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100 Quotes about Financial Inclusion: what expert observations say about digital financial inclusion

Peterson K. Ozili

Abstract

This article presents some of the current thinking and arguments about financial inclusion from the perspective of informed financial inclusion experts. It gives the reader an opportunity to reflect on the objective, benefits, risks and challenges of financial inclusion and to make an independent assessment of what the financial inclusion agenda is all about. The viewpoints, presented as quotes in this article, show that financial inclusion is a promising development policy agenda and there are good intentions for promoting financial inclusion. However, achieving financial inclusion is a complex process, with too many interested parties seeking to serve customers in exchange for gain while banked adults are left to deal with the residual risks associated with using traditional and/or digital financial services.

Keywords: financial inclusion, digital financial inclusion, fintech, digital technologies, quotes.
SDG keywords: SDG1(no poverty), SDG2 (no hunger), SGD5 (gender equality), SDG10 (reduced inequalities)

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1. Introduction

Advocacy for financial inclusion began in the early 2000s. It gained global prominence after the 2007-2009 global financial crisis when World Bank economists began to develop financial inclusion definitions, metrics, indicators and taxonomy to guide policy discourse about financial inclusion (Demirgüç-Kunt and Singer, 2017; Demirgüç-Kunt and Klapper, 2012; Demirgüç-Kunt and Klapper, 2013). They urged policymakers around the world to adopt policies to increase the level of financial inclusion (Allen et al, 2014; Beck et al, 2015). As a result, few developing countries, such as Kenya, Rwanda, and India, made financial inclusion a development policy priority between 2010 to 2015, and recorded huge success in uplifting livelihoods, increasing income, reducing poverty and increasing financial resilience of the population. The testimonials and success stories emerging from these countries, such as the M-Pesa in Kenya, the SACCOs in Rwanda and the PMJDY scheme in India, led policymakers in other developing countries to also make financial inclusion a development policy priority in their countries after cross-examining the pros and cons of financial inclusion.

This article therefore highlights the pros and cons that policymakers evaluate before reaching a decision to make financial inclusion a development policy priority. This study brings together the pros and cons in the form of 'viewpoints' or 'quotes' about financial inclusion, its benefits and risks. The need for this study arises because there is a need to show that achieving financial inclusion is not an easy or straightforward process. Rather, it is a complex process filled with opportunities, innovation, risk, success and failures, and there is no better way to illustrate this than to hear directly from those who are actively involved in financial inclusion activities.

This study is valuable to proponents of financial inclusion who think that financial inclusion is a silver bullet solution that solves other problems. This study is equally valuable to antagonists of financial inclusion who think that the risks associated with financial inclusion is sufficient to give less priority to financial inclusion initiatives whether now or in the future.

My goal in this study is to present the viewpoints or perspectives of other people as they are, in the form of quotes, and allow the reader to reflect on them, and form an independent opinion about financial inclusion based on a collection of several viewpoints that exist in the

public space. I have refrained from offering my own opinion or reflection on each quote so as not to introduce my own intellectual bias[1] into the expert perspectives, or influence the reader's interpretation of the informed quotes in the article. It is my hope that the perspectives offered through quotes in this article will offer fresh insights into financial inclusion, and it will reveal unpopular viewpoints that may be helpful in supporting financial inclusion decision making, and in advancing on-going debates in the policy and academic literature on financial inclusion. The reader is encouraged to reflect on each viewpoint and form an objective opinion on what financial inclusion can achieve and its potential risks and challenges.

The article is organised in the following way. The introduction of the article is presented in section 1. The methodology used to extract the quotes is presented in section 2. The 100 quotes about financial inclusion are presented in section 3 while the conclusion of the study is presented in section 4.

2. Methodology

The financial inclusion quotes presented in this study were obtained from publicly available sources. These include media reports, institutional publications, white papers, speech of government officials, expert interview of business professionals and consultants, and from academic sources. The sample period span from the 2014 to 2024 period. The 100 quotes were carefully selected for information purposes only and all politically sensitive quotes were intentionally excluded.

[1] By this, I mean the tendency to favour one viewpoint over another.

3. The Quotes about Financial Inclusion

This section presents some quotes about the definitions of financial inclusion, its objectives, benefits, risks, challenges and consequences of financial inclusion including its sustainability.

3.1. Defining financial inclusion and digital financial inclusion

1. "Financial inclusion means that households and businesses have access, and can effectively use, appropriate financial services, services that should be provided responsibly, sustainably, in a well-regulated environment."
   – **Leora Klapper,** World Bank Group. *In a discussion at the Radio Davos Podcast, September 9, 2022.*

2. "Financial Inclusion, in simple terms, is about making financial services accessible and more meaningful to everyone."
   – **Barry Whiteside**, Governor of the Reserve Bank of Fiji. *Opening speech at the Ra Financial Inclusion Exposition, Rakiraki, 28 August 2014.*

3. "Access to a transaction account is usually seen as the first step towards financial inclusion by enabling people to make and receive payments, as well as save their money."
   – **Arda Ermut**, Chief Executive Officer and Member of the Board, Türkiye Wealth Fund. 2022. *In a World Economic Forum Blog Post titled "How new technologies create a pathway to financial inclusion". May 25, 2022.*

4. "Financial inclusion means that appropriate financial services and products – including savings, payments, credit, and insurance – are readily available to adults of all income groups, at a cost [that is] affordable to the customer and sustainable for the provider and provided in a responsible manner."
   – **Solvej Krause**, Consultant at the World Bank Group. *In a 2016 World Economic Forum blog post titled "How can we shrink the digital divide?"*

5. “Financial inclusion starts with equitable access to a range of financial products and services that are fair, safe, and useful in meeting individuals’ and households’ financial needs and goals, and also encompasses access to clear and trustworthy information that supports informed financial decision-making.”

