DRIVERS OF ECONOMIC GROWTH IN BRICS: EXPLORING THE ROLE OF DIGITAL TRADE, FINTECH, NATURAL RESOURCES AND REMITTANCES

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Abstract

Development and advances in financial institutions help to improve economic growth through several channels. Fintech is also one of the important aspects that can advance economic development and can also change the resource market dynamics. In addition, trade can also boost economic growth considering recent trends. Therefore, this study examines the role of digital trade, fintech, and natural resource rent to analyze the economic growth of the BRICS countries. The data considered in this study ranged from 2004-2023. After conducting the necessary preliminary tests, the current research used the method of moments quantile regression (MMQR). The estimated coefficient proposed natural resources negatively impacting the growth which confirms the resource curse dilemma. On the other hand, fintech positively impacts economic growth. Moreover, the estimated coefficients significantly show variation in growth quantiles.

Keywords: Financial Institutions, Development, Fintech

1. Introduction

The BRICS nations—Brazil, Russia, India, China, and South Africa—have emerged as significant contributors to the global economy, representing a substantial share of global GDP, trade, and population. According to the World Bank (2021), the BRICS economies collectively accounted for approximately 24.1% of global GDP and over 42% of the world's population. Their rapid development has been fuelled by a combination of industrialization, technological advancements, and global trade integration. Economic growth in BRICS is shaped by multiple factors, but four key drivers stand out in recent decades, that are Digital Trade, Fintech, and Natural Resources.

These drivers intersect and reinforce each other, offering unique opportunities and challenges for sustained growth. Digital trade has transformed domestic and global markets in BRICS, driven by internet penetration, mobile technology adoption, and increasing consumer demand. China and India are at the forefront of e-commerce expansion, while Brazil, Russia, and South Africa are making

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significant strides in digital trade. China leads the world in e-commerce, with platforms like Alibaba, JD.com, and Tencent, contributing to over 52% of global e-commerce sales. India's digital economy is expanding rapidly, with Flipkart, Reliance Jio, and Paytm driving an annual e-commerce market of $74 billion in 2022

Brazil's e-commerce sector grew by 22% in 2021, reaching $40 billion in online sales, with platforms like Mercado Livre leading the market. Russia has seen a 40% increase in digital transactions, facilitated by platforms such as Ozon and Wildberries. South Africa's digital trade is growing steadily, with a projected market value of $7 billion by 2025, driven by Jumia and Takealot (Statista, 2023). Digital trade reduces barriers to market entry, increases efficiency, and fosters innovation, contributing to employment generation and GDP growth. Digital trade could add $3.7 trillion to global GDP by 2030, with BRICS accounting for a large portion of this growth.

The financial technology (fintech) revolution has redefined banking, payments, and credit accessibility in BRICS. Fintech innovations—such as mobile banking, digital wallets, and peer-to-peer lending—are accelerating financial inclusion and reducing economic inequalities. fintech contributes approximately 5% to GDP growth in emerging economies. Fintech has become an important part of BRICS' economic development because of possibilities to decrease the cash demand ratio, minimize the costs of transactions, and enhance credit supply. The discovered outputs further revealed that natural resource endowment remains an important source of strength for the BRICS economies, particularly for Russia, Brazil, and South Africa through exports on energy, farming products and minerals respectively. Resource dependence was seen as a weakness since it made the BRICS nations vulnerable to changes in the prices of their output and more to the negative consequences of their exploitation on their environment. To manage risks that may be posed, economics diversity, green energy shift and sustainable extraction measures are among approaches used. Payments transfer by the overseas are now an essential source of receipts of foreign exchange and personal income in the BRICS countries. Remittance positively affect consumption; enhance spending on education and health facilities as well as offer economic stability. Research shows that an increase in remittances of 10% contributes to a 2% incremental growth in GDPt in the receivers' countries that are usually considered as developing nations (IMF, 2022). There are variety of factors that drove economic growth of the BRICS, and they include digital trade, fintech, natural resources, and remittances. These

drivers have positive as well as negative implications that need to be addressed by relevant policies in a coordinated manner to promote sustainable development that is also inclusive. The BRICS countries, which include Brazil, Russia, India, China, and South Africa, have an opportunity to overcome the challenges of economic transformation as new powers by using financial technologies, enhancing the access to financial services, increasing the effective use of resources and boosting remittance flows.

