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## **FINTECH DISRUPTION AND THE RIGHT TO LIFE: ENSURING EQUALITY IN A DIGITAL ERA**

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### **ABSTRACT**

The fintech revolution has been key to digital transformation. Innovations like the Unified Payments Interface (UPI), Aadhar-enabled payment systems, and digital lending platforms are changing financial inclusion. While these changes have increased access to financial services for millions, they also bring challenges related to equity, privacy, and the right to life as guaranteed under Article 21 of the Indian Constitution. This paper looks at the mixed effects of fintech disruption in India. It argues that while technology can empower, it can also marginalize if not implemented with inclusivity and ethical safeguards.

According to Indian judiciary, the right to life includes living with dignity, which means access to basic needs like food, shelter, health, and livelihood. Fintech can help support these rights through direct benefit transfers (DBTs), micro-credit, and low-cost remittances. However, digital exclusion can block vulnerable groups, especially in rural and tribal areas, from accessing these services. Problems like algorithmic bias, unclear credit scoring, aggressive digital lending, and data misuse can also threaten financial security and dignity.

This paper calls for a regulatory approach focused on rights. It should ensure fair digital access, strong data protection, and systems for addressing complaints. There is a need for inclusive design in fintech platforms and government policies that prioritize marginalized communities. In India's push for a digital economy, protecting the constitutional right to life means making fintech a tool for empowerment rather than exclusion.

**Keywords:** Fintech Inclusion, Right to Life (Article 21), Digital Inequality, Financial Regulation in India, Ethical Technology etc.

## **Introduction**

Fintech, short for financial technology, has emerged as a transformative force within the Indian financial landscape, revolutionizing the way people and businesses access and interact with financial services. The introduction of innovative technological solutions, such as mobile banking, digital wallets and blockchain applications, has significantly expanded financial access, particularly among India's marginalized and underserved populations. These fintech innovations play a crucial role in facilitating access to essential services, thereby aligning with the right to life proclaimed in various human rights frameworks, which underlines access to financial services as a fundamental human right (Kolling et al., 2025)<sup>1</sup>.

In the Indian context, where a substantial portion of the population remains unbanked or underbanked, fintech serves as a crucial catalyst for financial inclusion. Traditional banking systems often fail to meet the needs of rural and low-income groups due to geographic limitations, lack of formal identification, and systemic discrimination. Fintech bridges this gap by providing accessible platforms that allow people to transact, apply for loans, and manage savings directly from their mobile devices. The proliferation of smartphones and the Internet has facilitated this change, making it possible for previously excluded populations to participate in the economic ecosystem.

Recent studies indicate that financial access is strongly correlated with improved standards of living, health outcomes and general well-being (Khatun, 2024)<sup>2</sup>. By removing barriers to financial services, fintech innovations not only improve economic opportunities but also empower marginalized communities, promoting equality and social justice. This new access can lead to increased financial literacy, allowing people to make informed decisions about savings, investments and credit, a critical factor in fostering resilience in the face of economic shocks.

Furthermore, the integration of technology into financial services aligns with the broader goals of sustainable development, particularly in achieving equality for all citizens. As India continues to navigate the complexities of the digital age, the potential of fintech to address systemic disparities becomes increasingly significant. Innovations such as microcredit

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<sup>1</sup> Marie Kolling, Kevin Donovan and Adam Moe Fejerskov, *Beyond Access: Towards productive inclusion in the era of fintech*, DIIS Working Paper, No. 2025:07, 03, 09-10 (2025).

<sup>2</sup> Munna Khatun, *The Role of Philosophy in Combating Social Inequality in the Digital Era: Ethical Perspectives and Practical Implication*, 02 JAAFR 20, 21-22 (2024).

platforms, peer-to-peer lending, and fintech-powered insurance models are designed to meet the unique needs of marginalized groups, giving them tools that were previously out of reach. By leveraging data analytics and artificial intelligence, fintech companies can assess creditworthiness through alternative means, including transaction history and behavioural patterns, thereby providing opportunities to people who may lack conventional credit histories.

### **Impact of Fintech on Access to Financial Services**

In this evolving landscape, fintech is emerging not only as a facilitator of financial transactions but as a key player in the broader human rights narrative. As access to financial services is increasingly recognized as an integral component of the right to life, the issue of equality of access becomes paramount. The intersection of fintech and human rights invites critical discourse on how to ensure that innovations serve to improve rather than exacerbate existing inequalities, thereby reinforcing the moral imperative to prioritize inclusion in India's rapidly digitalizing economy. From this perspective, the ongoing advances within the fintech sector promise to foster a more equitable society where the right to life is respected in its fullest sense. In recent years, fintech innovations have significantly transformed the financial landscape in India, including improving access to financial services for marginalized communities. Mobile banking, microloans and digital wallets are prime examples of how these technological advances have helped overcome long-standing barriers to financial inclusion.

