

**Digital Payment**

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**Insights**

**Global Practices**

**1. Kenya: The M-PESA Model**

One of the most inspiring global examples in digital financial inclusion comes from Kenya. Before 2007, more than **70% of adults** in Kenya were unbanked, particularly in rural and low-income areas. This is because banks were far from most places, making it difficult to transfer money, and the transfer costs were high. Because of this, people have relied entirely on cash, and this has led to major problems such as theft and fraud, because people have a lot of money in their homes.

In response to these challenges, Kenya launched **M-PESA** in 2007 — a mobile-based money transfer and micro-financing service developed by **Safaricom**. This system allowed users to deposit, withdraw, and transfer money using only a basic mobile phone through a simple **USSD code**, eliminating the need for bank accounts or internet access.

Within five years of its launch, **M-PESA** was adopted by **67% of Kenya’s adult population**. By 2021, over **96% of Kenyan households** were using mobile money services, and the total transaction value processed via **M-PESA** exceeded **$92 billion USD** in 2022.

**2. India Unified Payments Interface (UPI)**

India faced a similar challenge with limited financial access, especially in rural regions. In 2016, the country launched **UPI** (Unified Payments Interface) — a government-backed digital payment platform that allows real-time bank-to-bank transfers via smartphones. UPI simplified digital payments by using mobile apps instead of cash or physical cards. As of **2023**, UPI handled over **10 billion transactions monthly**.

**3. China Alipay & WeChat Pay**

Digital payment platforms like **Alipay** and **WeChat Pay** offer easy, secure transactions via QR codes. As of **2022**, more than **90% of urban consumers** in China preferred mobile payments over cash, driven by convenience, strong government regulations, and public trust in the platforms.

**Local Practices**

In Egypt, there are many electronic payment methods, such as electronic wallets or initiatives launched by the state, such as InstaPay.

**Electronic Payment Adoption Rate:**

* Only 34% of adults use digital payment solutions (compared to 96% in Kenya).
* 82% of small transactions are still cash (BCG 2023).

**Digital Wallet Growth:**

* Vodafone Cash: 14 million users
* Fawry: 35 million transactions per month

**Current Government Initiatives:**

|  |  |  |  |
| --- | --- | --- | --- |
| Initiative | Implementing Agency | Achievement | Challenges |
| Digital transformation | Central Bank | 2.5 million new users (2023) | Focus on utility bills only |
| InstaPay | Egyptian banks | 15 million transactions/month | Does not support unbanked customers |
| Mobile wallet | NTRA | Launching 7 digital wallets | Market fragmentation (no integration) |

**Comparative Analysis:**

When comparing Egypt's digital payment landscape with global leaders like Kenya and China, some clear patterns emerge regarding adoption, trust, and infrastructure.

In Egypt, there are several systems that support online payments, and the government has launched many initiatives to encourage digital financial services. However, a lack of public awareness about the benefits of digital transformation, along with people’s preference for using cash over electronic payments, continues to slow down the adoption of these services.

Additionally, the process of opening a bank account can still be complicated, especially for elderly people, who may also struggle with using current digital platforms due to their complexity. Moreover, digital payment services are not yet fully available or widely spread in all regions, particularly in rural and remote areas, which limits easy access for many citizens.

**key differences become clear:**

1. **Simplicity & Accessibility**  
In Kenya, **M-PESA** was designed for people without smartphones or internet access. Using only a basic phone and USSD codes, even people in remote rural areas could transfer and receive money easily.  
In Egypt, mobile wallets often require a smartphone and sometimes internet access, which limits access for some users especially the elderly or those in rural regions.

M-PESA in Kenya especially targeted unbanked people those who don't have a bank account and gave them a financial identity without needing a bank.  
In Egypt, most digital services like **InstaPay** require having a bank account, so people without one are still excluded from the digital economy,Lack of awareness of the importance of digital payment among the elderly, youth, and children.

2. **Integration with Daily Life**  
In China, apps like **WeChat Pay** and **Alipay** are fully integrated into daily life. People use them for everything from shopping, paying utility bills, transportation, to even splitting restaurant bills all in one app.  
In Egypt, while solutions like **InstaPay** and **mobile wallets** exist, they mainly focus on money transfers and bill payments, and are not yet deeply integrated into everyday purchases or social habits.

3. **User Trust & Adoption**  
In countries like China and Kenya, digital payments have become a social norm because of strong public campaigns, easy systems, and early government support. People trust these systems because they’ve been designed around their real-life needs.  
In Egypt, people are still highly attached to cash due to a lack of trust, fear of fraud.

4. **Technology Variety**  
In China, advanced features like QR code payments, in-app microloans, automatic bill splitting, and AI-powered risk assessments.  
In Egypt, the systems are more basic mainly bank transfers and bill payments with limited advanced financial services like microloans or smart budgeting.