Finance for the Future: Exploring Innovative Solutions for African Economic Empowerment

Pr Kelly Mua Kingsley
PhD/MBA, MPA, CFA, CFI, PMP, ISO 700
Finance engineer (Forensic finance and audits)
blog:www.kellykingsly.com
My Papers: SSRN
https://www.linkedin.com/in/kelly-kingsley-ph-d-2a5a1416/

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1. Introduction

Financial inclusion seeks to provide individuals and businesses, including those in impoverished and underserved rural and urban areas across Africa, with access to a wide range of valuable and cost-effective financial products and services that cater to their fundamental requirements. These encompass various economic activities: transactions, payments, savings, credit, and insurance. To achieve this objective, providers actively involved in fostering financial inclusion, such as fintech companies, telecommunication operators, and microfinance institutions, strive to create and implement groundbreaking and sustainable solutions that have the potential to reach and benefit millions of individuals who were previously excluded from the traditional banking system. (Ajide, 2020)(Matsebula & Yu, 2020)(Ozili2020)(Matekenya et al., 2021)(Kebede et al., 2021)(Siano et al., 2020)(Anarfo & Abor, 2020)(Ouechtati, 2020)(Adedokun & Ağa2023)(Berhanu Lakew & Azadi, 2020)

This essay sets out to explore these financial innovations and trends, including investment opportunities, sticking points, and potential future development of these strategies by addressing the following key issues:

- Introduction - Financial Inclusion - Why is Financial Inclusion an Important Goal? - The Scale of Financial Exclusion - Key Innovations to Encourage Financial Inclusion: Mobile Banking, Agent Banking, Digital Financial Service Providers (fintechs), Fee Waivers, Ensuring Endpoint Interoperability - Investment Opportunities - Shipping the Last Mile – Sticking Points in Further Investment to Widen the Last One Mile.

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1.1. Background and Rationale

The backdrop against which this essay is written served as the focus and aspiration of the 'Rethinking Africa' conference held at Maynooth University on 29 October 2021, Lake Kamnarok Conference 2022 on Innovation, the Intellectual Agenda 2025, as well as the proceedings of the Inaugural African Finance Forum 2021. Many actors have and continue to attempt to understand and find solutions to the following questions: what is finance for? What does rising inequality, poverty, and unemployment underscore? And how do we configure a world that can provide a future for all?

In recent years, finance for the future has developed as a global movement promoting finance and investment for positive social and environmental outcomes. This agenda acknowledges that financial markets can change behavior, rewarding those who deliver financial results while working harmoniously with and for us, and diverting capital away from those who do not. Over £20 trillion in assets, 8% financial assets worldwide, and Banking on Values' 35 members representing USD 233 billion, spanning 36 countries, have aligned with the values-based principles and metrics developed within this growing ecosystem, characterised by integrity, cooperation, and sustainability. Adverse economic and financial dynamics in the global South and Africa open pathways for framing novel and innovative finance systems. The discussions within this essay aim to contribute to these pathways.

2. Historical Perspectives on African Economic Development

The legacies of colonialism, heritage, and nationalist struggles for independence cannot be understood as distinct phases of historical development; instead, various forces converged to influence and reproduce the structures inherited by most citizens in sub-Saharan Africa. These legacies continue to haunt and impede peoples' empowerment on the continent. Indigenous knowledge and cultures were pathologised, racialized, and othered to justify the destruction of political systems and to justify dehumanisation, exploitation, and extermination. The lifting of tariff barriers in the mid-1980s eroded the profitability of the

Commonwealth Agreement for the Purchase of British Bauxite and Inverness Consolidated. It hence led to the moribund state of the agreement in the 1990s.

Iliffe (1995) outlined the need for new research questions to explore African economic history beyond state formation, the rise and decline of states, and the formation of political kingdoms. These new questions outlined by Iliffe examined empowerment from a broader perspective, incorporating the interaction between the state, the market, and households. This broader understanding among economic historians has parallels with insights from feminist economists who are concerned with multiple forms of vulnerabilities and deprivations suffered by women. Economic history research reveals the complex interactions that shape social ()justice within and beyond the workplace. Indeed, transformation is required in the larger environment in which economic activity is embedded to bring meaningful economic empowerment, not just access, to African societies.

2.1. Colonial Legacies

Various factors have been blamed for the underperforming African economy, including bad leadership, corruption, underinvestment, lack of technologies, and lack of macro-management skills. Nevertheless, many studies on the subject reveal that the past holds the key to understanding the historical antecedents of the present socio-economic landscape in Africa. In other words, those interested in the political, economic, and business environment can draw from the past to account for these variations.

Regarding the African political economy, historical factors such as colonial legacies still have a long-lasting impact on the present economic aggregates. This is because the economy in Africa was founded on slavery and colonialism for the last 700 years. The implication is that, when the colonial experience is removed, the once colonised people may taste 'economic freedom' since history had tied them down to this economic past.

Colonialism is a feature of capitalism in Africa that is interrelated with European global capitalist market expansion. It is also marked by economic and social differences over space sustained by conquest and rule, especially in the period from 1870, and accompanied by the appropriation of surplus from the colonies in the form of 'economic drain'. Particularly, colonial rule erased democratic traditions in Africa and built repressive institutions of the states. More

importantly, colonial rule facilitated the establishment of systems of extraction of primary commodities from the colonies. As a result, African institutions in general and Ghanaian institutions in particular are not indigenous. While some economic theories hold that geography and economic structures drive economic trajectories, others suggest that institutions are decisive in shaping the future of any economy.

