



FINAFRIQUE RESEARCH

**IN THE NAME OF FINANCIAL INCLUSION,
LET'S WAKE UP !**

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And to say that many of us today claim that it is difficult to capture the savings of African households

Every year, numerous conferences are organized with the Bretton Woods Institutions to discuss strategies for improving financial inclusion and enhancing financial education among African populations. Over the past two years, the Central Bank of West African States (BCEAO) has launched a program to promote financial education and has even recently established a central directorate dedicated primarily to financial inclusion. Meanwhile, several countries, such as Cameroon, Senegal, and Togo, are developing their own inclusive finance strategies.

All of this suggests, and rightly so, that there is a real problem of financial inclusion in most countries of Sub-Saharan Africa. This is reflected in particular by a lack of financial education among our populations, with the aim of encouraging each individual or household in civil society to save through more formal channels in our economy.

WHAT WE CAN LEARN FROM THESE RECENT FINANCIAL SCANDALS

But then, how are we to make sense of the MonHévée case in Côte d'Ivoire and, more recently, the MIDA phenomenon in Cameroon? And likely other scandals that have not yet come to light? These organizations operate according to a « Madoff-style » (Ponzi scheme) model, guaranteeing returns of around 300% to 400% over an investment horizon of just a few months (rather than a few centuries, if we are to believe the laws of economics). And curiously, these institutions have proliferated over the years, right under the noses of officials—and sometimes even through commercials aired on national broadcasters, all of which have their own economic news departments.

There are at least two things we can take away from these financial scams: the first is that there are savings—mainly consisting of small savings (what is known as household savings, across all segments of the population)—given the large number of victims and the significant amounts of money involved.

And on the other hand, we are forced to note that these promoters of misfortune have convincing arguments allowing them to capture savings so coveted by our many international development programs and which escape today from local and legal financial institutions.

MAKING USE OF TRADITIONAL ADMINISTRATIONS

In the terms "Financial Education," there is the term "Education." Educating also means raising awareness. Obviously, our managers and officials, who for some have become complicit in these bad practices sometimes through clumsiness, also need to be educated financially, even if only so that they understand that saving rates beyond 20% to 30% over a year do not exist. even less rates above 200%, unless we save for our great-grandchildren. Thus, we hope that in all these rather well thought out financial education strategies, our Argentiers, accompanied by the Bretton Woods Institutions have planned to educate both Administrators and Administered..

Speaking of administrators, our societies are plagued by paranormal beliefs, which sometimes serve as justification for the phenomenon of money multiplication. This is why raising awareness among community leaders must not be limited to the civil sector (subprefects, mayors, etc.) but must also include traditional leaders (traditional chiefs, neighborhood chiefs, etc.), who will be the most effective channels for raising awareness among their communities. Our governments could even go a step further by establishing postal banking branches within certain large chiefdoms, thereby capitalizing on the close, trusting, and humble relationships that still exist between villagers and their traditional authorities.

INCORPORATE PRAGMATIC SOLUTIONS

Our wish through these words is not to point an accusing finger at these voluntary initiatives that are being carried out to improve the social conditions of our populations. But rather on the need to incorporate the socio-economic and cultural fundamentals that govern our societies.

Major reflections are not necessarily the vectors of good proposals. Reflection is useful but in our contexts, it must be as pragmatic as possible in order to be grounded in our realities. A National Inclusion Program/Financial Education, has a fixed improvement goal over 5, 10 or 15 years. Pragmatism also means setting a goal for tomorrow, and how to educate (or by which means to educate) today?

- So that tomorrow, the day after tomorrow, when a new malicious initiative sees the light of day, it will absolutely no longer have the same scale.
- So that from tomorrow, civil society, but especially the informal sector, can overcome this inferiority complex they nurture vis-à-vis the bank, for various reasons: Low incomes, language barrier (for illiterates)...

How can we understand that these same victims had no difficulty in reaching out to organizations with illegal practices for saving/investing? The main reason being their promise to multiply their money.

Thus, in the future, African banks will need to communicate more effectively with all these small savers, using language that is appropriate for them, and promising them an increase in their savings—in other words, a guaranteed return (in the form of interest). This communication could also be carried out by governments through the technological communication channels that 90% of Africans have adopted.

By using mobile telephony not only to offer financial services as is the case today (mobile banking), but also with a view to making it a vehicle for education/awareness of banking and financial concepts. An education that would be done in writing through regular SMS and for the illiterate, orally through voice messages in local dialect.

