

India's Fintech Evolution: A Comparative Analysis with Singapore's Financial Ecosystem Using Global Indicators

Prof. Ashish Kumar Srivastava

Professor, Department of Commerce

DDU Gorakhpur University

E-mail: ashish.halo@gmail.com

Ayushi Mishra

Research Scholar, Department of Commerce

DDU Gorakhpur University

E-mail: Ayushimishra7785@gmail.com

Dr. Anshika Mishra

Assistant Professor, Department of Commerce

DDU Gorakhpur University

E-mail: anshikamishra0551@gmail.com

ABSTRACT

The financial innovation has redefined and reshaped the landscape of the financial services at global level. In developing economies like India, Fintech has emerged as the primary driver for financial inclusion, financial progression, and development, while in a developed country like Singapore, it has not only transformed the present landscape but has also fostered technological evolution and development.

By utilizing global financial standards and indices such as the Global Fintech Index, Digital Competitiveness Index, and Global Financial Center Index, the study tries to analyze the progression and growth of financial offering in India and Singapore.

It explores the influence of fintech on financial engagement, banking and financial services, and the legal framework. The paper tries to map out the disparity and examines the governance ecosystem, thus provides meaningful takeaways and recommendations for augmenting the India's Fintech sector's progression by employing Singapore's renowned standards.

Keywords: *Financial Inclusion, Fintech, Global Financial Indicator, Digital Transformation, Robo-advisory P2P lending, etc.*

INTRODUCTION

In the 21st century, dynamic transformation has reshaped the economic system with the growth of fintech, a fusion of financial and technology at global level. Fintech means the adoption and utilization of various technologies to goods and services of the financial sector industry, comprising several financial programs.

Financial technology has led to the enhancement in the transaction dealing of people with business. Innovation in financial technology includes various solutions, stretching to mobile payment, P2P lending to robo-advisory services, blockchain platforms, and AI-based credit evaluation.

Fintech has emerged from just a perturbing element to a core and significant element of the global financial framework from the last ten year, fueling changes and shifts in users' behavior, boosting financial inclusion, and redefining banking approaches and guidelines. It has evolved as a major indicator of a country's financial digital adaptability.

India has emerged an international fintech powerhouse, with its program like UPI, Aadhaar Link, Savitri, and Jandhan Yojana, and generation of various banking and financial opportunities to millions, fueled by large population and swift digital adoption.

On the other hand, Singapore has leveraged a very distinct path, positions as financial hub to stimulate innovation in banking sector through digital banking, regulatory sandbox, and efficient international transaction solutions. Financial Technology (Fintech) is the adoption and utilization of technology to provide financial offerings and services in an effective, secure & affordable way. It refers to the fusion of finance & technology to reform the existing financial framework.

1. **Customer-oriented offerings:** It prioritizes customer needs by focusing on hyper-personalization and gaining insights from feedback to improve products and services.
2. **Protected & Efficient Finance:** Speedy financial services with robust security protocols.
3. **Decentralized finance:** It minimizes the involvement of intermediaries like banks broker broker-dealers, from financial dealings. This leads to direct interaction between individuals and organizations, which enhances the speed and reduces cost.
4. **Automated Intelligence:** It is an advanced update that merges automation and AI to provide a customized experience. AI-powered automation leverages technology to simplify routine processes, minimize faults, and improve performance and efficiency. It not only boosts customer experience but also provides useful suggestions which can further be utilized to augment growth and development.



Fig1. Major Components of Fintech

REVIEW OF LITERATURE

Huang, Jie & Wu (2023) in **The Impact of Fintech on Economic Growth of India** examined the impact of financial technology on the progress of Singapore's economy from 2010 to 2022. The study analyzed the association of Fintech and key domains of the economy, like interest market, consumer market, and investment market.

Fan's Singapore Approach to develop & regulate Fintech (2017) highlights the emergency influence of the regulatory institutions in facilitating technology innovation and the Monetary Authority of Singapore's (MAS's) balance approach, which aims not only to promote innovation but also to protect the security and stability of the economic system. Fan's study also analyzed the role of regulatory sandboxes implemented by MAS for promoting innovation.

