

# Bridging the Financial Divide through Technology : Empirical Analysis of IT-enabled Financial Inclusion in Andhra Pradesh<sup>1</sup>

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## Abstract

In Financial Inclusion is one of the main drivers of inclusive economic growth, which aims to give the underbanked and unbanked access to reasonably priced financial services. Information and Communication Technology (ICT) is essential for providing financial services to remote areas in India, as demonstrated by programs like the Pradhan Mantri Jan Dhan Yojana (PMJDY). This study investigates how Andhra Pradesh's financial inclusion is affected by IT and IT-enabled services, including debit/credit cards, internet banking, and mobile banking. The goal is to evaluate the level of awareness, usability, usage trends, and difficulties related to digital banking among people in urban, semi-urban, and rural areas. A structured questionnaire was used to collect primary data from 600 respondents across six districts of Andhra Pradesh. The study offers evidence-based recommendations for improving digital access and strengthening inclusive financial practices through targeted interventions.

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## I. Introduction

A KEY COMPONENT of socioeconomic development and equitable growth is financial inclusion, which is the process of guaranteeing that all facets of society, especially the weaker and lower-income segments, have timely, sufficient credit at reasonable rates and access to financial services (Rangarajan Committee, 2008). According to the World Bank (2022), having access to financial services is essential to reducing poverty and serves as a gauge of economic justice. In the quest for universal financial inclusion, information technology (IT) and IT-enabled services (ITES) have become revolutionary instruments in recent years. The banking and financial services

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According to NCAER (2021) and Desai and Joshi (2020), a population's capacity to comprehend and have faith in digital finance systems is essential to their efficient utilisation. An enabling environment is shaped by dynamic, innovation-friendly policies like those promoted by Mehrotra (2022) and the RBI's Financial Literacy Framework (2022), notwithstanding the Regulatory Environment's mixed effect (0.341). The Socioeconomic Impact dimension (0.226) provides additional evidence that context, specifically income levels, employment opportunities, and community-level support systems, play a role in inclusive finance as well as technology (Donou-Adonsou and Sylwester, 2016; Claessens and Rojas-Suarez, 2016).

According to research from global models such as Brazil's Bolsa Família and Kenya's M-PESA (Lauer and Lyman, 2015), Andhra Pradesh's model shows that digital financial inclusion needs to be comprehensive, integrating technology with literacy, human-centric outreach, and regionally relevant goods. Andhra Pradesh has adopted this strategy, as seen by the use of Business Correspondents, grassroots initiatives, and vernacular mobile platforms. In summary, financial inclusion via IT and IT-enabled services is a socio-technical approach rather than just a technology one. A state-specific, scalable strategy that integrates digital infrastructure with user preparedness, supporting regulation, and community involvement is empirically supported by the study. According to the findings, closing the last-mile gaps in digital financial access requires concerted efforts by financial institutions, regulators, and civil society. Other Indian states and emerging economies looking to close the financial gap in the digital era can use Andhra Pradesh's experience as a model.

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