

Participatory Financial Inclusion Hypothesis: A Preliminary Empirical Validation Using Survey Design

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Abstract : In Nigeria, enormous efforts/resources had, over the years, been expended on promoting financial inclusion (FI); however, it is seemingly discouraging that many of its self-declared targets on FI remained unachieved, especially amongst the Rural Dwellers and Actors in the Informal Sectors (RDAIS). Expectedly, many reasons had been earmarked for these failures: low literacy level, huge informal/rural sectors, etc. This study posits that in spite of these truly-debilitating factors, these FI policy failures could have been avoided or mitigated if the principles of active and better-managed citizens' participation had been strictly followed in the (re)design/implementation of its FI policies. In other words, in a bid to mitigate the prevalent FE in Nigeria, this study hypothesizes the positive impact of increased/active citizens' participation on FI outcome(s), backed by a preliminary empirical validation. Also, the study introduces the RDAIS-focused participatory financial inclusion policy (PFIP) as a major FI policy regeneration/improvement tool. The three categories of respondents that served as research subjects are FI experts in Nigeria (n = 72), RDAIS from the very rural/remote village of Unguwar Dogo in Northern Nigeria (n = 43), and RDAIS from another rural village of Sekere (n = 56) in the Southern region of Nigeria. Using survey design (5-point Likert scale questionnaires), random/stratified sampling, and descriptive/inferential statistics, the study often recorded independent consensus (amongst these three categories of respondents) that RDAIS's active participation in iterative FI policy initiation, (re)design, implementation, (re)evaluation could indeed give improved FI outcomes. However, some questionnaire items also recorded divergent opinions and various statistically significant differences in the mean scores of these three categories. The PFIP (or any customized version of it) should then be carefully integrated into the NFIS of Nigeria (and possibly in the NFIS of other developing countries) to truly/fully provide FI policy integration for these excluded RDAIS and arrest the prevalence of FE.

Keywords : citizens' participation, development, financial inclusion, formal financial services, national financial inclusion strategy, participatory financial inclusion policy, rural dwellers and actors in the informal sectors

Conference Title : ICMED 2021 : International Conference on Microfinance and Economic Development

Conference Location : Copenhagen, Denmark

Conference Dates : July 19-20, 2021