

Leveraging fintech mobile money to expand banks' financial services in developing countries

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Abstract-

Mobile money consists of payments through mobile devices using Fintech platforms. Despite the accelerated mobile money adoption in developing countries, financial inclusion levels lag those in the developed world. We unveil how disruptive Fintech can foster financial inclusion, by examining a sample of nearly 70,000 observations from 70 emerging countries in 2021. Our results indicate that mobile money and its associated epidemic effects enhance the transition to deposit and credit-based financial services if institutional conditions and banks' financial technologies are well aligned. This suggests that non-banks' Fintechs can facilitate the uptake of financial services provided by conventional banks.

Index Terms- Mobile money; Fintech; Non-bank finance institutions; Epidemic effects; Financial technologies; Financial inclusion; Digital finance

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