NIGERIAN COMPUTER SOCIETY · JOS

Digital Innovation as Creative Destruction

Lessons from Moniepoint for Nigeria's Economic Renaissance

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Creative destruction is real. Inclusion is not automatic.

WHAT THE EVIDENCE SHOWS

Nigeria's fintech sector is a live case of Schumpeterian creative destruction — not incremental improvement of banking, but obsolescence of the branch-based model.

Moniepoint is the clearest national-scale instance: cash-based informal commerce converted into digital records, credit and visibility.

WHAT IT DOES NOT GUARANTEE

But inclusive growth does not follow from disruption on its own. It depends on deliberate choices in infrastructure, skills, competition and risk governance.

26% of bankable adults remain excluded. The policy task is to convert disruption into capability.

The objective is not simply to digitise Nigeria, but to democratise access to productive capability.

A Nobel-validated lens, applied to Nigeria

2025

Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel

Mokyr · Aghion · Howitt

Recognised for the theory of sustained growth through creative destruction.

Nigeria's fintech sector is a live instance of the same mechanism.

1 Schumpeterian growth

Entrepreneurs, not equilibrium, drive progress — new models displace older ones.

Schumpeter 1942; Aghion & Howitt 1992

2 Digital transformation

Technology is inseparable from strategy. Outcomes are not automatic.

Bharadwaj et al. 2013; Vial 2019

3 Inclusive growth

The pattern of growth matters as much as its pace: who participates, who is excluded.

World Bank 2009; Elufisan et al. 2026

4 Capability

Development is the expansion of real freedoms, not income alone.

Sen 1999

Simultaneously: creative destruction, a digital transformation, an inclusion mechanism, and a capability expansion.

From physical assets to digital capability

THE INDUSTRIAL MODEL

- Factories, branches, paper files
- Growth rides on physical assets
- Location-bound and capital-heavy
- Serves those the branch can reach

THE DIGITAL MODEL

- Connectivity, identity, data, payment rails
- Growth rides on digital skills and access
- Platform-enabled and scalable
- Can reach those never served before

The physical economy does not disappear. A farmer still farms; a trader still trades — each becomes more productive when digital tools are layered onto the work. The test of inclusive growth is not whether Nigeria has platforms, but whether a trader in Onitsha, a farmer in Kano and an SME in Lagos can actually use them.

Real progress — and a gap the branch model could not close

66m

identities covered by the Bank Verification Number system

~2m

banking agents deployed under Payments System Vision 2025

26%

of bankable adults still financially excluded

Into that gap: Moniepoint, OPay, PalmPay, Paystack and Flutterwave introduced digital payments, agent banking and data-driven credit — reaching informal businesses the branch model never served.

This is Schumpeterian, not incremental: it did not improve banking at the margin — it rendered the branch-based model obsolete.

Central Bank of Nigeria, Payments System Vision 2028 (2026), p. 35; SMEDAN & NBS (2021)

Moniepoint at national scale

10m+

active business and personal banking customers

$250bn+

annual digital payment transaction value

$110m

raised in 2024 — reaching unicorn status

$200m

Series C raised in October 2025

The deeper significance is structural, not financial

Moniepoint converts cash-based, informal merchant activity into digital transaction records — and those records become the basis for credit assessment, tax visibility and business analytics. A trader without collateral acquires a credit history simply by trading.

Moniepoint Inc. (2025); Reuters (2024, 2025)

Six Schumpeterian mechanisms

1

Lower transaction costs

Instant digital settlement replaces cash handling and delay.

2

Expanded effective market

Traders receive payment from customers who carry no cash.

3

Higher SME productivity

Less time lost to cash handling and reconciliation.

4

New data assets

Every transaction generates a durable, analysable record.

5

Credit without collateral

Lending built on transaction history — capability, in Sen's sense.

