

Evaluating the Influence of Financial Technology (FinTech) on Sustainable Finance: A Comprehensive Global Analysis

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Abstract : The primary aim of this paper is to investigate the influence of financial technology (FinTech) on sustainable finance. The sample for this study spans from 2010 to 2021, encompassing data from 89 countries worldwide. The study employed two-stage least squares (2SLS) regression approach with the instrumental variables and validated the findings using a two-step system generalized method of moments (GMM). The findings indicate that fintech has a significant favorable impact on sustainable finance. While other factors such as institutional quality, socio-economic condition, and renewable energy have a significant and beneficial influence on the trajectory of sustainable finance, except globalization's impact is positive but insignificant. Furthermore, fintech is crucial in driving the transition toward a sustainable future characterized by a lower carbon economy. The study found that fintech has extensive application across various sectors of sustainable finance and has substantial potential to create long-term positive effects on sustainable finance. Fintech can integrate extensively with other technologies to facilitate diversified growth in sustainable finance. Additionally, this study highlights fintech-related trends and research opportunities in sustainable finance, showing how these can promote each other worldwide with important policy implications for countries looking to advance sustainable finance through technology.

Keywords : sustainable development goals (SDGs), financial technology (FinTech), genuine savings index (GSI), financial stability index, sustainable finance

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