The Influence of Fintech on Promoting Economic Stability Within Developing Countries

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Abstract

The current study aims to examine the ability of financial technology (Fintech) services to ensure economic stability within developing countries. Aspects of Fintech taken into perspective included (access to financial services, efficient and transparent transactions, risk assessment and management, digital payment systems and financial education and literacy). Quantitative methodology was adopted, and a questionnaire was self-administered by (100) financial analytics within Jordanian financial institutions. SPSS was used to screen and analyze primary data. Results of the study accepted what the study hypothesized indicating that Fintech is able to enhance and support economic stability within developing countries. Among the aspects adopted from Fintech, efficient and transparent transactions were considered the most influential sub-variable of all, which confirmed that having a system that is efficient and able to present transparent results increases individuals' intention to use. More Fintech users means more ability to make financial decisions in terms of online purchases and investments that helps in promoting a more stable economy within the developing countries. The study recommended that governments of developing countries must establish effective policies and procedures to protect the users and their sensitive information from cyber breaches and identity theft. Further recommendations were presented in the study.

Keywords: Financial Technology (Fintech), Access to Financial Services, Efficient and Transparent Transactions, Risk Assessment and Management, Digital Payment Systems, Financial Education and Literacy, Economic Stability, Developing Country, Developing Economy.

تأثير التكنولوجيا المالية في تعزيز الاستقرار الاقتصادي في البلدان النامية

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ملخص

تهدف الدراسة الحالية إلى دراسة قدرة خدمات التكنولوجيا المالية على ضمان الاستقرار الاقتصادي داخل البلدان النامية. وشملت جوانب التكنولوجيا المالية التي تم أخذها في الاعتبار (الوصول إلى الخدمات المالية، والمعاملات الفعالة والشفافة، وتقييم المخاطر وإدارتها، وأنظمة الدفع الرقمية، والتعليم المالي ومحو الأمية). وتم اعتماد المنهجية الكمية، وتم تطبيق استبانة ذاتياً من قبل (١٠٠) محلل مالي داخل المؤسسات المالية الأردنية.

تم استخدام برنامج *SPSS* لفحص وتحليل البيانات الأولية. وقد قبلت نتائج الدراسة ما افترضته الدراسة من أن التكنولوجيا المالية قادرة على تعزيز ودعم الاستقرار الاقتصادي داخل الدول النامية. ومن بين الجوانب المعتمدة في مجال التكنولوجيا المالية، كان يُنظر إلى المعاملات الفعالة والشفافة على أنها المتغير الفرعي الأكثر تأثيرًا على الإطلاق. وهذا يؤكد أن وجود نظام يتسم بالكفاءة والقدرة على تقديم نتائج شفافة يزيد من نية الأفراد في استخدامه. ويعني المزيد من مستخدمي التكنولوجيا المالية المزيد من القدرة على اتخاذ القرارات المالية فيما يتعلق بعمليات الشراء والاستثمارات عبر الإنترنت، مما يساعد في تعزيز اقتصاد أكثر استقرارًا داخل البلدان النامية. وأوصت الدراسة بأن حكومات البلدان النامية يجب أن تضع سياسات وإجراءات فعالة لحماية المستخدمين ومعلوماتهم الحساسة من الانتهاكات السيبرانية وسرقة الهوية. وقدمت توصيات أخرى في الدراسة.

الكلمات المفتاحية: التكنولوجيا المالية (Fintech)، الوصول إلى الخدمات المالية، معاملات فعالة وشفافة، تقييم المخاطر وإدارتها، أنظمة الدفع الرقمية، التعليم المالي ومحو الأمية، الاستقرار الاقتصادي، البلدان النامية، الاقتصاد النامي.

1. Introduction

With the ongoing technological developments in different aspects of life, individuals can’t be isolated from the effect of these development as they aren’t now exclusive to organizations and financial institutions (Naz et al., 2022). This was clearly visible through COVID 19 attack which managed to lockdown the whole operations of individuals and organizations, leaving no choice for others but to stay home (Candy et al., 2022). From that time, people have begun to increase their dependency on technology whether in education, medicine, or even finances.

