Module “Digital finance”
Course: Digital finance
2nd semester EMP 2018-19

Module manager: Prof. Baptiste VENET

Planning

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Lecturer</th>
<th>Guest speaker</th>
<th>Place</th>
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<tbody>
<tr>
<td>05/02/2019</td>
<td>6 pm to 9 pm</td>
<td>Prof. B. Venet</td>
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<td>R42.4.110</td>
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<td>12/02/2019</td>
<td>6 pm to 9 pm</td>
<td>Prof. B. Venet</td>
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<td>13/03/2019</td>
<td>6 pm to 9 pm</td>
<td>Prof. B. Venet</td>
<td>Prof. S. Morvant</td>
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<td>19/03/2019</td>
<td>6 pm to 9 pm</td>
<td>Prof. B. Venet</td>
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<td>22/03/2019</td>
<td>6 pm to 9 pm</td>
<td>Prof. B. Venet</td>
<td>V. Salifou</td>
<td>R42.4.110</td>
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<td>23/03/2019</td>
<td>9 am to 12 pm</td>
<td>Prof. B. Venet</td>
<td>V. Salifou</td>
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**Objective of the course**

The share of adults owning a banking account is now 69 percent worldwide. However, about 1.7 billion adults remain unbanked, most of them living in the developing world (Demirguc-Kunt et al., 2017, pp. 2 and 4). The World Bank Group has therefore launched in 2017 the World Bank Universal Financial Access (UFA2020) initiative. According to this initiative, by 2020 the adults who are excluded from the formal financial system will be able to manage their financial lives by having access to a transaction account allowing them to store money and send and receive payments.

What are the consequences of digitizing finance in emerging and developing economies? What do we know about the behavioral changes in DFS users (impacts on savings, remittances, etc.) and about the changes in users’ welfare and economic activity?

The main objective of the course is to present key issues in digital finance.

**Topics covered and recommended readings**

1 and 2) Digital Finance Services (DFS) and financial inclusion

- Mobile microfinance is a possible way to improve the access of poor people to financial services.
- What are the main advantages and drawbacks of digital finance?
- M-Pesa and M-Shwari in Kenya
- What do we know about the behavioural changes in DFS users (impacts on savings, remittances, etc.) and about the changes in users’ welfare and economic activity?

References:


3 and 4) Mobile banking

Mobile banking: the impact of Orange Money use on clients’ behavior in Madagascar.
5) Digital finance business models for MFIs

**Guest Speaker: Victorin Salifou, PHB Development**

It becomes almost an evidence that digital finance, under some conditions, can lead to greater financial inclusion (Ozili, 2018, p. 330). But often, finding a suitable business model which meets the MFI’s objectives, capacities and capabilities is a challenge for MFIs that want to develop digital finance.

In the light of the above consideration, the primary objective of this course is to discuss concrete examples of digital finance business models as they are being implemented by MFIs in low-income countries.

Three secondary objectives derive from the main one:

- Define key concepts and terminologies related to digital finance business models
- Describe the main features of existing digital finance business models for MFIs
- Present a few case studies of MFIs providing digital financial services

One of the particularities of this course is the fact that it is built on empirical work (field experience) in digital finance development with microfinance institutions on the field.

**Topics covered and recommended readings**

1) and 2) Digital finance business models for MFIs

- Definition of concepts and terminologies related to digital finance business models
- Characteristics of digital finance business models available for MFIs
- A few case studies of MFIs providing digital financial services

References:

- “MicroLead's DFS Toolkits: How to Succeed in your digital journey,” A series of practical guides and case studies from UNCDF MicroLead, Mastercard Foundation and PHB Academy

6) The coupling of digital social grants with financial inclusion
Guest Speaker: Prof. Solène Morvant

**Topics covered and recommended readings**

- Present an overview of social grants (Government to people-G2Ps) and their evolution
- Look at the ways G2Ps have been used to foster financial inclusion
- Big data to craft new public policies

References:


**Evaluation**

Written assignments: date to be confirmed.

Pairs of students have to write a short essay (from 10 to 20 pages) dedicated to the use of new technologies in microfinance and financial inclusion. It could be either a theoretical or an empirical writing.