

Abstract

Can exogenous crises affect technology adoption, and if so, how? In this thesis, I study whether a public health crisis, the COVID-19 pandemic, could affect individuals' adoption of financial technology. I combine the health shock of the pandemic and governments' policy responses to measure a country's intensity of exposure to COVID-19. I employ an instrumental variable strategy, using the number of airports and the time of the first confirmed COVID case, to instrument the pandemic exposure intensity in a country. Additionally, I use the difference-in-difference approach to identify the causal effect of the pandemic exposure and I combine the IV and DiD approaches for further identification. The results reveal that a higher intensity of exposure to the pandemic has positive effects on fintech adoption. These effects on fintech adoption can be attributed to increased concerns and distress among individuals about the pandemic situation, which motivate them to adopt financial technologies. The findings of this thesis provide valuable insights into the impact of COVID-19 on society and shed light on the technology adoption process within the context of a public health crisis.

Keywords: Technology Adoption, COVID-19 Pandemic, Financial Technology

JEL Codes: I18, O14, O16, O33