


**THE EFFECTIVENESS OF DIGITAL FINANCIAL INCLUSION IN IMPROVING
FINANCIAL CAPABILITY**

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ARTICLE INFO	ABSTRACT
<p>Article history:</p> <p>Received 31 January 2023</p> <p>Accepted 28 April 2023</p> <p>Keywords:</p> <p>Digital Technologies; Digital Financial Inclusion; JEL Classifications: E58, G20, G28, G29, H50, H53, I38, O3.</p>	<p>Purpose: The aim of the study is to identify by exploring why digital financial inclusion has become more difficult recently. To find out what challenges faced by people where issues of financially excluded, deep-rooted problems have arisen in the path of inclusive economic development.</p> <p>Theoretical Framework: The financial success of the digital age is inspiring people. The digital revolution unfolds more opportunities for stakeholders to increase the inclusivity in finance of all eligible individuals with the help of technology.</p> <p>Design/Methodology/Approach: Any technological advancement will inevitably have both beneficial and bad effects. It is apt to focus on minimising any potential drawbacks. A wide range of assessments of the concept of digital financial inclusion, a literature review culminates as the foundation for the research design and subsequently highlights some pertinent issues.</p> <p>Findings: The study observed that the development of digital technology has made it a potent weapon for financial inclusion. The study points out ample space for adopting and adapting some uniqueness and good practices in the context of the place. Initiatives like Governmental person-to-person payments, domestic remittances, etc have a special significance for the financial inclusion of disadvantaged populations.</p> <p>Practical & Social implications: Create a digital platform to increase gender equality, minimize poverty, and enhance educational access. Greater disclosure of information and call for ingenious financial product designs.</p> <p>Originality/Value: Revisiting and restructuring frameworks for banking and financial institutions. Key players need to come together and collaborate in the process of a comprehensive reformative path.</p>
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**A EFICÁCIA DA INCLUSÃO FINANCEIRA DIGITAL NA MELHORIA DA CAPACIDADE
FINANCEIRA**

RESUMO

Objetivo: O objetivo do estudo é identificar, explorando por que a inclusão financeira digital se tornou mais difícil recentemente. Descobrir quais são os desafios enfrentados pelas pessoas quando surgem problemas de exclusão financeira e problemas profundamente enraizados no caminho do desenvolvimento econômico inclusivo.

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Estrutura teórica: O sucesso financeiro da era digital está inspirando as pessoas. A revolução digital oferece mais oportunidades para que as partes interessadas aumentem a inclusão financeira de todos os indivíduos qualificados com a ajuda da tecnologia.

Projeto/Metodologia/Abordagem: Qualquer avanço tecnológico terá inevitavelmente efeitos benéficos e ruins. O foco deve ser minimizar as possíveis desvantagens. Uma ampla gama de avaliações do conceito de inclusão financeira digital, uma revisão da literatura culmina como a base para o projeto de pesquisa e, posteriormente, destaca algumas questões pertinentes.

Conclusões: O estudo observou que o desenvolvimento da tecnologia digital a tornou uma arma potente para a inclusão financeira. O estudo aponta um amplo espaço para a adoção e adaptação de algumas singularidades e boas práticas no contexto do local. Iniciativas como pagamentos governamentais de pessoa para pessoa, remessas domésticas etc. têm um significado especial para a inclusão financeira de populações desfavorecidas.

Implicações práticas e sociais: Criar uma plataforma digital para aumentar a igualdade de gênero, minimizar a pobreza e melhorar o acesso à educação. Maior divulgação de informações e necessidade de projetos engenhosos de produtos financeiros.

Originalidade/valor: Revisar e reestruturar as estruturas das instituições bancárias e financeiras. Os principais participantes precisam se unir e colaborar no processo de uma reforma abrangente.

Palavras-chave: Tecnologias Digitais, Inclusão Financeira Digital, Classificações JEL: E58; G20; G28; G29; H50; H53; I38; O3.