3. Contemporary Economic Challenges in Africa

Introduction Africa has just revised its economic growth projections upwards, and the continent is recovering from the fastest deceleration since the 1960s due to the COVID-19 pandemic and protracted lift-off. It has done so in conjunction with global recovery and rebounding prices of commodities in the second half of 2021. Despite the good news, Africa's pre-existent economic issues and structural challenges have been exacerbated by the experience of economic doldrums through most of 2020 and 2021. Therefore, Africa emerges from the pandemic with limited resources to face the looming problem of economic exclusion and civic unrest, taking advantage of the world's financial support, especially from the International Financial Institutions and the West.

I. Infrastructure as the Oxygen for Economic Resilience As a continent, Africa has a great deal of need for infrastructure, whether from a developmental or commercial perspective. African economic limits and, often, economic exclusion cited earlier, come from paying for a lack of infrastructure in power, transport, water, health services, and others. Africa is considered the world's lowest electrical consumer and suffers 40% of the world's population without access to power supply. Furthermore, insufficient roads cause African businesses to spend more to move products than they do to manufacture or buy them. Consequently, two-thirds of the continent's traffic is by road, in contrast with 90% in developed nations and 40% in South Asia. You may regard inadequate infrastructure as analogous to a bungalow with fractious floors - this is an even more urgent issue if you are trying to create, connect, and bring millions of young, mounting urban individuals to job centres.

3.1. Infrastructure Deficits

Infrastructure is pivotal to economic growth. To bridge infrastructure deficits, African countries face a myriad of challenges. Engineering challenges in the form of landlockedness preclude easy access to global trade routes. It is incredibly costly to develop infrastructure in these countries without seaport access. Legal

challenges are common in the form of policies hostile to investors, typically poor governance and political instability. The magnitude of the lack of infrastructure is so great that a 2009 report by the World Bank stated that over the last three decades, the absence of adequate infrastructure has brought about an actual decrease of 40% in infrastructure per capita. Despite the significant progress achieved thus far in addressing various infrastructure challenges, a 2012 study of the New Partnership for Africa's Development (NEPAD) concluded that infrastructure deficits on the continent amounted to some US$93 billion per year.

When networks for both the promotion of trade and transportation are well developed, these two variables respond positively to any structural change and to increased investment from, for instance, the building of rail links and an improved network in telecommunications. The continent's accelerated growth between 2001 and 2008, known for its investment in infrastructure, was one of the turning points that needed to be addressed in promoting the transfer from low to accelerated growth. This promotion was highlighted as the leadership priority of the African Union under the NEPAD initiative. Subsequently, transport and telecommunications linkages between African countries would be necessary to establish a continent-wide service market, enhancing the ability to build regional production systems. Intra-Africa trade is cheap and quicker to adapt to external political and economic changes. The adoption of trade policy by Africa is dependent to a large extent on how much it is favoured by the infrastructure that exists in the market.

4. The Role of Finance in Economic Empowerment

Finance is an essential aspect of any economy. The magnitude of economic development is contingent on the magnitude of financially accessible sectors. Financial systems are significant drivers of economic growth. They have been acknowledged for their vital role in allocating savings to enterprises and developing economic activities, besides delivering an efficient and liquid trading environment. As such, financial systems are considered prime movers in economic growth by enabling the proper functioning of the macroeconomic environment. Thus, any country's positive economic growth and development is a fulfilled expectation of any positively functioning economy. Accordingly, financial systems are expected to pave the way in this respect.

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In considering economic growth and development, financial systems embody the use of innovations in finance. "Fintech" is a relatively new concept that has evolved in finance. It is characterised by the use of technological advancements to enhance the delivery of services in the financial sector. In essence, fintech explores digital developments in the financial industry through the use of electronic technologies and protocols to perform financial operations or related services that have traditionally been carried out physically. Based on a report by PwC clearly outlines that the emergence of fintech has brought about financially empowered communities and even businesses. The establishment of mobile banking in regions like Kenya illustrates how digitisation can transform economies. This has seen a significant decline in poverty scales, especially in small business groups who did not have access to financing from larger banks.

4.1. Traditional Banking vs. Fintech

Traditionally, banking worked through a system in which banks lent depositors' money to borrowers, charging the borrowers an interest rate which covered the bank's expenses together with a margin of profit. Fintech is "the evolving intersection of financial services, technology and regulation", the products and services that result in it, and "the business models and companies which spring from the 'new' value chains built using IT". At the heart of Fintech is the use of the internet for the exchange of and delivery of information, goods and services, agriculture and agribusiness, finance and the Fintech ecosystem in Africa - where the most significant number of people globally, do not have bank accounts - has become exceptionally valuable as it offers the potential for the rapid extension of a range of financial services to the previously 'unbanked', increasing financial inclusion and financial stability. This extension occurs partly due to technological innovation, and partly due to a change in focus from the customer to the user.