Lin, L (2019) in **Regulating FinTech: The Case of Singapore** analyses the strategy adopted by Singapore to regulate and develop the Fintech sector by not only facilitating innovation but also by safeguarding the nation from several economic fluctuations. Lin points out the significance of legislative reforms like the Payment Service Act and digital token guidelines in managing the evolving Fintech sectors like cryptocurrencies and Initial Coin Offering, and provides meaningful insights for other economies striving to promote innovation along with stability with inter-agency coordination, an activity-based regulatory system, and institutional transparency.

Krishna Priya & Anusha (2019) in **"Fintech Issues and Challenges in India"** explore the massive development of Fintech India, highlighting its capability to facilitate financial inclusion and conventional banking mechanisms. The study points out the major drives like service, quality, technological readiness, and convenience, along with various obstacles like technological unawareness, low trust, and primitive infrastructure.

Kandpal & Mehrotra's Financial Inclusion: The role of Fintech and digital financial services in India (2019) highlights the revolutionary significance of Fintech in the financial sector of India by pointing out the financial inclusion and digital transactions. The study also analyzed the influence of Fintech on the underserved population and various obstacles, like cybersecurity issues and inconsistent regulatory mechanisms that need to be addressed to ensure proper and structured Fintech innovation and development.

Nair et.al (2021) in Impact of COVID-19 on Fintech Industry examine how COVID-19 pandemic transformed India's Fintech Ecosystem, focusing on relevant changes and innovations that occurred during the crisis. The study also tries to find out the main factors that play a significant role in Fintech progress, like uniform regulatory mechanisms, technological uptake, and shifts in consumer behavior, ultimately improving the technological infrastructure of India.

Reddy & Kumar's exploring the transformative Impact of Fintech on Banking; Finance & Insurance Industries (2024) investigates effect of Fintech on the conventional financial ecosystem by its use of Blockchain, AI, and automation in long run. The study also highlights the advantages of adopting financial technology, like efficiency, customization, and risk mitigation.

OBJECTIVES

1. To assess the advancement of fintech in the Indian Financial Services Framework.
2. To examine the fintech structure in Singapore and its international position.
3. To evaluate fintech infrastructure in India and Singapore employing international financial indices.
4. To assess the obstacles and future potential within the fintech framework of India.
5. To provide valuable insights and suggestions for effective and efficient fintech advancement and progression in India.

SCOPE OF THE STUDY

1. **Spatial Coverage** -The study is related to India and Singapore.
2. **Temporal Scope**- The study is related to the period after demonetization, i.e., 2017-2025
3. **Economic Domain**- The study is very useful and is aimed at providing meaningful insight to the banking, insurance, and investment sectors.

RESEARCH GAP

Various studies have been done to evaluate the status and the growth of fintech in India and Singapore independently. Few comparative studies evaluated these two economies using international metrics. Fintech advancement can be boosted using the learnings from the digitally advanced nations like Singapore. This paper maps out valuable insights and findings that can be strategically adopted to advance Indian financial and banking sector.

RESEARCH METHODOLOGY

With a descriptive and comparative research design, the paper tries to evaluate the development and impact of Fintech in India and Singapore. The study employs both qualitative and quantitative frameworks to analyze the financial systems in both nations and the role of technological progression on their transformation. The study adopts a secondary data-driven analysis, analyzing the regulatory framework, financial innovation, and major global standards.

➤ Data sources

Secondary sources like government documents, financial indices, industry publications, and academic papers from 2016 to 2024 are used as data source to analyze the advancement of Fintech.

➤ Factors for comparison

Metrics such as the Global Fintech Index, Digital competitiveness ranking, Global Financial Center Index, and financial inclusion regulatory practices are used to assess the qualitative and quantitative growth of Fintech sectors of both economies.

COMPARATIVE ANALYSIS AND EVALUATION

India's Fintech Ecosystem

India's Fintech framework has advanced rapidly since 2016. Backed by a merger of government regulation and technological developments, the global proliferation and expansion of digital payment has been a crucial variable in this advancement, employing a nation's vast population and rising smartphone adoption. Initiatives like the Digital India Programme, Pradhan Mantri Jan Dhan Yojana (PMJDY), and the execution of Goods and Services Tax have boosted this revolution.

