World Academic Journal of Management
Vol.11, Issue.4, pp.54-58, December 2023
E-ISSN: 2321-905X
Available online at: www.isroset.org

Review Paper

Financial Inclusion to Enhance Women Entreprenureship: A Conceptual Framework

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Received: 05/Nov/2023; **Accepted**: 08/Dec/2023; **Published**: 31/Dec/2023

***Abstract*—** Financial Inclusion is a broad or a general practise that ensures people, especially the susceptible members of the society to have access to inexpensive and timely financial services, and sufficient credit in a fair and translucent way. The aim of this research is to provide a conceptual framework of financial inclusion approach to improve women entrepreneurship in Nigeria. The essential opinions of several researchers are covered as well as a general perspective on financial inclusion. Literature search was conducted using reliable electronic databases. The relevant literature collected were analysed and used for the study. The result of the study provide an in-depth discussion on the major financial inclusion's dimensions, measurable financial inclusion's parameters, and women entrepreneurship.

***Keywords*—** Digital banking, entrepreneurship, financial exclusion, financial services, loan, women entrepreneurs

1. Introduction

The Sustainable Development Goals represent a universal agenda towards ending poverty, hunger, and protecting the planet, and promoting peace and justice by 2030 [1]. One of the major significant strategy for combating poverty and in realizing inclusive economic advancement is through financial inclusion [2]. Financial inclusion (FI) is a significant factor of economic growth, as such, it has in recent time assumed high degree of prominence [3,4]. According to Ben Naceur, Barajas, & Massara [5], FI is the share of the people who utilize financial services. It is the provision of many financial services [6] to financially excluded and underserved people without any form of discrimination [7].

FI is an important and contemporary global tool [2] that enables the efficiency of monetary policy. Unfortunately, many people as still excluded financially as a result of the inadequate distribution of financial products and services in the developing countries. Accordingly, various tools have employed in monitoring financial access including the country–led approach, demand–side financial inclusion surveys and supply–side supervisory templates. Likewise, geospatial technology has been utilized by many authorities to enhance the status quo.

Geospatial technology is effective in mapping the existing financial access points. It is also useful in evaluating the distribution of financial services in a given area. In this regards, the main tools of geospatial technology GIS, remote sensing, GNSS. GIS affords us the capacity required for handling spatially referenced data through manipulation, analysis, statistical application, and modelling of spatial data [8]. Remote sensing deals with the collection of information on features, areas, or occurrences by analyzing the data acquired through a device situated far away from the features, areas, or occurrences being investigated, as such, it affords the appropriate data source for diverse topographic conditions [9]. The GNSS, predominantly, the GPS (Global Positioning System) uses satellites for rapid positioning virtually anywhere on Earth at any time [10]. It settles the need for accurate determination of locations on the Earth.

Information in the literature suggests that evidence-based policymaking is a function of dependable and broad data that covers different dimensions of financial inclusion (see Bankable Frontier Associates [11]). The major dimensions of financial inclusion as suggested by Sethy [12] encompasses Financial Availability, Financial Accessibility, Financial Quality and Financial Usage and Financial Usage. These dimensions of FI are broad groupings into which many indicators can be classified without limit.

This article is organized in the following order: Section 1 covers the introduction, Section 2 present the review of related literature, Section 3 covers the results and discussion, and Section 4 concludes the study.

2. Related Work

The research in finance, development, and macro economy has emerged as a unique field recently influencing various theories on the financial sector. For example, Adeleye et al. [13] suggest increasing inclusive growth depends on prompt financial development with robust institutions. A study by Ibrahim and Aliero [14] revealed a solid positive connection between the degree of financial inclusion and the magnitude of per capita income. David et al. [15] studied the factors of financial inclusion in Nigeria from 1990 to 2016. They discovered the increase in the growth of GDP and broad money due to financial inclusion. Similarly, a positive impact of FI on agricultural productivity in Nigeria was demonstrated by Fowowe [16]. Thus, many studies agree that FI is directly related to poverty [17]. In contrast, Nkwede [18] indicated that there is a negative association between FI and economic growth in Nigeria.

In a study carried out by Ajide [19], a sample of 13 African nations was used to show how FI can nurture entrepreneurial development. This corroborate the earlier research by Wang and Tan [20] who highlighted the positive influence of FI on the entrepreneurial development of farmers. It is also in line with Goel and Madan [21] who demonstrated that FI is important for women in entrepreneurial activities. Furthermore, Koloma [22] is of the opinion that FI has the same positive influence on the youth entrepreneurship, which however contrast Matindike and Mago [23]. Isukul and Tantua [24] stated that the conventional banking approaches to address FI in developing nations are unproductive. It increases gender gap on the economic front [25]. Fareed et al. [26] suggest that FI can lead to economic opportunities for women entrepreneurs excluding the women operating in the informal sector. Similarly, Kede Ndouna and Zogning [27] show that there are substantial income disparities between men and woman in the Cameron informal sector, and that these inequalities are largely due to the difference in access to credit.

The women entrepreneurs in Nigeria and other developing countries are generally unlikely to meet these requirements of the formal financial institutions. Niankara and Muqattash [28], and Adegbite and Machethe [29] shows the growing gender gap regarding FI in Nigeria as men are favoured than women. Other major findings on gender-related impact of FI can be seen in Zins, and Weill [30] Chikalipah [31] Ali [32] and others.

3. Result and Discussion

The major dimensions and indicators of financial inclusion, and women entrepreneurship forms the foundations of this study.

