

Role of Fintech in Green Economic Growth: Evidence from Emerging Economies

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ABSTRACT

The environmental damage that conventional economic expansion causes has prompted policymakers and academic experts to focus on sustainable economic growth. Technological innovation is one of the most important factors propelling the green economy forward, particularly in the financial sector. This research aims to determine the role of financial technology developments on the green economy's expansion. The study considered 23 emerging nations from 2005 to 2021. All the negative externalities caused by traditional growth methods are subtracted when measuring green economic growth. This study employed Fully Modified Ordinary Least Square (FMOLS) to estimate the model. The results show that Fintech is essential for emerging nations to achieve sustainable economic growth. FDI, GFCF, and R&D impact green economic growth positively, while trade openness is negative. The findings demonstrate that encouraging Fintech innovation is critical to long-term economic prosperity.

Keywords: Green Economic Growth, Fintech, Foreign Direct Investment, Environmental Sustainability, Sustainable Development