Introduction: Sharing Stories of Inclusive Finance

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Over two billion people—nearly a third of the entire human race—live outside the formal financial sector. In many developing and emerging economies, the percentage of those who are financially excluded is considerably higher. Expanding financial access is essential to eradicating poverty and promoting social justice and economic growth. This Financial Inclusion Report emerged as collaboration between the BU CFLP Financial Inclusion workstream and the Hubert H. Humphrey Fellowship Program. The publication features essays by the 2015-2016 Humphrey Fellows at Boston University on the topics relevant to financial inclusion from their respective countries. The essays are based on the Fellows’ personal and professional experience with financial inclusion issues and explore informal savings and credit mechanisms, facilitating connections between the formal and informal financial sectors, economic and social empowerment through inclusive finance and entrepreneurship, and financial education and literacy.

In recent years, initiatives that aim to make efficient and affordable financial services accessible to everyone have emerged at the forefront of the global policy agenda. The new Sustainable Development Goals of the United Nations, which set global development priorities, highlight the interconnectedness of financial inclusion with food security and improved livelihood resilience, better health and education, and gender empowerment and economic equality. New institutional and technological advancements have created novel opportunities for expanding financial access. For an improved coordination and regulation of these efforts, many developing countries adopted the Maya Declaration in 2011 – a set of common policy principles to guide the expanding inclusive finance for development. As the essays in this volume show, financial inclusion efforts can be most successful when they build on local initiatives, institutional patterns, and cultural and religious norms.

Several essays explore the central role of informal associations and groups in facilitating financial access in local communities. Mouhamadou Kane’s article on tontines – informal savings groups in Senegal – explores the economic as well as social benefits of these groups. It argues that the groups are flexible financial instruments that strengthen social cohesion and reciprocity in Senegalese communities, building on important socio-cultural norms and values. Similar informal initiatives are...