

Financial Inclusion, Digital Banking, and Commerce Education in Developing Economies: A Review

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ABSTRACT

Financial inclusion has become a fundamental driver of economic growth, poverty reduction, and sustainable development in developing economies. The emergence of digital banking technologies has significantly transformed financial service delivery by expanding access to banking facilities, digital payments, credit services, and investment opportunities. Simultaneously, commerce education plays a crucial role in enhancing financial literacy and preparing individuals to participate effectively in the digital economy. This review examines the relationship between financial inclusion, digital banking, and commerce education in developing countries. The study synthesizes existing literature on digital financial services, fintech innovations, educational interventions, and economic development. Findings indicate that digital banking has substantially improved access to financial services while reducing operational costs and increasing economic participation. However, challenges such as inadequate infrastructure, cybersecurity risks, digital illiteracy, and regulatory barriers continue to limit financial inclusion efforts. Commerce education emerges as an important tool for developing financial awareness, digital competencies, and entrepreneurial capabilities. The review highlights opportunities, challenges, and policy recommendations for achieving inclusive and sustainable financial development in emerging economies.

Keywords: Financial Inclusion, Digital Banking, Commerce Education, Financial Literacy, Fintech, Developing Economies.

1. Introduction

Financial inclusion refers to the provision of affordable, accessible, and appropriate financial services to all individuals and businesses, particularly those traditionally excluded from the formal financial system. Access to banking services, savings accounts, insurance products, digital payment platforms, and credit facilities enables individuals to participate actively in economic activities and improve their quality of life [1]. Developing economies often face significant challenges in providing equitable access to financial services. Rural populations, low-income households, women, and small-scale entrepreneurs frequently encounter barriers that limit their participation in formal financial systems. The emergence of digital banking technologies has created new opportunities for overcoming these barriers by enabling financial services to be delivered through mobile phones, internet platforms, and digital payment systems [2]. Digital banking has transformed traditional banking operations through technological innovations such as mobile banking applications, electronic fund transfers, internet banking, digital wallets, and fintech solutions. These technologies have expanded financial accessibility and reduced dependency on physical banking infrastructure. Commerce education complements these developments by equipping students and professionals with financial knowledge, digital competencies, and business management skills.

Financial literacy and digital literacy are increasingly recognized as essential competencies in modern economies. Educational institutions therefore play a critical role in preparing individuals to utilize digital financial services effectively and responsibly. This review explores the interconnected roles of financial inclusion, digital banking, and commerce education in promoting economic development and social empowerment within developing economies.

2. Methodology

This review adopts a narrative and systematic literature review approach. Relevant publications were identified from major academic databases including Scopus, Web of Science, Google Scholar, ScienceDirect, Emerald Insight, and SpringerLink. Literature published between 2015 and 2024 was considered for analysis. Studies focusing on financial inclusion, digital banking adoption, fintech innovations, financial literacy, commerce education, and economic development in developing countries were selected. Peer-reviewed articles, conference proceedings, institutional reports, and policy documents were reviewed [3]. The collected literature was categorized into thematic areas including digital banking technologies, financial accessibility, educational interventions, economic outcomes, and implementation challenges.

Table 1: Applications, Benefits, and Challenges of Digital Banking and Commerce Education

Technology/Area	Applications in Commerce	Applications in Education	Major Benefits	Important Challenges
Mobile Banking	Online transactions, payments, fund transfers	Financial literacy training	Financial accessibility	Network limitations
Digital Wallets	Cashless payments	Practical fintech learning	Transaction efficiency	Security concerns
Fintech Platforms	Lending, investment services	Innovation education	Financial inclusion	Regulatory uncertainty
E-Commerce Systems	Digital business operations	Entrepreneurship training	Market expansion	Cybersecurity risks
Artificial Intelligence	Customer service automation	Data analytics education	Operational efficiency	Technical skill gaps

3. Financial Inclusion in Developing Economies

Financial inclusion has become a central objective of development policies worldwide. Access to formal financial services enables individuals to save securely, access credit, manage risks, and participate in economic activities. Financial inclusion contributes to poverty alleviation, income generation, and social empowerment. Many developing countries have implemented national financial inclusion strategies aimed at increasing access to banking services. Governments and financial institutions have expanded branch networks, introduced mobile banking services, and simplified account-opening procedures [4]. These initiatives have significantly increased the number of individuals participating in formal financial systems. Financial inclusion particularly benefits marginalized populations, including women, rural communities, smallholder farmers, and micro-enterprises. Access to credit and savings mechanisms enables these groups to invest in productive activities, improve livelihoods, and reduce vulnerability to economic shocks. Despite progress, significant disparities remain. Geographic isolation, limited financial literacy, income constraints, and institutional weaknesses continue to restrict financial access for many individuals.

4. Digital Banking and Financial Transformation

Digital banking has emerged as a key enabler of financial inclusion. Technological advancements have revolutionized financial service delivery by allowing customers to conduct transactions electronically without visiting physical bank branches. Mobile banking applications provide users with convenient access to account management, fund transfers, bill payments, and savings services. Digital wallets and electronic payment platforms facilitate secure and efficient transactions, reducing reliance on cash-based economies [5]. Fintech innovations have further expanded financial accessibility through peer-to-peer lending, crowdfunding platforms, blockchain-based services, and digital microfinance solutions. These innovations provide alternative financial channels for underserved populations. Digital banking offers several advantages, including reduced transaction costs, increased convenience, enhanced service efficiency, and broader geographic reach. Financial institutions can serve remote communities more effectively while customers benefit from greater flexibility and accessibility. The rapid growth of smartphone usage and internet connectivity has accelerated digital banking adoption across developing regions. Governments have also supported digital financial ecosystems through regulatory reforms and digital infrastructure investments.

