

Financial Inclusion during Covid-19 in Algeria: Reality and Challenges

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Abstract:

Generally speaking, financial inclusion supports all-embracing progress as it is considered as a key enabler for many of the aims of the sustainable development. Arguably, financial inclusion is known by its magical formula that came to mitigate negative economic externalities which caused by Covid-19. This paper attempts to analyze some selected indicators of financial inclusion in Algeria that were assembled from the Global Findex databases; in order to better understand the sphere of the financial inclusion in the Algerian circumstances. Then, it winds up by offering some recommendations so that boost the Algerian digital system in the way that increase both of financial education and consumer protection.

Keywords: Algeria, Financial Inclusion, digitalization, internet Access.

Jel Classification Codes: E5,F0, F2,F3,G

Introduction

Globally, 515 million adults opened an account at a financial institution or through a mobile money service between 2014 and 2017. This represents a rise from 62% to 69% of the adult population owning an account. Despite this progress, 1.7 billion adults still unbanked and inequalities persist. Moreover, women in developing countries remain 9 percentage points less likely than men to have an account².

Basically, digital financial services such as mobile money accounts let users safely and inexpensively store funds and transfer them quickly across long distances, which lead to higher domestic remittances and consumptions. For instance, in 2021, 76 % of adults had an account at a bank or regulated institution such as a credit union, microfinance institution, or a mobile money service provider. Globally, account ownership increased by 50 % in the 10 starting from 2011 to 2021, from 51to 76 % of adults respectively. From 2017 to 2021, the average rate of account ownership in developing economies increased by 8 percentage points, from 63 % of adults to 71 % of adults. In Sub-Saharan Africa, this expansion largely stems from the adoption of mobile money. Recent growth in

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² The Global Findex Database. (2021). *Financial Inclusion, Digital Payments, and resilience at the age of Covid-19*. Washington, United States: the World Bank.

account ownership has been widespread across dozens of developing economies. This geographic spread is in stark contrast to the growth seen from 2011 to 2017, which took place mostly in China or India.

Despite continued gaps in financial services for typically underserved adults, such as women, the poor, and the less educated, progress has been made. For example, the gender gap in account ownership across developing economies has fallen to 6 percentage points from 9 percentage points, where it hovered for many years. People over 60 are joining the digital age. Two-thirds of older adults in developing countries, and 85% in wealthier economies, own a mobile phone. They are half as likely as younger adults to make a payment using a mobile phone or the internet³.

Statistically, evidence shows that households and businesses that have access to financial services such as payments, savings accounts, and credit are better able to withstand financial shocks than those that do not, by contrast, managing money using informal mechanisms can be less safe, less reliable, and more expensive than formal methods.

Most Arab countries, including Algeria, rank the lowest among countries and regional groupings in terms of different ratios and indicators of financial inclusion for small and medium-sized enterprises. On the other hand, the recent events and developments that the world witnessed through the spread of the Corona Covid-19 epidemic and its major economic repercussions, especially on Small and medium-sized enterprises most affected by the economic lockdown measures, have highlighted the great need to develop economic strategies and policies aimed at achieving more inclusive growth.

Generally speaking, Algeria has recognized financial inclusion as a key policy objective to stimulate socio-economic welfare, equality, shared prosperity and to boost financial stability, since financial inclusion supports inclusive development and it is a key enabler for many of the Sustainable Development Goals.

This paper attempts to analyze some of the financial inclusion indicators in the Algerian circumstances, which fall down into three dimensions; the first one, is about the access to the digital services, the second analysis highlights the usage of financial services, and the third is about the quality received, the data were collected from the World Bank Data 2017. From the recent ideas, many questions can be arising; among them we ask the following: **what is the financial inclusion scope in the Algerian context? And, at what extent we benefit from the financial services?**

For the sake of answering the problem posed by the researcher, a descriptive analytical method was used, in addition to the use of statistical tools and indicators which contribute to supporting the concluding ideas.

The significance of the research: financial inclusion is highly demanded for sustainable development and a key factor in stimulating economic growth, thus, it

³ The Global Findex Database. (2021). *Financial Inclusion, Digital Payments, and resilience at the age of Covid-19*. Washington, United States: the World Bank.

is a prerequisite for unlocking economic opportunities and enabling inclusive and strong development.

The objective of research: The research sheds light on the financial inclusion in the Algeria context by analyzing a bunch of financial indicators in order to measure the extent of financial services` access, usage, and quality as well.

