



**ASSOCIATION OF AFRICAN YOUNG ECONOMISTS
ASSOCIATION DES JEUNES ECONOMISTES AFRICAINS**

Mission statement : Cognizant of the relevance of knowledge economy in 21st century development, the Association of African Young Economists (AAYE) is an institution created on the 03/03/2013 which aims to facilitate scientific collaboration for contribution to and dissemination of knowledge towards development in the African continent.

Objectif: L'AAYE est une organisation à but non lucrative et apolitique créée le 03/03/2013 par un groupe restreint de jeunes chercheurs et expert Africains. Cette institution est destinée à mettre sur pied un réseau international des jeunes économistes Africains pour encourager le développement du continent à travers la collaboration et les publications scientifiques.

CALL FOR PAPERS

2016 AAYE GENERAL ASSEMBLY

05th -06th MAY, YAOUNDE, CAMEROON.

N°= __ 00207 __ /AAYE/NOVEMBRE/19/2015

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Boosting Investment and Business Environment in Africa Today: Digital Financial Sector Development as an Optimal Strategy for Financial Inclusion

Brief rationale:

It is empirically and theoretically well known that the major part of growth is supported by the investment and business performance. To this major factor of economic development; we should mention the importance of a well-functioning and developed financial system. In Africa, the main concern about is the inclusion and depth aspect of the financial system which tend to considerably explain the lower level of the contribution of the supply side of the economy. However, with his main specific characteristics such as instantaneity, cash holding free, privacy, security, perceived ease of use, compatibility, social influence ...etc. digital finance is more suitable to “*Homo Africanus*” behaviour and can therefore improve the inclusiveness of the financial sector and then unleash investments and economic development.

In Sub-saharan Africa, the 75% of the population which do not have access to any form of formal financial services is too significant to be ignored. The reasons of the felt of traditional financial system in terms of inclusion are mainly: the long distance to the nearest bank; the difficulty for population to trust and willingness to allow a tierce person like a bank to manage their very limited disposable income...etc. This contributes to the success of informal finance like ROSCAS.

The advancement of mobile communication and wireless technologies has made a rapid development in the sector of banking services using their mobile phones for example (see picture annexed). A fine system with great potential has the capacity to attract a huge block of customers to opt for banking services through their mobile phones for example. The dynamism in the present era of technology, where many other channels are available, this mobile banking system stands alone to attract more customers to come in the net of using mobile banking services. Recently, Africa has known a very high growth of cellular phones usage performing around 650 million of customer in 2012. The lower access rate of formal banking highlighted above and the important volume of immigrant transfer have contributed to unleash the increasing effective and potential demand of financial services innovation. The banking services started slowly in 2000 in Zambia, South Africa (which launched the



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biometrical payment system in 2012) and Philippines. There has been a rise of other countries such as Kenya with the launch of M-PESA (a money transfer through SMS) and M-Shwari (a banking service without folders) in 2007.

Interestingly the provision rate of mobile banking (2.7%) appeared to be less than the one of the traditional banking (5%) in this case. Indeed the development of mobile banking can improve communication and information exchange, formal savings, remittances and reduce operating costs. More interestingly, the informal finance which appears to be important in the African context can be reabsorbed by the formal system and allow data availability and good investment and well informed governmental financial policy implementations. African government should therefore mobilise and unleash the potential of digital finance in general and mobile banking in particular.

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The call for paper:

In view of the significance of digital finance at this important juncture of African growth trajectory and quest for inclusive development, the AAYE has launched a call for paper on “Digital Financial Sector Development as an Optimal Strategy for Financial Inclusion in Africa”. We are particularly interested in case studies on specific countries instead of framework paper.

Proposals on the following themes, or combinations thereof, (*but not limited to*) will be considered:

- 1) *Fostering digital finance: innovation, methods, reach, and diversity, and institutions;*
- 2) *Inter-country comparisons with respect to digital financial sector development;*
- 3) *Digital finance and smallholder agriculture;*
- 4) *Digital finance for SMEs, youth and/or women empowerment;*
- 5) *Technology, innovation and digital finance;*
- 6) *Traditional bank systems and digital finance;*
- 7) *Financial regulation and digital finance;*
- 8) *Digital finance and inclusive growth;*
- 9) *Monetary policy and digital finance.*

Requirements and Key Dates

- Proposals must consist of a maximum of 15 pages of full paper.
- Submission of proposals (**full paper only**) by March 25th, 2016 to:

The AAYE Secretariat

Email: info@aaye.org with cc to: africanyoungeconomist@gmail.com

Mail: AAYE, PO BOX: 959, Yaounde - Cameroon

On or before the 15 March 2016



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- Authors of proposals will be informed of the decision on their proposals by April, 01th 2016. Qualified women are encouraged to apply

Participation scholarship:

It should be noted that AAYE will only be able to offer financial support to a very limited number of proposal submissions depending on fund availability. We encourage paper submitters to apply for an AAYE membership to maximize their chance to win a grant. Please kindly specify in your application if you need a scholarship to attend the meeting along with the country you will come from.