

DIGITAL FINANCE IN AFRICA'S FUTURE



Innovations and Implications

Preliminary Report

An international Colloquium entitled 'Digital Finance in Africa's Future: Innovations and Implications' was held in Johannesburg, South Africa, on 22-26 October 2018.

Organised by the Johannesburg Institute for Advanced Study (JIAS) and the Human Economy Research Programme at the University of Pretoria, in association with Disrupting Africa, the Colloquium brought together African innovators in the field of digital finance, as well as academics from various disciplines within the Humanities, to discuss the latest developments in this increasingly important field.

The participants were drawn from a variety of academic institutions and FinTech companies, including the University of Geneva, the University of Addis Ababa, the Institute for Money, Technology & Financial Inclusion (IMTFI), Temple University, Philadelphia, Pennsylvania, and the American University, Washington, as well as MFS Africa, eTranzact, Creditable, Wala, Inclusivity Solutions and Gosocket. The South African Reserve Bank and the Central Bank of Kenya were represented, and the Centre for Financial Regulation and Inclusion (Cenfri) participated as an observer.

Image: Withdrawing money from a mobile money account in Uganda. Fiona Graham / WorldRemit.



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At the opening are, from left to right, Mr Stephen Mwaura Nduati, Mr Nnamdi Oranye, Mr Trevor Manuel, Prof Peter Vale, Director of JIAS, and Prof Saurabh Sinha, Deputy Vice-Chancellor: Research and Internationalisation at UJ, who chaired the panel discussion.



Two complementary aims

The Colloquium had two complementary aims. The first was to give some key players in the field of digital finance in Africa the opportunity to highlight the extent and sophistication of their innovations, and to discuss their successes as well as the obstacles and challenges they have encountered, or may face in the future. The second aim was to bring these innovators into conversation with academics with a special interest in the social, political and economic implications of the innovations in question.

Opening and working sessions

South Africa's former Minister of Finance, Mr Trevor Manuel, opened the Colloquium by emphasising the importance of understanding the social and economic implications of new payment technologies and the need for prudent yet enabling regulation. His keynote speech was followed by an open discussion guided by Nnamdi Oranye, FinTech author and founder of Disrupting Africa, and Stephen Mwaura Nduati, former head of the Central Bank of Kenya's national payment system, and a FinTech consultant.

Eight working sessions took place over the next four days, each consisting of presentations by an innovator and an academic or regulator, followed by group discussion. The topics included mobile money and digital payments, regulation, agent networks, remittances, G2P transfers, insurance, start-up capital, and the blockchain. While the number of participants was kept small to allow for in-depth discussions, 'virtual participants' from across the globe could follow the sessions via a live streaming platform and submit their comments and questions online.

Consensus

The consensus that emerged from the lively and highly interactive discussions – frequently extending beyond the allocated time slots – was that there is a strong need for innovators, regulators and academics to engage in regular and interdisciplinary debates. While most innovators are aware that the technological feasibility of an invention does not guarantee that it will be socially beneficial, they do not always have the expertise to consider the wider implications of their technological prowess.

One of eight working sessions in progress. Each session comprised presentations by an innovator and academic, followed by discussions.



And while Humanities researchers can provide these insights, they do not always fully understand the technological complexity involved or the financial and regulatory challenges faced by innovators. Finally, regulators need to balance the interests of governments, banks, and FinTech start-ups with broader concerns about social and economic development. This difficult task requires insights into both the technological and the social implications of FinTech innovations and new financial products.

As one of the delegates put it: "Every innovator in Africa should have a Humanities scholar, such as an anthropologist, alongside them for the journey. The insights that emerged when we brought innovators and academics together were exceptional, and far exceeded our expectations."

Other noteworthy points made by the delegates included the need to incorporate FinTech-related topics into academic curricula in order to prepare students for their future in a digital and globally connected world in the context of the Fourth Industrial Revolution. Participants also emphasised the need for a focused, interdisciplinary research agenda that explores both the technological and the social implications of FinTech innovations in different geographic, cultural and regulatory settings.

Emerging network

With these goals in mind, the organisers would like to encourage individuals, companies and institutions with an interest in these issues to join our emerging network of scholars, innovators and regulators. The highly successful format of this Colloquium lends itself to replication in other parts of the world where innovations such as mobile money have already had a transformative impact, or will do so in the near future.

Final report, webcasts and updates

A comprehensive report about the Colloquium will be released in early 2019. Links to webcasts of the opening and all the sessions can be accessed on the Colloquium website at <http://digitalfinance.africa>. Also see the website for regular updates on this developing project.

PARTICIPANTS



From left to right, back row: Mari-Lise du Preez (i2i), Olufunmilayo Arewa (Temple University), Ubuhle Zwane (MFS Africa), Sean Maliehe (UP), John Sharp (UP), Dare Okoudjou (MFS Africa), Peter Vale (JIAS), Stephen Mwaura Nduati (FinTech consultant), Sechaba Ngwenya (Creditable), Nnamdi Oranye (Disrupting Africa), Solène Morvant-Roux (University of Geneva). Front row: Observer, Hennie Bester (Cenfri), Sibel Kusimba (American University), Lena Gronbach (UP), Marc Wegerif (UP), Mario Fernandez (Gosocket), Mesfin Fikre Woldmariam (University of Addis Ababa).

ENQUIRIES AND CONTACT

Visit the Colloquium website at <http://digitalfinance.africa>.

Contact John Sharp at john.sharp@up.ac.za.

Contact Lena Gronbach at lena.gronbach@up.ac.za.

JIAS is an initiative of the University of Johannesburg and Nanyang Technological University, Singapore.

