Int. j. adv. multidisc. res. stud. 2026; 6(3):1507-1514

Received: 27-04-2026
Accepted: 07-06-2026

International Journal of Advanced Multidisciplinary Research and Studies

ISSN: 2583-049X

From Financial Inclusion to Investment Participation: Does Mobile Money Bridge the Capital Market Access Gap in Nigeria and Kenya?

[1] Akomolehin FO, [2] Oluwaremi JB, [3] Aluko OR

[1, 2, 3] Department of Finance, Afe Babalola University, Ado - Ekiti, Ekiti - State, Nigeria

DOI: https://doi.org/10.62225/2583049X.2026.6.3.6464

Corresponding Author: **Akomolehin FO**

Abstract

While mobile money has brought about profound changes in the realm of financial inclusion in Sub-Saharan Africa, its contribution to capital market participation is rather insignificant. The present paper explores the capacity of mobile money in narrowing the investment gap by promoting access to formal investment tools, using a comparative case approach in comparing the situation in Nigeria and Kenya. Using secondary information obtained from global financial organizations, academic literature, and official sources, the research utilizes an approach based on descriptive comparison and thematic policy assessment. Research findings reveal that despite considerable improvements in terms of increasing access, usage, and liquidity due to the adoption of mobile money, capital market participation has remained relatively unchanged proportionally. Kenya shows a relatively closer association between mobile money adoption and capital market participation due to its advanced digital finance infrastructure and better integration of mobile money with finance services.

In Nigeria, mobile money adoption is faced with obstacles such as regulatory fragmentation, inadequate coordination of institutions, and product integration. Common barriers to the use of mobile money and its linkages to investment markets include low levels of financial literacy, lack of trust, financial constraints, and weak policy alignment. Fintech tools promote access to investment products but serve as intermediary tools. Overall, this research supports previous scholarly studies on mobile money, digital finance, and financial inclusion, taking it further by focusing on the issue of investment.

Keywords: Mobile Money, Financial Inclusion, Capital Market Access, Fintech, Investment Gap, Nigeria and Kenya

1. Introduction

There has been tremendous growth in the mobile money industry over the last decade in Sub-Saharan Africa. Recent statistics show that the region hosts over 50% of all global mobile money accounts, comprising several hundred million subscribers and rising transaction volumes (World Bank, 2022; International Monetary Fund, 2023). At the same time, in countries like Kenya and Nigeria, the emergence of mobile money and other forms of digital financial service (DFS) has led to increased accessibility and use of banking services, allowing people to send, receive and hold money. However, despite significant strides made in terms of DFS adoption, retail participation in capital markets is still limited (World Bank, 2022; Sahay *et al*., 2021 [14]).

It suggests a potential gap between DFS adoption and capital market development, highlighting the need for further research. Specifically, although mobile money has been demonstrated to be effective in terms of increasing financial inclusion, the link between its utilization and increased access to capital market instruments remains unexplored. While financial inclusion typically includes indicators such as DFS adoption, transaction volumes, and bank account usage, it may not automatically imply active investment in assets like stocks, mutual funds, or government securities. There is now empirical evidence showing that digital finance alone cannot mitigate various factors constraining investment, such as financial literacy, risk aversion, weak protection of investors, and lack of integration between mobile money and capital market products (Demirgüç-Kunt *et al*., 2022; Ozili, 2023) [5, 13]. Therefore, while mobile money adoption increases financial inclusion, there remains a significant proportion of financially included consumers who do not participate in investment processes. One may speak about an "investment gap."

This study will aim to explore the relationship between the use of mobile money and improved access to capital market instruments, focusing specifically on the Nigerian and Kenyan markets and considering the policy factors behind this association. Specifically, the study will address three main questions, as follows. First, how does the use of mobile money affect access to capital market instruments in Nigeria and Kenya? Second, what are the policy drivers behind this link? Third, why does increased access to financial services through mobile money not lead to increased investment?

The purpose of the study is to investigate whether the use of mobile money reduces barriers to the use of capital markets by analyzing this effect both at the level of DFS adoption and the policy environment determining whether or not DFS users invest their money.

Nigeria and Kenya have been chosen as examples to be analyzed in this paper due to a number of reasons. As a country with very high mobile phone penetration, Nigeria currently has a fairly sophisticated DFS environment but remains low in terms of capital markets adoption. On the other hand, Kenya has had a relatively mature mobile finance industry since the launch of M-Pesa. At the same time, there are attempts to link mobile money with investment tools such as mobile savings and mobile government bond investments.

Clearly, there exists a research gap concerning the current literature, especially in light of recent developments. The current literature has extensively covered the topic of mobile money adoption and its effects on financial inclusion and economic wellbeing, with a particular focus on payments, savings, and coping with risks (Suri *et al*., 2021; Jack & Suri, 2022) [15, 7]. However, much less effort has been devoted to assessing the role of mobile money in accessing capital markets and facilitating capital market development. Moreover, only a few papers combine an exploration of policy conditions and capital market development in different settings with the role of digital finance (Aker *et al*., 2023; Ozili, 2023 [13]). This is a serious gap in terms of explaining what factors affect mobile money effectiveness in relation to capital markets.

