Exclusion_An_Introductory_Survey> accessed 03 June 2016.

SmartRamps Commentary, 'What Really is a Stable Deposit?' (2012) McGuire Performance Solutions
<<https://www.mpsaz.com/common/files/MPS%20SmartRamps%20Commentary%20for%20063012.pdf>> accessed 02 August 2016.

Smyczek S and Matysiewicz J, 'Financial exclusion as barrier to socio-economic development of the baltic sea region' (2014) 15 Journal of Economics & Management,
<http://www.ue.katowice.pl/fileadmin/migrated/content_uploads/4_Smyczek_Matysiewicz_Financial_Exclusion....pdf> accessed 10 June 2016.

Soskic D, 'Financial literacy and financial stability' (2011) Keynote speech at the Bank of Albania Ninth International Conference Building our future through financial literacy <<http://www.bis.org/review/r110929e.pdf>> accessed 12 August 2016.

Srinivas H, '14 Reasons why the Informal Credit Market is used by the Poor: Policy Implications for Microcredit Programmes in Developing Countries' (2016) <<http://www.gdrc.org/icm/14reason.html>> accessed 12 June 2016.

Stever R, 'Bank size, credit and the sources of bank market risk' (2007) BIS Working Paper no. 238, Basel <<http://www.bis.org/publ/work238.pdf>> accessed 10 June 2016.

Swamy V, 'Financial Inclusion, Gender Dimension, and Economic Impact on Poor Households' (2014) 56 World Development 1-15 <<http://dx.doi.org/10.1016/j.worlddev.2013.10.019>> accessed 20 June 2016.

The AFI, 'A Quick Guide to the Maya Declaration on Financial Inclusion' <http://www.afi-global.org/sites/default/files/afi_maya_quick_guide_withoutannex_i_and_ii.pdf?op=Download> accessed 03 July 2016.

The AFI, 'Financial Inclusion for Gender and Women' (2016), <<http://www.afi-global.org/sites/default/files/publications/2016-08/FS-BTG-105x297-digital.pdf>> accessed 01 August 2016.

The AFI, 'G20 Principles for Innovative Financial Inclusion' (2010) <<http://www.gpfi.org/sites/default/files/documents/G20%20Principles%20for%20Innovative%20Financial%20Inclusion%20-%20AFI%20brochure.pdf>> accessed 18 June 2016.

The AFI, 'National Financial Inclusion Strategies Current State of Practice' (2015) <http://www.afi-global.org/sites/default/files/publications/fisplg-state_of_practice.pdf> accessed 20 July 2016.

The AFI, 'Policy Frameworks to Support Women's Financial Inclusion' <http://www.afi-global.org/sites/default/files/publications/2016-08/2016-02-womenfi.1_0.pdf> (2016) AFI Special Report.

The AFI, 'Putting Financial Inclusion on the Global Map' (2013) Maya Declaration Progress Report <http://www.fgda.org/dati/ContentManager/files/Documenti_microfinanza/Afi-2013-Maya-Progress-Report.pdf> accessed 03 July 2016.

The AFI, 'The 2011 AFI Global Policy Forum Report – Taking Stock – Setting Goals – Moving Forward' (2011) <http://www.afi-global.org/sites/default/files/pdfimages/AFI_2011GPFReport_HighRes_Updated15Aug2012_pg44.pdf> accessed 22 July 2016.

The commonwealth, 'strategies for women's financial inclusion in the commonwealth' (2015) discussion paper <<http://thecommonwealth.org/sites/default/files/inline/Women's%20Financial%20Inclusion%20Discussion%20Paper%20FINAL.pdf>> accessed 03 June 2016.

The MasterCard Foundation and IFC, 'The Partnership for Financial Inclusion – Women Make the Best DFS Agents'
<<https://www.ifc.org/wps/wcm/connect/16fafca1-dbbc-4e0f-be83-4daf75aabadf/Field+Notes+5+-+Women+DFS+Agents.pdf?MOD=AJPERES>>
accessed 20 June 2016.

The World Bank, 'A National Mission on Financial Inclusion in India' (2014)
<<http://financialservices.gov.in/banking/PMJDY%20BROCHURE%20Eng.pdf>>
accessed 20 July 2016,

The World Bank, 'Bangladesh: Towards Accelerated, Inclusive and Sustainable Growth – Opportunities and Challenges' (2012)
<<https://openknowledge.worldbank.org/bitstream/handle/10986/12121/67991.pdf?sequence=1>> accessed 20 July 2016.