Major Developments

Introduction of UPI (Unified Payment Interface) - National Payment Corporation of India has introduced UPI, fostering transformational the online payment system by encouraging seamless transfer of funds between banking institutions with the help of smartphones.

Aadhaar-enabled KYC- Aadhaar has played a vital role in fostering online identity verification and thus augmenting financial empowerment.

Strength of India's Fintech Landscape

1. **Wider Market:** The Mass and diverse ecosystem of India provides a vast potential and opportunity for Fintech services.
2. **Administrative Assistance:** Through the Jan Dhan Aadhar Program, the government tries to utilize Aadhar and smartphone expansion to promote financial services and advanced financial empowerment. Smartphone and Aadhaar-driven payment mechanisms promote safe and secure online payment.
3. **Capital Growth and Appreciation:** India's Fintech sector is experiencing a significant rise in investment, powered by an opportunity for innovation and advancement in domains like credit payment mechanisms and insurance. The inclusion of capital is acting as a fuel for the development of mechanisms that serve the diverse needs of organizations and businesses. As an outcome, the Fintech landscape of India has been significantly dynamic with new ventures and key players harnessing technology to offer instantly available and effective financial offerings.

Weakness

1. **Data Security Issues** -The digital revolution has paved the way for financial growth and development and has also given rise to data security issues like information breaches, digital deception, and impersonation.
2. **Digital Awareness:** A relevant part of our country, i.e., the village area, is lagging in areas like awareness towards various online financial mechanisms and the skills required to use such platforms effectively and efficiently.
3. **Financial Education:** Although financial inclusion initiatives have been advantageous to the whole of India but still a large section of lower lower-income population is still unaware of the financial advancements, thus restricting them from gaining full benefits of such technological progress.

Singapore's Fintech Landscape

Singapore has developed an efficient Fintech landscape, alluring international players, and is promoting transformation and invention. Singapore's efficient and effective administrative system not only fosters invention and transformation but also tries to protect the interests of consumers which led the nation at the forefront of digital updates. With mature and sophisticated landscape, Singapore's concerns revolve around advancing various financial services beyond foundation payments.

Its undertaking to transform and foster invention highlights its maturity which is further underscored by several relevant achievements -

Revolutionary Regulatory Support: The First Fintech Regulatory Sandbox which was introduced by the Monetary Authority of Singapore (MAS) in 2016, empowered organizations to analyze several financial technologies in a controlled environment, thus fostering innovation and novel assistance.

Strategic Global Alignment: Singapore's position as an international Fintech leader helps in attracting considerable funding and in serving as the preferred zonal headquarters for several global industry leaders.

Diversifying Digital Banking System:

The introduction of digital banking licenses in 2020 deregulated the Singapore's banking sector, enabling non-banking businesses to compete in the financial services market, which in turn not only elevated market diversity but also boosted competition dynamics and consumer-centric solutions.

Strength of Singapore's Fintech Ecosystem

- 1. Robust Administrative Landscape:** The Monetary Authority of Singapore not just regulates the industries but fuels financial innovation while maintaining a stable and secure economic framework. A prime example of this proactive approach is **regulatory sandboxes**. This enables organizations to test and refine new financial products in proper controlled and secure environment.
- 2. High Digital Proficiency:** The globally leading level of digital literacy and uptake, of Singapore has accelerated the societal adoption of new financial innovation.
- 3. Investment landscape:** The Fintech landscape of Singapore is robustly financed, with adequate finance from both national and global investors. Various assistance is offered by the government to facilitate Fintech startups.

Weakness

- 1. Limited Domestic demand:** Singapore's small local market and limited population restrict the demand for Fintech innovation, which creates challenges for Fintech companies in seeking growth and opportunities within the local market alone. As a result, various organizations are forced to expand their scope to regional matters to capture new customers and revenue sources.
- 2. Reliance on International Markets:** Singapore's dependence on the international market for growth and expandability makes its Fintech industry susceptible to global economic fluctuations.

