

# Financial Inclusion as a Panacea for Reducing Poverty and Hunger in Africa: Lessons from Nigeria

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## Abstract

Financial inclusion was launched in 2011 with over 90 emerging and developing countries as signatories. The objectives of the strategy were to bring those people excluded from the financial system and also to reduce poverty and ensure financial stability. The level of financial exclusion in the developed countries is lower when compared with that of the developing countries. This justifies the need for a very comprehensive approach to financial inclusion in the developing countries. Therefore, developing countries like Africa have been pursuing financial inclusion strategy. However, despite the efforts by African countries in this regards much is still desired to take us to the promise land. This scenario according to some scholars is not unrelated with the political economy of the African nations. This paper is purely theoretical and therefore examines poverty situation in Africa, analyze the financial inclusion strategy and also examines the challenges to financial Inclusion. To arrive at our conclusion a suitable framework was identified and argues that there are reasons why rural areas deserve special attention in pursuit of financial inclusion strategy and that the overall success of the programme depends to a large extent in accommodating rural dwellers. The paper therefore, concluded that if a well-articulated and rural biased approach to financial inclusion is pursued the levels of poverty and hunger could be substantially reduced in Africa.

*Keywords:* Financial inclusion, financial exclusion, Poverty, Nigeria, Africa

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## 1. Introduction

Poverty and hunger are twin evils that no economy can prosper when they are on increase. In fact the objective of any development programme should aim at eliminating or at least reducing their effects. This paper however, assumes that the two could be fought simultaneously, although at certain level they may require separate strategies. The scourge of poverty is as old as human history never the less we come to know that in the modern day economy there are several ways through which we can fight this scourge of poverty. Therefore, scholars from different background have offered suggestions as to how countries can overcome the threat of poverty. The most recent development strategy is the pursuit of sustainable inclusive growth which is also assumed to be pro-poor growth strategy. While considerable achievements have been recorded in some parts of the world in the fight against poverty, in other parts it has not been all that successful. However, Africa is now the second fastest growing region after Asia, with annual GDP of about five percent (5%) over the last decade, unfortunately however, this growth has not been

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