LA EFICACIA DE LA INCLUSIÓN FINANCIERA DIGITAL PARA MEJORAR LA CAPACIDAD FINANCIERA

RESUMEN

Propósito: El objetivo del estudio es identificar mediante la exploración de por qué la inclusión financiera digital se ha vuelto más difícil en los últimos tiempos. Averiguar cuáles son los retos a los que se enfrentan las personas con problemas de exclusión financiera, problemas profundamente arraigados que han surgido en el camino del desarrollo económico inclusivo.

Marco teórico: El éxito financiero de la era digital está inspirando a la gente. La revolución digital despliega más oportunidades para que las partes interesadas aumenten la inclusividad en las finanzas de todas las personas elegibles con la ayuda de la tecnología.

Diseño/metodología/enfoque: Cualquier avance tecnológico tendrá inevitablemente efectos tanto beneficiosos como negativos. Es conveniente centrarse en minimizar los posibles inconvenientes. Una amplia gama de evaluaciones del concepto de inclusión financiera digital, una revisión de la literatura culmina como base para el diseño de la investigación y posteriormente pone de relieve algunas cuestiones pertinentes.

Conclusiones: El estudio observa que el desarrollo de la tecnología digital la ha convertido en un arma potente para la inclusión financiera. El estudio señala un amplio espacio para adoptar y adaptar algunas singularidades y buenas prácticas en el contexto del lugar. Iniciativas como los pagos gubernamentales de persona a persona, las remesas domésticas, etc. tienen una importancia especial para la inclusión financiera de las poblaciones desfavorecidas.

Implicaciones prácticas y sociales: Crear una plataforma digital para aumentar la igualdad de género, minimizar la pobreza y mejorar el acceso a la educación. Mayor divulgación de la información y exigencia de diseños ingeniosos de productos financieros.

Originalidad/Valor: Revisar y reestructurar los marcos de las instituciones bancarias y financieras. Los actores clave deben unirse y colaborar en el proceso de una vía reformadora integral.

Palabras clave: Tecnologías Digitales, Inclusión Financiera Digital, Clasificaciones JEL: E58; G20; G28; G29; H50; H53; I38; O3.

INTRODUCTION

We have recently witnessed some success in new digital finance of financial inclusion. Unconventional providers who observed the decline of traditional financial practices realised that a radically new strategy could create previously unexplored chances. Worldwide, from the

wealthiest to the poorest, from the most advanced institutionally to the least, digital providers have emerged. Financial inclusion on a broad scale could be achieved using online financial services (DFS) (G20, 2017). More people are realising that a worldwide priority is financial inclusion, with the potential to support macroeconomic growth that is sustainable, balanced, and inclusive as well as to foster socio-economic inclusivity at the household and enterprise levels, particularly among populations that are financially excluded and underserved (GPFI, 2017). The digital revolution unfolds the materialized cultures, providing more opportunities for the government to increase the inclusion of the "eligible," and fresh global finance means to "profiling" low-income people as producers of financial assets. The democratisation of financial inclusion is made possible by financial technologies like "mobile money," which present new and exciting possibilities. The impoverished actively (re)shape monetary areas through inventions like unofficial money transfer systems, demonstrating that they may not always behave as expected by technologies (Gabor & Brooks, 2017). DFS stands for a collection of financial services that are available and provided online. Internet, mobile devices, point-of-sale terminals, chips, automated teller machines, and any other digital systems are examples of digital channels (AFI, 2016).

