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A STUDY ON RECENT ADVANCES IN ACCOUNTING AND FINANCE

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Abstract

The policy discussion has been turning away from the nexus between finance and growth and toward the link between finance and inequality. During the transition from the Millennium Development Goals (MDGs) to the Sustainable Development Goals (SDGs), there has been an urgent policy problem of putting some structure on recent advancements in financing for increased inclusivity. This difficulty has been referred to as the "inclusion challenge." The overarching question that will be addressed in this article is as follows: to what extent has the growth of the financial sector contributed to the provision of opportunities for the growth of human development for those who are classified as having a low income, and by what mechanisms has this occurred? We do a literature review on newly published articles in order to give information on current developments in finance for inclusive development. The first step in the analytical process is to place concerns about exclusive growth within the broader framework of the relevant literature, and then the next step is to examine current growth plans for financial inclusion. In order to take into consideration, the variety in the advantages of financial growth, developed and developing nations are engaging in some currents independently of one another. The retained financial innovations are organised according to three topics, the most prominent of which are the rural-urban gap, the empowerment of women, and human capital in terms of skills and training. The articulation of the financial instruments includes case studies, innovations, and investment strategies. Particular emphasis is placed, among other things, on: informal finance; microfinance; mobile banking; crowdfunding; finance; remittances; and the Diaspora Investment in Agriculture (DIA) initiative.

Keywords: Accounting, Finance, Inclusive Growth, Economic Development.

I. INTRODUCTION

According to Lewis (1955), "Output may be expanding, but the majority of the people may be getting poorer." Lewis, 1955). The controversy surrounding "immiserizing growth" (Bhagwati, 1958) has resurfaced in the acclaimed "capital in the 21st century" (Piketty, 2014), as has Kuznets' (1955, 1971) assumption of an inverted U-shape linkage between inequality and industrialization. The shift in the paradigm is in line with a section of the research that emphasizes the need to explicitly express income inequality in interactions between poverty and growth. This incorporates, bury alia: the importance of growth elasticities in the formulation of policies (Adam, 2004); the crucial role that inequality plays in reducing poverty (Datt &Ravallion, 1992; 1993, Kakwani; Ali and Thorbecke, 2000), and inequality's significance in poverty growth elasticities (Easterly, 2000; Fosu, 2015; 1997, Ravallion) 2000 Easterly; Fosu, 2015; 1997 Ravallion) As a result, the narratives in African countries (Fosu, 2008, 2009, 2010a, 2010b) and a comprehensive sample of emerging economies (Fosu, 2010c) are roughly in line with Piketty's coverage of rich nations (Fosu, 2010c).

The narratives of Lewis and Piketty regarding the conditionality of inequality in the role of growth in reducing poverty converge, among other things, with the line of research from Fosu: According to Fosu (2010), "the study finds that the responsiveness of poverty to income is a decreasing function of inequality." According to Fosu (2010), inequality decreases poverty's responsiveness to income, and poverty's inequality elasticity is actually greater than poverty's income elasticity. Furthermore, according to Fosu (2011), "In general, high initial levels of inequality limit the effectiveness of growth in reducing poverty while growing inequality directly increases poverty for a given level of growth." Fosu, 2011). As a result, there is a similar policy syndrome when charting the history of industrialization in developing nations and/or enhancing the process in more developed nations: the issue of tailoring efforts in light of Kuznets rather than Piketty's direction (Asongu, 2015a) In light of this, a new body of research suggests that globalization's push for industrialization has made inequality worse in some areas. The narrative of financial globalization has worsened inequality through public debt mechanisms from a capital account perspective (Azzimonti et al., 2014)3. Additionally, the current global financial crisis has significantly dimmed the appeal of financial globalization. Conversations have included: negative capital flow shocks in labor-rich economies (Kose et al., 2009) and less persuasive benefits of financial engineering (Rodrik &Subramanian, 2009) 2011), as well as the requirement for particular country-specific characteristics (Prasad & Rajan, 2008) or development thresholds (Asongu, 2014a).

