

A Study on the ICT Climate, Money and Financial Development

Asst. Abha Ruparel and Buran Shruti Narayan

Department of Commerce,
Nirmala College of Commerce, Mumbai
abhaamlani@gmail.com

Abstract: Reason - The motivation behind this paper is to test the speculation that, given the monetary improvement of an economy (regardless of whether created), e-finance advancements upgrade financial development since they lower handling costs for providers and data costs for purchasers and consequently increment accessibility of money for even low-pay borrowers of far off regions. Design/methodology/approach: The generalized method of moments (GMM) is used to analyze the indirect relationship between the level of connectivity and economic growth through its impact on financial development using cross-sectional data from 61 countries averaged over 13 years (1990-2002). Results: All regression results indicate that improved connectivity, particularly through an increase in the number of internet users and mobile phone subscribers, significantly improves financial depth, which is essential to any nation's growth. Practical implications: The current study's empirical findings permit the conclusion that Claessens et al. may be right in expressing that for non-industrial nations to take advantage of chances for jumping even with frail monetary framework, putting resources into the area of data and correspondence technology is significant. Originality and value: This study is the first of its kind and provides global empirical evidence that better telecommunication infrastructure is positively associated with long-term economic growth and gross capital formation in the financial sector.

Keywords: Internet, finance, economic growth, communication technologies, method of moments