Chapter 8
Financial Development, Technological Development, and Poverty: A Cross-Sectional Study

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ABSTRACT
This study aims to explore the impact of financial development, technological development on poverty for Asian and Non-Asian countries. In order to test the proposed model, five years’ data from 80 countries over the year 2008 to 2014 have been collected. This study uses the Pooled OLS regression and found that poverty has a significant relationship with inflation and unemployment. However, technological advancement has found negatively and statistically significant with poverty. Furthermore, this study found that the Asian region has poverty reduction effect in comparing other regions when technological advancement speeds up.

INTRODUCTION
The world is characterized by widespread discrimination. The effects of inequality are versatile and they are continuing to present in the relationship between countries, regions and the globalized markets, trade patterns and political structure. Equally, this dissimilarity also affects the daily interaction of human
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life, their skills, and performance. In order to eradicate discrepancy, economic development is seen as one of the most powerful tools in world economies. However, it is a complex issue that can be defined as an improvement of welfare.

It is hard to explain the contemporary economic developing process and one of the biggest paradox is the fact that many countries do experience economic growth, but yet they suffer from the serious problems of poverty. But questions arise when focus shift from growth to reduce. Do financial development and advancement in technology reduce poverty? or proper implementation of economic policies with the help of technology is the crucial factor to redistribute the additional resources from increased per capital GDP?

In this paper, an attempt has been made to investigate whether there is a relationship between poverty and financial development across the income difference countries. The goal is to show empirically impact on the level of poverty rate, thus some relevant theories will be examined. Focus will lay on the Gini coefficient and Lorenz curve to indicate the level of inequality in countries.

**Status of Financial Development, Technological Development and Poverty: A Cross-Country**

Asian countries have been experiencing substantial economic development over the past few decades. However, still a significant number of countries are under poverty. In spite of the poverty, the region has been invigorated by the advent of the new Information Technology (IT), or all the more comprehensively, information and communications technologies (ICTs), which guarantee to be a principle engine of development in the coming decades. Internet world’s stat (2017) reports more 50% internet users are from Asian region in comparing the other regions.

Unfortunately, not all parts of Asia have achieved similar success in poverty reduction by using information and communications technologies (ICTs). While the power of ICTs is now being most keenly felt in the policy makers but very few attempts are taken for properly using the technological advancement on the poverty reduction. The enormous potentialities of ICTs can be exploited to enhance the development prospects of poor countries in Asian region. Recently, China and India, two fastest growing economy in the world are adopting technological know-how and their financial development on poverty reduction. The following figure-2 depicts the top 10 internet users in Asia:

*Figure 1. Internet users in Asia and rest of the world*
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