   – *Excerpts from the **2024 US National Financial Inclusion Strategy** document published by the Treasury Office of Consumer Policy.*

6. “Financial inclusion refers to ensuring affordable and effective access and usage for all individuals and businesses to suitable financial products (payments, remittances, saving, lending, investment and insurance) and services (financial and non-financial) via relevant channels.”

   – **UN Women.**

3.2. Objective of financial inclusion

7. “One of the goals of financial inclusion is to improve the ability of households to deal with events that have financial costs—such as a sudden loss of income, an illness, or an accident.”

   – **Leora Klapper**, World Bank Group. *In a World Bank blog titled “A decade of change: The surge of financial inclusion in Sub-Saharan Africa”. April 22, 2024.*

8. “Financial inclusion is a multifaceted concept that goes beyond mere access to financial services. It seeks to address the underlying barriers that hinder individuals from fully participating in the financial system.”

   – **Gray Group International (GGI) Insights**. *In a 2024 GGI Blog Post.*

9. “Financial inclusion is about driving fairer access to financial services so that people can manage their money, no matter what their background, gender or ability or geographic location.”

   – **Benigne du Parc**, Good Return Program Director. *In a Good Return blog post titled “Financial inclusion protects the vulnerable from life’s unexpected events”.*

10. “One of the key components of financial inclusion is the availability of basic banking facilities. Access to savings accounts, checking accounts, and other banking services allows individuals to securely store their money, make transactions, and build a financial history.”

    – **Gray Group International (GGI) Insights**. *In a 2024 GGI Blog Post.*

11. “Financial inclusion represents a continuum that includes financial access, which leads to financial resilience and ultimately financial well-being, including opportunities to build wealth.”

    – *Excerpts from the **2024 US National Financial Inclusion Strategy** document published by the Treasury Office of Consumer Policy.*

12. “Financial inclusion aims to provide suitable, affordable, and timely financial products and services to all individuals.”

    – **Digital Frontiers Institute**. *In a 2024 DFI Blog Post.*

3.3. Measuring financial inclusion

13. “It is generally understood that financial inclusion has three dimensions: access, use and quality. The first is the possibility for individuals to access basic financial services and products. The second is the actual ability of individuals to use such services and products in an effective way. The third (and subtler) dimension consists of creating the conditions for financial services and products to work best to improve people's financial well-being.”

    – **Luigi Federico Signorini**, Senior Deputy Governor of the Bank of Italy. *Introductory speech delivered at the seminar "The journey to financial well-being through financial inclusion", organised by the Bank of Italy, Rome, 4 November 2024.*

14. “The most widely used measure of financial inclusion is the share of adults who have an account at a formal financial institution, but financial inclusion can be measured in three dimensions: (i) access to financial services; (ii) usage of financial services; and (iii) the quality of products and service delivery.

– **Serhan Cevik**. *In an IMF Working Paper titled "Promise (Un)kept? Fintech and Financial Inclusion".*

15. "When looking at benchmarking through the lens of innovation and financial inclusion, it should go beyond simple metrics such as the number of bank accounts opened and instead prioritise nuanced indicators such as the active usage of financial services, how users are accessing diverse financial products, how solutions are influencing the gender gap when it comes to financial access, and the integration of informal economic activities into innovative solutions."

    – **Nikki Kettles**, Executive: Licences and Payments Regulation at Mukuru. *In an article published in techbuild.Africa titled "Benchmarking Financial Inclusion through Innovation".*

3.4. Benefits of financial inclusion

16. "Consider the basic benefits of having a bank account: it allows individuals to save, earn interest, balance household consumption and raise productive investment. Moreover, a bank account can empower women and give them more economic equality,"

    – **Marion Laboure**, Deutsche Bank Research Senior Strategist. *Excerpts from book titled "Democratizing Finance: The Radical Promise of Fintech, digital technology has improved financial inclusion".*

17. "More widely, I believe that FinTech has the potential to enhance financial inclusion and unlocking SMEs and microenterprise' access to financing. This is a critical aspect in driving private sector growth and further economic diversification across many countries, including the UAE."

    – **H.E. Mubarak Rashed Al Mansoori**, Governor of the Central Bank of the United Arab Emirates. *Opening remarks at the Arab FinTeX Symposium on "Blockchain & Financial Inclusion", Abu Dhabi, 10 December 2018.*

18. “I would like to reiterate that financial inclusion promotes inclusive growth by way of making financial services, including credit and other safety nets, available to [people at] the bottom of the pyramid.”

    – **Shaktikanta Das,** Governor of the Reserve Bank of India. *Inaugural address at the Economic Times Financial Inclusion Summit, 15 July 2021.*

19. “By giving marginalized communities access to financial services, financial inclusion is crucial for both economic growth and community empowerment.”

    – **Ritika Sanehi**. *In a blog post titled “Understanding Financial Services and How They Unlock Growth Potential”.*

20. “Financial inclusion is the cornerstone of not only a fair, equitable society but also a thriving economy. Boosting financial inclusion and access to finance can make crucial contributions to economic development, enabling social mobility and ensuring that the largest number of people can participate fully and effectively in economic life.”

    – **Arda Ermut**, Chief Executive Officer and Member of the Board, Türkiye Wealth Fund. 2022. *In a World Economic Forum Blog Post titled “How new technologies create a pathway to financial inclusion”. May 25, 2022.*

21. “It will be impossible to close the growing gap between the haves and have-nots of the world without a concerted effort to improve financial inclusion for the most vulnerable.”

