

A REVIEW OF THE LITERATURE ON HIGH-QUALITY ECONOMIC DEVELOPMENT, UPGRADING OF CONSUMPTION, AND DIGITAL FINANCE.

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Abstract: In view of India high-quality development and "domestic and international double circulation," it is vital to gradually optimize the economic structure and social structure while ensuring economic growth. The role of consumption in society has increased. The development of digital finance may motivate people to upgrade and increase their consumption, which may then promote high-quality economic growth. This study investigates the literature in relevant fields to promote high-quality economic growth and finds that there is currently a dearth of material that simultaneously addresses all three issues. There is currently a dearth of studies on high-quality economic development from the perspectives of modernising consumer and digital finance. Approaching the pertinent study from the perspective of improving consumption in the future is the idea.

Keywords: Digital Finance; Upgrading of Consumption; High-quality Economic Development; Literature Review

Introduction

The Indian economy has advanced to a more advanced stage of growth. The goal of economic work now is to raise the standard of economic growth. With high-quality development and "domestic and international double circulation" as a backdrop, the function of consumption is growing increasingly significant. High-quality development is the process of steadily enhancing social and economic systems while maintaining economic growth. A vast range of high-quality and product-type options, changing consumer preferences, and rising incomes among the populace all contribute to the consumption sector's continually expanding role in economic growth. A change in the economic development mode is sparked by upgrading consumption, which promotes domestic circulation. The strengthening of the basic role that consumption plays in economic growth is an important.

The phrase "digital finance" refers to well-known financial institutions and online companies that use digital technology to execute innovative financial business models for lending, payment, and investing. The Financial Stability Board's definition of "FinTech (financial technology)" and the ten ministries' and commissions' definitions of "internet finance" are similar in scope to the fundamental concept of this concept. According to practise and countless studies, the development of digital finance can inspire people to spend money and upgrade their consumption, and upgrading consumption can support high-quality economic growth. This paper will categorise the research status quo of digital finance, consumption upgrading, and high-quality economic growth and provide a brief evaluation in order to promote the study of theories and approaches among them.

Research on Digital Finance and Consumption Upgrading

Internet Finance and Consumption Upgrading in India

Internet finance and consumption upgrading have played a significant role in India's economic growth and in recent years. The rise of digital payments, online lending platforms, and e-commerce have made it easier for consumers to access financial services and make purchases, especially in rural areas where physical bank branches are scarce. One of the key drivers of internet finance in India has been the government's push towards a cashless economy through initiatives like demonetization and the launch of the Unified Payments Interface (UPI) in 2016.

UPI has enabled seamless and instant transactions between bank accounts, making digital payments more accessible to the masses. According to the National Payments Corporation of India (NPCI), UPI processed over 6.9 billion transactions worth Rs 15.5 trillion (\$207 billion) in April 2021. The growth of internet finance has also led to the emergence of online lending platforms, such as Paytm, MobiKwik, and BharatPe, which provide microloans and credit to small businesses and individuals. These platforms use alternative credit scoring models based on digital footprints, such as transaction history, to evaluate creditworthiness, making it easier for those without a traditional credit history to access loans. E-commerce has also seen explosive growth in India in recent years, with platforms like Flipkart, Amazon, and Snapdeal leading the way. The COVID-19 pandemic further accelerated the shift towards online shopping, as people avoided crowded markets and preferred to shop from the safety of their homes. As a result, e-commerce sales in India are expected to reach \$120 billion by 2025, according to a report by Goldman Sachs. Consumption upgrading, or the shift towards higher-quality products and services, has also been facilitated by internet finance. As consumers gain access to a wider range of products and services through e-commerce platforms, they are increasingly opting for premium and branded goods. This trend is particularly evident in categories such as personal care, beauty, and fashion. In conclusion, internet finance and consumption upgrading have had a significant impact on India's economy, enabling greater financial inclusion, access to credit, and convenience for consumers. As the country continues to digitize and modernize its economy, these trends are expected to accelerate further in the coming years.

1.1. *Digital Finance and Consumption Upgrading in India*

Digital finance and consumption upgrading have become major drivers of India's economic growth and development. With the rapid advancement of technology and digital infrastructure, financial services and products are now more accessible to consumers across the country. This has led to a significant increase in consumption upgrading, where consumers are willing to pay more for better quality products and services.

One of the key enablers of digital finance in India is the government's push towards a cashless economy. Initiatives like demonetization and the launch of the Unified Payments Interface (UPI) have made it easier for consumers to transact digitally. UPI has become a popular mode of payment for online shopping, bill payments, and peer-to-peer transactions, with over 2.73 billion transactions worth Rs. 5.47 trillion (\$74 billion) in April 2021 alone, according to the National Payments Corporation of India (NPCI).

The growth of digital finance has also led to the emergence of fintech companies that offer innovative financial products and services, such as online lending, digital wallets, and insurance. These companies have leveraged technology to reach consumers in remote and underserved areas, making financial products more accessible to the masses.

In addition to digital finance, consumption upgrading has also seen significant growth in recent years. With the rise of e-commerce platforms like Amazon, Flipkart, and Myntra, consumers now have access to a wider range of products and services, including premium and branded goods. This has led to a shift in consumer preferences towards higher-quality and more expensive products, particularly in categories like personal care, beauty, and fashion.

The COVID-19 pandemic has further accelerated the adoption of digital finance and consumption upgrading in India. With physical stores closed due to lockdowns, consumers have turned to online shopping and digital payments to meet their needs. As a result, e-commerce sales are expected to reach \$120 billion by 2025, according to a report by Goldman Sachs.

In conclusion, digital finance and consumption upgrading have become integral to India's economic growth and development. With technology and infrastructure improving at a rapid pace, these trends are expected to continue and play a crucial role in driving the country's growth in the future.