Through the period of lockdown, many banks have transformed its services through the internet. Many of them presented options of opening accounts through smartphones, receiving financial aid either from personal acquaintances or from the government (Alkhwaldi et al., 2022). This have helped a lot in managing the finances of individuals through the lockdown. It was noticed that individuals had the needed acceptance of these technologies; this supported the authorities to increase its dependency on fintech reaching the current state (Abdillah, 2020).

Many studies have examined the positive influence of fintech on organizational financial affairs. Some of these studies even examined how fintech managed to organize financial affairs of governments and countries. In addition to that, studies have focused on the influence of adopting fintech services in the banking sector in terms of customer satisfaction, customer loyalty, service quality and many other aspects.

The literary gap lies in the fact that there were no studies – as far as the researcher concerned – that examined the influence of fintech services on economic stability from individual perspective. The main gap here is the fact that fintech isn’t exclusive to organizations, banks or government. When an individual uses a bank’s application to make a certain transaction, or when a teen uses their own personal account to make online purchases using a smartphone, then this can be called using fintech as well. This indicated that individuals are using fintech services on their individual level in order to ease their lives and accomplish their daily routines.

2. Aim, Question and Objectives of Study

Launching from that idea, current research aims to examine the ability of fintech services to ensure economic stability within developing countries. Aspects of fintech taken into perspective included (access to financial services, efficient and transparent transactions, risk assessment and management, digital payment systems and financial education and literacy). The research will take insights from perspective of financial analysists within banks' and financial institutions in Jordan. The reason for choosing financial analysists is attributed to the fact that they are acquainted with the terminology employed in the questionnaire and they are more able to assess individuals' use of fintech through their occupation.

However, realizing the aim of study was done through answering the following question:

Is fintech able to ensure a good level of economic stability within developing countries?

Answering the aforementioned question was done through achieving the following objectives:

A) Identify the concept of financial technology (fintech) and how it can serve individuals' financial affairs
B) Shed the light on the existence of fintech within the developing economies.
C) Present the most recent studies that took into perspective benefits of fintech on individual level.

3. Literature Review

3.1. <u>Financial Technology (Fintech)</u>

According to Giglio (2022a) and Kou et al. (2021), financial technology A.K.A. (fintech) refers to one of the modern financial concepts that means employing technology in financial services. Alaassar et al. (2023) indicates that FINTECH is a large umbrella for many different technological applications and solutions, which include electronic payment, electronic insurance, investment, real estate financing, and many others.

From another point of view, Eltweri (2020) viewed fintech as a concept that reflects the total reliance on technology in order to improve financial services in all its forms and ensure the conduct of financial operations at all times without the need for continuous human follow-up.

Knewtson and Rosenbaum (2020) emphasized the idea that financial technology has allowed individuals and organizations to benefit from electronic financial services because of the presence of many advantages in it, such as ease, security, and the possibility of individual and group financing, in addition to speed and convenience in dealing.

Fintech has caused a major revolution in the world of finance and transformed the traditional financial sector, prompting individuals and organizations to try to adapt and adapt in order to keep pace with the various developments in these applications as an attempt to continue benefiting from them (Mohamed et al., 2021; Ren et al., 2021).

3.2. Fintech Adoption Dimensions

Many academics, scholars and financial specialists have tried to examine how fintech can be of benefit on the individual level, and how stabilizing the finances on an individual and organizational level can lead to a better a more stabilized economy. Among these scholars (Kammoun et al. (2020), Naifar (2019), Ozili (2022), Pramawati et al. (2023), Safiullah and Paramati (2022) and Vučinić (2020) who presented many intersected dimensions through which economy can be stabilized through fintech. Among these dimensions:

3.2.1. Access to Financial Services

Fintech has contributed to improving the connectivity of financial services to various segments of society, as these segments previously struggled to access traditional financial services due to the educational level, difficulty in accessing banks and financial institutions, or even the lack of psychological and moral support for them. Fintech provided platforms on mobile and smart phones in order to access financial services at all levels, such as opening bank accounts, sending and receiving money, and electronic payment, and these services were either free or low-cost.