The present study offers significant contributions by examining the roles of NRR, fintech readiness and digital trade in driving economic growth. First, it introduces a novel digital trade indicator, moving beyond the existing focus in literature on information and technology in trade to adopt a comprehensive proxy. Second, it constructs a fintech readiness index, taking into the Financial Development Index, Financial Institutions Efficiency Index, percentage of the population using the Internet, and mobile subscriptions. This approach is unique, as prior studies have largely emphasized the Financial Development Index without highlighting fintech readiness as a factor in economic growth. Third, this research focuses on the BRICS countries, whereas recent studies have often concentrated on developed or under developing economies, particularly Asian nations. Thus, this study provides valuable insights for policymakers seeking to foster economic growth within the BRICS region. Finally, it employs a non-parametric Method of Moments Quantile Regression (MQQR) to assess the relationships between variables across different economic growth quantiles, while robustness checks are conducted.

The remainder of this research paper is as follows: Section 2 reviews the relevant literature; Section 3 describes the data and specifies the model; in section 4, this study details the methodology; Section 5 presents the findings; and the final section offers conclusions.

2. Literature Review and Hypothesis Development

This section explores current literature, critically examining the hypotheses built and tested in this study. This sections in further divided into sub-sections according to the potential relationships between the variables. A summary of potential research gaps and future directions related to the independent variables is presented at the end.

2.1. Fintech and Economic Growth

Hou et al. (2016) investigated the effect of the fintech on banking sector in China, and their findings indicate that fintech reduces the positive impact on China's banking profitability and weakens banks' assets as fintech grows. Similarly, Guo and Shen (2016) found that fintech initially decreases banking risk in China, but risks and establishment costs increase as fintech matures. In the same line, Dong et al. (2020) also shows that fintech supports bank growth, profitability, and security but negatively affects liquidity. Regarding third-party payments, Yao et al. (2018) noted that fintech has promoted China's financial sector. Furthermore, Zhang et al. (2020) findings reveals that fintech readiness increases household income, particularly in rural areas of China, with benefits outweighing risks.

Awais et al. (2023) suggested that fintech drives economic growth in 66 countries by enhancing resource efficiency, while Cevik (2024) used global data from 2012 to 2020, concluding that fintech can stimulate economic growth through innovative financial products and services. Other studies, like Razzaq (2024), created a fintech index using financial and digital indicators but did not consider the role of financial institutions in fintech's growth. In China, fintech has also improved farmers' livelihoods and reduced poverty (Wang and He, 2020; Appiah-Otoo and Song, 2021), impacted urbanization (Zhang et al., 2020a, b), increased household consumption (Li et al., 2019), and enhanced welfare (Munyegera and Matsumoto, 2016). Contrarily, Li et al. (2019) found minimal fintech impact on China's economic progress using a VAR, while Deng et al. (2019) discovered a U-shaped relationship between fintech variables and economic growth. Recent studies by Liu et al. (2021), Ding et al. (2022), and Ahmad et al. (2021) affirm fintech's positive influence on China's economic growth. Based on these findings, the following hypothesis is proposed:

H_1. *Fintech positively impacts the economic growth of BRICS economies.*

2.2. Digital Trade and Economic Growth

The literature largely focuses on the integration of information technology with industrial and manufacturing sectors, but few studies examine the specific impact of digital trade on economic growth. Wang (2021) found that digital trade bolsters the industrial sector through capital and knowledge, offering supportive services for small industries in emerging markets (Javed and Ahmed, 2022). Internet usage is broadening digital trade as businesses leverage it to attract consumers (Meltzer, 2015). Digital payment methods also enhance

digital trade, enabling businesses to reduce social and environmental hazards through technological solutions in trade (Davies, 2015). Digital technology advancements increase digital goods sales and support digital service businesses (Zhang and Wang, 2022).

