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REVIEWER'S REPORT

Manuscript No.: IJAR-58868

Title: "Digital Payment Growth and Economic Growth in India: An Empirical Analysis"

Recommendation:

Accept as it is ………………………………

Accept after minor revision…………….

Accept after major revision ……………

Do not accept (*Reasons below*) ………

Rating	Excel.	Good	Fair	Poor
Originality		✓		
Techn. Quality			✓	
Clarity		✓		
Significance			✓	

Reviewer's ID: JPR-002

Detailed Reviewer's Report

The manuscript titled **"Digital Payment Growth and Economic Growth in India: An Empirical Analysis"** addresses a relevant and contemporary topic concerning the rapid expansion of digital payments in India and their association with economic growth. The study uses secondary data for the period 2011–12 to 2025–26 and considers digital payment volume and real GDP growth as the major variables. The topic is significant from the perspective of banking, financial services, digitalisation and economic development, and the manuscript presents a clear research objective, research gap, methodology, findings, suggestions and conclusion. The review of literature includes recent studies related to digital payments, UPI, financial inclusion, consumption and economic growth, which provides a reasonable background for the study. The use of annual digital payment volume, annual growth rates, Pearson correlation and a one-sample t-test provides a basic empirical framework for examining the stated objectives. The finding that digital payment volume recorded an average annual growth of 47.84% is clearly presented, and the correlation result of $r = 0.142$ with $p = 0.615$ is appropriately interpreted as a weak and statistically insignificant relationship with real GDP growth. The one-sample t-test result is also reported clearly, with $t = 12.951$ and $p < 0.001$, indicating that the average annual growth in digital payment volume differs significantly from zero. However, several aspects require improvement before publication. First, the manuscript should provide more precise details about the construction and source of the digital payment volume variable, including the exact RBI/NPCI series used and whether different payment instruments have been aggregated consistently throughout the study period. Second, the

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terminology "digital payment volume" should be clearly defined because payment volumes may contain transactions of substantially different sizes and economic significance. Third, the use of Pearson correlation between the level of digital payment volume and GDP growth needs stronger methodological justification, particularly because the variables are measured differently and the study uses only 15 annual observations. A correlation between a rapidly increasing level variable and a growth-rate variable may not adequately capture the underlying economic relationship. The authors should consider whether digital payment growth, real GDP level, GDP per capita, or other appropriately transformed variables would provide a more meaningful empirical specification. Fourth, the sample size is very small, and this substantially limits statistical power and generalisation; this limitation should be discussed more prominently. Fifth, the study should distinguish clearly between association and causation, as the current analysis cannot establish that digital payments cause or do not cause economic growth. Sixth, the methodology would benefit from additional diagnostic tests and, if appropriate, a more robust time-series or regression-based approach incorporating relevant control variables such as financial inclusion, internet penetration, consumption, investment, employment or digital infrastructure. Seventh, there appears to be a numerical inconsistency in the hypothesis-testing section: Table 7 reports a Pearson correlation of 0.142, while the corresponding t-value is given as 0.515; this should be carefully verified against the reported correlation and sample size because statistical consistency between r, t, degrees of freedom and p-value is essential. Eighth, the literature review is relevant but relatively brief and would benefit from a more critical synthesis rather than a study-by-study description. The research gap should also be strengthened by explicitly explaining how the present study differs from recent Indian studies using regression, district-level data or broader macroeconomic indicators. Ninth, the manuscript would benefit from improved presentation of the data through suitable charts or graphs showing the growth trajectory of digital payment volume and changes in GDP growth over the study period. Tenth, the references and in-text citations should be carefully checked for completeness, consistency and adherence to the required journal reference style. The discussion of findings should also be expanded by comparing the empirical results with the findings of earlier studies and explaining possible reasons for the insignificant relationship observed in the present analysis. The suggestions provided are relevant, particularly those concerning digital literacy, cybersecurity, infrastructure and rural adoption, but they could be more directly connected to the empirical findings. The conclusion is generally consistent with the reported results and appropriately avoids claiming a causal relationship. Overall, the manuscript has a relevant research theme, a clearly stated purpose and useful preliminary empirical findings, but substantial methodological clarification, statistical verification, stronger discussion and improved presentation are required to enhance its academic quality and reliability.