PressAcademia
www.pressacademia.org/conferences

GBRC
ISBN 978-605-06192-7-0

PressAcademia Procedia YEAR 2023 VOLUME 17

9th Global Business Research Congress, June 15, 2023, Istanbul.

SOCIAL SUSTAINABILITY VIA DIGITAL FINANCIAL INCLUSION IN THE BANKING INDUSTRY

DOI: 10.17261/Pressacademia.2023.1786
PAP- V.17-2023(41)-p.204-205

Gulbeyaz Calis[1], Alpaslan Kelleci[2]
[1]Istinye University, Faculty of Economics and Administrative Science, Istanbul, Turkiye.
calisgulbeyaz@gmail.com, ORCID: 0000-0001-9829-9693
[2]Istinye University, Faculty of Economics and Administrative Science, Istanbul, Turkiye.
alpaslankelleci@gmail.com, ORCID: 0000-0003-1589-2905

To cite this document
Calis, G., Kelleci, A., (2023). Business sustainability via digital financial inclusion in the banking industry. PressAcademia Procedia (PAP), 17, 204-205.
Permanent link to this document: http://doi.org/10.17261/Pressacademia.2023.1786

ABSTRACT

Purpose- The present study aims to offer practical perspectives concerning how banks can increase their image, grow their market share and boost their profitability by focusing on the social dimension of sustainability. The present paper also (i) elaborates on how different financial institutions create social value by serving the needs of underprivileged groups via digital financial platforms through recent practices in the world banking industry, and (ii) seeks to offer some insights for the industry as well as scholars, who are intrigued by social aspects of sustainability.
Methodology- The present study lemploys both academic and gray literature, which particularly include recent social sustainability practices in the banking industry.
Findings- Sustainability comprises of economic, environmental, and social dimensions. Digital Financial Inclusion (DFI) is one of the sub-dimensions of social aspect of sustainability. DFI came to the fore in 2010 with the "G20 Principles for Innovative Financial Inclusion" and it seeks to enable access to digital financial services for people and enterprises, particularly for underrepresented or "unbanked". Research has shown that while around 1.2bn adults opened bank accounts for the first time over the past decade, 1.7bn remain outside the formal banking sector worldwide. In today's sustainability-oriented post-growth era, DFI seeks to ensure local empowerment, diversity, equality, as well as inclusiveness, such as inclusion of senior citizens, women with low socio-economic status, refugees, and disabled people by providing them micro-entrepreneurial tools, such as micro-investment and micro-credit opportunities. Today, the banking industry aims to serve the needs of the so-called market segments considering the social aspects of sustainability. Digital financial platforms also require the collaboration between financial and non-financial institutions, such as educational and training institutions that aim to reskill and retrain the above-mentioned underprivileged groups as well as the unbanked.
Conclusion- Research has demonstrated that increasing financial inclusion contributes to socioeconomic development, stronger economic growth, better life quality, and higher living standards. Thus, post-growth via digital financial platforms may be substantial in tackling poverty, hunger eradication, unemployment, exclusion and inequalities that have been addressed under Sustainable Development Goals (SDGs) of the United Nations (UN). More importantly, banks that focus on digital financial inclusion may increase their image, grow their market shares, and boost their profitability.

Keywords: Sustainability marketing, digital platforms, sustainable growth, sustainable growth strategies, digital financial inclusion
JEL Codes: G21, G23, Q01

REFERENCES

Al-Okaily, M., Alqudah, H., Al-Qudah, A. A., Al-Qadi, N. S., Elrehail, H., & Al-Okaily, A. (2022). Does financial awareness increase the acceptance rate for financial inclusion? An empirical examination in the era of digital transformation. Kybernetes, (ahead-of-print).

Barik, R., & Sharma, P. (2019). Analyzing the progress and prospects of financial inclusion in India. Journal of Public Affairs, 19(4), e1948.

Anner, M. (2020). Squeezing workers' rights in global supply chains: Purchasing practices in the Bangladesh garment export sector in comparative perspective. Review of International Political Economy, 27(2), 320-347.

Chinoda, T., & Kapingura, F. M. (2023). The Impact of Digital Financial Inclusion and Bank Competition on Bank Stability in Sub-Saharan Africa. Economies, 11(1), 15.

Danisman, G. O., & Tarazi, A. (2020). Financial inclusion and bank stability: Evidence from Europe. The European Journal of Finance, 26(18), 1842-1855.

Hasan, R., Ashfaq, M., Parveen, T., & Gunardi, A. (2022). Financial inclusion–does digital financial literacy matter for women entrepreneurs?. International Journal of Social Economics, (ahead-of-print).

He, Z., Chen, H., Hu, J., & Zhang, Y. (2022). The impact of digital inclusive finance on provincial green development efficiency: empirical evidence from China. Environmental Science and Pollution Research, 29(60), 90404-90418.

Kangwa, D., Mwale, J. T., & Shaikh, J. M. (2021). The social production of financial inclusion of generation Z in digital banking ecosystems. Australasian Accounting, Business and Finance Journal, 15(3), 95-118.

Lutfi, A., Al-Okaily, M., Alshirah, M. H., Alshira'h, A. F., Abutaber, T. A., & Almarashdah, M. A. (2021). Digital financial inclusion sustainability in Jordanian context. Sustainability, 13(11), 6312.

Mushtaq, R., & Bruneau, C. (2019). Microfinance, financial inclusion and ICT: Implications for poverty and inequality. Technology in Society, 59, 101154.

Ozili, P. K. (2021). Financial inclusion: Globally important determinants. Financial Internet Quarterly, 17(4), 1-11.

Rana, N. P., Luthra, S., & Rao, H. R. (2020). Key challenges to digital financial services in emerging economies: the Indian context. Information Technology & People, 33(1), 198-229.

Tay, L. Y., Tai, H. T., & Tan, G. S. (2022). Digital financial inclusion: A gateway to sustainable development. Heliyon, e09766.

Bede Uzoma, A., Omankhanlen, A. E., Obindah, G., Arewa, A., & Okoye, L. U. (2020). Digital finance as a mechanism for extending the boundaries of financial inclusion in sub-Saharan Africa: A general methods of moments approach. Cogent Arts & Humanities, 7(1), 1788293.

Lajili, K., & Mahoney, J. T. (2006). Revisiting agency and transaction costs theory predictions on vertical financial ownership and contracting: Electronic integration as an organizational form choice. Managerial and Decision Economics, 27(7), 573-586.

Yakubi, Y. A. Y., Basuki, B., Purwono, R., & Usman, I. (2022). The Impact of Digital Technology and Business Regulations on Financial Inclusion and Socio-Economic Development in Low-Income Countries. SAGE Open, 12(3), 21582440221116112.