

22nd WSBI World Congress
Financial inclusion in a globalised world: OUR CHALLENGE

Session 4.1.
Technological innovation,
the magic wand for sustainable progress of financial inclusion?

Introductory remarks by Seema Desai, Programme Manager Mobile Money for the Unbanked, GSM Association

- 1) Technology can be the magic wand – it extends the reach that bricks and mortar branches cannot achieve at an affordable cost
- 2) Like a magic wand, it is great as long as you know how to use it – financial institutions need to be careful about selecting the right partners (e.g. MNOs, technology partners) that are appropriate for their market
- 3) The magic only works in the right environment – in particular, the right enabling regulatory environment (Porteus – “openness & certainty”)
- 4) Like every great magician, you need to know your audience – you need to give them what you want, in the way that they want it, i.e the right technology solution to the local market (e.g. USSD shortcodes in India – memorising strings and number positions), and also aligning the right products – e.g. money transfer for sending money home in Kenya, funeral insurance important in Sth Africa, etc.
- 5) The GSMA (and sponsored by the Gates Foundation) believe that mobile can be successfully used to bank the unbanked – there is already plenty of innovation in this space – a range of mobile money models exist: JV (MTN), bank led (Wizzit) and MNO led (MPESA)
- 6) Banks hold the product knowledge – mobile can provide the channel (reach and security), so we support JVs – we see this can be a very successful model [MTN stats – e.g. # customers, # transactions per day, and then describe the model, e.g. cash in / cash out methods, sign up process, etc)
- 7) So – the wand is in your (Financial Services) hands – you need to know how to use it. GSMA is keen to foster relationships between banks and MNOs to innovate within the mobile money space.