IGBINEDION UNIVERSITY, OKADA

FINANCIAL INCLUSION AND SUSTAINABLE DEVELOPMENT: NIGERIA IN PERSPECTIVE

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BY

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DEDICATION

This Lecture is dedicated to:

- My late Father
- My late Mother
- My wife
- My children

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1.0 PREAMBLE

Mr. Vice-Chancellor Sir,

Deputy Vice-Chancellor,

Registrar,

Bursar,

Librarian,

Provost,

Deans of colleges,

Eminent Professors here present,

My Lord Spiritual and temporal,

Traditional Rulers here present,

Staff and students of this authentic university,

Gentlemen of the press,

Distinguished ladies and gentlemen.

In the academic world, an inaugural lecture is an initiation into elders' council. The mission of an academic is usually not fulfilled without delivering an inaugural lecture. This inaugural lecture is the 17th inaugural lecture from this authentic university since its inception in 1999. It is the first from Mallam Sanusi Lamido Sanusi College of Business and Management Studies, the first from the department of Banking and Finance and the third under the tenure of the current Vice- Chancellor.

My lecture titled 'Financial Inclusion and Sustainable Development: Nigeria in perspective' is a contemporary issue which is attracting National, Regional and global discussions in the face of unending poverty.

FINANCIAL INCLUSION AND SUSTAINABLE DEVELOPMENT: NIGERIA IN PERSPECTIVE

1.1 INTRODUCTION

Financial inclusion is the pursuit of making financial services accessible at affordable costs to all individuals and businesses regardless of net worth and size. According to World Bank report (2018), Financial Inclusion is a key enabler to reducing poverty and boosting prosperity. It connotes enabling access to financial resources and services for different economic agents at an affordable cost, especially to those with lower income (Mbutor & Uba, 2013).Financial inclusion strives to address and proffer solutions to the constraints that exclude people from participating in the financial sector's activities. From theoretical literatures, it is also referred to as 'inclusive financing'. Ehigiamusoe (2011) considers financial inclusion as access to financial services without discrimination on grounds of disability, gender, faith and location amongst others. In totality, financial inclusion is the availability of a range of financial services at affordable costs to all segments of the population particularly the vulnerable, the disadvantaged, the economically active poor and the low income groups. Odeleye and Olusoji (2016) consider financial inclusion as access to formal financial services such as credit, savings and insurance opportunities.

It is a situation where individuals and businesses have access to useful and affordable financial products and services that meet their needs and that are delivered in a responsible and sustainable way. It is the availability and equality of opportunities to access financial services. However, about 2.5 billion adults in the world lack access to formal financial services (Dashi, 2013). Less than

20% of the populations in developing nations have access to formal financial services (Robinson, 2001). According to (Iganiga, 2008), in Nigeria, the formal financial system provides services to about 35% of the economically active population of Nigerian citizens while the remaining 65% are excluded from the financial services provided by formal financial system.

1.2 COMPONENTS OF FINANCIAL INCLUSION

Financial inclusion which focuses on citizen's access to financial services in such a manner that enables every adult to realize his/her full potentials and life aspirations has the capacity of lifting citizens out of poverty, improving citizens' quality of life and enhancing the citizens' ability to contribute meaningfully to national development. In order to achieve these laudable goals, financial inclusion involves the following process that act as components:

- Opening transaction accounts, that is, bank accounts or mobile money wallets.
- Saving money in the account for safekeeping.
- Sending and receiving money in a convenient and affordable low cost manner.
- Paying bills and making daily purchases conveniently at low cost.
- Accessing finance to meet personal obligations and to establish and operate business loans at affordable rates and under friendly conditions.
- Investing in financial instruments for higher returns such as fixed deposits, mutual funds and stocks.

- Insuring risks around assets.
- Savings for pension.

Whoever is taking full advantage of the eight services enumerated above is said to be financially included, the individual who uses a few of the services is said to be financially underserved, while the person who does not use any of the services is said to be financially excluded (Nigeria Inter-bank Settlement System, NIBSS).

1.3 DIMENSIONS OF FINANCIAL INCLUSION

There are various dimensions of financial inclusion as follows:

- Comprehensiveness Of Financial Services

From this perspective, financial inclusion connotes the availability of a full range of financial services which includes savings opportunities, credit of various types, investment services, asset management services, insurance, factoring, leasing, mortgages, pensions, various payments which includes local money transfers and international remittances.

