

**DIGITAL FINANCIAL INCLUSION AND IT'S MACROECONOMIC
IMPACTS: A JOURNEY THROUGH GLOBAL ECONOMY.**

RAJSHREE B

*A project report submitted
in partial fulfillment of the requirement for the award of the degree of*

MASTER OF ARTS

IN

GENERAL ECONOMICS



May 2025

MADRAS SCHOOL OF ECONOMICS

Chennai- 600025

ABSTRACT

This study is about examining the Macroeconomic Impacts of Digital Financial Inclusion using panel data from world bank across the global countries. Focusing on Key indicators like GDP percapita, Inflation, Unemployment, and Trade Openness across 277 countries also assessing the countries based on the income levels. The study covers a period of a Decade with four specific years 2011,2014, 2017, 2021. The explanatory variables include the DFI variables like Account ownership, Debit/credit card ownership, ATM density, Formal borrowing, Domestic credit availability, Education while controlling for variables like Population, Broad money, labour force. This study uses Fixed effects and Random effects based on the results from the Hausman tests. The Results suggests that DFI significantly has positive effect on the GDP percapita and reduced the unemployment meanwhile the inflation shown mixed effects with DFI variables suggesting that Inflation is wide affected by many other factors. The results for country specific effects suggested that higher and upper middle income countries had a positive effect on the GDP percapita while mixed effects for inflation and Unemployment. The low income and lower middle income countries effective towards TOI. The lower income countries and upper middle countries are shows that DFI indicators have significant effect on Unemployment. By classifying the countries based on the income levels and framing the specific areas of DFI improvement would lead to faster the Economic growth of the countries. The limitations and future research directions are also discussed.