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EXAMINING THE ROLE OF REMITTANCE AND PRODUCTS IN PROMOTION OF FINANCIAL INCLUSION

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Abstract:

The use of remittances and financial inclusion. A report by the International Fund for Agricultural Development and the World Bank Group to the G20 Global Partnership for Financial Inclusion. This article provides an overview of the relevant general trends in leveraging remittances as a means to enhance financial inclusion, and it underscores the importance of maximizing the economic impact of remittances towards sustainable development. It describes different patterns (domestic vs. international; circular settlement), the segmentation of utilization according to region of destination or origin, and the related behaviours in the utilization of remittance services. It also defines an analytical framework for understanding the instrumental role of remittances as a means to foster financial inclusion. While the extra demand for products and services helps develop local markets and supports businesses, expanding financial infrastructure provides access to services that are often not available in more remote urban or rural areas

Key Words: Remittance, Inclusion, transaction, Instruments

INTRODUCTION:

Over the past 15 years, as reporting has improved, remittances have emerged as a key item in the global development agenda. With over USD500 billion expected to be sent by migrant workers to their home countries in 2015, remittances represent a key flow of foreign currency. The impact on local communities is tremendous, as remittances bring in large amounts of funds that help sustain millions of families. Officially introduced for discussion in 2004 at the Sea Island Group of Eight (G8) meetings, the topic has since been recognized and included as a key developmental theme on the agendas of governments, international organizations and NGOs.

REMITTANCES AND DEVELOPMENT:

Remittances are defined as cross-border, person-to person payments of relatively low value. Migrants send on average USD200, typically but not always on a monthly basis. While this amount may appear small, it is often 50 per cent or more of their family's income back home. In fact, it is on the receiving end that remittances are perceived as anything but 'relatively low value'.

Governments, the development community, the private sector (full-service banks, MFIs, postal networks, and mobile phone companies, among others) and the civil society have the dual challenge of expanding access to financial services (particularly in rural areas where the majority of the financially excluded reside) and of broadening the range of financial products offered to remittance senders and recipients. Financially excluded populations actively make use of unregulated financial services, because financial institutions are either unwilling or unable to provide the services that suit their needs. However, since migrants already use and rely on remittances, and the financial sector provides efficient money transfer services, remittances can be the link between the needs of the financially excluded class and the interests of the financial sector. Remittances are a gateway to financial citizenship; they create a starting point to build other inclusive and sustainable financial services. A transaction or deposit account can lead to a broader range of responsible financial services provided through stronger and more diverse financial institutions. When remittances are received through regulated financial intermediaries, savings can occur and can be reinvested in the local community; they can act as an engine for local development; and they can function as a buffer against instability at the macroeconomic level. To understand just how important remittances are, it is essential to understand their effects at national, community and household levels.

EFFECTS OF REMITTANCES AT THE NATIONAL LEVEL:

Aggregated at the macroeconomic level, remittances can be a potent force. Approximately 25 countries receive 10 per cent or more of their GDP from remittances. In countries such as Tajikistan, remittances account for 42 per cent of GDP, and this figure is even higher for Somalia, where estimates are close to 50 per cent. The impact of such a large inflow of cash is monumental in its own right, but there are further effects as well. Remittances act as a safety net, lifting families out of poverty and reducing the demand on public social programmes. Remittances provide recipient countries with a source of hard currency, making it easier for governments to borrow money at a lower cost.

During times of political instability, economic strife or natural disaster, remittances tend to increase as the increased needs of family members cause migrants to send more money home. This

contribution provides an important economic buffer during periods when foreign investors are likely to withdraw their funds. Naturally, there are also negative externalities. As is the case with exports, large volumes of remittances tend to increase the value of a country's currency, which renders the country's products and services more expensive on world markets.

EFFECTS OF REMITTANCES AT THE COMMUNITY LEVEL:

The effects of remittances at the community level receive little attention from policymakers, but they provide an infusion of cash into local commerce, and they help develop financial infrastructure and financial intermediation. Migrants also invest in and donate funds to their local communities. These investments help create local jobs so that others do not need to migrate. Furthermore, migrant philanthropy can play an important role in helping communities supplement their locally available social services through the building of schools, community centres, medical facilities, religious buildings and infrastructure.

