



Swami Vivekananda Advanced Journal for Research and Studies

Online Copy of Document Available on: [www.svajrs.com](http://www.svajrs.com)

ISSN:2584-105X

Impact factor 6.2

Pg. 72-75



## Digital Financial Inclusion and Emerging Role of Central Bank Digital Currencies

**Dr. Seema Agnihotri**

Assistant Professor

Brahmanand P.G. College, Kanpur

*Accepted: 18/04/2025*

*Published: 20/04/2025*

*DOI: <http://doi.org/10.5281/zenodo.19494136>*

### Abstract

Financial inclusion has emerged as a key policy for achieving inclusive economic growth particularly in developing countries like India. It refers to the process of ensuring access to appropriate affordable, and timely financial products and services for all section of society, specially the undeserved and unbanked population. In recent years, financial technology has become a transformative force in enhancing the reach and effectiveness of financial inclusion programs, in enabling easier access to banking services through digital platform, mobile banking, e-wallets and online financial products. The main focus of financial inclusive program in India specially it's impact of rural and remote areas. The primary aim of the research to analyze the structure, outreach, effectiveness of major financial inclusion schemes in India.

**Keywords:** *Financial Inclusion, Digital Financial Inclusion, Fintech (Financial Technology), Central Bank Digital Currency (CBDC), Digital Rupee (₹)*

## Introduction: Banking Beyond Boundaries

Imagine a world where you don't need to visit a bank, stand in queues, or fill out endless forms. That world is already here. Today, financial services are just a tap away on our smartphones. This transformation is powered by three powerful forces—Financial Inclusion, Fintech, and Central Bank Digital Currencies (CBDCs).

India, in particular, is leading this digital revolution. With digital payments contributing to nearly 99.8% of transaction volume in 2025, the shift from cash to digital is almost complete. But beyond convenience, this revolution is about something bigger—inclusion, empowerment, and equal opportunity. Financial inclusion which has been a key objective for many developing countries in the last decade, is based on numerous research findings showing broad access to financial services is defined as an absence of price or known price barriers in the use of financial services. The term financial inclusion needs to be interpreted in a relative dimension. The extent of financial inclusion varies between countries depending on the stage of development. Financial services are playing a leading role in societies human and economic development.

### Data of Financial Inclusion: -

The Government of India and the Reserve Bank of India have taken a number of steps towards financial inclusion. As per NSSO, 59th Round survey Results, which shows the level of exclusion is 51.4% of farmer households are financially excluded from both formal/informal sources and the total farmer household only 27% access formal sources of credit, one-third of this group also borrowed from non-formal sources. Overall, 73% of farmer households have no access to formal sources of credit. Financial Inclusion is also more acute in Central, Eastern and Northern areas throughout the regions. In the country, all three regions together account for 64% of former's households that are financially excluded. In these three regions, overall debt to formal sources of finance accounted for only 19.66%. However, rural households have made a significant improvement in access to formal sources of credit over the past five decades.

### Financial Inclusion: Empowering Every Citizen

Financial inclusion ensures that every individual—rich or poor, urban or rural—has access to essential financial services such as banking, credit, insurance, and payments.

## Progress in Numbers

- Over 55 crore Jan Dhan accounts have been opened in India
- Financial Inclusion Index reached 67 in 2025
- Globally, 75% of adults now have bank accounts, compared to just 42% in 2011

These numbers reflect a massive expansion of financial access.

## Why It Matters

Financial inclusion is not just an economic concept—it is a tool for social change. It:

- **Reduces poverty**
- **Encourages entrepreneurship**
- **Empowers women**
- **Strengthens rural economies**

When people gain access to financial services, they gain control over their future.

## Fintech: The Technology That Changed Everything

Fintech (Financial Technology) has revolutionized the way we interact with money. It has made financial services faster, cheaper, and more accessible than ever before.

