

DIGITAL EXCLUSION VERSUS FINANCIAL EXCLUSION

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Wroclaw University
of Economics and Business

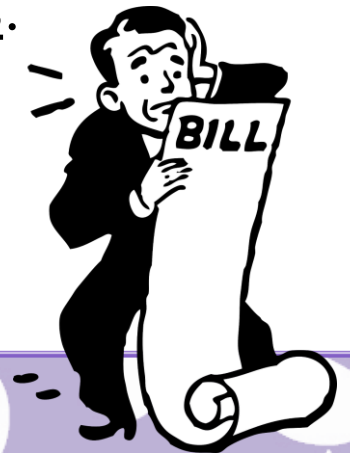
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Aim of presentation

The current economic situation has put many people in a **difficult financial situation**. For this reason, the concepts of exclusion are becoming more and more popular. **Digital exclusion, financial exclusion or social exclusion**. Many of these concepts are used **interchangeably** and their **dependencies are unknown**.

The aim of this presentation is to **introduce concepts of digital exclusion and financial exclusion and to determine their interdependencies**.



Financial exclusion

Financial exclusion can be understood as a **complete lack** or a **significant limitation** in access to **financial services** for an individual, family or household. This is one of the simplest definitions of financial exclusion. Another definition is proposed by **the European Commission**:

„Financial exclusion refers to a **process whereby people encounter difficulties accessing** and/or **using financial services and products** in the mainstream market that are **appropriate to their needs** and enable them to **lead a normal social life** in the society in which they belong.”



Financial exclusion

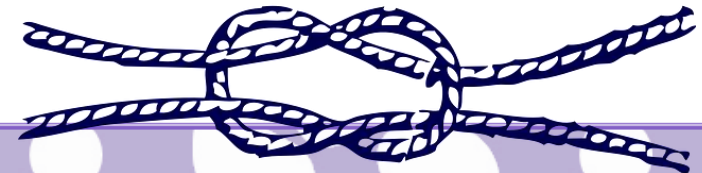
It is evident that **financial exclusion** is not **exclusively linked** to **financial** aspects. It involves other **forms of lack of access to essential components of life**, such as **education, work, health**, and also **comfortable housing**. All these factors are extremely important when it comes to dealing with sustainability issues and this is **particularly important** in today's difficult times.



Digital exclusion

J. van Dijk defines this phenomenon as a **division** into those **who have access to computers** and the **Internet**, and those who **do not**. This is an example of a **narrow definition** that is also often **equated with digital division**.

Another definition of digital exclusion **relates** to the **inability to fully use IT tools**. The main effect of digital exclusion is the deepening of **social divisions**, mainly due to the reduction of opportunities in the **labor market**, but also by limiting **contacts and social ties**. This type of exclusion has many **negative consequences**, both for the **excluded themselves** and for the **entities within which they operate**.



Digital exclusion

The excluded do not participate **in the most important areas of society** and may be at risk of **being marginalized**. They may have difficulty **finding a job, integrating** with the immediate environment, and sometimes even with the institutional **participation of citizens in society**.

Nowadays, it is important to **have access** to modern technologies, no less important is the ability **to use them**, to use **them effectively**, to feel **confident in using them**, to use them regularly in everyday life. Citizens' passivity, poor involvement in social and political life, or insufficient information have a **negative impact on the shape of civil society**.



Digital exclusion

P. Norris indicated three possible types of digital exclusion:

- global exclusion - occurs when there is **disparity in access to Internet** between **developed and developing countries**,
- social exclusion - occurs when there is a **divide between the poor and the information rich** in every society,
- democratic exclusion – refers to the **division of citizens into those who use digital resources** to engage, mobilize and participate in public life, and **those who do not use digital resources due to the lack of Internet access**.