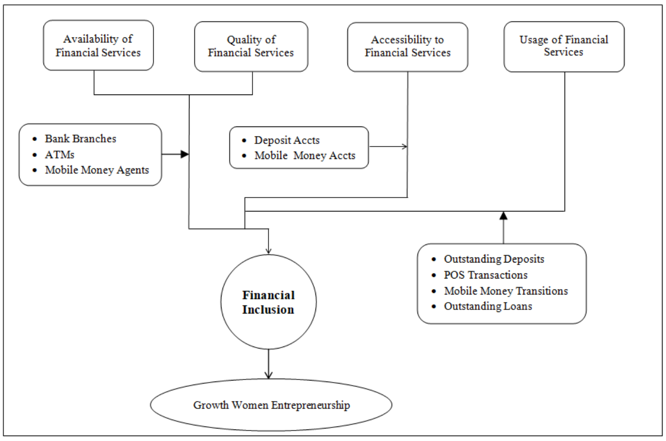

Fig.1: Conceptual Framework

3.1 Major Dimensions of Financial Inclusion

i. Availability of Financial Services

Financial services availability is concerned with the level of coverage of financial institutions' channels. This may involve offices, branches, and ATMs, etc. The significance of these operation points makes it suggest that their availability to users in an inclusive financial system is required [33]. Location of channels for rendering financial services influences financial inclusion. In addition, the number of banks available to effect ease of accessing financial services is important.

ii. Quality of Financial Services

The quality of financial services to banks' customers in the course of deposits, withdrawals, and loans depends on service time, waiting time, perception and coverage, and financial sustainability [34]. A good service quality arises when service expectations (SE) are met or surpassed, but otherwise there is service gap [35].

iii. Accessibility to Financial Services

Financial Access is also known as the "supply-side" of FI since it involves financial institutions involve in providing or supplying the financial services and products [36].

iv. Usage of Financial Services

Financial usage is the "demand-side" of FI as it is concerned with entities and organisations that need financial services and products. It represents the consistency, and interval of financial services use over a period of time [37]. Usage is not just about the simple implementation of banking services, but it is more concerned with permanence and deepness in the use of financial service and product.

3.2 Measurable Indicators of Financial Inclusion

There are several indicators that have been used to measure FI, some of which are highlighted below:

i. Bank Branches

The branches of bank enables the bank customers to have direct contact with the bank for various banking services [38]. This study is mostly interested in the number of branches and their spread, the influence in terms of changes in transaction volume, and the operational costs.

ii. Automated Teller Machines

Automated teller machine (ATM) is a computer-based telecommunications tool that offers a person the platform to carry out financial dealings in a public space without the need for a cashier, human clerk or bank teller [39]. The ATM is currently an important channel used to offer banking services to people [40]. The utilization of ATMs helps to reduce labour cost, increases efficiency, and enhances customer satisfaction and loyalty [41].

iii. Mobile Money Agents

Banking Agent provides financial services on behalf of a licensed deposit [42] to uphold FI. With them, crowd in the bank branches is usually reduced. Also, agency banking helps to reach an "additional" customer section [43].

iv. Deposit Accounts

The lack of financial institution in the rural areas results to a huge un-bankable population. As a consequence, there is a very high to consume given a percentage of 5 % as the marginal propensity to save. However, the era of contemporary microfinance bank in these areas enables most rural residents develop the practise of savings.

v. Mobile Money Accounts

The services provided by the Mobile Money platform are being taken up by the banked population. This imply that Mobile Money is now deepening rather than expanding the degree of FI.

vi. Outstanding Deposits

Outstanding deposits is the money that has been received and recorded by a receiving entity, but which is yet to be recorded by its bank.

vii. POS Transactions

The Point of Sales (POS) device lets the credit/debit cardholder to make payment at sales/purchase outlet [44]. When being used, the digital system or computer check the fund sufficiency in the customer's account before completion of the business [45].

viii. Mobile Money Transitions

Mobile Money Transaction is an E-Banking involving the application of mobile phones. In other words, it enables the customer to carry out banking transactions at any time as long as a mobile phone is available [13]. Some of the services which are delivered by mobile banking include account balance inquiry, payment of bills, and short message service (SMS), etc.

ix. Outstanding Loans

The credit product of FI is concerned with the proportion of adults that has a credit product through a controlled financial institution. The loans and advances of microfinance banks to agriculture and commerce/ transport provide a useful indication of the level of contribution of microfinance banks to economic empowerment of majority of rural and urban poor.

3.3 Women Entrepreneurship

The progress in women entrepreneurship is greatly influenced by FI. Of course, when women entrepreneurs have access to inexpensive financial services; they will undoubtedly earn an independent income. This will make them to financially support their families, communities, and the nation. This is because it enables accessibility to fund/savings for creative investment, and also facilitates capital inflows and remittances. Of course, transactions costs are reduced, inward investment is facilitated, and availability of capital for investment is possible through financial intermediation [46].

4. Conclusion

The study presented a conceptual context of financial inclusion routine to develop women entrepreneurship in Nigeria. The study demonstrated that FI is a platform that enables people, especially the susceptible members of the society to have access to inexpensive and timely financial services, and sufficient credit in a fair and translucent way. This is achievable through the major dimensions of financial inclusion. However, this dimensions as highlighted in the paper are not tangible giving rise to the idea of indicators of financial inclusion. Also, financial inclusion of women can enhance the growth of women entrepreneurship. This is because it brings about affordable financial services to the women entrepreneurs letting them to receive an autonomous revenue and thereby getting the capacity to contribute financially to their societies.

.Data Availability

Not applicable.

Conflict of Interest

There is no conflict of interest.

Funding Source

This research received no external finance.

Authors' Contributions

J.A.O. (Researcher) designed the research plan, accomplished its processes, and wrote the manuscript. J.A.O. reviewed, edited, and submitted the paper to the WAJM.

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