3.2.2. Efficient and Transparent Transactions

Trading and investment were among the areas that benefited most from fintech services. These services became available to everyone and improved financial trading operations. Trading services through fintech have also adopted decentralized technology, or what is known as blockchain. In this way, these transactions were carried out in a transparent, secure and low-cost manner, and there was no longer any need for financial intermediaries.

3.2.3. Risk Assessment and Management

Because fintech services rely on computer programming and machine learning, risk management has become easier and more capable of giving correct and timely predictions. Artificial intelligence has been relied upon to predict potential risks and provide solutions that can mitigate the damage. Individuals and institutions can now make financial decisions based on good risk assessment in fintech, especially with regard to lending, investment, and portfolio management.

3.2.4. Digital Payment Systems

Fintech has enhanced the level of development of financial services, leading to advanced electronic payment and money transfer services. Individuals can now receive and transfer money without having to deal with employees, use paper money or even checks. Electronic payment and electronic purchasing services have also become easier, safer and less expensive.

3.2.5. Financial Education and Literacy

The individual's experience and educational level were not in isolation from the good effects of using fintech. Financial technology has enhanced individuals' financial culture and helped them understand basic financial matters in a better way. It also provided the necessary tools and resources to help individuals monitor and analyze their financial decisions and make the right decision at the right time.

3.3. Economic Stability in Developing Countries

Fintech services are considered a crucial factor in strengthening and stabilizing the economy in developing countries (Daud et al., 2022). These countries grew up with a somewhat weak economic system, and technology was considered one of the factors that would contribute to strengthening the infrastructure of the developing economy because of the possibility of providing innovative and flexible services that suit all groups (Fung et al., 2020).

Giglio (2021b) argued that the financial inclusion provided by fintech services has been able to include various classes and unregulated environments through their access to financing and financial lending services in order to contribute to the development of their ambitions and personal goals in order to enhance economic growth and achieve stability.

On another level, automating financial operations through fintech has been an effective means of reducing expenses represented in logistical services, including employees, offices, and home systems (Vučinić, 2020). Through fintech, developing countries were able to reach a stage of confidence in the financial system, which contributed to increasing economic stability. Naz et al. (2022) agreed with all of the above, but pointed out the necessity of organizing fintech services in an effective manner in order to protect and secure individuals' information and personal interests. This consisted of enhancing awareness of the risks of fintech and identifying the expected benefits from it.

3.4. Hypotheses Development

Vučinić (2020) examined the impact of fintech on financial stability in terms of benefits, innovation, risk management and electronic payments. The study reached the conclusion that there is an impact of fintech on financial stability, given the positive impact of **electronic payments** and the desire of individuals for fast and **easily accessible services**. Financing and lending opportunities were higher, which contributes to ensuring a better level of financial stability.

Safiullah and Paramati (2022) aimed at examining the role of fintech in supporting and enhancing financial stability in banks. Study indicated that fintech managed to enhance financial efficiency and reduce costs by **enhancing operational processes, automating tasks, and providing electronic payment solutions**. In addition, fintech has provided big data analytics that through machine learning to provide predictions related to risk management and real-time data analytics. . This led to reducing fraudulent risks and standing up to piracy and corruption.

Ozili (2022) argued that fintech has the ability to enhance economic and financial stability through multiple options. As a start, it had the ability to enhance **transparency and efficiency in financial transaction**; it also presented the idea of **financial inclusion** that means that all deprived and rural areas had the chance to benefit from fintech services. In addition, financial stability was supported by fintech through **risk assessment management;** this has worked a good approach in order to reduce corruption, fraud and piracy in accordance with security and reliability of fintech services.

