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The Nexus between Social Capital and Household Investment among Financially Included Youth in Kenya

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Abstract
Financial inclusion is a poverty reduction tool and many economies have taken it up as a national agenda. To meet the expected levels of financial inclusion, governments have worked with financial intermediaries to reach the expected target group; the unbanked poor. As per financial intermediation theory, the role of financial intermediaries is to reduce information asymmetry in the financial system. To enhance financial inclusion, many countries and financial institutions have embraced Information Communication Technology (ICT). ICT is recognized as a tool that has worked greatly towards enhancing sharing of information at a low-cost and thus helped in improving financial inclusion. Though many countries have achieved high levels of financial inclusion through ICT, the levels of poverty have not changed. The purpose of this study was to find out the relationship between ICT, financial intermediation, and household investment. Study methodology was a review of the literature on financial inclusion, financial intermediation, ICT and household investment. The study noted that ICT is helping in financial intermediation and thus more people can access financial services. Unfortunately, the levels of ICT capability among the poor is low, and in that case, the poor are not able to use financial services offered through ICT platforms to undertake household investment. This is the reason as to why, despite the high levels of financial inclusion, the poor remains poor. This study recommends that the government make sure that the levels of ICT among the populace is high. Financial institutions should provide financial services with more user-friendly ICT platforms.