The purpose of having financial services available online is to support the alleviation of poverty and deliver on the acknowledged advantages of financial inclusion in developing nations (ITU, 2019). A viable alternative to the cash economy and informal financial services is still unavailable to 2 billion individuals in poor nations, which also means that the promise of mobile money has not yet been fully realised. 1.7 billion of them do own smartphones, however, the industry has struggled to introduce and expand unbanked-focused services since many governmental and regulatory frameworks are still not sufficiently enabling (ITU, 2016). The pandemic has increased inequality for the most underprivileged and financially vulnerable groups, particularly MSMEs, women, and young people (G20, 2022). Evidence reveals that large portions of the population still lack basic access to digital banking and financial inclusion (G20 Summit, 2013). One popular topic among policymakers and academicians in recent times is the relevance of financial inclusion and digitalisation of finance that would strengthen the reduction of poverty as well as foster economic growth. Delving numerous problems that still exist, which, if fixed, could improve how well digital finance functions for the government, people, businesses, and the economy. Financially integrated households can raise savings, spend on education, start enterprises, support women, and have better health outcomes (Bruhn & Love, 2014; Prina, 2015; Banerjee et.al., 2015; Schaner, 2016). The experience of India as

an emerging country is unique and severe that is leading to non-inclusive growth - one of the key reasons being the failure to achieve greater financial inclusion (Shafi & Medabesh, 2012).

In this paper, we attempt to identify by exploring why digital financial inclusion has become more difficult in recent times. We focus especially on challenges faced by people where issues of financially excluded, deep-rooted problems like gender, digital divide, critical delve into literature, untrustworthiness, insecurity, and digital complexification have arisen in the path of inclusive economic development. We offer some ways to improve or reduce the way forward. The financial success of the digital age is inspiring people or entire countries to want to imitate it. Several nations are adjusting to the new environment by inventing fresh strategies and redesigning tried-and-true ones in order to promote economic growth and financial inclusion. Any technological advancement will inevitably have both beneficial and bad effects; therefore, it is crucial to focus on minimising any potential drawbacks. The first section of the study presents a framework for the concept of digital financial inclusion. The second part of the article discusses a brief review of the literature on digital financial inclusion. The third section will highlight some pertinent issues. In the last section, we try to give some important suggestions to improve or make use of digital technology to bring financial inclusion to marginalized people.

Digital Financial Inclusion (DFS)- The Conceptual Framework

Concept

“Digital access to, and the use of, formal financial services by the excluded and underserved population” is defined by CGAP on digital financial inclusion (CGAP, 2015). DFS offerings should be trustworthy, accommodating of customers' needs, and cost-effective for providers. We can identify three fundamental factors; a digital transactional platform, retail agents, and a customer device. The functional levels of the three components; digital transactional platform enables a consumer to use its device to make transactions with a bank or nonbank. Customers are able to change money into electronic data storage. Then, retail agents assist customers in recovering their money by transmitting and receiving transaction information using digital devices that are connected to communications infrastructure. Customer device, is a tool for connecting to a digital device or a way of sending data and information (Lyman & Lauer, 2015). At the moment, novel digital financial services have been introduced via mobile phones and comparable devices in at least 80 different nations (GSMA,

2014), to convince millions of underserved consumers to switch from cash-based transactions to only using digital financial services.

Digital Finance

The G20's efforts to advance development through FI are seen through the lens of a world economy driven by finance, which masks the character of its exploitation and speculation. The other is the drive for financial inclusion or financialization in developing countries. It is believed that poverty represents a new frontier for accumulating wealth and creating profits (Soederberg, 2013). The OECD's 2017 launch of the Going Digital programme is assisting nations in seizing opportunities and becoming ready for technological disruption. Focus areas include commerce, innovation and entrepreneurship, consumer safety, insurance, competition, and pensions. Development cooperation experts ought to imitate this comprehensive strategy. Technology-driven transformation offers unheard-of prospects for financial inclusion by expediting access for those who are difficult to reach and providing people with affordable and practical ways to save, send and receive money, credit access, make payments, and buy insurance. It is providing prospects for fresh economic growth and raising living standards all around (Matta, 2021). Technology is also encouraging product customization to satisfy the demands of underserved and poorly supplied families and businesses. The digital revolution is a powerful tool to improve governance. The primary power behind inclusive finance is the proliferation of creative digital services under supportive regulatory and policy frameworks. Client issues with technological systems will be made easier by the cooperative efforts of banks that process payments along with banking firms. The most important factor for internet financial services entry is now digital literacy. Every person can experience the available financial goods and services owing to a reliable financial technology tool that promotes inclusive financial access (Jasti &Varalakshmi, 2023). According to Global Findex 2021 data, 865 million people in evolving countries opened bank accounts as first-timers intending to receive money from the government. In developing countries, 71 % of individuals now have a formal financial account; 57 % of transactions are made online, and 39 % of mobile money users have an account (Sub-Saharan Africa) (The Global Findex Database 2021). Their high-confidence research revealed that those users of mobile money have lesser prone to any financial shocks or crises than non-users in Mozambique, Kenya, and Tanzania. This is due to the fact that they can continue to pay for their necessities by using remittances to receive

