The Role of Financial Inclusion in Enhancing Social Justice

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Abstract

Purpose

This research aims to define the role of financial inclusion (FI) in enhancing social justice (SJ), by investigating FI principles and procedures' impact on improving SJ criteria. The research also provides insights about setting extra FI procedures that can enhance SJ.

Design/ Methodology/ Approach

This research adopts an analytical descriptive approach to describe the features of both FI and SJ. Besides, it adopts the functional structural approach to explain the impact of FI principles (as the independent variable) on enhancing SJ criteria (as the dependent variable). Also, the research provides a theoretical framework by the author to illustrate the relationship between FI and SJ. The research sources are based on literature review, and secondary data sources including reports by WB, AFI, G20, OECD, and ESCWA.

Findings

Results show that FI principles when implemented in the financial system, can have a positive impact on SJ's six criteria including poverty prevention, labor market inclusion, and access to education, providing health care, social cohesion and non-discrimination, and intergenerational justice which ensures good social and environmental conditions for future generations.

Originality/ Value

There is a lack of studies regarding the relations between FI and SJ enhancement. Therefore, the contribution of this research is filling in this gap in the literature, also the research provides a theoretical foundation for the relation between FI and SJ to assist policymakers to develop extra FI procedures that can impact positively on SJ.

Keywords*: Financial Inclusion, Social Justice, Poverty, Financial Policies.*

Introduction

In recent years, financial inclusion has become a priority for many countries due to its important objective of integrating all segments of society into the formal financial system to benefit from financial services that help raise the financial capabilities of individuals. Hence, raising the social level of individuals. In this context, The

* This article was submitted in August 2022, and accepted for publishing in September 2022.

World Bank identified financial inclusion (FI) as people and businesses accessing useful and affordable financial products and services to fulfill their needs as payments, transactions, insurance, saving, and credit. Also, The World Bank Group believes FI can reduce poverty and enhance public prosperity. (World Bank, 2018).

Recently, the FI database gathered by World Bank declared that FI is on the ascent internationally, because the last World Bank Global Findex database released in 2017 highlighted that the percentage of adults who have an account with a financial institution or through a mobile financial service rose globally between 2014 and 2017 from 62% to 69 %; whereas, FI in the developing economies rose from 54% in 2014 to 63 % in 2017 (Demirgüç-Kunt et al., 2018).

Based on the international interest in FI, The Global Alliance for Financial Inclusion AFI was set up in 2008; which is a leadership alliance led by member central banks and financial institutions from more than 90 developing nations, with the goal of progressing FI, and to achieve this goal, AFI have seven working groups which are the source of policies and strategies for advancement in FI (AFI, 2020).

The AFI seven working groups concentrated on many important topics related to enhancing the social conditions and prosperity of individuals and businesses in the light of FI implementation. Starting by Consumer Empowerment and Market Conduct (CEMC) working group, which is concerned with providing sufficient information to customers to take informed financial choices, and increase their financial capabilities. Digital Financial Services (DFS) Working Group, which discusses lowering the cost and improving digital financial services. Inclusive Green Finance (IGF) working group, which is a gathering to foster green financial inclusion policy solutions, where green finance is a loan or investment that's used to support environmentally-friendly activities and incentives. Micro, small and medium enterprises finance (MSMEF) working group, where MSME Financing drives economic development, work creation, and participation to widen sustainable FI, as well as decreasing poverty at the family level, particularly through micro-enterprises. Financial Inclusion Data (FID) working group, which is concerned with discussing the best methods for collecting data of FI. Since data is necessary in planning FI strategies, and assessments to do policy reforms to increase the expansion of FI and its positive impact on society. Financial Inclusion Strategy (FIS) peer learning group, which is concerned with discussions and exchanging of experiences among Policymakers, to develop FI strategies in countries with respect to each country financial conditions. National Financial Inclusion Strategies (NFIS) working group, which helps in planning FI policies for countries guaranteeing they depend on solid information and the impacts are monitored. Global Standards Proportionality (GSP) working group, which assures that FI policies are adopting proper global standards released by standard setting bodies such as The Basel Committee for Banking Supervision (BCBS), The Financial Action Task Force (FATF), the International Association of Deposit Insurers (IADI), to guarantee financial system safety and integrity. (AFI, 2020)

In this context, the author's research works on illustrating the relation between FI and SJ, since many of the AFI working groups topics are designed to achieve goals related to social justice's six criteria released by The Organization for Economic Cooperation and Development OECD in 2011 including poverty prevention, labor market inclusion, providing health care, access to education, social cohesion, and Inter-generational justice which includes family and environmental policies to ensure that future generations, as well as old generations, have good social and environmental conditions (Schraad; Tischler, 2011: 14).

Research problem appears that although, FI as an independent variable can play an effective role in enhancing SJ as a dependent variable, there is a lack of studies describing the role of FI in enhancing SJ.

The objective of the research Starts from here, when the author found the aim and motives for interest in this research topic, which is to cover the gap in the literature and answer the question about what is the role of FI in enhancing SJ. The author in order to answer the research question, investigated the impact of implementing FI principles and procedures in the financial system on enhancing the SJ.

Based on the above-mentioned, the importance of this research is its contribution to cover the mentioned gap in the literature and providing insights to policymakers on the relation between FI and SJ, in addition, to providing recommendations by the author for setting extra FI procedures that could be included in the policies or initiatives of FI to positively affect SJ. Researchers can also benefit from this research to innovate new financial services that target enhancing the SJ six criteria and help people to improve their standard of living.