The importance of the proposed study is related to its potential policy relevance. Specifically, it focuses on one of the least investigated aspects of the role of mobile money – how mobile money adoption facilitates access to capital markets. Given that the focus will be on two contrasting economies with different levels of ecosystem development, the results of the study can inform future regulatory decisions concerning capital market development and digital financial products used for this purpose.

2. Conceptual and Theoretical Framework

2.1 Conceptual Review

This Some of the core concepts in this paper are related to interactions between various layers of financial access and the failure to make these interactions lead to further engagement. Mobile money could be regarded not as a simple means of payment, but as an entire digital financial system, which includes three core features: access, usage intensity, and transaction size. Access implies the opportunity to create and maintain a mobile wallet usually bound to a SIM card. Usage intensity is associated with the frequency of transactions by people, while the transaction size is about the volume of financial operations on these platforms. Recently, it was discovered that in certain African countries, like Kenya and Nigeria, the growth in mobile money is mostly driven by increased usage and transactions rather than new accounts opened, indicating deepening of engagement instead of growing access (Demirgüç-Kunt *et al*., 2022; Suri *et al*., 2021) [5, 15]. The importance of this difference is based on the fact that increased usage intensity and transaction sizes indicate higher awareness of digital finances, which theoretically should promote more advanced behaviors, like investments.

Financial inclusion is built on top of the concepts discussed above, but it is a broader notion. Generally, it comprises account ownership, access to digital financial services, and capabilities to conduct such operations as payments, savings, and loans. The global literature has consistently recorded positive changes in account ownership following the adoption of mobile money, especially in Sub-Saharan Africa (Demirgüç-Kunt *et al*., 2022) [5]. Nevertheless, financial inclusion calculated in this way shows entry into the financial system but not engagement in wealth-creating activities. In reality, people tend to stay at the transaction layer with little progress towards any formal financial products, like investments.

Capital market access adds another layer of complexity to the issue under discussion. It denotes the ability to interact with certain financial instruments, such as stocks, bonds issued by governments or corporations, mutual funds, and even digital investment platforms. In terms of capital market access, one has to consider not only availability but also cost-effectiveness, regulatory frameworks, and capabilities of users. While digital platforms start lowering barriers to capital market access, low participation rates persist in many developing nations due to structural and behavioral barriers (Aker *et al*., 2023; Ozili, 2023 [13]). This discrepancy between financial inclusion and capital market access defines the investment gap under investigation, which is concerned with the difference between access to financial services and using them for asset accumulation.

The postulated interaction between variables would be straightforward. The usage of mobile money lowers transaction costs by eliminating bank visits and reducing transfer fees, which, theoretically, creates the path to participation in capital market platforms, especially in digital form. For example, a mobile interface could help users buy government bonds or shares of mutual funds in small denominations, making capital markets more accessible compared to brokerage operations. Numerous empirical studies confirm that lower transaction costs and increased liquidity are significant factors contributing to financial deepening in low-income settings (Suri *et al*., 2021; Jack & Suri, 2022) [15, 7].

Despite all these potentials, there are numerous frictions slowing down this transition process. One of the key barriers is the lack of financial literacy. If people are already familiar with transferring funds, then the decision-making regarding investments requires assessing risks, setting timeframes, and understanding particular investment products, which requires more advanced skills (Lusardi & Yakoboski, 2022) [11]. Another essential factor is trust since concerns about fraudulent schemes, platform reliability, and insufficient investor protection could prevent individuals from depositing their funds in investment products even if they have access to them (Aker *et al*., 2023). In addition to the abovementioned factors, regulatory barriers add to the

picture. At times, the oversight function is divided between telecommunication regulators, central banks, and capital markets authorities, creating confusion that hinders integration and innovation (Ozili, 2023) [13]. Last but not least, the limited integration of mobile money and capital markets is currently preventing users from engaging in investments through mobile wallets, which were initially designed to facilitate payment transactions.

In summary, these concepts represent the layered approach to financial systems in which mobile money promotes access and usage, financial inclusion marks initial engagement, and capital market access points out deepened involvement.