funding from a larger network (Lees & Mader, 2022). Big data usage has become popular as a means of integrating previously excluded demographics into the financial system.

Pros of Digital Financial Inclusion

DFI has multifaceted benefits. E-money accounts, low-cost normal bank accounts, and debit cards are just a few of the tools that might drastically expand entry to finance who are excluded as early as 2020. As opposed to just using cash-based transactions, millions of formerly underserved and excluded poor clients are now accessing formal financial services like savings, payments, credit, transfers, insurance, and even securities. In order to achieve this, they access these services utilising a mobile phone or another form of digital technology (Kim, 2014; Lyman & Lauer, 2015). By lowering wait times in banking halls, physical paperwork, and documentation, as well as by maintaining fewer bank branches, digital financial inclusion promises to assist banks in cutting expenses (Manyika et al., 2016; IFC, 2017). With the beginning of digitalisation of finance, bank customers find it easier of getting work done as well as they can pressurise bankers to offer them reliable services or opt-out of other institutions if they unmet their demands. Regulators need to be cognizant of setting apt guidelines in regard to the financial and monetary system because DFS would bring down high inflation rates coupled with a reduction of cash circulation in both progressing and underdeveloped countries (GPFI, 2016). Financial inclusion is significantly impacted by internet banking, mobile wallets (apps), mobile banking, debit cards, and credit cards (Durai & Stella, 2019).

Economic growth depends heavily on technological innovation. By formalising the financial sector, ICT lowers income inequality, and the research has claimed that FI is one way that ICT promotes economic growth (Tchamyu, Erreygers, & Cassimon, 2019). The dynamics of traditional banking and financial institutions are altering as a result of advancements in computing technology, which benefits society's consumers and businesses alike. Globally, many countries have initiated to make all individuals more digital and financially literate and bring e-financial access to all sections of society. The advancement of artificial intelligence, big data analytics, and machine learning has given the world of digital banking a lot more cutting-edge features to offer.

Cons of Digital Financial Inclusion

Digital finance has several drawbacks in adaptability, user friendly, affordability, security, and other factors (Durai & Stella, 2019). For the same vulnerable clients who are

financially excluded and underserved, digital financial inclusion also entails risks, such as novelty risks, risks associated with digital technology, and agent-related risks (Kim, 2014). The macro level of geographical bias, educational bias, and discrimination between high-middle income and low-income groups exists (Ozili, 2018). One study demonstrates the link between increased rates of government expenditures and credit from banks. Absence of knowledge, low trust among consumers in banks, as well as the financial industry's inability to stay current with contemporary innovations in technology (Hussein, Al-Marzouk, & Mahmood, 2022). The continuous existence of access and usage constraints that restrict people's capacity and inclination to become cashless and take advantage of digital payment services means that DFS and digital payment options have not yet been adopted universally by underprivileged communities. According to recent research, there are both supply and demand constraints, such as high private costs, services not geared toward women, a lack of data broken down by sex, unreliable payment channels, and regulatory barriers like KYC requirements. Consumer demand factors include a lack of trust in electronic-based money, weak digital connectivity, and the absence of required identity documentation (Alliance for Financial Inclusion (AFI), 2022). Draw attention to various studies, that the less privileged sections of society may need basic financial services before they are considered for digital financial inclusion. Only when the underprivileged can access financial services is there a chance for true financial inclusion. Leveraging digital financial inclusion to uplift the masses is not a novel idea and has been tried out in numerous ways with mixed results. Digital products designed with users in mind are assisting in integrating the economically disadvantaged into the formal system.