However, digital transformation poses challenges for digital enterprises, necessitating extensive governmental involvement to meet industry needs (Pipitwanichakarn and Wongtada, 2020). Digital trade could be further promoted by incorporating digital services into trade agreements, addressing issues such as exemptions for electronic transmissions, cybersecurity, data privacy, and free information flow (Herman and Oliver, 2023). Such measures could reduce transaction costs and boost trade by streamlining processes. Yet, they may also raise compliance costs if stricter cybersecurity measures are required. Based on these findings, the following hypothesis is suggested:

H_2. Digital trade has a positive impact on the economic growth of BRICS economies.

2.3.Natural Resource Rents and Economic Growth

Sachs and Warner (1995) introduced the concept of a potential link between natural resources and economic growth through the “resource curse” hypothesis. This theory suggests that countries rich in natural resources experience weaker economic growth compared to those with fewer resources. In particular, the "Dutch disease" phenomenon is associated with this hypothesis, as it posits that a growing natural resources sector may lead to declines in other industrial outputs, ultimately resulting in economic downturns. The adverse effects are often seen when resource extraction overshadows and distorts other productive sectors, hindering overall economic performance. Some studies differentiate between resource abundance and dependence to clarify this phenomenon (Norman, 2009), while Ouoba (2016) argues that treating these terms interchangeably can obscure the unique dynamics. Badeeb et al. (2017) define resource abundance as the sheer availability of resources in an economy, while resource dependence refers to a nation’s reliance on these resources.

Stijns (2005) identified resource abundance as a significant factor influenced by social, political, and economic determinants. Studies on the resource curse hypothesis are divided into two groups. The first group finds that resource abundance negatively impacts economic development; for example, Xiong and Luo (2023) demonstrated that resource dependence impairs green growth in OECD countries due to inefficient allocation of resources. Similar conclusions

were reached by Mehlum et al. (2006), Shao and Yang (2014), and others, all supporting the resource curse hypothesis.

Conversely, the second group of studies observes a positive impact of resource abundance on economic development, known as the "resource blessing" hypothesis. This group includes research by Papyrakis and Gerlagh (2004), Ndjokou and Tsopmo (2017), and others, who concluded that natural resources have been beneficial to various countries. Consequently, the relationship between natural resources and economic growth remains inconclusive, influenced by economic, political, and social factors. Based on these findings, the following hypothesis is proposed:

H_3. *Natural resource rents have a positive/negative impact on the economic growth of BRICS economies.*

2.4.Literature Summary

The literature reviewed here shows that while numerous studies have explored the impacts of resource rents, environmental policy, and fintech on economic growth, some areas remain under-researched. This study aims to address these gaps with several key contributions. First, while limited research has examined the impact of fintech on economic growth in BRICS countries, this study investigates its effects in this region, adding new insights to the literature. Additionally, while previous studies often used financial development indices as proxies for fintech, this research constructs a fintech index using various economic and technological variables. Second, digital trade is included as an indicator of technological innovation.

3. Data and Model Formulation

This research employs BRICS countries' yearly data from 2004 to 2023. Economic growth, the dependent variable, is measured as GDP per capita in constant 2010 prices. We have several explanatory variables in the model used: Natural Resource Rent (NRR) as a percentage of GDP; Digital Trade (DT) measured by international trade export in digitally deliverable services that have the values, shares, and growth.

Although there is no direct indicator for financial technology, the proxies used for financial technology in the study include the Financial Development Index, the financial institutions efficiency index, internet usage (% of the population),

and mobile cellular subscriptions. Model specification includes labor and capital as control variables. All data comes from the World Development Indicators (WDI). Table 1 provides a detailed description of the variables and data sources.

