ASSESSING THE IMPACTS OF MOBILE-MONEY ON SUSTAINABLE RURAL LIVELIHOODS: THE CASE OF ECOCASH IN MAPFUTI WARD 7, SEKE DISTRICT IN MASHONALAND EAST

SHELTON MUTASA T

B1128068

A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS OF THE BACHELOR OF SCIENCE HONOURS DEGREE IN DEVELOPMENT STUDIES
APPROVAL FORM

The undersigned certify that they have read this project and have approved its submission for marking after confirming that it conforms to the department requirements.

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DECLARATION FORM

I, Shelton T Mutasa declare that this project is herein my own and has not been copied or lifted from any source without acknowledgement.

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DEDICATION

This achievement is a special dedication to my late sister Venus, your tender loving care will always be cherished, and you wished and wanted the best for me. I wish you were there to witness this milestone achievement, I know you would have been proud of me, will always miss you with each passing day.
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The study explored opportunities mobile money brings to rural livelihoods, focusing on the financial and related non-financial services as well as the potential of mobile-money in mobilizing resources and strengthening of livelihoods. The study used the case study research design with both qualitative and quantitative research methods employed Simple random sampling and purposive sampling was used. Qualitative data was analyzed using content analysis and quantitative data was analyzed using the Statistical Package for Social Scientists 21.0 (SPSS 21.0) and Microsoft Excel. The findings reviewed that the majority of household in the area partake different livelihood activities. The study point out that the different livelihoods have different sources of income with the major livelihood activity in the study being market gardening with an uptake of 39% but due to lack of appropriate financial services, the majority of households find it difficult to mobilise funds and other resources for the enhancement of their livelihood strategies. The results suggest that lack of appropriate financial inclusive methods as well as utilisation of the available services subject household livelihood activities at risk of collapse leading to unsustainability. Mobile-money has induced financial inclusiveness of community members in the study area however; due to low levels of financial literacy the potential of m-money in livelihoods is reduced. Thus the study results shows that 57% of the mobile money subscribers mainly utilize the transfer service for person-to-person transfers and purchasing of airtime hence reducing the potential benefits of this financial package. The study pointed out that, the uptake of mobile banking services such as savings and credit services remains quite low among the community members with relatively low figures (28% and 15%) respectively. Evidence points out that without an overwhelming uptake of such development-orientated financial services, there can be no meaningful impacts on the livelihood activities in terms of financial inclusion in the study area and unless this opportunity for achieving financial inclusion is seized, it only remains an opportunity and nothing more. Thus the study recommends that the various stakeholders and policy maker to facilitate for financial literacy programs in communities so as to enhance the positive benefits of the mobile money in livelihoods of the unbanked populations to go beyond person-to-person transfers. Furthermore, there is need for the government to integrate rural finance into the broader development financial system in order to alleviate poverty.

Key words
Mobile money; livelihoods; financial inclusion
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ACRONYMS

AIDS  Acquired Immuno Deficiency Syndrome
CARE  Cooperation for Assistance Relief Everywhere
CBOs  Community Based Organisations
DFID  Department for International Development
HIV   Human Immuno-Deficiency Virus
FAO   Food and Agriculture Organisation
FGDs  Focus Group Discussions
FI    Financial Inclusion
GMS   Groupe Speciale Mobile
M4D   Mobile for Development
MDGs  Millennium Development Goals
MNO   Mobile Network Operator
MSEs  Micro And Small Enterprises
NGO   Non-Governmental Organisation
NPO   Non Participant Observation
POTRAZ Postal and Telecommunication Regulatory Authority of Zimbabwe
PIN   Personal Identification Number
UN    United Nations
UNDP  United Nations Development Programme
ICT   Information Communication Technologies
IFAD  International Fund for Agriculture Development
IFC   International Finance Centre
ITC   International Telecommunications Union
RBZ   Reserve Bank of Zimbabwe
SIM   Subscriber Identification Module
SME   Small and Medium Enterprises
ZIMASSET Zimbabwe Agenda for Sustainable Socio-Economic Transformation
ZIMSTATS Zimbabwe National Statistics Agency
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CHAPTER 1
INTRODUCTION

1.1 Introduction
Mobile telephones have been seen to transform lives in developed and least developed countries alike. The World Bank, (2013) reports that of the world population of 7 billion people, there are 6 billion telephone subscriptions globally, in comparison to about 2 billion bank accounts. In South and East Africa not more than 30% of the population owns a bank account. Sub- Saharan Africa has some of the lowest levels of infrastructure investment in the world (African Development Bank, 2013). The rapid uptake and use of mobile telephones by both farmers and by micro and small enterprises (MSEs) across all rural areas has offered opportunities through interactions, replacement of travel, and participation in broader, more efficient markets and induced financial access for the rural populace (Aker and Mbiti, 2010).

The emergence of the mobile based livelihoods has offered diversity in communities’ development through offering platforms for information sharing, coordination, marketing, and even financial transactions (Aker and Mbiti, 2010). With a few notable exceptions, livelihood services are not yet runaway successes–indeed many are pilot programs or niche services. Modernisation dominance in the 21St century provides some indications as to what the next wave of mobile-based livelihood services might look like. A variety of emerging mobile services targeting any of the smallest and most numerous forms of enterprises in rural Africa (independent farmers and small agricultural producers, operators of micro and small enterprises, and the self-employed, including trades persons and casual labourers) has taken centre stage by providing these previously marginalized societies with potential changing technologies in the face of the globalisation and modernisation which are dominant forces impacting on all livelihood activities (Band et al., 2012).

1.2 Background of the Study
The access and use of mobile telephones according to Aker and Mbiti, (2010) has increased dramatically with 60% of sub-Saharan populations having mobile telephone coverage. In essence mobile telephones in Africa have become more than just simple communication tools but have also emerged as service delivery tools which are capable of improving lives through applications and services (Donner and Marcela, 2010). Rashid and Elder, (2009) state that
increased use of mobile devices coupled with the evolution of technologies has enabled customers to conduct financial transactions, fostering financial access and inclusion. One such vehicle that has improved access to banking services, filling the void left by traditional, conservative and ‘slow moving banks’ has been mobile money transfer schemes. According to the World Bank, (2013) mobile money transfers have expanded to 16% of the total population in the Sub Sahara. Mobile telephones have brought what Donner and Marcela, (2010) terms transformational benefits, new ways to receive services and also to support livelihoods. The rapid up take of mobile telephones has generated a great deal of curiosity regarding its effects on livelihoods and poverty reduction.

Ecocash is a mobile network operator (MNO) centric model which has been the fastest and mostly adopted mobile-money platform in Zimbabwe (Munyanyi, 2014). Ecocash was introduced by Econet wireless in August of 2011. Kabweza, (2012) notes that Ecocash as a brand was launched to take advantage of a financial exclusionary gap in Zimbabwe and in the progressive year it had attained 270,000 users and 1.5 million subscribers registered. A press release sent out by World Remit in August 2014 reported that Ecocash m-money services in Zimbabwe now has more than 4 million subscribers. With Econet wireless aiming 100% mobile coverage in Zimbabwe, EcoCash obtainability to rural populace is undeniable (Munyanyi, 2014). Mago, (2014) notes that there are more than 1,400 registered Ecocash agents covering all 10 provinces in Zimbabwe and these have been decentralised to ward levels across these provinces. Mobile money has proven to be an effective and powerful tool for poverty reduction like many other development interventions. According to Aker and Mbiti, (2010) rural dwellers form the majority of the people without access to primary health care and lack of access to financial services. Financial exclusion, caused by continued absence of banks in the rural areas could stifle rural development initiatives by government and communities. Access to financial resources for investment and income generating activities using self-managed transfer and savings mechanisms is seen as critical for poverty reduction in remote areas where people are marginalised from the traditional and formal financial system (Kakooza, 2008).

Even though there appears to be a growing appreciation about the mobile phones improving potential of livelihoods, the clear-cut ways and the degree to which they contribute to sustainable livelihoods in developing countries is still contentious (Mushongah and Scoones, 2012). In Mapfuti Ward 7, EcoCash operates at Madamombe, Mapfuti and Gombe business centres. According to Zimbabwe National Statistical Agency (ZIMSTATS),(2013) Mapfuti
community is characterised by declining infrastructure, poor quality of social services (health, education, food), reduced economic services like banking and other material needs which affect the livelihood strategies of the society. These conditions often expose the societies to traps of poverty with poor and reduced livelihood performance leading to high levels of poverty. Due to this challenging background, several efforts have been undertaken so as to improve the financial status of by the government and several stakeholders including Non-Governmental Organisations (NGOs), Community Based Organisations (CBOs) and the private sector but the rate of financial exclusion is still rife in the area. There are no scientific studies done yet with respect to the part played by EcoCash in assisting and strengthening the livelihood strategies in Mapfuti community, yet the role of EcoCash in enhancing rural livelihoods has received national attention. Being unbanked in today’s financial market place can be problematic and nonparticipation in the formal financial sector can perpetuate poverty (Gross et al., 2012). It is against this background that this research will fill the knowledge gap by assessing impacts of mobile-money in improving the livelihood strategies through financial service provision for improved livelihoods in Mapfuti Ward Seven, Seke District in Mashonaland East.

1.3 Statement of the Problem
The widespread lack of socio-economic development in Zimbabwe’s rural areas characterised by very limited employment opportunities, increasing inequality in terms of access to goods and services compared to the urban dwellers is a cause of concern since most of the country’s population resides in rural areas. According to ZIMSTATS, (2012) 65% of Zimbabwe’s 12.6 million live in the rural areas and just 5% of those rural dwellers have access to a bank which is within reach. The financial infrastructure which is a critical vehicle to socio-economic development is biased towards the urban areas. The rural populace is subjected to financial exclusion thereby limiting opportunities for socio-economic mobility. The advent of innovative financial systems such as mobile money has brought a renewed hope to the livelihoods of the rural populace. However there is need to do research to establish the efficacy of mobile money in improving livelihoods to rural Zimbabwe.

1.4 Significance of the Study
Mutami and Chazovachii, (2012) implores that while mobile money is not a new issue it is worth it for development enthusiasts to carefully look at it, as it offers substantial promise for development. The study is vital as it explores this new and growing phenomenon of mobile money in Zimbabwe. According to the World Bank, (2013) there is need for alternative
financial sources to support rural communities and mobile money can be such. Most banks are located in urban areas and yet a greater proportion of the population lives in rural areas. In rural areas, people have to travel long distances from their homes to collect remittances; this represents a significant cost in addition to the already high transfer fees and bank charges (Zimbabwe Vulnerability Assessment Committee (ZIMVAC), 2013). Mobile money may be the only viable alternative to cash. The opportunity mobile money offers towards rural development and empowerment therefore cannot be ignored. The rapid growth of mobile telephone access and ownership in Zimbabwe has seen a great percentage of marginalised people accessing this ‘modern’ technology and opportunities it may bring. Therefore the real opportunity for mobile money to contribute to rural livelihoods needs further interrogation. The results of this study will contribute to further appreciation of the nexus between mobile money and rural livelihoods. The study will also contribute towards mobile money and development literature in Zimbabwe which is very limited. The seventeen SDG’s are a blueprint which aims to meet the needs of the world’s poorest (United Nations Development Program, (UNDP) 2015). Seeking to understand the relevant of mobile money to Sustainable Development Goal number eight which seeks to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all and SDG1 which aims at eradicating extreme poverty for all people everywhere; with targets within this SDG 1 including: target 1A that aims to ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation to provide adequate and predictable means for developing countries. Nationally the study will aid in the promotion the Zimbabwe sustainable socio-economic transformation agenda (ZIMASSET) by the Government of Zimbabwe by year 2018. With these SDG’s targets and ZIMASSET agenda clusters in mind this study gains relevance in the development field.

1.5 Aim of the Study

The aim of this study is to explore the opportunities mobile money brings to rural livelihoods in Zimbabwe.

1.6 Objectives

- To examine how mobile money has impacted on the livelihoods of the rural people.
- To explore the opportunities mobile money bring for financial inclusion in rural areas.
- To investigate how accessible mobile money services are to the rural populace.
• To come up with recommendations based on the integration of international, national and local views on the impacts of mobile money systems with special reference to Mapfuti Ward 7.

1.7 Research Questions

The main research question is does mobile money improve rural livelihoods. Drawn from this main question are the following research questions which should be addressed in this study;

• What are the socio-economic impacts of mobile money on rural livelihoods?
• What are the local people’s perceptions towards mobile money as a financial inclusion methodology?
• How accessible is mobile money services in rural areas?
• What challenges does mobile money present to societies and livelihoods?

