

Can Digitization Drive Financial Inclusion?

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When speaking of emerging markets, not enough attention is given to the significance of financial inclusion and the importance that it holds for the category and for specific countries. The vast majority of unbanked adults in the world are in developing countries. When those individuals enter the formal economy and have a banking product, it can have a profound impact on poverty reduction, new business creation, government and economic efficiency, female empowerment, education and building the middle class. New technologies, novel business practices and government reforms have resulted in a reduction in the number of unbanked adults of almost 1 million over the



last 10 years. The pathway for this success has been the proliferation of low-priced cell phones and smart phones across the world. Putting these individuals on a path to entering the economy and initiating a banking product. And in so doing, receiving funds, initiating a saving product, accessing credit. We now have several examples of success when it comes to financial inclusion, from China to Kenya, and we can map those to individuals who've just initiated their first banking product. And to those who still remain outside the financial system, and this should create a great opportunity for the future.



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