Following is the functional form of the model obtained from the discussed variables.

$$GDP = f\begin{pmatrix} Natural\ Resource\ Rent, Digital\ Trade\ , Fintech, Labor, Capital, \\ Foreign\ Domestinc\ Investment, Remitences \end{pmatrix}$$

The model can be presented as.

$$GDP_{ct} = \varphi_0 + \varphi_1 NRR_{ct} + \varphi_2 ICTG_{ct} + \varphi_3 FT_{ct} + \varphi_4 LAB_{ct} + \varphi_5 GFCF_{ct} + \varphi_6 FDI_{ct} + \varphi_7 REM_{ct} + \varepsilon_{ct}$$

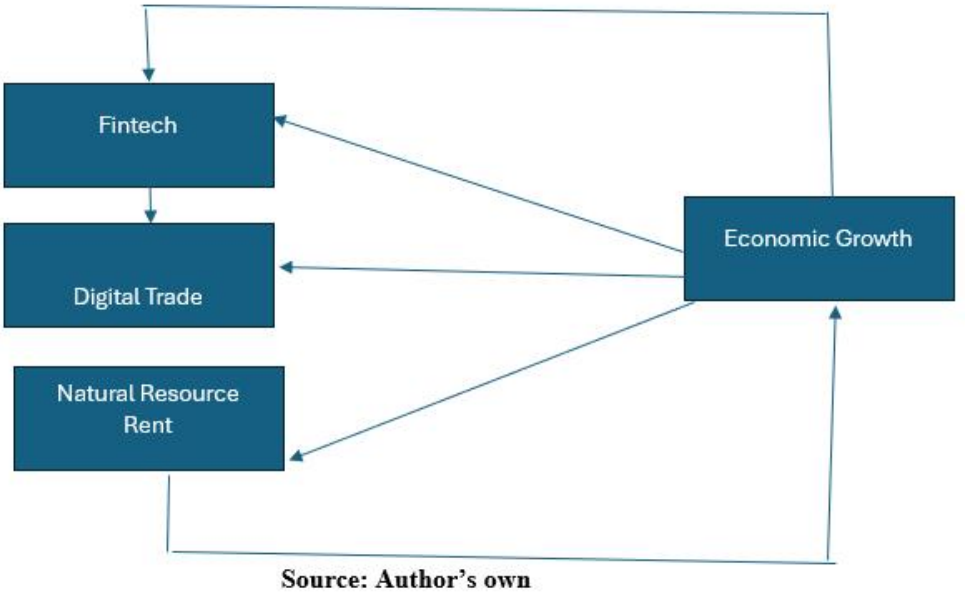
Table 1: Variables Explanation and its sources

Variables	**Symbols**	**Measurement**	**Data Source**
Gross domestic product	GDP	Log of Gross Domestic Product (constant 2010 prices)	WDI
Total natural resources rent	NRR	% of GDP	WDI
Gross fixed capital formation	GFCF	% of GDP	WDI
ICT goods exports	ICTG	% of total goods exports	WDI
Foreign direct investment	FDI	% of GDP	WDI
Remittances	REM	% of GDP	WDI
Fintech	FT	Index	WDI

Since there is no clear indicator for financial technology readiness in the existing literature, two proxies will be developed for fintech readiness. The first proxy is constructed based on financial development index, internet users (% of population) and mobile cellular subscriptions. The other proxy includes

the Financial Institutions Efficiency Index, internet users (as a % of the population) and the number of mobile cellular subscriptions. Model 2 (the proposed model) is then applied to both proxies, and its framework is given in Figure 1.

Figure 1. Flow analysis of model



Source: Author's own

4. Method and Material

It is also important to deal with cross-sectional data with care as cross-sectional dependence and slope heterogeneity are the main issues to deal with before starting the formal analysis (Bai and Ng, 2005, 2008). These issues can produce spurious results if ignored. This allows for regional integration to bias dynamic variables in a cross-sectional way. In response to these challenges, this study utilizes the Pesaran scaled LM, and the more recently developed Pesaran CD tests to analyze cross-sectional dependence. Moreover, the Pesaran and Yamagata test can be used to identify heterogeneous slopes across panel entities.

The test statistics of this examination is defined as follows:

$$\widetilde{\Delta_{SH}} = (N)^{\frac{1}{2}}(2k)^{-\frac{1}{2}}\left(\frac{1}{N}\tilde{S} - k\right)$$

The stationarity is tested for the model variables by implementing Pesaran's(2007) test which is used for panel data analysis. The second-

generation test employed here, a cross-sectionally augmented Dickey-Fuller (CADF) regression-based approach assures robustness against cross-sectional dependence.

Finally, the study tests the variables for cointegration. The second-generation cointegration test of Westerlund is used considering the cross-sectional dependence as well as the slope heterogeneity. This test offers several test statistics for examining the long-run relationship between the variables.

4.1. Regression Analysis with MMQR

In panel data analysis, some commonly used estimation methods include Fixed Effects Ordinary Least Squares (FE-OLS) and Panel Autoregressive Distributed Lag (PARDL) models. In this regard, these methods have some drawbacks. FE-OLS is the most robust/consistent method among them and adequately handles issues of cross-sectional. Its reliability is also enhanced by the addition of Driscoll and Kraay standard errors.

And the efficiency of the Dynamic Ordinary Least Squares (DOLS) method is well documented in the Monte Carlo simulations conducted by Kao and Chiang (2001). DOLS addresses endogeneity concerns by including lag and lead differences. Both FE-OLS and DOLS are derived under a conditional mean assumption based on classical linear model assumptions.

Analyzing responses across conditional quantiles is important for understanding how the dependent and explanatory variables are related. In this paper, the Quantile Regression (QR) framework proposed by Koenker & Bassett (1978) is used to assess these conditional relationships in the context of panel data. QR is a non-parametric and computationally efficient technique, and is useful in datasets containing outliers.

Quantile regression is not limited to mean responses and will work even in the absence of a strict mean response (Binder and Coad, 2011). For this end, we build on the Method of Moments Quantile Regression (MMQR) (Machado and Silva 2019), an advanced econometric model which provides capture of the conditional quantile dynamics of the dependent variable. MMQR is also well-suited for cross-sectional data issues (Sun and Razzaq, 2022).

The MMQR model considers several parameters that exert various effects on the dependent variable through scale and location, facilitating a more full-fledged multi quantile-dependent relationship analysis, between dependent and independent variables.

The expression can be stated as.

$$Q_\tau(\tau|X_{ct}) = a_c + \delta_c q(\tau)) + X'_{ct}\beta + Z'_{ct}\gamma q$$

Where X'_{ct} are the explanatory variables such as NRR, ICT, FT and Capital. Moreover, the other response variable is GDP and can be stated by the expression $Q_\tau(\tau|X_{ct})$.

5. Results and Discussion

In the subsequent section, statistical analysis is carried on the selected countries data to propose the result-oriented policy recommendation. Several tests have been performed starting from the basic descriptive statistics to have a clear picture of the data. Table 1 shows the descriptive statistics whereas table 2 presents the slope homogeneity test. Furthermore, this section also checks the cross-section dependence test. The CD test demonstrates the presence of cross-sectional dependency in the model.

5.1. Descriptive statistics

Table 2 displays descriptive statistics of the investigating variables. It shows the detailed features of the variable including the mean and standard deviation. The mean values of the variables are greater than the value of the standard deviation which indicates that variables are not highly skewed or absence of outliers in the data.

Table 2: Descriptive statistics

	GDP	GFCF	TNRR	ICTG	FDI	REM	FINTCH
Mean	28.13818	25.7579	5.9019	6.3106	2.2567	0.8459	61
Maximum	26.2606	44.5187	19.1049	0.17	30.72	4.1686	2.1704
Minimum	30.4759	13.0513	0.8637	-1.7564	9.6602	0.1078	-1.4803
Std.Dev.	1.1058	9.7926	5.9019	10.6496	1.4378	1.2004	1.0000

5.2. Slope homogeneity test

Table 3 illustrates the slope homogeneity test prescribed by Pesaran and Yamagata in 2008. The result shows that delta and adj delta are statistically significant and depict the presence of slope homogeneity in the model.

Table: 3: Slope Homogeneity Test

	Delta	P-value
	2.206	0.027
adj.	3.760	0.000

5.3.Cross-sectional Dependency (CD) Test

Table 4 represents the outcomes of the CD test. Panel data is usually characterized by multiple entities across different time periods which are correlated to each other due to external shocks and spillover effects. The CD is used to access this dependency across observations. The P- P-values of the CD test are significant, rejecting the Ho and demonstrating the presence of cross-sectional dependency in the model.

Table 4: Cross-Sectional Dependency

	CD-Test	P-value
GDP	13.34	0.000
GFCF	4.16	0.000
TNRR	9.15	0.000
ICTG	-0.84	0.398
FDI	0.72	0.469
REM	-7.76	0.079

5.4. Second generation unit root test.

Table 5 shows the results of the CIP unit root test of selected variables. CIPS is a second-generation unit root test and advantageous over First-generation unit root test as it captures the cross-sectional dependency among the model. The first-generation unit root test provides a biased estimate in the presence of cross-sectional dependency. The results of the CIPS test indicate that all the variables are stationary at I (1) and reject the null hypothesis.

Table 5: Unit Root test

Variables	AT LEVEL	AT 1st Difference
GDP	-1.495	-2.880*
GFCF	-1.754	-3.543*
TNRR	-3.023*	-5.916*
ICTTG	-1.888	-4.726*
FINTECH	-1.875	-4.971*
REM	-2.582	-3.549*

5.5. Co-integration test

In Table 6, the Pedroni test is used to identify the co-integration among the variables. The p-value of MPP, PP, and ADF is highly significant and highlights the long-run relationship among the variables.

Table 6: Results of Co-Integration Test

	Statistics	p-value

Modified Phillips–Perron t	3.2757	0.0005
Phillips–Perron t	4.6821	0.0000
Augmented Dickey–Fuller	-3.0543	0.0011

5.6.Long run estimates

The long run coefficient has been estimated by employing nonlinear MMQR estimation approach. The result of the model is shown in table 7. the estimated coefficient of Gross fixed capital formation represents the positive relationship with Economic growth across all quantile groups. This result aligns with (Topcu et al., 2020). According to researchers GFCF leads to economic growth through multiple channels. It increases the investment in machinery, development projects, and infrastructure. All these elements boost the process of production and expand economic growth.

The coefficient of total natural resources rent has negative relationship with Economic growth. This relationship occurs due to resource curse where resource-rich countries face economic instability, weak institutions, and a lack of diversification. This result is aligned with the findings of Ozcan, 2013 and Sterpu et al., 2018.

The coefficient of ICT goods exports is positively related to economic growth across all quantile groups. The expansion of ICT goods demonstrated high productivity and efficiency, technology spillover, and innovation, which affected foreign investment and increased economic progress. This outcome aligns with the finding of (Lee et al., 2021). Similarly Foreign direct investment and foreign remittances have positively related to economic growth across all quantile groups. Both are sources of capital inflows that speed up the process of industrialization and economic growth. The underlying findings are justified by the working of (Meyer & Shera, 2017; Mutai et al., 2025).

The coefficient of fintech also has a positive relationship with economic growth. Fintech accelerates financial inclusion, lowers costs, increases investments, and modernizes financial markets, all of which drive higher economic growth. Countries that embrace fintech see higher efficiency, greater innovation, and stronger economic resilience. The outcomes are aligned with (Narayan, 2019; Yang et al., 2021).

Table 7: MMQR estimates

Variables	0.25 Quantile	0.50 Quantile	0.75 Quantile	0.90 Quantile
GFCF	0.1006*	0.0870**	-0.0697	0.0596

	(0.3764)	(0.0370)	(0.0490)	(0.0625)
NRR	0.0875*	-0.0737 *	-0.0563**	-0.0460
	(0.0218)	(0.0214)	(0.0281)	(0.0381)
ICTG	0.0142	0.0227	0.0334	0.0397
	(0.0376)	(0.0371)	(0.0492)	(0.0614)
FDI	0.1278**	0.1636**	0.2089**	0.2355**
	(0.0671)	(0.0659)	(0.0868)	(0.1156)
REM	0.1674	0.2354	0.3216	0.3721
	(0.1872)	(0.1842)	(0.2441)	(0.3111)
FT	0.6165*	0. 6144*	0.6116*	0.6100*
	(0.5062)	(0.0815)	(0. 1086)	(0.1327)
C	25.2999*	25.6046*	25.9909*	0.6100*
	(0.5062)	(0.4978)	(0.6569)	0.8728