Although traditional banking (as mentioned above) has typically meant lending depositors' money, banks have long also produced their own money, in the form of the credit they extend to borrowers, as well as by governments issuing (and spending) fiat currencies (e.g. dollars, Kenyan shillings). However, in the region we focus on in this study, traditional banking has mainly become synonymous with credit provision in the form of lent depositors' money. In contrast, Fintech business models are generally more like maximising user numbers in various applications and services in the hope of being bought for a premium. Some of these

businesses' services to their users are free; their operations are not generally based upon fees and interest charged to those users. Moreover, the use of blockchain technology by cryptocurrencies like 'bitcoins' means that a) many people typically give a significant amount of time to gain (or try) a small amount of 'bitcoins', and b) blockchain currencies are not "backed" by any monetary or physical assets; unlike traditional currency, their value is not tied to any country, or regulated by a central institution. Thus, because there is no house of record for any transactions, their exchange and mining, in particular, is risky. Blockchain technology also has several other potential applications. For example, the digitised state of record of blockchain-based transactions may facilitate more transparent and secure systems of land registration, proof of identification, and commodity tracking.

5. Innovative Financial Inclusion Strategies

Mobile money falls under the rubric of transformative technologies for its game-changing potential for the base of the pyramid. The combination of internet and connectivity diminishes distances and revolutionises all conventional livelihoods. Millions of transactions and interactions flow uninterrupted through your mobile entity without seeing who receives or transmits. This has resulted in the rapid growth of mobile money base outlets and active customers across Sub-Saharan Africa. For instance, the benevolent mobile money model allows farmers to repay loans electronically or pay bills off a mobile. The borrowing transaction is often executed on the same mobile platform. The farmers on the wrong side of the digital divide have been trained to use a fundamental part of the mobile platform services.

The advent of mobile phone technology and integration with digital financial services have addressed the earlier market information asymmetry problems, reduced inefficiencies associated with costly manual transactions, and problems of persistent rural-urban income gaps, thus facilitating funding for small informal businesses trade, entrepreneurship and farm operations. The M-Pesa platform in Kenya, one of the first mobile money transfer systems, has expanded access to choice of financial services through overwhelmingly successful innovative models. Additionally, mobile money platforms assist by reducing the cost and time of reaching rural and remote populations. Before M-Pesa, the rural population walked miles to indeed pay for the services of payday money lenders! Thus, these low transaction costs a rural population could impose are prohibitive.

Bugs or downtime in technology systems and physical agents have been responsible for unexpected access challenges. However, these mobile money platforms are not just about finances alone but provide opportunities for these farmers to create social bonds.

5.1. Mobile Money Platforms

Introduction Mobile wallets have revolutionised how individuals and businesses interact with money in Africa. As a provider of essential financial services, mobile money has undoubtedly proven valuable in furthering their vision of financial inclusion. Mobile money can improve reach and access for people with low incomes in countries where there are plenty of people without bank accounts but with mobile phones. These platforms are available as device-specific apps and USSD codes and cover a consumer's primary financial products, such as money transfers, airtime top-ups, bill payments, and international remittances. More than 800 individuals and over 25 million registered mobile money accounts are already operating on the continent.

Accessibility and Relevance Mobile money can potentially change people's lives, businesses, and economies by reaching millions and providing them access to various financial transactions at a meagre cost. The African consumer, with low levels of formal banking, trusts these platforms since the manipulation of electronic money typically occurs through a PIN, and either a voice call or text message to the designated recipient very quickly transfers the financial value. A consumer can also open a mobile wallet account without employment or even access to a physical retail network.

6. Impact Investing in Africa

Impact investing represents one of the financial solutions for the African continent. It aims to contribute to local development by developing or financing social enterprises that base their business model on adding social or environmental value and introducing workers' participation plans. In the case of the Economic and Social Development financing for our case study, the social impact can take various forms, depending on the exact project on inception or the enterprise activities: creation of decent work, social inclusion of under-represented or marginalised groups, raising the financial inclusion, sustainable and resilient agriculture, provision of goods and services facilitating climate change response, etc. The thing which is often seen as warm and fuzzy (doing the right thing) or as

justification to make less net profit has the potential to do the opposite: to attract and retain the best employees' motivation and drive, helping it stand out.

Impact investing is concerned with dual social, environmental, economic, and financial returns. Indeed, the core of impact investing strategy is not social upliftment in the absence of returns but wealth creation, allowing social and environmental returns to ensue. The African context is particularly suited to impact investment, as over 50% of the population relies on services and goods related to primary sectors, which offer a relatively direct impact footprint. Much like Asia, Africa is seen as a target for impact investors building more significant long-term and symbolic social enterprises. Especially in Sub-Saharan Africa, the presence of a growing "base of the pyramid", with a considerable demand for goods and services due to high growth rates, looser competition and low transaction costs, has allowed for growth in microfinance activities.

6.1. Social and Environmental Returns

Social and Environmental Returns

All of the investors are aligned in accessing the great potential in the country and predict that the business that offers positive outputs and positivism switch to the African risk. The citizens and their potential business partners or destinations for overseas aid are recognised. We have shown some of the primary necessities and components of adapted draw-up for the CPA. There are two donations, namely, the sources of two rescue funds. It is assumed that the EIB's landing, which is not on the world's gateway horizon, is broadly transforming but that other firms will have access to the local currency inroads.

Multiple sources regarding foreign business finance forward a more homogeneous representation. Direct cause events and medical management of HIV are both savings channels or countries. ILO/Bureau may have a solid annual income of at least one quarter, preferably 1% per year, from the African country currency. Income can be used to reinforce and replicate our African technology and technology/products. If 1% of the total of the two of the regular customers is significant and large, please suggest how this donation will be used to increase revenues. Apart from expenditure, General Administrative and other operating expenses may be undisclosed in the CPA Format.

