

FinTech, Inclusion and the Digital Shift: Reflections from a National Dialogue in Eastern India

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“Fintech is the intersection of technology, finance, and customer-centricity.”
- Nuno Sebastiao-

Abstract

Financial Technology-better known as FinTech- has not arrived with noise or spectacle. Instead, it has steadily and decisively reshaped how money moves, how decisions are taken, and how trust is built within financial systems. What began as technology supporting traditional banks has today evolved into a dynamic ecosystem of digital platforms, mobile applications, data-driven tools and AI-powered services that place finance directly in the hands of individuals, enterprises and communities.

At a surface level, fintech allows people to transfer money, pay bills, access credit, invest, insure assets and plan for the future: all digitally. But beneath this convenience lies a deeper structural shift. Fintech is redistributing access, compressing time, and redefining participation in the economy. As financial services move away from physical branches and rigid processes, geography, infrastructure gaps and conventional gatekeeping are losing their power.

This quiet transformation set the stage for why fintech was not merely innovative, but inevitable. This paper addresses the importance and the viability of FinTech in Financial Power Economy and how benefits can be/ delivered to the maximize the efficiency with the focus on South Asia, with a special reference to Sri Lanka.

Keywords: Fin Tech, AI powered Fintech, e-economy

Why FinTech Became Inevitable

The rise of fintech is inseparable from the rise of smartphones and widespread internet access. As transport, education, healthcare and communication became digital-first, finance could not remain confined to physical branches, limited working hours and paper-heavy systems.

Banks initially adopted technology cautiously by digitizing internal processes and enabling basic online services. But innovation quickly outpaced incremental reform. Today, fully digital banks operate without a single physical branch, offering seamless, app-based services built around user experience.

More importantly, fintech emerged as a direct response to long-standing inefficiencies:

- Prolonged loan approval cycles
- High transaction costs
- Limited access for rural and informal populations
- Rigid legacy infrastructure

By leveraging APIs, cloud computing, mobile platforms and advanced analytics, fintech bypassed these barriers and reimaged financial delivery from the ground up.

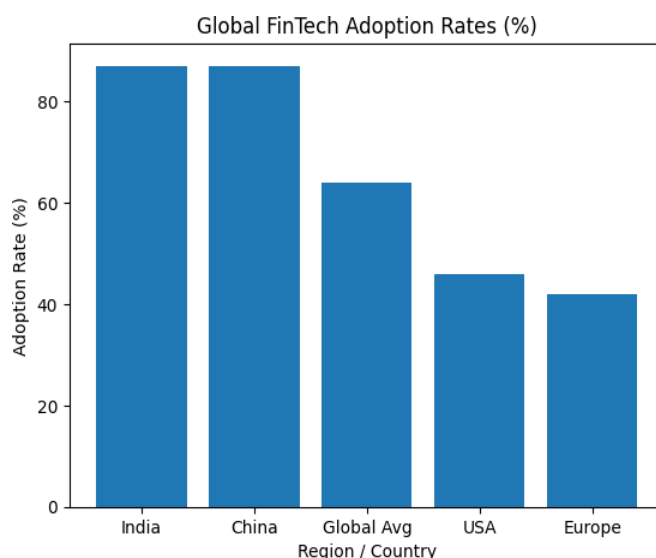
FinTech and the Global Shift in Economic Behaviour

A comparison of global fintech adoption patterns reveals a significant departure from traditional economic hierarchies.

The chart on **global fintech adoption rates** clearly illustrates this transformation. India and China lead the world with adoption rates close to 87 percent, well above the global average of around 64 percent. In contrast, developed economies such as the United States and Europe show adoption levels between 40 and 46 percent.

This inversion of expectations is economically significant. Emerging economies, rather than following legacy financial pathways, have leapfrogged into digital finance ecosystems. This has reduced transaction costs, improved liquidity circulation and accelerated domestic consumption—key drivers of GDP growth.

In India's case, fintech has aligned closely with national economic priorities: formalisation of the economy, expansion of the tax base, and inclusion of informal sectors into structured financial systems.



FinTech as a Tool for Inclusion

Fintech's most profound impact is not technological—it is social and economic inclusion. Digital wallets, app-based lending and mobile banking have extended financial access to individuals and enterprises historically excluded from formal systems.

Key shifts include:

- Digital payments reducing cash dependency
- Alternative credit models serving first-time borrowers
- Micro-investment platforms enabling participation with minimal capital

- AI-driven credit assessment reducing bias and improving accuracy

Digital lending alone is growing at a compound annual growth rate exceeding 16%, reflecting a clear demand for faster, transparent and paperless credit solutions.

In practical terms, inclusion through fintech directly influences employment generation, consumption capacity and local economic development.