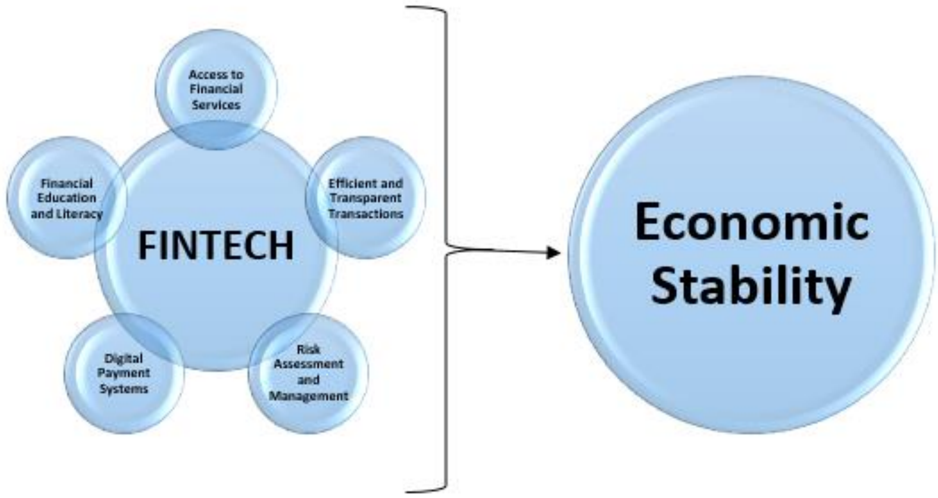
Kammoun et al. (2020) argued that fintech supported efforts towards realizing a stable economy through the services that it provide for the country. Authors argued that fintech is able to support economic stability through **enhanced access to financial services, improved efficiency and cost reduction, enhanced risk management and financial inclusion and entrepreneurship**. This has helped on many levels in order to support the efforts of reaching a stable economy.

In a book by Naifar (2019) titled "Impact of Financial Technology (Fintech) on Islamic Finance and Financial Stability", several aspects were seen to be as motivators for better economic stability especially within Islamic finance. Such aspects included **promoting financial inclusion, enhancing efficiency and cost reduction, strengthening risk management and enabling Shariah-compliant financial services**. This supported Islamic communities to be more involved in fintech in terms of using fintech services for their personal errands and included the concept of saving time and efforts when using such services from their smart phone and tablets.

Pramawati et al. (2023) argued that fintech guaranteed financial stability through making sure that the individuals' finances are stable from the first place. This took place through enabling individuals to have a coherent financial literacy. Many aspects of fintech supported such allegations including presenting **increased access to financial information, interactive and engaging learning experience, personalized financial guidance, digital financial tools and services, and sponsoring benefits and risks**.

3.5. Model and Hypotheses

After reviewing the afore-presented previous studies. Researcher was able to highlight the relationship between variables as according to the following model:



[1]**Figure 1. Study Model** **(Pramawati et al., 2023; Popescu, 2019)**

Through the model above, following set of hypotheses was presented:

<u>Main Hypothesis:</u>

Fintech solutions have the ability to promote economic stability in developing countries

<u>Sub-Hypotheses:</u>

H1: access to financial services has the ability to promote economic stability in developing countries

H2: efficient and transparent transactions have the ability to promote economic stability in developing countries

H3: risk assessment and management have the ability to promote economic stability in developing countries

H4: digital payment systems have the ability to promote economic stability in developing countries

H5: financial education and literacy have the ability to promote economic stability in developing countries

(1) Developed by researcher

4. Methods and Materials

4.1. Methodological Approach

Current study employed quantitative methodology as an approach to realize the main aim. Quantitative methodology was suitable due to its ability to collect primary data from a larger sample. This eases the process of generalizing results.