- Unhindered Access For All

This involves gaining access to financial services without discrimination on grounds of disability, gender, faith and location that are very critical to financial inclusion. The process of inclusive finance is about the removal of barriers to services for disadvantaged groups such as the rural dwellers, women, marginal farmers, urban slum dwellers, migrants, senior citizens and the physically challenged persons. Everybody who can and desire to use financial services should be given unhindered access. Efforts are made to remove possible barriers to access financial services for these groups. Simplification of account opening and operating procedures would enhance access for persons with limited education while removal of minimum deposit account opening requirement for low-income people is needed.

- Affordability and Easy Access

This implies that financial services should be affordable and delivered in a manner that is convenient and client-friendly. To enhance financial inclusion, we should address the issue of affordability, interest rates, collateral and minimum amount of account opening requirements for the low-income earners.

- Existence of Sustainable Financial Institutions

Financial institutions are indispensible in achieving financial inclusion. Only sustainable financial institutions are able to provide a range of quality financial services in the right volume and as at when required.

2.0 SUSTAINABLE DEVELOPMENT: DEFINITION AND GOALS

Source: Ezemonye (2019)

Brundtland Commission (1983), a United Nations Commission on Environment and Development, defined Sustainable Development as meeting the needs of the present generation without compromising the ability of the future generations to meet their own needs. Sustainable Development goals (SDGs) comprises seventeen (17) goals which succeeded the eight (8) Millennium Development Goals (MDGs) that ended in 2015. On the 25th September 2015, the 193 member countries of the United Nations General Assembly adopted the 17 Sustainable Development Goals which is expected to terminate in 2030. The goals are highlighted as follows:

Goal 1: No Poverty

This goal is aimed at ending poverty in all its forms everywhere in the world. Presently, researchers have revealed that more than one in every five people in the world live on less than US $1.9 per day. People live in poverty if they lack basic services such as health care, security, education, experience hunger, social discrimination and excluded from decision making process.

Goal 2: Zero hunger

This is aimed to end hunger, achieve food security, improved nutrition and promote sustainable agriculture. Agriculture is the single largest employer of labour in the world, providing livelihood for 40% of the global population. Globally, one (1) in every nine (9) people are undernourished, the vast majority of them live in developing countries.

Goal 3: Good health and well-being for the people

This goal is to ensure healthy lives and to promote the well-being of all the people at all ages. This goal aims to increase life expectancy and reduce some of the common killer diseases associated with child and maternal mortality.

Goal 4: Quality Education

This ensures inclusive and equitable quality education and promotes life-long learning opportunities for all. Researchers have revealed that over 13.5 million children of school age in Nigeria are out of school.

Goal 5: Gender equality

This goal seeks to achieve gender equality and empower all women and girls. According to United Nations, gender equality is not only a fundamental human right, but a necessary foundation for a peaceful, prosperous and flourishing world.

Goal 6: Clean water and sanitation

This goal ensures that everyone is healthy. It seeks the availability of clean water and sanitary conditions for all. Researchers have revealed that 6 out of 10 people lack clean drinking water and sanitary services. Clean drinking water and hygienic toilets protect people from diseases and enable societies to be more productive economically.

Goal 7: Affordable and clean energy

This goal ensures access to affordable, reliable, sustainable and modern sources of energy for all. From theoretical literatures, we deduce that only 57% of the global population relies primarily on modern energy sources and technology.

Goal 8: Decent work and economic growth

This goal attempts to promote and sustain full employment. Unemployment rate is very high especially in developing countries and indeed in Nigeria.

Goal 9: Industry, Innovation and Infrastructure

This goal seeks to build resilient infrastructures, promote inclusive and sustainable industries and foster innovation. Manufacturing activities are major sources of employment. The manufacturing of high quality products contributes 80% to total national output in industrialized economies but barely 10% in the less developed countries.

Goal 10: Reducing inequalities

This goal seeks to reduce income inequality within an economy. It seeks to reduce the cost of exporting goods and the cost of remittance by economic agents.

Goal 11: Sustainable Cities and Communities

This goal seeks to make cities and human settlements safe. The security of lives and property is considered as a major factor for promoting viable economic activities in a nation according to the World Bank Report.

Goal 12: Responsible Consumption and Production

This goal ensures sustainable consumption and production patterns. It seeks to use eco-friendly production methods in order to reduce the amount of waste by the year 2030 according to United Nation's report.

Goal 13: Climate action

This goal seeks to take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy.