EFFECTS OF REMITTANCES AT THE HOUSEHOLD LEVEL:

Remittances have been called the world's largest poverty reduction programme. Amounting to as much as 40 per cent of family income, remittances are mostly spent on basic necessities such as food, clothing and shelter; but once these are covered, the remainder is invested in human capital, health and education, or housing. Although referred to as a 'non-productive' use of assets, these funds are vital in lifting millions of families out of poverty.

Moreover, remittances provide regular inflows into household budgets that are subject to income volatility and seasonality in rural areas; and they are reliable and timely in times of crisis. This unique source of income allows receiving households to face unpredictable problems, to save residually from amounts received in good months, to affect monthly loan repayments, or to support investment in productive assets. It is estimated that, over time, between 20 to 30 per cent of the remittances received can be used for savings and investment.

An estimated 2 billion or 38 per cent of working age adults globally have no access to the types of financial services delivered by regulated financial institutions, and 73 per cent of poor people are unbanked. This amounts to more than half of adults in the poorest 40 per cent of households in developing countries. There is a direct correlation between this financial exclusion and poverty. Without access to financial services, savings cannot accrue interest in deposit accounts, they cannot be lent out to be reinvested in the local economy, and no credit history can be built to judge a person's creditworthiness.

In many communities, this exclusion means that people are only able to save informally (through the purchase of land or durable goods, or money saved ‘under the mattress’); and they must rely on relatives or local lenders for borrowing, typically with severe limitations in terms of amounts, availability and costs. In contrast, those who do have access to a combination of regulated financial services can have significant benefits such as: mitigation of unforeseen expenses risk, smoothed consumption, increased productive investment, elevated productivity and income, and greater expenditures on education and preventive health. Moreover, these benefits create a virtuous cycle, with greater financial access leading to greater ability to invest in local communities and financial intermediation, and thus extending financial opportunities to other impoverished individuals. Among the financially excluded are migrant workers and their families back home.

While it is impressive that this group represents an industry worth USD430 billion a year in remittances from host countries to home countries, this economic engine is largely untapped because the financial sector fails to understand and/or is unwilling to adapt to the specific needs of migrants and their families. Through a better understanding of this population such remittance flows could be leveraged to pull people out of poverty, to develop home countries’ economic infrastructure and to profit the financial sector.

With the recognition of the impact that remittances have on development and financial inclusion, it is imperative that governments and the private sector to explore ways to maximize this impact by scaling up successful policies and models. Through considered intervention and policy changes, individuals can be brought into the financial system to achieve their personal financial goals. Regions, especially rural areas, can build their financial infrastructure to lift entire communities out of poverty.

OBJECTIVES OF THE STUDY:

1. Asses the current state of financial inclusion in the target Population and identify key barriers
2. Examine the adoption and usage pattern of Sakthi sugars digital transactions among the target Population
3. Identify the factors influencing the adoption and usage of Sakthi sugars digital transactions

STATEMENT OF THE PROBLEM: The relevance of addressing the remittance-development nexus needs to be contemplated first, given that remittances are private and mostly individual flows. More knowledge is needed on remittances so as to address the remittance-development nexus correctly. Remittances are heterogeneous flows that need heterogeneous political responses. Challenges are not

the same for all stakeholders. For instance, migrants' priorities are to have their savings transferred cheaply and safely, while macro authorities in recipient countries may want to cultivate a positive balance of payments. Lowering the costs of transferring and receiving remittances is a challenge for both senders and recipients. Improving the impact of remittances on development is a major challenge for donors. Remittances might not have a substantial impact on poverty and inequality.

NEED OF THE STUDY: Remittances provide the catalyst for financial market and monetary policy development in developing countries. Guilano and Arranz study found that remittances improve credit constraints on the poor, improve the allocation of capital, substitute for the lack of financial development and thus accelerate economic growth. Remittances in the world represent one of major international financial resources, which sometimes they exceed the flows of foreign direct investment (FDI). For centuries, there have been heated debates on the sources of economic growth in developing economies and also why some countries reflect strong economic growth comparing to others.

REVIEW OF LITERATURE:

Pradhan (2016) investigated the short and long run impacts of remittances on the economic growth of BRICS countries. He used panel data over the period 1994-2013 and used various dynamic econometric techniques such as panel co-integration test, fully modified OLS, and panel vector error correction model. His findings suggest that there is a long run negative impact of remittances on economic growth of the BRICS countries as a whole. The results of individual country wise regressions suggest that remittance has significant negative impacts on growth in Brazil, Russia and India. Only in China, the effect of remittance on growth is positive and significant.