The World Bank, 'Chapter 2 The Definitions of Poverty'
<<http://siteresources.worldbank.org/INTPOVERTY/Resources/335642-1124115102975/1555199-1124115187705/ch2.pdf>> accessed 02 June 2016.

The World Bank, 'Financial Inclusion Strategies Reference Framework' (2012)
<<http://siteresources.worldbank.org/EXTFINANCIALSECTOR/Resources/282884-1339624653091/8703882-1339624678024/8703850-1339624695396/FI-Strategies-ReferenceFramework-FINAL-Aug2012.pdf>> accessed 09 June 2016.

The World Bank, 'National Partnership for Financial Inclusion – Action Plan to Strengthen the Institutional Environment / Brazil' (2012)
<http://www.bcb.gov.br/Nor/relincfin/Brazil_Financial_Inclusion_Action_Plan.pdf> accessed 20 July 2016,

The World Bank, 'Poverty Maps of Bangladesh – Key Findings' (2010)
<http://www.bbs.gov.bd/WebTestApplication/userfiles/Image/LatestReports/Poverty_Map_brochure10.pdf> accessed 21 July 2016.

The World Bank, 'The Little Data Book' (2016)
<<https://openknowledge.worldbank.org/handle/10986/23968>> accessed 20 July 2016.

The World Bank Development Research Group, the Better Than Cash Alliance and the Bill & Melinda Gates Foundation, 'The Opportunities of Digitizing Payments' (2014)
<http://siteresources.worldbank.org/EXTGLOBALFIN/Resources/8519638-1332259343991/G20_Report_Final_Digital_payments.pdf> accessed 20 July 2016.

Thiel V, 'Access all areas – Mobile Phone Banking and the Promotion of Financial Inclusion' <<http://transact.org.uk/shared/get-file.ashx?id=106&itemtype=document>> accessed 21 July 2016.

Thorsten B and De la Torre de la Torre A, 'Broadening Access to Financial Services: Risks and Costs' (2005) WBG.

Tombini A, 'Financial Inclusion in Brazil' (2012)
<http://siteresources.worldbank.org/FINANCIALSECTOR/Resources/2012-04-20-G20_Brazil_Financial_Inclusion.pdf> accessed 20 July 2016.

Toporowski J, 'Beyond banking: financial institutions and the poor' (1987) In P. Golding (Ed.) Excluding the Poor, pp. 55-69. London: Child Poverty Action Group.

Triki T and Faye I, 'Financial Inclusion in Africa' (2013)
<http://www.afdb.org/fileadmin/uploads/afdb/Documents/Project-and-Operations/Financial_Inclusion_in_Africa.pdf> accessed 20 July 2016.

Ukah M, 'Structural Adjustment Programme and its Negative Effect on Education in Nigeria: A Philosophical Reconceptualization' (2014) 2(2) International Journal of Public Administration and Management Research
<<http://rcmss.com/2014/IJPAMR-VOI2-No2/Structural%20Adjustment%20Programme%20and%20its%20Negative%20Effect%20on%20Education%20in%20Nigeria%20A%20philosophical%20Reconceptualiz.pdf>> accessed 05 July 2016.

UNCTAD, 'Report of the multi-year expert meeting on trade, services and development on its first session' (2013) TD/B.C.I.MEM.4/3
<http://unctad.org/meetings/en/SessionalDocuments/c1mem4d3_en.pdf> accessed 20 July 2016.

UNDP, 'Access to Information (II)' (2012)
<http://www.bd.undp.org/content/bangladesh/en/home/operations/projects/democratic_governance/access-to-information-ii-.html> accessed 20 July 2016.

UNDP, 'Poverty Reduction – Scaling Up local Innovations for Transformational Change' (2012)
<http://www.undp.org/content/dam/undp/library/Poverty%20Reduction/Participatory%20Local%20Development/Bangladesh_D10_web.pdf> accessed 20 July 2016.

UNDP, 'Sustainable Development Goals'
<<http://www.undp.org/content/undp/en/home/sustainable-development-goals.html>> accessed 14 June 2016.