In this context, the rest of this research sections are organized as follows: section 2 mentions the research questions; section 3 presents the literature review; section 4 shows the research methodology; section 5 addresses the research conceptual and theoretical framework; finally, section 6 states findings, conclusion, and future research agenda.

Research Question

The main research question is: "what is the role of Financial Inclusion in enhancing Social justice?"

Literature Review

This research focuses on FI and its impact on SJ enhancement; however, regarding the literature review, the author found some prior studies focused on either FI only or SJ only. Whereas, there is a scarcity of studies which discussed the relationship between FI and SJ.

In this context, the literature review section for this research is divided into two topics which are first studies addressed FI and opportunities to enhance it, and second studies that addressed SJ meaning, types, and the importance of enhancing it. After that in the methodology section the author will illustrate the relation between FI and SJ.

First Topic: Literature that has Addressed Financial Inclusion and Opportunities to Enhance it, and its Impact on Poverty Reduction.

The Alliance of financial inclusion (2011) published in 2011 "Maya Declaration" that aims to reduce poverty and ensure financial stability. "Maya declaration" represents a global set of commitments to be implemented by financial institutions in more than 80 developing and emerging countries to advance FI. These commitments concentrate on four broad areas to increase FI. These four areas are: creating an environment to employ new technology that increases access to financial services with lowers costs; implementing a framework that reserves integrity and financial stability while developing FI; providing consumer protection; using data for informed policymaking and evaluating results to enhance FI.

The conclusion from "Maya declaration" showed that implementing "Maya Declaration" can be achieved to develop FI by compatibility with the circumstances of each country. However, the author, believes that the four areas of Maya declaration to develop FI can be expanded by adding extra areas into consideration including presenting new FI initiatives with effective incentives to attract financially marginalized people to open bank accounts and benefit from financial services. These effective incentives in initiatives can be decreasing account opening fees, and availability to open bank accounts with no minimum limit amount of money to all segments of the society especially poor people, women, disabled individuals, and refugees. So, in this research, the author will present new FI procedures insights that can impact positively on all the six SJ criteria or indicators including poverty prevention, labor market inclusion, access to education, health care, social cohesion, and intergenerational justice which includes family and environmental policies.

Regarding the Impact of FI on Society, Some previous studies as Inoue's (2019) discussed the impact of FI on only one of the SJ indicators, which is "poverty". Inoue's study showed that India to expand FI has undertaken various initiatives such as promoting microfinance in the country and expanding formal financial services to rural areas using commercial banks.

The conclusion from Inoue's study is that FI has a statistically significant negative relation to the poverty ratio through the cooperation of public sector banks in expanding FI. However, the private sector banks have less impact on poverty reduction, because the private sector banks shifted their operational emphasis to urban areas where fewer poor people exist. In this context, Inoue recommended that public sector banks should broaden access to and usage of banking services, especially in poor remote and rural areas by expanding the branch network and using mobile banking technology.

In this context, the author of this research thinks that Inoue's study should have added recommendations regarding increasing the role of private banks in expanding FI to decrease poverty. One of the things that can be done is that government can issue regulations to encourage private banks to cooperate in the process of achieving FI for financially marginalized people as a matter of social responsibility, an example of that can be presenting MSME finance campaigns by private banks to innovative ideas of projects by individuals in marginalized rural and remote areas. The result of financing MSME can have a positive impact on increasing employment and the financial conditions of individuals which would be reflected in their standard of living and raise SJ enhancement.

Also, Barik and Lenka study (2021) tried to analyze the role of FI in poverty reduction among 28 Indian states and investigated the variation in financial accessibility among Indian states from 1993 to 2015. Their study mentioned that the main objective of FI policy is to include the poor unbanked people in the financial system so that they can be able to obtain economic benefits. In this context, their study clarified that to bring these unbanked people into the banking system, both the government of India and the Reserve Bank of India (RBI) have undertaken many financial initiatives and pro-financial inclusion policies since 1992 to provide basic easy and affordable banking services to the unbanked people and marginalized communities so that they can overcome their economic hardship. Such policies are Self Help Groups (SHGs) and linking it with individuals' bank accounts, providing Kisan Credit Card (KCC), Direct Benefit Transfer (DBT) facility, and establishing bank branches in rural areas.

Their study concluded that FI has a negative effect on rural-urban poverty, respectively. That means states with a higher level of FI tend to have a lower poverty rate. Besides, the findings of their study showed that there are variations in FI among the 28 Indian states. States from the Eastern and North-Eastern regions of India are having low FI than states from the southern, western, northern, and central regions. Hence, Barik and Lenka suggested in their study that to minimize the FI gaps between the Indian states, state-specific policy initiatives to promote FI should be undertaken by the government in low-ranked financial inclusion states, such as: "strengthening good governance, promoting financial literacy, and enhancing financial institutions' quality".

However, the author argues that Barek and Lenka's study which was published in 2021 didn't suggest another important step towards FI expansion such as expanding digital financial services in the Indian states which have a low rank of FI, to serve groups in remote and rural areas who face challenges in reaching bank branches, due to bad geographical conditions or unstable security conditions. However, in the presented research, the author will cover multiple FI expansion initiatives examples and how they can impact positively on SJ enhancement.

Second Topic: Literature That has Addressed Defining and Achieving Social Justice

Ibrahim (2015), in his study about the foundation of social justice, stated that SJ means all individuals in society should enjoy equal access to benefits and opportunities within society regardless of their social class. In this context, Ibrahim's study addressed types of SJ including:

- "Distributive Justice", which promotes the distribution of resources, services, and needs of life to all members of society without discrimination.