Mobile banking platforms have become a key tool for reaching underserved populations, allowing individuals who previously did not have access to physical banks to conduct financial transactions through their mobile devices. For example, initiatives such as the National Payments Corporation of India's Unified Payments Interface (UPI) have revolutionized the way people transfer money digitally, effectively integrating a wide range of users into the financial ecosystem. Through UPI, marginalized communities can conduct financial transactions at little or no cost, improving their ability to engage in commerce, receive remittances, and manage their daily expenses without the constraints of geographic barriers (Filipovska et al., 2024)<sup>3</sup>.

Similarly, microcredit platforms, such as Milaap and Rang De, offer tailor-made financial products that specifically meet the needs of low-income individuals and small entrepreneurs.

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<sup>3</sup> Olivija Filipovska et al., Gender Balance in Fintech Platforms-Investigating Factors and Regulatory Response, Available at SSRN 5000956. [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=5000956](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=5000956), 19-20 (2024).

These platforms use alternative data sources and digital assessment tools to assess creditworthiness, allowing users who do not have a conventional credit history to access loans. By facilitating microloans of up to a few hundred rupees, these fintech solutions enable marginalized communities - such as women, rural farmers and informal sector workers - to invest in their businesses or support their households. This access to much-needed capital promotes economic independence and promotes entrepreneurial activities among groups traditionally excluded from traditional financial institutions (Filipovska et al., 2024)<sup>4</sup>.

Digital wallets, exemplified by apps such as Paytm and PhonePe, complement these efforts, helping to increase financial literacy and facilitate transactions for users with limited banking experience. The proliferation of user-friendly interfaces has made it possible for even those with minimal technological skills to interact with financial services. Additionally, these wallets often integrate features such as bill payment, money transfers, and merchant services, thereby encapsulating a wide range of financial operations. Notably, the ability to store, transfer and manage funds digitally allows marginalized individuals to engage in financial planning and saving in ways that were previously not possible through traditional banking channels (Filipovska et al., 2024)<sup>5</sup>.

The cumulative impact of these fintech innovations goes beyond simple convenience; they are fundamentally changing the dynamics of economic participation of marginalized groups in India. By providing crucial access to financial services, these technologies promote an environment of equality essential to respecting the right to life as defined in various legal frameworks. The empowerment resulting from improved access to finance enables marginalized individuals and communities to realize their full potential, thereby strengthening their rights and improving their socio-economic status. Ultimately, the democratization of financial services facilitated by fintech represents a crucial step towards building a more equitable society where all individuals, regardless of their origin, have the means to secure their livelihoods and contribute to the economic fabric of the nation (Filipovska et al., 2024)<sup>6</sup>. Fintech innovations in India have emerged as a transformative force promoting equality and empowerment among marginalized communities, largely by improving access to essential financial services. The intersection between fintech and human rights is particularly salient

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<sup>4</sup> Ibid.

<sup>5</sup> Olivija Filipovska et al., Gender Balance in Fintech Platforms- Investigating Factors and Regulatory Response, Available at SSRN 5000956. [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=5000956](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=5000956), 19-20 (2024).

<sup>6</sup> Ibid.

when considering the role of financial inclusion in defending the right to life, as it fosters both economic stability and personal agency. Access to financial services, which have traditionally been out of reach for many low-income people, is crucial to enabling these communities to make informed economic decisions, invest in education, and develop business ventures. As such, fintech platforms that reduce barriers to entry such as transaction costs, documentation requirements, and geographic limitations are critical to fostering an environment where economic participation is not just a privilege but a fundamental right for all.

### **Equality and Empowerment through Financial Inclusion**

Evidence suggests that advances in financial technology, including mobile banking, microcredit and digital payment systems, contribute to a more inclusive financial landscape. These innovations empower marginalized groups, particularly women, rural populations, and low-income workers, by providing them with timely access to capital and financial education resources. For example, studies have indicated that microfinance initiatives facilitated by fintech platforms have encouraged self-employment and small business development, resulting in broader economic empowerment and a reduction in poverty rates (Saranya and Chandrasekar, 2025)<sup>7</sup>. The accessibility of these fintech solutions promotes not only individual financial autonomy but also collective economic resilience, thus reinforcing essential principles of human rights.