### The Fintech Boom

- India's fintech sector is growing at 31% annually
- UPI processes 250+ billion transactions every year
- India accounts for ~49% of global real-time digital payments

### Everyday Innovations

- UPI Payments: Instant money transfers 24/7
- Micro-Loans: Credit access without traditional history
- Investment Apps: Start investing with small amounts
- Buy Now, Pay Later: Easy access to short-term credit

Fintech has transformed smartphones into personal banks, bringing financial power into the hands of millions.

## CBDCs: The Future of Money

Central Bank Digital Currencies (CBDCs) are digital forms of official currency issued by central banks. In India, this is known as the **Digital Rupee (₹)**.

### Types of CBDCs

**Retail CBDC:** For public use in everyday transactions

**Wholesale CBDC:** For interbank and institutional transactions

### Latest Developments

- Over 7 million users are already using CBDC in pilot programs
- RBI is actively expanding its usage across sectors

### Why CBDCs Matter

- **Direct Transfers:** Government benefits reach citizens instantly
- **Instant Settlement:** No waiting time for transactions
- **Offline Payments:** Useful in areas with poor internet
- **Reduced Cash Use:** Lower costs and better efficiency

CBDCs are not just a new payment method—they are redefining the concept of money itself.

### India: A Global Digital Leader

India has become a global model for digital financial inclusion through initiatives like:

- Jan Dhan Yojana – Banking access for all
- Aadhaar – Digital identity system
- UPI – World’s leading payment platform
- Digital Rupee – Future-ready currency

Together, these form India’s powerful Digital Public Infrastructure (DPI).

### Challenges: The Digital Divide

Despite remarkable progress, challenges remain:

- **Digital Literacy:** Not everyone understands digital tools
- **Cybersecurity Risks:** Rising online fraud
- **Access Issues:** Limited smartphones and internet in some areas
- **Privacy Concerns:** Data protection and surveillance fears

Bridging this “digital divide” is essential to ensure that no one is left behind.

### Future Outlook: A Fully Digital Economy

Looking ahead to 2030:

- Nearly every adult will have access to financial services
- Cash usage will decline significantly
- AI-driven financial services will become more personalized
- CBDCs may become a global standard

The financial world will become more connected, efficient, and inclusive.

### Conclusion: A Seat at the Table for Everyone

The combination of financial inclusion, fintech, and CBDCs is not just transforming finance—it is transforming lives. It is giving people access, opportunities, and dignity.

For students like us, this is more than a topic—it is the future we will shape. Whether as innovators, entrepreneurs, or policymakers, we have a role in building a financial system that includes everyone.

### References:

1. <https://www.worldbank.org/en/topic/fintech> (24.8.2024)
2. <https://ourworldindata.org/economic-inequality> (Assessed on 05.06.2022)
3. <https://www.centralbank.ie/consumer-hub/explainers/what-is-fintech-and-how-is-it-changing-financial>
4. <https://wid.world/country/india/>(Assessed on 22.12. 2024)
5. Chakrabarti K.C.(2011) Financial Inclusion: A Road India Needs to Travel RBI bulletin November 2011
6. Asif m. Khan, M.N. Tiwari S. Wani, S. K. & Alam,F.(2023). The Impact of Fintech and Digital Financial Services on Financial Inclusion in India. Journal of risk and Financial Management,16(2),122
7. Sharma, M., & Pais,J. (2011) Financial Inclusion and Development Journal of International Development,23(5),613-628.

- 
8. International Journal of tourism research
  9. General Travel research
  10. Asia Pacific journal of tourism research

---

**Disclaimer/Publisher's Note:** The views, findings, conclusions, and opinions expressed in articles

---

published in this journal are exclusively those of the individual author(s) and contributor(s). The publisher and/or editorial team neither endorse nor necessarily share these viewpoints. The publisher and/or editors assume no responsibility or liability for any damage, harm, loss, or injury, whether personal or otherwise, that might occur from the use, interpretation, or reliance upon the information, methods, instructions, or products discussed in the journal's content.

\*\*\*\*\*