5. Role of Commerce Education in Financial Inclusion

Commerce education plays an essential role in supporting financial inclusion and digital banking adoption. Educational programs provide students with knowledge of financial systems, banking operations, accounting principles, investment management, and business administration.

Financial literacy education helps individuals understand budgeting, saving, borrowing, investing, and risk management. Enhanced financial literacy improves decision-making and promotes responsible financial behavior. Digital literacy has become equally important in modern financial environments [6]. Commerce education equips learners with the skills necessary to utilize digital banking platforms, online payment systems, and financial management applications. Educational institutions also promote entrepreneurship education, which encourages innovation, business creation, and economic participation. Entrepreneurial competencies enable individuals to leverage digital financial tools for business development and wealth generation. Universities and vocational institutions increasingly integrate fintech, e-commerce, digital marketing, and financial technology courses into commerce curricula. These educational initiatives prepare graduates for participation in digital economies and emerging financial sectors.

6. Role of Experiential Learning in Developing Entrepreneurial Competencies

Experiential learning plays a significant role in developing entrepreneurial competencies by enabling students to apply theoretical concepts in practical business situations. Unlike traditional lecture-based instruction, experiential learning emphasizes active participation, reflection, and real-world problem-solving. Through activities such as internships, business simulations, field projects, start-up ventures, and case studies, students gain firsthand exposure to business operations and entrepreneurial challenges. These experiences help learners understand market dynamics, customer behavior, financial decision-making, and organizational management in authentic contexts [7]. One of the major contributions of experiential learning is the enhancement of critical thinking and problem-solving abilities. Students frequently encounter complex situations that require them to analyze information, evaluate alternatives, and develop innovative solutions. Such experiences foster confidence and self-efficacy, which are essential characteristics of successful entrepreneurs. Experiential learning also encourages creativity, adaptability, and resilience by exposing students to uncertain and dynamic environments where they must respond to changing circumstances, experiential learning strengthens leadership, communication, teamwork, and decision-making skills. Participation in collaborative projects and entrepreneurial activities requires students to interact with diverse stakeholders, manage resources, and coordinate team efforts. These competencies are highly valued in entrepreneurial settings where effective leadership and interpersonal skills contribute significantly to venture success. Consequently, experiential learning serves as a powerful pedagogical approach for nurturing entrepreneurial mindsets and preparing students for business creation and innovation.

7. Impact of Industry-Oriented Commerce Education on Entrepreneurship

Industry-oriented commerce education has emerged as an effective strategy for bridging the gap between academic learning and professional practice. By aligning educational content with industry requirements, this approach ensures that students acquire relevant skills and knowledge needed for contemporary business environments. Industry engagement through internships, guest lectures, mentorship programs, live projects, and corporate collaborations provides students with valuable insights into real-world business operations and entrepreneurial opportunities [8]. Exposure to industry practices enhances students' understanding of market trends, technological advancements, customer expectations, and competitive business strategies. Such experiences help learners develop practical competencies that are often difficult to achieve through classroom instruction alone. Industry-oriented education also promotes entrepreneurial awareness by enabling students to observe successful business models, identify market opportunities, and understand the challenges associated with venture creation and management [9]. Research indicates that students who participate in industry-oriented educational programs demonstrate higher entrepreneurial intentions, stronger innovation capabilities, and improved employability outcomes. The interaction between academic institutions and industry professionals fosters knowledge exchange and provides networking opportunities that can support future entrepreneurial endeavors. As a result, industry-oriented commerce education contributes significantly to the development of entrepreneurial competencies and enhances graduates' readiness to establish and manage successful enterprises.

8. Challenges in Implementation

Despite the recognized benefits of experiential learning and industry-oriented commerce education, several challenges hinder their effective implementation. One of the primary obstacles is the limited availability of strong industry partnerships. Many educational institutions, particularly in developing regions, face difficulties in establishing long-term collaborations with businesses that can provide meaningful learning experiences for students. This limitation often restricts access to internships, live projects, and industry mentoring opportunities. Resource constraints also present significant challenges. Experiential learning initiatives frequently require substantial investments in technology, infrastructure, training facilities, and faculty development. Institutions with limited financial resources may struggle to provide the necessary support for high-quality experiential programs. Additionally, traditional curriculum structures often prioritize theoretical content and leave insufficient flexibility for integrating practical learning experiences. Another challenge relates to assessment and evaluation. Measuring entrepreneurial competencies such as creativity, leadership, innovation, and risk-taking behavior is more complex than assessing conventional academic performance. Furthermore, faculty members may require specialized training and industry exposure to effectively facilitate experiential learning activities.

Without adequate preparation and institutional support, the effectiveness of these educational approaches may be reduced. Addressing these challenges requires coordinated efforts among educational institutions, industry stakeholders, and policymakers to create supportive environments for experiential and industry-oriented learning.

10. Conclusion

Financial inclusion, digital banking, and commerce education collectively contribute to sustainable economic development in developing economies. Digital banking technologies have significantly improved access to financial services and expanded opportunities for economic participation. Commerce education supports these advancements by developing financial literacy, digital competencies, and entrepreneurial skills. Although challenges such as infrastructure limitations, cybersecurity risks, and educational disparities remain, coordinated efforts among governments, educational institutions, and financial organizations can accelerate inclusive financial development. Future policies and educational initiatives should focus on creating accessible, secure, and technology-driven financial ecosystems that benefit all segments of society.

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