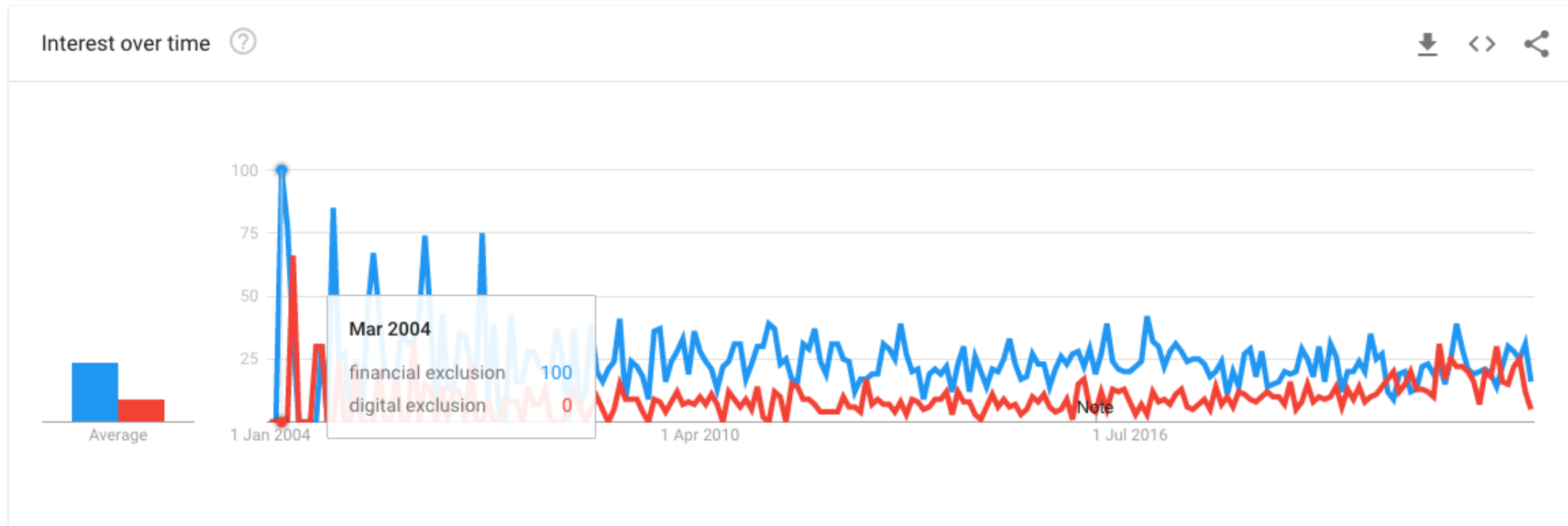
Metodology

Google Trends is a search trends feature that shows how frequently a particular search term is **typed into Google's search engine** relative to the **total number of searches** on the site over a period of time. The **bar chart** shows the number of **Google News articles published** per hour and is linked to the gray axis on the right. The **line chart** shows **interest over time** and is related to the blue axis on the left. "Interest over time" represents **search engine interest relative to the highest point on the chart**, but does **not include** the **number of searches**. Data covers the period from 2004 to May 9, 2022 globally and in Poland.