The method of research: in order to answer the research problem, both inductive and deductive reasoning are used, where this article is mainly divided into two part, the theoretical framework that definitions are provided and the analytical frame that combines the collected data from the World Bank and their interpretation under the Algerian context, by the end of this work, recommendations are given for the sake to increase the digital services in Algeria in order to fostering the country`s growth.

1- Theoretical framework

Briefly, the financial inclusion concept back to the cooperative movement emergence in India at the beginning of the 1990s, against non-institutional lending cases consisting of financial lenders that received high interest from peasants, and then developed more broadly during the 1990s, a study by Leshon and Travette on financial services provided by a bank in south-east England, where one of its branches was closed and the population was unable to access banking services in 1993. In 1999, the term financial inclusion was used more broadly to identify challenges preventing people from accessing financial services and then began to pay attention to financial inclusion in early 2000 in developing countries⁴.

1.1. Financial Inclusion

Scholars agree on the fact that financial inclusion is highly recommended to facilitate the different financial services such as payments, savings accounts, and credit are a cornerstone of any country`s development. Since, accounts— whether they are with a bank or regulated institution such as a credit union, microfinance institution, or a mobile money service provider—allow their owners to safely and affordably store, send, and receive money for everyday needs, plan for emergencies, and make productive investments for the future, such as in health, education, and businesses. People without an account, by contrast, must manage their money using informal mechanisms, including cash that may be less safe, less reliable, and more expensive than formal methods.

According to World Bank Group, financial inclusion means that individuals and businesses have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way⁵.

As an addition, financial inclusion refers to efforts to make financial products and services accessible and affordable to all individuals and businesses,

⁴ Abbas, E. k. (2022). The Role of Digital Technology in Stimulating Financial Inclusion. *International Journal of Economic Studies : Twenty-Second Issue* –, 225.

⁵ The World Bank Group. (2022). *Data Bank; the G 20 inclusion indicators*. Retrieved on August 15, 2022, from World Bank: <https://databank.worldbank.org/reports.aspx?source=g20-basic-set-of-financial-inclusion-indicators#>

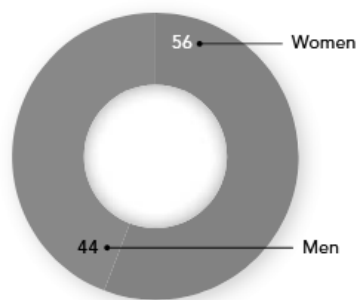
regardless of their personal net worth or company size. Financial inclusion strives to remove the barriers that exclude people from participating in the financial sector and using these services to improve their lives. It is also called inclusive finance⁶ (Grant, 2020)

Moreover, financial inclusion is regarded as “The process of ensuring access to financial services, timely and adequate credit for vulnerable groups such as weaker sections and low-income groups at an affordable cost”. (Committee on Financial Inclusion - Chairman: Dr C Rangarajan, RBI, 2008).

1.2. Importance of Financial Inclusion

Evidence shows that financial inclusion is sine qua non the recommended option for all economies in the sake of financial services` development; indeed, there are still more than 1.7 billion adults unbanked around the World⁷. Those excluded from financial services are disproportionately youth and women where women represent most unbaked adults, as it shown by figure.1.1.

Figure.1.1: Adults without an account by gender (%), 2017



Source: The Global Findex Database 2017. (2017). *Mesurer l'inclusion financière et la révolution technico-financière*. Washington: World Bank Group.

