

Sustainability through Digital Finance: A Move in G20

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Abstract:

Digital finance has arisen as a vital tool in progressing sustainable development objectives, and the Group of Twenty (G20) assumes a huge part in molding worldwide financial strategies. The G20, or Group of Twenty, plays a significant role in promoting digital financial inclusion on a global scale. G20 countries often engage in monitoring and evaluation of their digital financial inclusion efforts to assess progress and identify areas that require further attention and improvement. Its primary focus is on international financial stability and economic cooperation. Digital finance can possibly progress sustainable development by advancing financial inclusion, financial development, natural sustainability and social development. To completely understand these commitments, it is necessary to guarantee that advanced monetary frameworks are open, secure, and very much controlled to safeguard the interests. The G20 nations can set the example for the rest of the world of digital finance practices by public monetary and non-monetary establishments, including worldwide associations. These commitments emphasize expanding access to affordable and secure digital financial services as a means to promote economic growth and reduce poverty. This study focus is to know about the role of G20 in digital financial inclusion and its contribution in Indian economy for sustainable development. This study mainly focuses on Sustainable development encompasses economic, social, and environmental dimensions, and digital finance impact on each of these aspects.

Key Words: Digital, Inclusion, Sustainable Development, Finance, International etc.

Introduction

Digital financial inclusion is focuses on extending access to digital financial services, which include mobile banking, online payments, digital wallets, and other digital tools. Digital financial inclusion leverages technology to make financial services more accessible and cost-effective, especially in regions with limited physical infrastructure. It enables people to conduct financial transactions conveniently through their mobile devices or computers. Digital finance expects to give admittance to advanced monetary services for all, while advanced monetary proficiency centers on furnishing people with the information and abilities to successfully utilize these administrations. These concepts are intertwined and play a vital role in promoting financial well-being and economic empowerment in the digital age.

The G20, or Group of Twenty, plays a significant role in promoting digital finance on a global scale. The G20 is a global discussion including 19 of the world's biggest economies. Its primary focus is on international financial stability and economic cooperation.

Policy Coordination and Advocacy: The G20 serves as a platform for member countries to coordinate their policies and share best practices related to financial inclusion and digital finance. It advocates for approaches that advance the inescapable reception of digital financial administrations to around the world improve monetary consideration.

Setting Global Standards: The G20 encourages the development and adoption of global standards and regulatory frameworks for digital financial services, including measures to ensure data security and consumer protection. It promotes interoperability and standardization in digital financial infrastructure to facilitate cross-border transactions and expand financial access.

Financial Inclusion Commitments: The G20 has made commitments to advancing financial inclusion, including digital financial inclusion, through drives like the G20 financial inclusion Activity Plan and the G20 Significant Level Standards. These commitments emphasize expanding access to affordable and secure digital financial services as a means to promote economic growth and reduce poverty.

Support for Digital Infrastructure: The G20 encourages investments in digital infrastructure, such as broadband internet access and mobile networks, to ensure that people in both urban and remote areas can access digital financial services. It recognizes the importance of infrastructure development in bridging the digital divide.

Capacity Building and Technical Assistance: The G20 supports capacity-building efforts and technical assistance programs to help countries develop the necessary skills and regulatory frameworks for digital financial inclusion.

Inclusion of Underserved Groups: The G20 emphasizes the importance of including underserved populations, such as women, low-income individuals, and small and medium-sized enterprises (SMEs), in the digital financial ecosystem. It encourages policies and initiatives that target these groups to ensure that they benefit from digital financial inclusion.

Data Sharing and Research: The G20 facilitates the exchange of data and research on digital financial inclusion to help member countries make evidence-based policy decisions. It advances investigation into the effect of monetary incorporation on monetary turn of events and monetary security.

Engagement with Stakeholders: The G20 engages with various stakeholders, including financial regulators, private sector representatives, civil society organizations, and international institutions, to foster collaboration in advancing digital financial inclusion.

The G20 plays a crucial role in shaping the global agenda for digital financial inclusion by promoting policies, standards, and cooperation among member countries and stakeholders. Its efforts aim to harness the potential of digital finance to improve financial access, economic opportunities, and overall well-being for people around the world.

Contribution of digital finance in sustainable development

Digital finance, often referred to as fintech (financial technology), has the potential to make significant contributions to sustainable development in various ways. Sustainable development encompasses financial, social, and ecological aspects, and digital finance can have a positive impact on each of these aspects.