4.2. Tool of Study

A questionnaire was developed by researcher in order to be the main tool of study using previous studies including Vučinić (2020), Safiullah and Paramati (2022), Ozili (2022), Kammoun et al. (2020), Naifar (2019) and Pramawati et al. (2023). The questionnaire appeared in two main sections, the first took into perspective demographics of study sample, while the other section presented statement related to study sub-variables as in table 1 below:

Table 1. Distribution of Statements on Variables

Variable	# of Statements
Fintech Adoption	
Access to Financial Services	5
Efficient and Transparent Transactions	6
Risk Assessment and Management	5
Digital Payment Systems	5
Financial Education and Literacy	5
Economic Stability	9

In order to guarantee validity of study tool, the questionnaire was presented before a group of academics and specialists in the field for the sake of arbitration. All statements which gained more than 80% of arbitrators approval were maintained, while statements which gained 30-79% of arbitrators' approval were modified according to recommendations. Statements that gained less than 30% of arbitrators' approval were omitted.

4.3. <u>Population and Sampling</u>

Population consisted of all financial analytics within banks and financial institutions in Jordan. A convenient sample of (130) financial analytics self-administered the questionnaire. After application process, researcher was able to retrieve (100) properly filled questionnaire which indicated a response rate of (76.9%) as statistically accepted ratio.

4.4. <u>Statistical Processing</u>

Statistical package for social sciences SPSS was employed in order to mitigate primary data. Cronbach’s Alpha was used to test the reliability and consistency of study tool. As in table 2 below, Alpha for all variables was higher than 0.70 indicating that the tool was consistence and reliable.

Table 2. Alpha Value

Variable	α
Access to Financial Services	0.749
Efficient and Transparent Transactions	0.846
Risk Assessment and Management	0.882
Digital Payment Systems	0.836
Financial Education and Literacy	0.764
Economic Stability	0.845

5.5. <u>Underpinning Theory</u>

In current study, researcher built the problem statement through the underpinning theory of **Institutional Theory**. This theory has undergone significant contribution by scholars including John W. Meyer, Brian Rowan, Paul J. DiMaggio, and Richard Scott (Jarvis and Han, 2021). The theory focuses on the influential role of institutions and individuals on individual and organizational behavior. It also analyzes the role of regulatory and legal legislation, in addition to the cultural standards that contribute to shaping individuals’ attitudes toward financial technology (fintech) and its impact on economic stability.

6. Results and Discussion

6.1. Demographic Statistics

Percentage and frequency of demographics presented in table 3. As it can be seen, majority of respondents were males forming (63%) of total sample. Also, it was seen that majority of individuals responded to the questionnaire were within age range of 31-36 years forming 47%. Finally, majority of respondents had experience in the financial environment that ranged between 7-11 years forming 31% of the total.

Table 3. Demographics

	f	%
Gender		
Male	63	63.0
Female	37	37.0
Age		
25-30	10	10.0
31-36	47	47.0
27-42	29	29.0
+43	14	14.0
Experience		
2-6	12	12.0
7-11	31	31.0
12-16	27	27.0
+17	30	30.0
Total	**100**	**100.0**

6.2. Questionnaire Analysis

Mean (μ) and standard deviation (σ) of responses to questionnaire were calculated as in table 4 below. It was seen that all statements were positively received by sample individuals as they all scored higher than mean of scale 3.00. the highest variable was (**Risk Assessment and Management**) scored 4.08/5.00

compared to the lowest variable (**Digital Payment Systems**) scoring a mean of 3.95/5.00 but still positive as it was higher than mean of scale.

