

Financial Inclusion and Development Impact on Fintech and Bigtech Lending

Sawssen Hajji Dhahri*

ISAEG-Gafsa University, Tunisia

Wifek Gassoumi

FSEGS - University of Sfax, Tunisia

Ahmed Alouani

ISAEG-Gafsa University, Tunisia

Abstract: Over the past few decades, Fintech and Bigtech lending has gained significant importance. In this context, our study focused on the financial inclusion and development effects on Fintech and Bigtech lending. Using a 37-country unbalanced panel observed during the 2013–2019 period, our results reveal that financial inclusion and financial development are significant determinants of Fintech and Bigtech lending. While the first is a positive but non-significant Fintech and Bigtech lending determinant, the second has a positive and significant effect on such lending system. Additionally, we incorporated a COVID-19 dummy variable into our initial model to account for the pandemic health impact. The inclusion of this indicator improved the efficiency of the estimated coefficients for ATMs and domestic credit to the private sector. To consider the heterogeneity effect between developed and developing countries, we also introduced a dummy variable. The results reveal that the mentioned effect is significant between the 37 countries. Furthermore, we found that the private sector domestic credit and the number of commercial bank branches significantly influence Fintech and Bigtech lending.

Keywords: Financial Inclusion, Financial Development, Fintech Lending, Bigtech Lending, Panel.

JEL Classification Number: G21, O16, O33

* Corresponding author. Email: sawssenh@gmail.com