6. Conclusion and Policy Recommendation

Knowledge of the economic growth drivers is critical for establishing an appropriate economic policy framework. Existing literature has discussed the number of economic & financial factors behind growth. This paper examines the effects of economic and financial variables on growth in BRICS countries which are a group of mainly middle-income countries. Relevant variables of these countries in terms of the digital trade, natural resource rents, financial technology, and capital are also the key factors in the model. First cross-sectional dependence, slope heterogeneity, unit root properties and cointegration is examined in the study using annual data from 2004-2023. During the second stage, the empirical analysis is performed using Method of Moments Quantile Regression (MMQR). Results show that higher natural resource rents are detrimental to growth, while lower rents stimulate growth. In contrast, digital trade and financial technology have a positive effect on economic growth in the BRICS countries. Based on the estimated results, few policies are proposed.

Those countries manage their natural resource rents presents an important policy challenge for the BRICS countries that is critical for achieving sustainable long-term economic growth. Strong governance frameworks are necessary to facilitate the integration of resources and revenues to equitable distribution while avoiding the “resource curse,” which has shown negative consequences like economic distortions, corruption, and social inequalities.

Policymakers should prioritize transparent and accountable institutions over resource rents to manage these rents appropriately.

To maintain control, economic diversification is needed to reduce the reliance on natural resources whilst to build resilience and thus mitigate the risk resulting from commodity price volatility. Developing human capital through education and innovation are essential building blocks of a knowledge economy which can continue to prosper beyond the limitations posed by finite resources. There should also be a concern for environmental sustainability through policies that encourage responsible resource extraction and investment in green energy.

Sharing information and the exchange of best practices can also be beneficial for BRICS countries through international collaboration. Such cooperation can be an important part of an effort to cope with the challenges of managing the rents from mineral resources and ensuring sustainable economic growth.

Policymakers must navigate this complex landscape and create robust regulatory frameworks that safeguard consumer rights, privacy, and cybersecurity in cross-border digital transactions. Moreover, to keep the workforce competitive in a rapidly evolving labour market, governments ought to address digital literacy and skills training.

In addition, mutual discussion on data governance would help the parties actively to shape the evolution of the global rules related to intellectual property protection and e-commerce. Policymakers will have to overcome challenges like the digital divide to make sure online trade benefits are equitably accessible to everyone. With progressive policies in place, BRICS nations have the potential to leverage the transformational nature of digital trade to drive economic growth, employment and innovation in an ever more interlinked world.

The fast-paced expansion of financial technology has important policy dynamics related to economic growth of the BRICS economies. Policymakers must focus on developing appropriate regulatory frameworks to support innovation while maintaining consumer protection and stability of the financial system. It is important to balance the promotion of fintech advancements and addressing risks such as cyber and financial fraud.

Fintech options need to be invested on, including security payment systems along with data protection steps to guarantee the best usage plus possibility. In addition, policymakers can support competition and lower barriers to exit by promoting the formation of new fintech companies to build a dynamic and competitive financial sector. The last two-initiatives strengthen financial

literacy and ensure regulatory clarity go a long way in building trust among consumers and businesses.

This is also where collaboration between governments and financial institutions will be essential in tackling hurdles such as data management, interoperability and regulatory harmonization. Fintech innovation embedded in a strong regulatory environment will enable BRICS economies to drive higher levels of financial inclusion, efficiency, and economic growth.

7. Limitations

This study has some limitations and opens new avenues for future studies. Although the paper investigates the state of fintech readiness and the concept of digital trade in the BRICS context, future studies should involve different fintech variables affecting the state of economic growth. Moreover, we can analyze it with reference to other economic groups like G7, G10, ASIAN, and ASEAN which can give a better context. Regional expansion would ameliorate comparative analysis. Moreover, more advanced methodologies can be used to explore the dynamics of economic growth.

Compliance with Ethical Standards

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