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PRESS RELEASE

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How financial inclusion is making “a real difference” in the lives of Pacific Islanders



Chair of AFI's Pacific Islands Regional Initiative and Governor of the Central Bank of Samoa, Maiava Atalina Emma Ainuu-Enari shares her thoughts on progress so far in financial inclusion, and the road ahead.

AFI: Can you tell us about how financial inclusion is developing in the PIRI region?

Governor Atalina: One of the most notable steps towards greater financial inclusion in the region, is the technological disruption in the financial services industry. This

technological revolution in the financial space – or what we like to refer to as financial technology or Fintech – has widened the reach and enhanced the effectiveness of financial inclusion. It has evidently increased the adoption of financial services, making it possible to reap the rewards of innovation using technologies like mobile and internet devices and payment cards.

“Financial inclusion provides the opportunity to bring the country's most vulnerable groups into the center of policy discussions.”

The FinTech advances have also had implications for the region, given that most of its economies are still in the early stages of development. Having said that, most of these FinTech adoptions have been subject to limited regulation in these jurisdictions due to their complexity and ever-changing nature.

However, it is encouraging to note that PIRI is working towards overcoming these issues to embrace technologies that can help advance financial inclusion in the region. One such example is our Regional Regulatory Sandbox on leveraging technology to combat de-risking and the loss of correspondent bank relationships (CBRs). Both these elements negatively impact remittances – a crucial contributor to the GDPs of Pacific Island nations.

AFI: How can financial inclusion drive improvements in economic well-being in your region?

Governor Atalina: Financial inclusion has the potential to unlock the economic well-being of people and therefore economic growth and prosperity of the country. Financial inclusion as part of the Central Bank's mandate provides the opportunity to bring the country's most vulnerable groups into the center of policy discussions. This new regulatory scope offers a fresh perspective to regulators: giving previously excluded, unserved or underserved consumers access to and usage of financial services will contribute to the sustainability of the financial sector.

“I believe financial inclusion has the potential to make a real difference to the future...of Pacific Island nations and their people”

In addition to looking inwards and utilizing the financial sector and financial services to bring about the outcomes we want, financial inclusion also reaches out to collaborate with other sectors to find synergies and provide a supporting role. Good examples of this would be collaboration between the environment and energy sectors and inclusive green finance advocates, or the education sector's embrace of financial literacy and financial education.

I believe financial inclusion has the potential to make a real difference to the future economic well-being of Pacific Island nations and their people. We are a group of diverse and remote countries and small islands with scattered populations, with very similar financial inclusion challenges. Financial inclusion coupled with financial technology and financial education and literacy can play a crucial role in overcoming these challenges. I am referring to having the appropriate financial products available and possessing the financial capability to use these products in a meaningful way to deliver the outcomes people want – for example, an insurance product that can offer financial resilience, or payment methods that are safe and efficient to use for individuals and MSMEs.

AFI: How do you see women's role in financial inclusion?

Governor's response: Women are powerful change agents of the financial inclusion policy agenda. When women are financially included, they help realize the objectives and intended benefits of financial inclusion in their own households. Women, especially mothers, will ensure the needs (education, health, daily living, etc.) of their families are prioritized and will manage the household finances to ensure this. So, imagine then what women's leadership can bring to financial inclusion!

"When women are financially included, they help realize...the benefits of financial inclusion in their own households."

It is commonly stated in the gender inclusive debate that women in leadership roles will contribute to more inclusive and representative views and decisions. This is also true when it comes to formulating financial inclusion policies. Women's leadership can bring about different and diverse perspectives which can lead to more inclusive policies. Furthermore, women are natural leaders when it comes to finances because women (at least in the case of Samoa) are traditionally responsible for the household finances such as budgeting and monitoring of daily spending, etc. May I also add that it is evident that women are also heavily involved in MSMEs programs in Samoa (especially in rural areas). Thus, women leaders would ensure that financial inclusion policies are effective and relevant for society at large.

AFI: What is the idea behind the Developed-Developing Dialogue (3D) and Public-Private Dialogue (PPD) sessions, which form part of the AfPI-PIRI meetings in Seychelles?

Governor's response: Different countries are at different stages of development in terms of their financial sector and technological advancements. Thus, these 3D and PPD collaborations are important, especially for developing countries to fast-track their financial inclusion developments or guide their financial inclusion journeys. They can learn from the experiences and tested methods followed by developed countries and PPD partners as well as from their challenges and how they dealt with them.

AFI: Two AFI regional initiatives are coming together this week. What benefits can that produce?

Governor's response: The meeting of the two regional initiatives provides an opportunity for members of PIRI and the Africa Financial Inclusion Policy Initiative to share and deliberate on lessons learned from their respective ongoing regional work. To name one, PIRI members can share their experiences on the Regional Regulatory Sandbox work that is currently being implemented as well as our continuous efforts to combat de-risking and the loss of CBRs affecting the region.

Overall, the AFI platform of peer learning and knowledge sharing is a crucial part of the network and something which members can take full advantage of during this week's meetings.

Press release ends.