Financial exclusion and digital exclusion according to Google Trends

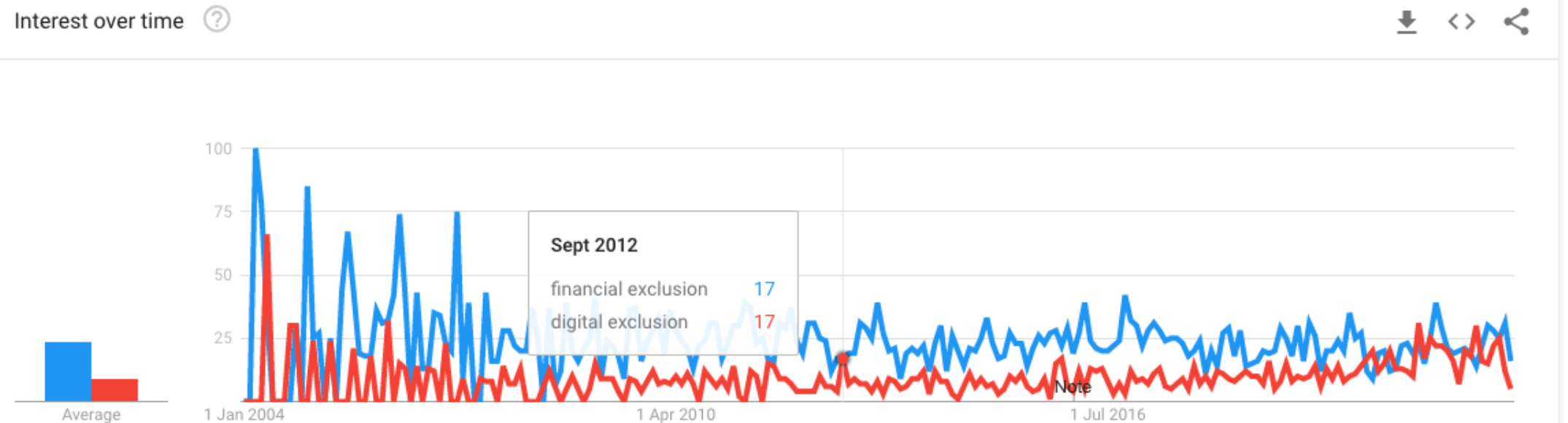
Chart 1. Interest over time of financial exclusion and digital exclusion worldwide.



Soure: Own elaboration.

Financial exclusion and digital exclusion according to Google Trends

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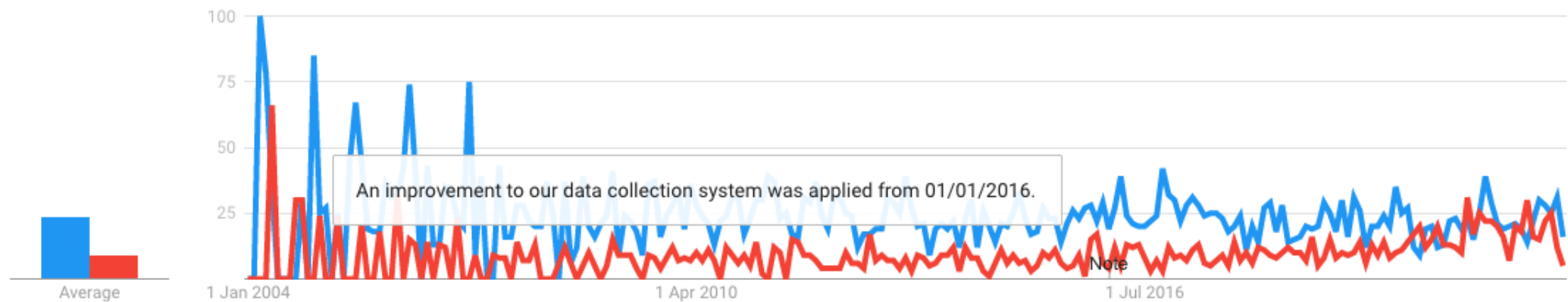