Comparative Evaluation using International Financial Metrics

The following table outlines key financial and digital metrics between India and Singapore –

Basis	India	Singapore
Global Fintech Index Rank	Fifth (5 th)	Fourth(4 th)
Competitiveness Ranking	51st	1st
Global Financial Centre Index	46 th (GIFT City)	4th
Regulatory Compliance	Moderate (as per World Bank standard)	Strong & Resilient

Table 1: Comparative table between India and Singapore based on key financial and digital indicators.

A. Global Fintech Index Rank

The Findexable Global fintech index provides a dynamic, real-time ranking that assists and scores fintech activity and innovation in cities and countries around the world. Three core dimensions to evaluate the ecosystem: i.e., **quality, quantity, and environment**.

According to the Global Fintech Index (2023), India is at 5th position, while Singapore stands at 4th position, showing a more structured and robust ecosystem and growth in financial technologies.

B. IMD World Competitive Ranking (2024)

IMD World Digital Competitiveness Ranking 2024 is an annual analysis published by the IMD World Competitiveness Centre, a research institute in Switzerland. The study assesses and analyzes the readiness of 67 countries globally, taking into account several factors that influence the ability of an economy to develop and perpetuate an ecosystem that facilitates competitiveness.

Singapore stands at 1st while India is ranked at 51st among 67 countries.

C. Global Financial Centre Index

GFCI is an evaluation framework that assesses the efficiency and performance of financial centers globally. It evaluates the financial center based on five major domains, i.e., Business, Environment, Human Capital, Infrastructure, Financial Sector Development, and State Revolution. The metrics are evaluated at the Financial Center, Ag, and international level, providing meaningful information about their strengths and weaknesses. **Singapore is ranked 4th in the Global Financial Center Index, GFCI-37, 2025**, coming after

New York is in first position, London is in 2nd, and Hong Kong is in 3rd position.

Meanwhile, **GIFT city of India is ranked 46th globally**, and Mumbai positions at 52nd.

These rankings illustrate the growing relevance of the Indian financial Centre at global level, with GIFT City marking its prominence.

Radar Chart Comparison

Radar Chart is employed to analyze the fintech development and advancement of India and Singapore which examines their performance on the basis of key development indicators like digital payment adoption, regulatory framework, innovation ecosystem, financial inclusion, and cyber security readiness, exemplifying their strength and weaknesses.

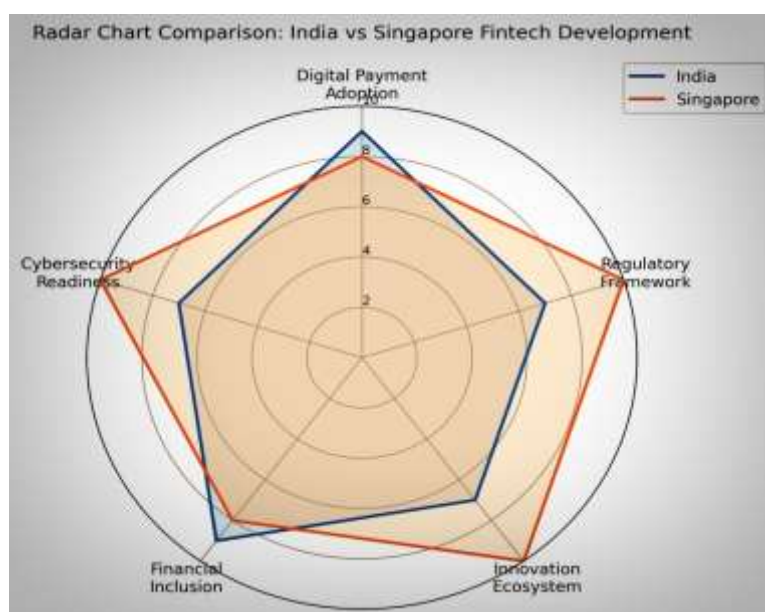


Fig.2 Radar Chart of Indices' Parameters

Source: Compiled by author

Comparative Insights

The chart maps out the strength and potential of Singapore in the regulatory framework and cyber security readiness, while India's in government initiatives like Jan Dhan Yojana and UPI which have fueled the transformative growth in financial inclusion. Robust R&D funding and global integration have fostered the innovative landscape of Singapore, conversely large domestic market and quick adoption rate have fueled the financial advancement in India.