As financial inclusion deepens through fintech, its effects begin to scale beyond individual users and enterprises. Once transactions, credit, and savings move into digital channels, inclusion translates into measurable economic activity—shaping consumption, liquidity, and formal market participation. It is through this shift, particularly via digital payments, that fintech’s social impact evolves into macroeconomic momentum.

Digital Payments and GDP Momentum

India’s digital payments ecosystem has expanded at exceptional speed, with annual transaction volumes increasing from under 10 billion in 2018 to over 130 billion transactions by 2024, driven primarily by the widespread adoption of UPI. This growth reflects a fundamental shift in payment behaviour across consumers, businesses, and institutions, positioning digital payments as a core economic enabler rather than a supplementary tool.

At the macroeconomic level, high-frequency, low-cost digital transactions have improved the velocity of money, reduced settlement delays, and lowered transaction costs across sectors. Faster circulation of funds supports consumption, trade, and services activity, contributing

positively to GDP growth. For small and micro-enterprises, digital payments have reduced cash dependency while generating verifiable transaction histories, improving access to formal credit and strengthening financial inclusion.

The expansion of digital payments has also enhanced economic transparency. Reduced reliance on cash has improved traceability of transactions, supported higher tax compliance, and limited revenue leakages, strengthening public finance outcomes. These structural improvements contribute to long-term fiscal stability and enable higher-quality public investment.

Increasingly, economists view digital payment systems as essential economic infrastructure. Their scale and reliability now underpin everyday economic activity, supporting productivity, formalisation, and sustained growth. In this context, fintech-led payment platforms have become integral to India's GDP momentum and broader economic resilience. These macroeconomic gains are not accidental; they are rooted in deeper structural changes enabled by fintech. Beyond accelerating transactions, fintech is reshaping how credit is assessed, how financial institutions operate, and how inclusion is embedded into the economic system itself

FinTech, Inclusion and Structural Change

One of fintech's most transformative roles lies in financial inclusion. Digital lending platforms, AI-based credit scoring and app-driven banking have opened access to credit for individuals and enterprises historically excluded from formal finance. This has direct consequences for employment, consumption and local economic development.

Digital lending, growing at an annual rate exceeding 16 percent globally, demonstrates how fintech substitutes paperwork-heavy processes with real-time decision-making. Combined with AI, fintech now enables personalised financial services on a scale: something traditional banking models struggled to achieve.

At the same time, fintech has allowed financial institutions to operate continuously. AI-powered chatbots, automated compliance systems and real-time fraud detection have reduced operational costs while increasing service availability, an efficiency gain with clear economic value.

As fintech reshapes financial access and institutional operations, the scale and speed of this transformation introduce new systemic risks. Managing these risks becomes essential not only for consumer protection, but for preserving financial stability and sustaining long-term economic gains

Governance, Regulation and Economic Stability

However, fintech's economic promise cannot be realised without robust governance. As financial systems digitise, risks associated with data privacy, cybersecurity and systemic stability increase. Regulatory frameworks worldwide are evolving to balance innovation with protection.

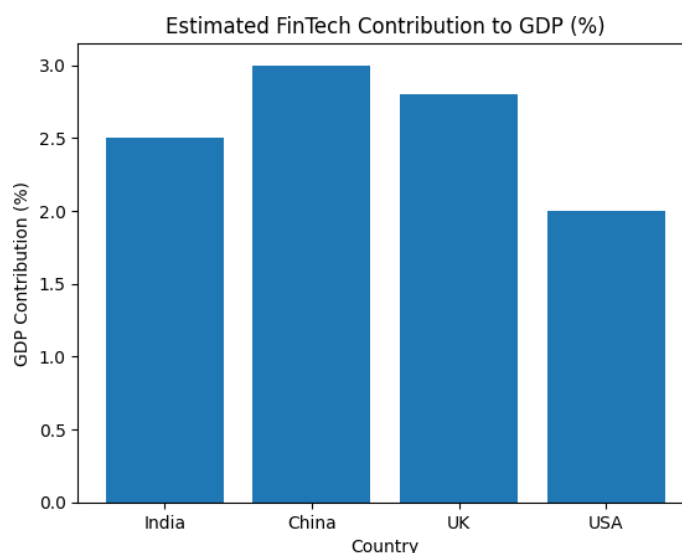
This balance is especially critical in economies experiencing rapid fintech expansion. Sound regulation ensures trust, which in turn sustains adoption and long-term economic benefit.

When regulatory frameworks succeed in balancing innovation with stability, fintech's economic effects become visible at the national level. Trust, scale, and institutional integration allow fintech to move from

isolated solutions to a measurable contributor to economic output.

FinTech's Contribution to National Economies

Fintech's role in GDP is not abstract. This chart compares estimated fintech contribution to GDP across major economies. In India, fintech-driven activities account for an estimated 2.5 percent of GDP, with China slightly higher. The UK, despite its mature financial sector, also demonstrates strong fintech integration, while the US reflects a more gradual transition due to entrenched legacy systems.