In instances where the basic loan agreements mitigate the divergence of the company, a case of management credit. The main features of the credit agreement are its borrowing rate and the priority amounts within the claim spectrum. Long-syndicated loan terms offer termed large loans at predictable negative interest rates. Temporary Conditions: Interest rates charged are intonation rates prevalent at the loan agreement's initiation date. Competitive interest rate pressures on the EIB possibly result in reduced crossing rate vouchers to fund such large sums of credit.

7. Case Studies of Successful Financial Initiatives in Africa

The following case studies describe successful financial initiatives in Africa. Each example represents a new and different approach to using finance for economic empowerment. In Senegal, local businesses in developing countries were financially supported to bring quality rice to regional and international urban markets. In Malawi, a more refined model of village savings and loans, where the group decides the limit of risk they are willing to share amongst themselves, was understood to be going against recent advice to reduce the spread of HIV by reducing group activities. In South Africa, investment in sports infrastructure and mentors to organise different sporting codes changed local perceptions of the government's potential impact on wellbeing. In Nigeria, mobile phones were used to gather transaction records from small farmers and holistically map rural value chains. In Cote d'Ivoire, sign languages for farmers and traders were interpreted through early slang to extend the capability of high-functioning sign language speakers as intermediaries.

Each study will be a mix of theories about money and its link to empowerment and findings from the case study. The studies are all at opposite extremes. One is a case of working from standard microfinance and poverty measurements towards empowerment. The other case starts by working from local government priorities and presuppositions and engaging at the intersection of money and trust. The farmers and businesses involved do not necessarily feel empowered, nor are the outcomes unambiguously positive. However, the trends they suggest indicate that these financial initiatives are moving in the right direction to create a new economic empowerment path.

7.1. M-Pesa in Kenya

Until recently, Kenya was known as one of the leading African tourism hotspots, with safaris sprawled across the majestic Maasai Mara. But now, Kenya is known for another reason: M-Pesa, the world-renowned mobile money service that allows millions of its users to transfer money and pay for things via their mobile phones. In a rare occurrence, this 'mobile phone to the money' system took off - fast, really fast - and is revolutionising the lives of an ever-growing army of Kenyans. Other developing countries have been watching. The World Bank and others are scoping comparable services in African countries, India, Pakistan, and the Philippines.

Given Africa's relatively shallow financial sector, where many millions do not have bank accounts, such a successful new service, underpinned by the prepaid mobile network, offers the potential for unlocking development across the continent. A third of Kenyans now use M-Pesa. On average, around a quarter of Kenya's $180 million in international remittances comes into the country via M-Pesa. Since its launch in March 2007, around 39,000 users have been signing up daily. This accelerated in July, with over 70,000 people signing up for the service daily. In the capital, Nairobi, offices of Western Union money transfer agents are empty compared with the hundreds of customers who used to crowd into the shop soon after being paid to transfer money abroad. With a sizable global Maasai diaspora, going to a Western Union shop was the usual method to send money home. Now, the remittances are instant and go directly into the pockets of Maasai recipients without having to leave the homestead.

8. Regulatory Frameworks for Financial Innovation

However, for the regulatory frameworks and policies in place to facilitate particular forms of inclusive finance, the outcomes for financial innovation in Africa have been mixed at best. Governments have had to tread a fine line between ensuring a level of consumer protection which is sufficient to improve confidence and trust in new financial services and products on the one hand and being flexible and accommodating in their approach to regulation in order, for example, to be in a position to permit lower minimum capital requirements for financial institutions whose business models are looking to reach the oppressed, and for the kinds of technologies that typically show great promise at reaching and satisfying the high-usage but low quantity end of the populous on the other.

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For every regulatory interviewee, the two-edge nature of policy and regulation presented a significant challenge. The final question of this interim section attempts to capture some of the more fundamental insights that one form of innovative finance needs to cover from successful regulatory and policy treatments. Before discussing the attitude to innovation from the regulatory and policymaking point of view, it must be stated in specific terms that the gadgets that good ideas finance need to be good if they are to pass the tests of popular imagination and rigorous policy and regulation. That is not merely to say that the actual financial instruments or projects need to be likely to work; they also need to be part of a workable business model that conforms to layer after layer of society's aims and aspirations if investors and lenders and donors are to take a genuinely long-term interest in the project.

8.1. Challenges and Opportunities

Regulatory frameworks designed around standard financial activities, created to guard against systemic risk, can act as an obstacle to creating a sufficiently supportive financial system to cater for the heterogeneous and unmet demands present in African countries. Many preconditions required for successful financial solutions to problems such as infrastructure, market development, and competitiveness overlap between countries. It could also be challenging to enforce contractual arrangements due to failures in physical infrastructure or functional legal institutions.

Against this background, many low-income countries are looking to harness digital technologies to leapfrog from physically based means of service delivery to digital platforms that are cheaper to scale up. The emerging FinTech sector is part of the broader drive for market-led technological innovation.

The FinTech sector is premised on the notion that financial solutions can be advanced more rapidly by being open to new ideas and offering faster, more transparent, and more financially inclusive services than traditional models. However, new social and ethical questions are also being raised, with calls for more inclusive, responsible, and sustainable business practices in emerging technologies and FinTechs. The sheer scale of new solutions also tests the regulatory capacity to engage with multiple new actors and products. At the same time, the opportunities for faster, cheaper, and more transparent digital solutions are often based on a new round of digital profiling, inequality, and ethical risks.

