ABSTRACT

This research delves into the factors of digital financial inclusion in Pakistan, focusing on impact of ATMs, literacy rate, internet access, and GDP growth. Employing Ordinary Least Squares (OLS) regression analysis, the study investigates the relationships between these factors and the growth in digital financial inclusion in Pakistan. Data ranging from 2011 to 2021 provide robust insights into the dynamics of digital financial inclusion in the context of Pakistan. Before analyzing the data, descriptive statistics of each variable along with scatter plots is explained to define the dynamics of each factor and digital financial inclusion along with tests of stationary. The findings shed light on the nuanced interplay between technological infrastructure, socioeconomic factors, and economic growth in shaping the landscape of digital financial services adoption. More specifically, this study revealed a significant positive relationship between access to ATMs, access to internet and literacy rate on digital financial Inclusion in Pakistan. By testing the assumptions of heteroskedasticity, serial correlation, autocorrelation and normal distribution of data, this study also validated the results obtained through this model. This research contributes to the understanding of policy implications aimed at fostering greater financial inclusion through digital channels in Pakistan and similar countries.