People greatly benefit from having access to finance when they are able to take advantage of new opportunities, and inclusive financial development has a huge potential to provide these opportunities to low-income and/or disadvantaged groups. As a result, routes that may be restricted to specific social and economic elites become more accessible. Although these issues have been extensively emphasized in the post-2015 Sustainable Development Goals (SDGs), which are replacing the Millennium Development Goals (MDGs), we are aware of no study that has comprehensively reviewed recent advancements in financial development for inclusive growth (United Nations: UN, 2013). (Nations Unies: UN, 2013). This demonstrates a significant literature gap. The ongoing show gives an outline of monetary advancement instruments for destitution decrease, decrease of differences and new possibilities for development. As a result, the goal of this study is to provide a comprehensive analysis of the ways in which basic inequities can be addressed and redressed and the role that financial development plays in distributing the benefits of economic success. Its essential expansion to the writing is to feature specific vital highlights of disequalized pay circulation and detail late leap forwards in manners monetary improvement may perhaps settle them. In addition, we look at policy options that could help ensure a more equitable distribution of income simultaneously. Simply put, the study's overall focus is on the following:

By what means and to what extent has financial growth contributed to providing low-income individuals with opportunities for human development?

The theoretical foundations linking financial development to inclusive growth are quite apparent, according to the World Bank (2014). Generally, monetary frameworks that are working appropriately mitigate neediness and work on financial turn of events. Finance has a significant impact on the distribution of opportunities in an economy, which is consistent with the underlying economic theory. As a result, the current financial system has a significant impact on an economic opportunity to which a person is entitled. In other words, it affects things like the following: which family can live in what area that works on the improvement of their kids concerning non-mental and mental capacities; who can afford to attend school; who is able to start a business and pursue their financial goals. The discussion must also be balanced by adapting the theoretical foundations to the various stages of economic growth. According to Xuelong (2012), since physical capital is the engine of development, finance typically plays a crucial role in reducing income disparity in the early stages of economic expansion. In contrast, an increased return on human capital may exacerbate inequality as an economy expands.

This study employs the term "inclusive growth," which encompasses both relative and absolute forms of the phenomenon6. Instead of addressing the debate over which form of inclusive development is preferred, we focus on the larger concept of pro-poor growth presented by Swamy (2010) and Ifzal (2007), which includes, among other things: equitable opportunities and economic well-being in a similar vein, Swanny claims that the survey's conceptualization of finance is geared toward a strategy of inclusive growth that emphasizes the establishment of socially and financially viable inclusive financial systems. This is in line with the Levine (2011) economic inclusion model, which includes the following: the rate at which individual ideas, efforts, and competence, as opposed to family ties, political influence, social connections, and money, determine economic opportunities. As a result, the relationship between economic inequality and financial development is framed in terms of three main themes, among others: the use of money to help people with low incomes start businesses and get jobs; distributional issues affecting financial development investment; and financial means of gaining access to existing social and economic opportunities.

II. FINANCIAL DEVELOPMENT IN THE URBAN/RURAL DIVIDE

The difficulties of managing rural-to-urban migration and ensuring the long-term viability of rural economies are examined in this section. Several issues are given special attention, including but not limited to: employment; the production of food and its distribution; the assistance of cooperatives as well as small and medium-sized businesses (SMEs); and agricultural productivity constraints on the demand and supply sides. The first step in the analytical process is to look for concerns about exclusive growth within the framework of the research that is already out there. The second step is to look at current developments in financial development to find inclusive growth plans.

According to recent research, conventional financial growth strategies in India would, in the long run, widen the gap between rural and urban areas (Tiwari et al., 2013). Because credit is only available to wealthy individuals, this interpretation holds true for China (Xuelong, 2012). Therefore, reducing inequality necessitates broadening access to financial resources. According to Sehrawat & Giri (2015), the disparity between urban and rural areas in a larger group of South Asian nations has a significant impact on the overall rate of poverty alleviation. According to the findings of Xuelong, the relative concentration of financial institutions in urban areas of the African continent justifies a corresponding rural/urban income inequality, despite the fact that the effect of financial deepening might not be entirely obvious in Africa (Baliamoune and Lutz, 2005). This is because rural areas have a lower average income than urban areas do because they have less access to credit.

As previously mentioned, (Xuelong, 2012), industrialized and developing nations benefit from financial development in different ways. As a result, we engage both sets of nations critically.we talk about how to bank online and with mobile devices. The difficulties encompassing the coordination of country and metropolitan development, alongside the manners by which the monetary framework may be altered to assist with easing the related worries.