- "Legal Justice", which provides protection to all individuals in accordance with the law.
- "Corrective Justice", aims to correct the conditions of disadvantaged groups in light of specific circumstances they faced.
- "Political Justice", depends on the constitution to implement freedom and political participation for all members of the society.
- "Reciprocal justice", governs people's relations in the barter and exchange of goods, money, and sciences; this type of justice is often lost during wars and crises.
- "Economic justice", means the availability of opportunities for work and productive activities, with a fair distribution of rewards to adult individuals.

Ibrahim's study concluded that there are foundations for achieving SJ in countries, including raising the human conscience to believe in SJ to promote peace within society, and Governments should provide basic needs for individuals such as services, health care, education, housing, job opportunities, a fair distribution of income and providing social protection programs.

However, the author believes that the SJ's six criteria or indicators (released by OECD in 2011) could have been added in Ibrahim's study in order to enable readers to understand the main SJ criteria that should be enhanced to achieve social justice in any country. Therefore, in this research, the author will present the six criteria or indicators of SJ released by OECD (poverty prevention, labor market inclusion, access to education, health care, social cohesion, and intergenerational justice which includes family and environmental policies) and how these criteria are going to be affected positively by FI policies and procedures.

Also, in this context regarding the importance of achieving social justice Hammad (2014) published his study, and he discussed in it the danger of imbalance in SJ and its impact on threatening social peace and country stability. Hammad explained that the balance of SJ disappears when there is huge difference between social classes among people, no equal opportunity between similar individuals, no social protection programs, or no social responsibility towards the poor. His conclusion highlighted the need for governments to achieve social peace, and implement SJ by providing the basic needs of life to its citizens such as food, housing, health care, and education, in addition to encouraging investment and establishing projects to provide more job opportunities and to raise Gross domestic product GDP which has an impact on raising the standard of living for individuals.

The author of this research believes that Hammad's study could have been supported by addressing the obstacles facing achieving SJ to avoid them. These obstacles may include deteriorating economic conditions, an increase in population, administrative corruption, Poor attention to vulnerable groups, such as women, and a gap in the geographical distribution of services. So, this research will present the FI principles and procedures implemented in the financial system that can support overcoming these SJ imbalances and obstacles to enhance social justice and achieve the author's research goal of illustrating the role of FI in enhancing social justice criteria.

Research Methodology

This research adopts an analytical descriptive approach to define FI and its principles, in addition to defining SJ six criteria that can be affected by implementing FI.

In this context, the author made a comprehensive literature review to set the relation between this research's two variables including FI as an independent variable and SJ enhancement as a dependent variable.

The resources used include secondary data sources such as reports, periodicals, and papers released by international entities and financial institutions including the World Bank WB, Alliance of Financial inclusion AFI, G20, Economic and Social Commission for Western Asia ESCWA, and Organization for Economic Cooperation and Development OECD.

To achieve the objective of the research and to answer the research question "What is the Role of Financial inclusion in enhancing social justice?" the methodology of this research will address the following:

1- Understanding the concept of FI and its principles that were released by G20.

2- Understanding the concept of SJ and its criteria or indicators that were released by OEDC.

3- Presenting a theoretical framework explaining the relation between FI & SJ, and illustrating this relation in a model in (figure1).

4- Determining the impact of implementing FI principle and procedures in the financial systems on enhancing the social justice six main criteria or indicators including poverty prevention, labor market inclusion, health care, access to education, social cohesion, and Inter-generational justice which includes family and environmental policies to ensure that future generations, as well as old generations, have good social and environmental conditions.

Conceptual and Theoretical Framework of Research

The Concept of Financial Inclusion

G20 has recognized financial inclusion as "a state in which all functioning grown-ups individuals have effective access to credit, saving, payments, and insurance services from formal financial institutions". Where "effective access" involves helpful services delivery, at an expense reasonable to the client and supportable for the supplier (Alliance for Financial Inclusion, 2017, p. 5). In this context, the author adopts the G20 concept of FI in this research.

In May 2010 the G20 issued nine principles for innovative financial inclusion (Global Partnership for Financial Inclusion, 2011: 2-5). These principles are not rigid requirements but rather form a set of conditions and procedures that aims to the following:

1- Promote government commitment to financial inclusion to help alleviate poverty.

2- Develop policy approaches that provide market incentives for delivery of affordable financial services and diversity of service providers.

3- Create a cooperative environment between government and other financial inclusion stakeholders to stimulate the advancement of FI

4- Promote financial digital transformation in countries to expand the usage of financial services to expand FI.

5- Provide consumer protection to increase customer trust in the formal financial systems.

6- Develop financial literacy to help customers to take the right financial decisions.

7- Utilize improved data to make policies and measure progress.

8- Build a regulatory framework that is proportionate to the risks involved in using innovative products and services.

9- Emphasize that the regulatory framework should consider international standards, national circumstances, risk-based AML/CFT regime, the use of agents as a customer interface, and market-based incentives to achieve interoperability and interconnection between the financial institutions.

The Concept of Social Justice

Social justice is defined by the Economic and Social Commission for Western Asia (ESCWA) in 2014, as, "equivalent rights, equivalent freedoms, and admittance to resources and opportunities to all people, giving specific consideration to the evacuation of obstructions that ruin the strengthening of disadvantaged groups to fulfill their capability to participate in decisions that govern their lives" (Economic and Social Commission for Western Asia ESCWA, 2019: 3-4).

As per the Organization for Economic Cooperation and Development (OECD), a modern concept of social justice refers to "the aim of realizing equal opportunities and life chances". Also, OECD stated that social justice can be understood as "a framework of rules and guidelines for a participatory society that activates and enables its members". This concept adopts the idea that achieving SJ depends more on investing in people's inclusion than on compensating for excluded people. (Schraad;Tischler, 2011: 11).