1.8 Delimitations of the Study

The research focuses on assessing the impact of EcoCash in improving the livelihood activities in Mapfuti Ward 7 situated in Seke District in Mashonaland East Province of Zimbabwe. The research will focus on the financial access interventions implemented by EcoCash to the community, the impacts and the extent of livelihood vulnerability in Mapfuti community. The other wards were not of concern as the results can be generalised and applied to other wards.

1.9 Assumptions

It is assumed that respondents will respond to questions honestly and to the best of their ability.

1.10 Ethical Considerations

The goal of this research is to aid learning through a better understanding of mobile money systems and how it impacts on rural livelihoods. The researcher therefore seeks information from people who are not part of the educational process which makes it vital to uphold research ethics. The researcher will be careful to ensure quality and integrity of the research findings and to present true outcomes whether positive or negative.

In undertaking this research, the researcher did not force respondents to participate in the study and participation was done on a voluntary basis. It was made clear to respondents that they were not under any obligation to be part of the study. The respondents and community at large can be suspicious and curious as to the researcher’s motive and how they might benefit.
Respondents’ informed consent was be sought, with clear explanation of the research purpose to them with the use of consent seeking section on forms with some translated to vernacular language for the sake of easy understanding. A request letter was also sought from the university to support the student’s intentions.

Confidentiality and anonymity are vital ethical considerations which the researcher also intended to uphold. The researcher conducted most of the research himself, the student got to know who the respondents were and therefore were no longer anonymous. However emphasis was put on confidentiality and efforts were made so as to ensure their identity protection. This facilitated for respondents, to freely respond as they were interviewed which in turn impacted the on research findings.

1.11 Definition of Terms

1.11.1 Financial inclusion also known as inclusive financing is the delivery of financial services at affordable costs to sections of disadvantaged and low-income segments of society, in contrast to financial exclusion where those services are not available or affordable. For instance in Sub-Saharan Africa only 24% of adults has a bank account even though Africa's formal financial sector has grown in recent years representing a low FI in the region. It is argued that as banking services are in the nature of public good; the availability of banking and payment services to the entire population without discrimination is the prime objective of financial inclusion public policy.

1.11.2 Mobile money (m-money) refers to the use of mobile phones to perform financial and banking functions. It can be used to assist the billions of people who have little or no access to traditional financial services. Where the service is available, users can securely receive funds, pay bills, make bank transactions, transfer funds, and purchase goods and services. M-money is a subset of e-money. It refers to financial services and transactions made on a mobile phone. These services may or may not be tied directly to a personal bank account. The value proposition of m-money depends on whether a country is developing or developed. In a developing country, the financial infrastructure is likely to be poor, with a limited number of payment instruments, as well as a larger unbanked population.

1.11.3 Poverty is the lack of basic essential items needed for survival or a condition characterized by severe deprivation of basic human needs which include food, safe drinking
water, and facility for sanity, good health, education and adequate information. Simply put it is the deprivation of capabilities.

1.11.4 Poverty Reduction are measures which consist of series of purposive acts and designs that address the deprivation of capabilities problem through the strengthening of capabilities and opportunities to reduce poverty and marginalization – focusing on the most vulnerable and excluded population groups – in ways that are sustainable from economic, social and environmental standpoints for example the provision of basic needs such as health services, education and financial services.

1.11.5 Rural livelihoods comprises the capabilities, assets (stores, resources, claims and access) and activities required for a means of living: a livelihood is sustainable if it can cope with and recover from stress and shocks, maintain or enhance its capabilities and assets and provide sustainable livelihood opportunities for the next generation; and contributes net benefits to other livelihoods at the local and global levels and in the short and in the long term

1.12 Organisation of the study

The study consists of five chapters: the first introduces the topic at hand. It then touches on the background to the problem, definition of the problem, research objectives, research questions and finally arriving at the research proposition, fully justifying the reason for conduct of the research. Charter 2 is the literature review focusing on review of concepts and previous research relating to the issues of mobile money and livelihood sustenance framework. The third chapter focuses on the research design and methods employed in the study. Chapter 4 is the presentation, interpretation and analyses of the findings. The research findings are presented according to the research questions which guided the study. The findings will be presented in the form of tables and graphs using statistical packages like SPSS version 21.0 and Excel. Chapter 5 discusses, concludes and makes recommendations based on the findings. The discussion of findings is done with reference to theories and previous studies.

1.13 Summary of the Chapter

In this chapter the topic has been introduced and a background was presented. The problem has been stated and research questions outlined as well as the definition of pertinent terms to be used throughout the chapter. The researcher has also stated the ethical consideration for this study. The following chapter will be reviewing related literature and other studies and researches on mobile-money linking it to livelihoods and opportunities for financial inclusion.
CHAPTER 2
LITERATURE REVIEW

2.1 Introduction
This chapter is centred on the views and ideas of other related studies. The process of reviewing the literature helps to understand the subject area better and helps to conceptualise the research problem clearly and precisely. It also helps to establish the relationship between research problem and the body of knowledge. In this section the literature looks at the role of mobile money as a financial inclusion strategy and its contribution towards livelihood enhancement and ultimately poverty reduction. The chapter aims to explore the impacts of mobile money methodology on household livelihoods by reviewing the relationships between livelihoods and financial inclusion through mobile money activities.

2.2 The Global and Regional Mobile-Money Overview
The last ten years have seen surging ownership of mobile phones across the world. Mobile technology has been adopted at unprecedented speed, often meaning that many across the world now have access to mobile before they gain access to other kinds of infrastructure or technology. With the introduction of mobile money services, millions of the previously unbanked poor now have an opportunity to access formal financial services by the mere fact of owning a phone and registering with a mobile money operator. Thus Morawczynski, (2011) consider this mobile money innovation to be a revolution. A recent survey on mobile money adoption across the globe showed that 81.8 million people were registered for mobile money services by June 2012 (Groupe Speciale Mobile (GSM), 2012). Of these, 30 million were active subscriber. Many nations have adopted the use of mobile money systems and it has facilitated in financial inclusiveness of previously marginalized populations. For example in Afghanistan policemen and other officials are paid their wages using a local version of M-PAISA (GSM, 2012). On the other hand, Vodafone and G-Cash, leveraging on the ubiquity and popularity of the mobile phone have been able to provide customers with low cost, yet fast accessible and reliable financial services in the Philippines (Jenkins, 2008). In the United States, mobile phone based payroll cards are generally cheaper than the check-cashing services and money orders (Foster et al., 2010). M-money has also facilitated emergency response. In Haiti, for example, following the 2010 earthquake, Voilà partnered with international aid agency Mercy Corps to provide virtual vouchers to victims through a cheap mobile phone loaded with an e-wallet from Indonesia’s PT Telkomsel. While mobile money is playing a complementary role in developed
countries, in the developing world, Africa in particular, it is an alternative to the lacking formal financial systems (Demirguc-Kunt and Klapper, 2012).

Mobile money penetration in Africa has been on the increase since its introduction. In 2011, 25 countries in Africa had penetration rates that exceeded 90% (GSM, 2012). Mobile phone adoption experienced a strong growth in African countries, reaching 28.5 mobile phones per 100 inhabitants in 2007 from a low level of 4.5 phones per 100 in 2002 (Andrianaivo and Kpodar, 2012). Mobile telephones allow expansion and access to financial services to previously underserved groups in developing countries. Financial inclusion has been defined as the delivery of financial services at affordable cost to vast sections of disadvantaged and low income groups (Bihari, 2011). Mobile money transfers allow the store of value between users by using the set of text messages, menu commands and personal identification numbers (Aker and Mbiti, 2010). According to Jack and Suri, (2011), mobile money transfers have expanded to 16% of the total population in the Sub Sahara. The Kenyan based Safaricom, pioneered the introduction of the innovative payment service with their highly successful M-PESAi (Ariguzo and White, 2011). Research on the impact of m-transfer systems in Kenya and Rwanda suggests that households increased their access to financial services and informal private transfers between individuals (Blumenstock et al., 2011; Jack and Suri, 2011). According to Ariguzo and White, (2011) M-PESAi operated by Safaricom in Kenya has given the unbanked in the country unrivalled access to formal financial services. M-PESAi brought about convenience and flexibility in a country with a much sparser population (Collins et al., 2009). Despite the social, cultural, political and regulatory hurdles, M-PESAi witnessed rapid take up and growth. Other success stories in the mobile money transfer arena have been Smart Money and Globe G-Cash in the Philippines, which transforms a mobile phone into a virtual wallet for secure, fast, and convenient money transfers at the speed and cost of a text message as well as in Tanzania accepts tax payments through the Airtel Money services. Airtel Mobile Money is set up as a separate operation within the Airtel business. It uses an internally developed application which enables both STK and USSD access aiming to introduce new relevant financial products, mainly savings and insurance (Andrianaivo and Kpodar, 2012).

According to survey results by GSM, (2012) established that Sub-Saharan Africa had the majority of mobile money subscribers as it had 56.9 million people registered for mobile money services with success having been attained by MTN Banking in South Africa. In Zimbabwe
mobile money transfer scheme have taken toll in the past decade. Such services on the market include, Kingdom Bank’s Cell Card available for all networks, FBC Bank’s Mobile Moola and Central Africa Building Society’s Text-a-Cash both powered by Telecel Zimbabwe and Net One’s One Wallet. Evidently Econet Wireless’ EcoCash has been the fastest and widely adopted mobile money transfer scheme in Zimbabwe (Chitungo, and Munongo, 2013).

2.3 Theoretical Conceptualisation

According to Dawson, (2009) theoretical conceptualisation is a structured set of broad ideas and theories that help the researcher to develop new concepts or to interpret existing ones. It also helps the researchers to properly identify a problem that they are looking at, setting their questions and find suitable literature. On the other hand theoretical framework relies on past experiences and observations. This study is going to base its ideas from the financial self-sustainability paradigm which was propounded by Mayoux in 2000 (Aker and Mbiti, 2010). The paradigm emphasises the need to provide self-sustainable financial services to the rural people, especially micro-entrepreneurs so as to cushion them in their livelihood strategies and hence reduction of poverty. The paradigm is also known as financial system or sustainability approach. It underscores the creation of community based institutions and facilities that increase inclusion of marginalised rural people in financial matters (Chitungo and Munongo, 2013). The paradigm was formulated and promoted by donors and NGOs in the 1990s. For instance Cooperation for Assistance Relief Everywhere (CARE) international in the 1990s introduced the internal saving and lending methodology in various parts of Africa and Asia and as such Econet took it upon them to offer such local based financial mechanisms. It is highly noted that this dimension has largely evolved as it now encompasses a new emerging concert of mobile for development; entailing the utilisation of mobile applications for the development process as such the researcher wants to fill the knowledge gap in financial inclusion basing on the mobile money. The major assumption of the paradigm is that access to financial services will lead to economic empowerment thereby enabling the poor to have decision powers and increased mobility. This implies that the paradigm believes that power is derived from income and access to finance (Chitungo and Munongo, 2013).

Although mobile money impact assessment remains embryonic, that which does exist has been criticized for lacking rigorous conceptual or theoretical approaches, and instead, relying heavily on practitioner surveys, rather than academic research (Duncombe and Boateng, 2009). According to Morawczynski, (2011) a new body of literature known as mobile for development (M4D), this debate examines how mobile phones and related applications can
enhance the development process. Field, (2011) refers to mobile money services as hope and opportunity for many. Organisations such as United Nations Development Programme (UNDP), International Telecommunications Union (ITU) and the World Bank have released many documents arguing that communication technologies including mobile phone and its related applications such as mobile money can foster wide scale socio-economic improvements (UNDP, 2014). Literature on mobile money in Africa has focussed mostly on Kenya’s M-PESAi and not much has been explored in Zimbabwe

2.4 Mobile Money: The Concept

Mobile money is the provision of financial services to people using a mobile device (Donovan, 2012). These services include mobile payments, mobile banking and mobile finance. Put simply: it means one can make payments, do banking and make credit and insurance arrangements using a mobile phone. Mobile payments include person-to-person, government-to-person and business-to-business payments. Mobile banking refers to the ability to make bank transactions and enquiries using a mobile phone. Mobile finance entails the ability to access services regarding credit, insurance and savings through a mobile phone (Gencer, 2011). Therefore, mobile money refers to any transaction that requires the converting of money into electronic value using a mobile device and vice versa.

Besides a mobile phone, which is fundamental to the concept of mobile money, more structures are needed in order to provide this financial services. It needs cash points where cash-in and cash-out transactions are made. Such points are run by ‘agents’. Agents work with a mobile money operator or bank which buys money floats from the mobile money operator. They receive some commission for converting cash to electronic money and vice-versa. (Band et al., 2012). In order to operate, the mobile money operator needs a mobile network that has wide coverage so that it can reach as many clients as possible. In many cases, a mobile network provider usually goes into mobile money business. Such is the case with Zimbabwe’s Econet Wireless Services, which provides EcoCash mobile money. Thus, mobile money makes use of an already existing communications infrastructure (Jenkins, 2008).

