

Title: The role of Fintech financing in correcting ecological problems caused by mineral resources: Testing the novel ecological deficit hypothesis

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Abstract: Mineral resource-abundant nations encounter different forms of ecological problems which necessitate these nations to come up with credible solutions. Hence, this study empirically explores how [Fintech](#) development affects the ecological statuses of leading mineral-exporting nations, in light of a novel *ecological deficit hypothesis*. In this regard, advanced panel data estimation methods that are adept in handling issues related to cross-sectional dependence, heterogeneous slope coefficients, and endogenous covariates are employed for analytical purposes. Overall, the findings obtained from the analysis highlight the importance of persistently scaling credit extensions to [Fintech](#) startup-based projects for ultimately shrinking the initial ecological deficit-widening impacts of Fintech development. Accordingly, the validity of the *ecological deficit hypothesis* is verified by the inverted U-shaped nexus between Fintech credits and ecological deficits. In addition, the mineral sector expansion-led deterioration in the ecological status is affirmed by the findings. Moreover, the pollution haven hypothesis in the context of ecological deficits is found to be valid while urbanization is observed to deteriorate the extent of ecological deficits in the selected mineral-exporting nations. Furthermore, the robustness of these findings is confirmed in most cases when [ecological footprint](#) and [biocapacity](#) are considered as the outcome variable instead of ecological deficits. In line with these key findings, it is deemed necessary for the concerned mineral-exporting nations to not only amplify their level of Fintech credit extensions but also increase its share of their respective national output levels. Besides, greening future mineral sector expansion-related policies is essential in further reducing the ecological deficits. Furthermore, attracting ecologically friendly [foreign direct investments](#) and adopting sustainable urbanization mechanisms should be considered by these mineral-exporting nations to become ecologically surplus in the future.

Keywords: Fintech development Ecological deficit Mineral-exporting nations Ecological footprint Biocapacity Pollution haven hypothesis Environmental sustainability

<https://www.sciencedirect.com/science/article/abs/pii/S0301420723011509#:~:text=Fintech%20financing%20initially%20widens%20and,and%20urbanization%20increase%20ecological%20deficits.>