United Nations, 'Building Inclusive Financial Sectors for Development' (2006)
<http://www.unctf.org/sites/default/files/Documents/bluebook_1.pdf> accessed 03 June 2016.

United Nations Conference on Trade and Development, 'Mobile Money for Business Development in the East African Community' (2012) a Comparative Study of Existing Platforms and Regulations

<http://unctad.org/en/PublicationsLibrary/dtlstict2012d2_en.pdf> accessed 12 July 2016.

United Nations, 'Report of the Special Rapporteur on Extreme Poverty and Human Rights' (2012) A/67/278
<<http://www.ohchr.org/Documents/Issues/Poverty/A-67-278.pdf>> accessed 14 June 2016.

Union Digital Centres, 'Innovation Brief' <<http://www.a2i.pmo.gov.bd/wp-content/uploads/2016/08/Innovation-Brief-Union-Digital-Center.pdf?autoplay=1>> accessed 20 July 2016.

United Nations, 'Sustainable Development – Knowledge Platform'
<<http://www.un.org/sustainabledevelopment/sustainable-development-goals/>> accessed 14 June 2016.

Universal Postal Union, 'Global Panorama on Postal Financial Inclusion: Business Models and Key Issues' (2012) <<https://www.finextra.com/finextra-downloads/newsdocs/unupu.pdf>> accessed 23 July 2016.

World Council of Credit Unions, 'Technical Guide Using Mobile Technology to Expand Financial Inclusion' (2012)
<https://www.woccu.org/documents/WOCCUTechnicalGuide_MobileTechnology> accessed 20 July 2016.

Wurgler J, 'Financial markets and the allocation of capital' (2000) 85 Journal of Financial Economics,
<<http://people.stern.nyu.edu/jwurgler/papers/capallocation.pdf>> accessed 02 July 2016.

Yorulmazer T, 'Literature Review On the Stability of Funding Models' (2014) Federal Reserve Bank of New York, 20(1) Economic Policy Review
<http://www.bis.org/publ/qtrpdf/r_qt1503h.pdf> accessed 02 August 2016.

Legislation

Brazilian Community Reinvestment Act 2003.

Brazilian Home Mortgage Disclosure Act 1975.

Other Written Sources

African Development Bank Group, 'Goal 1: Eradicate extreme poverty and hunger' (African Development, Algeria, 2015) <<http://www.afdb.org/en/topics-and-sectors/topics/millennium-development-goals-mdgs/goal-1-eradicate-extreme-poverty-and-hunger/>> accessed 12 July 2016.

a2i, 'About Us' (a2i, Prime Minister Office, Bangladesh, 2016)
<<http://www.a2i.pmo.gov.bd/>> accessed 20 July 2016.

Bergen J, '6 Factors That Influence Exchange Rates' and Video (INVESTOPEDIA, updated) <<http://www.investopedia.com/articles/basics/04/050704.asp>> accessed 02 August 2016.

Beth Porter, 'A means to an end: The post-2015 future of financial inclusion' (UNCDF, 06 April 2015) <<http://www.uncdf.org/en/means-end-post-2015-future-financial-inclusion>> accessed 2 June 2016.

Better Than Cash Alliance, 'About' (Better Than Cash Alliance, 2016) <<https://www.betterthancash.org/about>> accessed 02 June 2016.

Bonds News, 'Update 6-Brazil deposit guarantee fund throws\$1.6 bln lifeline to BTG Pactual' (Reuters, 4 December 2015) <<http://www.reuters.com/article/brazil-corruption-btg-pactual-sa-idUSL1N13T0DZ20151204>> accessed 12 July 2016,

CDR Cell, 'Genesis of CDR Mechanism in India' (CDR, Mumbai, India) <<http://www.cdrindia.org/aboutus.htm>> accessed 3 June 2016.

Centre for Financial Inclusion, 'Sponsors & Partners' (Centre for Financial Inclusion, Washington, DC, USA) <<http://www.centerforfinancialinclusion.org/collaborators-a-sponsors/sponsors>> accessed 24 June 2016.

CGAP, 'About CGAP' (CGAP, 2016) <<http://www.cgap.org/about>> accessed 02 June 2016.

CGAP, 'Donors and Investors' (CGAP, Washington, DC, USA) <<http://www.cgap.org/topics/donors-and-investors>> accessed 24 June 2016.