Aker and Mbiti, (2010) note that in order to use the mobile money facility, one need to own a SIM card with a mobile operator and must be registered for mobile money account. Owning a phone SIM card implies that one’s identification number (I.D) details are linked with the SIM card. When registered for mobile money, one attains a Personal Identification Number (PIN)
code that they use to access the account. Any phone SIM card has a feature (or a chip) similar to that of a bank debit card. It is this feature that is used as an ‘electronic wallet’ (e-wallet), for storing the information regarding any electronic transaction made. In order to convert cash into e-money (electronic money), one makes a deposit at any agent of the mobile operator. This deposit is converted into an electronic money credit and the value of this credit is stored in one’s account. At low cost, one can make any mobile transaction (UNDP, 2014). The transactions one can make are unlimited. They range from person-to-person (peer-to-peer) transfers, purchase of airtime, payment of bills, salaries, bank balance enquiries to mobile finance. The peer-to-peer transfers, whereby people send money to their relatives or friends over long distances, are the most common mobile money transactions in the developing world (Esselaar, 2011).

The mobile money innovation cuts across two types of industries: Information Communication Technologies (ICTs) and finance. This has implications in terms of policies, regulation and as far as stakeholders are concerned. The policy and regulation implications can be complex since there are two sets of industries involved. Policy-makers are challenged to ensure that the environment in which mobile money operates leaves room for more innovation while at the same time functioning within the country’s legal framework guiding ICTs and finance (Donovan, 2012). This also helps to protect the people or the customers against fraud and any other types of scams, making customers lose confidence with the mobile money system as a whole.

According to Jenkins, (2008) mobile money (m-money) put simply is money that can be accessed, retrieved and used, by individuals via a mobile phone. Mobile money is an innovative way for both small traders and individuals to transfer money. Mobile money services are extensions of the financial services reach as they go beyond the physical branches, their main objectives are; to minimize the operational cost of the service provider and to make the service more accessible to the customers this is in both physical outreach and affordability (Mago, 2014). Mobile money services enable users to securely receive funds, pay bills, make bank transactions, transfer funds and buy goods and services. According to Kufandirimbwa, (2012) highlights that m-money services can be categorized into three groups which include the mobile-payments (where money is exchanged between two users with changes of goods or services), mobile-transfers (where money is moved from one user to another without exchange of goods and services) and the mobile-financial services (where mobile-money may be linked
to a bank account to offer the user with some transactions that they would access at a bank branch).

The mobile money models vary widely due to country context, state of financial sector development and the market and competitive backdrop (IFC, 2011). Most experts have looked at m-money from the angle of the main players and this view has led to three categories namely the mobile network operator (MNO) centric model, bank centric and collaborative or partnership model. To define the role each player has in a model there are four elements addressed which include legal responsibility for the deposit, the brand which is mostly visible to the public, the locations cash can be accessed and the source of payment instructions (Porteous, 2006).

In developing countries it is most common for MNOs to initiate the service. MNO centric model, the function of the bank and financial institution is limited in the payment delivery. In developing countries MNOs lead the m-money market. This model has been effective in developing countries because they have been able to reach large number of the unbanked people in rural areas where there are no banking facilities (IFC, 2011). Some conclusions drawn from Kenya’s mobile money platform which is one of the most research platforms in Africa M-PESAi was that MNOs could surpass existing financial services and build an alternative low cost financial system (Aker and Mbiti, 2010).

2.5 The Mobile Money Overview in Zimbabwe

Like many other countries, Zimbabwe is battling to ensure the financial inclusion of the poor and the marginalised. This is seen as critical to the socio-economic welfare of the people and the country. Financial inclusion refers to ensuring timely access to financially services and credit by vulnerable groups (Reserve Bank of Zimbabwe, (RBZ) 2007). The major objective of financial inclusion is to ensure access to basic financial services and products by all. This will promote social and economic empowerment, alleviation of poverty and encourage the culture of savings in rural areas. UNDP, (2014) noted that in 2013, 70% of the economically active population in Zimbabwe had no access to formal financial services. Mutami and Chazovachii, (2012) noted that reason why the rural people find it difficult to access financial resources is that most financial products and services were largely concentrated in urban areas.
Mobile telephone network is well developed in Zimbabwe and m-money is now existent, the number of subscribers is growing fast. According to Postal and Telecommunication Regulatory Authority of Zimbabwe, (POTRAZ) (2014), the mobile network covers around 90-95% of the population. The rapid spread of mobile phone penetration as opposed to bank outreach has created a fertile ground for mobile money to grow in Zimbabwe (especially mobile network operator (MNO) led initiatives) (Damji, 2011). According to Mago, (2014) 85% of the population own or have access to a mobile phone; these are people with different backgrounds cutting across the rural-urban and rich-poor divide. The high figures of the uptake of mobile phones are indicative of the enormous potential in reaching significant portions of usually excluded populations. Mobile telephony has therefore brought new opportunities to the country as it cuts across the different socio-economic divides.

There are three main mobile network operators in Zimbabwe, namely Econet, Telecel and Netone. In Zimbabwe Econet has the widest coverage with the highest number of subscribers. According to presentations by Mago, (2014), from the adoption and usage of mobile phones statics in Zimbabwe Econet holds 65%, Telecel 19% and NetOne 16%. These Zimbabwe three mobile phone companies also have a mobile money platform; Econet with EcoCash, NetOne with One wallet and Telecel with Telecash. Fig 2.1 shows the cumulative mobile penetration presentation of from 2006-2011 in Zimbabwe.
2.6 Introducing the EcoCash System

Ecocash is a mobile network operator (MNO) centric model which has been the fastest and mostly adopted mobile-money platform in Zimbabwe (Munyanyi, 2014). Ecocash was introduced by Econet wireless in August of 2011 with the aim of taking advantage of a financial exclusionary gap that existed in the country. According to POTRAZ, (2014), in 2012 EcoCash had more than 270 000 users and 1.5 million registered. Mago, (2014) reported that Ecocash m-money services in Zimbabwe now has more than 4 million subscribers. With Econet wireless aiming 100% mobile coverage in Zimbabwe, Ecocash obtainability to rural populace is undeniable (Munyanyi, 2014). There are more than 1 400 registered Ecocash agents covering all 10 provinces in Zimbabwe and these have been decentralised to ward levels across these provinces. Operations of Ecocash are facilitated by agents, these agents have to meet requirements of float balance and traceable financial history (Chitungo and Munongo, 2013). There are stipulated and differentiated balances for Harare CBD, other CBD, suburbs and rural areas. A minimum of $1 000 to purchase electronic float and a minimum of $1 000 to assist customers with cash out transactions for Harare CBD agents and suburb agents, a
minimum $500 for other CBD and a minimum for both electronic float and customers’ assist
for cash transactions of $200 for rural areas. For one to perform transactions on Ecocash they
have to be Econet subscribers so that they can register with an authorised agent (POTRAZ, 2014). The transactions the can be made on the Ecocash platform are; cash in, airtime purchase, cash out, send money, pay bill and banking.

Mobile-money systems involve stakeholders from both telecommunications (mobile phone
operators) and finance (banks and microfinance institutions) fields. The agents recruited by
mobile operators constitute a wide spectrum of stakeholders, which include individual
entrepreneurs, SMEs, supermarkets, stores and many others that purchase floats or e-money
from partner banks or the mobile money operators themselves (Jack et al., 2010). The EcoCash
system is considered a fully-fledged financial service that is expected to impact on peoples
livelihoods. Fig 2.2 shows the components and stakeholders that make the EcoCash a fully-
fledged financial service that has the potential of impacting on different rural livelihoods.

**EcoCash Ecosystem – A Fully Fledged Financial Service**

![EcoCash Ecosystem](Image)

**Fig 2.2:** The *EcoCash Ecosystem*  
*Source: GSM 2012*

### 2.7 Roles of Mobile Money in Societies

Jack et al., (2010) states that in developing countries, the monetary value in financial
transactions carried out using mobile payment services is small. The main services offered by
Mobile money service providers in emerging economies are person to person transfers (domestic and international), payment of bills, government to person payments (social security payments, salaries and pensions), banking services and purchasing airtime.

However, in recent years mobile money services have been extended to offer financial services for formal financial products (savings, credit, insurance), informal service providers (money lenders), personal networks (on-demand, scheduled payments, sending and receiving money), in-store merchant payments (goods and services), and remote business to customer or customer to business (B2C/C2B) payments (salaries, pensions, loan disbursements, bill payments, online/e-commerce) (Damji, 2011). Governments have also started using mobile money transfer services for making payments to citizens (salaries and pensions) and to collect revenues such as taxes. Fig 2.3 is a diagrammatic summary on the roles of mobile money as a financial system in societies.

**Roles of Mobile Money Systems in Societies**

![Fig 2.3: Roles of Mobile Money](image)


### 2.8 Sustainable Rural Livelihoods and Mobile-Money

Kakooza, (2008) states that with the exception of occasional international reports, such as that of the Maitland Commission (1985), the prevailing view within development agencies up to the mid-1990s was that telecommunications and ICTs had relatively little role to play in social
and economic development. Telecoms services tended to be viewed as luxury goods, unavailable in rural areas and unaffordable to poorer urban citizens, with little potential impact on the delivery of public services or the capacity of the poor to improve their incomes or quality of life. As a consequence, mobile facility is uniquely positioned to drive economic, environmental and social change in rural areas. This will in part happen through mobile enabled services that create innovative solutions that increase people’s access to health, finance and education with ultimately need for community beneficiation (Morawczynski, 2011).

Chambers and Conway, (1991) states that a livelihood comprises the capabilities, assets (stores, resources, claims and access) and activities required for a means of living: a livelihood is sustainable when it can cope with and recover from stress and shocks, maintain or enhance its capabilities and assets and provide sustainable livelihood opportunities for the next generation; and which contributes net benefits to other livelihoods at the local and global levels and in the short and in the long term. With regards to mobile money in Seke, Mapfuti Ward Seven the definition by Chambers and Conway, (1991) highlights the enhancement and maintenance of capabilities and assets to a large extent for those that have adopted mobile money innovations.

2.8.1 Linking Mobile Money with the Sustainable Livelihood Framework.

McNamara, (2008) states that livelihood security is more than just economic well-being, but it involves the adequate and sustainable access to and control over resources, both material, social and or financial to enable households achieve their rights without undermining the natural resource base. Livelihood security therefore, like poverty, is not just about income, but includes tangible and intangible assets, and social well-being.

Johnson and Rogaly, (1997) notes that development initiatives that are poverty reduction oriented in communities should assess the impact of services they offer on livelihoods. The impact of mobile money must go beyond analysing quantitative data such as detailing on the numbers of users, and volumes of money disbursed, to understanding how it has impacted on rural projects and client’s livelihoods. As noted by UNDP (2014) the provision of mobile money can give poor people the means to protect their livelihoods against shocks as well as to build up and diversify their livelihood activities.

Rashid and Elder, (2009) state that mobile money provides the poor with the access to disposable income and credit thus, this sufficient financial inclusion provides a hope to the poor to ensure achievement of sustainable livelihood by improving good health, access of
children's education, achieved skill, acquiring assets, take part social activities. Below is an illustration of the Sustainable Livelihoods Framework showing the role of financial inclusion and the other sectors it influences leading to betterment of livelihoods outcomes.

The Sustainable Livelihoods Framework

![Sustainable Livelihoods Framework](image)

**Fig 2.4: Sustainable Livelihoods Framework  Source: DFID, (1999) Sustainable Livelihoods**

The figure schematically presents the various components of an analytical framework to analyse livelihood (Chambers and Conway, 1991). Usually, livelihood analysis begins with the taking stock and specifying the key resources people have at their disposal. Resources are a key component of livelihood. They may be tangible resources (such as land or cattle) but many are non-tangible. It is essential to identify these resources in a non-rigid way, particularly as they can have multiple interpretations.

The Department for International Development, (DFID) (1999) stresses the importance to livelihoods of capital assets and distinguishes five categories of such assets, natural, social, physical, human and financial. It also stresses the need to maintain an outcome force, thinking about how development activity effects upon people’s livelihoods, not only about immediate project outputs. An analysis of livelihoods needs to take into account the ways in which people use and organise access to resources, deal and negotiate with institutions, and live and work in
a particular socio-cultural-economic and historical context, which itself is the product of a particular configuration of global and local processes.

Together or individually, these factors can drastically affect (though not necessarily reduce) people’s assets and options. Many projects have undertaken livelihood development programmes for rural people however, there are hardly empirical evidences on the impact of programme on capital improvement (Jenkins, 2008). The sustainable livelihoods approach organises these assets into five categories, as illustrated in Fig 2.4 and each sector need microscopic analysis for the outcomes in livelihoods to be sustainable thus EcoCash has a stake in the financial capital as it facilitates aspirations and opportunities so as to attain sustainable livelihoods.