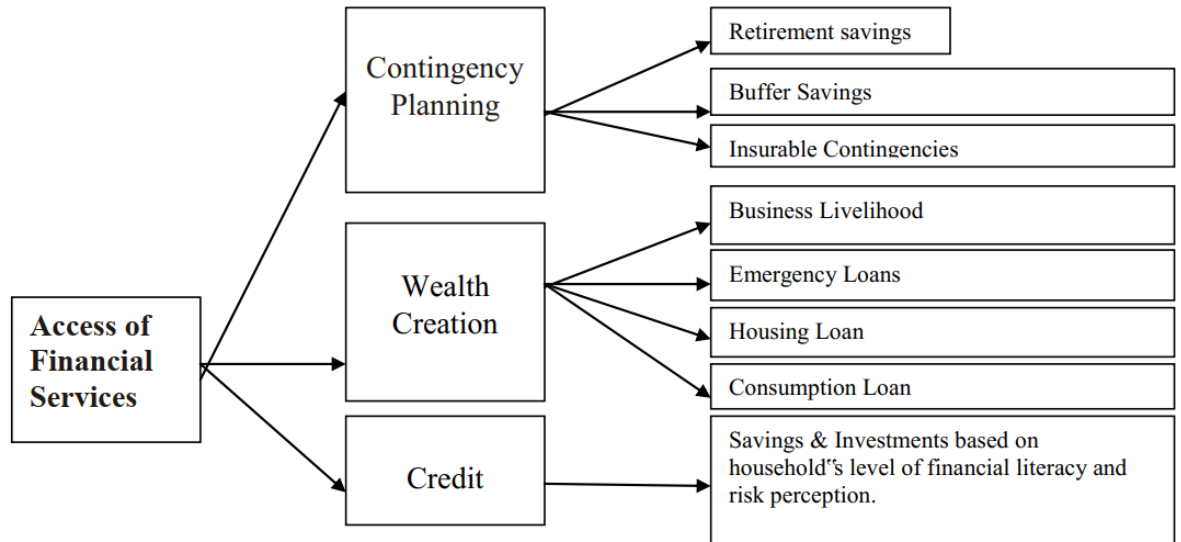
Basically, financial services are provided by financial inclusion, thus, financial services are delivered primarily by banks along with other financial institutions like post office, insurance companies, brokers, investment funds; collectively known as the financial sector. This financial sector development brings down information and transaction cost playing an important role in mobilizing savings, disbursing credit, facilitating payments, risk management to enhance economic growth leading to reduction in poverty. At the same time some concerns

⁶ Grant, M. (2020, December 26). *Investopedia*. Retrieved from Financial Inclusion: <https://www.investopedia.com/terms/f/financial-inclusion.asp>

⁷ The Global Findex Database 2017. (2017). *Mesurer l'inclusion financière et la révolution technico-financière*. Washington: World Bank Group.

has also been raised that the rich and politically strong people would be more beneficial from improvement in the financial system⁸ as it shown by figure.2.2

Figure .1.2: Household access to Financial Services



Source: Ramananda, S., & Sankharaj, R. (2015). Financial Inclusion: A Critical Assessment of its Concepts. *Asian Journal of Research in Business Economics and Management*, 14

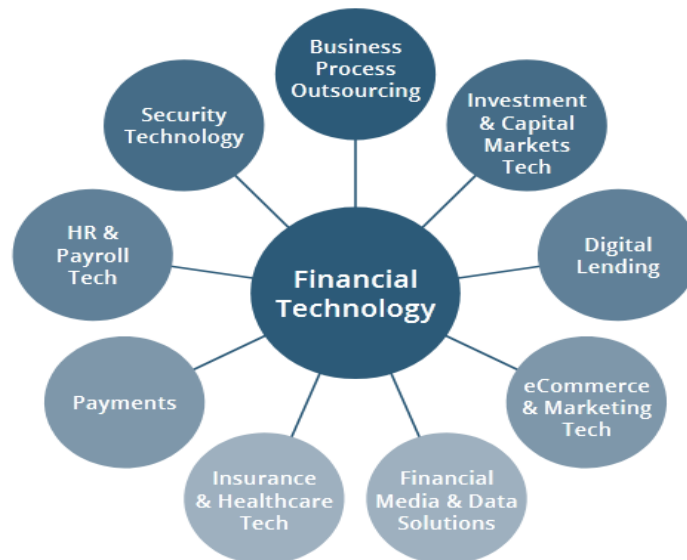
1.3.3. Fintech and financial inclusion

As a new term in the technological revolution, FinTech is the application of technology in finance the advent of cloud computing, smartphones and high-speed internet, the sector has expanded dramatically over the last decade. Today, FinTech describes a new era of digital finance around the world that extends from the application of artificial intelligence and machine learning to big data, and from the use of biometric identification to block chain technology (Figure1.3.). Indeed, the most obvious method is mobile money — the provision of e-money on mobile phones — where the greatest success story was in Kenya with Vodafone’s M-Pesa product. In the case of Algeria, the E-rselli service is an online payment service that allows customers to recharge their prepaid (national or international account) and postpaid lines, and pay their bills at any time from their home, how card payment is processed?, a simple answer to the recent question is given by (figure1.4.) Thus, the real opportunity FinTech affords is the development of an entire digital financial ecosystem that meets the needs of both individuals and SMEs. This is the essential next phase in the journey to comprehensive

⁸Haber, S. H. (2004). Mexico’s Experiments with Bank Privatization and Liberalization 1991-2004. *Journal of Banking and Finance* , 29, 25-53.