Given the above definitions, the author adopts the OECD definition of social justice, where SJ favors providing equal opportunities to individuals for self-realization and depending on their capabilities to proceed forward in life.

OECD stated that underlying the social justice index there are six criteria or indicators of social justice which are the following (Schraad;Tischler, 2011: 7-14):

1- "Poverty prevention": where governments to achieve people's financial improvement, are required to build projects and demand employment, in addition to providing social protection for groups less able to work.

2- "Access to education": where students from an average or poor socioeconomic background should have education as well as students from socioeconomically advanced background.

3- "Labor market inclusion": where governments can provide more initiatives that support the expansion of MSME to offer more job opportunities.

4- "Social cohesion and non-discrimination": where each country should avoid discrimination according to gender, physical ability, ethnic origin, social status, political views, or religion. Also, countries should put into consideration the integration of migrants and refugees into society.

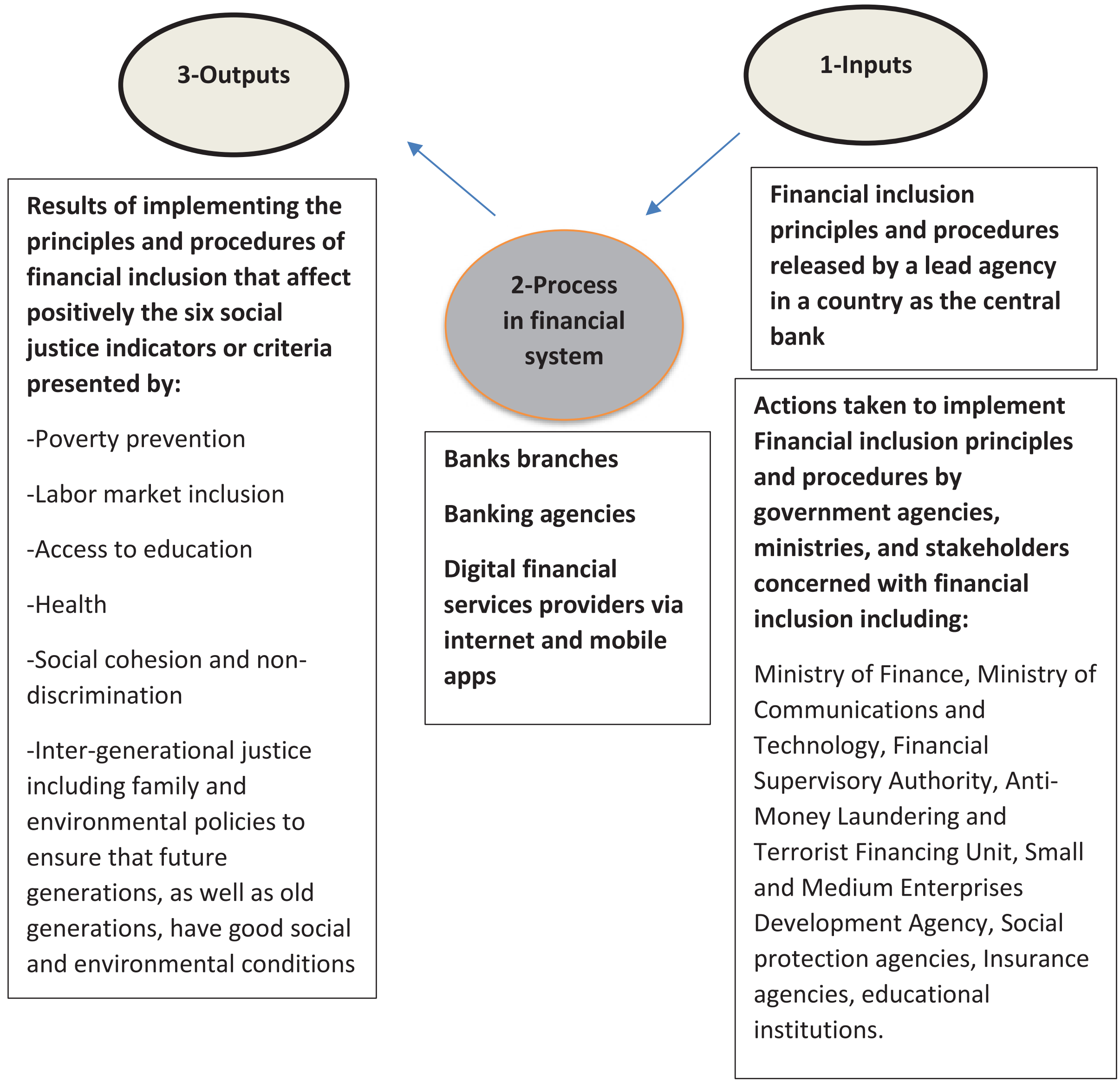
5- "Health care": In many countries, people with low income have less health care, in this context social justice is concerned with enhancing the financial capabilities and standard of living of poor people to be able to access health care services.

6- "Intergenerational justice": includes family and environmental policies to ensure that future generations, as well as old generations, have good social and environmental conditions such as providing initiatives in countries to decrease CO_2 emissions per unit of GDP.

The Theoretical Framework of Relationship between Financial Inclusion and Social Justice Enhancement

In this section, the author presented (Figure 1) to illustrate the relation between FI as an independent variable and SJ criteria or indicators as a dependent variable in a model. The model shows that each country has a lead agency as a central bank responsible for releasing FI policies and procedures based on the financial inclusion principles released by G20. This FI policies and procedures is to be implemented in the formal financial system, by financial institutions, government agencies, ministries, and financial inclusion stakeholders.