    – **Ikram ul-Majeed Sehgal**, Chairman, Pathfinder Group. *In a 2022 World Economic Forum blog post titled “When it comes to financial inclusion, we cannot afford to leave the vulnerable behind”.*

22. “When individuals have access to financial services, they can save, invest, and protect themselves against risks. This, in turn, stimulates economic activities, promotes entrepreneurship, and reduces income inequality.”

    – **Gray Group International (GGI) Insights**. *In a 2024 GGI Blog Post.*

23. “Financial exclusion is a drag on economic participation, sustainable development, and global growth. By bringing more people into the system, financial inclusion reduces poverty, promotes investment, drives consumption, and creates small-business value.”

    – **Nicole Goldin**. *In a 2024 publication in the Atlantic Council titled “Toward a financial inclusion agenda for the global majority”.*

24. “When it's easier for hundreds and millions more people to access essential financial services – such as savings accounts, credit cards, mortgages, microcredit, and loans – the ability to send and receive money from anyone, anywhere, can help them achieve their goals. In addition, financial inclusion can lead to economic growth by increasing consumer spending, investment opportunities, job creation, tax revenue for governments, and opening up the economy.”

    *– Excerpts from a **Bankingly** Post titled “Financial Inclusion – What are the risks, opportunities, and challenges?”*

25. “Financial inclusion is not just an economic tool but a social equalizer that can help narrow caste-based divides in India. By providing access to credit and savings, formal financial services empower marginalized communities, allowing them to improve their living standards, break free from discriminatory practices, and integrate more fully into society.”

    – **Rikhia Bhukta**. *In a 2024 world bank blog post titled “Bridging the caste divide: How financial inclusion drives social inclusion”.*

26. “Organizations that promote financial inclusion can benefit from increased donations and trust amongst their customers due to their focus on social responsibility initiatives.”

    *– Excerpts from a **Bankingly** Post titled “Financial Inclusion – What are the risks, opportunities, and challenges?”*

27. “For us, thinking about financial inclusion means that all people get access to the types of accounts and types of services that are going to be to their use and benefit. We look

across access, use and benefit, because it's not enough if households have access to something, but the services are expensive or they're not meeting what they need from them."

– **Steven Brown**, Director of insights at Aspen Institute Financial Security Program. *Remarks at a panel discussion during an event hosted in November 2024 by the St. Louis Fed's Community Development Department.*

28. "Financial inclusion also has social benefits, as it can reduce poverty and inequality in countries where these issues are prevalent. By providing access, people can save, which they can then use for healthcare through insurance, education, or business opportunities. This can help them break out of the cycle of poverty and improve their quality of life significantly."

    – *Excerpts from a **Bankingly** Post titled "Financial Inclusion – What are the risks, opportunities, and challenges?"*

29. "Financial inclusion will give poor people the tools the rich have used to acquire their great wealth. When poor individuals and households have access to credit, they will feel empowered to start their own businesses and to meet their personal expenses. Financial inclusion also has other benefits to the economy such as greater financial stability, a reduction in the level of unemployment and greater economic growth."

    – **Peterson K. Ozili**. *In an article titled "Has financial inclusion made the financial sector riskier?"*

30. "By fostering digital and financial inclusion, governments and organizations can empower low-income households to build financial resilience, enabling their active participation in achieving the Sustainable Development Goals, in alignment with the 2030 Agenda's promise of leaving no one behind."

    – **United Nations Network on Migration**.

31. "Increased financial inclusion, especially of the poor and in particular poor women, can have wide-ranging positive impacts at the micro level that ultimately contribute to prosperity. The benefits have been seen in self-employment business activities,

household consumption, and financial well-being, though the impact varies across different types of financial products.

– **Nicole Goldin**. *In a 2024 publication in the Atlantic Council titled "Toward a financial inclusion agenda for the global majority".*

32. "The advancement of financial inclusion can only be accelerated with the assistance of fintech innovations. Prominent enterprises and entrepreneurs utilize cutting-edge technologies, such as blockchain, machine learning, and artificial intelligence, to create specialized solutions for marginalized communities."

    – **Raktim Singh**, Senior Industry Principal at Infosys. *In a 2024 FinXtra Blog Post titled "What is Financial Inclusion."*

33. "Financial inclusion diminishes poverty and economic disparities by providing marginalized groups access to financial services that help them manage their finances and invest in income-generating activities."

    – **Omair Ansari and Manahil Javaid**. *In a 2024 World Economic Forum publication titled "Access to credit: The silent issue hampering growth and development in emerging economies".*

34. "In a world of economic uncertainty, conflict and climate change, financial services are critical to helping people take control of their lives and futures.

    – **UN Secretary-General António Guterres**

3.5. Factors enabling financial inclusion

35. "So, there are a lot of things that governments have done to support financial inclusion, including regulations that allow for competition from fintechs and non-bank providers like mobile money service providers. It's also investments in infrastructure, in mobile technology, electrification, that allow the growth of agent networks, of bank agents, of mobile money agents, that allow people to access services locally, in their own home communities."

    – **Leora Klapper**. *In a discussion at the Radio Davos Podcast, September 9, 2022.*

36. “Financial access is an important precondition for individuals to achieve financial resilience and well-being. Many individuals begin the journey to financial well-being by opening a transaction account—such as a checking account at a bank or a share account at a credit union—which enables them to better manage their daily finances, including storing funds and processing payments. Transaction accounts often facilitate consumers’ access to other financial products and services that individuals can use to improve their financial resilience and well-being.”

    – *Excerpts from the **2024 US National Financial Inclusion Strategy** document published by the Treasury Office of Consumer Policy.*

37. “Traditionally, financial inclusion efforts have been driven by the sponsorship and work of governments, institutions, and banks. However, with the increasing popularity of internet community-based open-source technology development, alongside the growing investment in cryptocurrencies, public blockchain networks, and protocols, the beginnings of a grassroots effort to build the technological infrastructure of an alternative open and inclusive financial system may already be taking hold, perhaps unintentionally.”