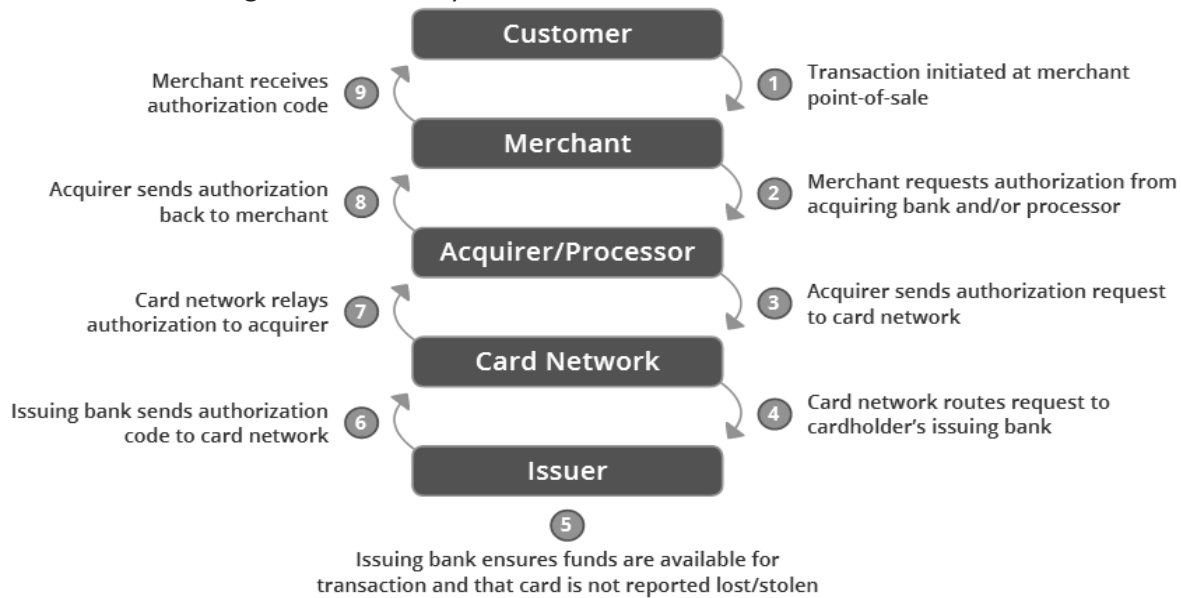
financial inclusion and vital to digital economic development and broader financial sector development⁹.

Figure 1.3: The Sectors of FinTech



Source: Panno, K. (2016). An introduction to fintech: keys sectors and trends. *Global Market Intelligence*, 9.

Figure 1.4: Card Payment Procedure



Source: Panno, K. (2016). An introduction to fintech: keys sectors and trends. *Global Market Intelligence*, 9.

⁹ G 24. (2018). *Fintech for Financial Inclusion*. Kuala Lumpur, Malaysia: Alliance for Financial Inclusion

1.4. Covid-19 Role in Boosting the Digital Financial Services

Generally speaking, the Covid-19 pandemic presents an unprecedented global challenge which requires a coordinated global response, since that the Covid-19 pandemic will have a generalized impact on business activity and employment in all countries, it will likely have a disproportionate effect on small businesses. SME financing constraints are typically exacerbated during crises. When bank lending is reduced, SMEs tend to be more vulnerable and affected than larger corporations and credit sources tend to dry up more rapidly for small firms than for large companies during economic downturns. The Covid-19 pandemic will display similar circumstances, making it more difficult for SMEs to access financing. Governments around the world are mobilizing a wide variety of measures to support SMEs survive during this crisis. Support measures include direct grants to businesses as well as different debt financing instruments, such as concessional loans with delayed repayments reduced/no interest loans, and credit guarantee schemes.

Practically, digital payments permit consumers to transfer funds, pay bills, or pay for goods and services from their home, in a market, or from any other place. Covid-19 has amplified their benefits: they significantly reduce the need for physical contact in retail and financial transactions, keeping local businesses open during lockdowns¹⁰.

Thus, we recognize that improving financial inclusion will mitigate negative economic externalities stemming from Covid-19, such as a decline in flow of global remittances, and support the recovery more broadly, which will make a material difference to the wellbeing of people around the world. We also realize that combating the negative impact of the Covid-19 pandemic on financial inclusion will need a collective multipronged effort in the upcoming months and years. For this purpose, we are determined to continue our work to further promote responsible access to financial services and products and to improve financial consumer protection and financial literacy, with primary focus on the underserved, vulnerable groups, and small- and medium-sized enterprises (SMEs)¹¹.