In this context the FI principles, policies and procedures acts as inputs in the financial system, and the implementation process of these FI policies and procedures in the formal financial system produces positive results or outputs that represent enhancement of social justice criteria such as poverty prevention, labor market inclusion, access to education, health care, social cohesion and non-discrimination, Inter-generational justice which includes family and environmental policies to ensure that future generations, as well as old generations, have good social and environmental conditions.



Source(s): Prepared by the researcher

Figure1. The Relation between Financial Inclusion and Social Justice

The Impact of Financial Inclusion on Achieving Social Justice

In this section, the author investigates the impact of each of the nine financial inclusion principles released by G20 (Global Partnership for Financial Inclusion, 2011, pp. 2-5), on the social justice six indicators released by OECD including: labor market inclusion, social cohesion and non-discrimination, poverty prevention, access to education, health care, inter-generational justice which includes family and environmental policies to ensure that future generations, as well as old generations, have good social and environmental conditions (Schraad; Tischler, 2011: 14).

This investigation is to fulfill the research question about the role of FI principles & procedures in enhancing SJ.

Also in this section, the author presents some countries implications and recommendations for policy-makers regarding insights or ideas for extra FI procedures in order to increase the impact of FI on enhancing SJ.

1- Impact of Implementing FI Principle (1) on SJ Criteria

FI principle (1): "Cultivate a broad-based government commitment to financial inclusion to help alleviate poverty"

This principle argues that Governments within their commitment to expand FI, issue initiatives such as MSME financing, entrepreneurship supporting (technical and financial), providing insurance services, and housing loans.

These initiatives can help in the following: Establishing new projects which attract labor, and achieving social non-discrimination by integrating all individuals who can work in the economic activities, and therefore achieving poverty prevention, which will be reflected positively on individuals' standard of living and enhances social justice criteria such as health care, and children education. In addition to that, governments in the light of FI also launch initiatives of green finance which help in eliminating pollution and conservation of resources, and energy, and therefore achieving inter-generational justice which ensures that future generations, as well as old generations, have good social and environmental conditions.

A- Implication of the Relation between FI Principle (1) and SJ Criteria Enhancement:

In 2016, the Egyptian government with the cooperation of the Central Bank of Egypt in the context of FI expansion launched initiatives to finance micro and small enterprises with lower interest rates at 5% with attention to labor-intensive sectors. Also, the initiatives included financing medium size companies, which operate in activities of industry, agriculture, and renewable energy at an interest rate of 7%, and this category of companies was targeted due to its support for economic growth, labor inclusion, and its reflection on the improvement of the standard of living of individuals. (Central bank of Egypt, 2016).

Also, the Central Bank of Egypt and the Egyptian government cooperated with the Social Security Authority to issue an initiative in 2021 to develop the disbursement of pensions to beneficiaries so that the disbursements are carried out through "ATMs cards" that can also provide beneficiaries will many financial services as loans. This initiative succeeded in integrating the elderly segment of society into the banking system to get financial benefits and so achieving the SJ criteria of Social cohesion and non-discrimination. (Ministry of Social Solidarity, 2021).

B- Recommendations to Policymakers to Expand FI Principle (1) Impact on Enhancing SJ

The author recommends that FI policies should not only include government commitment to help alleviate poverty as mentioned in FI principle (1) but should include government commitment to help in the enhancement of all the SJ six criteria which are poverty prevention, labor market inclusion, social cohesion, access to education, health care, inter-generational justice. This is because FI has a broader base than poverty prevention only.

2- Impact of Implementing FI Principles (2) and (3) on SJ Criteria

FI principle 2: "Implement policy approaches that promote competition and provide market-based incentives for delivery of sustainable financial access and usage of a broad range of affordable services (savings, credit, payments and transfers, insurance) as well as a diversity of service providers", and FI principle 3: "Promote technological and institutional innovation as a means to expand financial system access and usage, including addressing infrastructure weaknesses"

These two principles argue that financial inclusion, which aims to provide a broad range of affordable and innovative financial services, will attract individuals and businesses to use financial services and benefit from them. This will impact positively on many SJ criteria or indicators.

For example, People in rural and remote areas who don't have enough traditional channels of financial services as banks' branches due to security issues or geographical constraints, will be able to use the financial services through digital financial channels via the internet or mobile apps. This will support achieving social cohesion and non-discrimination for people in rural or remote areas as they will be financially included.

Also, the financial services enable people to save money and benefit from the interest rates offered by banks on deposits and protect individuals' financial resources. Accordingly, all of that affect positively achieving inter-generational justice which ensures that future generations have enough financial resources from their families. Also using innovative digital financial services will facilitate payments and transfers for free-lance businesses, and this can generate income that increases individuals' standard of living and will be reflected in families' health care and children's education.

A- Implication of the Relation between FI Principles (2) and (3) and SJ Criteria Enhancement:

An implication of FI policy approaches that promote usage of a broad range of affordable financial services to all segments of society, especially low-income individuals can be expressed by the following examples: in 2016 Saudi Arabia's Monetary Agency "SAMA", has determined certain affordable fees for Banking services and the maximum limit for tariffs and commissions that banks are entitled to apply when providing financial services. In addition to prohibiting banks from determining a certain minimum amount of money to open a bank account for individuals. These efforts' goal was to encourage unbanked individuals,, especially low-income segment to access the financial services easily and with affordable fees (Saudi Central Bank, 2019).