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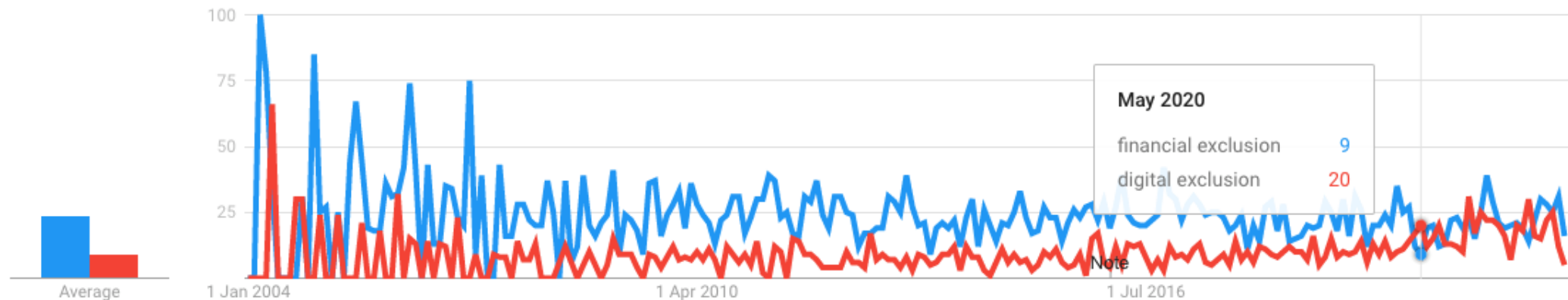


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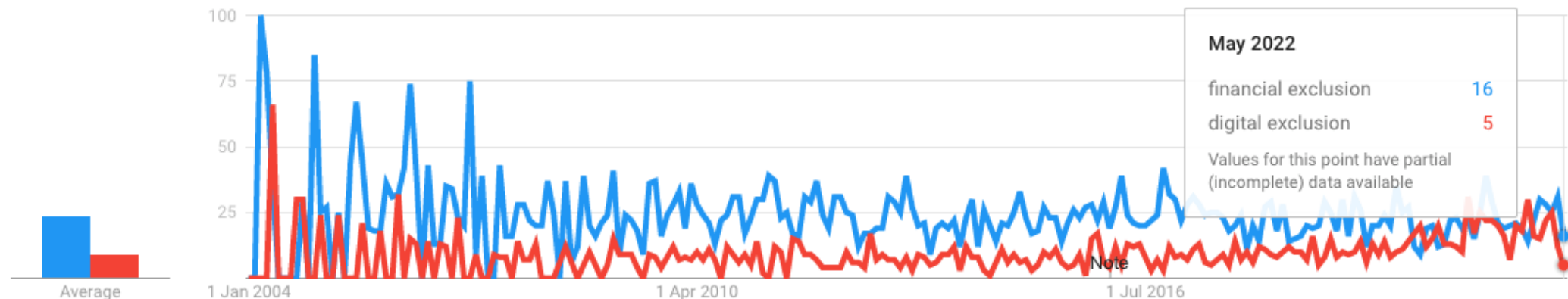


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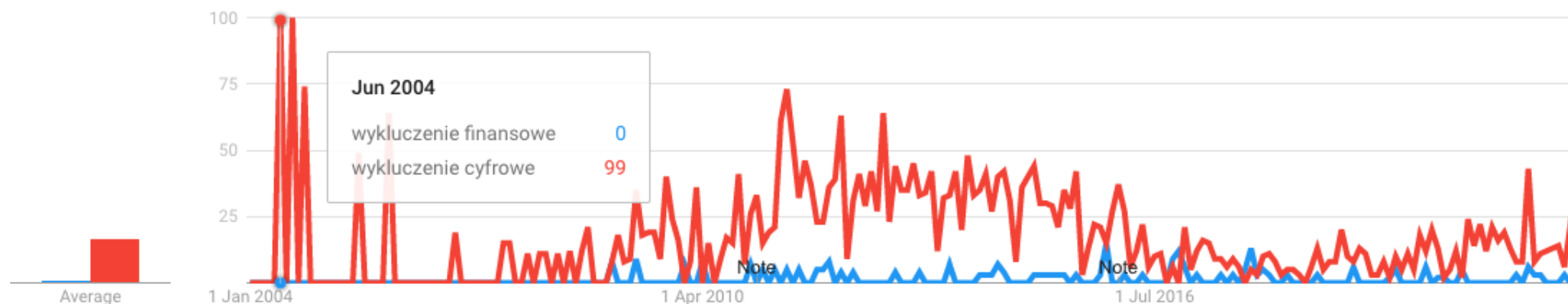


Source: Own elaboration.