2.2 Theoretical Review

A detailed explanation of the link between mobile money and capital market access could be provided through Financial Intermediation Theory and Diffusion of Innovation Theory. Unlike the previous section, the two theories will not be regarded as mere concepts but analyzed based on observable phenomena in digital finance. According to Financial Intermediation Theory, financial intermediaries serve as a medium between lenders and borrowers, helping to reduce transaction costs and information gaps. In the case of mobile money, the same principle applies partially. Mobile money platforms act as non-traditional intermediaries facilitating cheaper and faster access to the financial system, reducing costs of money transfers, and providing account services without traditional banking infrastructure. Studies show that digital financial services can dramatically decrease transaction frictions and improve access to liquidity, especially in low-income environments (Suri *et al*., 2021; Demirgüç-Kunt *et al*., 2022) [15, 5]. For example, mobile money platforms in Kenya have managed to displace some traditional banking functions for basic transactions, thus making payments, savings, and even small loans possible.

However, Financial Intermediation Theory reveals a shortcoming of mobile money platforms. As they lower costs and facilitate access to financial services, they do not completely provide intermediation required to mobilize funds and allocate resources in the capital market. Investment banks, brokers, and fund managers perform additional functions related to evaluating risks, combining resources, and connecting investors to various financial products. It means that reducing transaction costs does not automatically lead to investing in stocks, bonds, or mutual funds. Evidence shows that digital finance can enhance savings behavior, but their positive impact on investment diversification and capital market access is constrained by the absence of financial intermediation infrastructures and policies (Ozili, 2023 [13]; Aker *et al*., 2023). The implication is that mobile money serves as a partial financial intermediary since it facilitates access but fails to combine liquidity with long-term investments.

Diffusion of Innovation Theory presents another approach to exploring how and why people use certain financial products and not others. Mobile money adoption across Sub-Saharan Africa proceeded quickly due to meeting the criteria established in Diffusion of Innovation Theory. These are convenience (easy-to-use product), utility (meeting the user's need), and low perceived risks. Conversely, financial products in capital markets (stocks, bonds, and mutual funds) are considered more complicated, involve long-term commitment, and entail significant uncertainties. Using Rogers' framework, innovations recognized as complex or risky tend to spread slowly in societies with low levels of financial literacy and institutional trust. Recent research supports the idea that although digital payment technologies are widely adopted, their more complicated derivatives take longer to penetrate markets due to behavior and information barriers (Lusardi & Yakoboski, 2022; Bongomin *et al*., 2023) [11, 4].

Explaining disparities in mobile money adoption and capital market investments from the standpoint of Diffusion of Innovation Theory is evident when examining examples from Nigeria and Kenya. In the case of Kenya, the continued existence of mobile money services (such as M-Pesa) contributed to the proliferation of digital finance solutions, which made it easier to promote adjacent innovations such as mobile savings and government securities. Despite such progress, the adoption rate for investment products is considerably lower than for basic mobile money services. In the case of Nigeria, the adoption of mobile money solutions is newer and more scattered, thus resulting in a wider gap between usage and investment participation. The phenomenon is consistent with Diffusion of Innovation Theory that predicts the decline of innovation adoption with an increase in complexity, risks, and information demands.

In conclusion, the two theories present useful perspectives to understanding why access to financial services grows faster than investments in capital markets. Financial Intermediation Theory demonstrates that although decreasing costs and improving transactional access is necessary, it is not enough to facilitate investments in the capital market. In contrast, Diffusion of Innovation Theory addresses the behavior component in which consumers embrace convenient innovations and avoid complicated investments due to behavioral and informational barriers.

2.3 Empirical Review

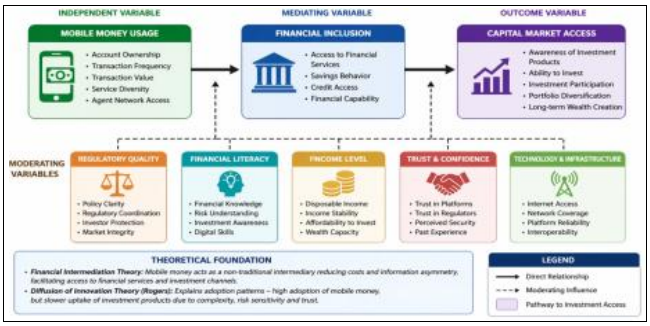
Recent research began to go beyond traditional financial inclusion indicators to investigate the impact of fintech and digital finance on financial system developments, including capital market development. Recent findings, obtained during 2024 to 2026, show that although the growth in fintech is dynamic across Africa, there are gaps in terms of its ability to lead to capital market investments. For instance, according to Dafe and Upadhyaya (2026), the development of fintech systems in Kenya and Nigeria is strongly related to the specific nature of institutional framework of each country, where outcomes significantly depend on how digital financial access leads to integration into the overall financial ecosystem. As a result, although fintech may foster financial intermediations, its ability to contribute to capital market development will be conditional on additional factors. The same conclusion was made by Beck, T., Senbet, L., & Simbanegavi, W. (2022) [3]; Allen, F., *et al*. (2022) [2]. According to these scholars, fintech development helps to boost the relationship between financial inclusion and capital market development in the economies of Africa. However, digital finance does not necessarily mean retail capital market investors' participation. Karlan, D., *et al*. (2022) [8] share this view, suggesting that fintech helps to achieve financial inclusion in various emerging economies but does not necessarily lead to investors' involvement in capital markets.