Goal 14: Life below water

This goal seeks to conserve and sustain the use of the oceans, seas and marine resources for sustainable economic development. Waters cover 71% of the earth's surface. It is essential for making the planet livable. Researchers have revealed that over three billion people in the world depend on marine life for their livelihood. Oceans absorb 30% of all carbon dioxide produced by humans. Approximately, one million sea birds, one hundred thousand marine mammals and an unknown number of fishes are harmed or die annually due to marine pollution caused by human activities. Improving the Oceans contributes to poverty reduction and deepens financial inclusion as it gives low income families a source of income and healthy food.

Goal 15: Life on Land

This goal seeks to protect, restore and promote ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss.

Goal 16: Peace, Justice and Strong Institutions

This goal seeks to promote peace in societies in order to achieve sustainable development. It provides access to justice for all and builds effective, accountable and inclusive institutions at all levels. Reducing violent crime, sex trafficking, forced labour and child abuse are clear global goals. The international community values peace and justice and calls for stronger judicial systems that will enforce laws and work towards a more peaceful and just society.

Goal 17: Partnerships for the Goals

This goal attempts to strengthen and revitalize international co-operation for sustainable development. Countries and organizations should co-operate instead of competing.

Developing multi-stakeholder partnerships to share knowledge, expertise, technology and financial support is seen as critical to overall success of sustainable development goals. The world has come to full realization that development is meaningless if it is not sustainable taking into consideration the impact of our every action on future generations and outcomes.

The sustainable development goals have three pivotal focuses- Poverty, Equality and Physical environment. The relationship between poverty and the environment is symbiotic. Ecological degradation, human right abuses, discrimination against women, child labour, social exclusion and discrimination are more dominant in an environment where poverty is rife.

These issues cannot be meaningfully combated if poverty is not tackled. Communities and households that are unable to afford cooking stoves or gas would easily resort to tree felling as an alternative. This leads to environmental hazards such as deforestation, desertification and bio-diversity loss. A well nurtured physical environment plays a great role in improving the human condition and lifting the very poor out of poverty as it creates diverse economic opportunities which enhance overall wellbeing. The cost of eradicating extreme poverty annually on a global scale has been put at USD 66 billion (£43 billion) while annual investments in improving infrastructure (power, water, agriculture, transport, telecommunications etc.) could be up to a total of USD 7 trillion globally (Sampson, 2015).Most of the rebellions and armed conflicts around the world have their origins in financial exclusion, social, political and economic deprivation.

2.1 REASONS WHY ECONOMICALLY ACTIVE POOR PEOPLE ARE DENIED FINANCIAL INCLUSION IN NIGERIA.

Economically active poor people are denied access to a range of financial services as a result of the following:

- **Complicated Service Delivery Procedures.**

The inability of the economically active poor people to understand and comply with the complex procedures and requirements for formal financial services make them to be financially excluded.

Potential clients may not be able to execute complicated loan application forms or savings account opening forms. Insurance policies terms may be too difficult for them to understand.

- **Legal Requirements.**

Micro-enterprises and economically active poor people are somewhat excluded from financial services as a result of their inability to meet the legal requirements such as incorporation and items of personal and business identification. Many lending institutions demand for certificate of incorporation or registration which most micro-enterprises do not have. There is also the inability of some to provide forms of acceptable personal identification such as driver's license, birth certificates, employment identity card which constitute a barrier for them to access institutional credit and other financial services.

- **Lack of Awareness and Access to Information.**

The economically active poor persons may not be aware of the benefits of financial services such as insurance, mobile payments and checking accounts. Information on various financial services and schemes is not easily available to these excluded groups especially the rural dwellers.

- **Limited spread of Financial Institutions.**

Users of financial services may be in locations without the presence of financial institutions. Most commercial banks are located in urban centres. The rural dwellers are prevented from the use of banks. This led to the introduction of rural banking scheme by the Federal Government through the Central Bank of Nigeria in 1977.

- **Terms and Conditions for accessing Finance.**

The economically active poor people find it difficult to meet stringent terms and conditions attach to financial services. They do not have assets to offer as collateral security for credit facilities as well as initial deposit required for account opening.

- **Psychological and Cultural Obstacles.**

Some of the economically active poor regard some types of financial services as exclusively for the rich. For psychological reasons, they do not think that such services as insurance are for them who even face more risks on a daily basis. In some societies, women do not have rights to be educated which make them unable to access credit from formal financial institutions.

- **Regulatory Challenges.**

In some jurisdictions, some categories of financial institutions are not allowed to provide a complete suite of financial services. An example is Microfinance Banks that are not allowed to provide foreign exchange services and go to clearing house for cheque clearance. They cannot directly provide remittances services to their customers.