In developing economies in 2021, 18 % of adults paid utility bills directly from an account. About one- third of these adults did so for the first time after the onset of the Covid-19 pandemic. The share of adults making a digital merchant payment also increased after the outbreak of Covid-19. For example, in India more than 80 million adults made their first digital merchant payment during the pandemic. In China, 82 % of adults made a digital merchant payment in 2021, including over 100 million adults (11%) who did so for the first time after the start of the pandemic. In developing economies, excluding China, 20 % of adults made a digital merchant payment in 2021. Contained within that 20 % are the 8 % of

¹⁰ Delort, D., & Popaert, I. (2021, February 22). *World Bank Blogs*. Retrieved on August 14, 2022, from How digital financial services can provide a path toward economic recovery in Algeria: blogs.worldbank.org/arabvoices/how-digital-financial-services-can-provide-path-toward-economic-recovery-algeria

¹¹ G 20. (2020, June 25-26). Statement on Covid-19 response. *Global Partnership for Financial Inclusion*, p. 1.

adults, on average, who did so for the first time after the start of the pandemic, or about 40 % of those who made a digital merchant payment. These data point to the role of the pandemic and social distancing restrictions in accelerating the adoption of digital payments.

Statistically, Algeria has made progress in boosting the Financial Technology (Fin Tech or fintech)¹² innovations and developing digital financial services, more can be done to raise awareness to their benefits and stimulate their growth. By expanding access to Digital Financial System (DFS), Algeria will promote economic activity and facilitate the daily life of its people, allowing them to increase their assets or make productive investments, but above all, to mitigate the shocks caused by the Covid-19 pandemic.

1.5. Status of financial inclusion in Algeria

Algerian banks are still relatively unsophisticated in their use of digital tools. Even where such services, like bank cards and online payments, have been introduced, people have been slow to adopt them into their habits. Nonetheless, this is an area in which the government has been trying to spur development. Recent legal changes required that all businesses install a remote e-payment terminal by December 31, 2018. Internet payment has been possible for a narrow range of public and private sector goods and services since late 2016, but after 18 months of rapid growth, the number of transactions appeared to have plateaued by the middle of 2018¹³.

1.5.1. Household

Even the country efforts to boost the wheels of financial inclusion, many Algerians remain outside the formal banking sector; major progress has been made in recent years: according to the World Bank, the share of the adult population with an account at a financial institution increased from one-third in 2011 to one-half in 2014. Despite further progress in recent years, the authorities still see financial inclusion as a big challenge; not least due to the large amount of cash that still circulates outside of the banking system. Moreover, and according to BRS Consultants' Sekak, about one-third of the money supply is outside the banking sector, circulating or saved as cash.

1.5.2. SMEs

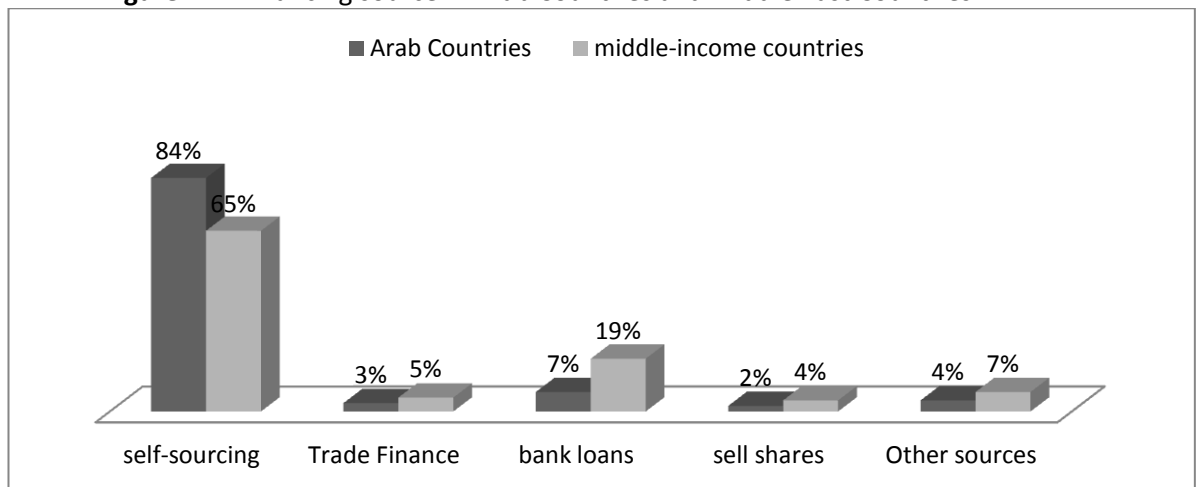
Economically speaking, advanced technologies are rapidly transforming the financial sector and addressing several challenges that can help close the financing gap for SMEs. After the 2008/2009 global financial crisis, financial institutions scaled back their lending activity to SMEs and some retail customers due to higher capital requirements and deleveraging. In response, new business models were introduced to make processes more efficient, to better address customers' needs, to innovate, and to serve new customers, particularly those who had been excluded.