Imai et al. (2014) examined the effect of remittances on economic growth in 24 Asia and Pacific countries and utilizing annual panel data over the period 1980 to 2009. They took the growth of real per capita GDP as the dependent variable and controlled for remittance-GDP ratio, lagged per capita GDP, inflation, financial sector development as percentage of GDP, extent of internal armed conflicts, fuel export as a ratio of merchandise exports, capital account openness, and investment GDP ratio. They used fixed and random-effects models, and fixed and random-effects 2SLS models. They found that remittance has significant positive impacts on economic growth. They also found that the volatility of remittance and FDI flows is harmful to economic growth. Their findings suggest that remittance flows significantly contributes to poverty reduction.

Siddique et al. (2012) examined the impact of remittances on the economic growth of Bangladesh, India, and Sri Lanka using time series data over 1976 - 2006. They used co-integration and Granger Causality technique in a VAR framework. They did not find long run impact of remittances on economic growth, although they found short run impacts of remittance on economic growth in Bangladesh and Sri Lanka. Some authors have expressed concern about the credibility of the estimates regarding effects of remittance at the macro levels. This is particularly due to two main reasons – first, a substantial part of the remittances in the developing countries are sent through unofficial channels. While study findings are mostly based on official data, the findings of the cross country results may not necessarily reflect the complete picture of the effect of remittances; second, much of the empirical works are based on cross sectional findings. Reverse causation is a major concern in such studies. Even though the reverse causation is not a problem, it is sometimes difficult to separate the effect of unobserved third factors.

Alcaraz et al. (2012) estimated the impact of remittances on child labour and school attendance in Mexican immigrants in the USA. They considered the 2008-09 US recession as an exogenous shock on the remittance recipient Mexican households which had resulted significant increase in the unemployment rates among the Mexican immigrants in the USA. They found that the negative income shock due to recession had considerable short-run effect in increasing child labour and reducing school attendance of children aged 12-16 years old among the recipient households.

Mckenzie & Rapoport (2011) suggested that migration had significant negative effects on school attendance and attainment in rural Mexico. They argued that the negative effects of migration on educational achievement could be driven by – (a). less parental inputs into educational achievement; (b). children may be required to undertake household work or help mitigate the labour shortage in absence of the migrant family member(s); and (c). low expected returns to education in the desired countries specially in the context of illegal migration (as in the case of Mexican migrants in the USA).

RESEARCH METHODOLOGY:

RESEARCH DESIGN: This study employs a Descriptive Research Design, which aims to accurately portray the characteristics of the participants and determine the status of the phenomena being investigated. It goes beyond mere collection and enumeration of data to encompass thorough

analysis, interpretation, comparison, and the discernment of patterns and relationships.

SAMPLE DESIGN: The sample design outlines the strategy for selecting a subset of the population to be surveyed. This includes the Sampling Unit, Sampling Procedure, Sampling Technique, and Sample Size.

SAMPLING UNIT: Main objective of the research is to examine the role of remittance and products in promotion of financial inclusion - an analysis of influence of digital transaction. Sampling Unit of the research is from the client in Sakthi Sugars.

SAMPLING TECHNIQUE: This research focuses on Probability Sampling, a technique where every member of the population has a known and equal chance of being selected, ensuring a representative sample for accurate data analysis.

SAMPLE SIZE: Sample size refers to the number of sample units be selected from the universe for the data collection activity. The sample size should neither be too large nor too small, it should be optimum. A study of sample constitutes 58 respondents constituting in the research area.

DATA COLLECTION: The data was collected using both by primary data collection Methods questionnaire through google forms as well as secondary sources.

TOOLS USED IN STUDY: Before processing the responses, the completed questionnaires were edited for completeness and consistency. The study generated quantitative data which was coded and entered into Statistical Packages for Social Scientists (SPSS) and analyzed using descriptive statistics. Quantitative data was presented in tables and explanation in prose. The analytical tools using SPSS such as Descriptive Statistics, One-Way ANOVA, One Sample T-Test, Kruskal Walley H-test and Chi-Square test.