Table 4. Questionnaire Analysis

Statement	μ	σ
Fintech is able to overcome the traditional approaches to accessing financial services	3.940	.908
Mobile banking and digital wallets eased the process of accessing data for individuals	4.240	.653
Easy access to data can enhance risk management by individuals and organizations	3.890	.909
Fintech is easy to process for individuals unlike traditional financial services	4.040	.751
Individuals within developing countries are more able to manage their finances through fintech services	3.990	.870
Access to Financial Services	**4.020**	**.582**
Transparency gives individuals the trust and esteem to use fintech services	4.080	.734
Fintech services are based on secure and trustful access to financial services	3.930	.924
Fintech solutions are streamed with the needed financial transactions	4.060	.763
Users are aware that their financial transactions are secured and protected	3.920	.961
Fintech is able to reduce fraud and corruption	3.960	.710
Adopting fintech solutions can attract local and foreign investments for developing countries	4.020	.765
Efficient and Transparent Transactions	**3.995**	**.613**
All financial services can gain creditworthiness through fintech solutions which supports managing risks	4.180	.657
Fintech is able to present alternative credit scoring models for developing society	4.040	.618
Individuals can develop their financial abilities through the well-built risk management approaches in fintech	4.100	.689
Organizations and investors are more encouraged to invest through fintech due to its risk assessment	3.910	.818

Low levels of risks can contributed to the development of economy in developing countries	4.210	.574
Risk Assessment and Management	**4.088**	**.557**
Fintech reduces the reliance on cash transactions	3.840	.873
Fintech provide more secured digital payment	3.890	.886
All payment through fintech are efficient and traceable	4.090	.780
Fintech reduces the existence of cash-based economies	3.990	.835
Digital payment is able to prevent corruption, tax evasion, and money laundering	3.950	.821
Digital Payment Systems	**3.952**	**.653**
Fintech solutions are developed in a friendly user approach	3.840	.873
Individuals within developing countries have the initiative to use fintech solutions easily	4.030	.784
Through fintech solutions, individuals can access educational sources, budgeting tools and personalize the services	4.080	.677
Fintech is able to improve the financial literacy	4.030	.893
Better financial management means more stable economy	4.260	.661
Financial Education and Literacy	**4.048**	**.562**
Economic stability can foster innovation and creativity with developing countries	3.970	.822
A stable economy give the country confidence and resources to invest more	3.990	.870
Adopting fintech in developing countries can create job opportunities	3.870	.991
Fintech encourages developing economy to expand which means demand for more skilled workforce	3.990	.835
Stable economy is based on individuals' trust and confidence	3.920	.918
Engaging in online transactions support the economy through online purchases and payments	4.050	.757
Digital payments can stabilize economy through increasing the purchase power of individuals	3.890	.942
The stable economy is able to attract foreign investments	3.960	.710
Stability of an economy can lead to economic growth and global integration	4.020	.752
Economic Stability	**3.962**	**.562**

6.3. Multicollinearity Test

The VIF and Tolerance statistics were computed for the independent variables in order to assess the presence of multicollinearity among them. As in table 5, the VIF and Tolerance statistics were computed for the independent variables in order to assess the presence of multicollinearity among them (Gujarati & Porter, 2009).

Table 5. Multicollinearity

variable	Tolerance	VIF
Access to Financial Services	.225	4.453
Efficient and Transparent Transactions	.369	2.708
Risk Assessment and Management	.191	5.230
Digital Payment Systems	.199	5.017
Financial Education and Literacy	.168	5.952

6.4. Hypotheses Testing

The study hypothesized that "fintech solutions have the ability to promote economic stability in developing countries". This hypothesis was tested using multiple regression as in table 6. Results indicated that there is a significant and positive correlation between fintech and economic stability with (r = 0.966). The variable of fintech explained **93.3%** of the variance in economic stability. The statistical analysis further indicated that the F value exhibited statistical significance at the 0.05 level. This finding demonstrates that "Fintech solutions have the ability to promote economic stability in developing countries"

Table 6. Main Hypothesis Testing

Coefficients							
Model	**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**	**R**	**R Square**
	B	**Std. Error**	**Beta**				
(Constant)	-.012	.124		-.100	.921	.966[a]	.933
Access to Financial Services	.359	.054	.373	6.606	.000		
Efficient and Transparent Transactions	.639	.040	.697	15.848	.000		
Risk Assessment and Management	.073	.062	.073	1.190	.237		
Digital Payment Systems	-.008	.052	-.009	-.153	.879		
Financial Education and Literacy	-.072	.065	-.072	-1.106	.272		
Fintech solutions have the ability to promote economic stability in developing countries							