¹² The Free Encyclopedia. (2022, July). *Wikipedia*. Retrieved on August 20, 2022, from Financial Technology: https://en.wikipedia.org/wiki/Financial_technology

¹³ Oxford Business Group. (2022). *Algeria's authorities tackle new issues in the banking sector*. Retrieved on August 2022, from Financial Services: <https://oxfordbusinessgroup.com/overview/mindful-leadership-fundamentals-remain-sound-authorities-tackle-new-issues>

The SMEs in Algeria and in other Arab countries are facing the challenge of access to finance, which limits their ability to drive economic growth, As about 79% of these enterprises in the Middle East and North Africa region (which includes mainly Arab countries in addition to some other countries) do not have access to financing, in light of a financing gap estimated between 210 and 240 billion dollars. In the same context, the bank facilities provided to the sector represent only 9% of the total banking facilities, which is much lower compared to the average of middle-income countries of about 18%¹⁴

Figure.2.1: Financing source in Arab Countries and Middle East Countries



Source: Touat.A.& Tebani.A. (2020), The corona virus crisis and its implications on the air transport sector in Algeria a comparative study with some Arab countries, les cahiers de CREAD, p. 478

To conclude, different government programs are supporting firm employees through wage subsidies, labor training subsidies, and subsidies for employee sick leave. Other types of support include payroll, social security and VAT tax reductions and deferrals. While current government measures are steps in the right direction, the speed of execution is essential to provide the assistance that SMEs need¹⁵.

2- Analysis Framework

The indicators of financial inclusion can be collected by government statistical agencies for the sake of using them to measure achievements and disparities in the use of digital financial services and the technology and enabling policymakers to benefit from them.

2.1. Inclusion Key Indicators` Analysis

Measuring the Financial inclusion can fall into three dimensions: first dimension figure up the access to financial services, second dimension measures the usage of financial services; and third one quantifies the quality of the products

¹⁴ Touat.A.& Tebani.A. (2020), The corona virus crisis and its implications on the air transport sector in Algeria a comparative study with some Arab countries, les cahiers de CREAD, p. 478

¹⁵ G 20: Global Partnership for Financial. (2020). *Promoting Digital and Innovative SME Financing*.

Washington: International Bank for Reconstruction and Development / the World Bank.

and the service delivery in the present of both supply-side and demand-side data in order to form a comprehensive view, table 01 summarizes the selected data which were collected from the World Bank Indicators¹⁶.

Table.3.1: Financial Inclusion's Indicators

Indicator \ Age	15+	15-34	35-59	60 +
Access mobile phone	85,9	89,5	84,8	70,3
Access to Internet	56,5	69,2	44,9	27,3
Received wages or government transfers into an account	14,3	9,9	18,3	24,7
Borrowed from Financial institution or using a credit card	5,0	3,8	7,2	3,3
Made or receive digital payment in the past year	26	21,1	32,4	29,3
Used a mobile phone or the internet to check account balance	3,6	4,3	3,1	1,4
Saved for old age	12,4	6,2	18,0	26,3

Source: Author's elaboration from the World Bank Data.

Knowing that, the access to mobile phone indicator denotes the percentage of respondents- with different age- who report having access to a mobile phone; access to internet represents percentage of adults with internet access at home. Received wages or government transfers into an account, refers to percentage of adults who receive wages or government transfers into an account (with a bank or other formal financial institution or mobile money provider). Made or receive digital payment in the past year refer to the percentage clients who are using the digital services to complete their financial services. Used a mobile phone or the internet to check account balance denotes the percentage of adults using a mobile phone or the internet to check their balance for a financial institution account in the past 12 months. Financial behaviour; can be seen from the use of savings for old age of adults who report that in case of an emergency it is possible for them to come up with 1/20 of gross national income (GNI) per capita in local currency and cite savings as their main source of

¹⁶ The World Bank Group. (2022). *Data Bank; the G 20 inclusion indicators*. Retrieved on August 15, 2022, from World Bank: <https://databank.worldbank.org/reports.aspx?source=g20-basic-set-of-financial-inclusion-indicators#>