CGAP, 'Financial Inclusion' (CGAP, 2016) <<http://www.cgap.org/topics/financial-inclusion>> accessed 02 June 2016.

CGAP, 'International Financial Inclusion Funding Data' (CGAP, Washington, DC, USA, 2005) <<http://www.cgap.org/data/2015-international-financial-inclusion-funding-data>> accessed 24 June 2016.

CGAP, 'International Financial Inclusion Funding Data - Methodology' (CGAP, Washington, DC, USA, 2015) <<http://www.cgap.org/data/2015-international-financial-inclusion-funding-data>> accessed 25 July 2016.

CGAP, 'Regulation and Supervision' (CGAP, Washington, USA) <<http://www.cgap.org/topics/regulation-and-supervision>> accessed 20 July 2016.

Cheng M, 'Men vs. Women: Who Spends More and On What?' (Lifhack) <<http://www.lifhack.org/articles/money/men-women-who-spends-more-and-what.html>> accessed 12 August 2016.

Financial Inclusion (FI), 'Financial Inclusion in India – Strengthening Financial Inclusion by Increasing Transparency' (FI, India, 2014)
<http://planetfinanceindia.org/financialinclusioninindia/What_is_FI.html> accessed 19 June 2016.

Garrett K, 'Foreign currency risk and its management' (ACCA global, UK, 3 September 2015) <<http://www.accaglobal.com/uk/en/student/exam-support-resources/fundamentals-exams-study-resources/f9/technical-articles/forex.html>> accessed 07 July 2016,

Grandolini G, '5 Ways Universal Financial Access Can Help People Build a Better Life' (Mastercard Centre for Inclusive Growth, USA, 28 April 2015)
<<http://mastercardcenter.org/insights/5-ways-universal-financial-access-can-help-people-build-better-life/>> accessed 17 June 2016.

Islami Bank, 'Rural Development Scheme' (Islami Bank, Bangladesh)
<<http://www.islamibankbd.com/prodServices/rdsScheme.php>> accessed 24 July 2016.

Kallol A and Husain I, 'Digital Transaction Under Big Expansion Plan' (DhakaTribune, Bangladesh, 17 February 2016)
<http://hawker.com.bd/news_details.php?news_id=466537&news_category_id=5&val_lan=> accessed 19 July 2016.

Kirk M, 'Four Reasons to Question the Official 'Poverty Eradication' Story of 2015' (Common Dreams, USA, 16 March 2015)
<http://www.commondreams.org/views/2015/03/16/four-reasons-question-official-poverty-eradication-story-2015>> accessed 06 June 2016.

Koker L, Laur K and Lyman T, 'Deepening Insights on Financial Exclusion Risks' (CGAP, Washington, DC, USA, 09 June 2016)
<<http://www.cgap.org/blog/deepening-insights-financial-exclusion-risks>> accessed 20 July 2016.

Lahaye E, Dashi E, Dolke E and Soursourian M, 'Spotlight on International Funders' Commitments to Financial Inclusion' (2015)
<<http://www.cgap.org/sites/default/files/Brief-Spotlight-on-International-Funders%27-Commitments-to-Financial-Inclusion-Mar-2015%20.pdf>> accessed 24 June 2016.

Lahaye M, 'International Funding for Financial Inclusion: What's New?' (CGAP, Washington, DC, USA, 25 March 2015)
<http://www.cgap.org/blog/international-funding-financial-inclusion-whats-new>> accessed 24 July 2016.

Lavinsky D, 'The Two Most Important Quotes in Business' (growthink, USA, 25 June 2013) <<http://www.growthink.com/content/two-most-important-quotes-business>> accessed 02 June 2016.

Shah A, 'Structural Adjustment – a Major Cause of Poverty' (Global Issues, UK, 24 March 2013) <<http://www.globalissues.org/article/3/structural-adjustment-a-major-cause-of-poverty>> accessed 02 July 2016.

Stiglitz J, 'More Instruments and Broader Goals: Moving Toward the post-Washington Consensus' (World Institute for Development Economics Research, The United Nations University, USA)
<<http://www.ecofuente.freesevers.com/neo/stiglitz.htm>> accessed 20 June 2016.