Furthermore, the role of fintech in promoting inclusion and equity goes beyond mere access to financial services. It involves active participation in the economic system, where underrepresented voices can easily contribute to and benefit from economic growth. Fintech fosters the democratization of financial services, which in turn facilitates the ongoing economic transformation at community and national levels. By using technology to close gaps in financial knowledge and service delivery, fintech companies can help underserved communities navigate complex financial ecosystems. Programs that specifically address the needs of underserved populations, such as alternative data-based credit scoring mechanisms, exemplify how fintech's can generate personalized solutions that improve creditworthiness and access to financial products.

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<sup>7</sup> S. Saranya & K. Chandrasekar, Economic transformation and social equity: A frame for sustainable progress. 09 *European J Sust. Dev Rsch.* 01, 04 (2025).

Furthermore, the social implications of fintech innovations cannot be underestimated. As marginalized communities gain greater access to financial resources, they experience greater agency in socioeconomic matters, ultimately leading to improved quality of life outcomes. Reducing economic disparities strengthens social cohesion and encourages more equitable participation in the economic sphere. By removing systemic barriers that have historically excluded these groups from full economic engagement, fintech fosters a progressive environment where equality becomes a recognized and viable reality.

In a nutshell, the synergistic relationship between fintech innovations and financial inclusion serves as a catalyst for the empowerment of marginalized communities. The provision of financial services supported by digital technologies not only strengthens economic stability and personal agency, but also drives the advancement of human rights. As these marginalized groups increasingly participate in the financial system, the potential for broad-based economic transformation increases, strengthening the case for prioritizing the integration of financial technologies into policy frameworks aimed at promoting inclusion and equity.

### **Barriers and Challenges in Digital Financial Services**

The advent of fintech innovations in India holds promise for improving access to financial services among marginalized communities; however, several obstacles persist that limit their full participation in the digital economy. Digital culture remains a significant challenge. Many people living in deprived rural and urban areas lack the skills and knowledge required to effectively navigate digital financial platforms. This lack of digital literacy not only prevents users from taking advantage of available fintech solutions, but it also increases the risk of fraud and misinformation, which can lead to harmful financial choices. In addition, a significant part of the population is unaware of the range of services offered by fintech innovations, which further reinforces financial exclusion.

Infrastructure deficits exacerbate these challenges. In many regions, particularly rural areas, reliable internet connectivity and smartphone penetration are still lacking, limiting access to fintech platforms which often require robust digital infrastructure. According to the Telecom Regulatory Authority of India, the digital divide persists, with rural internet penetration significantly lagging behind its urban counterparts. These infrastructural inadequacies not only hinder access to fintech services, but also the ability to engage in essential economic activities that depend on digital transactions.

Socio-economic factors also underlie barriers to access to fintech for marginalized communities. Issues of poverty and unemployment limit disposable income and make individuals dependent on informal financial structures, which may offer less exploitation compared to regulated fintech solutions. Additionally, caste, gender and socio-economic status interact significantly to affect access to financial resources and services. Women, particularly in rural areas, often face additional barriers related to mobility, societal norms and decision-making autonomy, further highlighting the intersectional nature of financial exclusion.

Given these frameworks, the urgency for policy interventions becomes evident. Regulatory frameworks must evolve not only to include robust consumer protection measures, but also to promote financial education initiatives specifically designed for disadvantaged communities. Policymakers must prioritize investments in digital infrastructure aimed at bridging the rural-urban divide, thereby enabling wider access to financial technology services. It is imperative that financial inclusion strategies are context-specific and equitable in their approach, ensuring that services are tailored to the unique challenges faced by marginalized populations.

Additionally, partnerships between fintech companies, non-governmental organizations, and government agencies can facilitate awareness and education efforts that address both digital literacy and infrastructure challenges. Such collaborative approaches aim to create an ecosystem in which fintech innovations do not only cater to affluent individuals, but truly resonate with and uplift marginalized groups. Thus, a multi-dimensional approach, combining policy intervention and technological advancements, is crucial to achieve inclusive growth in India's financial landscape and safeguard the right to life of its most vulnerable citizens. The role of government and politics in shaping the financial technology (fintech) landscape in India is critical to ensuring that innovations serve not only to promote economic growth, but also to extend the right to life to marginalized communities.

### **The Role of Government and Policy in Fintech Development**

Government policies that drive the development of fintech can generate an environment where innovative financial services flourish, thereby improving access for underrepresented populations. Supporting regulations are essential to establish a balance between encouraging fintech entrepreneurship and safeguarding consumers against potential abuse. The regulatory framework must emphasize inclusion, creating pathways for the integration of marginalized groups into the formal financial system. This could include provisions for lower compliance

costs for small fintech startups that predominantly aim to serve these communities, as well as incentives for innovations designed to respond to the specific financial needs of disadvantaged populations.

