

The Impact of Financial Inclusion on Poverty Level in the South Asian Countries

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Abstract

Introduction - This research studies the Impact of financial inclusion on poverty levels in South Asian countries. Poverty is one of the most critical problems confronting society today.

Methodology - The study sample consists of Five South Asian countries. The data was collected from 2004 to 2021 to determine the impact of financial inclusion on poverty levels in South Asian countries. The number of Bank branches per 100000 adults, Number of ATMs per 100000 adults, Outstanding deposits with commercial banks (% of GDP), and Outstanding loans from commercial banks (% of GDP) represent the study's independent variables. The poverty Headcount ratio represents the Dependent variable. Panel data regression model is used as cross-sectional and time series nature of data through STATA software.

Findings - Based on the results, Findings also revealed that the Number of ATMs per 100000 adults significantly impacts the Poverty level in South Asian countries, and the Financial Access dimension has a partially significant impact on the Poverty Level in South Asian Countries.

Conclusion - The model results derived that the Financial Access dimension partially impacts the Poverty level. The impact of the Usage dimension is not significant on the poverty level. Number of Bank branches per 100000 adults, Outstanding deposits with commercial banks (% of GDP), and Outstanding loans from commercial banks (% of GDP) do not significantly impact the Poverty level in South Asian countries. The study's findings will guide decision-makers of the nations, Governments, academics, and other stakeholders in strategic planning and effective decisions.

Keywords – Financial Inclusion, Poverty, South Asia, Financial Usage, Financial Access