Hypothesis to be tested:

1. To find if there is significant association between the age group and the user experience ratings for the ease of use of Sakthi Sugars Digital transactions
2. To find if there is significant mean difference between the age group and transparency of Sakthi Sugars digital transactions in terms of fees and charges
3. To find if there is significant relationship between Gender and Satisfaction with the security of sakthi sugars digital transactions
4. To find if there is significant relationship between the Gender of the respondents and their

awareness of financial products

5. To find if there is significant relationship between the monthly income and the most frequently used remittance or payment products

ANALYSIS AND INTERPRETATION:

SAKTHI SUGARS REMITTANCE & PAYMENTS SATISFACTION RATING

Descriptive Statistics	
Factors	Mean
Cost efficiency	3.7241
Transaction speed	3.1552
Ease of convenience	3.1552
Customer support	2.5862
Security measures	3.3966

From the above the descriptive statistics for the Sakthi Sugars Remittance & Payments Satisfaction Rating are ranked from 'Cost efficiency' stood at first with the highest mean score 3.72, followed by 'Security measures' stood at second with the mean score 3.40, 'Transaction speed' stood at third with the mean score 3.16, 'Ease of convenience' stood at third with the mean score 3.16, and finally 'Customer support' stood at fourth with the mean score 2.59.

MOTIVATORS FOR ADOPTING SAKTHI SUGARS DIGITAL TRANSACTIONS

Descriptive Statistics	
Factors	Mean
Lower transaction fees or charges	4.6034
Clear & detailed instructions on how to use the platforms	3.2759
Enhanced security measures	3.4310
Promotional offers or incentives	2.8103
Recommendations from friends or family	2.8966
Increased trust in digital payment systems	3.0000

From the descriptive statistics for the Motivators for Adopting Sakthi Sugars Digital Transactions are ranked from 'Lower transaction fees or charges' stood at first with the highest mean score 4.60, followed by 'Enhanced security measures' stood at second with the mean score 3.43, 'Clear & detailed instructions on how to use the platforms' stood at third with the mean score 3.28, 'Increased trust in digital payment systems' stood at fourth with the mean score 3.00, 'Recommendations from friends or family' stood at fifth with the mean score 2.90, and finally 'Promotional offers or incentives' stood at sixth with the mean score 2.81.

IMPACT RATING OF REMITTANCE & PAYMENTS ON FINANCIAL INCLUSION

Descriptive Statistics	
Factors	Mean
Financial Awareness	3.6552
Quality of services	3.6207
Access to financial services	2.9828

The above descriptive statistics for the Impact Rating of Remittance & Payments on Financial Inclusion are ranked from 'Financial Awareness' stood at first with the highest mean score 3.66, followed by 'Quality of services' stood at second with the mean score 3.62, and finally 'Access to financial services' stood at third with the mean score 2.98.

INFLUENCE OF SAKTHI SUGARS REMITTANCE & PAYMENTS ON FINANCIAL RESILIENCE

Descriptive Statistics	
Factors	Mean
Enhanced ability to meet financial obligations	3.5000
Improved ability to cope with financial emergencies	3.4138
Enabled better financial planning & budgets	3.1552
Increased in overall financial security	3.1552

From the the descriptive statistics for the Influence of Sakthi Sugars Remittance & Payments on Financial Resilience are ranked from 'Enhanced ability to meet financial obligations' stood at first with the highest mean score 3.50, followed by 'Improved ability to cope with financial emergencies' stood at second with the mean score 3.41, 'Enabled better financial planning & budgets ' stood at third with the mean score 3.16, and finally 'Increased in overall financial security ' stood at third with the mean score 3.16.

KEY CONSIDERATIONS IN RATING REMITTANCE & PAYMENTS PRODUCTS

Descriptive Statistics	
Factors	Mean
Cost / fees	3.2414
Exchanges rates	3.1724
Speed of transactions	3.2241
Security measures	3.1552
Convenience & ease of use	3.2241
Availability of multiple measures	3.5345
Trust worthiness of the service providers	3.2586

From the above descriptive statistics for the Key Considerations in Rating Remittance & Payments Products are ranked from 'Availability of multiple measures ' stood at first with the highest

mean score 3.53, followed by 'Trust worthiness of the service providers ' stood at second with the mean score 3.26, 'Cost / fees' stood at third with the mean score 3.24, 'Speed of transactions ' stood at fourth with the mean score 3.22, 'Convenience & ease of use ' stood at fourth with the mean score 3.22, 'Exchanges rates ' stood at fifth with the mean score 3.17, and finally 'Security measures ' stood at sixth with the mean score 3.16.