    – **Christine Moy and Jill Carlson.** *In a blog post on World Economic Forum titled “Cryptocurrencies can enable financial inclusion. Will you participate?”*

38. “Telcos and technology companies are in a unique position to accelerate financial inclusion and create a more equitable financial system. Thus, they have a shared responsibility to bridge the access gap by leveraging their strengths in digital infrastructure, network connectivity, cross-border capabilities and customer reach.”

    – **Harrison Lung**. *In a 2024 World Economic Forum blog post titled “Why financial inclusion is the key to a thriving digital economy”.*

39. “Financial inclusion is a key driver of sustained and balanced economic growth which helps [to] reduce income inequality and poverty.”

    – **Shaktikanta Das,** Governor of the Reserve Bank of India. *Inaugural address at the Economic Times Financial Inclusion Summit, 15 July 2021.*

40. “The rise in credit score awareness among over 119 million Indians, particularly in rural regions, is reshaping financial inclusion. Digital tools are empowering individuals, especially women, to track scores, leading to improved borrowing terms and greater access to financial opportunities. By equipping individuals with the knowledge to track and improve their credit scores, digital platforms are enabling access to opportunities that were once reserved for urban elites.”

– **Ashish Goyal**. *In a LiveMint publication titled “Credit Score: How is increased awareness driving financial inclusion beyond metros”.*

41. “The benefits of financial inclusion encompass job creation, income growth, educational opportunities, resilience against economic shocks, risk diversification, and pension building.”

– **Franziska Koefer, Amber Bokkens, Massimo Preziuso, Michel Ehrenhard**. *In a 2024 European Investment Fund (EIF) Working Paper titled “Addressing Financial and Digital Literacy Challenges for Inclusive Finance: Insights from Microfinance Institutions and FinTech Organisations”.*

42. “Making the cost of basic financial products and services more affordable can help promote greater financial inclusion.”

– **Kazuko Shirono, Berhe Beyene, Fozan Fareed, Christiaan Loots, Andrea Quevedo and Kameshnee Naidoo**. *In a 2024 IMF Working Paper titled “Understanding Barriers to Financial Access: Insights from Bank Pricing Data”.*

43. “In an optimistic scenario, AI [artificial intelligence] has the potential to significantly enhance financial inclusion by improving access to credit, reducing transaction costs and providing personalized financial education.”

– **Josep Gisbert**, Assistant Professor of Financial Economics, IE University. *In a blog post in the International Banker titled “Is AI the Cornerstone for Financial Inclusion?”*

44. “In today's rapidly digitalizing world, a growing number of new tools are available to increase access to the financial services that people need to save, invest, and conduct

daily business activities. These tools drive efficiency and reduce costs, stimulating gains in financial inclusion, fostering economic growth, and reducing income disparity, especially for women."

– **Sharmista Appaya and Saba B. Abbas**. *In a world bank blog post titled "Empowering women through digital financial inclusion".*

45. "Building trust with communities is vital for the success of digital financial inclusion. To foster trust, it is essential to adopt a localized approach, communicating in the local language and using simple terminology. Transparent pricing, reliable support and partnerships with local institutions are also crucial. By prioritizing these measures, digital financial inclusion initiatives can drive sustainable growth and ensure that the benefits of financial services reach underserved populations.

    – **Harrison Lung**. *In a 2024 World Economic Forum blog post titled "Why financial inclusion is the key to a thriving digital economy".*

46. "Engaging community leaders and organisations in promoting financial inclusion for women can help shift cultural norms and address social barriers."

    – **Digital Frontiers Institute**. *In a 2024 DFI Blog Post.*

47. "Technology is dismantling traditional barriers to financial inclusion, and the importance of maintaining a good credit score is becoming an integral part of financial planning for individuals in non-metro regions."

    – **Ashish Goyal**. *In a LiveMint publication titled "Credit Score: How is increased awareness driving financial inclusion beyond metros".*

48. There are exciting opportunities ahead to achieve financial inclusion, but companies will not be able to do it without unlocking the power of digitalization. Solving this will be critical to ensure that everyone, especially those in the micro and ultra-micro segments, has an equal chance to access sustainable, comprehensive financial services to grow their businesses and achieve a better quality of life.

– **Sunarso**, Chief Executive Officer, Bank Rakyat Indonesia (BRI). *In a 2022 World Economic Forum blog post titled "How one bank is digitalizing financial inclusion in Indonesia".*

49. "Governments and policymakers must invest in regulations and governance to ensure that safe, affordable, and convenient products and functionality are available and accessible to all adults in their economies."
– **Stephen Hall**. *In a 2022 World Economic Forum blog post titled "4 things to know about financial inclusion around the world right now".*

50. "To improve financial inclusion, countries must introduce one or more of the following three foundations of a financial ecosystem: a national identification system to identify and register individuals and households of low-income groups; financial access facilitated by the opening of bank accounts with ease, particularly for groups with lower literacy levels and a network of infrastructure in the country, telecom penetration and digital access on a wide geographic basis."
– Ikram ul-Majeed Sehgal, Chairman, Pathfinder Group. *In a 2022 World Economic Forum blog post titled "When it comes to financial inclusion, we cannot afford to leave the vulnerable behind".*

51. "One of the primary requisites for achieving financial inclusion in the [MENA] region is to create an adequate enabling environment. This means that policymakers across MENA will need to be proactive in their effort to improve financial infrastructure and the legal and regulatory mechanisms necessary to promote access to financial services."
– **Todd Glass**. *In a World Economic Forum blog post titled "Can MENA achieve financial inclusion?*

52. "Innovations in digital financial services (DFS) have driven strong advances in financial inclusion in emerging markets and developing economies (EMDEs). Past growth in DFS has benefited from basic regulatory enablers such as nonbanks gaining permission to issue electronic money (e-money), the use of agents as delivery channels, risk-based

customer due diligence (CDD), and financial consumer protection tailored to the digital context."