Financial exclusion and digital exclusion according to Google Trends

Chart 2. Interest over time of financial exclusion (wykluczenie finansowe) and digital exclusion (wykluczenie cyfrowe) in Poland.

Interest over time ?

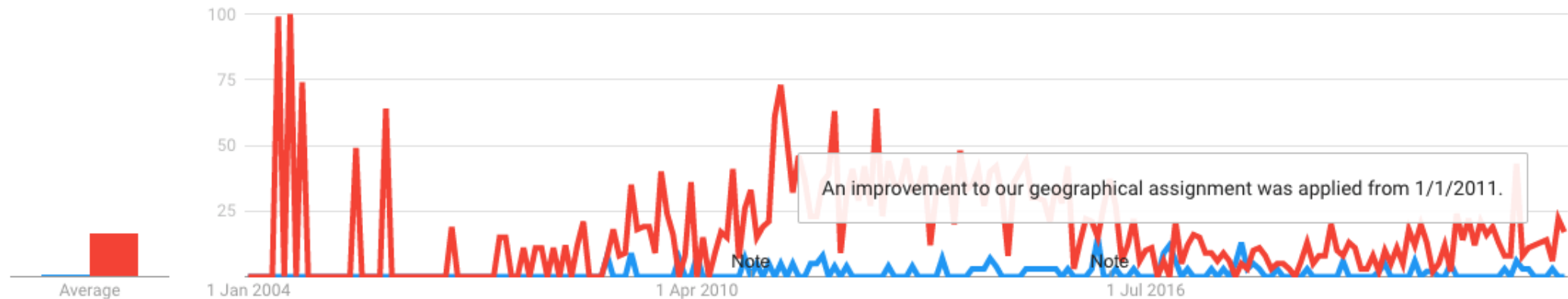


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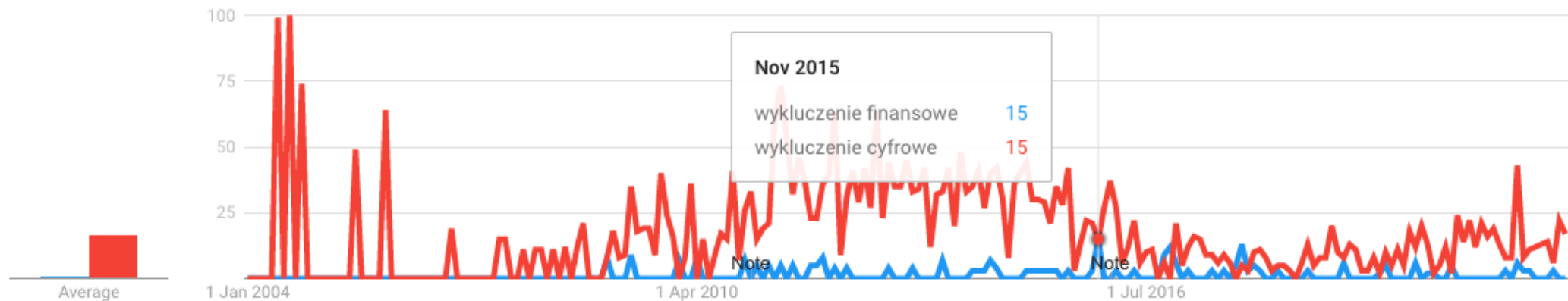


