

# Chapter 18

## FinTech and Sustainable Development:

### A Comparative Study of Indian and Chinese FinTech Ecosystems

**Manish Ramamohan**

*Center for Management Studies, Jain University (Deemed), India*

**Mehak Mehta**

*Center for Management Studies, Jain University (Deemed), India*

**Sunitha B. K.**

*Center for Management Studies, Jain University (Deemed), India*

#### **ABSTRACT**

*The landscape of the financial industry has witnessed a massive revolution in recent years as a result of the growth of IT. The potential of FinTech innovations is a game changer allowing a scope to align itself to meet the needs of environmental sustainability. The increasing levels of human consumption are unsustainable for the world which needs to be addressed. The world needs to lead the way by rethinking many of its industries which are causing havoc for the survival of ecosystems and ensure that they operate in accordance with the 17 Sustainable Development Goals of the United Nations. The synergy of FinTech and sustainability will help to offer a tradable, measurable, and allocable venue to move citizens towards a sustainable and financially stable future. This chapter aims to justify that the future of finance is FinTech and study the ecosystem of FinTech in India and China to understand its implications, which can help for the development in the financial sector and in making the world a sustainable, habitable planet.*

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## **INTRODUCTION**

### **FinTech: A Financial Disruptive Innovation**

As the country advances towards a progressive financial future and the era of the internet, it brings with it the need and opportunity to establish various financial tools that will empower people. Financial Technology (FinTech), one unique tool and invention which has been around for decades is reinvented due to rapidly advancing technologies and a plethora of new players entering the FinTech ecosystem to explore its endless possibilities. The Financial Technology industry comprises of enterprises providing well designed financial services, as well as technological services directly to financial institutions. These enterprises use the perfect synergy between Finance and Technology to support and simplify financial transactions among businesses and consumers.

The advent of disruptive innovations and advances made in FinTech is upscaling demand for financial products and services and leading to healthy competition among enterprises to provide reliable, lucrative financial products and services. This has led to an increase in FinTech start-ups springing up and investments attention. FinTech is creating products and services to create and penetrate new areas of the financial system and to bring about a favourable perception and outlook towards financial bodies and services. These changes are making traditional financial firms to invest in innovation and technologies and pay attention to the trends and dynamics of change among customers. The new and existing players in the Financial Industry will be impacted by the changes taking place in the FinTech ecosystem but being able to grasp the changes and focus on the right kind of developments can be a tedious task.

### **The United Nations Sustainable Development Goals (SDGs) and its Implications**

As we embark on this great collective journey, we pledge that no one will be left behind. Recognizing that the dignity of the human person is fundamental, we wish to see the Goals and targets met for all nations and peoples and for all segments of society. We will endeavour to reach the furthest behind first (UNGA, 25<sup>th</sup> September 2015).

Since its inception in 2015, the 2030 Agenda of the United Nations Sustainable Development Goals (SDGs) has provided a blueprint for a sustainable co-existence between man and nature, a world where all people can lead lives of vibrance, generosity and prosperity on a sustainable planet. The SDGs are a set of objectives for the world to attain sustainable co-existence at every level: from the biosphere of the globe to local communities and ecosystems. The aim is to bring economies out of poverty, save the world from rampant effects of climate change and make sure everyone enjoys peace and prosperity, now and in the future. Since the coming into force of the Global Goals in 2015, countries have taken a host of proactive measures to achieve the targets on time. Extreme poverty and under-5 mortality have reduced, many countries have ratified the 2015 Paris Agreement on Climate Change and developed policies to address rapid urbanisation and support sustainable consumption and production. Governments, private sector, development organisations, academia and citizens must accelerate their efforts to achieve the goals collectively.

The most urgent area for action by countries across the globe is Climate Change, which has grave implications for the survival of ecosystems on the planet as our actions have led to an uncalled existential crisis. We need a super-human effort to cut record-high greenhouse gas emissions that is causing

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