

Fintech's Impact on Financial Inclusion and Capital Markets in Developing Economies

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Abstract:

This study provides preliminary evidence that fintech can be leveraged to promote inclusive and sustainable economic growth within the financial market system. With a focus on the emerging economies of Sub-Saharan Africa, the central hypothesis is that financial inclusion, enabled by financial technology, can accelerate the acquisition of wealth-creating financial products in the capital markets. By establishing that linkage, this study hopes to provide the basis for policy initiatives that facilitate and expand access to the broader financial markets. Preliminary results show that the linkage between financial inclusion and capital market development is conditional on country-level fintech diffusion. Thus, digital financial access enhances the likelihood of greater participation in the financial markets. Ultimately, this inquiry is guided by the view that capital markets are essential drivers of economic growth and wealth creation.