

# AMCIS 2014 Savannah, Georgia

Association for Information Systems Conference, August 7 - 10, 2014



## Call for Papers for Minitrack titled "ICTs for Financial Inclusion of the Unbanked Poor in Developing Economies"

### Track: ICTs for Global Development

### Minitrack: ICTs for Financial Inclusion of the Unbanked Poor in Developing Economies

We are excited to invite articles for this mini-track at the 20th Americas Conference on Information Systems (AMCIS 2014) to be held on August 7-10, 2014 in Savannah, Georgia. AMCIS 2014 brings together academics and industry professionals around the world to exchange knowledge related to the AMCIS 2014 theme, Smart Sustainability, the Information Systems Opportunity. For more information visit: <http://amcis2014.aisnet.org>

### Minitrack Description

Financial inclusion is critical for global development since it provides financial services at an affordable cost to the poor, who are left out of the formal financial sector. A 2009 study by the Consultative Group to Assist the Poor (CGAP), a donor consortium affiliated to the World Bank, found that the number of branches per 100,000 adults was only eight in developing countries compared to 24 in developed countries (CGAP, 2009). The CGAP study also established a relationship between lack of access to basic financial services and low incomes. Of the 2.9 billion "unbanked" adults, 2.7 billion were concentrated in developing economies. Traditional financial institutions do not serve the poor, especially in remote locations in rural areas, because it is risky and expensive. The poor are often illiterate and find it difficult to complete the paperwork required for financial services. They cannot also furnish collateral for any loans. Neither do they have any credit histories. The tiny profits from a small loan, or a savings account with a small balance, make it unprofitable for banks to serve the poor (Khavul, 2010).

A more pertinent question is whether financial inclusion helps in lifting the poor out of poverty. An empirical study based on data from 160 countries found that access to finance had a positive impact on economic development (Honohan, 2006). The stark impact of financial exclusion can be seen in one statistic: 42% of India's population, or 490 million people, live under the poverty benchmark of USD1.25 per day at purchasing power parity according to a study published by the United Nations Development Program in 2009.

Information and communication technologies (ICTs) are creating new channels to reach the poor through branchless banking. Last-mile technologies such as ATMs (Prodem in Bolivia), mobile phones (Safaricom's M-Pesa in Kenya, GCash and Smart Money in Philippines), RFID, smart cards (Wizzit in South Africa), biometric identification (FINO in India) and Near Field

Communication technologies (ALW's "bank in a box" in India) are used by microfinance institutions (MFIs), banks, and mobile network operators (Mas, 2009). Information systems also play a role in expanding the number of customers reached. SKS Microfinance and Equitas, two MFIs in India, implemented innovative systems to manage portfolio risk and monitor the performance of field agents, who contact borrowers (Mohan et al., 2013a).

ICTs have also played a transformational role in creating a new business model to serve the unbanked poor – online microlending. In this model, individual donors give loans to the poor for establishing or expanding their businesses rather than giving charitable handouts to them. Kiva.org was the first to launch a person-to-person website in 2005. As of October 2013, Kiva had reached over 1.5 million borrowers in over 73 countries, disbursing more than USD480 million from over 1 million lenders.

Several implementation challenges hinder the objective of using ICTs for promoting financial inclusion in developing economies. An important issue is the use of ICT solutions applied to a poor business process. It is imperative that the business process for effecting financial transactions is streamlined before applying technology solutions. For instance, SKS Microfinance recognized the importance of reengineering the business process first (Mohan and Potnis, 2010). The financial illiteracy of the customer, lack of basic infrastructure in developing economies, and government policies are other barriers to be overcome.

Untapped business opportunities at the bottom of the pyramid offer an exciting and lucrative proposition for IT professionals and businesses to develop innovative customer-centric technical solutions, financial products and services to serve the unbanked poor. Such innovations can be instrumental for global development by putting "the tools for a digital economy into the hands of the world's poor" (Heeks, 2009).

### **Suggested Topics**

We invite papers from the following areas, although contributions are not limited to the topics listed below.

1. Frameworks for financial inclusion in developing economies
2. Adoption and continued usage of last-mile technologies for mobile banking
3. Case examples of applications of new technologies and information systems to serve the unbanked poor
4. Case examples of failed initiatives for financial inclusion in developing economies
5. Potential of value-added financial services (e.g., mobile applications) for the bottom of the pyramid
6. Innovative delivery models for financial services and products in the digital economy
7. Business process management issues for serving the unbanked poor
8. Government policies regulating the interplay between actors such as banks, mobile network operators, microfinance institutions, and the poor customers
9. Training for financial literacy of the poor in developing economies
10. Challenges, opportunities, and barriers to the adoption of ICTs by the poor
11. Human-computer interaction issues related to ICTs used for financial inclusion

## **Minitrack Chairs**

Lakshmi Mohan  
School of Business, University at Albany, State University of New York  
[l.mohan@albany.edu](mailto:l.mohan@albany.edu)

Devendra Potnis  
School of Information Sciences, University of Tennessee at Knoxville  
[dpotnis@utk.edu](mailto:dpotnis@utk.edu)

## **Instructions for Authors and Submission**

Submission Deadline: March 1, 2014  
Author Notification Date: April 4, 2014  
Authors Revisions Due Date: April 18, 2014  
Authors Final, Camera-Ready Date: April 25, 2014  
For more information visit: <http://amcis2014.aisnet.org/index.php/call-for-papers>

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