These figures are significant because fintech's contribution extends beyond direct revenue. It enhances productivity, enables new business models, improves financial resilience, and supports entrepreneurship. In effect, fintech acts as a multiplier, amplifying the efficiency of existing economic structures.

As fintech's contribution to national economies becomes

increasingly measurable, the role of policy dialogue and institutional convening grows in importance. Translating fintech's economic potential into inclusive, regionally balanced growth requires platforms that connect regulation, industry innovation and public policy—particularly in emerging and underserved regions.

SAIARD's FinTech Symposium: A Regional Economic Intervention

It is within this broader economic and global context that the South Asian Institute for Advanced Research and Development (SAIARD) hosted the National Symposium on FinTech 2026 in Kolkata. For over eight years, SAIARD has functioned as a non-profit policy advocacy think tank working across sectors, focusing on research- driven dialogue and institutional engagement. This Symposium in Kolkata, marked a significant regional economic intervention, engaging regulators, policymakers, banking leaders, and industry innovators from Eastern and North-Eastern India. (Figure.01) .



Fig.01: Fintech Symposium hosted by South Asian Institute for Advanced Research and Development (SAIARD)

The event featured prominent figures, including government leadership and representatives from financial institutions, emphasizing

policy and governance. Notable discussions included skill development, employment, and fintech's role in economic growth. The symposium shifted the dialogue towards practical outcomes and governance readiness, aiming to develop frameworks based on the socio-economic context of the region, emphasizing real discussions over buzzwords.

The Power of Convergence: The Symposium Truly Stood Apart ?

What distinguished the SAIARD National Symposium on FinTech 2026 was its exceptional scale and the diverse array of participants gathered. Senior policymakers, regulators, banking leaders, national digital payment authorities, multilateral institutions, law enforcement, academia, infrastructure agencies, and fintech innovators from Eastern India convened, facilitating rich discussions grounded in regulatory and operational insights. Key attendees included officials from the Reserve Bank of India and National Payments Corporation of India, along with public sector and rural bank leaders. The involvement of multilateral advisory bodies and fintech innovators illustrated the translation of policy visions into practical solutions. Additionally, academic contributions and representation from cybersecurity, law enforcement, and public infrastructure highlighted the expanding role of fintech beyond banking into governance, urban management, mobility, welfare, and national infrastructure. This convergence of perspectives transformed the symposium from a conventional conference into a living policy ecosystem—where regulation, innovation, implementation and impact were discussed together, not in isolation.

Why Convergence Matters for Eastern and North- Eastern India !

For Eastern and North-Eastern India, a symposium highlighted the importance of these regions in national fintech and policy discussions, despite their underrepresentation. It outlined strategies for improving digital payments and credit access in rural areas, empowering local businesses and workers, enhancing regional banks' resilience, and ensuring transparent financial delivery systems. The dialogue emphasized the regions' roles as active participants in creating fintech solutions tailored to their unique contexts.

National Value and Governance Impact

At the national level, the symposium demonstrated the value of decentralized policy dialogue. Insights emerging from regions with diverse economic structures strengthen national frameworks in digital payments, AI governance, cybersecurity and inclusive finance.

For governments, such platforms align regulatory intent with on-ground feasibility. For financial institutions, they provide clarity on policy direction and innovation priorities. For citizens, they translate into systems that are more accessible, transparent and trustworthy. In this sense, the symposium functioned as a policy feedback loop: bridging central vision with regional execution.

Why This Matters Going Forward !

Fintech is no longer optional. It is foundational to digital economies, inclusive growth, efficient governance and global competitiveness. By hosting this symposium, SAIARD demonstrated that thought leadership does not need to be geographically centralised. Eastern and North-Eastern India are not merely adopters of fintech, but they are

contributors to its future. Fintech today is not a supporting actor in economic growth; it is central to it.

What the SAIARD symposium reinforced is a simple truth: sustainable economic transformation requires inclusive platforms, informed policy dialogue and regionally grounded leadership. The SAIARD National Symposium on FinTech 2026 reaffirmed a fundamental truth: sustainable digital transformation cannot be built in silos or confined to a handful of geographies. It requires inclusive platforms, informed leadership and sustained dialogue between those who frame policy, those who build systems and those whose lives are shaped by them.

By convening such a diverse and authoritative group of stakeholders in Eastern India, SAIARD demonstrated that meaningful national conversations can and must emerge from the regions. The symposium did not merely discuss the future of fintech; it illustrated how regionally grounded, collaborative leadership can actively shape that future.

As India advances toward a digitally empowered economy, platforms like this will play a defining role, ensuring that growth is inclusive, governance is responsive, and innovation serves both national ambition and local realities. Fintech, when guided by policy, trust and purpose, does not merely digitize financial redefines the economy itself.

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