2.9 Opportunities and Threats in Rural Zimbabwe Livelihood Strategies.

2.9.1 Opportunities for Livelihood Strategies in rural Zimbabwe

Zimbabwe is a nation that is characterized by peace and solidarity which provide a better atmosphere for investment in rural areas (Chikwama; 2012). This is one of the major opportunity enjoyed by communities as it facilitates for proper planning in the absence of wars. Comparing with nations like Nigeria, were terrorism is ripe affecting the resource utilization, Zimbabwe provide a better investment opportunity for citizens to implement their livelihood activities. The nation is also rich in natural capital hence providing opportunity for growth (Food and Agriculture Organization of the United Nations, (FAO) 2013). The nation is the one of Southern African countries having rich soils for agriculture; various mineral deposits are available like gold, diamond, silver, and coal and copper. Most rural areas engage in alluvial gold mining so as to improve their livelihoods. If the available resource are exploited effectively this can provide a room for growth and development.

2.9.2 Threats affecting Livelihood Strategies in rural Zimbabwe

The economic problem that has affected the nation has affected the nation posse a great threat to livelihood activity implementation. This has set the tone for all unethical operations in the economic and social set up resulting in decreased accountability and reduced value of money thus providing for poor markets in the nation. This led to poor market prices to products, the erosion of purchasing power to buy inputs and finished goods, restricted loans Access was since people’s ability to pay back was denudated thus causing the household livelihood strategy to dwindle as they will be premature disposition of assets (FAO, 2013).
2.10 Mobile Money Systems and Financial Inclusion

According to the World Bank, (2013) financial inclusion, or broad access to financial services, is defined as an absence of price or non-price barriers in the use of financial services. In a developing country, the financial infrastructure is not well developed, with a limited number of payment instruments and a larger unbanked population, because access to financial services is very costly. This results in a large percentage of the population operating on a cash only basis and outside the formal banking system.

Ensuring financial inclusion among the marginalised populations is one way of fighting poverty. It means doing all that is possible to make formal financial services not only available but also accessible and affordable to all groups of people in a given society (Triki and Faye, 2013). Such services usually include banking, provision of credit and insurance services and formal channels of making payments. According to the African Development Bank, (2013) access, usage and quality are important dimensions of financial inclusion. While access refers to the availability of formal regulated services which are physically near and affordable to the traditionally marginalised groups, usage entails that these services and products can be used regularly and at times that are convenient to the end users. Quality means that the products served are designed in such a way that they meet the needs of all the clients, regardless of their backgrounds (Alliance for Financial Inclusion, 2013).

When promoted, financial inclusion leads not only to the improvement of the poor, but it also promotes economic growth at the national level. All this does not materialise if no special attention is given to populations that, historically, have not enjoyed financial services and instruments due their low income and literacy levels, remote location, poverty and lack of social capital (Triki and Faye, 2013). In some parts of the developing world, unemployment benefits and health insurance are not available, so in difficult times, people rely on informal risk-sharing arrangements involving networks of friends and family. In some cases, informal methods are also used to transfer money, which presents several risks. Poorly developed transportation systems and expensive money-transfer services also help to make mobile money more appealing. In rural areas, people have to travel long distances from their homes to collect remittances; this represents a significant cost in addition to the already high transfer fees. Mobile money may be the only viable alternative to cash (McNamara, 2008).
One of the key roles of mobile money has to play in development is in bringing access to financial services to the poor, those who are neglected by the formal banking sector. Various research works, (most of which were carried out on M-PESA), demonstrate the achievements and potential of mobile money in relation to eliminating financial exclusion among the poor (Faye and Triki, 2013). Access to finance by the poor and vulnerable is an integral effort to promote inclusive growth of the poor. Financial inclusion denotes delivery of financial services at an affordable cost to the vast section of the disadvantaged and low income group (Westover, 2008). Financial exclusion is as a result of poverty which affects the rural poor and who may have no access to affordable to a range of financial services. For instance in India it is estimated that 60% of people are financial excluded due to high transaction cost particularly to rural areas. Reducing financial exclusion is a prerequisite for poverty reduction since finance is the engine of growth at the grass roots (Khavul, 2010). Mobile-money methodology is aimed at promoting financial inclusion by strengthening rural community based financial systems which serve majority of the disadvantaged and vulnerable groups.

According to the United Nations, (UN) (2013) three billion people around the world do not have access to formal financial services like savings accounts, credit, and insurance and payments services. More than half of the population in developing countries and more than 80% households in Africa are financial excluded. Through increased access to savings accounts and other financial services, the poor can build financial security, manage risk against adverse shocks such as illness or natural disasters and even invest in new business opportunities. Improving access to finance and related non-financial services plays a crucial role in promoting economic growth and reducing poverty through sustainable rural livelihoods strategies.

The World Bank, (2013) pointed out that the rural areas consist of low population densities and production is spatially dispersed. Servicing the rural poor drive up interest rates and lowers profitability. UN, (2013) also alluded that most private sector business, banks and MFIs in Zimbabwe provide valuable services to the poor in urban areas where borrowing requirements are high and they receive less financial cost of reaching clients as compared in rural areas. RBZ, (2007) noted that 80% of the population are poor compared with 25% in the 1990s because banks were shunning away rural areas. Community based microfinance schemes are able to reduce transaction cost by providing a secure environment for rural people access financial services without charged high interest rates which push them into debt. This reduces their vulnerability to poverty and other economic shocks.
Socio-economic factors such as collateral security also contributed to the financial exclusion of the poor especially women. Khavul, (2010) alluded that the rural poor are often illiterate, have limited collateral security, low savings as well as low levels of awareness has led to inaccessibility to funds. Women headed households are more vulnerable as traditionally have less access to land and other productive resources and it is estimated that 1% of land is owned by women in the world (UNDP, 2014). This had constrained them to access loans from banks and other MFIs and increase their vulnerability into poverty since they lack safe place to put savings as well as lack of access to credit and information. Using the conceptual framework of financial inclusion (above), this section touched on the extent to which mobile money has promoted financial inclusion noting the mobile money innovation managed to fulfill all the three dimensions of financial inclusion, namely: access, usage and quality. However, much more still needs to be done in order to ensure that these services are fully exploited, especially when it comes to savings and banking in the rural area especially in the less economically developed nations.

2.11 Challenges and Prospects of Mobile Money Services

There are several barriers to the full exploitation of the potential benefits of mobile money in relation to financial inclusion. As some researchers observed, removing such barriers in order to ensure financial inclusion is an uphill task since it may involve addressing the underlying causes such as low income levels, cultural, policy and regulation challenges (UNDP, 2014). It also demands the collaboration of various stakeholders such as mobile phone operators, both finance and communication industries, business partners, policy-makers and the consumers. The policy-makers are critical to eliminating barriers related to the environment in which the mobile money operation takes place. M-PESA is believed to have succeeded because the regulations were such that innovation was allowed, while the end-user’s rights were still protected (Demirguc-Kunt and Klapper, 2012).

Several challenges stand in the way of making this financial inclusion a reality. One outstanding setback for financial inclusion is the underutilisation of the mobile money product. This is a common phenomenon across the African continent. The majority of mobile money subscribers only use the ‘payment’ facility (peer-to-peer transfers and buying of airtime, in particular). They make very little use of the mobile banking and saving facilities (Aker and Mbiti, 2010). As discussed above, ‘cash still rules’ and there is still a long way for people to reach a stage of fully utilising the mobile money financial services. More innovation is needed
to devise ways of increasing uptake of these development-orientated mobile money services. Some of the mitigating measures include building the capacity of subscribers and designing products that really suit the needs of the majority of the unbanked populations. It is also a task that requires interoperability among mobile money operators and their various partners since creating an enabling environment for mobile operation is not an option, flexibility and wisdom on the part of policy-makers becomes necessary (Allen, 2006). Mobile money revolution avails an opportunity for financial inclusion in the continent. However Band et al., (2012) states that a developmental financial opportunity shall always remain an opportunity and nothing more, unless one takes it up.

2.11.1 Underutilisation of Mobile Money Services

While mobile money has received wide coverage, subscribers tend to underutilise the innovation as the majority only uses it for simply sending/receiving money. Financial inclusion means making sure that all initiatives that make formal financial services are available, accessible and affordable to all segments of the population (Bihari, 2011). As long as the poor fail to make use of any such initiatives (e.g. accessing credit through mobile money), they remain financially excluded. Some studies on M-PESAi mobile money show that there is little usage of mobile finance and banking as the majority only uses it for facilitating long-distance payments to family members. A survey carried out by Jack and Suri, (2010) to assess various aspects of how M-PESAi worked showed that the facility was primarily used to send money home (peer-to-peer transfers). Remittances were cashed out almost immediately, if possible, on the same day they were received. There were indications that the people under survey rarely used M-PESAi for savings purposes. However, it served them best as a coping strategy as they could meet big spending such as hospital bills. In Kenya, a World Bank enabled study by Demombynes and Thegeya, (2012) on bank-integrated mobile savings systems such as M-KESHO showed that such systems remained limited and mostly restricted to richer Kenyans with majority of the poor remained excluded.

Studies on mobile money reveals that facilities are underutilised, as there is no increase in access to banking, even though a product tailored for the poor had been designed. Research suggests that mobile money operators and various stakeholders needed more innovation to ensure financial inclusion through mobile money (Porteous, 2007). Mas and Morawczynski (2009), interestingly, observe that cash is the barrier to financial inclusion. If people can eliminate cash from their culture of doing business and totally embrace the electronic value of
money, there would be more financial inclusion since electronic transactions are significantly
cost-effective. For Mas and Morawczynski, (2009) as long as the poor can only exchange value
in cash or physical goods (which is even worse), they will always remain too costly for formal
financial institutions to adequately address their needs. These institutions would need to set up
physical infrastructure in the remote areas in order to facilitate the small but many transactions
of these poor people.

2.11.2 Low level of Financial Literacy

Financial literacy is the ability to understand how money works in the world: how someone
manages to earn or make it, how that person manages it, how he/she invests it (turn it into
more) and how that person donates it to help others (Band et al., 2012). More specifically,
Gencer, (2011) refers it to the set of skills and knowledge that allows an individual to make
informed and effective decisions with all of their financial resources Low levels of literacy and
education in general, can impede the economic development of a country in the current rapidly
of financial literacy in Africa as one of the challenges to the development of technology-based
services such as mobile money. The African continent has the lowest literacy rates in the world
individuals must determine not only how much to save for retirement but also how to allocate
that retirement wealth into sustainable livelihoods. This responsibility is paired with financial
instruments that are increasingly complex. Rules and terms for credit cards, mortgages, lines
of credit and other vehicles for borrowing have changed substantially, often providing more
exposure to risk leading to challenges in financial inclusiveness thus low level of financial
literacy affects any financial inclusion strategy.

2.11.3 Disabling Environment

The environment in which mobile money operates especially in Africa as a whole is not
conducive for proper financial access by the poor as there are many regulatory challenges.
While regulation of mobile money is meant to build trust in the offered services, it can also
stifle the development of the same services (Mas and Morawczynski, 2009). Several African
countries do not have regulations that govern the activities of mobile finance services (Faye
and Triki, 2013). In terms of nurturing an enabling environment for the operation of mobile
money, a balance needs to be struck between promoting innovation and protecting the end-consumer from malpractices such as fraud and deceit. Stringent laws or inflexibility can suffocate on-going innovation in the mobile money industry. Many leaders in the mobile money industry view regulation as a primary challenge to expanding mobile money ecosystems (Jenkins, 2008).

2.12 Gender Differences in Diffusion and Use of Mobile Money

Diffusion theory states that individuals who are higher in socio-economic status are able to adopt innovations much more quickly than those with lower levels of education and fewer assets (Rogers, 2003). According to FAO, (2013) rural women constitute the majority of the world’s poorest due to low levels of education, illiteracy, and lack of assets such as credit, agriculture extension training, and agricultural inputs. If any, differences in mobile money adoption and use between men and women may be due to socio-economic factors. According to Rogers, (2003) earlier adopters of innovations have higher levels of social participation, travel widely and are exposed to ideas and opportunities beyond their local social system. Traditionally, In Africa women are less mobile than their male counterparts due to social norms that dictate their responsibility in household tasks such as child bearing, cooking and cleaning (World Bank, 2013). Since women have less contact without side sources of information, they are potentially less likely to be early adopters of new innovations, thus this asymmetry may contribute to extensive poverty.