There is an urgent need to develop mechanisms for unlocking the positive benefits of this explosion of innovative activity while protecting against potential longer-term negative impacts. The objective is to balance regulation with innovation and protect against possible negative consequences of driving an environment of regulatory arbitrage, client exploitation, or investor abandonment. We have noted that development finance has a track record of breaking with traditional business go-to-market models and facilitating the shift from copycat/second-generation technology products to 5th generation industry sectors. As noted, many connections exist between the local and global levels of strategic researched data, which are much more ready and prepared for some of the new goals and related portfolios.

9. Ethical Considerations in Financial Decision-Making

Ethical decisions in finance can be particularly challenging and most often concerned with business decision-making (both personal and collective). There is a significant cross-over into politics - political issues that usually relate to ethical considerations - and recent decisions by global firms (such as allowing cryptocurrencies and actions concerning investment in African mining companies) can involve political and social responsibilities. As such, the financial focus is partly considered here relating to potential impacts, social and political relationships, corporate social responsibility, and - to a lesser extent - environmental considerations. Another approach is to evaluate the importance of ethical relationships in Africa's financial bodies, particularly regarding Western companies (i.e. the extent to which Intergovernmental and Non-Governmental Organizations evaluate the ethical trading positions of global companies and investors).

One of the values of such an approach is the potential to involve case studies and potential guest speakers (emphasising the variety of relationships between finance and Africa). This approach also has the potential to stimulate discussion of globalisation - the flow of capital, the Westernization of financial systems and methods - and to bring out into the open some of the unstated assumptions involved in finance. In some ways, Africa is a problematic subject in terms of ethical financial considerations - even termed Foreign Direct Investment and other politically 'clean' alternatives may still involve some form of misplaced protectionism or at least a form of ethical paternalism. It is tempting to view

business practices as 'ethical' or 'unethical', insinuating moral understandings and tying the topic into ideological and religious sensitivities. The following seeks to consider business activities within a broader, less prejudicial framework. If companies do not feel the purpose of their existence - what they add to society - so that they are, in fact, a part of society rather than apart from society, then they cannot be seen as legitimate enterprises. If companies think they exist to create wealth for themselves, they are mistaken.

9.1. Corporate Social Responsibility

What is the duty of an organisation or company to contribute to the well-being of society, the environment, the economy, and so on? To approach this question, we first need to consider why an organisation should behave in a corporate, socially responsible manner. Two main views have been espoused. The first is that organisations should act responsibly because it is the right thing to do. So, one responsibility can be framed as a moral imperative. This is an ethical imperative: the decisions and actions of the business should be formulated in an ethical manner that considers the impact of those decisions and actions upon the other stakeholders of that organisation, whoever they may be.

This approach converts to the bottom-line perspective as well. Suppose organisations have responsibilities to stakeholders other than the shareholders. In that case, the failure to act in a socially responsible way can equally invalidate the financial profit motivations that the shareholder model suggests. The point is that money motivation is not the only one that drives people; it is far from it. People hold a range of social, psychological, and financial motivations. At its core, CSR subscribes to the belief that profit cannot and should not be the only motivator for organisations and individuals. Nor is it true the money that they get only influences those people. There is more to life than money. Organisations should think about the effects of their activities on society. Do they interview a cross-section of society and ensure equal opportunities (that the selection process is not discriminatory on gender, race, disability, and ethnicity)? Are they 'good' employers—or are as many of their operations as far offshore as possible, where labour regulations are less protective, wages cheaper, and taxation and regulation less onerous?

10. Emerging Trends in African Finance

With the ever-changing landscape of finance in Africa, a deep dive into how finance is moving in Africa is essential to examining new ways of financing for the future. Four main trends are emerging in African finance. The African economy is based primarily on agriculture and tourism, and often, people do not qualify for credit because their land is not needed. Land rights may work as collateral for microcredit and be a game changer. Blockchain could provide a solution, and several blockchain and cryptocurrency applications exist in African countries.

African remittance companies have been using blockchain for some time, and local blockchains exist for identity, for instance, in South Africa and Ethiopia. Big African companies have included blockchain in their strategy roadmap and are investing in blockchain start-ups. The use of blockchain to remove the problem of the intermediary who slows down transactions, takes payment, and can validate the quality of the service being performed across value chains is crucial arising from the growing importance of African free trade, in which about 50 per cent of the total trade happens at the border. African FinTech is exploding, with more than 400 start-ups in the area now. More than half of African FinTechs are focused on personal and business banking, 25 per cent on lending and finance, and about 10 per cent on blockchain, cryptocurrencies, and cross-border lending. Given Africa's quality of customer service, several banks partner with FinTechs to perform their customer services.

10.1. Blockchain Technology

But why do we focus on blockchain technology and the future of Africa?

The emergence of blockchain technology. Until the beginning of this century, blockchain was best known for its underlying theme of cryptocurrency, notably bitcoin, and possibly as a valuable tool in the fight against counterfeiting. However, the last several years have witnessed a rapidly growing interest in a remarkably diverse range of applications for the technology. Critical lures of blockchain technology are the potential benefits of 'decentralisation' - a reduction in the need for intermediaries, cost, and sometimes also potential efficiency gains - and generally, the potential to establish an immutable, transparent, tamper-proof, and therefore more trust-inducing data environment. At the time of writing, the technology is offered as a solution to myriad problems across industries, from supply chain to humanitarian aid, and significant attention is given to its role in

climate finance - a traditional use for Africa. The blockchain narrative also touches on governance and data management as a universal, enabling device. In 2020, blockchain application has intensified in areas where traditional digital disruptions have made inroads or left evidence of ongoing or potential change.