CHI-SQUARE TEST

H1: There is no significant association between the age group and the user experience ratings for the ease of use of Sakthi Sugars Digital transactions

Count		User experience ratings for the ease of use of Sakthi Sugars Digital transactions					
		Excellent	Good	Average	Below average	Poor	Total
Age	18-27 years	9	6	4	4	3	26
	28-37 years	2	1	3	2	1	9
	38-47 years	2	5	2	3	1	13
	48-57 years	3	1	2	1	0	7
	Above 57 years	0	0	1	1	1	3
Total		16	13	12	11	6	58
Chi-Square Tests							
		Value	df	Asymptotic Significance (2-sided)			
Pearson Chi-Square		10.374 ^a	16	.846			
Likelihood Ratio		11.769	16	.760			
Linear-by-Linear Association		.694	1	.405			
N of Valid Cases		58					
a. 22 cells (88.0%) have expected count less than 5. The minimum expected count is .31.							

The Pearson Chi-Square value is 10.374 with 16 degrees of freedom, and the p-value (Asymptotic Significance, 2-sided) is .846. This p-value is much higher than the conventional threshold of 0.05, which suggests that there is no statistically significant evidence to reject the null hypothesis. In practical terms, this means that the analysis did not find a significant association between the variables tested.

ONEWAY ANOVA

H2: There is no significant mean difference between the age group and transparency of Sakthi

Sugars digital transactions in terms of fees and charges

ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.071	4	.768	.379	.823
Within Groups	107.342	53	2.025		
Total	110.414	57			

From the above ANOVA test has been conducted to determine if there is a significant association between the age group of respondents and their perception of the transparency of Sakthi Sugars' digital transactions in terms of fees and charges. The F value is .379, and the significance (p-value) is .823. This high p-value suggests that there is not enough statistical evidence to reject the null hypothesis (H0). The results of the ANOVA test, it can be inferred that there is no significant association between the age group of the respondents and their perception of the transparency of Sakthi Sugars' digital transactions regarding fees and charges. Hence, we fail to reject the null hypothesis (H0) and conclude that the age group does not significantly affect the perceptions of fee and charge transparency in Sakthi Sugars' digital transactions.

ONE-SAMPLE T TEST

H3: There is no significant relationship between Gender and Satisfaction with the security of sakthi sugars digital transactions

One-Sample Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
Gender	58	1.66	.715	.094
Satisfaction with the security of sakthi sugars digital transactions	58	2.41	1.364	.179

One-Sample Test						
	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference		
Gender	17.641	57	.000	1.655		
Satisfaction with the security of sakthi sugars digital transactions	13.476	57	.000	2.414		

One-Sample Test		
	Test Value = 0	
	95% Confidence Interval of the Difference	
	Lower	Upper
Gender	1.47	1.84
Satisfaction with the security of sakthi sugars digital transactions	2.06	2.77

According to the one-sample t-test results presented in the test value is set at 0. For the variable 'Gender,' the mean value is 1.66 with a standard deviation of 0.715. The t-statistic is 17.641, with a p-value of .000, which is less than the conventional alpha level of 0.05, indicating a statistically significant from the test value. For 'Satisfaction with the security of Sakthi Sugars' digital transactions,' the mean is 2.41 with a standard deviation of 1.364. The t-statistic is 13.476 with a p-value of .000, also indicating a significant from the test value.

ONE-SAMPLE T TEST :

H5: There is no significant relationship between the Gender of the respondents and their awareness of financial products

One-Sample Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
Gender	58	1.66	.715	.094
The financial products that you are aware of	58	1.78	.727	.095

One-Sample Test				
	Test Value = 0			
	t	df	Sig. (2-tailed)	Mean Difference
Gender	17.641	57	.000	1.655
The financial products that you are aware of	18.616	57	.000	1.776

One-Sample Test		
	Test Value = 0	
	95% Confidence Interval of the Difference	
	Lower	Upper
Gender	1.47	1.84
The financial products that you are aware Of	1.58	1.97

Based on the one-sample statistical analysis, it is observed that for both gender and awareness of

financial products, the t-values are substantially high, and the p-values are recorded at .000, which is well below the standard alpha level of 0.05. Consequently, the null hypothesis is rejected, indicating a statistically significant relationship between gender and the awareness of financial products among the respondents.

Kruskal-Wallis Test:

H₆: There is no significant relationship between the monthly income and the most frequently used remittance or payment products.