– **Mehmet Kerse, Laura Brix Newbury, and Stefan Staschen**. *In a 2024 CGAP Working Paper titled "Financial Inclusion and Disruptive Innovation".*

53. "Technology and new approaches are important levers for expanding financial inclusion. Banks, fintechs, and other players should seize the opportunity to harness these innovations to deliver both social impact and sustainable business value."

    – **Kedra Newsom Reeves and Walter Diaz**, Boston Consulting Group.

54. "Deposit takers play a key role in promoting financial inclusion as they are often the entry point for customers into the financial system."

    – **The Reserve Bank of New Zealand (RBNZ)** Thematics team.

55. "To promote financial inclusion, innovators and policymakers across Africa have encouraged the adoption of financial technologies like mobile banking and mobile money, as well as more emergent technologies such as artificial intelligence and distributed ledgers. This is especially the case in sub-Saharan Africa, where there are an estimated 400 million financially unserved or underserved people."

    – **Aubra Anthony, Nanjira Sambuli and Lakshmee Sharma**. *In a 2024 Carnegie Endowment for International Peace Research Paper titled "Security and Trust in Africa's Digital Financial Inclusion Landscape".*

3.6. Risks of financial inclusion

56. "Increase in loan penetration increases non-performing loans and raises risk premiums in the market."

    – **Ruslan Arykov, Sai Krishna Kumaraswamy and Ivo Jeník**. *In a 2024 CGAP blog post titled "Financial Inclusion and Stability: A Balancing Act".*

57. “As we actively encourage our customers in the ultra-micro and micro-segments to use digital financial inclusion services, we must also shield them from potential fraud which may significantly impact their well-being.”

    – **Sunarso**, Chief Executive Officer, Bank Rakyat Indonesia (BRI). *In a 2022 World Economic Forum blog post titled “How one bank is digitalizing financial inclusion in Indonesia”.*

58. “Many stakeholders in Africa complain that overly broad or restrictive regulations risk stifling growth of an innovation-filled sector that supports financial inclusion and economic activity. As a result, policymakers sometimes remove or limit regulations to avoid the appearance of slowing local growth.”

    – **Aubra Anthony, Nanjira Sambuli and Lakshmee Sharma**. *In a 2024 Carnegie Endowment for International Peace Research Paper titled “Security and Trust in Africa’s Digital Financial Inclusion Landscape”.*

59. “Increased financial inclusion, especially increased access to credit without proper supervision, can introduce risks in the financial system. These risks emerge from the high transaction costs involved in serving low-income consumers and the information asymmetry they face, insufficient regulation and governance, and geographic concentration of providers serving them. The current view is that these risks are institutional, not systemic and that they can be managed with existing policy tools like prudential regulation, market supervision, and consumer protection. However, the rapid digitization and proliferation of new tech-enabled business models is exacerbating these risks, and challenging the adequacy of available policy tools, posing potential threats to stability.”

    – **Ruslan Arykov, Sai Krishna Kumaraswamy and Ivo Jeník**. *In a 2024 CGAP blog post titled “Financial Inclusion and Stability: A Balancing Act”.*

60. “When low-income consumers are given access to financial products and services for the first time, they may not have the knowledge or understanding to make well-informed decisions about using these products. This can lead to them falling prey

to scams, unscrupulous lenders, or poor financial decisions that cost them more in the long run."

– *Excerpts from a* ***Bankingly*** *Post titled "Financial Inclusion – What are the risks, opportunities, and challenges?"*

61. "In emerging markets and developing economies (EMDEs), policymakers face the challenge of advancing financial inclusion while also maintaining financial stability. For example, in Kenya the advent of mobile money services like M-Pesa not only provided widespread access to financial services, leading to poverty reduction and economic growth, but it also bolstered the stability and resilience of the financial system by reducing reliance on cash, stabilizing income flows for households through remittances and integrating mobile money into the broader financial system. In a contrasting example, expanded access to credit through microfinance in India, often without adequate risk assessments, led to over-indebtedness among borrowers, high levels of non-performing loans, and financial instability, leading to the Andhra Pradesh crisis of 2010."

– **Ruslan Arykov, Sai Krishna Kumaraswamy, Ivo Jeník**. *In a 2024 CGAP blog post titled "Financial Inclusion and Stability: A Balancing Act".*

62. "As with any new initiative, there is always a risk that not all financial inclusion initiatives will succeed. This could be due to incorrect target market selection, poor market timing, unrealistic expectations, major regulation changes, and inadequate planning and execution."

– *Excerpts from a* ***Bankingly*** *Post titled "Financial Inclusion – What are the risks, opportunities, and challenges?"*

63. "De-risking – which is defined as financial institutions' terminating or restricting activities with clients or categories of clients to avoid risk – is a countervailing trend that threatens to increase financial exclusion. De-risking can happen at the individual or business level, but also at the financial institution or country level, where correspondent banks have pulled out of countries deemed too risky – or too costly – from a financial crime or compliance perspective."

– **Joy Macknight**, Freelance Financial Journalist and Former Editor at The Banker Magazine, part of the Financial Times group. *In a 2024 blog post titled "An ecosystem approach to limit de-risking".*

64. "Some experts worry that the increased availability of credit cards/BNPL, predatory lending apps, could lead consumers into debt if they cannot pay off their balances in full each month due to high-interest rates with these products."