Digital Financial Inclusion - Progressive Approach

We look at the current trends and development in equal access to finance and the improvement of financial services and capacities through technology in finance. This exercise makes no claims to provide an exhaustive evaluation of the digital financial services (DFS) regulation or to offer specific policy suggestions for a given situation yet opens up opportunities for unlearned and relearned from the studied literature. In order to complete this activity, the following information was mostly gathered from sources.

In the study, Agyekum, Locke, & Hewa-Wellalage (2016), look at how better access to DFS and financial inclusion in the context of low earnings nations. Although DFS is utilised by both banks and non-bank organisations, data reveals that the latter is the most cost-efficient option to reach the unbanked. The analysis supports the considerable contribution that

deepening technology has made to increasing financial inclusion with possible implications for other LICs as well. A 1% rise in internet usage and cell subscriptions results in increases of 17.2% and 1.19% in household financial inclusion and the private sector deserves praise. Adoption and adaptation of online financial services are increasing quickly as they are made available and inexpensive to those who were previously "unbanked." The providers and consumers of financial services gain as a result of cost savings in service delivery due to the expansion of technological amenities.

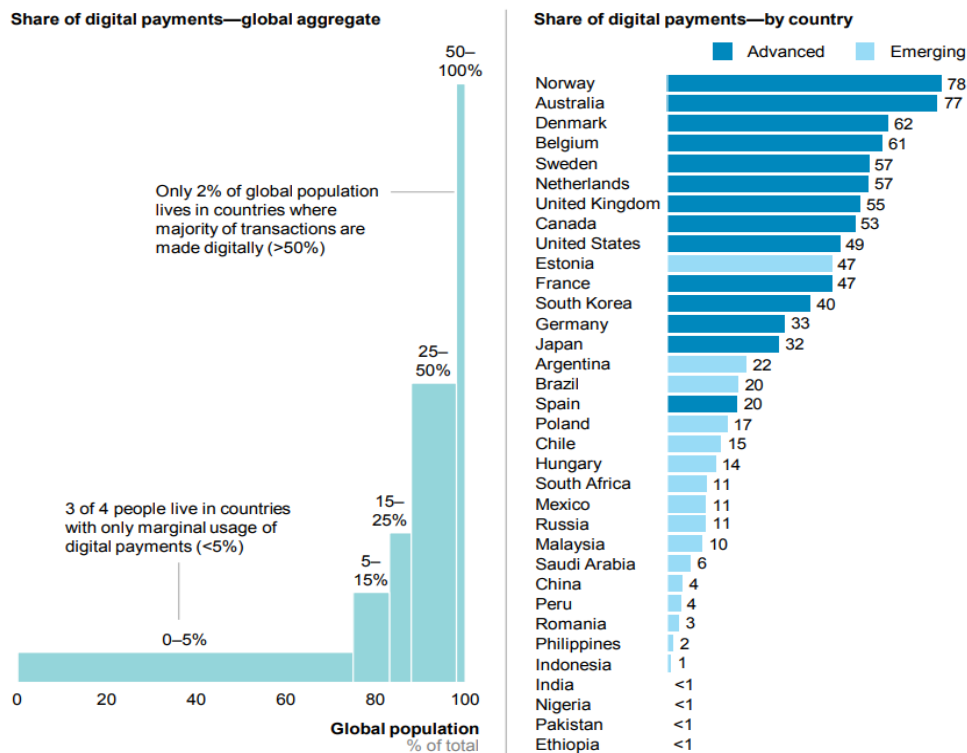
In the study, Kabakova & Plaksenkov (2017) assess to identify the configuration of ecosystem elements that lead to the growth of financial inclusion. This includes a more in-depth examination of each component of economic, political, socio-demographic, and technological aspects (digital). Using fuzzy-set qualitative comparison analysis, the ecosystems of 30 developing and low-income nations are examined. At the macro levels, the authors find that high economic and digital development, high social demographic and digital development coupled with low political development, and pure high economic development, can be used to explain financial inclusion. Based on the findings, the authors suggest that central banks and governments in nations interested in the growth of financial inclusion should consider the implications for their policies.

