



Internet Adoption and Financial Development in Sub-Saharan Africa: Evidence from Nigeria and Kenya

[Samson Edo](#), [Henry Okodua](#), [John Odebiyi](#)

First published: 16 April 2019

<https://doi.org/10.1111/1467-8268.12370>

Citations: [41](#)

[Read the full text](#)

Abstract

Financial development is influenced by the dynamics of multiple factors which have remained insufficiently explored up to date. In view of this, an attempt is made in this paper to investigate the impact of internet adoption on financial development in sub-Saharan Africa, using Nigeria and Kenya as case studies. The dynamic ordinary least squares and vector error correction mechanism methods were employed in the study which revealed that the internet, complemented by financial openness, exerted a significant positive impact on financial development in the period 2000–16. The null hypothesis which states that the internet does not encourage financial development is therefore rejected. It follows that the level of financial development in both countries, and indeed most countries in sub-Saharan Africa, could be enhanced by adopting appropriate policies that encourage more inclusive use of the internet. The policy recommendations of this study therefore include (i) relaxing the stringent requirements for licensing internet operators in order to make more services available for financial transactions, (ii) integrating internet technology into the national infrastructure framework in order to sustain its application, (iii) fostering local skills and expertise that will be maintaining internet infrastructure and (iv) providing a legal framework that protects personal information and ensures responsible usage of internet.

African Development Review

Revue africaine de développement

Editor

John C. Anyanwu

Managing Editors

Hanan Morsy

Abebe Shimeles

Associate Editors

Augustin Fosu

Akin Iwayemi

Abdul B. Kamara

Stephen Karingi

Laetitia Mukarasi

Germano Mwabu

Tchéché Nguessan

Catherine Pattillo

Advisory Board

Olu Ajakaiye

Ernest Aryeetey

Jean-Paul Azam

Arne Bigsten

Paul Collier

Hakim Ben Hammouda

Lahouel Mohamed Hedi

Ravi Kanbur

Louis Kasekende

Steve Kayizzi-Mugerwa

Kupukile Mlambo

Victor Murinde

Léonce Ndikumana

Temitope Oshikoya

John Page

Jeffrey Sachs

Désiré Vencatachellum

Vol. 31 No. 1

March 2019

Contents

Bilateral Trade Performance in West Africa: A Gravity Model Estimation <i>Evans S. Osabuohien, Uchenna R. Efobi, John T. Odebiyi, Oluwemi O. Fayomi and Adeleke O. Salami</i>	1
Capital Structure and Bank Performance: Empirical Evidence from Ghana <i>James Ntiemoah Doku, Fred Agbenya Kpekpena and Prince Yeboah Boateng</i>	15
Trends in Agricultural Production Efficiency and their Implications for Food Security in Sub-Saharan African Countries <i>Christian Nsiah and Bichaka Fayissa</i>	28
Taux d'intérêt et investissement privé en Tunisie: Asymétrie à court terme et symétrie à long terme <i>Mohamed Ilyes Gritli and Fatma Marrakchi Charfi</i>	43
Testing the Validity of the Simultaneous Openness Hypothesis in Nigeria (1990–2015) <i>Michael Adebayo Ajayi and Olufermi Adewale Aluko</i>	58
The Growth Effects of Bulging Economically Active Population in Sub-Saharan Africa: Do Institutions Matter? <i>Isaac Bonvedi, Kofi Kamasa and Elliot Boateng</i>	71
The Effect of Household Socioeconomic Status on the Demand for Child Health Care Services <i>Eric Arthur</i>	87
The Impact of Informal Financial Groups on Socio-economic Development in Tanzania <i>Abel Kinyondo and Gibson Kagaruki</i>	99
Salaires et mobilité de l'emploi des professionnels de santé dans les milieux urbains du Cameroun <i>Gaston Brice Nkoumou Ngoa</i>	115
Technological Innovations in the Control of International Exchange: Lessons for Africa <i>Joseph Pasky Ngameni and Muhammad Arshad Khan</i>	129
Internet Adoption and Financial Development in Sub-Saharan Africa: Evidence from Nigeria and Kenya <i>Samson Edo, Henry Okodua and John Odebiyi</i>	144
Book Review Governing Extractive Industries: Politics, Histories, Ideas <i>John C. Anyanwu</i>	161
Appreciation to Article Reviewers	164

WILEY

African Development Bank
Banque Africaine de Développement

[Volume31, Issue1](#)

March/Mars 2019

Pages 144-160

Additional links

•

Copyright © 1999-2024 [John Wiley & Sons, Inc](#) or related companies. All rights reserved, including rights for text and data mining and training of artificial technologies or similar technologies.