2.13 The Knowledge gap

Even though m-money services offer the opportunity to enhance financial inclusion for rural people through access to credit, savings and transfers which do transform livelihoods, these differences in adaptation to the new services still affect and reduce the societal potential (Jenkins, 2008). By filling a financial vacuum m-money services providers offer the opportunity of gaining access to savings, micro-credit and remittances reducing the barriers to financial access by the rural poor which include transaction costs and unavailability of a suitable financial product/service. Mobile money financial inclusion methodology is regarded vital in increasing the access to formal banking systems with expected high adoption due the large of ‘unbanked’ people in developing countries (Mago, 2014). Mobile banking systems therefore should be ideal for remote areas such as Mapfuti Ward given that it is an accessible and convenient means of sending and receiving money. Financial Inclusion has become crucial in development policy in many countries because exclusive development is not sustainable.
Most literature relating mobile-money asserts that it can be a huge potential game changer for the poor. It has been described as transformational. Porteous, (2006) states that a service becomes transformational when it causes a change in the access frontline, transformation therefore means a bigger segment of the population has access to services. Even though m-money has expanded in size and reach of money transfer systems for the rural and has given a gateway to formal financial services and financial inclusion, questions have been raised regarding the extent of its effects on welfare of poor users emanating from the livelihood they undertake. Mago, (2014) asserts that the lack of financial intermediaries in rural areas undermine livelihood potential and limits development in Zimbabwe. Mobile money therefore can fill that gap for the rural populace so as to attain equality in development through sustainable financial management for rural livelihood strategies.

2.14 Summary of the Chapter

The chapter firstly touched the overview of mobile money on a global and regional scale. Focus was the shifted towards the major issues emerging from related theoretical and empirical literature exposing areas where gaps exist and focused on how the student was going to formulate new concepts basing on the already existing body of knowledge. The impacts and roles of mobile-money facility in enhancement of the livelihood capitals were also assessed. Focus on the concepts and revolution of mobile money as a whole was touched on so as to build a strong basis for the study. The chapter highlighted the status quo of Mobile-Money methodology in Africa and the rest of the world as well as in Zimbabwe and also the challenges that affect m-money systems. The study also explored the impacts of mobile money methodology leading to financial inclusion which would in-turn impact on livelihoods and ultimately on household poverty. The chapter concludes by looking at gender dimension in the usage of the m-money method and poverty reduction strategies.
CHAPTER 3
RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction
In this chapter the research design and methodology applied in addressing the research questions is outlined. The main objective of the study is to examine the impact m-money has on rural livelihoods in Zimbabwe. The main question to be addressed is does m-money improve rural livelihoods in Zimbabwe. To achieve this objective and address the research questions on enhancement of livelihoods, financial inclusion and accessibility of m-money services there was need to understand m-money use in the Zimbabwean context, specifically in rural Zimbabwe.

3.2 Research Design
The researcher used a case study research design due to its nature of seeking to provide an accurate account of the characteristics of a particular individual, event or group in real life situations with both qualitative and quantitative research approaches employed (Dawson, 2009). A combination of these two techniques was applied for the purpose of triangulation. Jon and Dillon, (2003) notes that triangulation deliberately seeks and compares findings from different sources and adds to the trustworthiness, validity and reliability of data and conclusions. These two methods were of key importance to this research as they appeared to be typically flexible during the study. These approaches have also been advocated for by Jon and Dillon, (2003) who states that quantitative research focuses on the left brain while qualitative research focuses on the right brain. They argued that while the right brain gets us into trouble, the left brain reasons or way out. Dawson, (2009) stated that the most powerful research engages both the left side and right side of the brain. The running of quantitative research alongside qualitative research offers a synergy whereby objective data can provide a structure to analyse subjective data (Cohen and Marion, 2004).

Qualitative approach involved the descriptive interpretation of data that was obtained from documents both published and unpublished, interviews and focused group discussions. Quantitative research approach was employed through the use of questionnaires which in this research has generated larger amounts of data.
3.3 Research Methodology

Methodology is a systematic analysis and organisation of the rational and experimental processes that guide scientific enquiry (Dawson, 2009). The research which was predominantly descriptive included in-depth interviews with informants. The process utilise secondary data to get comparable perspectives in the area of mobile money utilisation in different countries mostly focussing on M-PESA\textsuperscript{i} from Kenya which has widely been referred to in most mobile money literature. A semi structured interview schedule for face to face in-depth interviews with respondents and focused group discussions will be used after simple random and purposive sampling of mobile money users and agents respectively. Before the analysis of data the researcher will transcribe all the documentation, field notes and interviews.

3.4 Data Collection

Three different methods for data collection were employed in the study and these include the questionnaire, interview, focused group discussion and observation. The use of these four methods provide for better analysis of data and attainment of the study objectives with ensured validity and reliability as these methods would complement each other analytically basing on the different data sources used.

3.4.1 Data Sources Used

**Primary Data:** Primary data for the purposes of this research was obtained through interviews guide, questionnaire guide, FGD guide and non-participation observation guide.

**Secondary Data:** The researcher used secondary data from sources such as archived data sources found at EcoCash Agents which includes management reports, annual reports as well as household livelihoods stock and income family files.

3.5 Research instruments

Three different types of research instruments were used for data collection and these are questionnaire guide, in-depth interview guide, focused group discussion guide and non-participant observation guide. The questionnaire guide composed of closed questions. Interview guides and focused group discussions guides were used to ensure that there was triangulation thus conformation of one research instrument to another. This would also reduce the occurrence of margins of errors in the process of data collection.

3.5.1. The Questionnaire Guide
A questionnaire guide is a document containing questions and other types of items designed to solicit information appropriate for analysis. Questionnaires are used primarily in survey research, but also in experiments, field research, and other modes of observation. The questionnaire guide was composed of both open and closed questions. The close ended questions were meant to capture direct answers from the respondents, whilst the open ended questions were also meant to allow the respondents to express their views as they wish. The entire field data collection covered 100 households from six villages namely Chigumbu, Chirimba, Mandizha, Motsi, Munemo and Svondo. Questionnaires have advantages in that it permits considerable time and well thought questions that will be easily understood by the respondents. The researcher will be able to cover a larger proportion of the sample within a short period of time since no time will be taken asking questions because it will be just a matter of dropping and picking up the completed questionnaires. It is a quick method of obtaining data and privacy is maintained (Kothari, 2004). It is a comparatively cheaper and efficient method for obtaining large amounts of quantitative data. It also provides greater uniformity which enables data to be analysed and easily interpreted (Kothari, 2004).

The questionnaire guide has drawbacks in that it lacks depth in questioning and did not capture the feelings, attitudes and beliefs of the respondents in the same manner as interviews and focus group discussions did. Questionnaires are also expensive to produce than interviews as well as focus group discussion guides (Chava and Nachimias, 2008).

3.5.2 In-depth Interview Guide

Interview guide is a series of questions which consists of issues to be elucidated and it is done through interaction with the respondents (Dawson, 2009). It is a guiding tool for collection of data with respect to the set questions. The interview guide is a good idea when one is pursuing a survey research or when trying to paint a detailed descriptive picture of phenomena or a process. (Chava and Nachimias, 2008). The method was used in order to serve this purpose. Semi-structured interviews were administered. The interviews provided back ground information to the problems and opportunities that affect the EcoCash Systems, and gave access to information that cannot be accessed by means of literature thus allowing for the capturing of individuals meaning and understandings.

The advantages of the interview approach are that it promotes rapport between the researcher and the respondents and sensitive issues are openly discussed. It also allows the researcher to validate what was said through non-verbal behaviour since there was an eye contact with the interviewees.
The disadvantages of this guide are that the respondents may not have time to formulate answers. It is a costly survey method and requires larger numbers of staff and need appropriate facilities. There are also no written records for this type of survey (Kumar, 2005).

3.5.3 Focus Group Discussion (FGD) Guide

FGD guide represents a qualitative research instrument that is directly interactive and sensitive, where different topics works well with such groups especially if all members of the group share the same experience. FGDs have advantages in that they enrich the researcher with diversity of information concerning the subject (Chava and Nachimias, 2008). Babbie and Mouton, (2012) also notes that, FDGs gives a chance to witness a large amount of interaction on the topic in a limited period of time since the research is taking place over a limited time. This will also allow for presentation of similarities and differences in the participants’ opinions and experiences as opposed to drawing conclusions from analyses of different statements from individual interviewees. In this case the groups will share the same experience like the perceived gains and impacts emanating from the EcoCash system. Therefore it gave the researcher a more in-depth understanding of the context and social fabric of the Mapfuti community.

3.5.4 Non Participant Observation (NPO) Guide

When the observer observes as a detached emissary without any attempt on his part to experience through participation what others feel, the observation of this type is often termed as non-participant observation. When the observer is observing in such a manner that his presence may be unknown to the people he is observing. Such an observation is described as disguised non participant observation (Kothari, 2004).

Dawson, (2009) stated that the observation method is the most commonly used method especially in studies relating to behavioural sciences. Observation becomes a scientific tool and the method of data collection for the researcher, when it serves a formulated research purpose. It is systematically planned and recorded and is subjected to checks and controls on validity and reliability. Under the observation method, the information is sought by way of investigator’s own direct observation without asking from the respondent.

The main advantages of this method are that subjective bias is eliminated if observation is done accurately. Secondly, the information obtained under this method relates to what is currently happening and it is not complicated by either the past behaviour or future intentions or attitudes. Thirdly, this method is independent of respondents’ willingness to respond and as such is relatively less demanding of active cooperation on the part of respondents as happens to be the case in the interview or the questionnaire method. This method is particularly suitable in studies
which deal with subjects that are respondents who are not capable of giving verbal reports of their feelings for one reason or the other (Dawson, 2009). However observer bias is noted as a weakness with observation as a data collection method.

3.6 Target Population

The target population comprised of registered EcoCash users and non-registered community members. These groups were targeted so as analyse their response with regard to the utilisation of m–money financial service and its perceived impacts on livelihood activities. EcoCash agents will also be part of the target population as they are also a population whose livelihoods are directly impacted by mobile money. Since the population proves to be large, which means researching the entire population was expensive and time consuming; the researcher used different sampling techniques to overcome this problem.

3.7 Sampling Techniques

The researcher is going to use the simple random sampling and purposive sampling in the study. The simple random sampling was employed on EcoCash subscribers. Although Babbie and Mouton, (2012) describes this sampling technique as ‘extremely risky’ the method is justified on grounds of feasibility, caution however was exercised in generalization of data to be collected. It is sometimes necessary to select sample based on the researcher’s judgement and purpose of study (Kothari, 2004). In the case of EcoCash agents they were a small subset of a group who are easily identifiable and purposive sampling was therefore used for EcoCash agents. The agents at Madamombe and Mapfuti Business Centres made it feasible for the researcher. Moreover purposive sampling of EcoCash agents in the area under study was undertaken so as to get some specific information since they were regarded as key informants and would have insight on clients they would have attended to and how the m-money services were being utilised in the community.

3.8 The Research Sample Size

Dawson, (2009) defines a sample as a portion of the population selected for a detailed study. Babbie and Mouton, (2012) notes that commonly sample size can range from 5 to 25 and can still yield the results that can answer the research objectives. The researcher used the Raosoft Sample size calculator software from the internet (Appendix 4) to come up with the sample size. The researcher calculated the sample size at 90% confidence level and 10% confidence interval and it resulted in the minimum required sample size of 67 respondents from the total
population in the ward of 4651. However, for the purpose of more reliability and validity of the research findings; the researcher chooses to use 90 respondents.

The Research Sample Composition

**Table 3.1: The Research Sample Composition**

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Sample size</th>
<th>Targeted population</th>
<th>Composition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Questionnaire</td>
<td>52</td>
<td>137</td>
<td>Registered EcoCash Users</td>
</tr>
<tr>
<td>Interviews</td>
<td>2</td>
<td>3</td>
<td>EcoCash Agents</td>
</tr>
<tr>
<td>FGD’s</td>
<td>36</td>
<td>60</td>
<td>Registered EcoCash Users, EcoCash Agents</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>200</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Primary Data*

In this research, the sample was randomly selected from individuals of the targeted population. The researcher decided to have two individual in-depth interviews and three focused group discussions of not more than 12 individuals and 52 household questionnaires for data collection.

**3.9 Pilot Testing**

Both questionnaires and interviews were administered in the selected district before the actual data collection. This was done to check the validity and reliability of these instruments. The pilot testing also helped to correct and rephrase some of the questions which were not fully understood by the respondents.

**3.10 Validity and Reliability**

According to Dawson, (2009) validity is the extent to which an empirical measure adequately reflects the real meaning of the concept under consideration. Validity may be questionable somewhat since some of the respondents have exaggerated their response in the view to appease the researcher or for any other bias reasons. The researcher assured all respondents that the purpose of the exercise does not affect them in any way. The researcher also sought
consent from all participants outlining the purpose of the research nature of the research and gave each participant a right to choose whether to or not participate in the survey. Anonymity and confidentiality were also assured. The validity of the study was guaranteed by the fact that, the instruments used to collect data tried as much as possible to include all areas and concepts related to mobile money methodology and also the pre-testing that was undertaken. As such, the instruments can be used in other researches on mobile money studies.