However, regarding the implication of promoting innovation to expand financial system access and usage, in 2016 "The Regulatory Sandbox" was launched by The central bank of Malaysia to promote FinTech innovation and allow FinTech companies to test their own innovations of FinTech applications and digital services under the supervision of the central bank's regulatory sandbox before introducing them to the market to ensure that FinTech innovations are safe and satisfy customers' needs (Bank of Negara Malaysia, 2016).

B- Recommendations to Policymakers to Expand FI Principles (2) and (3) Impact on Enhancing SJ

Based on the argument discussed on FI principle (2) and (3) relation with SJ criteria, the author recommends that each bank can have a mechanism to enable bank's customers to submit their suggestions and ideas regarding new financial services they need. In this context, customers may present proposals about new financial services related to SJ criteria such as education and health loans, or opening bank accounts for refugees to achieve non-discrimination.

3- Impact of Implementing FI Principle (4) on SJ Criteria

FI principle (4): "Protection: Encourage a comprehensive approach to consumer protection that recognizes the roles of government, providers, and consumers"

This principle argues that regulators provide consumer protection laws when using financial services without any social discrimination, in addition to establishing channels for submitting complaints. Thus consumer protection will increase the financial stability of individuals which is reflected in enhancing their standard of living which is reflected in promoting health care, education, and saving families' financial resources for the coming generations. Consumer protection will also protect businesses from financial risks, which will maintain their financial stability and the continuation of employment. Thus, the relationship between consumer protection as a FI principle and SJ criteria enhancement is clarified.

A- **Implication of the Relation between FI Principle (4) and SJ Criteria Enhancement:**

In 2017, the Saudi Arab Monetary Agency SAMA (central bank of Saudi Arabia) launched a comprehensive initiative called "Sama Cares". This initiative targets customer protection, where an interactive page has been launched on the social networking site "Twitter" to answer inquiries, receive complaints, follow up on the progress of the existing complaint, and respond to inquiries of customers (Sama Cares, 2017).

B- **Recommendations to Policymakers to Expand FI Principle (4) Impact on Enhancing SJ**

Regarding the argument discussed on FI principle (4) relationship with SJ criteria, the author recommends that in FI policy regarding consumer protection, each financial institution should have more than one consumer protection method to which customers can head and make their complaints. These varieties of consumer protection methods can be emails, customer service call centers, mobile applications, or mobile messages. Consumer protection is very important because it protect customers' financial resources and prevent any financial shocks. This affect positively on many SJ criteria as poverty prevention, access to education for children, providing health care, making savings to open projects and achieve labor market inclusion.

4- **Impact of Implementing FI Principle (5) on SJ Criteria**

FI principle (5): "Empowerment: Develop financial literacy and financial capability"

This principle argues that Governments launch FI initiatives of financial literacy so that the people gain knowledge the financial products, services and make better financial management, and better projects decisions, which are reflected in improving their standard of living and many SJ criteria such as poverty prevention, health care, and children education, intergenerational justice since the financial resources are managed well for the coming generation.

A- **Implication of the Relation between FI Principle (5) and SJ Criteria Enhancement:**

The central bank of Egypt cooperated with The Egyptian Banking Institute, to issue financial literacy initiative in 2012 called "Ashan Bokra" initiative, which means for the sake of the future. It aims to spread financial knowledge in various governorates of Egypt and improve the ability of individuals to manage money, understand and use various financial services that can improve their financial conditions, and standard of living, and affect positively many SJ criteria as poverty prevention, labor market inclusion, access to education, health care, social cohesion, and intergenerational justice which includes family and environmental policies (Central Bank of Egypt, 2012).

B- **Recommendations to Policymakers to Expand FI Principle (5) Impact on Enhancing SJ**

In the context of upgrading FI policies for principle (5) of financial literacy, the author recommends that each financial institution or bank, in the context of social responsibility should have a team for financial literacy services. The financial literacy team's objective will be to increase the financial literacy of customers and attract more unbanked individuals to use financial services by making outside bank events for financial literacy in companies with large employee numbers or in educational and sports entities.

5- **Impact of Implementing FI Principle (6) on SJ Criteria**

FI principle 6: "Create an institutional environment with clear lines of accountability and coordination within government; and also encouraging partnerships and direct consultation across government, business and other stakeholders"

This principle argues that it is important to have a lead agency like a central bank in each country to be responsible for coordination among several government agencies, ministries, financial institutions, businesses, and other stakeholders when they implement the FI procedures in the financial system, to avoid any conflicts and achieve the financial inclusion goal of raising the financial capabilities of individuals and businesses, which can positively affect the SJ criteria.

A- **Implication of the Relation between FI Principle (6) and SJ Criteria Enhancement:**

Jordan Central Bank in 2017 launched Jordan's national financial inclusion strategy to plan FI policies. Also, the strategy depends on creating a cooperative environment to enhance FI between many parties including the central bank of Jordan as the lead agency for FI, banks, and public and private sectors. The strategy aims to enhance the social, economic, and financial conditions of individuals, especially the marginalized segment of society such as women, residents in rural areas, low-income citizens, and refugees. Accordingly, the goals of the FI strategy are related to enhancing many SJ criteria such as; MSME financing to expand the labor market and reduce poverty and improve the digital financial services to reach individuals, especially in rural or remote areas. In addition to that, the FI strategy concentrated on protecting consumers and providing financial literacy to enhance the financial capabilities and resources of individuals to improve their standard of living which is reflected in the health care and children's education, subsequently achieving intergenerational justice (Central bank of Jordon, 2017).

B- **Recommendations to Policymakers to Expand FI Principle (6) Impact on Enhancing SJ:**

The author recommends that FI principle (6) policies regarding creating a cooperative environment should include an "evaluation process" under a supervisory authority to measure the success or failure of the cooperation done between parties to solve obstacles and achieve the goals of FI and enhance SJ criteria.