Moreover, studies conducted in the focus on Africa in 2024 to 2026 show a similar pattern. Research findings, provided by Padi (2026), confirm that financial literacy, trust, and perception of ease in using fintech contribute to adoption of mobile money and savings by informal sector workers in Ghana. Thus, although this is a positive sign in terms of increasing financial management skills, this aspect needs to be addressed to make people more interested in investment behavior. A similar point was made in Osabutey and Jackson (2024) [12], who concluded that although the majority of recent studies focused on the impact of mobile money in Africa on savings and payments, much less attention has been paid to its ability to help users participate in capital markets. Therefore, despite the high development of this instrument in Kenya, there is no evidence for such effects yet.

The earlier period of research (2023 to 2021) also provides consistent findings, focusing on mobile money impact on savings, credit, and access but not on investors' involvement in capital markets. For example, according to Grzybowski *et al*. (2023), the development of mobile money adoption in Sub-Saharan Africa depends largely on technology access and infrastructure of the region. Despite a high level of financial inclusion and improvements in savings and payments, the research did not address any questions concerning investment participation. In Ghana, Atta-Ankomah *et al*. (2022) found out that adoption of mobile money by households increases the probability of requesting for credits from formal sources, but it does not contribute to receiving higher credit amounts. Similarly, Kulu *et al*. (2022) [9] found some evidence that adoption of mobile money may lead to lower levels of banking sector performance due to substitution effect. Later, Kulu *et al*. (2024) [10] discovered that transactions performed via mobile devices may affect the credit intermediation ability of banks. Several other researchers also found that mobile money adoption is associated with improvements in financial inclusion in Africa but does not lead to capital markets involvement. For instance, Suri, T., Bharadwaj, P., & Jack, W. (2021) [15]; Jack, W., & Suri, T. (2022) [7] found out that mobile money adoption positively affects cross-border remittances in Sub-Saharan Africa. This means that the adoption of mobile money helps to integrate financial systems in the region and improve financial liquidity. However, it does not lead to capital markets' participation of users. Similarly, according to Suri *et al*. (2021) [15]; Jack and Suri (2022) [7], mobile money adoption increases savings and improves liquidity of low-income households.

Summing up all of these pieces of evidence, one may note that the relationship between mobile money adoption and improvement in payment behavior, financial savings, and even credit access is well-established and documented. Capital markets participation seems to be a much more complicated issue since only some researchers discuss macroeconomic aspects of this problem. Moreover, existing literature seems to be very weak in terms of explaining how mobile money adoption can positively affect users' behavior concerning capital market instruments. Finally, although a lot of studies are focused on examining mobile money, the issue of investors' capital market participation through fintech is not well-addressed yet.

Thus, based on the presented discussion, it becomes evident that a considerable gap exists in the modern academic knowledge related to the problem under consideration. On the one hand, mobile money and financial inclusion are widely discussed in the modern literature. However, much less research is dedicated to the examination of the impact of fintech adoption on capital markets access and participants' behavior. Most importantly, few researchers pay attention to the issue of comparing cases of different African countries and exploring related policy implications.



Source: Author's conceptualization based on World Bank (2022), International Monetary Fund (2021), and recent empirical studies (Demirgüç-Kunt *et al*., 2022; Ozili, 2023; Suri *et al*., 2021) [5, 13, 15].

Fig 1: Conceptual framework linking mobile money usage to capital market access. The framework illustrates how mobile money (independent variable) influences capital market access (outcome variable) through financial inclusion (mediating variable), while regulatory quality, financial literacy, income level, trust, and infrastructure act as moderating factors

3. Methods

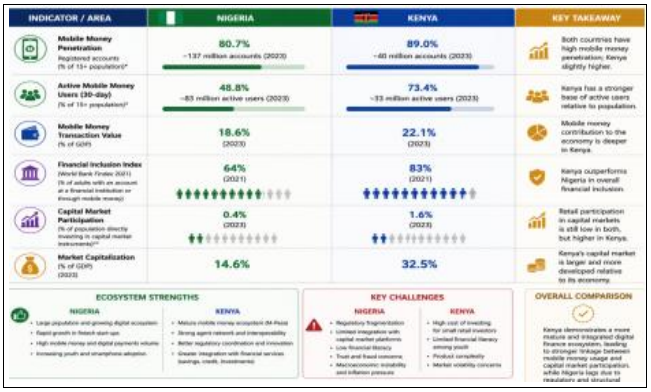
3.1 Research Design

The research design in this paper will involve the use of a comparative case study design that focuses on Nigeria and Kenya and will be supplemented by a policy analysis approach. The reason why this is appropriate is that the comparative method allows for the examination of the manner in which similar fintechs produce different results based on varying contexts. There has been extensive use of the case study methodology in the study of financial development, where factors such as context, institutional quality, and policy frameworks play an important role in determining the result (Yin, 2021) [16].