- **High transaction costs.**

High cost of transactions is a fundamental reason why some segments of the population are financially excluded. It is more difficult to manage small loans with thousands of customers than manage huge loans with few customers. This high operating cost limits the ability of Microfinance institutions to reach a large number of customers with a variety of financial services.

- **Insecurity.**

Insecurity is another factor responsible for financial exclusion in

Nigeria. It affects the local economy, it breeds poverty and it diminishes quality of life. The booming road side businesses on many of our express roads in Nigeria have vanished as a result of insecurity.

All the cars that used to park on the sides of the road to buy snail, bush meat, yam, plantain, etc, have all stopped doing so. As a result, the roadside sellers have been financially excluded in Nigeria. Movement by roads in the past used to be pleasurable but not these days. Insecurity widens financial exclusion. Many members of staff of Micro finance banks are afraid to go to the rural areas for deposit mobilization.

3.0 RURAL, COMMUNITY, MICROFINANCE BANKING AND FINANCIAL INCLUSION.

Table 1displays the branch network of rural banking scheme in Nigeria from 1977 to 1983.

	First phase (1977-1980)	Second phase (1980-1983)
Number of Banks	20	20
Allocations	200	266
Achieved at end- June 1980	188	-
Achieved at end- December 1980	194	-
Achieved at end- December 1981	199	38
Achieved at end- December 1982	200	121
Achieved at end- December 1983	200	181

Source: CBN Annual Reports and Statement of Account 1981-1983.

The scheme was implemented in two phases between the period - 1977-1983. The first phase of the programme was 1977 - 1980. In the first phase, the banks were expected to open 200 branches in rural areas and this was achieved by December 1982. The banks were to open 266 branches in the second phase between 1980 and 1983, the number of branches opened under phase two stood at 181 branches by December 1983.

To enhance financial inclusion, government founded the People's Bank of Nigeria in 1989 and also facilitated the establishment of Community Banks. The summary of growth of People's Bank in Nigeria between the period 1989-1994 is shown in table 2.

Table 2: Summary of People's Bank of Nigeria growth between 1989-1994

	1989	1990	1991	1992	1993	1994
Branches	26	169	N/A	228	271	275

Source: CBN Annual Reports/Statistical Bulletin 2003.

The bank was able to expand its activities rapidly during the first few years of its existence. The total number of branches grew from 169 in 1990 to 228 in 1992 and reached 275 by the end of 1994. However its activities were scuttled by bureaucracy of government preventing it from extending its impact beyond the early years before folding up.

Community Banks were licensed in the 1990s to promote financial inclusion. The banks were encouraged to serve mostly local residents with simple and non-sophisticated financial services.

The first set of Community Banks were established at the end of 1990 and by 1999, the total Community Banks in the country stood at 550 with total assets base of ₦8.9 billion (CBN, 2003).

Another initiative by government to enhance financial inclusion and grow Small and Medium Enterprises (SMEs) was the National Economic Reconstruction Fund (NERFUND) and Family Economic Advancement Programme (FEAP). NERFUND was created in 1988 to provide local and foreign funds for small and medium scale businesses while the FEAP was established principally to assist rural women who were considered not to be having access to finance to grow their businesses. NERFUND and FEAP also went under like People's Bank.

The Microfinance model which involves majorly the provision of financial services to the poor and low-income earners has been identified as a potent instrument for promoting financial inclusion as well as poverty alleviation. The Federal Government in 2005 launched National Microfinance policy which provided the supervisory and regulatory framework that will not only facilitate the growth of privately owned Micro finance institutions but also permits and facilitate the participation of mostly the third sector institutions, including Market associations, Cooperatives, Non-governmental organizations (NGOs), self-help groups, etc in the Microfinance model. These institutions remain the major vehicle for the inclusion of many users of the informal sector where the bulk of the unbanked exist.

By the end of December 2011, the assets and liabilities of the Microfinance banks had reached ₦190.7 billion from ₦55.1 billion in 2006. Many Microfinance banks lost their operational licenses in 2018. There were 882 Microfinance banks in Nigeria with total assets of ₦393.55 billion as at March 2019. It is advisable that government through the Central Bank of Nigeria should eschew the proposed setting up of Government owned Microfinance banks in the 774 Local Government Councils in Nigeria.

This is because they are likely to go down like the previous Government owned Enterprises in Nigeria. It will appear as an invitation to siphon public funds to private pockets. People's Bank and NERFUND were colossal failures. Government does not actually carry-on business effectively. The role of Government is to create an enabling environment for businesses to thrive.