Owen and Pereira (2018) used three sources to contribute the information. Data on financial inclusion are taken from the Financial Access Survey by the IMF, Financial depth, GDP per capita, Lerner index, and industry concentration ratios, are from the World Development indicators datasets and World Bank's Global Financial Development across 83 countries. The authors utilise seven different financial inclusion indicators that are expressed per 1000 adults and take into account relationships with commercial banks. They give indications for the period 2004-13, which suggest insofar as the market power of banks is restrained, that higher levels of banking industry concentration are related to better access to deposit accounts and loans.

In the study, ITU (2019) in this Technical Report explains the ecosystem for digital financial services and discusses its participants and their functions. Service providers, Users, infrastructures, and governmental policies, regulations, and laws are some of the participants in this game. Two key support structures—infrastructure readiness and an enabling environment are necessary for the players and services that make up a DFS Ecosystem. The requirement to simultaneously invest in and maintain two sides of the DFS ecosystem is a significant overarching concern. It acknowledges the objective of achieving "digital liquidity," or a

situation in which customers and businesses are happy to keep their money in digital form, lessening the strain of the "cash-in" and "cash-out" procedures.

Table 1. The contrast between emerging economies and developed economies



SOURCE: McKinsey Global Payments Map; World Bank; McKinsey Global Institute analysis

Source: McKinsey Global Institute.

Some Relevance Issues

Gender

To gain access to a variety of digital goods one tool is a cell phone. There are 200 million fewer women than men who possess cell phones since the former typically have 14% fewer chances than the latter to acquire one (GSMA, 2015). Globally, there are 327 million fewer women than men who currently use smartphones and mobile Internet. According to the survey, access barriers, financial constraints, education gaps, rigid prejudices, and socio-cultural norms, prevent females from taking advantage of the opportunities presented by digital transformation (OECD, 2018). Women frequently have fewer opportunities to pursue education, find employment outside the home, own property and lands, inherit assets, and generally have influence over their financial fate. It is possible to increase access to financial services for women and what those goods' impacts were on their capacity in order to stabilise consumption and make investments at times of income disruptions by making design adjustments that take into consideration their unique requirements and preferences (Holloway, Niazi, & Rouse,

2017). Compared to only 12 percent of men, 36 percent of Senegalese women sampled for the 2020 Mobile Gender Gap Report identified reading and writing as major obstacles to using mobile internet. In general, customers have a tendency to believe that their income is insufficient to warrant opening a financial account (Allen et. al., 2016). India discovered no rise in earnings for the majority of the firms examined, as well as no change in household spending on health or education or on a set of indicators of women's empowerment, which may have indicated that women had more negotiating power inside the family (Banerjee et al., 2015). Only 25% of African women over the age of 15 possessed penetrated to an official bank account in contrast to 33% of men in 2014 (Demirguc-Kunt et al., 2015). Entrepreneurs, including women's own-business, have the ability to swiftly increase their capacity and services by integrating platforms with other digital technologies like cloud computing (Asia Foundation, 2018). They have created a strategy the term "D3," which involves social welfare initiatives (digitising), money transfers to female accounts (Directing), and adjusting the programme to improve women's economic prospects (Designing) ((Hendricks, 2019). Due to social standards, women in India behave differently with DFS, which severely restricts their capacity to use financial services. They are also prevented from owning and using mobile phones, among other things (Rojas-Suarez, & Fiorito, 2021). Even before the pandemic, men outnumbered women in terms of assessing financial facilities worldwide. In 2017, 72% of males and 65% of women had financial accounts, respectively. The disparity frequently reflects societal limitations brought on by domestic laws and regulations which bar women from financial services (UNCTAD, 2021).

Positive and Negative Effects

By enhancing banks' capacity to provide financing, financial stability benefits from the use of digital finance and tends to increase the supply of bank loans (Rismana et al., 2021). When more digital finance is integrated into the lives of modest means and vulnerable people boosts to benefit essential services of finance and promotes financial inclusion in rural areas. Providing more DFS to remote areas and unreached financial services would accelerate accessing money for bank customers who cannot easily operate banks due to subpar transportation networks, long queues, etc. Additionally, decreasing customer presence in bank branches and cutting costs would give favourable footprint on bank earnings and opens up a better platform for access to finance in rural and poor communities.

Profit-driven businesses operate digital finance with the ulterior motive of accelerating profitability by using digital financial facilities. Geographical discrimination, dangerous rural setting, or communities with inadequate infrastructure to offer particular digital banking services, which lowers financial inclusion. Here, educational bias refers to a diminished focus on offering digital finance to those who are impoverished and illiterate lacking the basic knowledge of finance needed to use and understand digital finance (Ozili, 2018).

Digital Divide Hampers Financial Inclusion

“Inequality will worsen unless the so-called “digital divide” – the gap between under-connected and highly digitalized countries – is not addressed”, stated the UN trade union, (UNCTAD, 2019). There are significant disparities in the data-driven digital economy: 20% of people from the least flourished nations worldwide use online with sluggish download speeds and a hefty price tag. This restricts the options for taking part in and profiting from the developing data-driven digital economy. As a result, a data split is escalating the existing digital divide (Digital Economy Report, 2021). In the least progressive countries, there is wide internet usage between women and men with 50% and 57%, indicating considerable gender disparity in admission to the internet (ITU, 2021). The road to e-commerce is paved with potholes for many people in developing nations, and the spread of its advantages is not assured (Kituyi, M., 2018). The challenges include rising income disparities in the digital sphere, employment and task automation, consumer protection, data privacy, and cybercrime (IISD, 2021). The pandemic has widened the digital split as an estimated 55% of the global populace is not yet online, according to the World Economic Forum (Sridhar, 2021). This serves as a wake-up call for the necessity of bridging the digital gap and fostering participation financially in a greater number of people, particularly those with little incomes, women, and those less educated, who may ingress everything, including savings and investments as well as basic payments. Financial inclusion has enormous difficulties, and there are significant gaps. Digital financial inclusion requires data-driven analysis as well as new technology innovation to level the playing field. The decision to establish excessively high regulatory and compliance standards may instead result in fragmented systems that would only widen the digital divide and worsen the tragedy of the unbanked (Sheth, 2020). For people who are currently financially excluded, there is a chance to develop a secure, moral route that will allow them to participate in these new digital markets.

Financial inclusion under duress

Inducing bank account holders, businesses, and individuals to take off "digital" may enhance the prosperity of those with bank accounts but not that of unbanked people, which justifies worries that digital finance may not always pave in more financial inclusion but instead may produce greater financial data inclusion, which differs from financial inclusivity (Ozili, 2018). When it comes to banking, many people who have accounts seem to be forced into having them by their employers or the government. According to Finscope, nearly 50% of people in Living Standards Measure groups one to five who have bank accounts claim to take all money right away. Whose need is being met by this, the client's need for financial services or the banks' need for fulfilled access targets? It seems that South African financial services firms are the best at capitalizing on financial illiteracy. Consumer financial education is the key to finding a better solution (Melzer, 2022).

Critical Observations

The World Bank embraces that increased espousal of digital finance leads to greater financial inclusion. However, in reality, increasing the usage of digital finance may not result in increased financial inclusion but may instead result in higher inclusion of financial data (ADB, 2016; Malady 2016; ITU, 2016), as two concepts of financial inclusion and financial data inclusion are distinct. The goal of financial inclusion may be defeated because digital money is challenging for average people to understand. You need to learn passwords to use digital currency (Brunnermeier et al., 2019). If those individuals who are financially included find it challenging to comprehend how digital money operates, the excluded population will find it far more challenging. Digital currency is also intangible. Most individuals perceive digital currency as an illusion as a result, which makes it challenging to comprehend (Ozili, 2021). A lot of merchants indicated that they use friends to receive or send payments using services like Google Pay or electronic transfers Adhikari & Agashe (2020). If the pricing for utilising a DFS is excessive in comparison to another service of a similar nature or prevailing price among nations with equal levels of development, supply-side limitations may be to blame for the poor usage of the DFS (Rojas-Suarez & Fiorito, 2021). Without regulations protecting privacy and controlling data use, this data is susceptible to abuse, particularly in nations with weak democratic ideals, which leads to the growth of digital authoritarianism [\(Bandura, Méndez Leal, & Ramanujam, 2020\)](#).

Moreover, Malady (2016) also argues that trust deficit and uncertainty in digital banking hamper the path of inactive usage of digital channels in many progressive countries. This impacted negative effects on the minds of customers when taking any digital financial initiative in advancing countries. Moreover, the issue is greater in countries in which weak consumer protection policies and institutions exist. The result is that if people do not trust digital channels, having digital banking credentials may not necessarily improve impoverished people's access to finance. In the absence of conscious technological design and policy decisions, any buzz on the digitization of financial services may remain exclusive. The envisioned method should be as simple to understand as possible, combine governing, command, and monitoring duties, and have a significant amount of independence, including financial freedom (Novak, Pravdyvets, Chornyi, Sumbaieva, Akimova, & Akimov, 2022).

Implications, suggestions, and recommendations

We have observed different studies, and come up with a few realities. Change is necessary. It is vital that key players need come together, and collaborate in the process of a comprehensive reformative path. We lay down some important areas that need to be looked into.

1. Revisiting and restructuring frameworks for banking and financial institutions.
2. The need for greater disclosure of information regarding the users, security, and risk factors brought on by electronic transactions.
3. The call for ingenious financial product design with less cost-effective, users' friendly and usefulness of the customers' favourable products to existing ones.
4. Create a digital platform to increase gender equality, minimize poverty and enhance educational access.
5. In the midst of technological complexity, Policymakers/providers are challenged to go to the roots to understand female uniqueness and its potentiality on the road to inclusive finance.
6. Governments have immensely in providing digital financial access, yet an urgent need for effective collaborations with the private sector, and non-governmental organizations with 50% sharing of responsibilities.

CONCLUSION

Several research studies hold that the best tool to improve financial inclusion will probably vary depending on the country's circumstances. The development of digital technology has made it a potent weapon for financial inclusion. New perspectives, like the governmental Person-to-person payments, domestic remittances, and merchant payments all have a special significance for the financial inclusion of disadvantaged populations. To better create as secure and accessible, options and policies in line with their market environment and dangers, central banks must identify financial inclusion hurdles and drivers. Consider contextual, bottom-up, and fit-for-purpose approaches while tackling the challenge of removing financial inclusion obstacles or gender discrepancies in order to close the current digital divides. There is ample space for adopting and adapting from the reviewed financial inclusion literature some uniqueness and good practices in the context of the place. Different models, apps, and a variety of rare services of the place are already offered, and achieving the suitable one fitting to the particular area of the digital future will be a journey. That can be possible if all players continue to work together by reading the signs of the times, re-engineering the old ones, and embracing new innovative insights.

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