Financial Inclusion and the Payments Industry

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ABSTRACT

Financial Inclusion seeks to improve the lives of the lowest income citizens of the world by encouraging the shift from informal economies characterized by cash transactions towards more modern formal economies encompassing easily accessible financial services and targeted poverty reduction programs. The aggressive utilization of computers and the internet can provide comprehensive services that transform the lives of low income families. The power of digital technology, especially mobile phones, has the potential to expand economic opportunities for the two billion people out of seven billion who primarily rely on cash transactions and who do not have bank accounts. The Bill and Melinda Gates Foundation predicts that computer technology will lead to tremendous economic growth and will eliminate absolute poverty by 2030 throughout most of the world not plagued by civil conflicts. One of its major programs is their Better Than Cash Alliance which partners with the global payments industry to expedite the transition from cash to digital payments.

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