    *– Excerpts from a **Bankingly** Post titled "Financial Inclusion – What are the risks, opportunities, and challenges?"*

65. "Rapidly implementing digitization efforts and associated policies that do not account for MSMEs' specific needs and a banking sector's current practices and products can lead to harmful outcomes. In Tanzania, efforts to link long-standing community-led savings and lending groups to banks did not lead to better consumer experiences, but rather [it led] to greater risk of indebtedness owing to poorly designed products and the banks' aggressive marketing of credit facilities."

    – **Aubra Anthony, Nanjira Sambuli, Lakshmee Sharma.** *In a 2024 Carnegie Endowment for International Peace Research Paper titled "Security and Trust in Africa's Digital Financial Inclusion Landscape".*

66. "Many factors affect the extent to which the financial system is effective at promoting financial inclusion, including the policy environment, dynamism of the consumer financial marketplace, technological innovation, and the macroeconomic environment."

    *– Excerpts from the **2024 US National Financial Inclusion Strategy** document published by the Treasury Office of Consumer Policy.*

67. "Financial inclusion presents a policy trilemma. It is possible to simultaneously achieve only two of three goals: widespread availability of services to low-income consumers, fair terms of service, and profitability of service. Thus, it is possible to provide fair and profitable services, but only to a small, cherry-picked population of low-income consumers. Conversely, it is possible to provide profitable service to a large

population, but only on exploitative terms. Or, it is possible to provide fair services to a large population, but not at a profit."

– **Adam J. Levitin**. *Excerpts from an article published in the Yale Journal of Regulation titled "The Financial Inclusion Trilemma."*

3.7. Challenges of financial inclusion

68. "While there is no shortage of ideas on new and innovative ways to increase financial inclusion, the key challenge to my mind is the ability to scale up and achieve sustainability."

– **Muhammad bin Ibrahim**, Governor of the Central Bank of Malaysia (Bank Negara Malaysia). *Opening remarks at the Global Symposium on Innovative Financial Inclusion, Kuala Lumpur, 21 September 2016*.

69. "Although financial inclusion has widened, users with less experience using banking services struggle to benefit without assistance. About two-thirds of unbanked adults said they would need help using an account if they opened one at a financial institution, the Findex report found. These less experienced users may also be vulnerable to fraud and higher bank fees."

– **Stephen Hall**. *In a 2022 World Economic Forum blog post titled "4 things to know about financial inclusion around the world right now".*

70. "Low financial literacy, legal restrictions, difficulty in accessing financial products and services for various reasons such as high transaction costs and difficulty in accessing loans due to limited savings in their accounts have been identified as some of the factors hindering youth access to financial services."

– **Caroline Abel**, Governor of Central Bank of Seychelles and Chairperson of the African Financial Inclusion (AFI) Policy Initiative. *Opening remarks (virtual) at the AFI regional webinar on "Financial inclusion policies for the youth in Africa - what have we learned so far?", 21 February 2023.*

71. Ongoing issues [are] inhibiting true financial inclusion as many still don't have mobile devices, bank accounts, or access to the documentation or digital solutions that would allow them to become part of the global financial community.

    – **Nikki Kettles**, Executive: Licences and Payments Regulation at Mukuru. *In an article published in techbuild.Africa titled "Benchmarking Financial Inclusion through Innovation".*

72. "A lack of specialised staff, cost and limited revenue opportunities were seen as barriers to innovation and providing more specific [financial] products and services to support financial inclusion. Specific issues such as customer due diligence (CDD) requirements were also identified as challenges to providing [financial] products and services to some customers."

    – **The Reserve Bank of New Zealand** (RBNZ) Thematics team.

73. "Financial inclusion, therefore, plays a vital role in supporting the prosperity, resilience and wellbeing of New Zealanders. However, access to some financial products and services has been declining over the last decade. Research has also highlighted how some people and businesses face barriers that can constrain their participation in the financial system ('underserved' customers)."

    – **The Reserve Bank of New Zealand** (RBNZ) Thematics team.

74. "Most American consumers have access to basic financial services. However, there are significant and persistent disparities in how well the U.S. financial system functions for different communities, including people with lower incomes and wealth, people of color, and those in rural areas. These disparities are reflected in persistent gaps in broader economic measures."

    – *Excerpts from the* ***2024 US National Financial Inclusion Strategy*** *document published by the Treasury Office of Consumer Policy.*

75. "In rural areas, the lack of physical banking infrastructure makes it difficult for individuals to access banking services. Limited transportation options and long distance to the nearest bank branch pose significant barriers to financial inclusion."

– **Gray Group International (GGI) Insights**. *In a 2024 GGI Blog Post.*

76. “The financial inclusion problem cannot be solved by private provision, even with the deployment of new technologies, because the economics of small-dollar deposits and small-dollar lending make it impossible to simultaneously offer these products on a wide scale, fairly, and profitably on a stand-alone basis. This is the financial inclusion trilemma.”

    – **Adam J. Levitin**. *Excerpts from an article published in the Yale Journal of Regulation titled “The Financial Inclusion Trilemma”.*

77. “Financial inclusion may not always improve financial health. On one hand, if access does not lead to adequate use of financial services, then [financial] inclusion is partial and thus unlikely to improve financial health. Low use can be due to the high cost [of financial services] or a lack of familiarity with financial services. Discomfort with digital distribution channels can also impede use. This is more common among the old, the poor and the less educated, who may prefer physical distribution points such as a bank branch or ATM. On the other hand, even if access does lead to use, financial health can suffer if the quality of use is poor.”

    – **Carlos Cantú, Jon Frost, Tirupam Goel and Jermy Prenio**. *Excerpts from a 2024 BIS Bulletin publication titled “From financial inclusion to financial health”.*

78. “In Nigeria, citing security, policymakers made biometric IDs a requirement for digital financial services (DFS) users. This created not only another barrier to entry for vulnerable users, but also failed to adequately protect them from cyber risks given the inadequate legal consequences for cyber criminals. Furthermore, the cost and inefficiencies in the collection and deployment of biometric systems led to high failure rates and data leaks, eroding consumer trust.”