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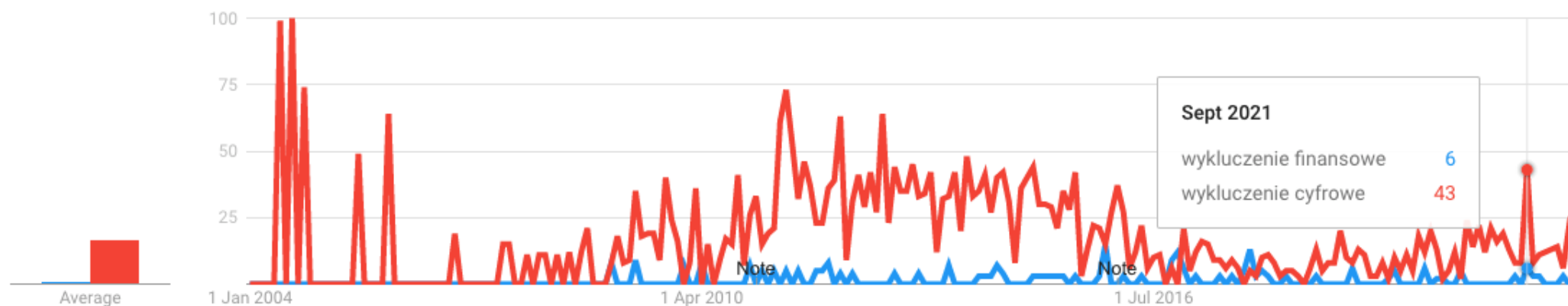


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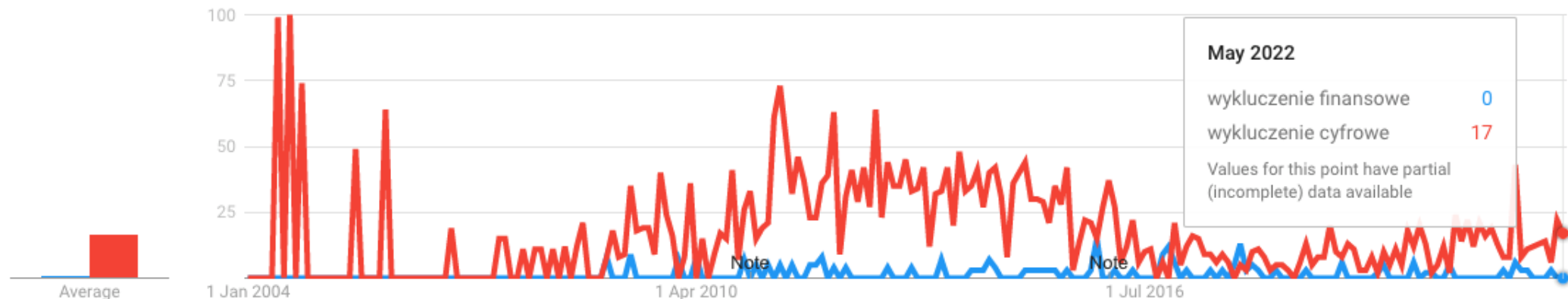