III. MOBILE/INTERNET BANKING

Kliner and others 2013) have recently demonstrated that health care in low-income areas is improved by mobile phones. Past presentations (Mpogole et al.,) that emphasized the need for additional research to establish the connection between mobile phones and development served as the impetus for this study. 2008). Kirui and co. 2013) have also demonstrated that rural poverty can be alleviated with the help of mobile banking, stating their findings as follows: We presume that cell phone-based cash move administrations in provincial regions help to determine a market disappointment that ranchers face; financial services accessibility." Warren (2007) asserts that those who are already disadvantaged, especially those who live in rural areas, stand to benefit the most from technological advancements. "Telecommunication infrastructure expansion notably mobile phone adoption has given an opportunity for delivering financial inclusion," despite the efforts made by traditional financial institutions in certain rapidly emerging nations (Mishra & Bisht, 2013). Singh (2012) makes a more direct connection between the phenomenon of "mobile banking" and favorable developments in financial inclusion within the same context of India.

In accordance with the most recent research (Asongu, 2013a; According to Demombynes & Thegeya (2012), the introduction of mobile phones has fundamentally improved the quality of life for a large number of people living in developing nations by providing them with access to financial and communication services via their phones. The storey claims that the rapid growth of mobile telephony has transformed mobile phones into pocket banks, opening up economic opportunities to a sizeable portion of the population that would have otherwise been denied access to financial services due to their low incomes and rural locations. Warren made the point that people who live in rural areas stand to benefit the most from having access to internet services because these services significantly lessen the impact of distance on activities like buying information and goods. We separate the likely advantages of versatile and web banking for spanning the rustic metropolitan hole into four principal classes: employment; the production of food and its distribution; the assistance of cooperatives and small and medium-sized enterprises (SMEs); and agricultural productivity constraints on the demand and supply sides.

IV. FINANCIAL DEVELOPMENT AND WOMEN EMPOWERMENT

Globally, women still earn significantly less than men, despite the gap narrowing. Even though the trend is going in the opposite direction (Weichselbaumer & Winter-Ebmer, 2005), this is still the case. Demirguc-Kunt and Klapper (2013) say that 55% of men and 47% of women have access to formal financial institutions. The issue of the "gender gap in financial access" is less well-known in industrialized nations (van Hulten, 2012), whereas women in developing nations face significant obstacles due to unbalanced access to money (GPFI, 2011). It is an intriguing topic to investigate how current disparities could be reduced given that men and women have distinct experiences when it comes to gaining access to financial resources. In the following sections, we will discuss the incentives that are crucial to closing the gender gap and the significance of mobile and internet banking in developing nations.

V. MOBILE/INTERNET BANKING AND WOMEN EMPOWERMENT

There is increasing evidence that women in traditionally underrepresented nations are becoming more involved in society as a result of mobile banking. Two paths that correspond to financial inclusion are the expansion of household management and the improvement of conditions for small businesses. According to Jonathan and Camilo (2008), Asongu (2015b), and Ondiege (2010, 2013), mobile banking has made it easier to close the gender gap in financial status by giving women more access to financial resources. According to the narrative, women who have never had access to traditional banking can now obtain financial services at a lower cost through mobile banking.

As a consequence of this, mobile banking may be of significant assistance to women in the management of family budgets, particularly in circumstances in which families are confronted with unpredictability as a result of negative externalities that are associated with poverty. The benefits, as stated by Al Surikhi (2012) and Asongu (2015), include, among other things, quicker responses, increased expertise in coping with adverse shocks, and improved financial management. The same features are present in other benefits. To put it more succinctly, the authors contend that women can accomplish the following due to the availability of mobile banking.

Women are less likely to suffer significant losses as a result of the ease with which financial resources can be moved to quickly respond to unexpected adverse shocks. Thus, the potential expenses associated with such negative consequences for the climate are diminished. Lowering travel costs, reducing stress, and speeding up reaction times are some ways to lessen the shock's impact and improve financial management.

For instance, mobile banking may be of great assistance in addressing issues such as the reduction of costs and the maintenance of income levels in contexts in which women are disproportionately vulnerable to dangers such as mortality and disease. The fact that "security amelioration" for women is less expensive to provide is another benefit. By simply dialling a phone number to give or receive money, they were able, in a timely manner, to reduce the number of overnight hospital days. Having "access to money" can be a very helpful resource in difficult times. Subsequently, portable financial offers valuable open doors for diminished shocks, improved performing various tasks, and a more limited measure of time expected to determine emergencies. In conclusion, gender equality is growing as a result of more positive signals in the following key areas: economic independence; safety and health; inclusion in society and education; and training.

