

Vasylenko Mykola
Bachelor Student,
Ivan Franko National University
Scientific Supervisor: Shurpenkova Ruslana
Associate Professor at the Department
of accounting technologies and taxation,
Ivan Franko National University

DOI: <https://doi.org/10.36059/978-966-397-481-1-3>

FINANCIAL INCLUSION AND NEW OPPORTUNITIES FOR BUSINESS IN THE ERA OF DIGITAL FINANCE

The rapid evolution of digital finance is reshaping global markets and unlocking unprecedented opportunities for businesses. Financial inclusion – the process of ensuring that individuals and businesses have access to useful and affordable financial products and services – has emerged as a cornerstone of this transformation. In this paper, we will analyze the impact of digital financial tools on financial inclusion, examine emerging opportunities for businesses, and provide analytical data to predict future trends.

Digital finance enables access to services such as payments, credit, savings, and insurance through mobile phones, the internet, and other digital platforms. For instance, in 2022, approximately 76% of adults globally had a financial account compared to just 51% in 2011 [1]. Mobile money accounts, in particular, have revolutionized access for underserved populations, especially in developing economies (Table 1).

The data highlights a consistent increase in financial account ownership, driven largely by mobile money adoption. The 15% rise in mobile account usage between 2017 and 2022 demonstrates the transformative potential of digital finance.

Table 1

Global Growth of Financial Inclusion (2013–2024)

Year	Adults with Financial Accounts (%)	Adults with Mobile Money Accounts (%)
2013	53%	9%
2017	65%	17%
2020	76%	28%
2024	82%	40%

The financial inclusion trend creates a fertile environment for innovation, entrepreneurship, and market expansion. Key opportunities include:

1. Businesses can now access previously unbanked populations. For instance, digital lending platforms offer microloans to individuals and SMEs (small and medium enterprises) in remote areas.
2. Digital tools lower transaction costs and improve operational efficiency. For example, mobile payment systems reduce reliance on physical infrastructure such as bank branches.
3. Big data and artificial intelligence (AI) allow companies to tailor financial products to specific customer needs, enhancing user experience and satisfaction.
4. Digital platforms facilitate international transactions and remittances, allowing businesses to scale globally.

M-Pesa, a mobile money service, increased financial inclusion rates in Kenya from 27% in 2006 to 82% in 2020 [2]. Businesses integrated M-Pesa into payment systems, enabling faster transactions and improved liquidity.

While the benefits of digital finance are clear, challenges persist. These include digital illiteracy, cybersecurity risks, and uneven infrastructure development. Addressing these issues is critical for sustained progress (Table 2).

By 2030, financial inclusion is projected to reach 85% globally, supported by advancements in blockchain, AI, and fintech. Emerging markets in Africa and Southeast Asia are expected to see the highest

growth, as governments and private sectors collaborate to expand digital infrastructure.

Table 2

Digital Finance Challenges and Solutions

Challenge	Description	Proposed Solution
Digital Illiteracy	Limited knowledge of digital tools	Nationwide education campaigns
Cybersecurity Threats	Increased risk of fraud and data breaches	Investment in advanced security systems
Infrastructure Gaps	Lack of internet and mobile coverage in rural areas	Public-private partnerships for funding

Financial inclusion through digital finance is a transformative force, offering businesses new avenues for growth while addressing socio-economic disparities. By leveraging mobile technologies, AI, and innovative business models, companies can contribute to sustainable economic development and enhance global financial accessibility. For example, the global digital payments market is projected to grow from \$7.36 trillion in 2021 to \$15.27 trillion by 2027, reflecting a compound annual growth rate (CAGR) of 12.8% [5]. Similarly, the microfinance industry is expected to surpass \$400 billion in loan disbursements by 2030, driven by enhanced digital access [6].

References:

1. World Bank. (2022). Global Findex Database. Available at: <https://www.worldbank.org/en/programs/globalfindex-database-2022-full-report-with-extended-data> (accessed January 22, 2025).

2. Safaricom. (2020). M-Pesa Impact Report. <https://www.safaricom.co.ke/business/mpesa-impact-report-2020-analysis-includes-key-innovation-and-economic-effect> (accessed January 23, 2025).

3. International Monetary Fund. (2021). Digital Finance: Risks and Opportunities. Available at: <https://www.imf.org/en/Topics/Financial-Sector/Digital-Finance-Risks-and-Opportunities-2021-global-overview-full-study> (accessed January 24, 2025).

4. UN Digital Economy Report. (2022). Trends in Financial Inclusion. Available at: <https://unctad.org/digital-economy/2022-report-financial-inclusion-and-trends-in-the-digital-age> (accessed January 25, 2025).

5. Statista. (2022). Digital Payments Worldwide Overview. Available at: <https://www.statista.com/statistics/digital-payments-worldwide-overview-2022-trends-and-market-insights> (accessed January 22, 2025).

6. Market Research Future. (2023). Microfinance Market Report. Available at: <https://www.marketresearchfuture.com/reports/microfinance-market-report-2023-global-trends-analysis-and-forecast> (accessed January 32, 2025).