    – **Aubra Anthony, Nanjira Sambuli, Lakshmee Sharma**. *In a 2024 Carnegie Endowment for International Peace Research Paper titled “Security and Trust in Africa’s Digital Financial Inclusion Landscape”.*

79. “Commercial banks in WAEMU and SADC regions impose high costs on some basic items such as opening and maintaining checking bank accounts. These high costs can be a deterrent to opening and maintaining bank accounts for low-income consumers, hindering financial inclusion, particularly in countries where this cost represents a relatively large proportion of their monthly income.”

– **Kazuko Shirono, Berhe Beyene, Fozan Fareed, Christiaan Loots, Andrea Quevedo and Kameshnee Naidoo**. *In a 2024 IMF Working Paper titled “Understanding Barriers to Financial Access: Insights from Bank Pricing Data”.*

80. “The challenge of financial inclusion is among the most intractable policy problems in banking. Despite living in the world’s wealthiest economy, many Americans are shut out of the financial system. Five percent of American households lack a bank account, and an additional thirteen percent rely on expensive and sometimes predatory fringe financial services, such as check cashers or payday lenders.”

– **Adam J. Levitin**. *Excerpts from an article published in the Yale Journal of Regulation titled “The Financial Inclusion Trilemma”.*

81. “If financial inclusion is defined as people and businesses being able to access affordable, useful financial products and services, then the official numbers suggest that lenders are falling short of their ambitions. Around 4.5 per cent of the US population — nearly 6million people — don’t have a bank. The UK Financial Conduct Authority’s 2020 Financial Lives survey found that 1.2million adults in Britain have no bank or e-money account.”

– **Farah Khalique**. *In a 2024 publication in The Banker Magazine titled “Finding the muscle to step up financial inclusion”.*

82. “What are the aspects of people’s day-to-day lives, the potential financial needs, that aren’t being satisfied by the account you’re using to pay for groceries or your bills? Why do they have to go look for alternative financial services, usually at greater cost? I think those are real questions worth exploring.”

– **Steven Brown**, Director of Insights at Aspen Institute Financial Security Program. *Remarks at panel discussion during an event hosted in November 2024 by the St. Louis Fed's Community Development Department.*

3.8. Consequences of financial inclusion

83. "Financial inclusion, like microfinance, follows the fundamental premise that development and poverty alleviation should be pursued through an expansion of financial markets – a financialisation of development and poverty. But [financial inclusion] is more than just a re-labelled version of microfinance. It is a thoroughly fortified finance-development hybrid that looks poised to grant financial market actors and rentier capital even greater powers to extract rents and reshape politics, and subordinate social development to capital market development."
– **Philip Mader**. *In a 2018 article titled "Contesting financial inclusion".*

84. "As criminals find novel ways to exploit digital financial services (DFS), consumers' trust will continue to be eroded. DFS-borne risks like fraud are harming service reputation across the [African] continent as protections and mitigations continue to lag. A World Bank report on cyber threats in Africa's financial sector notes the difficulty in quantifying such reputational harms but cites profit losses after major incidents as a barometer."
– **Aubra Anthony, Nanjira Sambuli, Lakshmee Sharma**. *In a 2024 Carnegie Endowment for International Peace Research Paper titled "Security and Trust in Africa's Digital Financial Inclusion Landscape".*

85. "Adherence to flimsy theories about finance driving development and poverty alleviation bears the risk of putting the proverbial cart before the horse, and at best addressing very specific symptoms, rather than deeper causes, of poverty and underdevelopment."
– **Philip Mader**. *In a 2018 article titled "Contesting financial inclusion".*

86. “Cyber threats work against financial inclusion. By eroding consumer trust in financial institutions, they risk driving people away from financial services and the digital economy, rather than letting them benefit from it. Poor populations, the very people who we are trying to financially include, are most vulnerable to cyber threats.”
– **Jean-Louis Perrier**, Director at Africa Cybersecurity Resource Center. *Remarks in an AFI interview on the repercussions for financial inclusion, policymakers and regulators.*

87. “Does financial inclusion improve people’s lives? Not automatically. Its impact depends on how these services are used. Over-indebtedness, for instance, is a growing problem in South Africa, where easy access to credit has left many poorer. We need to move away from the notion that simply providing access will drive positive outcomes. The concept of: 'if you build it, they will come' is a misnomer. We need to better understand people’s real needs and align services to address those needs rather than blanket-approaching financial inclusion as a one-size-fits-all solution.”
– **Brendan Pearce**. *In a 2024 Finmark Trust article titled “Moving Beyond Access in Financial Inclusion to Real Impact”.*

88. “To drive financial inclusion at scale, governments in Africa have pursued digitalization without an appropriate appraisal of the structural drivers of digital exclusion.”
– **Aubra Anthony, Nanjira Sambuli, Lakshmee Sharma**. *In a 2024 Carnegie Endowment for International Peace Research Paper titled “Security and Trust in Africa’s Digital Financial Inclusion Landscape”.*

89. “Financial inclusion is often touted as a silver bullet for poverty alleviation. However, this expectation is misguided. Financial inclusion is not the solution to poverty—it’s a contributor, a tool. It can certainly empower individuals by giving them the means to manage money, access credit, and build assets, but it can also lead to new challenges, like over-indebtedness. If not used responsibly or if financial products are not designed with users in mind, inclusion can deepen financial stress rather than alleviate it.”