3.2 Study Area and Population

The study will analyze two prominent economies of Africa, which have followed different courses in digital finance. In the case of Nigeria, the target population is users of mobile money, people involved in the retail and institutional capital markets, and regulatory authorities like the central bank and securities regulatory organizations. Nigeria is known for its well-developed and growing digital financial market but has a low level of retail participation in the capital market.

On the other hand, the same categories will be studied in Kenya's more developed mobile money environment that includes systems like M-Pesa. The situation in Kenya can be considered a good comparison since mobile money has been deeply ingrained into the financial system.



Source: Author's compilation based on World Bank (2022), International Monetary Fund (2021), national central bank reports, and capital market authority data (2021–2024).

Fig 2: Comparative country profile of Nigeria and Kenya. The figure presents a side-by-side comparison of key indicators including mobile money penetration, financial inclusion, transaction activity, and capital market participation. It highlights structural differences in ecosystem maturity, showing stronger integration between digital finance and investment access in Kenya relative to Nigeria

3.3 Data Sources

Secondary data sourced from reliable sources is mainly used for conducting this research. It includes data and statistics gathered from the World Bank and the International Monetary Fund, alongside documents generated from central banks and capital market authorities from the countries under investigation. From these sources, financial inclusion rates, digital finance penetration, and capital market statistics can be accessed.

In addition, the study employs peer-reviewed journal articles that can be sourced from scholarly databases like Scopus and Web of Science, which helps ensure that the study is based on up-to-date empirical evidence. Regulatory guidelines and policy documents will be used to understand the institutional framework within which digital finance and investment take place. Using this variety of sources facilitates triangulation, thus improving the reliability of the study (Demirgüç-Kunt *et al*., 2022) [5].

3.4 Sampling Technique

Purposive sampling will be used for identifying the chosen cases for the analysis, which will be represented by Nigeria and Kenya. The choice of these states is associated with differences in characteristics that can be observed in their digital finance environments. In particular, it is possible to note the development level of the mobile money market, where Kenya has an advanced system, while Nigeria has one that is actively growing.

When it comes to reports, datasets, or policy papers, the following factors of relevancy, recency (2021-2026), and credibility should be considered. In turn, peer-reviewed studies will be used due to methodological rigor, as well as the relevancy of data to the topic of mobile money, financial inclusion, and capital markets access.

3.5 Model Specification

To guide the analytical component, the study adopts a functional model that links capital market access to key explanatory variables associated with digital finance and economic conditions. The model is specified as:

Capital Market Access = f(Mobile Money Usage, Financial Inclusion, Regulatory Quality, Income Level, Financial Literacy)

This framework reflects the idea that access to investment opportunities is shaped not only by digital financial tools but also by broader institutional and socioeconomic factors. Mobile money usage captures the intensity and scale of engagement with digital finance. Financial inclusion reflects access to basic financial services. Regulatory quality represents the effectiveness of policies governing financial markets and digital platforms. Income level serves as a proxy for purchasing power, while financial literacy captures the ability to understand and engage with investment products (Lusardi & Yakoboski, 2022; Ozili, 2023) [11, 13].

Estimation Equation

The empirical relationship can be expressed as:

$$CMA = \beta_0 + \beta_1 MMU + \beta_2 FI + \beta_3 REG + \beta_4 INC + \beta_5 FL + \varepsilon$$

Where CMA represents capital market access, MMU captures mobile money usage, FI denotes financial inclusion, REG reflects regulatory quality, INC represents income level, and FL measures financial literacy. ε is the error term. Each coefficient captures the marginal effect of the corresponding variable on capital market access. The expectation is that mobile money usage and financial inclusion will have positive but possibly limited direct effects, while regulatory quality and financial literacy may play stronger roles in enabling actual investment participation.

3.6 Method of Analysis

To ensure depth and consistency in the research process, the study adopts an array of analytical methods. First, descriptive comparative analysis will be used to investigate the contrasts and comparisons between Nigeria and Kenya concerning the use of mobile money services, financial inclusion, and capital markets. With this method, the researcher will be able to identify patterns and contrasts between the two cases under investigation.

Second, a policy analysis technique based on thematic analysis will be adopted to examine how various regulatory policies influence the linkages between mobile money services and capital markets. In this context, there is a need for a thorough examination of all relevant policy documents with the aim of identifying major themes. These include topics such as interoperability, investors' rights, and digital financial regulations.

Third, where appropriate, basic statistical tools such as correlation and regression analyses will be performed to determine the association between relevant variables in the research. It should be noted that this part of the analysis does not involve sophisticated econometrics but aims to generate easily interpretable findings.