4.0 GLOBAL VIEW OF FINANCIAL INCLUSION

One of the aims of financial inclusion is to get the unbanked and under banked to have access to financial services. The availability of financial services that meet the specific needs of the users without discrimination is a key objective of financial inclusion. Theoretical literatures have revealed that in the United States of America, a third of the Hispanic community born in United States of America and half the foreign Hispanic community living in America remain unbanked.

Dash, Lahaya and Rivanolli (2013) estimated that about 2.5 billion working- age adults globally have no access to the types of formal financial services delivered by regulated financial institutions. The stark reality is that most poor people in the world still lack access to sustainable financial services whether it is savings, credit or insurance (Annan, 2003).Only about 5% of farmers in Africa and about 15% in Asia and Latin America have access to formal credit (Nalini & Mariappan, 2012). The majority of people living in Papua New Guinea have limited or no access to formal financial services either as savings or loans. This group of people is estimated at 84% of the adult population which suggest that only 16% are included in the financial system of the country (Aube & Laidlaw, 2010).

According to World Bank Report, among Filipino adults, 24% never saved money and only 31.3% have an account at a formal financial institution in 2015.In 2006 just 11% of Tanzanians had access to financial account.

Indonesia

Indonesia established a new financial inclusion strategy in August 2016.In the last couple of years, it has undertaken various financial inclusion reforms to develop the culture of savings, strengthen the existing credit guarantee scheme and community empowerment schemes, improve financial infrastructure and payment systems, increase access to insurance and enhance financial literacy.

The World Bank Group is working with the country on reforms to expand financial access and digitize payments (including social transfers), expand access points, strengthen the regulatory and supervisory environment and raise the population's financial awareness and capability.

Mexico

In June 2016, Mexico launched its financial inclusion strategy to accelerate access to financial services for more than half of the population currently left out of the formal and regulated financial system. The World Bank Group is helping the country to strengthen financial sector oversight, foster credit and expand financial inclusion.

Mozambique

With support from the World Bank, Mozambique launched a new financial inclusion strategy in July 2016, designed to increase access to financial services from 24% to 60% of the population by 2022.

Pakistan

The World Bank is supporting country-led efforts with reforms and other actions to expand financial access and inclusion. The World Bank Group's support has enabled Pakistan to strengthen its banking system and increase private sector participation.

Peru

The country's National Financial Inclusion Strategy, formulated with the World Bank's assistance and launched in 2015, committed the government to ensure that at least 75% of adults have access to a transaction account by 2021.

Comparism

Nigeria is endowed with both natural and human resources and so we do not have business being poor. About forty years ago, the Asian countries that had Gross Domestic Product (GDP) less than Nigeria are currently having higher GDP and are more prosperous. In 1980, Nigeria had GDP of US $64,202 million while South Korea's GDP was US $62,803 million. In 2014, while Nigeria's GDP was US $568,499 million that of South Korea was US $1,410,383 million. The financial inclusion rate is higher in South Korea than in Nigeria. South Korea with a population of about 51 million in December 2018 has high financial inclusion rate of above 74% as against 35% in Nigeria.

4.1 FINANCIAL INCLUSION REVIEW IN GEOPOLITICAL ZONES IN NIGERIA

According to Enhancing Financial Innovation & Access (EFLnA) Survey and Report (2018), the Nigerian Adult population (18 years and above) is 99.6 million. Of this population:

63.3% are based in rural areas.

50.1% are women.

56.9% are 35 years and below.

20.4% have no formal education.

Proportion of Adult Population That Have Access to Financial Services in Six (6) Geo-Political Zones in Nigeria.

South – West Zone

Year	2014	2016	2018
Total Adult population	20m	21m	22m
Formally included	63%	78%	64%
Informally included	13%	4%	17%
Financially excluded	25%	18%	19%

Source: EFINA Access to Financial Services in Nigeria 2014 - 2018 survey.

South – South Zone

Year	2014	2016	2018
Total Adult population	15m	16m	16m
Formally included	52%	55%	60%
Informally included	15%	14%	17%
Financially excluded	33%	31%	23%

Source: EFINA Access to Financial Services in Nigeria 2014 - 2018 survey.