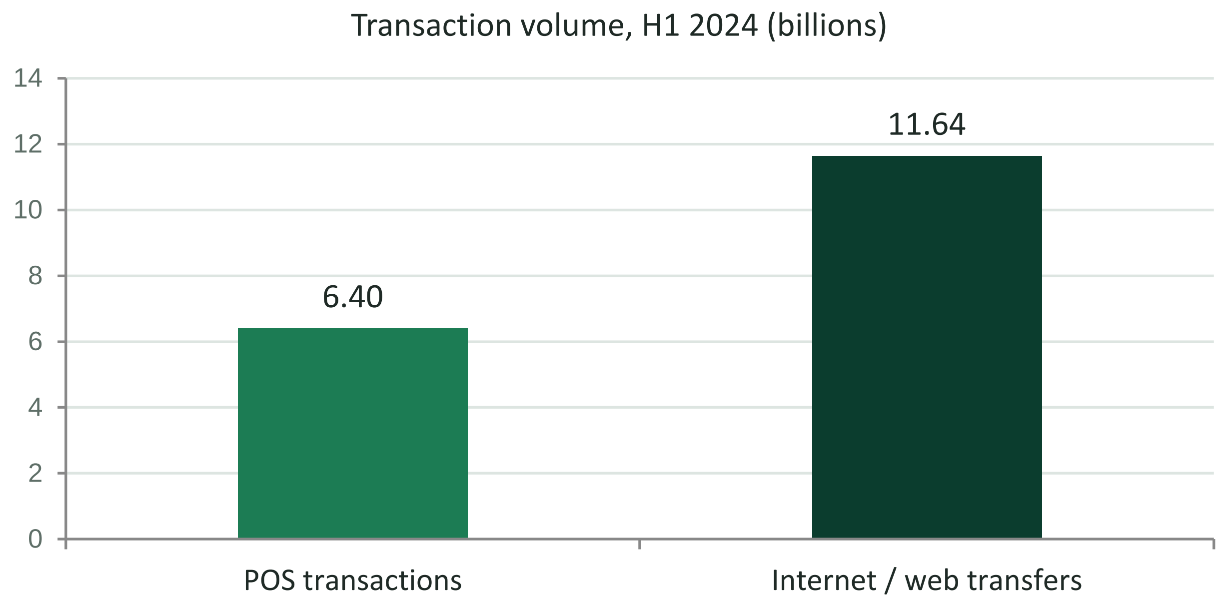
6

New employment ecosystems

Agent banking, fraud monitoring, API development.

Displacement is genuine but incomplete — branch-teller roles and informal moneylending recede, yet 26% exclusion persists.

Digital payments are now core economic infrastructure



₦85.91trn value of POS transactions, H1 2024

₦825.50trn value of internet / web transfers, H1 2024

163.84m active internet subscribers, Q4 2023

19.78% ICT share of real GDP, Q2 2024

Payments infrastructure has crossed the threshold from a banking convenience to a precondition for economic participation. Broadband should be treated like roads.

Central Bank of Nigeria e-Payment statistics (2024); NCC and NBS data

Identity is the precondition for capability

THE EMERGING STACK

- **NIN — 136 million enrolments**
- Bank Verification Number
- NIBSS payment rails
- Open banking framework

51% drop in digital-payment fraud losses, attributed substantially to strengthened identity verification

Capability theory predicts exactly this. A verified identity is not paperwork — it is the condition under which a trader can actually exercise the ability to transact, to be paid, and to borrow. Without it, the rails exist but the person cannot board.

Identity → wallet → transaction history → credit. Break the first link and the chain never forms.

NIMC (2026); CBN Open Banking Guidelines

A young, informal workforce

18.1

years — median age

58%

of Nigerians are under 30

92.3%

informal employment (Q3 2023)

Digital transformation must be tied to skills, not merely to access.

A population this young and this informally employed will absorb whichever economy we build for it. Devices and data alone will produce consumers of digital services; skills will produce producers of them. That distinction determines whether the next decade delivers inclusive growth or a wider divide.