As for sub-hypotheses, they were tested depending on linear regression. Results appeared in table 7 below and indicated that all sub-hypotheses were accepted and there was a correlation between all sub-variables and dependent variable. The highest correlation was for the 2nd hypothesis. Results revealed a significant and positive correlation (r = 0.924) between efficient and transparent transactions and economic stability. In addition to that, this variable explained 85.3% of the variance in the dependent variable and F value exhibits statistical significance at the 0.05 level. This evidence demonstrated that "efficient and transparent transactions have the ability to promote economic stability in developing countries".

In the second tank there appeared the 3rd hypothesis with a significant and positive correlation (r = 0.825) and explained **68%** of the variance. F value exhibits statistical significance at the 0.05 level. This meant that "risk assessment and management have the ability to promote economic stability in developing countries"

The first hypothesis came also with a significant and positive correlation (r = 0.759) explaining **57.6%** of the variance with an F value significant at the 0.05 level. Results accepted the hypothesis "financial services has the ability to promote economic stability in developing countries".

The fourth rank was scored by 4th hypothesis with a significant and positive correlation (r = 0.676) and explained **45.7%** of the variance in the dependent variable. The statistical analysis further indicates that the F value exhibits statistical significance at the 0.05 level. This evidence demonstrates that "digital payment systems have the ability to promote economic stability in developing countries".

In the last rank was the 5th hypothesis with a significant and positive correlation (r = 0.658) explaining **43.3%** of the variance, and presented an F value that exhibits statistical significance at the 0.05 level. This evidence demonstrates that "financial education and literacy have the ability to promote economic stability in developing countries".

Table 7. Sub-Hypotheses Testing

Coefficients								
Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	R	R Square
1	(Constant)	1.020	.258		3.954	.000	.759[a]	.576
	Access to Financial Services	.732	.063	.759	11.528	.000		
H1: access to financial services has the ability to promote economic stability in developing countries								
Coefficients								
Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	R	R Square
1	(Constant)	.581	.143		4.048	.000	.924[a]	.853

	Efficient and Transparent Transactions	.846	.035	.924	23.845	.000		
H2: efficient and transparent transactions have the ability to promote economic stability in developing countries								
Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	R	R Square
		B	Std. Error	Beta				
1	(Constant)	.564	.238		2.375	.020	.825[a]	.680
	Risk Assessment and Management	.831	.058	.825	14.428	.000		
H3: risk assessment and management have the ability to promote economic stability in developing countries								
Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	R	R Square
		B	Std. Error	Beta				
1	(Constant)	1.663	.257		6.481	.000	.676[a]	.457
	Digital Payment Systems	.582	.064	.676	9.077	.000		
H4: digital payment systems have the ability to promote economic stability in developing countries								
Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	R	R Square
		B	Std. Error	Beta				
1	(Constant)	1.300	.310		4.186	.000	.658[a]	.433
	Financial Education and Literacy	.658	.076	.658	8.657	.000		
H5: financial education and literacy have the ability to promote economic stability in developing countries								

6.5. Discussion

The current study aimed at highlighting the role of fintech in supporting a stabilized economy from perspectives that included (access to financial services, efficient and transparent transactions, risk assessment and management, digital payment systems and financial education and literacy), and how these aspects played a role in preparing an environment that is stability friendly for economy. Quantitative methodology was adopted, and (100) financial analysts within banks in financial institutions in Jordan responded to a self-administered questionnaire. SPSS was used in order to mitigate primary data. Overall results accepted the study's main hypotheses as "fintech solutions have the ability to promote economic stability in developing countries" with a correlation coefficient of (0.966) and a variance of (93.3%).

