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. How
do the poor manage their money? What are the dynamics of the grassroots economies? How are the rapidly evolving financial technologies changing the financial inclusion landscape and interacting with local innovation? The course investigates how finance actually works at the grassroots level in developing economies, often outside of formal banking systems. It offers a comparative and cross-cultural examination of how customs, regulation, and technology affect lending, borrowing, and transferring money.

Class discussions explore informal financial institutions and their complex relationships with the formal sector, with a focus on managing economic informality and entrepreneurship in the communities of developing countries. The evolving financial landscape of grassroots economies is examined through the analysis of the role of government, industry and donors in financial inclusion initiatives to reduce poverty and financial exclusion. New technologies, institutions, and policy frameworks are discussed that create the promise of a more equitable and inclusive financial system that supports development and human security. Mobile money and digital finance have become central in the grassroots economies in many parts of the developing world, facilitating new creative ways for people to send and save money, but also reshaping conceptual and social relationships. Transnational aspects of financial inclusion are also examined, including migrant remittances and novel digital technologies that offer financial access to the unbanked. Cryptocurrencies and other blockchain technology applications promise to introduce novel decentralized modes of financial management and governance. New digital finance initiatives pose questions not only about financial rules, but also regulations and policies related to telecommunications, privacy, and innovation. The course also examines the effects of growing mobility and migration to grassroots economies and financial inclusion, exploring displacement economies and conflict-related war networks.

Course materials include theoretical and ethnographic volumes, articles, book chapters and case studies - available at the BU bookstore, library reserve, or uploaded on the course Blackboard site. The course also draws on material from recent periodicals and online blog sites by financial industry and development experts. Extensive collections of additional literature resources on selected course topics are also uploaded on Blackboard. Video materials and short films are utilized to illustrate class discussions.

**NOTE: The course provides credit towards the Graduate Certificate in African Studies.**

**Learning Outcomes:**

By the end of this course, students will have achieved the following course learning outcomes:
• Understand the multiple methods by which households in developing economies address their needs for financial services, including remittance/payment, saving, borrowing, and insurance functions.
• Understand the linkages between formal and informal financial institutions, including both traditional ones such as banks and money transfer services and emerging ones such as mobile money and cryptocurrencies.
• Understand the interaction between regulation and technology in grassroots finance, and how to analyze how those factors affect the decisions that individuals, households, and communities make about how to manage their financial affairs.
• Understand the potential and uses of ethnographic methods in studying economic behavior.
• Deepen their knowledge of economic and social practices in Africa and other developing economies through case studies and explicit comparison.

Course requirements:

This course follows a seminar format. Requirements include attendance and participation in class, completing required reading assignments on time, two papers, and two class presentations. Topics for the midterm paper (8-10 pp.) will be assigned. As for the research paper (15-20 pp.), each student may write on a topic of his or her choice (with my consultation), but will be expected to add considerably to what has been covered in the classroom and course readings. I will provide more information concerning the papers and class presentations in separate handouts. You can use supplementary reading lists in the syllabus and on Blackboard.

Class discussions are guided by framing questions that will be posted on Blackboard at the beginning of each week. Participation is an important element of the course and is evaluated based on two components. First, class discussions will be graded based on the quality rather than quantity of contributions, and measured by student's critical engagement with the readings and ability to convey ideas in an organised and thoughtful manner. The second component of class participation involves two page reflection papers. Every student has to prepare three reflection papers throughout the term that are due in hard copy at the beginning of the class. The objective of the reflections is to analyze rather than summarize the material covered, and link theoretical issues to the empirical.

Summary of grading:

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<tr>
<th>Component</th>
<th>Percentage</th>
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<tr>
<td>Class participation</td>
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<tr>
<td>Midterm paper</td>
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<tr>
<td>Research paper</td>
<td>35%</td>
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<tr>
<td>Class presentations</td>
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Academic honesty:

Students are expected to provide citations in papers for all quotations, paraphrases, and ideas taken from any source other than your own original thoughts. Boston University has very strict standards for intellectual integrity, and academic dishonesty will not be tolerated. Cases of suspected academic misconduct will be referred to the Dean’s Office. For more on the definition of plagiarism and the standards to which you will be held, please see the Academic Conduct Code, or http://www.bu.edu/grs/academics/resources/adp.html.