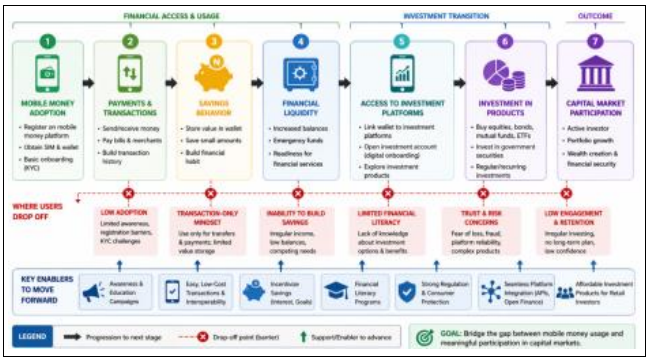
4. Discussion of Result

The results show a clear gap between the degree of penetration of mobile money services and investments. In both Kenya and Nigeria, the use of mobile money solutions

has grown significantly in terms of frequency and volume, while the investment uptake through such services has been lagging. The discrepancy is especially apparent in Nigeria, where mobile payments and digital wallets have gained rapid traction, while individual participation in equity investments, government bonds, and other investment vehicles has remained low. In Kenya, there appears to be somewhat better linkages in that mobile money services have been integrated with savings instruments and government securities. Despite this, however, the transition from payments to investments has not been achieved. Indeed, this finding is consistent with existing evidence on the role of digital finance in improving payments and savings performance but having a weaker impact on investing (Demirgüç-Kunt *et al*., 2022; Suri *et al*., 2021) [5, 15]. It thus appears that mere access to financial services does not drive individual investment behavior – something else has to happen to promote investing.

Regulatory differences appear to be one of the reasons why this gap has emerged. While Kenya's financial system has traditionally benefited from regulatory flexibility, allowing for evolution of the mobile money ecosystem, Nigeria has seen greater fragmentation of regulatory policies, with a lack of coordination between financial and telecommunications sectors being a major problem. There is extensive evidence showing how important regulation quality is in determining the impact of fintech services on financial inclusion and development (Ozili, 2023 [13]; Dafe & Upadhyaya, 2026). In line with existing research, the current findings confirm that clear regulatory policies facilitate the transformation of mobile money into savings and investments instruments. Conversely, if regulation is fragmented, then the payment focus will persist.

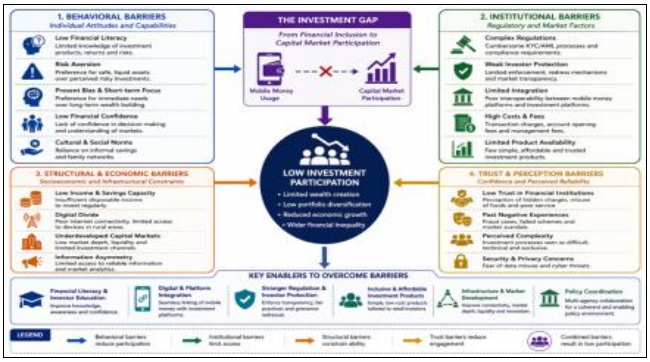
There are, finally, fintech platforms, which play an important role in the relationship between access to mobile money and investments. In Kenya, where M-Pesa has been operating for quite some time, there has emerged a strong base that has allowed new financial services to be introduced on top of mobile transactions. This evidence points to the possibility of gradual advancement towards investments. Even so, despite a more evolved platform, the use of capital market instruments remains relatively limited when compared to overall mobile money transactions. In Nigeria, where fintech innovation is on the rise, there have been significant developments in the area of mobile payments and banking. However, the process of integration between fintech services and capital market products remains at a relatively early stage. This finding is supported by the literature on fintech services as tools to enhance financial inclusion and develop capital markets in general (Beck, T., Senbet, L., & Simbanegavi, W. 2022; Allen, F., *et al*. 2022; Karlan, D., *et al*. 2022) [3, 2, 8].



Source: Author's conceptualization based on Demirgüç-Kunt *et al*. (2022) [5], Suri *et al*. (2021) [15], Ozili (2023) [13], and Lusardi and Yakoboski (2022) [11].

Fig 3: Mobile money to investment pathway flowchart. The diagram illustrates the progression from mobile money adoption to capital market participation, highlighting key stages such as payments, savings, liquidity, and access to investment platforms. It also identifies critical drop-off points and enabling factors that influence the transition from financial inclusion to active investment behavior

A number of barriers remain persistent and prevent users from moving on from mobile money use to investments. Financial literacy emerges as one of the most significant barriers. Mobile money users with a good understanding of basic operations tend to lack the skills needed to analyze risks, comprehend investment products, and use online investment platforms. It is consistent with existing literature that suggests financial literacy has a considerable impact on the participation in financial activities (Lusardi & Yakoboski, 2022) [11]. Trust represents yet another important barrier. Widespread fears about fraud, the reliability of digital platforms, and investors' protection decrease the likelihood of investing in investment products, especially in cases where enforcement appears inadequate. Structure-related barriers include low compatibility of mobile money applications with capital markets which increases resistance to moving funds from one's wallet to an investment account. Low income levels represent another challenge, especially when combined with high income instability.