Efficient and Transparent Transactions Supports Economic Stability

Study also adopted sub-variables to form the sub-hypotheses of study. It was seen that all hypotheses were accepted and contained a correlation coefficient with the highest being for (efficient and transparent transactions) which scored a variance of 85.3% and indicated a strong relationship with economic stability. This meant that the efficient and transparent transactions as a characteristic of fintech managed to gain the attention of users and increased their intention to use fintech and its services. This is due to the ability of fintech to support efficiency and guarantee transparency in financial transaction. This increased the sense of safety and security among users as agreed on by Ozili (2022), Kammoun et al. (2020) and Naifar (2019).

Risk Assessment and Management in Fintech is More Reliable

Study confirmed that risk assessment was influential on economic stability. Users became encouraged to make financial decisions and adopt different investments, as they are more aware of the risks that may face them. The variable scored a high correlation with **68%** of the variance. Having guaranteed technological platforms that is able to predict risks and support decision making was seen to be an approach to promote a stable economy. This appeared on many level including individual and organizational but with different strategies that matched the financial details of each party. This agreed with what came along with Ozili (2022), Kammoun et al. (2020).

Fintech guaranteed access to financial services

There was a positive correlation (r = 0.759) explaining **57.6%** for access to financial services, it was seen that fintech has provided the advantage of fairness, justice in terms of the ability of individuals from all segments of society to access financial services provided through fintech. This has provided individuals living in remote or unserved areas with access to financial services and enabled them to make financial decisions based on reliable information. This is consistent with Ozili (2022) and Pramawati et al. (2023) who indicated that easy access was a source of convenience and saved time, effort, and costs associated with transportation and traditional banking expenses.

Digital payment systems in fintech increased its adoption by individuals

Fintech presented the most famous of its services which is the digital payments. This service was highly accepted by individuals as it was seen easy and didn’t require moving from one place to another in order to make payments. It most appeared beneficial during COVID 19 as it decreased individuals’ dependency on using cash. Safiullah and Paramati (2022) and Vučinić (2020) who noted that digital payments and electronic means to make payments are among the widely accepted services of fintech agreed this on.

Individuals are more financially literate due to fintech

Financial literacy came in the last rank of influence explaining **43.3%** of the variance. Individuals now are more aware of their financial rights, and they are more able to make sensitive financial decisions due to the use of fintech. Vučinić (2020) gave an example of that when they argued that robo-advisor as a fintech service increased individuals’ awareness of investment. It helped them be more financially educated and encouraged them to go deeper into investments due to the help presented by fintech.

7. Conclusion

In general, economic stability is crucial for developing and developed countries, especially in the digital age. For a country to be in a state of economic stability means that it is able to provide more innovation, create various job opportunities, enjoy consumer confidence, and attract investment. A stable economy also means sustainable development and the full ability to harness potential for the benefit of individuals, organizations, and governments as a whole. All of the above fintech can offer by expanding access to financial services, engaging more marginalized individuals, and promoting economic growth, resilience and stability in developing economies.

7.1. Recommendations

From discussion and conclusion above, researcher recommended the following:

- Emphasizing the importance of international cooperation in order to maintain financial stability in developing countries
- Trying to create a legal and regulatory framework that encourages innovation and investment in financial technology while at the same time protecting consumers and ensuring financial stability
- Governments and educational institutions should adopt awareness campaigns and training programs to increase awareness and enhance individuals' digital skills
- Governments of developing countries must establish effective policies and procedures to protect users and their sensitive information from cyber breaches and identity theft

7.2. Practical and Theoretical Implications

Examining the influence of fintech on economic stability through tis influence on individuals is based on theoretical and practical implications. As for the theoretical implication, the current study

7.3. Limitations of study

Current study was limited to the following:

- Financial analysts within banks and financial institutions in Jordan.

- The study's numerical and theoretical results didn't depend on any financial data/reports of any bank in Jordan
- The study was limited to fintech application with no visible indicated to a certain application over another

7.4. Future Studies

Given that current study took into perspective the role of fintech in supporting economic stability, researcher suggested the following future research:

- Examine the role of fintech in organizing shadow economy
- Uses of fintech in organizing home-based small businesses that aren't followed or monitored by any authority

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