Late work and absences:

Please inform me prior to the paper deadline if you have a valid excuse for a delayed submission of your work. If you fail to do that, late work will receive reduced points, with each additional day equal to reduction by one grade point (e.g. A- instead of A). If you miss class for any reason, it is your responsibility to ensure that you obtain any assignments or handouts. All assignments and handouts, in addition to the syllabus, will be made available on the Blackboard site.

Blackboard:

This course will utilize Blackboard where you can find the course syllabus, some course readings, discussion points for the class, and assignments for the course. In case there are any changes in the syllabus, this information will be posted on Blackboard as well as circulated via group email.

Readings:

Core readings and recommended readings for the course will be available through Blackboard and the library reserve at Mugar Library. Many of the course readings will be in the form of journal articles or book chapters. These are available either through the BU Library system’s E-Journals system or as PDFs on the Blackboard page. Students will also receive a detailed supplementary reading list that they can draw upon when writing course papers and preparing for presentations. The reading list in the syllabus includes a selection of ‘supplementary readings’ that provides a more detailed discussion of the topics.

The following books are on order at the Bookstore (purchase is optional but recommended):

COURSE OUTLINE:

Week 1.

Class 1: Course introduction and overview. How do the poor manage their money?

Class 2: What does it mean to be financially excluded?
- Mehta and Realini. Financial Inclusion at the Bottom of the Pyramid, Chapter 1 “Half of the World Are Financial Nomads.”
- Mehta and Realini. Financial Inclusion at the Bottom of the Pyramid, Chapter 2 “The Barriers to the Traditional Financial System.”
- Mehta and Realini, Financial Inclusion at the Bottom of the Pyramid, Chapter 3 “Measuring the Cost of Being the Financial Nomad.”

Week 2.


Class 2: Mutual security and informal economic groups.

Supplementary reading:

**Week 3.**

**Class 1: Finance for the poor?**


**Class 2: Clients, providers and the dynamics of debt: conceptualizing financial inclusion.**


**Supplementary reading:**


**Week 4.**

**Class 1: Managing economic informality in Africa.**


**Class 2: Economic informality, resource access, and occupational identity: Cases from Africa.**


**Supplementary reading:**


1st PAPER TOPICS DISTRIBUTED. PAPERS DUE ON ....

**Week 5.**

**Class 1: Money, technology and financial inclusion.**


**Class 2: Mobile money and digital finance in developing economies.**

- Maurer, Bill. *How would you like to pay? How Technology is Changing the Future of Money*, Chapters 4-6.

**Supplementary reading:**

Week 6.

Class 1: Mobile money in developing economies – continued.

- MSHWARI case study (Blackboard)

Class 2: Mobile banking in Kenya, the Philippines, Bangladesh, and India.

- Mehta and Realini. *Financial Inclusion at the Bottom of the Pyramid*, Chapters 4-8.

Supplementary reading:


Week 7.

Class 1: Mobile money, alternative currencies and statehood – The case of Somaliland.


Class 2: Digital finance and inclusion in Africa and Asia: Comparative perspectives.


**Supplementary reading:**


**Week 8.**

**Class 1:** Mobility, displacement, and remittances. The transnational aspects of financial inclusion.


**Class 2:** Transnational remittances continued.


**Supplementary reading:**


**RESEARCH PAPER PROPOSALS DUE**

**Week 9.**
**Class 1: Informal remittances and hawala/hundi. Regulating remittance institutions.**


**Class 2: Student presentations: Digital finance and financial inclusion (part 1).**

Supplementary reading:


**Week 10:**

**Class 1: Cryptocurrencies and financial inclusion.**


**Class 2: Crypto-remittances: Comparative cases from Asia and Africa.**

- Scanned materials and media links on Blackboard.

Supplementary reading:


**Week 11.**

**Class 1:** *Student presentations: Digital finance and financial inclusion (part 2).*

**Class 2:** *Economies of conflict and displacement.*


**Supplementary reading:**


**Week 12.**

**Class 1:** *Refugee economies: The Ugandan case.*


**Class 2:** *Economies in borderlands: Shadow networks and war economies.*


**Week 13.**

**Class 1:** *Ethnography of a displacement economy: Kenya/Somalia.*

Class 2: Ethnography of a displacement economy: Kenya/Somalia (continued).


Supplementary reading: