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Extended Abstract

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FINTECH AND FINANCIAL INCLUSION

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FINTECH AND FINANCIAL INCLUSION

ABSTRACT: The paper presents an overview of selected literature on the association of fintech and financial inclusion using keyword analysis. Inferring from the results of the data collected from the published work in the Web-of-Science database, we identify and analyze research trends and make recommendations for further research work.

Keywords: FinTech, Financial Inclusion, Literature Review

INTRODUCTION

Following the introduction of United Nations Sustainable Development Goals (UN SDGs) for the UN 2030 agenda ([UN, 2015](#)), and similar policy initiatives by several international financial organizations and individual governments ([Atkinson, 2013](#)), the study of fintech in promoting and accelerating financial inclusion has generated much academic research interest. A comprehensive overview of the nexus of fintech and financial inclusion of the published academic literature, at this stage, will provide an overview of the emerging research trends in this field and support further research work.

The two concepts are not only interdependent but the adoption of fintech is viewed to be critical for successful financial inclusion for economic growth specially in emerging market economies ([Arner et al., 2020](#)). By providing higher access to financial means for commercial and economic activities, economic welfare of both individuals and society can be improved ([Emara et al., 2021](#)). Economies with developed financial systems with higher financial inclusion exhibit lower levels of poverty ([Mukhopadhyay, 2021](#)). Our research objective is to understand the associations between fintech and financial inclusion by employing data analytics methods. More specifically our research questions aim to highlight current research trends and identify prospective research opportunities using keyword and thematic analysis.

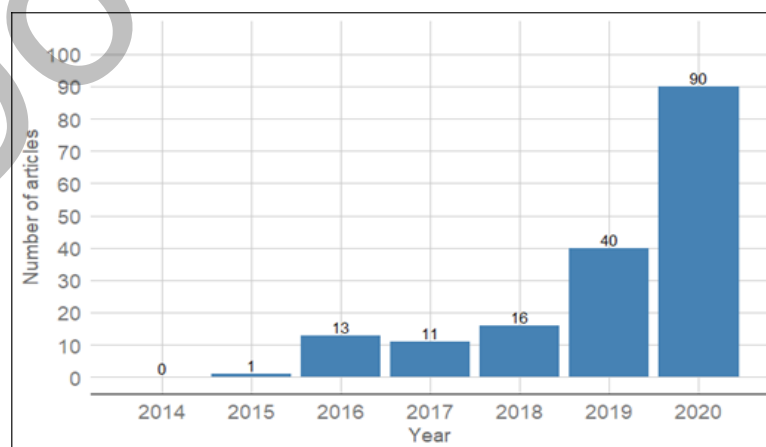
THEORETICAL CONCEPTS

For our research, the concept of financial inclusion is understood as the proportion of individuals who have access to and use financial services (Cooper & Kagel, 2021). By fintech, we understand it as the diffusion and utilization of technological innovations with an intent to provide better, smoother and higher access to financial services for customers (Thakor, 2020). Simultaneously fintech adoption enhances efficiencies of financial systems by making them more robust, and reducing their intermediary and transaction costs (Adhikary et al., 2021; Di Vaio et al., 2021). Its tools promote entrepreneurial activities by offering easier access to financial products (Lagna & Ravishankar, 2021) like easy access to credit (Mukhopadhyay, 2021). In this sense, broader theme of interaction between fintech and financial inclusion is an important subject for research.

RESEARCH METHODOLOGY AND DATA COLLECTION

After developing a theoretical understanding of the two main concepts under investigation, we employ the PRISMA framework methodology in aggregating the extant literature from the digital database using key words and synonyms. A total of 171 articles published from 2014 to 2020 were identified and analyzed to explain our research questions (see Figure 1). We employed scientific methodology, to analyze and synthesize our understanding of the status of research and applications in this field. We used several software applications to test associations, develop clusters and study the emerging themes in the literature.¹

Figure 1: Keyword search-based number of publications



¹ It is not possible for us to include all results here and readers are requested to contact authors for details.

RESULTS AND DATA ANALYSIS

One limitation of our data is that it excludes working papers and examines literature published in the English language alone. Next, we used Web of Science database, which is established as the most widely used in bibliometric studies (Di Vaio et al., 2021) and any limitation of this database must be accounted for while interpreting our results. Further, our objective was to study associations between the two concepts and not interactions, therefore only two strands of literature have been reviewed. We summarize three main findings as follows:

1. Main findings of our analysis shows the growing relevance of fintech in financial inclusion in the past five years (Fig 1). One explanation is the introduction of several policy measures and subsequent initiative worldwide by financial institutions and government to provide access to financial services. COVID-19 accelerated digitalization across the world and this can be an underlying factor for financial inclusiveness (Fig 2).

Figure 2: Number of publications country wise in the research domain

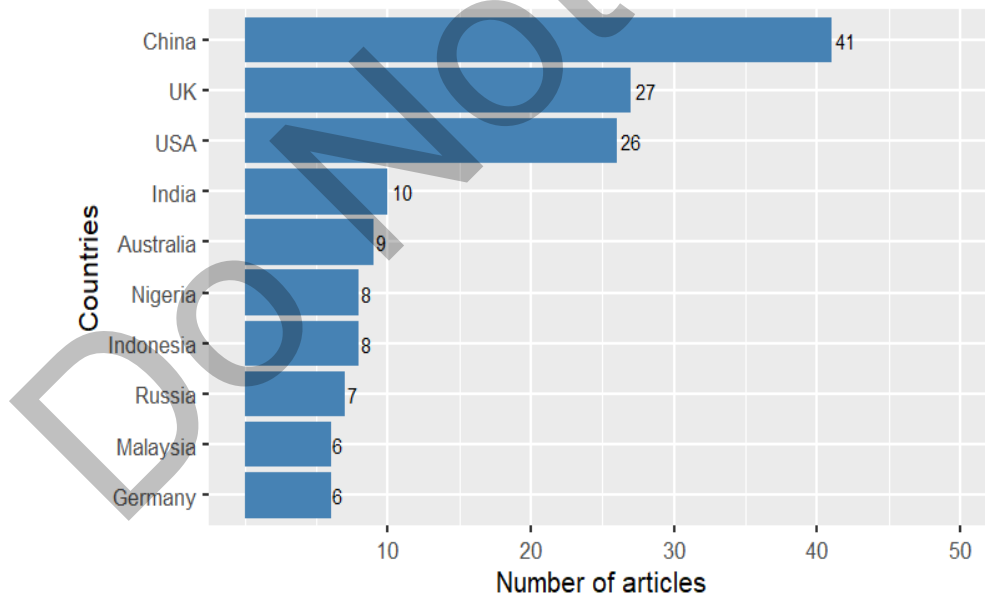
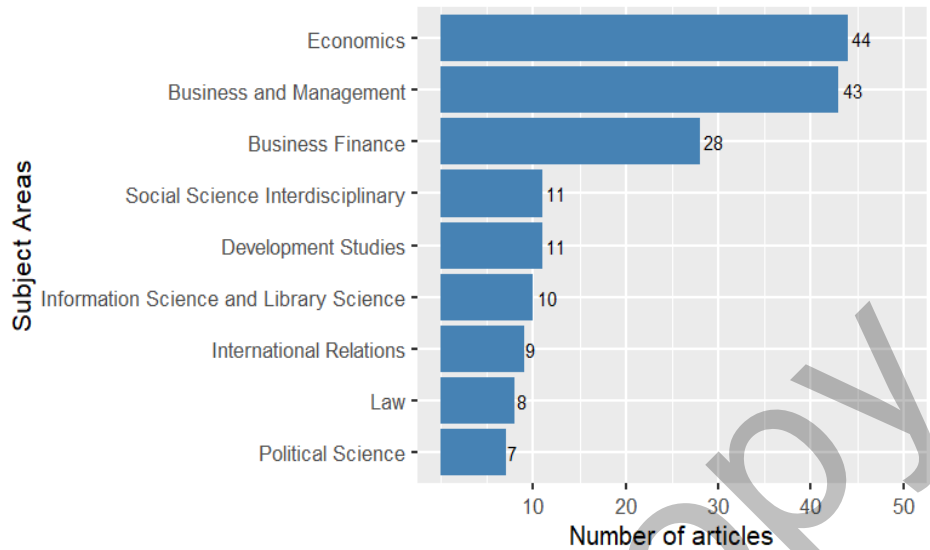


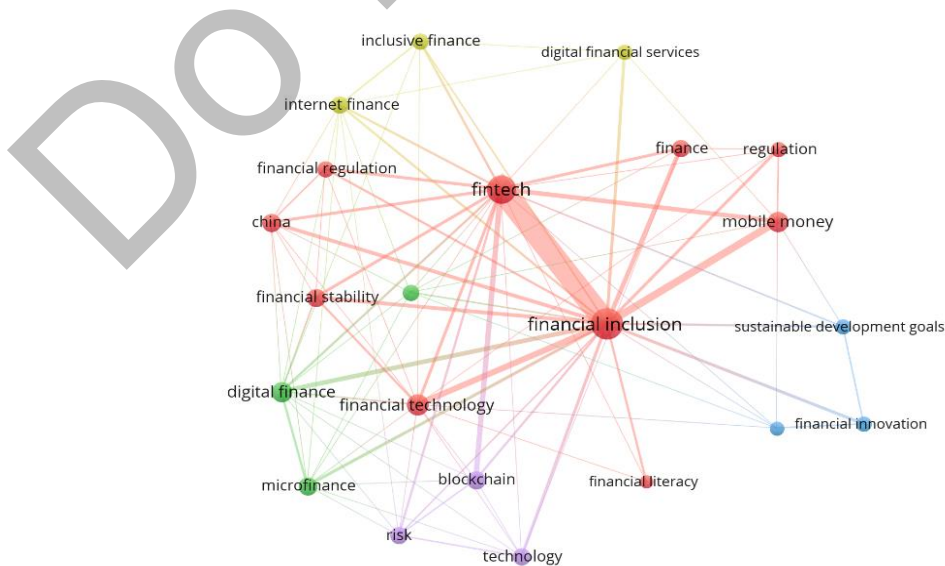
Figure 3: Number of publications area wise in the research domain



2. Higher number of publications in Economic, Business Management Journals indicate the subject matter studied relate to economic and financial welfare (See Fig 3).

3. Our results further show that the relationship between fintech and financial inclusion is positive, which also confirms the prior literature results (Fig 4). In other words, introduction of fintech has shown increase in financial inclusion. It could progressively advance achieving financial inclusion, especially in emerging markets.

Figure 4: Author keywords network



CONCLUSION AND RECOMMENDATIONS

This overview identifies research gap for further exploration, contributing to further research inquiry. We identified three main research themes from the existing literature namely, presence of a relationship between fintech and financial inclusion. Second set of studies focused on the impact of fintech on financial inclusion; followed by fintech and financial inclusion and emerging economies. This helps novice researchers to understand the trends in literature and provide them with a broad overview of the subject matter. Future research examining this relationship in different countries will transpire the nature of this relationship further. In this study we restricted to examining relationship between the two concepts based on published work. Further empirical work on their interactions and with digital literacy, gender or income disparity will exemplify our understanding in this domain. Most studies indicate a positive relationship and impact of fintech on financial inclusion and in congruent to this the policy makers, educational and financial institutions should continue to support and foster fintech to achieve higher financial inclusion.

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