Source: Author's conceptualization based on Demirgüç-Kunt *et al*. (2022) [5], Lusardi and Yakoboski (2022) [11], Ozili (2023) [13], and Suri *et al*. (2021) [15]

Fig 4: Barriers to investment participation among mobile money users. The diagram categorizes key constraints into behavioral, institutional, structural, and trust-related factors, illustrating how these collectively limit the transition from financial inclusion to active capital market participation

Considering the current literature, it should be stated that these findings not only confirm known trends but also enrich them by giving context-specific nuances. The results coincide with research highlighting the positive role of mobile money in increasing financial inclusion, saving rates, and liquidity (Suri *et al*., 2021; Jack & Suri, 2022) [15, 7]. Furthermore, they also confirm the idea that fintech could indirectly help develop capital markets by improving the overall ecosystem of finance (Ozili, 2023; Beck, T., Senbet, L., & Simbanegavi, W., 2022; Allen, F., *et al*., 2022) [13, 3, 2]. At the same time, the findings contradict some more optimistic opinions regarding the linear progression of investment behavior based on increased digital inclusion.

In all, the findings illustrate a more complex relationship between the two variables. Mobile money creates better opportunities for financial activities and increases financial inclusion but entering the sphere of investments requires other factors to be present. The relationship is more developed and pronounced in the case of Kenya due to better ecosystem maturity and policy implementation. At the same time, Nigeria demonstrates less progress, which can be explained by the existence of fragmented ecosystems and low trust levels.

5. Summary, Recommendations and Conclusion

5.1 Summary

The current research explores if rapid growth in the use of mobile money leads to increased access to capital market instruments based on examples from Nigeria and Kenya. According to the results, there is a tendency for mobile money to positively affect financial inclusion, specifically in payment transactions, savings, and liquidity management. However, this development does not reflect any increase in involvement in the capital market. In particular, the link between mobile money usage and investment opportunities is indirect and inconsistent.

In the case of Kenya, the link between the variables under discussion is higher compared to other countries, owing to the more developed digital finance system and better integration of platforms with financial activities. For Nigeria, even despite fast-paced development of the financial sphere, the link is weaker because of such factors as regulation issues, lack of platform integration, and reduced number of investors. Overall, the transition from access to finance to investments is complicated by such aspects as low financial literacy and trust. Such conclusions correspond to recent research findings that prove that digital finance increases the level of financial inclusion but does not lead to financial participation (Demirgüç-Kunt *et al*., 2022; Ozili, 2023) [5, 13].

5.2 Recommendations

The recommendations suggest practical measures aimed at reducing the investment gap. To begin with, there is a need to integrate mobile money and capital market products more thoroughly. That involves creating a direct link between mobile wallets and investment accounts. It means individuals would be able to invest in government bonds, mutual funds, or even stocks through mobile platforms they are familiar with. Research suggests that lowering the barrier for accessing such products and investing is crucial to increase participation (Suri *et al*., 2021) [15].

Furthermore, onboarding should be simplified. Long-winded processes associated with opening accounts, complicated documentation requirements, and the nature of platform itself create obstacles for novice investors. Simple and effective digital onboarding supported by strong identity verification tools will make it possible to attract new participants, especially younger generation accustomed to the online experience.

Financial education needs to be improved and tailored to the context. The knowledge of how to use mobile money services does not guarantee people understand the essence of investments. Special attention should be paid to risk management and planning. Individuals require information regarding how they could use digital technologies to their advantage. Researchers agree that financial literacy is crucial when it comes to investing behavior (Lusardi & Yakoboski, 2022) [11].

Lastly, better collaboration among regulators is required. Often mobile money, traditional banking, and capital markets are regulated by separate agencies, which leads to inconsistencies. Collaboration between the central bank, telecom regulators, and capital market regulators will facilitate the product integration and consumer protection efforts. Effective regulatory framework increases the potential of fintech in promoting financial development (Ozili, 2023) [13].

5.3 Conclusion

Mobile money technology has shown its capacity to increase financial inclusion and improve money management practices for people in many African countries. However, mere access cannot create meaningful engagement in the capital markets. From examples provided by Nigeria and Kenya, it can be seen that the move from digitization to investment has been far from perfect and is very much dependent on various institutional aspects.

The core argument here can be stated as follows. Mobile money technology has the ability to promote participation in investments, but without a proper policy approach, regulatory coordination, and innovative products, there will be no results in this direction. Even in cases when financial inclusion increases, the investment gap will persist.