National Bureau of Statistics (Q3 2023); national demographic estimates

Inclusion follows a chain, not a single technology

Urban and peri-urban merchants

Mobile access → **Wallet or agent banking** → **Transaction history** → **Access to credit**

Rural and agricultural users

Digital identity → **Wallet** → **Market information** → **Payment** → **Input credit**

Policy implication: a chain is only as strong as its weakest link. Investment in the last stage — credit products — delivers nothing if identity or connectivity fails at the first. Sequencing matters more than total spend.

Where exclusion hides

Digital divide

Connectivity, devices and literacy

Job displacement

Routine roles lost without a guaranteed transition

Algorithmic bias

In credit scoring and recruitment

Data-privacy exposure

Personal data at commercial scale

Cybersecurity risk

Expanding as commerce digitises

Platform dominance

Network effects producing new monopolies

Environmental cost

Energy-intensive data infrastructure

The common thread

Exclusion becomes hidden inside systems

A credit algorithm, rather than a bank manager, now denies access — and there is no one to appeal to. That is precisely why Schumpeterian growth requires deliberate policy for its benefits to be broadly shared.

“

Nothing is more powerful than an idea whose time has come.

VICTOR HUGO

The idea whose time has come is not fintech — Nigeria already has that. It is the decision to govern digital capability as national infrastructure, so that the destruction now under way produces inclusion rather than a wider divide.

Popular English rendering of Hugo's line in Histoire d'un crime (1877): “on résiste à l'invasion des armées; on ne résiste pas à l'invasion des idées” — one resists the invasion of armies; one does not resist the invasion of ideas.

Seven pillars for a digital economic renaissance

1	**Digital infrastructure**	Treat broadband, rural connectivity and data centres as productive infrastructure — not a telecom luxury
2	**Digital public infrastructure**	Integrate NIN, BVN, payments and open banking around one verified identity
3	**AI governance**	Risk-based oversight: audit and human review for high-risk uses
4	**Digital skills**	Universal literacy plus technical training — not only for coders
5	**Startup ecosystems**	Execute the Startup Act: seed-fund disbursement and procurement access
6	**Competition policy**	Enforce interoperability, open APIs and data portability
7	**Cybersecurity and data protection**	Sectoral standards and NDPA enforcement as economic security

Nigeria already holds most of these instruments — the Digital Economy Policy 2020–2030, National Broadband Plan, PSV and Open Banking Guidelines, Startup Act 2022, Data Protection Act 2023, National AI Strategy 2025–2029. The deficit is implementation, not legislation.

A hybrid, sequenced path

LEAPFROG — NEXT 24 MONTHS

Ride the rails that already work. Extend reach through existing mobile networks, agent banking and fintech payment infrastructure, where the marginal cost of inclusion is lowest and results are visible within a political cycle.

BUILD — FIVE TO SEVEN YEARS

Lay the deeper foundations in parallel: fibre backbone, rural broadband, and interoperable public platforms. These will not deliver headlines quickly, but without them the leapfrog stalls at the edge of the existing network.

A National Digital Economic Renaissance Council

Coordinating NITDA, NCC, CBN, NDPC and state governments against quarterly targets — converting existing instruments into a coherent execution model with a single accountable owner.

Govern emerging technology as inclusive national infrastructure — not as elite innovation.

- **Broadband** treated like roads
- **Identity and payments** as core public infrastructure
- **AI** governed through transparency and human oversight
- **Skills** built universally, not selectively
- **Competition policy** so new monopolies do not replace old barriers

The objective is not simply to digitise Nigeria, but to democratise access to productive capability.

A rural farmer, a market trader and an SME owner each able to use digital systems to improve income, resilience and participation.

Thank you. Pius Okigbo Jr. · InfoSoft Nigeria Limited · piuso@infosoftconsulting.com.ng