We recommend Mishra and Bisht (2013) and Ondiege to the reader who is interested in learning more about country-specific models of financial inclusion linked to mobile banking. It is essential to keep in mind that adequate governance structures are required for these initiatives to be successful in empowering women. Ojo et al., for example 2012) looked at how women in Ghana who had access to mobile phones made their living. As a result of their investigation, they arrived at the following conclusion: According to the findings, three governance mechanisms make it possible for mobile technology to help this group meet their needs for a living: 1) bringing financial and telecom regulations up to date so that vulnerable groups can receive mobile-based services like mobile microfinance; 2) encouraging local communities to participate in the production of local c; introducing mobile devices etc.

VI. FINANCING INCLUSIVE HUMAN CAPITAL: SKILLS AND TRAINING

According to Lustig (2011), the knowledge economy (KE) plays a crucial role in ensuring equitable growth. 2014, Asian Development Bank Consequently, KE is beneficial to the poor because it reduces inequality (Asongu, 2014b), particularly through the use of mobile phones (Asongu, 2015b). However, due to the broad nature of KE, we are attempting to resist the urge to engage all four of its components simultaneously. Innovation, economic incentives and institutional framework, and information and communication technology (ICT) are some of these components. Therefore, we will only talk about education or human capital in terms of skills and training in this particular field.

In terms of skills and training, inclusive education includes the following, according to a 2014 report from the Asian Development Bank: I expanding opportunities for the less fortunate to acquire skills and education in technological, scientific, mathematical, and technological fields; (ii) putting a special emphasis on reducing dropout rates and increasing completion rates of the senior secondary education cycle in order to increase equity in access to higher education; iii) increasing the prestige and wage returns of technical qualifications through related degrees; and

(iv) in addition to the scarcity of world-class educational institutions, infrastructure investments in higher education; (v) The financial instruments used to deliver public goods are examined in this section, with an emphasis on the following: delivering education to young people; disparities in resources; moderating scholastic dropout rates; mass education with a special focus on the poor and disadvantaged; and providing citizens of smaller cities and towns with more education. This section examines the financial instruments used to deliver public goods in light of the preceding, focusing particularly on the following areas:

To begin, significant financial advancements have been made in the direction of expanding access to education and skills for the less fortunate. The widespread acquisition of educational prerequisites has increased as a result of these advancements, as has the emphasis on outlying towns and cities. The most recent research in the field indicates that the level of educational attainment in African societies is influenced in part by the availability of financial resources in commercial settings. This, thus, brings about the creation of development improving prizes that have positive and comprehensive human improvement externalities. This level is in line with the current trend in entrepreneurship, which suggests that students' entrepreneurial acumen, inclination, sharpness, and financial literacy may be enhanced by more exposure to financial access, particularly through entrepreneurship-focused coursework (Oseifuah, 2010; Gerba, 2012; 2014, Tchamyou). To be more specific, Tchamyou (2014) has proposed that reducing the cost and amount of time required to launch a new business could be accomplished by facilitating financial access to educational opportunities for entrepreneurs. According to Mensah and Benedict (2010), engaging in such entrepreneurial activity has a positive impact on the reduction of poverty over time. This is in line with the positions taken by Oseifuah (2010), who investigates the connection between financial literacy and young people who start their own businesses, and Gerba (2012), who argues that business courses inspire entrepreneurial intents.

VII. RECENT TRENDS IN FINANCE

Forget (2009) asserts that Islam's version of the finance model is more comprehensive than mainstream economic theories. It is based on social responsibility, according to Forget. "... the aims of socio-economic justice and equal distribution of money and wealth are an intrinsic component of the moral philosophy of Islam and are founded on its uncompromising commitment to human brotherhood," as a consequence of this(Chapra, 1983). Chapra (2008), which was published more than two decades later, agrees with this interpretation. In addition to strength and stability, the author asserts that there are two additional requirements that must be met for a financial system to work toward advancing justice. Additionally, these prerequisites must be met. Investors and financiers must first participate in the risk-sharing process with business owners and operators in order to get started. Second, the wealthy should not be the only ones who can borrow money from financial institutions; rather, a good portion of it ought to also be directed toward the less fortunate. This would assist with expanding monetary open door, decrease the seriousness of neediness, and advance a fairer conveyance of riches and pay. The two prerequisites clearly explain inclusive development, as was discussed in the sections before this one.

