

Editorial on Special Issue

COVID-19 and its impact on financial inclusion in developing countries

Introduction:

The emergence of COVID-19 pandemic during 2019 has enhanced the significance of ensuring that the poorest and most vulnerable people must have access to formal financial services [FS], especially given their role in supporting inclusive economic recovery and resilience in affected developing countries. With demand for digital services has been skyrocketing during the pandemic, the developing countries have witnessed an enormous acceleration of digital transformation. According to the available data and information, in 2020, the mobile wallet G Cash in the Philippines registered a huge increase of 254 % year-on-year growth in transactions. Similarly, Bank of Indonesia also reported an appreciable rise of 38.62% in electronic money transfers. In case of Africa, the digital transformation increases from 14 per cent to 28 per cent in 2021. Significant gaps remain between regions and within regions and countries themselves in African continent. It is true that the COVID-19 has bearing impact on technologies; digital finance; informational technology and mobile technology and the situation has been grim across developing economies. On the other side, it has also provided opportunities for a strong and inclusive post-COVID-19 era. It is now up to us to seize these opportunities and the efforts of all concerned to transform the myth into reality.

It is an undisputed fact the rapid increase in digital services is creating new opportunities to make financial systems [FI] more inclusive. On the other side of it, the same has also put the policy makers and regulators in developing countries under pressure to ensure that the digital economy must contributes to greater economic and financial inclusion which is the need of the hour.

Why Special Issue?

There is an urgent need to analyse two emerging issues. Why and how these issues must be looked at and amicable solution must be made available to common persons especially private and public partnership [PPP] at large across developing countries especially in the rural areas? Therefore, the need of the hour is to invite academicians, policy makers and financial analysts to analyse the critical issues directly and indirectly related with the concept and application of financial inclusion across the developing economies. There two basic issues to be analysed in special issue.

Basic Objectives:

1. leveraging digital financial inclusion strategies to support immediate recovery and resilience building in developing countries especially those who are worst affected by Pandemic.

2. exploring emerging opportunities and challenges to ensure that the benefits of financial inclusion reach the poorest and most vulnerable and disadvantaged in society.

Structure of the papers:

The special issue comprises of seven selected papers covering different important aspects of financial inclusion. **First paper** authored by **Moustapha and Yilmaz** deals with the impact of the COVID-19 crisis on the Turkish banking sector. Leveraging empirical data, the authors aim to assess how the pandemic influenced the performance of the Borsa Istanbul Banking Sector Index (BIST) from January 2020 to December 2021. The analysis seeks to provide valuable insights to guide decisions in economic policymaking and investment strategies, shedding light on the specific dynamics that shaped the Turkish financial landscape during this tumultuous period. **Paper second** contributed by **Ozili** focusing on LAC countries have not provided an overview of the state of financial inclusion in Latin America and Caribbean countries during the COVID pandemic. Therefore, there is an urgent need to understand the current state of financial inclusion in the Latin American and Caribbean region during the COVID-19 pandemic. The contributor also called for urgent need to accelerate recovery from the pandemic and increase financial inclusion interventions for the vulnerable members of the population in the LAC region. Originality: Existing financial inclusion studies focusing on LAC. **Third paper** submitted by **Boris and Elisee et.al** researched, how Cameroonian e-commerce companies are re-deploying in the context of the COVID-19 pandemic to improve their performance. However, despite the strategies developed, some have not been able to take advantage of the pandemic, owing to several obstacles that exist in this sector. **Paper fourth** authored by **Fogo and Tsiaze** examined the evolution of e-money transactions by highlighting the reasons for transactions in order to deduce the effects on financial inclusion in a context of COVID 19. Method: for this study, we used the figures contained in the recent reports of the Bank of Central African States on CEMAC electronic money payment services for the period 2011 to 2020, and the descriptive analyses were carried out. **Fifth paper** contributed by **Paul** opined the determinants of financial inclusion and the impact of COVID-19 in the Latin America and the Caribbean during the pandemic. The paper further pointed out that the that female and lower income group individuals have low financial exclusion rate though financial inclusion increases with increase income. **Sixth paper** authored by **Omer** analysed the impact of COVID-19 on digital financial inclusion in developing countries, focusing on Sudan, during the period 2018-2021. The paper also highlighted the situation of financial services in developing countries and the importance of developing and benefiting from financial technology to improve digital financial inclusion, especially in the wake of the COVID-19 pandemic. **Paper seventh** contributed by **Mfelam and Edjiane** analysed the perception that stakeholders have of the microcredit policy of Microfinance Institutions (MFIs) in a developing country in a post-covid context. The paper also analysed the content of the speeches that the relevance of the problems posed by the clientele is deconstructed by the managers of the MFIs. The paper further assumed that this deconstruction, understood as a veiled form of resistance to change, constitutes a major obstacle to the achievement of the original social mission of MFIs in the study's experimental area.

In editing and publishing the special issue, the Guest Editor has received enormous help from different corners; without their help the special issue would not have seen the present shape. I am especially

owed to the reviewers and Prof. Jamel [the editor of the journal] with their respective efforts, the special issue would not have seen the light of the day.

The special issue is an edition to the existing knowledge and information on the topic. The special issue is also the light and fruit bearing in nature and contents. It may be proved an asset for the researchers working directly and indirectly on this vital and strategic topic from developing countries point of view.

I wish all the success to this special issue.

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