According to Saunders, (2003) reliability is defined as the extent to which a procedure replicates the same results on all occasions and conditions. This can be established through testing and retesting the method. Pilot testing of questionnaires reduced instances where answers are given with a view to please the researcher. The respondents were told that the study was academic and there were no incentives for participation. The advantage of this method was that participants were open and honest and were given a chance to put their views to the researcher without fear of being misrepresented. However the disadvantage is that those being studied may have become uneasy and modified what they said. This was observed particularly with the local leadership. An attempt was made to control the item reliability by asking the same questions to all respondents and then compare the answers. The structured questionnaires and interviews administered by the researcher on the respondents ensured the responses were guided and streamlined to the research objectives, therefore enhancing the relevance of the data response to the research. The questionnaire was also brief and easy to be filled. The thorough consultation done in the preparation of the questionnaire, interview and discussion guides produced a data collection instrument whose results can be applied in the real world to other related researches, situations and environments.

3.11 Data Analysis, Presentation and Interpretation

The analysis of data commenced from the moment the study started since some of the collected data was qualitative in nature and needed to be continuously analysed. Research findings were unpacked and themes were drawn resulting in thematic presentation done on the findings. The following steps were taken to analyse qualitative data from interviews and FGDs: transcripts were coded using the participants’ own words and phrases and without pre-conceived classification; the participants’ language or phrases were examined, categorised and recurrent themes were identified. Recurrent themes are the similar and consistent ways people think about, and give accounts concerning particular issues. Examples of repetition, explanation,
justification and vernacular terms were highlighted and translated. These were then coded with a key word or phrase that captured the essence of the content, and were taken to constitute emergent themes.

Quantitative data from questionnaires and interviews was analysed using SPSS 21.0 and Excel. Information obtained through the agents in-depth interviews was coded and analysed. The Statistical Package for Social Scientists 21.0 (SPSS 21.0) was used in generating frequency distributions, cross-tabulations and some factor analyses. Data from questionnaires was analysed using the Statistical Package for Social Sciences (SPSS 21) and responses were coded using numbers according to the respondents’ answers. For example, a “YES” was coded as 1 and a “NO” coded as 2. For open-ended questions all ideas were listed first, and then tallied to indicate how the respondents gave the same response. All data from questionnaires was coded in SPSS for all the questions before the data was edited and then presented as bar graphs, tables and charts. In addition a combination of deductive and inductive reasoning techniques were also employed in analysing the data so as to overcome the weakness of either technique and combine the strength of both to come up with a conclusive discussion of facts.

3.12 Description of the Study Area
The study area is Mapfuti Ward Seven located in Seke District in Mashonaland East province. Ward 7 is administered under Seke district with 21 administrative wards namely ward 1 up to ward 21. Ward seven area has a population total of 4,651 with females having a better share of about 2,415 and males adding up to 2,236. Households that fall in Ward 7 amount to 1,101 with an average size of 4.2 for each family. The study area is located in a former reserved areas by the colonial. In the 1980s the area was opened for human settlement following the then land reform programme which was undertaken by the government.

The study area is a low lying area from the plateau and has its borders delineated by water channels. The study area lies in natural region two and generally receives high rainfall and is not expected to suffer dip tank watering related problems. The area has rich soils, which vary from loamy sands to clay soils. Diurnal temperatures for the area are relatively conducive reaching to about 33 degrees Celsius on a very hot day. The area is suited for cropping with societies focusing crops such as maize and other cash crops. Market gardening done with the production of vegetables taking central position as it has a readily available market in the nearby urban area. The area has high HIV/AIDS prevalent rate. This is because the area lies close to urban settlements and thus enhancing rural to urban migration which will in-turn result to family fragmentation leading to unethical behaviours and cultural dilution as some urban
traits will influence this hinterland. The area is characterised with poor infrastructure such as roads and telecommunication. There is one single financial institution in the whole district located at Dema Growth Point. Only credits lines found in the area are from the small micro institution which offers credit on high interest rates. Mapfuti Ward Seven is served by Kunaka Hospital which is located far from the area understudy. Fig 3.1 shows the cross sectional map of the area understudy.

**The Study Area**

![Map of Mapfuti Ward 7 in Seke District, Zimbabwe](source: Secondary data)

**Fig 3.1:** Map of Mapfuti Ward 7 in Seke District, Zimbabwe
3.13 Problems Encountered and Limitation of the Study

Every study has limitations particularly the researcher has no exception. During data collection problems some selected households were not at home for the interview and few others were hostile and refused to answer the questions. When this occurs the researcher had to replace them with reserved households. The other category was those with strong political affiliation. This is because the area has a political environment which is highly volatile leading to people assuming that the researcher has political backing. Transport and financial resources have constrained the researcher to carry out the study in all villages. This was solved by selecting a sample size of six villages. Representative from some organisations such as NGO’s who are part of the targeted population have always a tight schedule for the researcher to conduct interviews. The researcher faces the difficult in interviewing them, although appointments have been made and this resulted to reschedule of interview dates.

3.14 Summary of the Chapter

The chapter discussed the research methodology used in the study, materials and data analysis procedures used. Quantitative and qualitative research designs were used with the use of research instruments such as questionnaires, interview guides, and FGD guides as well as the use of documentary analysis obtained from the EcoCash agents workplaces. The Statistical Package for Social Scientists 21.0 (SPSS 21.0) was used in generating frequency distributions, cross-tabulations and some factor analyses Data was also processed and analyzed using Microsoft Excel and were presented for interpretation through use of tables, graphs and charts. The next chapter will focus on the analysis, presentation and discussion of collected data.
CHAPTER 4
DATA PRESENTATION, DISCUSSIONS AND ANALYSIS

4.1 Introduction
This chapter is focused on the presentation of results of the study. The objectives of the study stated were answered based on the results obtained. To allow easy and clear interpretation of the results, various techniques were used for presentation of results and these include tables, bar graphs and pie charts. The discussion of findings will be linked to the empirical literature provided in chapter two.

4.2 Response Rate

Table 4.1: Response Rate of the respondents in the study

<table>
<thead>
<tr>
<th>Type of Respondents</th>
<th>Number in sample</th>
<th>Responses</th>
<th>Response rate As a %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community members</td>
<td>82</td>
<td>66</td>
<td>80</td>
</tr>
<tr>
<td>EcoCash Agents</td>
<td>2</td>
<td>2</td>
<td>100</td>
</tr>
<tr>
<td>Village heads</td>
<td>6</td>
<td>6</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>74</td>
<td>82</td>
</tr>
</tbody>
</table>

n=90

Source: Primary Data

The researcher managed to reach and get responses from 74 of the 90 representing an 81% response rate. The administered questionnaire managed to have a response rate of 90%, two focused group discussions undertaken out of the planned 3 and only the in-depth interviews got a 100% response rate.

4.3 Background Information of the Respondents
This section provides the background information on the respondents. The relevance of any research basically depends on the socio-economic characteristics of the respondents as it forms the basis of decision making. A clearer understanding of the socio-economic characteristics of
the participants involved in m-money activities forms the basis of decision making in whether
the system can attain results that can transform the livelihoods of individuals.

4.3.1 Demographic Characteristic of the Respondents

Band et al., (2012) found out that demographic characteristics of a population influences an
individual or population’s responds to new innovations. In that regard, this section introduces,
analyse, interpret and present the demographic characteristics considered by this study on how
societies perceive and appreciate the change that might be accruing from the Mobile money
financial inclusion strategy. This section introduces the characteristics of the respondents that
were useful in determining project outcomes these include age and sex.

4.3.1.1 The Age Structure of Respondents

Age distribution is vital in the study since it has also significant influence of the extent and
type of livelihood activities practised in the area. Generally older people are less likely to
venture into strenuous activities compared to the youth age.

![Age Structure of Respondents](image)

Fig 4.1: The Age Structure of the respondents in the study  
Source: Primary Data

Fig 4.1 shows that the majority of the respondents are in the 21-30 age-group according to this
study with a 47% percentage representation. The results indicated that majority of the
respondents are in the productive age group between 21 years and 40 years this is because the
early adopters’ of technological interventions turn to the reproductive active aged members in
the community due to the need of sending back remittances to their siblings. The younger smaller families tend to be separated from each other due to the need and nature of their economic activities thus fending for the family is crucial for the male counterpart. Moreover on the other side, usually unemployment is higher among the youth than the middle aged thus availability of the respondents was biased toward this fact. The youth is a very unstable and vulnerable age group that requires some special attention.

The 41-50 age group normally have a lot of dependants and responsibilities than the aged and the youth thus extra income generated by this age group will contribute immensely to the standards of living for many people than would be the case of the youths thus their availability for the research was limited as they were engaged in agriculture activities for the purpose of securing adequate food supplies for the young ones.

4.3.1.2 Sex Structure

The researcher regarded the gender dimension as a key factor that influences adoption of new innovation. Gender determines the livelihood activities as well as output obtained from activities practised.

Fig 4.2: The Sex Structure of the respondents in the study

Source: Primary Data

Fig 4.2 shows majority of the respondents are women across all age groups. More than half (66%) of the respondents are females and 34% are males. The majority of the respondent’s women found to be respondents, this shows that women are more inclined to reproductive work which is usually located at home and men are engaged in productive work. According to Damji (2011) in most cases the greater percentage in terms care of the household is done by women and there are always confined to the locality level, although men contribute to the upkeep of
the family by bring income and other material things that contribute to reduction of household poverty and sustainability of the livelihood strategies that are set up at household level.

4.3.1.3 Marital Status
Marital status plays a very vital role in as far as mobile money utilisation is concerned. It is of paramount importance to understand the marital status of the respondents particularly to this study because livelihoods differ as per different marital status and also access, adoption of financial services and income revenue supports differ as per this regard.

![Marital Status Chart]

n=74

**Fig 4.3: The Marital status of respondents in the study**

The findings show that majority of the respondents are married and were aged in-between 21 and 40 and the minority group in the research was the never married status constituting a 6% representation. According to Okere, (2012) majority of the people in societies regard marriages of paramount importance as it leads to specialization and enhances the resource base as contributions will be coming from both parties involved rather than the single status. The response gathered by the researcher in regarded to this aspect reviews how crucial marital status is to livelihoods since it would aid to division of labour, promote specialization of tasks in the livelihood strategies being under taken as well as facilitate in the flow of capital for these strategies in the rural areas such as in Mapfuti Ward Seven.
4.3.1.4 Level of Education

The researcher considered educational levels as important part of the study since education is related to the acquisition of skills which can increase the chances of creativity and adaptability. Levels of education determine the levels of risk taking in livelihood activities as well as acceptance of new innovations.

![Pie Chart showing education levels of respondents](image)

**Fig 4.4: Education Level of respondents in the study**  
**Source: Primary Data**

The data on educational levels reveals that majority of the respondents had basic education. The data in Fig 4.4 highlights that above quarter (38%) respondents had reached the secondary level, 27% attaining primary level and 18% having reached advanced level. Tertiary education has been attained by a minority (5%) in the study area. Okerere (2012) noted that if the majority of the people in societies attain at least primary school level education, they turn to have a better know how on their financial capita management for livelihood strategies. It is important when implementing financial inclusion systems such as mobile money projects to know the level of education in order to establish the best ways of unveiling these services to the communities so that better utilisation of the system will be achieved. In general people with high level of education are likely to diversify their income sources because education opens new opportunities for the rural people to invest in non farm activities thus usage of such financial inclusionary systems will be enhanced.
4.3.1.5 Householed Size

Household size was deemed necessary in this study in order to establish the level income per household. In understanding this factor it would contribute to the understanding of financial capital sources and base in the livelihood strategies.

![Household size of respondents](image)

**Fig 4.5: Household size of respondents**

*Source: Primary Data*

The study showed that 43% of the respondents have a household size between four and seven people. The second highest is the 8-12 household size which had 26%, 23% and 8% of the households had also household size of between 1-3 and above thirteen respectively. The data generated from the FGD’s revealed that the majority of households had an income level of below $30 per month and the majority household size of between four and seven. This implies that an individually is getting between $4 to $7 per month. The results become consistent with the findings of the World Bank (2013) that most people in rural sub-Saharan Africa earn and live on less than one dollar a day which is the generally accepted poverty benchmark.

4.4 Livelihoods Activities

Understanding the different livelihood activities that were being undertaken in the study offered a chance of assessing the opportunities that can be utilised as well as weaknesses of the mobile money with regard to sector utilisation of the system. Different livelihood strategies require different levels of financial inclusiveness.