South - East Zone

Year	2014	2016	2018
Total Adult population	12m	12m	12m
Formally included	63%	59%	60%
Informally included	11%	13%	11%
Financially excluded	25%	28%	29%

Source: EFINA Access to Financial Services in Nigeria 2014 - 2018 survey

North Central Zone

Year	2014	2016	2018
Total Adult population	14m	14m	14m
Formally included	49%	48%	50%
Informally included	19%	14%	19%
Financially excluded	33%	39%	31%

Source: EFINA Access to Financial Services in Nigeria 2014 - 2018 survey

North – East Zone

Year	2014	2016	2018
Total Adult population	11m	12m	12m
Formally included	26%	25%	34%
Informally included	5%	14%	12%
Financially excluded	68%	62%	55%

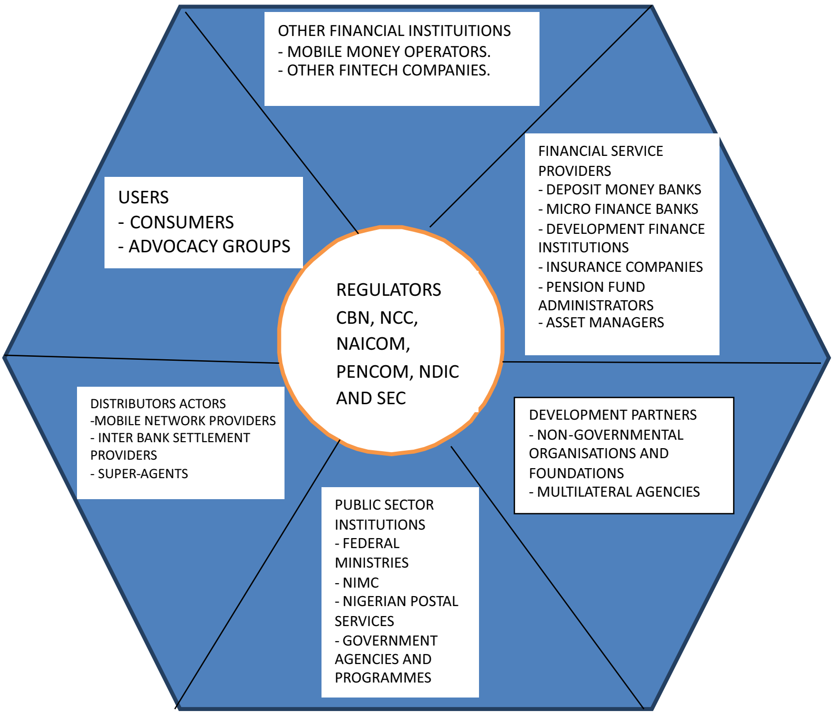
Source: EFINA Access to Financial Services in Nigeria 2014 - 2018 survey

North – West Zone

Year	2014	2016	2018
Total Adult population	21m	22m	23m
Formally included	35%	24%	27%
Informally included	9%	6%	11%
Financially excluded	56%	70%	62%

Source: EFINA Access to Financial Services in Nigeria 2014 - 2018 survey

4.2 FINANCIAL INCLUSION STAKEHOLDERS



Source: Central Bank of Nigeria (2018)

In Nigeria, the broad roles and responsibility of the identified financial inclusion stakeholders are as follows:

- **Regulators:**

Regulators include Central Bank of Nigeria (CBN), Nigerian Communications Commission (NCC), Nigerian Insurance Commission (NAICOM), National Pension Commission (PENCOM), Nigerian Deposit Insurance Commission (NDIC), and Securities and Exchange Commission (SEC) etc. These are regulatory bodies that provide the enabling laws, policies and ordinances that help to achieve effective and efficient system and also to sustain real sector growth and development. The regulators will be expected to develop and implement appropriate guidelines and framework for financial services providers, other financial institutions and distribution channels.

- **Public Sector Institutions:**

These include the Federal Ministries, National Identity Management Commission (NIMC), Nigerian Postal Services, Government agencies and programmes etc. Public Institutions are expected to provide an enabling environment for the reduction of financial exclusion within any economy. They support other initiatives that increase access to finance by excluded populations.

- **Financial Service Providers (FSPs):**

These are Deposit Money Banks (DMBs), Micro Finance Banks (MFBs), Development Finance Institutions, Insurance Companies, Pension Fund Administrators (PFAs), Assets Managers etc. They provide favourable environment that supports business development and encourages innovation. If financial institutions provide financial services that are accessible, affordable, meet consumer needs that align with the established consumer protection principles, poverty will be alleviated within the society. The profitability of financial Service Providers (FSPs) as well as their product offerings will be enhanced and financial exclusion will be reduced to the barest minimum.

