

IN FOCUS

Bridging the Gap: Pathways for Accelerated Digital Financial Inclusion in the Global South

Omegere John Patrick, RIS

Financial inclusion—primarily ownership of payment, savings, and credit accounts—is a critical pillar for socioeconomic transformation. Overwhelming evidence shows that financial inclusion fosters economic growth and development by strengthening financial resilience among households and businesses, while also broadening the tax base. With the rapid growth of mobile phone access and internet penetration, digital technologies have become essential for advancing financial inclusion. FinTech companies and digital financial service providers have introduced innovative solutions that enable previously unbanked populations to access financial services directly from their phones.

In July 2025, the World Bank released the latest Global Findex data, offering revealing insights for the Global South. On the one hand, the data show high levels of phone ownership and internet use, alongside increased ownership and usage of mobile-enabled accounts across all regions, especially in developing countries. Developing countries maintain the lead in digital payments and recorded the highest increase in account ownership—from 69 percent in 2021 to 75 percent in 2025—while Europe and the Central Asian region remained relatively static at 78 percent during the same period.

In Sub-Saharan Africa, account ownership rose from 27 percent in 2021 to 40 percent in 2025, primarily driven by the expansion of mobile money services. Telecommunications companies and fintech firms in the region have continued to lead the digital payment revolution by offering simple and accessible transactional accounts via mobile phones. This mobile money revolution has not only transformed Africa but has also spread to other regions, such as Latin America and the Caribbean, where models that link digital wallets to bank accounts now account for nearly 37% of total account ownership.

On the other hand, despite overwhelming progress over the past decade, more than 1.3 billion people remain financially excluded globally, most of them in developing countries. In Sub-Saharan Africa, over 40 percent of the population, especially women and rural households, are still without a payment account, highlighting a significant opportunity to target large segments of the excluded

population. The 2025 Findex data also reveal that income remains one of the major drivers of exclusion, but also many people report that they cannot afford account ownership due to high maintenance costs. Additionally, while ID ownership is nearly universal across most regions, an average of 20 percent of the population in Africa remains without an ID. Without identification, individuals cannot access SIM cards, which are essential for telecom-led mobile money services, nor can they access other formal financial services. Interestingly, 80 million adults in Africa have the foundations for account ownership—they own a mobile phone, have a basic ID, and a SIM card—but still do not have an account. This points to further barriers that must be addressed. The most important challenges ahead for developing countries are therefore to reach those who are still excluded while also maximising account usage the usage of accounts.

To address these challenges, the experience in India offers valuable lessons. India has recorded giant leaps in account ownership, rising from 53 percent in 2014 to 80 percent in 2017 and nearly 90 percent in 2024. The key driver has been a dedicated government programme, Pradhan Mantri *Jan-Dhan Yojana* (PMJDY), launched in 2014 to ensure access to financial services—namely basic savings and deposit accounts, remittances, credit, insurance, and pensions—at an affordable cost. With a strong emphasis on women and rural households, the programme enabled the opening of over 500 million bank accounts, significantly bridging gender and rural-urban divides. Integrated into the country’s digital infrastructure through the JAM Trinity—Jan Dhan (accounts), Aadhaar (biometric ID), and Mobile phones, the initiative provides a critical mechanism for efficient transfer of government welfare benefits.

Additionally, India’s development of the Unified Payments Interface (UPI), which enables instant, low-cost, and interoperable digital transactions, has become a cornerstone of the country’s digital payment revolution. Leveraging the JAM Trinity, UPI has become a global success story by processing billions of digital payments and enabling millions of previously unbanked individuals to participate in the formal financial system.

India’s experience demonstrates the phenomenal impact of deliberate government programmes combined with the development of critical digital public infrastructure. It shows that with the right mix of policy, innovation, technology and regulatory framework, financial inclusion and digital payments can be scaled rapidly, offering a relevant model for other developing countries striving to close their financial inclusion gaps.