**Table 4.2: Livelihood Activities Undertaken by the Respondents**
<table>
<thead>
<tr>
<th>Type of Livelihood</th>
<th>Activity</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poultry</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Carpentry</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Welding</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Petty Trading</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Goat Keeping</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Piggery</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Market Gardening</td>
<td>39</td>
<td></td>
</tr>
<tr>
<td>Sewing</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Candle Making</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
<td></td>
</tr>
</tbody>
</table>

n=74

*Source: Primary Data*

The majority of households in the study area engage in income generating activities with the major livelihood activity being market gardening which is undertaken by 39% of the study population, 20% of the respondents were engaged in goat keeping followed by nutritional gardens. As much as 10% were engaged to piggery projects and 11% run mosquito net projects. Two percent (2%) of households had a member run or belong to a welding and carpentry project. The overview of the results show that majority of households were engaged in income generating projects that does not require lot of capital such as market gardening and goat keeping. Due to lack of appropriate financial services majority of households find it difficult to mobilise funds, other resources and undertake savings. Savings mobilisation is one of the preconditions for investment in livelihoods strategies for the rural people. IFAD (2011) pointed out that before the poor can begin to access opportunities to income generate activities they need to reduce their vulnerability and develop the mechanism to manage risk by making savings and accessing loans.

### 4.4.1 Challenges faced in household livelihood strategies
This part of the work aimed at finding out the constraints or the things that inhibit the respondents’ attempt to finance their livelihoods. The respondents identified several constraints that inhibit and reduce their potential in sustaining their livelihoods.

**Table 4.3: Challenges faced in household livelihood strategies by respondents**

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of affordable financial mechanisms</td>
<td>40</td>
<td>54</td>
</tr>
<tr>
<td>Low incomes</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Fear of safety of income</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>High bank charges</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Drought</td>
<td>11</td>
<td>15</td>
</tr>
<tr>
<td>Sickness, pest and diseases</td>
<td>9</td>
<td>12</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>74</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

*n=74*

**Source: Primary Data**

Table 4.3 shows that above half (54%) of the respondents mentioned lack of affordable financial mechanisms as the major constraint that affect their livelihood financing. According to this category of respondents their income are not able to meet their needs so it affect their level of livelihood financing patterns thus they is need for an affordable financial solution so that financing of livelihoods would be enhanced. Damji, (2011) rightly pointed out that level of income is the determinant of savings pattern which has a direct effect on the investment pattern. Lack of affordable and convenient financial mechanism hinders people to make some savings hence affecting the financial capita in the livelihood framework. Drought also constrained people to partake proper investments in their livelihoods due to its toll on assets as people scramble to meet daily food and nutritional needs. Savings in the form of livestock and grain are mostly affected by pest and diseases. People they end up sale their assets in order to meet basic consumption. The recurrence occurrences of drought affect the level of incomes for household strategy enhancement since majority of the people rely on crop production as a source of income and means of survival. Another hindrance for people to properly invest in their livelihood is shocks and stress such as sickness, pest and diseases. According to conclusions drawn from focused group discussions constant illness depletes any form of
savings, be it cash or asset that they may utilise for their livelihood strategy. The least challenge revealed is high bank charges and interest rates on loans advanced for, this is to the fact that majority of the respondents do not use banking services due to its exclusionary effect on the rural populace.

4.4.2 Sources of Income for Household Livelihoods

Various responses were given by the respondents on the sources of income which are contributing to financial independence in regard to the different livelihoods being undertaken. This is crucial as it determines the rate, level and service sector utilisation by the respondents.

Table 4.4: Respondents Source of Livelihoods Income

<table>
<thead>
<tr>
<th>Source</th>
<th>Proportion (as a %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crop production</td>
<td>40</td>
</tr>
<tr>
<td>Friends and family remittances</td>
<td>30</td>
</tr>
<tr>
<td>Pensions funds</td>
<td>2</td>
</tr>
<tr>
<td>Formal salary</td>
<td>6</td>
</tr>
<tr>
<td>Casual labour</td>
<td>18</td>
</tr>
<tr>
<td>Donations</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

n=74

Source: Primary Data

Table 4.4 reveals that nearly half of the respondents (40%) depended upon crop production as their source of income. Crop production becomes the main source of income because most rural economies are agro-based with limited manufacturing and services industries. Friends and family remittances emerged as the second household income source with 30%. Only a total 30% of the respondents rely on the other sources shown in the table above as their source of income. The study revealed that majority of the respondents rely on crop production and source of income which is crop production and friends and family remittances with these sources containing potential in utilizing the mobile money system. According to IFAD, (2011) 70% of the world’s poor live in rural areas and agriculture is their main source of income and employment and in the case of Zimbabwe with high unemployment rate agriculture is becoming pivotal in sustaining livelihoods as well as eradicating poverty. However (Jack et
al., 2010) notes that the rise in migration that is being experienced by many rural areas has increased remittances from friends and family contribute a fair share in the sustenance of livelihoods. Thus supported by the village head of Chirimba kraal as quoted he stated that;

*Due to lack of appropriate and affordable financial systems in the district, villagers have utilised the EcoCash system in becoming financial involved as they can now access funds from friends, family and relatives either as small loans in order to finance their livelihood activities.*

In that regard, the results shows that most people are battling to diversify their income source through their livelihood strategies which is essential for poverty reduction. Households that diversify their income are able to overcome socio-economic challenges such as droughts (FAO, 2013). It is also important to note that income level varies with source of the income. The findings above reviews that there is limited sources of income which put people to susceptible to income shocks and stresses in their livelihoods resulting in low income flows in the community thus exposing livelihoods to become unsustainable. When income and asset shocks coincide, households have to choose between reducing consumption and depleting assets that are crucial to their livelihood strategies. Ultimately this forces them to pre-maturely dispose assets resulting in unsustainable livelihood strategies. This is supported with findings by Aker and Mbiti (2010) which concluded that increased income remittance allows for diversification of livelihoods which implies high savings and better investments, better consumption and improvements in livelihoods due to the accumulation of capital assets.

### 4.5 Mobile Money Account-Ownership

This section seeks to quantify the number of respondents who adopted the mobile-money systems in their livelihood financial management. This reflects on the accessibility of the m-money services.
n=74
Fig 4.6: Mobile money account ownership at household level of respondents Source: Primary Data

The data on mobile money account ownership reviewed that most of the respondents had access to mobile money facilities and services. The study revealed more than three quarters (81%) of the respondents had at least one or more household member owning an EcoCash mobile money account and only a minority, less than one quarter (19%) did not own an EcoCash mobile money account. These results have been attributed to the fact that the community had been privileged by the agents who undertook mobile account registration process at community, facilitating financial education and reduced cost of travelling and minimum stipulated amounts of cash for community members in accessing financial services. Thus making it well suited for the rural populaces which in times are financially excluded due to these bank requirements. However these results contradict with results obtained from rural communities in Kenya under the M PESAi facility were only above a quarter (30%) of the household had a member owning an mobile money account mainly due to the low levels of financial literacy in the country (Faye and Triki, 2013).The IFC, (2011), notes that if fully utilized and synergized with other financial management education; this financial inclusion methodology is one of the easily accessible models relevant to people livelihoods in sparsely polluted rural areas with limited financial cooperatives such as Mapfuti Ward Seven.

4.6 Financial Service Utilization in the Mobile Money System
The three financial services were utilised in the EcoCash system by the respondents undertaking various livelihood activities in the study.
Data from the study reveals that the majority of the respondents had basic financial literacy. Fig 4.7 shows that more than half (57%) of the respondents highly utilized the transfers facility, mainly the withdrawals services. The second utilised service is the savings service with 28% and loans having less than a quarter 15%. Transfers services appeared to be the most accessed services because majority of the respondents have an easy access to the EcoCash System due to its proximity and the minimal charges it offers for cash transfers as compared to other formal financial systems. Savings are follow second due to the fact that they provide secure storage facility and quick access in times of stresses and shocks. Another reason that emerged in the FDGs on why savings were preferred is that savings helped households to develop financial discipline and intermediation. Loans were least utilized and preferred mainly due to lack of knowledge on its availability on the EcoCash system as noted by the respondents.

### 4.6.1 Perceived m-money withdrawal impacts on livelihoods.

With more than half (57%) of the respondents in the study utilising the withdrawals service in the EcoCash system, different perceived benefits were noted by the respondents in regard to their livelihood enhancement ranged from reduced transaction cost, security and easy access (convenience) as deliberated in the focused group discussions. This money movement that has emanated from the m-money facility has ultimately enhanced the economic activity in the community. This agrees with the results in the M-PESAi system in Kenya were the transfer increased the velocity of money. Demirguc-Kunt and Klapper, (2012) notes that the M-PESAi
had been instrumental in driving growth and development in Kenya as it has resulted in higher remittance and hence higher economic activity leading to faster growth in livelihoods.

4.6.2 Perceived m-money savings impacts on livelihoods.

The results reviewed that majority of the population lack savings facilities and mechanisms with only a proportional representation of us above a quarter (28%). Savings represent income not spent on direct consumption, but on consumption in the future (Ritchie, 2007). Savings cited as the second favoured financial services because it allows for safety nets and vulnerability reduction to income shocks and stresses in household livelihood activities such as droughts and chronic illness. Respondents revealed that, savings helped households to develop financial discipline and intermediation resulting in independent financial management in livelihood activities hence attainment of growth. The results supports Ritchie, (2007) findings that, people who save are well off than people who rely on credit because savings are can be used as loan or insurance. Also the results were in line with IFAD, (2009) which points out that savings provide poor people with a buffer against unforeseen expenses thus lowering their household risk and vulnerability thus aiding to sustainability in household activities. Mago, (2014) notes that providing the poor with access to credit, savings, insurance and financial education facilitate the poor’s social mobility and enable the low-income earners to meet household need as such as food, health as well investment in economic activities.

4.6.3 Perceived m-money loans impacts on livelihoods.

The study findings, on the 15 % proportional representation of respondents who utilised the m-money system in accessing loans note of positive impacts in their livelihood activities. These loan beneficiaries have reported an increase in the profits in their income generating activities. As revealed during the in-depth interviews, this increase in profits ensured the micro entrepreneurs with an opportunity to undertake diversification and increase their business operations at the same time specialisation effects on revenue allowed for the easy servicing of loans hence resulting in sustainable livelihoods. Moreso, the majority of loan beneficiaries also revealed that they had a positive change in their livelihood assets with only a minority few reporting that there was no change in their livelihood assets.
4.7 Diversification and Specialisation Effects on Livelihood Revenue Income

Two livelihood enhancement strategies have been adopted by the respondents in the study. The effect of these strategies on the revenue income in livelihood activities is as shown.

Fig 4.8: Income trends (in US dollar) for respondents undertaking diversification and specialisation in their livelihood activities through m-money service. **Source: Primary Data**

Fig 4.8 shows the income trends (in US dollar) for the respondents who undertook diversification and specialisation in their livelihood strategies through financial inclusion emanating from m-money. Though they has been a decrease in the general income trends from 2012 to 2014 from $2500 to $2100 and $3200 to $2900 for households who undertook specialisation and diversification in their livelihood strategies respectively. The two livelihood enhancement options have been highly regarded as viable by respondents. The households gaining financial inclusion and independence through m-money proved to have high household income since they were able to spread risk compared to others households in the study area as per observed by the researcher. These two strategies are reported to have facilitated improvements on self-reliance of families in their livelihoods since there will result in revolving fund for livelihoods’ financing hence reducing dependence syndrome and promoting sustainable livelihoods for vulnerable households working towards the achievement of food security and nutrition thus aiding to the strategic goals of ZIMASSET agenda.
4.7.1 Assets accumulation from the adopted strategies in livelihoods through EcoCash facilitation

Through the adopted strategies in livelihoods mentioned above, positive impacts were noted by respondents. The majority (more than 70%) of the enhanced livelihood beneficiaries have been provided with the opportunity of accumulating assets which is a positive impact to their livelihood welfare. Thus the research through the focused group discussions found out that, most of the participants had very low incomes before the inception of EcoCash system in the area and hence could not afford to buy operational such as grinding mills and animals for draught power. However through being financially involved with enhanced livelihoods many participants have managed to accumulate various forms assets leading to sustainability of livelihoods in the area understudy.