– **Brendan Pearce**. *In a 2024 Finmark Trust article titled "Moving Beyond Access in Financial Inclusion to Real Impact".*

3.9. Sustainability through regulation and safeguards

90. "We've seen [bank] accounts that are responsive to the consumer perspective. I think we're hopeful the [bank] account structures in place will be more sustainable for consumers, that the convenience and value they derive from those banking relationships will help them weather life events that could otherwise cause them to exit the banking system."

    – **Keith Ernst** of the FDIC. *Remarks at panel discussion during an event hosted in November 2024 by the St. Louis Fed's Community Development department*.

91. "Innovation brings both new opportunities and risks to the financial sector and low-income consumers, and a holistic approach may be needed to maintain a safe and competitive environment. A holistic approach considers whether the legal framework, institutional structures, supervisory approach, and organizational culture of the financial authorities are adequate and flexible enough to accommodate a range of current and future disruptive innovations, with financial inclusion counted among the primary policy objectives."

    – **Mehmet Kerse, Laura Brix Newbury, and Stefan Staschen**. *A 2024 CGAP Working Paper titled "Financial Inclusion and Disruptive Innovation".*

92. "In addition, successful financial inclusion policies may sometimes entail strengthening rather than alleviating some regulatory safeguards. For example, increasing the access of larger segments of the population to credit or payment facilities without sufficiently effective consumer protection rules could increase rather than reduce the vulnerability of some of the newly financially included individuals."

    – **Fernando Restoy**, Chair, Financial Stability Institute, Bank for International Settlements. *In his Speech titled "Proportionality and financial inclusion: implications for regulation and supervision".*

93. “Enhancing the accessibility and inclusivity of transaction accounts can lead to increased account opening and usage, fostering longer-term trust in the financial system and improving financial inclusion. To promote these goals, financial institutions should prioritize offering transaction accounts with features that promote inclusion, such as affordability, security, and language accessibility.”

    – *Excerpts from the **2024 US National Financial Inclusion Strategy** document published by the Treasury Office of Consumer Policy.*

94. “A financial inclusion strategy needs to work in conjunction with policies designed to protect and redress financial consumers, improve financial literacy and capability, and achieve widespread financial wellbeing.”

    – **Adele Atkinson & Louise Overton**. *In a 2024 Financial Inclusion Commission Working Paper titled “Financial inclusion in the UK”.*

95. “Financial inclusion is often discussed mostly in terms of giving people access to financial accounts and services. Such conversations miss the fact that the real magic happens when people move from access toward financial health.”

    – **Kedra Newsom Reeves and Walter Diaz**, Boston Consulting Group.

96. “Building financial inclusion is crucial to fighting these risky situations, but it can only be effective when local cultural approaches to money are considered. In many places, savings can be in the form of assets - such as shells in the Solomon Islands or pigs in Papua New Guinea. In Fiji, bartering is still the main form of trade and in Indonesia, hierarchy in families is an important part of money decision making.”

    – **Benigne du Parc**, Good Return Program Director. *In a Good Return website post titled “Financial inclusion protects the vulnerable from life’s unexpected events”.*

97. “Financial inclusion has largely relied on account ownership and related metrics that may be outdated, especially with digitization. A holistic picture of financial inclusion needs to include adoption, diversification, and impact indicators. Recognizing that the global majority exists in diverse communities and contexts, it is critical to assess

specific needs and barriers to the full range of formal financial services faced across people and places."

– **Nicole Goldin**. *In a 2024 publication in the Atlantic Council titled "Toward a financial inclusion agenda for the global majority".*

98. "We must encourage the usage of financial services, but we must do so by taking a demand-side approach. This means moving away from simple access metrics and focusing on whether people are actually benefiting from the services that are available to them. Do these services help them manage risk? Build assets? Improve their standard of living?"

– **Brendan Pearce**. *In a 2024 Finmark Trust article titled "Moving Beyond Access in Financial Inclusion to Real Impact".*

99. "Existing approaches around financial inclusion are complex and tend toward philanthropic solutions. But there is not enough philanthropic money in the world to sustain these models over time. The programs with the greatest potential for long-term impact are the commercially viable solutions. They can be sustained over time, scaled up and encourage future-proofing by rewarding innovation and responsiveness to customer needs."

– **Ajay S. Banga**, President, World Bank Group. *In a 2021 World Economic Forum blog post titled "It's time for a rethink on financial inclusion – new principles show how."*

100. "[Adopting] a risk-based approach [to financial inclusion] enables companies to prioritize consumer security and adaptability to varied risks."

– **Aubra Anthony, Nanjira Sambuli and Lakshmee Sharma**. *In a 2024 Carnegie Endowment for International Peace Research Paper titled "Security and Trust in Africa's Digital Financial Inclusion Landscape".*

4. Conclusion

This article presented informed viewpoints, in the form of quotes, about what financial inclusion is, the factors enabling financial inclusion and the risks or challenges that lie ahead. The article used the viewpoint of informed experts to provide a balanced view of what the financial inclusion agenda is all about. The significance of this perspective article is that it provides a collection of informed perspectives on the recent thinking about financial inclusion from people who are engaged in financial inclusion activities and decision-making in organisations, policy institutions and in academia. To date, this type of perspective study has not been documented in the financial inclusion literature. This perspective study is valuable to policymakers, economists, practitioners, and researchers who want to gain useful insights into financial inclusion and to those who want to assist their organisation and country in developing responsible and sustainable financial inclusion initiatives. The starting point of such endeavour is to listen to the perspective of informed protagonists and antagonists of financial inclusion. The insights gained can help in developing a meaningful financial inclusion strategy. Finally, my goal in this study was to present the views as they are, in the form of quotes, and allow the reader to reflect deeply on them, and form an independent opinion about financial inclusion based on a collection of viewpoints that exist in the public space.

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