Stages of Development of Payment Systems

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CEMLA - June 18, 2021

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Summary

- Cross-country analysis between economic development and emergence of payment systems.

- Evidence for leapfrogging: some developing countries move towards “digital/mobile payments” by skipping the development of traditional banking.

- Evidence also for “financial development underperformance” of MENA region.

- Overall: Paper fills an important gap in empirical payments adoption literature with policy relevant findings.
Recommendations

- Clarifying the stages of financial development in payment systems.
- Efficiency in leapfrogging.
- Country-specific fixed characteristics for payment system adoption.