The potential transformative role of blockchain in African finance. The potential transformative high-level applications/impact of blockchain in digital finance from an African perspective have been widely discussed. Use cases include using blockchain to build and run payment solutions inside the financial system and digital assets that connect digital to real-world value, finance, and trade. The authentication and setting of digital identity can circumvent dependency. Fourthly, access to a wide range of financial services (or so-called open finance), digital corporate governance, and capital market operations. The last two, specifically finance and trade, are made through asset tokenisation, a process in which blockchain networks divide and distribute assets naturally. An economic impact and, in particular, a so-called DeFi 96 cascade of innovative and business model-driven value could develop from these six main areas of intervention. However, the assertion that finance solutions built using blockchain in some markets simultaneously increase economic empowerment seems contestable. Instead, it would suggest reconsidering digital financial empowerment as a dynamic concept generated through positive outcomes and promoting objectives outside the traditionally narrow financial inclusion requirement. In DeFi, for example, the user can be served before the provider in providing cheaper to-use and more accessible financial services compared to traditional alternative finance solutions. DeFi combines distributed finance on the blockchain, the open finance movement, systemic and technology syncretisms, and the concept of polymorphic finance. As distributed finance on blockchains, DeFi enables actors to serve each other and draws upon the deployed principles of distributed networks to ensure those actors are governed. While noting the transformative potential of blockchain technology, various challenges are associated with its adoption.

11. The Role of International Organizations in African Economic Development

International financial institutions such as the World Bank have played crucial roles, not only as funding agencies but also as global pace-setters. The eradication of poverty was a prime concern for them, and, accompanied by this concern, they also concentrated on the issue of economic development. However, their

perceptions, approaches, and strategies have had considerable implications, resulting in conflicts and disagreements with the developing recipient countries and gaps and contradictory interests. In addition, poor people were condescending during the development process. For example, after making finance available, the conditionality of structural adjustments had been imposed on the borrowing countries. The structural adjustment had accentuated disparities in the socio-economic and political realms. The conditions attached to the relief of debts to the least developed countries under the so-called HIPC significantly undermined their potential for independent and sustainable evolution. This severely threatened Africa's future development. The essence of the solutions to the plight of the Least Developed Countries does not rest with finance or banquets but rather on the continent's ability to make strategies for the transformation of their economies such that they will be able to face the challenges of openness in a more competitive manner and refine their internal mechanisms through good governance.

In the time of global financial crises that hinted at a possibility for a redefinition and reevaluation of the Bretton Woods institution with the view to establishing a more equitable balance between industrial and developing countries, the IMF and the World Bank have instead been given new status of 'solutions' as part of the enhanced HIPC Initiatives to mitigate their vulnerability. Think tanks, however, continue to discuss the efficiency of the institutional arrangements, such as the tenure of the World Bank President. In this light, as opined by the African Development Forum, Africa must embark on an economic renaissance through a new set of world-based and practical solutions. There should be a political commitment and action plan from inside the continent among various stakeholders so that development partners can play a complementary role, as promised in the Conakry consensus. It is from such perceptions that President Olusegun Obasanjo of Nigeria, UN Secretary-General Kofi Annan, and the African Union Leader Alpha Omar Konare had to take the issue of a new economic order on the tables of Heads of State of the three groups, that is, G-8, OAU, and UN as a New Partnership for African Development (NEPAD). The Presidents and Prime Ministers of the G-8, the leaders of the African Union, and nations are placing the issue so high because the crises of poverty continue to be a source of conflict and cause tens of thousands of lives and limit the productivity of the market. Development and peace are mutually reinforced. Only a comprehensive agenda

for poverty reduction, which has the full cooperation of all African countries, must be developed, implemented, monitored, and evaluated. This agenda is based on principles of good governance and respect for human and peoples' rights; practical action by partner developed countries, developing countries, African countries, the World Bank, the International Monetary Fund, and other stakeholders also becomes necessary. That is a reality today. We should, therefore, train our eyes away from the dogmas that have distorted and sapped the cream of Africa's development.

11.1. The World Bank and IMF

The World Bank

The World Bank is, in its terms, "a vital source of financial and technical assistance to developing countries worldwide. We aim to fight poverty with passion and professionalism for lasting results." Created in 1944 at Bretton Woods, the Bank has as much power and influence over developing countries' policies as the IMF. It undertakes economic and sector work and is African countries' largest external funding source. Since the late 1990s, poverty reduction has been increasingly the focus of the World Bank's work. The period since then – the independently produced Africa Progress Report (2005:8) argues – has seen a revolution in how Africa is perceived and treated by the international financial institutions, specifically the World Bank and the IMF.

The two organisations have "emerged from a long phase of philosophical gulf" to a new 'partnership in policy-making'. The critical element in this process of policy-making partnership has been the intensification of aid to Africa. The World Bank's primary function is to generate pro-poor policy and sector information for its projects and aid programs. The Bank has over 40% of its total research budget focused on Africa and spends $500 million a year on consultancy, of which approximately 13% is earmarked for the African continent and, in 2002, disbursed over US$ 2 billion on agricultural and rural development research and dissemination as part of a broader 'poverty reduction strategy'. The bank gives lucrative consultancy contracts to highly qualified academics and developmental journalists, thus expanding its "pool of experts".