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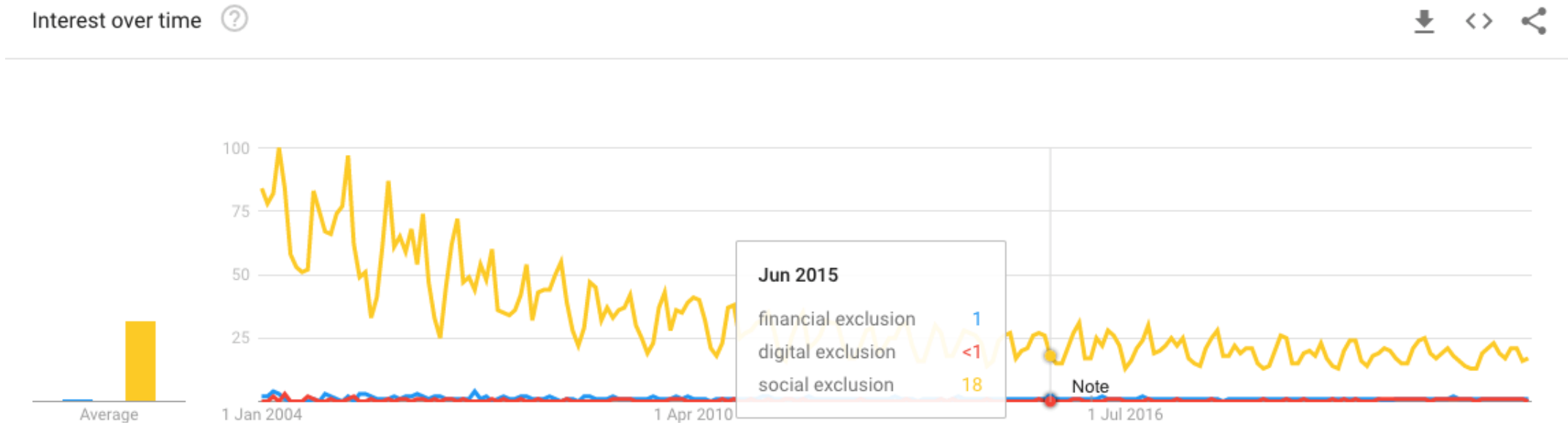
Financial exclusion versus digital exclusion

By analyzing charts of **English terms** from around the world, it is clear that **digital exclusion is less popular than financial exclusion**. This could be interpreted in the way that **digital exclusion is included in financial exclusion**. However, the analysis of **Polish terms is exactly the opposite**. **Digital exclusion is much more popular and searched more frequently**. This is, of course, related to **the creation of publications with the latest concepts** and in Poland **everything related to digitization** is more popular than in **developed countries**. Some researchers believe that **digital exclusion is caused by financial exclusion**. Others **vice versa**, both concepts are often described **as a cause of social exclusion**.



Financial exclusion and digital exclusion according to Google Trends

Chart 3. Interest over time of financial exclusion, digital exclusion and social exclusion worldwide.



Source: Own elaboration.

Financial exclusion and digital exclusion according to Google Trends

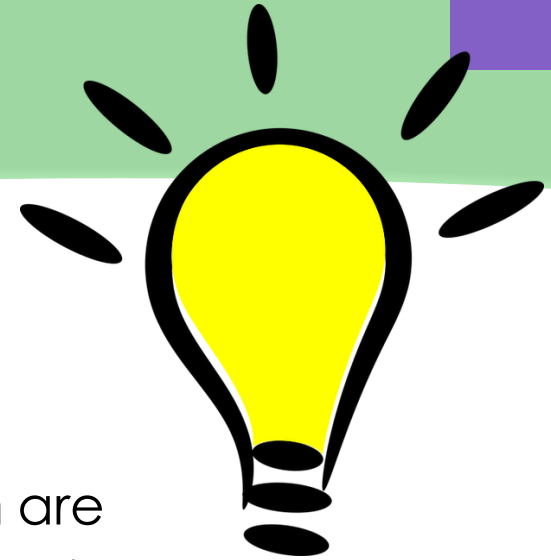
Chart 4. Interest over time of financial exclusion (wykluczenie finansowe), digital exclusion (wykluczenie cyfrowe) and social exclusion (wykluczenie społeczne), in Poland.

Interest over time ?



Source: Own elaboration.

Conclusion



- Google Trends is an **interesting tool for analyzing the popularity of search terms.**
- The concepts of **financial exclusion** and **digital exclusion** are **closely related and it is not possible to define clear relationships** between them.
- Both terms are **very broad and refer to social exclusion.**
- The concept of **financial** exclusion is more **popular in English around the world.**
- On the other hand, the term of '**digital exclusion**' is more popular **in Polish language in searches in Poland.**
- Instead of two concepts, a **financial-digital exclusion** should be introduced, which **would eliminate all definition problems.**



THANK YOU FOR
YOUR ATTENTION!

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