



Expanding opportunities through enhanced equity

VISA ECONOMIC EMPOWERMENT INSTITUTE / NOV 2020

Insights

- For Visa, digital equity and inclusion is the assurance that all individuals and businesses are provided opportunities to participate in and receive full benefits from digital platforms. Digital equity and inclusion rests on two overarching foundations: enablement and the ecosystem.
- Enablement – the action of giving someone the authority or means to do something – is the result of knowledge and skills, access to resources, and equity in opportunity.
- Ecosystem refers to the physical infrastructure, human networks, governance frameworks, and ownership structures that interact powerfully in today's hyper-connected digital world.

COVID-19 has changed how we live and work. It has brought to the fore an urgency for people to be able to stay close with family and friends while being physically distant, to meet basic needs including food and health care remotely, to work and learn from home, and to buy, sell and order online and through mobile phones. The pandemic has accelerated several years of digital transformation into months and exposed the importance of being digitally connected.

There is a common assumption that technology is a good thing. It very often is. We have seen during the pandemic how access to digital payments and networks is a differentiating factor for the well-being of individuals, companies and government. For example, small businesses with e-commerce and on-line capabilities have generally been better able to survive, transform, and begin to recover. At the same time, COVID-19 reminds us that the benefits of technology do not automatically accrue evenly to everyone. The pandemic has exposed troubling disparities in how people and small businesses can access and use digital technology, and the significant barriers that exist across communities which may impede receiving fuller benefits.

Visa is guided by our mission to connect the world to enable individuals, businesses and economies to thrive. When economies are inclusive and equitable, they uplift everyone, everywhere. Today, that means that the benefits of digital payments and technology benefit all. There is no easy, single solution. It requires concerted attention and efforts by diverse stakeholders working together. Visa is committed to this, and to doing so with our partners. Last year, Visa fulfilled a commitment it made in 2015 to bring 500 million more people into the formal financial system through a Visa branded digital payment account, in support of the World Bank's goal of Universal Financial Access by 2020. This June, Visa announced a goal to digitally-enable 50 million small and micro businesses to support the global recovery.

The Visa Economic Empowerment Institute (VEEI) shares with Visa the goal of enhancing inclusion and equity. Our focus on Fostering Digital Equity and Inclusion affirms the VEEI's belief in the centrality of this issue to sustained, long-term and inclusive economic growth. We are setting forward on a journey to ask critical questions, share expertise and local and global insights, foster dialogue, and identify policy actions and partnerships that make a difference.

Foundations of Digital Equity and Inclusion

What is digital equity and inclusion? For Visa and VEEI, digital equity and inclusion is the assurance that all individuals and businesses are provided opportunities to participate in and receive full benefits from digital platforms. This includes data and communications connections, availability of appropriate services, and the knowledge of how to participate in the digital economy. To underscore a few points, digital inclusion is more than access to technology – it is the availability of the right product or service that meets a person or business' needs and situation. It keeps people and impact at the center. It is also highly dynamic, affected by the fast pace of technology and product innovation.

Digital equity and inclusion rests on two overarching foundations: enablement and the ecosystem. Each has multiple dimensions that interact powerfully. Enablement – the act of providing the authority or means to do something - results from the provision of knowledge and skills; access; and equity in benefit. How much impact this has is relative to the need and the user. For example, a vendor selling food from a pushcart on a street corner may need a simple way to accept card and mobile payments. The owner of a growing hand-knit sweater company needs a constant on-line presence and the know-how to advertise and sell her products in the global marketplace. We also need to ask 'who benefits' from the technology and how individuals perceive that to advance equity and inclusion.

Ecosystems refer to the physical infrastructure, human networks, and governing frameworks that interact powerfully in today's hyper-connected digital world. Ecosystems include access to digital services and the minimum conditions for those, which are in turn shaped by factors including access to digital hardware and mobile phones, data and telecommunications services, electricity, and digital identity. Ecosystems include products and services, and their design. Security, data privacy and consumer protection are important considerations in the design of the ecosystem, as are the governing policies, laws and regulations.

Advancing digital equity and inclusion starts with a clear-eyed discussion of the levers and drivers to these foundations, and how those impact and ripple around the world. This is what the VEEI is setting out to do. In coming months, we will be examining foundational questions, such as: where do digital payments and connectivity create value at the economy level, at the small and micro business level, at the individual level? What are the necessary minimum conditions to achieve this? What are the important underlying principles and are digital ecosystems adhering to those? Is there a lifecycle? We will dive deep to map the key elements of "enablement" and "ecosystems" and ask how progress can be measured. Importantly, we will also examine the public policies that can drive digital equity and inclusion.



While Visa has long been committed to bringing the benefits of payments to everyone, everywhere, we are not embarking on this journey alone. Visa connects 3.3 billion individuals and small business owners to institutions and digital platforms including 61 million places of use through one of the most trusted and secure networks globally. At its core, a network is a community. There are people on both ends. We want to use the power of our network with key partners to help enable inclusive and equitable economic recovery and growth. As Visa's founder, Dee Hock, has stated, "All organizations are merely conceptual embodiments of a very old, very basic idea – the idea of community. They can be no more or less than the sum of the beliefs of the people drawn to them; of their character, judgements, acts and efforts."

Around the world, innovators in technology and policy are paying more attention than ever to the opportunities to advance digital equity and inclusion. The dialogue has been greatly broadened in the past several years, including through the introduction of new guidance on digital identity issued by global standard setting bodies, to recommendations from the United Nations Secretary General based on findings of a High Level Panel on Digital Cooperation, and initiatives such as those led by the Institute of International Finance and World Economic Forum on digital trust, privacy standards. The VEEI looks forward to being part of local and global dialogues, and to exchanging views with the many public sector and private sector innovators and our partners who are making inclusion and equity the bedrock of digital ecosystems.

About the Visa Economic Empowerment Institute

The VEEI is a non-partisan center of excellence for research and public-private dialogue established by Visa.

The VEEI's overarching mission is to promote public policies that empower individuals, small businesses, and economies. It produces research and insights that inform long-term policy within the global payments ecosystem. Visa established the VEEI as the next step in its ongoing work to remove barriers to economic empowerment and to create more inclusive, equitable economic opportunities for everyone, everywhere.

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