12. Capacity Building and Skills Development in the Financial Sector

Poorly functioning financial institutions are likely to be inefficient in their activity and costly in their intermediation. Granted the impact of effective, efficient, and inclusive financial institutions, as proven by empirical research, the imperative of capacity building and skills development in finance for economic growth is evident. Developing a critical mass of professional managers with the right skills, imaginations, and expertise to efficiently manage the emerging financial sector is necessary to move Africa away from its poverty-clouded past and towards a future guided by equity, justice, and transformation.

Regarding the financial sectors, African countries are not homogeneous but present diverse banking structures. In some countries, banking services are handled by foreign financial institutions, while in others, intervention is evident. Generally, African banks and financial institutions are expected to offer appropriate and lasting financial intermediation services to support upbeat growth on the continent. However, African banking and financial institutions do not possess the rigour, capacity and institutional structure necessary to respond positively to this challenge. Consequently, financial training programs to inspire and train the 'ideal' financial managers, such as multi-purpose training that targets non-executive and executive directors, financial sector policymakers and the management staff of banks and financial institutions to see and treat banking and financial matters with differing perspectives as and when required, each from their structural level, have great relevance.

12.1. Training Programs

Training programs are not only focused on disseminating new tools. Rigid monetary policy and banking supervision can be counterproductive if effective demand is weak or banks follow a "too big to fail" objective. The financial sector needs experts who can support their beliefs and contribute critically. For many reasons - some of which have had little study - African or African-related economics, at African universities or as part of African NGOs or government services, are still underrepresented in non-African scholarly journals. We hope this publication can play a small role in the needed turn. Papers should be theoretical or empirically explorative papers with a bias towards economic or financial issues related to economic development or empowerment.

Three training programs could be differentiated in terms of duration and target group. More carefully chosen projects will be co-funded. A few programs tend to appear on the continent since training programs collaborate with academia and practitioners, primarily targeting building individual capacity instead of academic knowledge. The selection criteria do not exclude collaborating universities from non-African countries. The reason for such "discrimination" is that only expertise, experience, and actual involvement with Africa can be qualified to upgrade the chances a training applicant might have. Appropriately chosen, all five criteria could be directed inward towards the organisation. The World Bank and the African Capacity Building Foundation will select them. A two-day general training program for executives at African universities will begin simultaneously. Only a one-day break between the two programs is taken into account. Subsequent panels, presented by the best speakers among the former participants, will address the identical approach.

13. Gender Equality and Financial Inclusion

Getting more women involved in the economy not only supports the vision of a just and prosperous society but can also help women improve their well-being and the lives of their families. Sadly, women, who make up 50 per cent of the population, have traditionally been economically excluded, and in many parts of Africa, their situation has not improved much. Even though many women engage in farming for subsistence and as a source of livelihood, not many can afford to access finance to upscale their ventures.

This section examines the innovative, inclusive finance strategies Nigerian banks can adopt to promote gender equality and empower women entrepreneurs.

Empowering women in business

Sowedi (2010:139) states that financial exclusion affects women less than men because when it comes to getting ahead, men are more likely to be excluded from access to financial services than women. This suggests that women benefit more than men from microfinance operations. A World Bank (2008) study also indicated that women are more likely to repay their microfinance loans and discussed the need to create support systems for women entrepreneurs to help build their confidence and make it easier to secure finance. Indeed, the business correspondent pilot scheme introduced by the Reserve Bank of India allows retail

banks to engage the services and network of local women who aggregate credits to provide capital to larger groups of rural farmers, attracting banks and having an impact.

13.1. Empowering Women Entrepreneurs

In several African countries, particularly in Sudan, Somalia, and South Africa, women's participation in enterprise has generally been high compared to other developing countries. One of the rationales for trying to engage women entrepreneurs in the enterprise is the increasing external pressure about gender inequality, acknowledges Zenebe. In addition, he says, women entrepreneurs can play a crucial role in generating employment, particularly for women in female-dominated sectors (e.g. textiles, garments, and creative industries such as arts and crafts, filmmaking, or music). Going through the textile and transport sectors at the sector level provides exciting insights to understand further these opportunities and the potential of more inclusive financial initiatives at different levels. Although the challenges are considerable, Zenebe argues that these sectors could also have the potential to create wealth and increase the skilling opportunities, knowledge assets, and broader linkages at local and national as well as regional levels.

Demonstrable success of enterprise initiatives depends on various factors relevant to a particular economic strategy – from political stability and policies that protect property rights to good business skills and access to markets, finance, and information. The review of all the twelve country studies suggests that these and other bondages in sub-Saharan Africa limit the broader transformative potential of enterprise interventions. However, while encouraging entrepreneurship among women might not represent a straight route out of poverty for them, it does throw up potential opportunities. Turned into a pro-poor development strategy, women's entrepreneurship can mainstream development at the regional and national levels and facilitate linkages with the international market. Integrating financial services broader than credit alone in women's enterprise strategies (e.g. savings facilities, business development services, mortgages) could thus also form an essential kind of 'social protection' for many people at the bottom end.