FINDINGS AND INTERPRETATIONS

The comparative evaluation of India and Singapore, by utilizing global financial indices highlights distinct pattern different trends and structures in both Nations' Fintech evolution.

India's evolving economic model

The large population base and government-sponsored schemes like Unified Payment interface (UPI) and Aadhaar-based services have driven the booming of India's fintech sector. Strong fintech advancement in India is majorly propelled by its rapid mobile payment utilization and financial inclusion boom. Despite of the progression, the economy still faces issues in areas like infrastructure development, cyber security exposure, and regulatory coherence.

➤ **Key Strength**

The rapid adoption of digital payment powered by UPI and various initiatives has accelerated the economy of India, thus positioning as leading nation in global mobile payments, propelling over more than 117 billion transactions yearly.

➤ **Key Weakness**

Despite of its substantive payment growth, India still faces issues in in digital readiness, specifically in areas like network security, fintech landscape, and consistent regulatory regime.

Singapore's integrated innovation model

Singapore's refined and advanced infrastructure and innovative regulatory system like regulatory sandboxes, digital banking licenses, and global partnerships has offered a remarkable position globally which in turn propels the pace of fintech advancement.

➤ **Key Strength**

The regulatory ecosystem of Singapore accelerates the innovation processes and also prioritizes the consumers' interests, thus leading the economy to emerge as a global fintech leader with remarkable financial and digital literacy rates and rapid adoption of financial innovation.

➤ **Weakness**

Regardless of its position as global leader, Singapore's domestic market is not large, which limits the rapid adoption of financial offerings, raising its dependence on the global development market and increasing risks associated with macroeconomic shocks.

KEY INSIGHTS

✓ **India's Digital paradox: Volume vs. Sophistication**

India exhibits significant revolution in the age of digital transactions with its UPI network and Mobile Wallet .Singapore commands the leading position in terms of digital maturity and regulatory preparedness and technological sophistication.

India's robust digital payment ecosystem, powered by UPI and Mobile Wallet, has revolutionized transaction mechanisms but still continues trail Singapore in terms of digital advancement, with Singapore's tech progression and integrated regulatory regime positioning it as the leader in digital sophistication.

✓ **Singapore's strategic governance model**

Its resilient and robust regulatory regime, like regulatory sandboxes, fosters innovation harmonizes fintech advancement with effective governance, making it remarkable example for other nations.

➤ **India's Fintech Inclusion VS Singapore's Financial Uptake**

India's fintech development is mainly marked by a major intent of financial inclusion, aiming to cover unbanked regions, whereas Singapore has a distinct approach, focusing on incorporating digital infrastructure into a resilient financial network to amplify efficiency creativity.

LIMITATIONS

Though the study offers valuable perspectives, the scope and utility of the findings can be limited by certain constraints. Some of them are-

1. The study relies merely on the secondary sources which me hinder the proper illustration of current trends.
2. Both economies have differences in population and market scale which restricts the comparison of quantitative data.
3. The study focuses more focus on broad indicators and neglects micro-level consumer insights, thus the results may not show a clear representation of the Fintech status.

4. This study targets Singapore and India, neglecting other leading nations such as USA, UK, or China, thus restricting the global applicability of result.

FUTURE RESEARCH SCOPE

The following are some avenues where future investigation can be done to amplify the comprehension of fintech and could offer more valuable insights into the Fintech framework and its global influence-

1. Future studies can utilize current primary data to attain a more comprehensive and relevant conclusions.
2. Future exploration should comprise wide range of economies to gain a more accurate comprehension of fintech and factors impacting it.
3. Future studies should integrate specific sectors to identify and analyze fintech progress in these sectors and map out the strengths, weaknesses, opportunities and threats.
4. Further exploration should focus on consumer – centric parameters like attitude and trust to analyze their impact on Fintech adoption and usage patterns.

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