

Constructing a Fintech Adoption Index (FAI) for the GCC: An Empirical Assessment of Economic and Institutional Determinants

Yousef Abdelhady

Georgetown University in Qatar

Abstract

This paper constructs a Fintech Adoption Index (FAI) for the Gulf Cooperation Council (GCC) to assess the relative importance of economic and institutional determinants in shaping digital financial usage. While much of the fintech literature emphasizes infrastructure gaps in developing economies, GCC states exhibit high levels of digital penetration and financial capacity, making them a critical test case for alternative explanatory models. Using a composite, usage-weighted index derived from publicly available institutional data, this study evaluates cross-country variation in adoption levels and examines whether differences are driven primarily by supply-side infrastructure or behavioral and institutional factors. The findings suggest that in high-income digital economies, infrastructure alone does not explain adoption disparities. Instead, institutional trust, regulatory clarity, and consumer usage patterns emerge as more significant determinants. By shifting analytical focus from capacity to behavior, this paper contributes to ongoing debates about fintech diffusion and offers policy-relevant insights for digitally advanced financial systems.

Keywords: Fintech Adoption · Fintech Adoption Index (FAI) · Gulf Cooperation Council (GCC) · Digital Financial Inclusion · Composite Index · Behavioral Economics · Institutional Determinants · Digital Payments · Mobile Wallet Adoption · Contactless Payments · Regulatory Framework · Consumer Trust · Financial Literacy · Usage-Driven Adoption · OECD Composite Indicator Methodology · Emerging Market Digital Finance · Cross-Country Comparison · MENA Financial Systems