14. The Future of Finance in Africa

Just as the best way to predict the future is often to create it, so too is the best way to study the past to look for patterns and relationships to enable us to start

imagining what the future may be like. The discourse on the future of finance in South Africa and elsewhere in Sub-Saharan Africa is filled with a certain predictability about three key areas. Firstly, our world - for better or worse - is undergoing unprecedented change, including the increasing impact of technology. Secondly, this changing world is creating a demand for - or is being driven by - the development and rollout of new and innovative financial services. Thirdly - and best of all - quite independently from new technologies and innovative financial services, we have to accept that we're living in an age of exponential change in financial services. Just over 6% of the world's population is unbanked (a reduction from 51% of 1.2 billion people billions in 2011), but remember, this is disproportionately made up of low-income earners. Roughly 25-30% of the world's population is underbanked. Dr. Susan Wheeler

Africa's economic progress:

Research and opinion pieces produced by McKinsey Global Institute, the World Economic Forum and the African Development Bank infatuate how African consumers are taking advantage of improving access to financial services - such as mobile money. We are also regularly told that foreign banks and investors like the African narrative - as a high-risk and, hence, high-yield economy - and plan to significantly increase their presence in Africa in the coming years. (Exporting systems and capital to the Global South was a key motivation for financial sector support to 'microfinance' over the past 20 years.) And yes, much of the global growth in lending since 2008 has been in the 'developing world'. We are also reminded regularly that Africa - a continent saddled with the world's youngest and fastest-growing population - has vast untapped mining resources.

14.1. Predictions and Speculations

Predictions and speculations of how African finance will develop and evolve are abundant. It is challenging to know the future because so many factors can shape, rebuild, and change the future trajectory of systems and services that make up finance. For example, the 21st century has seen several "once in a century" events, such as the financial crisis of 2007/08, the COVID-19 pandemic, and developments in digital assets that are believed to reshape the nature of money and finance. This section considers some forces predicted to shape African finance's evolution over the next 10-20 years. We consider three drivers of change: (1) technological

innovations, (2) changes in the way African businesses and finance seek to do good and make a profit, and (3) geopolitical shifts and potential reforms.

We live in a time when technology is rapidly evolving, faster than at any other time in history. Advances in information and communications technologies (ICTs), such as the internet, mobile telephone, and, more recently, digital assets and blockchain technologies, are all shaping current finance systems. Many of these technologies resonate with African experiences and features likely to shape African finance over the next 10-20 years. However, they also raise new concerns, such as whether we are ready for new technologies, what they mean for work and labour markets, or how we may regulate aspects of the financial system and digital assets. Geopolitics and changes in global power relations may also significantly affect the future of African finance. Africa currently relies heavily on foreign aid and has sizable debts, meaning more prosperous and powerful countries have some influence over African economies.

15. Conclusion

As we have laid out through this essay, discussing some of the big ideas coming out of the Finance for the Future Summit, the issue of African economic empowerment is multi-faceted, requiring careful coordination with business leaders, policymakers, and the public. The business and financial solutions presented here show that there is a place where we unwittingly settle for the third leg in every domain. However, a view from the top reveals the path to articulate and deliver new approaches that are grounded in the context of the solutions we are trying to drive and the expected results.

Eight insights round out our conversations. First, our understanding of the potential in Africa may require recalibration in light of digital transformation. Second, among African countries, the private sector ecosystem health seems out of step with governance oriented to support it. Said differently, the states' orientation to private enterprise remains consistent with earlier defamation. Third, the SIMCA hypothesis underscores the disconnection between global human capital annotations and what is needed for productive economic engagement. Fourth, work that applies theoretical and practical thinking of communal lands to agricultural approaches to economic globalisation is emerging. Fifth, we are learning that we are muddling along on an 80% rule with average performance in every domain—unwittingly settling for the third leg. Sixth, MERL approaches are

beginning to reveal pathways and solutions. Seventh, we continue delineating how money could crowd into the finance sector to change economic pathways. Finally, we recognise in a concept finding its legs that asset values are connected to larger economic foundations, in contrast to what stockholder theory would have us believe in a particular socio-economic order. The implications for asset managers and financial markets are being surfaced.

15.1. Important Points and Recommendations

Essential points: There are limited finance solutions in Kenya and the African continent that link unaccredited citizens to capital and adhere to values that Kenyans are proud of: "Umuntu ngumuntu ngabantu"–"I am because we are," the African philosophical view of life that suggests that individuals' welfare and well-being are largely dependent on their involvement in a larger collective. Empower can issue two types of citizen bonds against Diaspora government incomes ($25-100 M Diaspora from $20-$200) and Non-coffin dark social welfare integration fund investors (Kiakuinifund - IFFGH, a practical solution for sluimgoldcity development; Paulineslastmile let the entrepreneur report to us through the FG in three uniform provide financial reports, which will include corresponding new NIDS holder's registration fees).

Recommendations: Building synergy across different finance solutions is essential, beginning modernisation in future centres. It is also important to simulate all relevant policy projects. Follow-up. It would speed up the momentum for digitalising the county operating units in the telecom, power, and health ministries. Kenya will have 5000 diaspora government income recipients living and working abroad by September 2009. DOS members get a State Department rate on a tractor. DTRS plan sponsors received a brace of $80-$560 Range Rover/4WD donation in January 2009. Stamp tax must be added to direct services from the Examiner. The grant team makes a version of a $2 million tribal-specific Partnership planner. Use your dosiangrofcu.com mortgage terminal® to please Current Federal DRS Leaseholder 1031 Exchanges @ up to 2.150% Yield Profit this Month. Akburkes.com drop-leafdiningtables.com preempted.

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