

The Future Of Payments Is Here

Khalid Elgibali, Division President for the Middle East and North Africa, at Mastercard talks about how governments and private entities are working together to create safe and cashless smart cities.

What are your thoughts on governments' efforts on the global trend of smart cities?

The concept of smart cities is more than just a global phenomenon or a trend—smart cities represent the future of our communities globally and in MENA, especially as more and more people move to cities in search of better jobs and a better quality of life. The urban population in the region is expected to double by 2050, indicating an urgent need for a transition to smart cities to respond to this growth and address the challenges that come with it. Thankfully, the smart city movement has already kicked off in the region. Take Dubai as an example. According to the latest Smart Cities Index, the emirate ranked #5 globally in terms of leveraging smart city technologies to improve residents' lives. There are many other examples from other parts of the region, but the important theme here is that governments today clearly recognize the importance of smart cities as key enablers of growth. As a result, they are making every effort on their part to accelerate the development of these cities to enhance efficiencies and citizen services in conjunction with their digital transformation plans, such as the UAE Vision 2021, Saudi Vision 2030, Oman Vision 2020 and Kuwait Vision 2035 to list a few. The future is looking smart.

So, governments recognize the importance of smart cities. How do companies like Mastercard come into the picture?

The development of smart cities is a shared responsibility of both the public and private sectors. At Mastercard, we believe that effective collaboration hinged on the Public-Private-People (P3) model is the way forward. Technology companies like Mastercard can accelerate regional governments' smart city agendas by enabling payments, insights and partnerships that make our cities more connected, efficient and inclusive, which will benefit the entire ecosystem. Digital payment technologies, such as Masterpass and other mobile wallets, are already helping citizens and businesses move beyond the friction caused by cash, accelerating the development of the smart city model.

Our efforts to support smart city agendas are an extension of our commitment to being a trusted partner to governments. One of the most recent examples of this is our City Possible program, which is aimed at connecting cities with academia and businesses to identify common challenges that can be best addressed through

collaboration. 16 key cities, including Dubai, are becoming founding members of the global City Possible network, representing a diverse mix of geography and size.

Mastercard is also creating opportunities for underserved segments of communities across the region to become part of the formal fold, which helps establish the groundwork for smart city development. For example, in Kenya, the Mastercard Farmer Network, a unique mobile platform, is benefitting thousands of small-scale farmers by connecting them with agents, buyers and banks in a way that allows them to easily buy, sell and receive payments for agricultural goods simply via their feature phones.

What makes digital identity one of the most important enablers of inclusive growth and smart cities?

Two billion adults around the world still do not have a bank account, making it difficult to climb out of poverty. In MENA, 86% of the population is still unbanked and lacks access to basic formal services. We believe that helping the unbanked create a digital identity is a critical first step towards helping governments build smart cities. By enabling wages and social benefit to be paid out electronically, cities allow citizens to build a financial identity. National ID and other multi-function cards are powerful ways to combine receiving and making payments for citizens with and without bank accounts with an ID for access to transit, education and other public services.

Over the last three decades, we have partnered with multiple local and national governments in the region to establish ID programs linked to payment cards. For instance, Mastercard has partnered with the Egyptian government to link Egyptian citizens' national IDs to the existing national mobile money platform. The partnership enables 54 million Egyptians to contribute to the formal economy, which is approximately 65% of the population.

Mastercard is a strong advocate of public private partnerships. How can partnerships help accelerate the development of smart cities in the region?

While emerging technologies are accelerating digital transformation in MENA, technological advancements cannot be leveraged for the greater good of communities and cities. Innovation cannot thrive without effective partnerships. With a large number of people around the world still lacking access to financial services, Mastercard believes that public private sector partnerships can help advance inclusive communities by leveraging the best of both the sectors have to offer to create a collaborative impact. In fact, MENA is an excellent case study to highlight the power of partnership. Over the years, we have teamed up with over 60 governments globally to deliver more than 1,600 scalable cashless programs in various cities and communities around the world.

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