6- **Impact of Implementing FI Principle (7) on SJ Criteria**

FI principle (7): "Utilize improved data to make evidence-based policy, measure progress and consider an incremental test and learn approach by both regulators and service providers"

This principle argues that reliable data can be used to set policies and measure progress in FI. However, the author considers that data can also be used to determine the problems facing FI expansion which may affect negatively achieve SJ if not solved due to the relation between FI expansion and SJ.

For example, data can determine the number of individuals that benefit from financial services in rural and urban areas, which will lead to determining the percentage of financially marginalized individuals in the society in those areas and the reasons which prevent those people from using the financial services. Based on that policymakers can try to decrease the percentage of financially marginalized individuals by launching new FI initiatives to develop the financial services and their delivery channels to reach those financially marginalized individuals everywhere and thus solving the problems which prevent some individuals from reaching the financial services.

These efforts of expanding useful financial services and increasing financial inclusion will have a positive impact on increasing individuals' standard of living which is reflected in enhancing the SJ criteria.

A- **Implication of the Relation between FI Principle (7) and SJ Criteria Enhancement:**

Implementation of the importance of data to measure the progress of FI and determine the problems of FI expansion is that the Central Bank of Egypt in light of its interest in FI established in 2018 a FI database to determine the percentage of adults who have an account with a financial institution or through a mobile financial service, classified by gender (male or female).

This data determined the gap between women and men concerning the number of account ownership and usage of financial services in Egypt. Banks based on that data worked on fixing that gender gap problem and attracted women to access financial institutions by innovating and more suitable financial services to women, especially in rural areas when the women FI percentage was low. One of the helping financial programs for women in villages was the Village Saving and Loan Association VSLA initiative, which helped women to save money and have loans to establish small projects that can increase their income and therefore increase their families' standard of living and positively affect many SJ criteria. (Central Bank of Egypt, 2018)

B- **Recommendations to Policymakers to Expand FI Principle (7) Impact on Enhancing SJ:**

The author recommends that the FI principle (7) regarding "collecting data to make evidence-based policy", can be extended to using this data to determine the FI expansion problems, such as the problem of low customers' usage of some digital financial services, especially in rural areas due to weak technological infrastructure in some developing countries. This determination of problems will guide policymakers to put plans or procedures, in order to solve these problems and expand financial inclusion for all the segments which can affect positively SJ enhancement.

7- **Impact of Implementing FI Principles (8) and (9) on SJ Criteria**

FI principle 8: "Build a policy and regulatory framework which is convenient to the risks involved in such innovative products and services, and is based on the comprehension of the gaps and barriers in existing regulation", and FI principle 9: "Consider the following in the regulatory framework, reflecting international standards, national circumstances and support for a competitive landscape: an appropriate, flexible, risk-based AML/CFT regime; conditions for the use of agents as a customer interface; a clear regulatory regime for electronically stored value; and market-based incentives to achieve the long-term goal of broad interoperability and interconnection"

These principles argue that providing a regulatory framework to prevent risks and protect customers' money builds people's trust in financial institutions, and this will attract more people and businesses to use financial services. Thus, customers will benefit from these financial services, by receiving a return on savings and financing their projects. As a result, many SJ criteria will be affected positively due to the stable financial conditions.

A- **Implication of the Relation between FI Principles (8) and (9), and SJ Criteria Enhancement:**

The Central Bank of Egypt in 2016 issued a new version of "the regulatory rules of mobile payment services", which coincided with the issuance of the Anti-Money Laundering AML and terrorist financing unit due diligence procedures for customers of mobile payment services in Egypt (Central Bank of Egypt, 2016). Together, they represent a package of integrated regulatory instructions aimed at expanding the use of mobile payment services and achieving further progress toward a more inclusive financial society that benefits from financial services and their reflection on enhancing the SJ criteria.

B- **Recommendations to Policymakers to Expand FI Principles (8) and (9) Impact on Enhancing SJ:**

The author recommends presenting a new tool called "risk averse peer learning between banks" to be added to the regulatory frameworks of FI principles (8) and (9). The illustration of this tool is that: when any financial institution (bank) directly reports to the regulatory authorities about any sudden problem to get a quick response from the authority to solve that problem, the regulatory authority after that prepares an appropriate scenario to fix that problem, and then distribute that scenario to the other banks (with respect to the privacy issue rules) in the context of "risk averse peer learning between banks" tool. These will make Banks qualified to avoid or solve similar problems because of the risk-averse peer learning tool.

Accordingly, this tool will save banks from financial risks and will achieve stable financial systems, and protect businesses and individuals' financial resources in banks which will raise their standard of living and will be reflected in enhancing the SJ criteria.

