

Determinants of Financial Inclusion in Extended BRICS Countries

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ABSTRACT

Financial inclusion plays a crucial role in fostering the economic development of a nation. This research explores the determinants of financial inclusion in the recently extended BRICS countries, encompassing diverse economic landscapes. Using panel data methods, the analysis reveals that GDP per capita negatively affects financial inclusion, suggesting that higher economic output per capita might not uniformly translate into increased financial inclusion. Conversely, gross fixed capital formation emerges as a positive contributor, indicating that increased investment in fixed assets, including financial infrastructure, correlates with higher financial inclusion. Internet usage positively impacts financial inclusion, emphasizing the role of digital connectivity. However, mobile usage and primary education did not exhibit statistical significance in predicting financial inclusion. These results underscore the need for nuanced policy interventions tailored to these diverse nations' economic, technological, and educational contexts. Emphasizing inclusive digital financial solutions becomes imperative as these countries embrace rapid technological advancements.

Keywords: Financial inclusion, Gross fixed capital formation, BRICS, Internet usage, Mobile usage, Panel data analysis.

JEL Classification: G190, O16, O57

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