As an qualitative analysis based on the researcher's observation of (table 3.1), it is concluded that the big ratios of access indicators, issue relating to usage indicators, and the quality indicators as well fall under the 15+ and 15-34 categories because it represented by the youngest people that is most time they use their mobile or their account to benefit from the provided financial services offered by their institutions for instance, Mobilis, the Algerian telecommunication institution launched its e-payment service from home. Moreover, mobile money has leveraged high mobile phone penetration in many developing countries to deliver a 'first wave' of DFS. However, while mobile broadband connectivity in Algeria is above the MENA average, the use of DFS is still very low: only 16% of Algerian adults and 11% of women use digital payments, compared to 23% of adults and 18% of women across the MENA region, and 36% of adults and 32% of women in Emerging Markets and Developing Economies (EMDEs).

No one can deny that, regarding to these measures a large number of population still remain outside the ambit of formal financial system and a problem of access and usage still exist among a large part of the population, in Algeria, about 57% of adults and 71% of women still lack access to even the most basic transaction account in order to send or receive payment (Delort & Popaert, 2021), which needs the attention of special nature studies since it has proved that lack of inclusion or rather exclusion from the formal financial system cause a loss of 1% to the GDP¹⁷.

2.2. Algeria Central Bank's Impact on financial system

Economically speaking, advanced technologies are rapidly transforming the financial services sector and addressing several challenges that can help close the financing gap for SMEs. After the 2008/2009 global financial crisis, financial institutions scaled back their lending activity to SMEs and some retail customers due to higher capital requirements and deleveraging. In response, new business models were introduced to make processes more efficient, to better address customers' needs, to innovate, and to serve new customers, particularly those who had been excluded.

No one can deny, the transformative impact of financial inclusion and its critical importance in fostering sustainable growth, creating employment opportunities, reducing inequality and maintaining financial stability, the Council of Arab Central Banks Governors in Algeria reaffirms its commitment to continue improving financial inclusion within the framework of national and regional economic policies to ensure access to a full range of quality, cost-effective and appropriate financial services to unbanked and/or under-served populations and businesses, particularly for youth and women. Algeria as the other developing country put its main concern to develop its financial services in order to achieve

The economic and developmental role of SMEs depends to a large extent on the presence of two main requirements: the availability of a supportive business environment and access to finance. The issues of expanding access to finance and

¹⁷ Chattopadhyay, S. (2011). *Contribution to Indian Sociology*. Delhi: Sage Journal.

financial services for Small and medium-sized enterprises in Algeria are gaining additional importance¹⁸.

Thus, financial inclusion of vulnerable and underserved populations, including small and medium-sized enterprises (SMEs), is a prerequisite for unlocking economic opportunities and enabling inclusive and strong development. Therefore, fostering financial inclusion has always been the core of the different country's targets.

2.3. Financial Inclusion Barriers

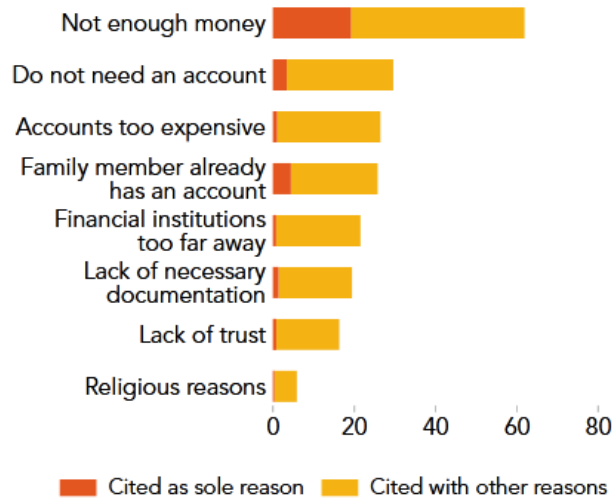
Generally, scholars classify the financial inclusion barriers into two sides which are the supply and the demand side¹⁹. As a Supply-side barriers reflect limitations on the capacity of the financial sector to extend financial services to poorer households or SMEs. These can be further subdivided into three categories: **market-driven factors, regulatory factors, and infrastructure limitations**. Where, market-driven factors can be summarized in the following aspects such as relatively high maintenance costs associated with small deposits or loans, high costs associated with providing financial services in small towns in rural areas, lack of credit data, and lack of convenient access points. **Regulatory factors** imply capital adequacy and supervisory rules that may limit the attractiveness of small deposits, loans, or other financial products for financial institutions; identification and other documentation requirements are important both with respect to know-your-client requirements and monitoring of possible money laundering and terrorist-financing activities, but these can pose problems for poor households in countries that do not have universal individual identification systems. **Infrastructure-related barriers** include lack of access to secure and reliable payments and settlement systems, the availability of either fixed or mobile telephone communications, and the availability of convenient transport to bank branches or ATMs. Again, these can pose particular problems in archipelagic countries. Numerous studies have identified lack of convenient transport as an important barrier to financial access.

