

# #futureofwork: Enabling financial & digital inclusion for sustainable growth

5 December 2022

## Executive Summary

ICC India with the support of UNICEF hosted a panel discussion #futureofwork: Enabling financial & digital inclusion for sustainable growth on 5 December 2022 to deliberate on the need for digitalisation and financial inclusion, and how partnerships is important in achieving inclusive growth.

Recent studies have shown that the COVID-19 pandemic has altered our way of life by compelling new ways of thinking and creating new opportunities. The pandemic not just accelerated years' worth of digital transformation, into a few months for some companies, but also worked as a digital catalyst for financial services. In a June 2020 McKinsey Global Institute survey of executives, it was stated that the lockdown accelerated digitalisation of businesses by seven years.

The Government of India has laid the groundwork for creating a flourishing ecosystem for digitalisation, in all aspects, in addition to introducing the Open Network for Digital Commerce (ONDC) and the digital rupee. As the 21st century enters its third decade, digitalization has been a

trailblazer in supporting the post-pandemic economic recovery in India. Additionally, digital economy is also one of the areas of focus during the G20 presidency of India which emphasizes on harnessing the digital potential of economies.

Going forward, it is evident that digital transformation is going to be non-negotiable across the economic and social spectrum. However, it is also important to empower and educate people simultaneously to garner maximum advantage of digitalisation. Digital skilling is critical to achieve digital transformation to enhance public participation and realize inclusive social and economic growth.

Financial and digital inclusion can further positively impact communities, families and children. Crucially, according to the UN, financial inclusion is identified as an enabler of 7 out of 17 SDGs (Sustainable Development Goals). Access to bank accounts, loans, insurance, and other financial services,

result in direct improvements in outcomes of health, education, and employment parameters. In turn, such progress helps achieve collective goals of eradicating poverty, promoting inclusive growth, and reducing inequality.

There are 4 billion people in the world without digital identity. However, India has taken giant strides in the last decade in advancing digital transactions. The digital public infrastructure leading to financial inclusion, is not limited to just the bank accounts but also transactions and what it can facilitate for the companies as well. This showcases that Indian model for financial inclusion can be implemented globally and India's G20 presidency could potentially revolutionise the FinTech industry at global level.

Taking the example of Unified Payments Interface (UPI), a great success story for India from a digitisation standpoint, simplicity and user-friendly customer experience has been the key drivers of success.



Currently, it is critical to address the major barriers to using the digital payment solution i.e. limited ownership of smartphone and digital literacy.

While we need more of such government initiatives to support India's push for digital transformation, it must be acknowledged that preventative measures to curb misinformation and misuse of technology are also essential. Furthermore, we need corporates to work on the models of financial and digital inclusion to empower all especially the underrepresented groups such as women, MSME's, etc. We also need NGOs and civil societies to accelerate awareness about using digital financial services and tackle digital divide.

In terms of access and literacy, there is still a significant gender gap in digital technology: 53.9 percent of women own a phone that they use personally, and 71 percent of those who do can read texts. Only 22.5 percent of women who own smartphones do financial transactions on them, according to the National Family Health Survey (NFHS-5, 2019-21).

To bridge this digital gap, we need to develop simple solutions that are easy to implement and impart trainings to reach the last mile. Corporates will certainly benefit from widespread use of digital and message based

banking by customers from all socio-economic backgrounds, as this further saves cost by using chatbots etc and building infrastructure.

The future of digitalisation depends on localising solutions through modules that adapt to challenging situations such as poor network and language barriers. Additionally, digital inclusion for women and elderly is critical and NGOs have a greater role in developing and implementing relevant solutions catering to the diverse needs of these people across the country. Digital skilling solutions for women, their families and communities can further help to achieve better health and education outcomes.

Notably, one of the key priorities of G20 has also been to accelerate the SDG 17 which highlights the importance of partnerships between the private sector, NGOs, government and civil societies where government is an enabler, corporates support and non-profits help creating an inclusive ecosystem.

Since about 90% of jobs today require some or other digital skills, those deprived of digital and financial literacy will not be able to join the workforce. We need to address the digital divide and connect-the-unconnected, to become a 30 trillion-dollar economy by the time of 100 years of independence.

## **SPEAKERS**

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**Ms Suneeta Reddy**  
Vice-President, ICC  
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## **MODERATOR**

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