- **Distributors Actors:**

Distributors Actors are the Mobile Network Providers, Inter-Bank settlement Providers and Super Agents. They facilitate funds transfer mechanism to boost Financial Inclusion system. They will earn more if they provide efficient, timely and reliable services in support of financial inclusion objectives.

- **Development Partners:**

These are non-governmental organizations, foundations and multilateral agencies. They help to achieve the sustainable development goals such as equality, welfare improvement, empowerment and poverty reduction which invariably would enhance financial inclusion.

- **Users:**

These are consumers and advocacy groups. The users would have the opportunity to access and manage their finances, engage in economic activities, smoothen consumption, increase income and achieve sustainable economic resilience.

- **Other Financial Institutions:**

These are mobile money operators and financial technology (Fin-tech) companies, which facilitates the payment system. They would flourish in an environment with enhanced financial inclusion.

5.0 CONCLUSION

Financial inclusion as a contemporary issue globally is aimed at addressing deficiencies hampering economic growth and ensuring broad-based benefits of economic development. From theoretical literatures, we deduce that the Nigerian economy is growing at 1.9% per annum, while the population is growing at 2.6% per annum with high impoverishment of about 90 million people living on less than US $2 per day. Besides, youth unemployment rate is as high as 43% and 13.5 million children are out of school.

Creating an unhindered access to a range of financial services does not only empower the poor but can also make significant contributions to national development. Access to financial services has been acknowledged as a vital tool for social and economic empowerment particularly for low-income households and disadvantaged group. It enables the poor to increase incomes, build assets and reduce their vulnerability to external shocks. There is a direct correlation between access to financial services and poverty eradication because access to financial services allows the poor household to move from everyday survival to planning for future, investing in financial assets and properties, improving living conditions and educational standards. Thus, I am concluding that Financial Inclusion is a tool for achieving the sustainable development goals. It is, therefore, required that the Nigerian government through Central Bank of Nigeria (CBN) should create regulatory, legal framework and enabling environment for a successful implementation of financial inclusion policy which will enhance the sustainable development goals.

6.0 RECOMMENDATIONS

One of the factors inhibiting financial inclusion in Nigeria is lack of financial literacy and inability to cultivate banking habit by the citizenry. To achieve financial inclusion in Nigeria I am recommending that conscious effort should be made to promote financial literacy. Priority must be given to education in order to train and re-train the citizenry to acquire financial literacy and banking habit.

Campaigns must be carried out in local languages across the country with intensive enlightenment programmes in the rural areas. This will make an effective collaboration between the Federal, the States, the Local governments, the Central Bank of Nigeria, Federal Ministry of Information and National Orientation Agency. This collaboration will be aimed at coming up with dynamic initiatives that can encourage participation by all Financial Inclusion stakeholders in the country, namely: Financial Institutions, Development partners, Technology /Telecommunication firms, regulators and public institutions to put in place enabling laws and policies that could boost financial inclusion.

In line with the above, I also recommend that products and services that can reach out to millions of the unbanked population in Nigeria should be provided by financial technology (fin-tech) companies. An enabling regulatory environment from Central Bank of Nigeria and the Securities and Exchange Commission will lead financial technology companies to provide innovative services.

The mass media is a veritable tool in driving mass mobilization across the country. To achieve financial inclusion agenda, I recommend that the media should be engaged by all stakeholders to drive publicity and awareness in the country.

In order to attract sundry customers to open bank account, I recommend that Know-Your-Customer (KYC) requirements for opening bank account should be relaxed for small accounts. The simplified procedure will stimulate the opening of more accounts than would have been opened if subjected to full Know-Your-Customer (KYC) drill for opening such account.

I also wish to recommend that banks should engage Business Facilitators (BFs) and Business Correspondences (BCs) as intermediaries for providing financial banking services. The Business Correspondence (BC) model allows bank to provide doorstep delivery of services especially cash in – cash out transactions. This will address the last mile problem. The list of eligible individuals and entities that can be engaged as business correspondence (BCs) should be widened from time to time. At the grass-root level, the business correspondence (BCs) with the help of the Local Government Council Authority should set up a centre known as Common Service Centre (CSC). These centres should be rural electronic hob with a computer connected to the internet that provides e-governance or business services to rural citizens. There should be synergy between the Federal, States and Local Governments. For this purpose, improved electricity supply will helpful, even essential.

Lastly, I recommend that Nigeria should re-enact the policy of rural banking scheme which was first introduced in 1977. This will improve banking penetration and financial inclusion. Security across the country should be improved as it affects the local economy. Insecurity breeds poverty and diminishes quality of life. Movements by road should be made pleasurable by addressing herdsmen menace on our highways.