However, it is equally important that such regulations are not overly burdensome, which can impede innovation and limit the reach of fintech solutions. Policymakers must engage in a nuanced understanding of both the potential and challenges of fintech adoption among marginalized groups. For example, protecting customer data and ensuring transparency must be prioritized without imposing so many restrictions that they stifle innovation. Regulation should aim to promote competition in the fintech sphere, ensuring that new entrants can challenge incumbents and provide diverse solutions to consumers who face barriers in accessing financial services. Governments can also take proactive steps to support financial literacy campaigns that prepare marginalized communities to engage with fintech services, thereby promoting an environment where individuals feel empowered to use these technologies.

Furthermore, collaboration between private financial technology companies and government bodies is crucial to establishing an inclusive financial ecosystem. These partnerships can leverage the strengths of both sectors – government regulatory oversight and fintech's innovation agility - to create an environment that responds to the needs of marginalized communities. Initiatives such as public-private partnerships can facilitate the development of fintech solutions specifically aimed at these disadvantaged groups, ensuring that their unique contexts and challenges are addressed. For example, programs focused on integrating digital payments systems in rural areas or targeting low-income families with personalized microloans can directly contribute to strengthening the right to life by improving financial access.

Overall, while the role of government policies is fundamental in shaping India's fintech landscape, it is the synergistic relationship between these policies and the private sector that will ultimately determine success in promoting equality and access for marginalized communities. A collaborative approach that emphasizes political support for fintech innovations can create robust pathways to improving financial inclusion, thus serving the broader goal of upholding human rights in the digital age. Analysis of fintech innovations in India reveals a complex but transformative impact on marginalized communities, highlighting an essential link to the right to life and equality. The rapid advancement of technologies such

as mobile banking, digital wallets and peer-to-peer lending platforms has created unprecedented opportunities for financial inclusion. However, the benefits of these innovations are not evenly distributed; While many individuals in urban areas benefit from better access to financial services, those living in rural or disadvantaged sectors continue to face systemic barriers, including a lack of digital literacy and infrastructure. This disparity in access highlights the need for targeted policies and initiatives that specifically address the needs of marginalized groups, ensuring that financial technology plays an enabling role in empowering individuals, rather than exacerbating existing inequalities.

### **Conclusion and Future Perspectives**

Looking ahead, the potential of fintech in India to advance social equity and sustainability is considerable. As the nation continues to integrate technological advances with financial services, it is crucial that these innovations are aligned with broader social goals. The effectiveness of fintech in improving access to financial resources can be significantly increased through collaboration with government structures aimed at achieving social well-being, particularly within the scope of the Sustainable Development Goals (SDGs) defined by the United Nations. For example, fintech advances can directly contribute to SDGs such as eliminating poverty and gender equality by providing accessible financial avenues for traditionally marginalized communities, including women, rural farmers, and low-income families (Kolling et al., 2025)<sup>8</sup>.

Furthermore, to maximize the positive impact of fintech, ongoing advocacy and ethical considerations must be integrated into the financial technology development process. Stakeholders, including technology creators, policymakers and community organizations, need to ensure that innovations are not only technologically sound, but also socially responsible and inclusive. Ethical fintech holds the promise of creating tools that prioritize the rights and dignity of individuals, aligning with the broader spectrum of human rights (Srivastava, 2025)<sup>9</sup>.

Furthermore, the evolving nature of fintech presents an opportunity to promote financial literacy among marginalized populations, which is critical to improving their abilities to navigate the digital landscape. The establishment of educational programs focused on financial

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<sup>8</sup> Marie Kolling, Kevin Donovan and Adam Moe Fejerskov, Beyond access: Towards productive inclusion in the era of fintech, DIIS Working Paper, No. 2025:07, 03, 09-10 (2025).

<sup>9</sup> Ishaan Srivastava: Sustainability Through FinTech: The Case for the Incorporation of Sustainability Perspectives in FinTech Education, 02 Cureus J Bus Econ 01, 07-08 (2025).

management and digital literacy could empower these communities, consequently improving their quality of life and their agency in making financial decisions.

In brief, while fintech innovations in India have transformative potential for marginalized communities, their future success depends on a multifaceted approach that combines technological advancement with ethical responsibility and advocacy for inclusivity. The role of fintech in promoting social equity not only aligns with the right to life, as enshrined in human rights discourse, but also converges with international development objectives, creating a path to a more equitable financial ecosystem in the digital era.