This is what they bring." Its added value is not limited to raising capital, but involves systemic changes in the way the market operates, institutional innovation, and integration of sustainability.

This paper is in line with the existing literature and provides a synthesis of previous empirical and conceptual knowledge, and connects academic analysis with policy-relevance. It underscores the importance of continued development of green finance frameworks—particularly with respect to post-issuance impact tracking, verification standards, and mechanisms to help first-time and frontier-market issuers. It also highlights the need to harmonize national climate and financial innovation strategies in order to achieve consistency, credibility and scale.

Further research should elaborate on post-issuance impact metrics, assess the long-run performance of GB-funded projects and analyse the potential for digital technologies (e.g. blockchain, AI) to enable greater transparency and efficiency in GB markets. Furthermore, a more disaggregated country-level analysis to grasp local challenges and stimulate custom solutions for market development for green bonds in poorer countries is required.

In summary, being a transformational financing vehicle, green bonds can help promote the development of RE and facilitate the global move towards a low carbon economy. Their full potential will have to be actualised through continued policy innovation, institutional enhancement and cross-sectoral cooperation. As the climate crisis intensifies and investment requirements grow, green bonds are likely to continue to be a key instrument in sustainable finance and an essential way to support a just and inclusive transition to a more sustainable energy system.

6. References

1. AlessiAker JC, Boumnijel R, McClelland A, Tierney N. Payment mechanisms and anti-poverty programs: Evidence from mobile money in developing countries. World Development. 2023; 161:106118. Doi: https://doi.org/10.1016/j.worlddev.2022.106118
2. Allen F, Demirgüç-Kunt A, Klapper L, Martinez Peria MS. The foundations of financial inclusion: Understanding ownership and use of formal accounts. Journal of Financial Intermediation. 2022; 50:100992. Doi: https://doi.org/10.1016/j.jfi.2021.100992
3. Beck T, Senbet L, Simbanegavi W. Financial inclusion and innovation in Africa. Journal of African Economies. 2022; 31(Supplement_1):i1-i12. Doi: https://doi.org/10.1093/jae/ejac003
4. Bongomin GOC, Ntayi JM, Munene JC, Malinga CA. Mobile money adoption and usage in Sub-Saharan Africa: A systematic review. Information Development. 2023; 39(2):210-225. Doi: https://doi.org/10.1177/02666669211060098
5. Demirgüç-Kunt A, Klapper L, Singer D, Ansar S, Hess J. The Global Findex Database 2021: Financial inclusion, digital payments, and resilience in the age of COVID-19. World Bank, 2022.
6. Duflo E, Banerjee A, Jack W. The long-run impacts of mobile money: Evidence from Kenya. American Economic Review. 2021; 111(1):1-38. Doi: https://doi.org/10.1257/aer.20191028
7. Jack W, Suri T. Mobile money and the economy. Annual Review of Economics. 2022; 14:1-27. Doi: https://doi.org/10.1146/annurev-economics-051520-021815
8. Karlan D, Kendall J, Mann R, Pande R, Suri T, Zinman J. Research and impacts of digital financial services. Annual Review of Economics. 2022; 14:1-35. Doi: https://doi.org/10.1146/annurev-economics-051520-021303
9. Kulu E, Aboagye AQQ, Ackah C. Mobile money transactions and banking sector performance in Ghana. Research in International Business and Finance. 2022; 61:101620. Doi: https://doi.org/10.1016/j.ribaf.2022.101620
10. Kulu E, Aboagye AQQ, Ackah C. Mobile money and bank intermediation: Evidence from Ghana. Journal of Financial Stability. 2024; 70:101200. Doi: https://doi.org/10.1016/j.jfs.2023.101200
11. Lusardi A, Yakoboski PJ. Financial literacy and financial well-being: Evidence and implications. Journal of Financial Literacy and Wellbeing. 2022; 1(1):1-16. Doi: https://doi.org/10.1017/flw.2022.1
12. Osabutey ELC, Jackson T. Mobile money and financial inclusion in Africa: A systematic review. Technological Forecasting and Social Change. 2024; 198:122950. Doi: https://doi.org/10.1016/j.techfore.2023.122950
13. Ozili PK. Digital finance, financial inclusion and sustainable development. International Journal of Finance & Economics. 2023; 28(3):2671-2685. Doi: https://doi.org/10.1002/ijfe.2593
14. Sahay R, Von Allmen UE, Lahreche A, Khera P, Ogawa S, Bazarbash M, *et al*. The promise of fintech: Financial inclusion in the post COVID-19 era. International Monetary Fund, 2021.
15. Suri T, Bharadwaj P, Jack W. Fintech and household resilience: Evidence from mobile money. American Economic Review Papers & Proceedings. 2021; 111:319-323. Doi: https://doi.org/10.1257/pandp.20211036
16. Yin RK. Case study research and applications: Design and methods (6th ed.). Sage Publications, 2021.