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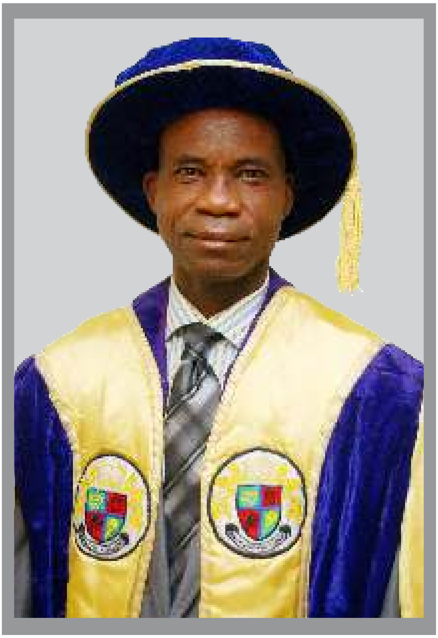
BIO-DATA OF PROFESSOR

RAPHAEL IGBINOSA ADEGHE



Professor Raphael Igbinosa Adeghe is a professor of finance and Dean, College of Business and Management studies Igbinedion University Okada. He was born on April 11th 1959 in Ehor, Uhunmwode local Government Area, Edo state to late Pa and Mrs Oguebo Enadeghe. He attended BDC primary school Ehor from (1964-1969) and proceeded to Ehor Grammar school Ehor (1970-1974) as one of the pioneer students of Ehor Grammar school. He obtained his BSC Economics (1984), his MSC Banking and Finance (1995) and MSC Economics (2007), all from the University of Benin, Benin City. He got his Ph.D in Finance from Igbinedion University Okada in 2011. He bagged his Post-Graduate Certificate in leadership from University of Pittsburgh in the United States of America in 2012.

He started his working career as a canvasser with the Nigerian Observer in 1975 till 1980. He did his National Youth Service Corps in Kano (1984-1985). He worked with Maaji & Co., management consultants in Kano between 1985 and 1987. He joined Bendel now Edo State civil service in the office of the Auditor General as Audit officer (1987-1996). He proceeded to Insight Communications, Lagos as an Account Director/Corporate Planning Controller in 1996. He became the chairman and chief executive officer of Broadbase Concept Services Limited, Lagos between (2000-2005).

He began his academic career in 2005 as an Assistant lecturer in Igbinedion

University, Okada. He became a Professor in 2018. He has supervised 11 Ph.D students, over 40 MSC students and over 150 undergraduate students across various Departments including Accounting, Banking and Finance and Business Administration. His area of focus is International Finance, Public Finance, Corporate Finance and Mathematics of Finance. He has over 30 publications to his credit in scholarly journals published locally and internationally.

Professor Raphael Igbinosa Adeghe belongs to many professional bodies among which are: Association of National Accountant of Nigeria, Chartered Institute of Taxation of Nigeria, Nigerian Environmental Society, etc. He was Edo State Publicity Secretary of Association of National Accountants of Nigeria (ANAN) 2008-2010. He became the State Chairman, Association of National Accountants of Nigeria (ANAN) 2010-2013.

Professor Raphael Igbinosa Adeghe has been conferred with many Honours among which are: Justice of Peace by Edo State Government in 2004, award for outstanding contribution to Development of Education in Edo state by Rotary club International District 9140, outstanding service to Association of National Accountants of Nigeria by the body in 2013, etc.

In his academic career, Professor Raphael Igbinosa Adeghe became Head of Department of Banking and Finance between 2011-2018, he became Sub-Dean, School of Post-Graduate Studies and Research in Igbinedion University Okada, 2013, Dean College of Business and Management Studies Igbinedion University, Okada 2014 till date. He became a member of Igbinedion University Governing Council Since 2018 till date. He has attended many conferences both locally and internationally. He has headed several committees in Igbinedion University among which are: Chairman, Graduate Summer Institute, 2007, Chairman Committee on collection of School Fees 2010, Chairman Furniture Loan Committee, 2019, Chairman Consultancy Services, 2019, etc.

He is the Founder/Chairman Board of Trustee, Youth and Vulnerable Persons Survival Initiative (YAVPSI) a non-governmental organisation (NGO). He has been a Director in Prosperity Microfinance Bank, Benin city since 2014 till date.

He is a Christian.

Professor Raphael Igbinosa Adeghe is married to Barr. (Dr.) Itohan Felicia Adeghe and they are blessed with children.