

AN ANALYTICAL STUDY ON THE IMPACT OF TECHNOLOGICAL ADOPTION AND DIGITAL FINANCIAL LITERACY ON THE EFFECTIVENESS AND SUSTAINABILITY OF RURAL MICROFINANCE INTERVENTIONS FOR FINANCIAL INCLUSION

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ABSTRACT

Financial inclusion is widely recognized as a cornerstone of rural development; however, conventional microfinance models continue to face inherent limitations in terms of scalability, efficiency, and long-term sustainability. Mobile banking, digital wallets, biometric authentication, and fintech-enabled platforms are just a few examples of the rapidly emerging and spreading digital technologies that have created revolutionary prospects to improve the operational and social efficacy of microfinance institutions (MFIs). The effectiveness and durability of rural microfinance programs are examined critically in this study in relation to the ways in which digital financial literacy (DFL) mediates technological adoption. Utilising a secondary data methodology, the analysis assesses institutional, behavioural, and infrastructure factors of adoption by referencing well-established theoretical frameworks, including the Unified Theory of Acceptance and Use of Technology (UTAUT) and the Technology Acceptance Model (TAM). The results indicate that while digital platforms improve outreach, operational effectiveness, transparency, and cost reduction, their performance is mostly dependent on users' sociocultural preparedness, financial awareness, and trust. High DFL has been demonstrated to boost trust in online transactions, reduce fraud risks, and empower under-represented groups, especially women. However, ongoing obstacles like as cultural aversion, unclear regulations, and inadequate infrastructure still prevent inclusive adoption. According to the study's findings, creating robust, transparent, and sustainable rural microfinance ecosystems that further the more general goals of financial inclusion and socioeconomic empowerment requires combining digital literacy programs with helpful legislative frameworks and user-centric fintech innovations.

KEYWORDS: *Digital Financial Literacy; Socio-Economic Empowerment; Financial Inclusion; Microfinance Sustainability; Rural Development; Fintech Adoption.*

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