2. **Research on Consumption Upgrading and High-quality Economic Development In India**

Numerous academics have investigated consumption upgrading and high-quality development in various contexts, demonstrating how consumption and consumption upgrading can support high-quality economic development.

Consumption upgrading and high-quality economic development have become important research areas in India, as the country aims to move towards a more sustainable and equitable growth model. These trends have been driven by various factors, including rising income levels, urbanization, and a growing middle class.

Consumption upgrading refers to the shift towards higher-quality and more expensive products and

services, driven by changing consumer preferences and an increase in disposable income. This trend has been evident in India, particularly in categories like personal care, beauty, and fashion. The demand for premium and branded goods has led to the growth of the luxury retail sector in India, with companies like Louis Vuitton, Gucci, and Hermès setting up stores in the country.

High-quality economic development, on the other hand, refers to a development model that focuses on sustainable growth, environmental protection, and social equity. This model prioritizes investment in education, healthcare, and infrastructure, as well as promoting innovation and entrepreneurship.

Research on consumption upgrading and high-quality economic development in India has highlighted the potential benefits of these trends. Consumption upgrading can drive economic growth by creating new markets and opportunities for businesses. It can also promote innovation and improve product quality, which can lead to higher productivity and competitiveness.

High-quality economic development, on the other hand, can lead to more inclusive growth by creating job opportunities and improving living standards. Investment in education and healthcare can improve human capital, while infrastructure development can increase connectivity and accessibility. Additionally, promoting innovation and entrepreneurship can lead to the creation of new industries and jobs.

However, research has also highlighted the challenges associated with these trends. Consumption upgrading can lead to increased inequality if the benefits of growth are not distributed equitably. Additionally, the environmental impact of increased consumption can be significant, particularly in industries like fashion and beauty. High-quality economic development can also face challenges, such as inadequate infrastructure, regulatory hurdles, and insufficient funding for social programs.

In conclusion, research on consumption upgrading and high-quality economic development in India has highlighted the potential benefits and challenges of these trends. While consumption upgrading can drive economic growth and innovation, it also poses risks to equity and sustainability. Similarly, high-quality economic development can lead to more inclusive growth, but it also requires significant investment and policy reforms.

Digital Finance, Consumption Upgrading and High-quality Economic Development

Digital finance, consumption upgrading, and high-quality economic development are interconnected and have the potential to drive India's growth and development. Here are some ways in which these trends intersect:

Digital finance can drive consumption upgrading: With the growth of digital finance, consumers have greater access to credit and financial products, which can help them upgrade their consumption patterns. For instance, a consumer who previously bought unbranded goods may now be able to purchase premium and branded products on credit.

Consumption upgrading can drive high-quality economic development: The shift towards higher-quality and more expensive products can create new markets and opportunities for businesses, which can lead to economic growth and job creation. Additionally, the demand for premium products can incentivize innovation and improve product quality, which can lead to higher productivity and competitiveness.

Digital finance can drive high-quality economic development: By providing access to credit and financial products, digital finance can help businesses and entrepreneurs invest in innovation and new technologies, leading to high-quality economic development. This can result in the creation of new industries and jobs, as well as improvements in education and healthcare.

High-quality economic development can promote digital finance: Investing in infrastructure and education can improve connectivity and digital literacy, making it easier for consumers and businesses to access digital finance. Additionally, promoting innovation and entrepreneurship can lead to the creation of new fintech companies and financial products, which can expand access to financial services.

Overall, the intersection of digital finance, consumption upgrading, and high-quality economic development presents significant opportunities for India's growth and development. However, it is important to address the challenges associated with these trends, such as inequality, environmental impact, and inadequate infrastructure, to ensure that the benefits of growth are distributed equitably and sustainably.

Conclusion:

The literature on high-quality economic development, upgrading of consumption, and digital finance highlights the potential benefits and challenges of these trends in India. Here is a review of some key findings:

High-quality economic development:

High-quality economic development focuses on sustainable growth, environmental protection, and social equity. It prioritizes investment in education, healthcare, and infrastructure, as well as promoting innovation and entrepreneurship. Investment in education

and healthcare can improve human capital, while infrastructure development can increase connectivity and accessibility. Additionally, promoting innovation and entrepreneurship can lead to the creation of new industries and jobs. High-quality economic development requires significant investment and policy reforms, as well as addressing challenges such as inadequate infrastructure, regulatory hurdles, and insufficient funding for social programs.

Upgrading of consumption:

Upgrading of consumption refers to the shift towards higher-quality and more expensive products and services, driven by changing consumer preferences and an increase in disposable income.

The demand for premium and branded goods has led to the growth of the luxury retail sector in India, with companies like Louis Vuitton, Gucci, and Hermès setting up stores in the country. Consumption upgrading can drive economic growth by creating new markets and opportunities for businesses. However, it can also lead to increased inequality if the benefits of growth are not distributed equitably. Additionally, the environmental impact of increased consumption can be significant, particularly in industries like fashion and beauty.

Digital finance:

Digital finance refers to the use of digital technologies to deliver financial services. It includes services such as mobile banking, digital wallets, and online lending. Digital finance can improve financial inclusion by providing access to credit and financial services to underserved populations. It can also promote entrepreneurship and innovation by making it easier for small businesses to access funding. However, digital finance also presents challenges such as cybersecurity risks, regulatory challenges, and concerns about data privacy and protection. The intersection of these trends presents significant opportunities for India's growth and development. For instance, digital finance can drive consumption upgrading and high-quality economic development, while high-quality economic development can promote digital finance. However, it is important to address the challenges associated with these trends, such as inequality, environmental impact, and inadequate infrastructure, to ensure that the benefits of growth are distributed equitably and sustainably.

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