Demand-side factors can be summarized in the **lack of funds, lack of knowledge of financial products** (i.e., financial literacy), and **lack of trust**. Lack of trust can be a significant problem when countries do not have well-functioning supervision or regulation of financial institutions, or programs of consumer protection that require adequate disclosure, regulation of collection procedures, and systems of dispute resolution.

¹⁸ Touat, O., & Ameziame, M. (2021). Financial inclusion of small and medium-sized enterprises (SMEs) in Algeria: A comparative study with Arab countries. *National Conference on Financial Inclusion*, (pp. 2-4). Alger.

¹⁹ Mogan, N. Y. (2016). Overview of Financial Inclusion, Regulation, and education. *Asian Development Bank Institute*, 5-6.

Figure.3.1: Reasons behind unbaked population



Source: The Global Findex Database 2017. (2017). *Mesurer l'inclusion financière et la révolution technico-financière*. Washington: World Bank Group.

From the (figure 3.1), one can say that; Lack of money, distance to the nearest financial institution, and insufficient documentation were consistently cited by the 1.4 billion unbanked adults as some of the primary reasons they did not have an account.

Therefore, most tackled barriers call for the development of regulations to facilitate banking transactions in all its forms and to overcome supply and demand barriers to ensure access to financial services for its users. Work for the entry of informal channels into legality by subjecting them to their control and supervision. Research is needed to promote the creation and development of alternative channels to conventional financial services, using modern technologies, in order to improve the financial infrastructure through the creation of credit information bureaus and the development of payment and settlement systems and financial intermediation. (Bank of Algeria, 2016).

2.3. Recommendation

Financial inclusion is strongly recommended in developing the financial system on one side, and managing the current Covid-19 crisis on the other side. Thus, the following recommendations came to facilitate and accelerate the financial inclusion within the Algerian context;

- ✓ Setting a partnership between banks and mobile operators, since it is now more than necessary to allow the different categories of the Algerian citizens to use their mobile terminals to create bank accounts, make transfers, request credits, and pay bills.
- ✓ Developing the payment system and government payment in order to use the electronic payment.
- ✓ Improving financial institutions access to lower cost credit.
- ✓ Boosting the resilience of payment, securities, foreign exchange, telecommunications and internal banking infrastructures
- ✓ Drawing a legal infrastructural arrangement to enhance the control of operational and financial risks for customers.
- ✓ Ensuring consumers protection by providing information and transparency.
- ✓ Enhancing educational literacy strategies and encouraging a research in the field of financial inclusion in order to help government and policymakers for the sake of financial sector measurement.
- ✓ Improving public and government interest in reducing poverty and improving financial inclusion for people at the “Base of the Pyramid” by creating demand for development of innovative and more accessible solutions for financial services delivery to unbanked, underbanked, and micro, small, and medium enterprises.
- ✓ Provision of capital and capacity-building for women entrepreneurs in low- and middle-income countries and supporting for vocational and leadership education for women
- ✓ Stimulating the financial sector to generalize financial education.

Conclusion

All in all, financial inclusion is highly recommended to facilitate the different financial services such as payments, savings accounts, transfers, and credits, in other word, financial inclusion refers to efforts to make financial products and services accessible and affordable to all individuals and businesses, regardless of their personal net worth or company size.

There is a big evidence that conduct us to the financial inclusion, such as empowering people by creating conditions in which all people, especially women and youth, can live, work, and thrive and; shaping new frontiers by adapting long-term and bold strategies to utilize and share benefits of innovations. Even though, financial inclusion in Algeria faced numerous barriers, thus, enabling infrastructure has an important role to play; for example, global efforts to increase inclusive access to trusted identification systems and mobile phones could be leveraged to increase account ownership for hard-to-reach populations. The chief actors in this effort, such as governments, telecommunications providers, and financial services providers, must also invest in regulations and governance to ensure that safe, affordable, and convenient products and functionality are available and accessible to all adults in their economies.

To conclude, Algeria has made a good progress in boosting fintech innovations and developing its digital economic system, furthermore, by expanding access to DFS, Algeria will promote economic activity and facilitate the daily life of its people, allowing them to increase their assets or make productive investments, but above all, to mitigate the shocks caused by the Covid-19 pandemic.

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