Findings, Conclusions and Future Research Agenda

Findings

- Expanding financial inclusion can have a positive impact on SJ's six criteria including poverty prevention, labor market inclusion, access to education, health care, social cohesion, and Inter-generational justice which includes family and environmental policies to ensure that future generations, as well as old generations, have good social and environmental conditions.
- Financial inclusion aims to provide financial access ability to all society segments especially poor and financially excluded individuals such as low-income individuals, women, youth, disabled individuals, and people in remote and rural areas. In this context, people will benefit from the financial services and products; and by that, there will be a great chance of raising their standard of living which impacts positively on enhancing SJ.
- Financial technology helps in increasing financial inclusion since it works on expanding financial products and services with lower costs and less time. Besides, financial technology is beneficial to people in rural and remote areas with harsh geographical or unstable security conditions as it facilitates access to financial services via the internet and smart mobile apps without the need to go to physical banks' branches. In this context, there should be continually developing financial technology infrastructure, as well as providing sufficient guidelines for consumers to avoid any risks related to using digital financial services.
- Financial inclusion to have a social impact requires a national FI strategy in each country to coordinate successfully the interaction between parties responsible for implementing FI such as government agencies, official financial institutions, ministry of finance, ministry of communications and technology, anti-money laundering unit, MSMEs micro, small and medium enterprises development agency. This is because national financial inclusion strategies include various topics related to SJ. These topics such as initiatives directed at social protection, entrepreneurship capacity building (technically and financially), MSMEs financing, and providing insurance services.
- A wider expansion of financial inclusion means that more individuals have access to financial institutions to deposit their funds, and therefore more liquidity buffers will be available in financial institutions. Consequently, this will increase the ability of financial institutions to provide loans to individuals and MSME financing. This funding will enable building projects, increase GDP, satisfy the sudden need for liquidity to face any financial shocks, and achieve financial stability. In this context, financial inclusion provides opportunities for countries, individuals, and enterprises to raise their financial capabilities which can impact positively on the SJ criteria.
- Government initiatives in the context of FI to expand financial literacy in society are very important to help people to make the right financial decisions and improve their standard of living which is reflected in enhancing issues related to SJ.
- Financial consumer protection regulations have a major role in attracting more people to join financial institutions and thus increasing FI percentage because consumer protection enhances people's trust in financial institutions. This is due to consumer protection principles of transparency of information, besides, the existence of official channels responsible for solving customers' complaints. In addition to that, consumer protection eliminates financial fraud or risks and maintains financial stability that impacts positively SJ enhancement.

Conclusion and Recommendations

The author concluded that to expand financial inclusion and its impact on social justice some recommendations can be provided as follows:

- It is necessary for banks to provide various financial services, especially the ones designed for low-income, women, youth, disabled, old people, and refugees while taking into account the financial, geographic, age, cultural conditions of individuals, and religious beliefs. In addition to that, the expansion of digital financial services and "Banking agencies", help people to reach financial services, especially in rural and remote areas where establishing banks' branches is difficult due to tough geographic or security conditions. These mentioned insights will help in expanding FI which affects positively SJ.
- Governments with the cooperation of banks should target expansion in releasing initiatives of MSME financing in the light of financial inclusion because these projects have a positive impact on enhancing SJ. Since these projects can multiply opportunities to employ poor people and raise their standard of living, which helps in their children's education, and health care. Also according to the World Bank (2020), MSME can increase a country's production, exports, economic growth, financial stability, and the ability of the government to provide more social protection programs that help many poor people to avoid financial shocks. Thus, the aforementioned efforts will promote SJ criteria.
- Governments can provide incentives to attract projects which work in the informal financial sector to join the formal financial system and benefit from banks' financial services. The incentives can be tax incentives as tax-deferred, and non-tax incentives such as providing technical and financial support to the projects which join the formal financial system. The objectives of integrating the projects of the informal sector into the formal financial sector are to enable these projects to deposit their money in financial institutions to protect it and at the same time increase the liquidity in financial institutions as banks and use this liquidity later in providing financing for more projects in the economy that can increase GDP of a country and therefore governments through public expenditure can benefit the society by new projects and social protection programs targeting poor people, hence enhancing SJ.
- Countries should expand media promotion on the importance and advantages of financial inclusion and its impact on poverty prevention and SJ enhancement to encourage individuals or businesses who do not own financial accounts to join the formal financial sector and open bank accounts and gain financial benefits which can improve their financial conditions and have a positive impact on many SJ criteria.
- Banks should invent new financial services ideas and give special care to the poor and financially marginalized segment of society, especially in developing countries. For example, if customers purchase with debit cards commodities related to basic needs, a reduction can be made in the price withdrawn from the card, to motivate low-income customers to continue using payment cards in their purchases due to obtaining immediate benefits or refunds. Also, the segment of disabled customers can have new financial services to attract them to the banking sector. For example, in addition to their own telephone customer service section and interactive automated teller machines, it is important for banks to provide this segment with a special customer service section in the branches including tools that facilitate opening accounts for them without assistance from others such as their relatives to keep their financial privacy safe. Tools can be providing applications of services requests written in Braille to blind customers, as well as their accounts can have higher interest rates to encourage this segment of disabled people to join banks and open accounts.
- The role of the private sector technology and infrastructure companies has to be boosted by gov-

ernment policies to benefit from these companies' experience in providing appropriate financial services delivery mechanisms and infrastructure, in addition to decreasing the costs and time of financial services. Besides, given that financial technology is a key factor in developing the formal financial system, it is important for each country to support and encourage investment in emerging financial technology companies.

- Achieving the financial inclusion target of enhancing SJ criteria needs collecting accurate data in each country including the correct percentage of financial services usage by individuals, the gender gap in using financial services, and the problems facing financially marginalized people to reach financial services. These will help in determining what extra financial inclusion programs or initiatives are required for the financially excluded individuals to access the financial system and enhance SJ.
- Central banks should make "demand-side surveys" to first know the financial services people need and provide them, second to identify the obstacles preventing financially excluded individuals from reaching financial services; in order to develop FI procedures to solve these obstacles or challenges and help this segment of society to use the financial services and enhance their standard of living that can positively affect SJ criteria.
- It is necessary to continuously evaluate the results of financial inclusion initiatives, to determine if these initiatives need updates to boost their positive impact on SJ enhancement.
- It is important to learn from the experiences of countries which achieved a high percentage of financial inclusion to acquire new tools and plans and strategies that provide appropriate guidance to raise the level of financial inclusion in less developed and developing countries and enhance social justice there.

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