



POLICY TAKEAWAYS

DAY 1 SESSION 1.3: DIGITAL TRANSACTIONS IN INDIA OCTOBER 2021

Drivers of Fintech Adoption

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Is the central government's Digital India programme prompting the country's technological transformation or is the increasing sophistication of the private consumer propelling developments? A careful review favours the latter as the primary driver of the India's digital transformation. This transformation has not only instigated broad economic reform, but has also triggered the development of digital infrastructure that is destined to expand digital transactions and to add value throughout all sectors of the economy.

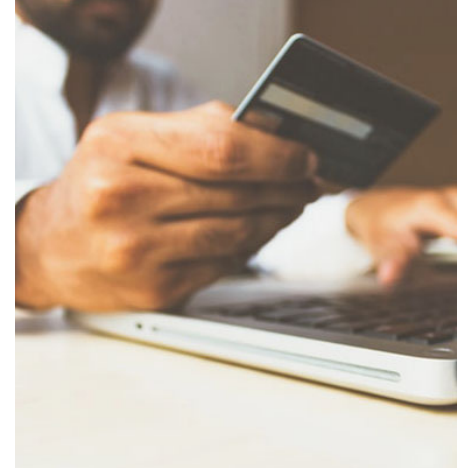


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Key Takeaways

- 1 The initial steps toward the evolution of India's digitisation.**

Since India's "dot com" revolution began in the early 2000s, India's digital transformation has seen companies evolve from a bricks-and-mortar to an e-commerce mode. After some failed attempts, the private banking sector continued to advance the technological capacity to digitize payment systems, thereby driving India's new age of modernization.
- 2 The increasing technological sophistication of Indian consumers has propelled the country's digital transformation.**

By the late 2000s, the Global Financial Crisis (2007–2008) had affected banks' lending capabilities. During this time, Indian consumers were rapidly adopting digital technologies further propelling a surge in online information sharing platforms and the use of portable devices such as smartphones. This, in turn, prompted the rise of tech infrastructure companies determined to satisfy clients' needs and desires for online access and participation. This led to faster ways for local customers to make payments and gain real-time credit assessment.
- 3 Digitalisation of the value chain from private and public sectors.**

Since demonetisation of the Indian economy in 2016, a variety of economic actors—from start-ups to government regulators—have sought to develop infrastructure platforms capable of capturing the emerging value chain and ensuring transactional transparency. This enhanced infrastructure has both streamlined and enabled more complex digital transactions, as well as enabled more advanced functionalities within the digital payment infrastructure.
- 4 A unified approach in regulation and development to bring value to every customer.**

Recently, India's innovative regulatory approach has combined national schemes with national infrastructure to create a more unified expressway for digital transactions and increased accessibility to the entire population. Abhishant argues that this has made India a global leader in interoperability real-time infrastructure payment environments.

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