The Nobel Prize, 'The Nobel Peace Prize for 2006' (Oslo, 13 October 2006)
<http://www.nobelprize.org/nobel_prizes/peace/laureates/2006/press.html>
accessed 03 June 2016.

The World Bank, 'Brazil - Overview'
<<http://www.worldbank.org/en/country/brazil/overview>> accessed 20 July 2016.

The World Bank, 'Ending Extreme Poverty and Promoting Shared Prosperity' (The World Bank, Washington, DC, USA)
<http://www.worldbank.org/en/news/feature/2013/04/17/ending_extreme_poverty_and_promoting_shared_prosperity> accessed 02 June 2016.

The World Bank, 'Financial Inclusion Data/Global Findex'.

The World Bank, 'Overview: National Financial Inclusion Strategies' (WBG, Washington, DC, USA, 11 November 2015)
<<http://www.worldbank.org/en/topic/financialinclusion/brief/national-financial-inclusion-strategies>> accessed 20 July 2016.

The World Bank, 'Poverty Reduction: How and Where We Work' (The World Bank, Washington, DC, USA)
<<http://www.worldbank.org/en/news/feature/2013/02/05/povertyreductioninpractice>>
accessed 02 June 2016.

The World Bank, 'UFA2020 Overview: Universal Financial Access by 2020' (WBG, 18 August 2016)
<<http://www.worldbank.org/en/topic/financialinclusion/brief/achieving-universal-financial-access-by-2020>> accessed 20 August 2016.

The World Bank, 'What We Do' (The World Bank, Washington, DC, USA)
<<http://www.worldbank.org/en/about/what-we-do>> accessed 02 June 2016.

The World Bank, 'World Bank Forecasts Global Poverty to Fall Below 10% for First Time; Major Hurdles Remain in Goal to End Poverty by 2030' (WBG, Washington, DC, 4 October 2015) <<http://www.worldbank.org/en/news/press-release/2015/10/04/world-bank-forecasts-global-poverty-to-fall-below-10-for-first-time-major-hurdles-remain-in-goal-to-end-poverty-by-2030>> accessed 06 June 2016.

The World Bank, 'World Development Indicators'.

UNDP, 'Millennium Development Goals' (UNDP, USA, 2015)
<http://www.undp.org/content/undp/en/home/sdgoverview/mdg_goals.html>
accessed 12 July 2016.

UN, 'GOAL 1: ERADICATE EXTREME POVERTY & HUNGER' (UN, USA, 2015)
<<http://www.un.org/millenniumgoals/poverty.shtml>> accessed 12 July 2016.

UNICEF, 'MILLENNIUM DEVELOPMENT GOALS - Eradicate extreme poverty and hunger' (Unicef, USA, 2015) <<http://www.unicef.org/mdg/poverty.html>> accessed 12 July 2016.

Other Sources

Centre for Financial Inclusion, 'Financial Inclusion 2020: Access and Quality for all' (You Tube, 29 October 2013) Video
<<https://www.youtube.com/watch?v=K0FdB8mC3mk>> accessed 02 June 2016.

IEG World Bank Group, 'Financial Inclusion – A Foothold on the Ladder Toward Prosperity' (You Tube, 29 November 2015) Video
<<https://www.youtube.com/watch?v=4jH7A0LORGQ>> accessed 02 June 2016.

Schulman D, 'Financial Inclusion' (You tube, Poptech, 13 November 2013) Video
<<https://www.youtube.com/watch?v=GEZWMkQ9BEc>> accessed 02 June 2016.

SibosTV, 'What is financial inclusion and why should we care?' (YouTube, 02 October 2014) Video <<https://www.youtube.com/watch?v=BGNDQtHyasw>>
accessed 02 June 2016.

The AFI, 'Bill Gates on the digital future and financial inclusion' (You Tube, 10 September 2013) Video <<https://www.youtube.com/watch?v=6xkwAL3jwJs>>
accessed 20 June 2016.

The World Bank, 'Universal Financial Access 2020' (WBG, 17 April 2015) The World Bank Live, Video <<http://live.worldbank.org/universal-financial-access-2020>>
accessed 03 July 2016.

Wall Street Journal, 'What is financial inclusion' (YouTube, 17 March 2015) Video
<<https://www.youtube.com/watch?v=ogUqrJudwIE>> accessed 02 June 2016.