

Assessing the Effects of Digital Financial Services on Broadening Financial Inclusion: An In-Depth Study

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Abstract: *It is counterintuitive to state that over one-third of the population in underdeveloped countries lacks access to financial services in the twenty-first century. Including the financially excluded population in banking operations is beneficial for both society and individual well-being, according to a number of research conducted in this field. Since 2010, the World Bank and the G-20 countries have led the push for greater financial inclusion in developing nations in an effort to reduce the prevalence of poverty in developing and emerging economies (GPII, 2010). These days, policy makers and scholars are becoming increasingly aware of the value of digital finance and financial inclusion in lowering poverty and promoting economic development. This is mostly due to the several issues plaguing the conventional banking sector, which continues to leave a substantial segment of the populace without access to financial services. Digital money has the potential to help individuals, companies, governments, and the economy at large if these issues are addressed. At an affordable price, digital currency and mobile technologies can satisfy the needs of small transactions. When transactions are completed in bulk, it may also expedite them and cut down on more precise time. Digital finance and financial inclusion benefit the economy, governments, and financial service consumers in a number of ways. For instance, they cut the cost of financial intermediation for banks and Fintech businesses, expand the number of underprivileged individuals with access to credit, and raise total government expenditure. The gap is rather broad and receiving more attention in the domain of digital banking and financial data inclusion and management. The relationship between them and the issues they cause for financial inclusion hasn't received much attention in the past. Investigating the effects of digital finance on financial system stability and financial inclusion is the aim of this study. This study provides an in-depth analysis of the subject and tackles an issue that has not been addressed in other research works: the impact of digital finance on financial inclusion and the stability of the financial system*

Keywords: Digital Finance, Financial Inclusion, Financial literacy, Financial Stability

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