According to Nabi (2013), recent developments have demonstrated that the financial sector has made significant progress, both geographically and in terms of scale. The report states that as of 2013, there were approximately 600 financial institutions operating in approximately 75 distinct jurisdictions. KFH Research discovered an evolutionary pattern that lends credence to this storey. KFH is of the opinion that the financial industry has been growing continuously because it is open to everyone. Simply put, it was anticipated that it would grow from 150 billion USD in the middle of the 1990s to 1.6 trillion USD in 2012 and 6.5 trillion USD in 2020. Nabi (2013, page 22) also maintains that between 2004 and 2011, the financial services industry (IFSI) grew at a CAGR of approximately 40.3% to an estimated 1.1 trillion USD in assets. Several fascinating patterns that have contributed to the current rise are notable. First, from 2004 to 2011, the Sukuk segmentalso known as issuancegrew at a compound annual growth rate of 42.3 percent, increasing to 85.1 billion USD. This represents a significant rise. It is interesting to note that Sukuk worth 396.4 billion USD were distributed worldwide between January 1996 and September 2012. Second, even though the Takaful22 market category is relatively small, it has nonetheless contributed significantly, rising to an estimated 15.2 billion dollars in 2012 and expanding at a CAGR of 23.1 percent between 2004 and 2011. Thirdly, the assets held by various funds increased from 29 billion USD in 2004 to 64 billion USD in October 2012. Microfinance is an exceptionally encouraging business sector portion, with 225 overall suppliers, 92% of which are situated in East Asia and the Pacific, and 72 suppliers situated in the Center East and North Africa (MENA). In addition, the number of users who adhere to Sharia law was anticipated to be 1.28 million in 2012, according to CGAP (2013). Karim et al. (2013) and the CGAP provide, as far as we are aware, a few of the most intriguing examples illustrating the positive trend of microfinance for financial inclusion. Some of the most fascinating accounts that we are aware of are included in these reports.

The expanding role that finances plays in the creation of equitable economic growth is the primary focus of this article. Mohieldin et al.'s findings state that (2012), it appears to be one of the most promising methods for assisting the poorest individuals to escape poverty. An excellent illustration is the Microfinance Development Program (MDP), which aims to increase the effectiveness of the fight against poverty by expanding the scope of microfinance. The development of the program, which aims to broaden the influence of the microfinance industry, falls under the purview of the Development Bank (IDB). It can be summarized in two points as follows: 2) a leverage of partners and resources with reputable microfinance institutions like the Grameen Bank and the Department for International Development (DFID). 1) a plethora of intervention strategies created to address a wide range of microfinance requirements in IDB member states to avoid the trap of a one-size-fits-all strategy.

VIII. CONCLUSION

The link between finance and inequality has been taking precedence over the nexus between finance and growth in policy discussions. Putting some structure on recent advancements in financing for increased inclusivity has been an urgent policy issue during the transition from the Millennium Development Goals (MDGs) to the Sustainable Development Goals (SDGs). The "inclusion challenge" has been used to describe this obstacle. The following is the overarching topic that has been covered in this article: By what means and to what extent has the expansion of the financial sector contributed to the provision of opportunities for human development for those with lower incomes? We surveyed recently published publications in order to provide information on current developments in inclusive development finance. Prior to analyzing the most recent attempts to expand financial inclusion through business strategies, concerns about exclusive growth have been included in the scope of the existing body of research. Developed and developing nations have participated in different currents in order to take into account the disparity in the benefits of financial growth. The retained financial innovations have been organized into three categories: the rural-to-urban gap, women's empowerment, and human capital in terms of skills and training are the most prominent. Case studies, new ideas, and investment strategies have been used to explain the financial instruments. A specific accentuation has been put, in addition to other things, on: informal banking; microfinance; cellular banking; crowdfunding; finance; remittances; Environmental Services Payment (PES); and the initiative known as Diaspora Investment in Agriculture (DIA).

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