Financial Inclusion: Digital money can extraordinarily extend monetary consideration by giving admittance to monetary administrations to unbanked populaces, remembering those for remote and provincial regions. Admittance to banking, reserve funds, and installment administrations can assist people and organizations with dealing with their funds, set aside cash safely, and take part in the conventional economy, at last diminishing neediness and pay imbalance.

Economic Growth and Job Creation: Advanced money can cultivate financial development by empowering little and medium-sized ventures (SMEs) to effectively get to credit and capital more. It can also create job opportunities through the growth of fintech companies and the expansion of digital financial services.

Reducing Transaction Costs: Digital finance reduces the costs associated with traditional financial transactions, such as cash handling and paper-based processes. Lower transaction costs can benefit businesses, individuals, and governments, resulting in more efficient resource allocation and increased economic productivity.

Financial Education and Literacy: Digital financial platforms can provide educational resources and tools to enhance financial literacy among users. Improved financial literacy empowers individuals to make better financial decisions, save more effectively, and plan for long-term financial goals.

Environmental Sustainability: Digital money can add to natural supportability by decreasing the requirement for actual framework, for example, bank offices and ATMs, which consume energy and assets. Electronic transactions and digital payments also reduce the demand for paper-based financial transactions, which can help conserve forests and reduce waste.

Access to Clean Energy: Digital finance can facilitate access to clean energy solutions by enabling innovative financing models for renewable energy projects. This can support the transition to cleaner and more sustainable energy sources, contributing to environmental goals.

1. **Disaster Response and Resilience:**
 - Digital financial services can be instrumental in disaster response and resilience building.
 - In the aftermath of disasters, digital payments and mobile money can be used to distribute aid and financial assistance quickly and efficiently to affected populations.
2. **Monitoring and Reporting:**
 - Digital finance systems can enhance transparency and accountability by providing real-time data on financial transactions.
 - This can be especially valuable in monitoring and reporting on progress toward sustainable development goals (SDGs) and ensuring that resources are allocated effectively.
3. **Access to Healthcare and Education:**
 - Digital finance can enable access to healthcare and education services through digital payment for medical expenses and school fees.
 - This can improve the well-being and educational attainment of individuals, contributing to social and human development.
4. **Reducing Corruption and Improving Governance:**
 - Digital finance can help reduce corruption by promoting transparency in financial transactions and government expenditures.
 - It can also facilitate efficient and accountable public financial management.

Sustainable development is a comprehensive idea that tries to adjust financial, social, and natural aspects to address the issues of the present without compromising the capacity of people in the future to address their own issues. Digital finance, which includes a wide range of financial services and transactions conducted electronically, has the potential to impact each of these dimensions in various ways:

1. **Economic Dimension:**
 1. **Financial Inclusion:** Digital money can work on monetary inclusivity by giving admittance to monetary administrations to underserved and unbanked populaces. This can prompt expanded monetary interest and potential open doors for the people who were recently barred from the formal monetary framework.
 2. **Efficiency and Productivity:** Digital financial tools and technologies can enhance efficiency in financial transactions, reducing costs and increasing the speed of transactions. This can stimulate economic growth by facilitating smoother business operations and trade.
 3. **Access to Capital:** Digital finance platforms, such as crowd funding and peer-to-peer lending, can connect businesses and individuals with potential sources of capital, promoting entrepreneurship and innovation.
2. **Social Dimension:**
 1. **Poverty Reduction:** Further developed to digital monetary administrations can assist with lifting individuals out of neediness by furnishing them with a way to save, contribute, and access credit.

2. **Gender Equality:** Advanced money can engage ladies by giving them command over their monetary assets, empowering them to save, make installments, and access credit autonomously, in this way adding to gender balance.
 3. **Education and Healthcare:** Digital finance can facilitate the delivery of education and healthcare services through online payment systems, improving access to these critical services, particularly in remote or underserved areas.
3. **Environmental Dimension:**
1. **Reducing Paper Usage:** The shift to digital financial transactions can reduce the consumption of paper and resources associated with traditional banking, such as physical branches and paperwork.
 2. **Sustainable Investments:** Digital finance platforms can promote sustainable investments by offering options for socially responsible and environmentally friendly investments, aligning financial decisions with environmental goals.

In summary, digital finance, when harnessed within the framework of the G20, can be a powerful tool for advancing sustainable development by promoting financial inclusion, supporting sustainable investments, enhancing financial stability, and fostering innovation. However, it is essential for G20 members to collaborate effectively, set clear goals, and focus on dependable and moral utilization of digital money to guarantee that it really adds to sustainable development on a worldwide scale.

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