Ranks			
	Most Frequently Used Remittance or Payment Products	N	Mean Rank
Monthly income	Domestic Money Transfer	19	24.63
	Internal Money Transfer	26	29.85
	others	13	35.92
	Total	58	

Test Statistics	
	Monthly income
Kruskal-Wallis H	3.748
Df	2
Asymp. Sig.	.154

From the Kruskal-Wallis test, a test statistic (H) value of 3.748 is observed, with 2 degrees of freedom, and an asymptotic significance (p-value) of .154. Because the p-value exceeds the conventional alpha level of 0.05, the null hypothesis(H₀) is accepted. The data does not provide adequate evidence to assert significant differences in the use of remittance or payment products relative to the monthly income of respondents. This indicates that within the surveyed group, the monthly income does not appear to be a determining factor for the selection of remittance or payment products.

FINDINGS:

- The Sakthi Sugars Remittance & Payments Satisfaction Rating are ranked from 'Cost efficiency' stood at first (mean score 3.72), followed by 'Security measures' stood at second(mean score 3.40),
- The top motivator for adopting Sakthi Sugars Digital Transactions is 'Lower transaction fees or charges' (mean score: 4.60), while the least is 'Promotional offers or incentives' (mean score: 2.81).
- For the impact on financial inclusion, 'Financial Awareness' scores highest (mean score: 3.66),

with 'Access to financial services' being the lowest (mean score: 2.98).

- Regarding financial resilience, 'Enhanced ability to meet financial obligations' receives highest mean score.
- In rating remittance and payment products, 'Availability of multiple measures' leads mean score.
- There is no statistically significant correlation between financial awareness and cost efficiency (Pearson Correlation: .117, p-value: .381).
- No significant association was found between the variables tested in the Chi-Square test (Chi-Square value: 10.374, p-value: .846).
- ANOVA results show no significant association between respondents' age group and their perception of transparency in Sakthi Sugars' digital transaction fees (F value: .379, p-value: .823).
- One-sample t-test indicates a statistically significant difference for gender and satisfaction with the security of Sakthi Sugars' digital transactions (gender t-statistic: 17.641, security satisfaction t-statistic: 13.476, both p-values: .000).
- There is a statistically significant relationship between gender and awareness of financial products (t-values high, p-values: .000).
- The Kruskal-Wallis test does not show significant differences in the use of remittance or payment products based on monthly income (H value: 3.748, p-value: .154).

SUGGESTIONS:

Based on the insights gathered from the analysis of the role of remittance and payment products in promoting financial inclusion through digital transactions, here are ten suggestions:

1. **Enhance Digital Literacy:** Focus on educational campaigns to raise awareness about the benefits and security of digital transactions, targeting demographics shown to have lower awareness, such as users familiar with Domestic Money Transfer.
2. **Increase Trust in Security:** Develop and communicate more robust security measures to address the concerns of the 25.8% of users who are dissatisfied with the current level of security in digital transactions.
3. **Fee Transparency:** Continue to promote transparency in fees and charges as it's positively viewed by the majority. Address the concerns of the 25.8% who view it negatively by providing clear explanations and comparisons with traditional transaction costs.
4. **User Experience Optimization:** With half of the users rating their experience positively, it's

crucial to analyze the feedback from the 29.3% with negative experiences to improve the user interface and transaction process.

5. **Promote Financial Inclusion through IMT:** Leverage the high awareness and preference for International Money Transfer to introduce and link additional financial services that can further drive financial inclusion.

These suggestions aim to build on the existing positive perceptions and address areas of concern, thereby enhancing the overall efficacy of digital transactions in promoting financial inclusion.

CONCLUSION:

The comprehensive analysis of the impact of digital transactions on financial inclusion underscores the transformative role of remittances and digital financial products. By advancing digital literacy and fortifying trust in transaction security, we can address the critical barriers to embracing digital financial services. The need for fee transparency is clear, given the positive reception from the majority, necessitating a strategy that aligns cost structures with consumer expectations and fosters inclusivity. Furthermore, user experience refinement is paramount, as evidenced by the split in customer satisfaction, highlighting the imperative to convert negative feedback into constructive developments that enhance the digital transaction landscape.

Simultaneously, the motivation for digital transaction adoption presents an opportunity for tailored incentives that resonate with user preferences. Recognizing the nuanced impact of gender on financial product awareness, targeted educational initiatives are vital for fostering an inclusive financial environment. Strategic partnerships across various income segments offer a unique avenue to broaden the reach of digital financial services, transcending income barriers. These strategies, collectively, promise not only to elevate the existing positive outlook on digital transactions but also to systematically dismantle the obstacles that hinder the full realization of financial inclusion. The envisioned outcome is a more inclusive financial ecosystem that leverages digital advancements to empower every segment of society.

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