4.8 Mobile-Money Services Rating Cross Tabulation

Table 4.5: Performance of Eco-cash as a mobile-money service rating by respondents in the study

<table>
<thead>
<tr>
<th>Livelihood Activity</th>
<th>Good</th>
<th>Fair</th>
<th>Bad</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poultry</td>
<td>4</td>
<td>2</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>Carpentry</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Welding</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Petty Trading</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Goat Keeping</td>
<td>9</td>
<td>5</td>
<td>1</td>
<td>15</td>
</tr>
<tr>
<td>Piggery</td>
<td>3</td>
<td>4</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>Market Gardening</td>
<td>19</td>
<td>5</td>
<td>5</td>
<td>29</td>
</tr>
<tr>
<td>Sewing</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Candle Making</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>100%</strong></td>
</tr>
<tr>
<td><strong>n=60</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Primary data

Table 4.5 shows reveals that more than half (59%) of the respondents regarded EcoCash as a good service in term of contributing towards livelihoods assets and raising capital as it had facilitated in households undertaking livelihood enhancing strategies such as diversification.
and specialisation. More than a quarter (27%) indicated that it was a fairer service as it proved useful at times when financial transactions are to be undertaken. The other 14% considered it as a bad service towards their livelihood strategies as it has led to challenges in term of accessing funds when agents do not have float balances and sometime customers delaying payments due to network problems. This clearly shows how valuable the mobile money system is regarded by community members in their livelihoods.

4.9 Mobile –Money Effectiveness in Strengthening Livelihood Strategies

The study also managed to enquire on the perspectives of the respondents on how they regard the benefits and opportunities that accrue from the EcoCash system. Different responses were given by the respondents.

The study revealed that 70% of the respondents were certain and sure that mobile money brings about positive change towards their livelihoods as shown in Fig 4. 9. Measuring the effectiveness of such a service on economic growth that can be attained from the household livelihoods demonstrates the potential that has to be unlocked in societies when they become financial included. This evidence can suggest that mobile money has the potential to bring about financial inclusion in Africa. Various research works, (most of which were carried out

**Fig 4.9: Impacts of Mobile –Money on livelihoods by respondents**  
*Source: Primary Data*
on M-PESA), demonstrate the achievements and potential of mobile money in relation to eliminating financial exclusion among the poor (Faye and Triki, 2013). Put briefly, mobile money attracted high demand because it is “...safe, fast, cheap, and requires little in the way of infrastructure,” (Mago and Chitokwindo 2014). However, much more still needs to be done in order to ensure that these services are fully exploited, especially when it comes to savings and banking as evidence from the research showed that of the 30% that consider the service ineffective the challenge was mainly due to lack of proper information on the benefits of the service.

4.10 Secondary Impacts of M-Money in Livelihood Activities

In as much as the research has pointed on the direct contributions to the livelihood activities, some vital impacts are being experienced by the respondents mainly in their social capital cluster and are indirectly contributing to the enhancement or degradation of the community livelihood strategies. To be presented below are some of the impacts that were noted by the respondents in the study.

4.10.1 Impacts of EcoCash System in Welfare Systems

4.10.1.1 Education and Health

The findings from the focused group discussions indicated that 89% of the respondents who regard eco cash as an effective intervention in their livelihood have their living conditions improved and the remaining 11% noted that changes were experienced as the contributions in income were eroded away by the livelihood consumption. The former reflected that the programmes had yielded much positive results on their welfare. The latter reflected that they haven’t yet noticed any change in their welfare by comparing the period before the interventions of EcoCash. The representatives of the income generating activities being undertaken in the area also indicated that most of the shareholders in their groups living conditions have changed positively as a result of financial inclusiveness interventions hence contributing indirectly to production as this independent financial management opportunity which allows for saving and easy access has resulted in improved health access hence boosting moral. This clearly shows that the EcoCash system is playing a role in the strengthening of the livelihood activities. Through improvements in money volatility in the communities; education has been properly facilitated, resulting in children are able to proceed for vocational and university education ultimately enhancing financial literacy which the World Bank (2011) note as one of the main challenge in rural livelihoods. Human capital development is also
enhanced through skills acquisition from education support services. Health improves productivity of societies and promotes economic development and this is line with the idea by UN (2013) which states that, health is a priority goal in poverty reduction and economic development.

4.11 Impacts of Mobile Money on Women Empowerment

One of the purposes of providing financial services is to empower clients, especially women. Studies have shown that women are generally late adopters of innovations due to the patriarchal nature of the society, accessibility of the m-money service was also considered in the study. Results from the survey showed that the women respondents noted of increased benefits for instance self-esteem since joining the EcoCash system, with 83.3% reporting increased self-esteem and as they have now become liberated in undertaking different livelihood strategies which in the past were male dominated as they require more capital thus EcoCash has improved on ways of accessing capital. The women clients confirmed that they are really benefiting from the EcoCash services in terms of being able to ensure food security to their children, to themselves and to the family, among other things hence leading to better dedication of time to their livelihood activity without stressing much on household requirements pressures. These results are consistent with the findings of Aker and Mbiti (2001) in the M PESAi where they found out that mobile money has an impact on social status and empowerment of women in communities.

4.12 Negative Impacts Emanating from Mobile-Money in the Study Area

Even though there are a lot of benefits brought about by mobile money system to the community and the livelihoods. The research had to also explore some negative contributions that the community face which in turn might affect their social welfare. The impacts were noted through the focused group discussions held at Madamombe and Mapfuti Business centres as well as through the in-depth interviews. Different negative impacts that degraded directly or indirectly livelihood activities in the area were noted and they are discussed below.

4.12.1 Health Hazards

Corroded scrap from industrial machinery and other metals, waste discharges and unregulated dumping of wastes from livelihood activities are among the many things that can cause health hazards in the community. The researcher observed the unsustainable disposal methods of raw materials from different livelihoods in the study. UNDP (2014) regards m-money systems as an enabler in the growth of livelihood activities; hence as livelihood activities expand their
operations pose a threat to the livelihoods and the community in terms of sustainability. Respondents in FGD’s, note that some of these incoming generating activities that are now being undertaken at a larger scale are disposing harmful substances into the environment and the blame is being shifted to the EcoCash system. These dump sites pose health risks to communities and ultimately to the sustainability of livelihoods as it pose a threat of disease outbreaks.

4.12.2 Rise in social ills

Moreover the respondents blamed the high cash volatility in the community emanating from the m-money system to the increase in social ills such as prostitution, gambling, thievery and drug abuse. The researcher observed that at the business centre many adult males were engaging in the above mention ills and this affected the production processes. This is highly affecting the potential embedded in EcoCash as a financial inclusion methodology for the rural poor populace as its effectiveness in enhancing livelihoods becomes questionable.

4.13 Challenges Affecting Mobile Money in the Study Area

The mobile-money sector in Zimbabwe has been facing a number of challenges which negatively affected its performance. Different challenges were highlighted by respondents for the causes of under-utilisation of the EcoCash service. These challenges include shortages in cash resulting in long wait when agents run out thus reducing the benefits of this financial methodology. Moreover respondents noted high interest rates on loans as another challenge reducing utilisation of the m-money facility. Low financial literacy and general decline in real income were some the other challenges noted affecting the utilisation of the mobile money system.

4.14 Summary of the Chapter

This chapter presented the research findings and their discussion. The major issues under discussion include the livelihood strategies being undertaken in the study area, type of interventions or service offered by the EcoCash System and an assessment of the intended social and economic benefits accruing to household livelihoods. The research questions were adequately answered since the data presented in the chapter specifically deals with the issues of livelihood enhancement and accessibility of this financial inclusion facility and its challenges to societies and the development process. The next chapter focuses on the summary of research findings, conclusion and recommendations made from this study.
CHAPTER 5
SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction
This chapter reviews the summary of the results in relation to the research questions and objectives of the study. The results are discussed, conclusion drawn from the study is presented and recommendations of areas of improvement by EcoCash, the Government and other NGOs which are implementing financial inclusion systems for the rural populace.

5.2 Main Findings
The main findings of the study include; that the Mapfuti community is highly engaged in various livelihoods which include on farm (such as market gardening, piggery and goat rearing) and off farm activities (such as poultry, carpentry, welding and sewing) for sustaining their daily needs. Regardless of the area being financial marginalized, EcoCash financial system is play a role in reinforcing livelihoods and economic infrastructure apart from providing an efficient payments system as it is facilitating inflow of finance in the area (increasing volatility of cash in the community). This m-money system role as a community oriented private sector service has been found to be vital in catalyzing local participation to enhance the efficiency and transparency in livelihoods operations which is essential for the achievement of human sustainable development goals. Impacting mostly in a positive way the potential of the EcoCash in societal transformation and strengthening of household livelihoods is unquestionable however the low level of financial literacy in the area has undermined the potential of the system as some of the services are now being underutilised of misused leading to detrimental in livelihoods.

5.3 Summary of the Findings
The study aimed at assessing the impacts of m-money in improving the livelihood strategies in Mapfuti Ward 7 of Seke District. It has been noted that EcoCash has a paramount role to play in improving the livelihood strategies of the Mapfuti community. The study also established that the majority of people engage in different livelihood strategies but face income (capital) challenges. The study revealed that the respondents had a positive appreciation towards the financial inclusion effect that the community is getting from EcoCash m-money facility. It has been noted that most of the community members are able to access financial services with easy
and have managed to practice household financial management, thus the service has managed to enhance the livelihood strategies at household level as it has facilitated in the adoption of diversification and specialisation in the ward livelihood strategies. This agrees with findings on the M-Pesa impacts review by Bilodeau, and Nikkelen, (2011) which notes that mobile money was beneficial to sustainability of livelihoods as it had resulted in notable impacts which include that, it kept costs low; it saved time; it was a safe methodology which had less room for errors. Furthermore Bilodeau and Nikkelen (2011), note that such an environment created by m-money empowers the poor to manage their day-to-day financial matters and to plan ahead through savings and credit arrangements. In this way, they will be in a position to manage their income hence availing an opportunity for diversification and specialisation in their livelihoods.

Moreso, the research findings have shown that mobile money plays a special role in development especially in the sustainable livelihood framework. Results have shown that m-money methodology helps very poor households meet basic needs and protects against risks, it is associated with improvements in household economic welfare and helps to empower women by supporting women’s economic participation thus promoting gender equality as it leads to emancipation of their livelihoods this is evidenced by positive changes in nutritional diet and improvements in access to health by respondents in the study. This was in line with the evidence that accrued in Kenya studies which noted that mobile money has a positive impact of people’s livelihoods. Results from a survey carried out in Kenya showed that Kenyan households that used M-PESA and were close to the mobile money agents could better manage their livelihoods and were better prepared for negative income shocks, such as job loss and poor health than households with no access to M-PESA (Jack and Suri, 2010).

The study also revealed that that the mobile money offered a great opportunity for people to improve their lives through saving and productive investments; respondents who utilized the system on the above two aspects were 43% and 39% respectively. Mobile money has also managed to create jobs for many people who were previously unemployed. This has happened through the recruiting of mobile money agents. All these receive commission from the sales and transactions they facilitate thus an incremental to their financial capital in their livelihood strategies and above all these agents who coincidentally were women in the research area thus the adoption of mobile money usage has also created opportunities for eliminating various forms of vulnerability among the unbanked less empowered women in the society. According to Morawczynski, (2011) inclusiveness in financial issues of women empowers them as they
provide independent places for storing and managing their funds. Donovan, (2012) notes that even though men are equally empowered through financial inclusion, it is women in the developing world, Africa in particular, who are usually more excluded due to entrenched cultural practices such as denying the girl-child a chance to education and denying women the right to own land or any means of financial independence (World Bank, 2013). Thus therefore, mobile money service plays a very significant role as far as empowering women in the area is concerned.

However the study also revealed that EcoCash impact on livelihoods in terms of savings and interest accruals is minimised resulting in most of the respondents preferring and highly utilising the withdrawal service only regardless of the other services in this financial inclusion package, citing that the other services do not add value to their income rather reduces their savings through the exorbitant charges and also the fact that no interest is accrued on savings thus reducing the beneficial impacts which are to be gained in societies from financial inclusiveness such as value addition and beneficiation. In addition, the study found that out lack of appropriate financial services and products has a negative impact on the livelihoods strategies in the area resulting in unsustainability utilisation of resources and perpetuation of poverty. For instance lack of credit facilitation in this financial inclusion methodology due to lack of awareness has resulted in poor livelihood strategies due to reduced income. Moreso the negative effects such as the rise in social ills (unethical behaviours) and health hazard effects were noted in the survey. This increase the vulnerability of people into income shocks and stresses and derails the efforts made by people to invest in economic activities that pull them out of poverty.

In summation, the impact of EcoCash on livelihoods in Mapfuti community can be largely noted in the areas of, increase financial independence and management bringing a multiplier impact on the lives and livelihoods of people drawn into the formal financial system resulting into social inclusion of marginalised sections of the community and development, thus the poor people getting access to financial services, have had their cash flow management improved, their financial planning is enhanced and their savings enhanced resulting in increased livelihoods enhancement options. Also the other vital benefit of EcoCash services in the study included the provision of a secure cash transaction platform thus reducing loss to theft, increased convenience in livelihood transactions and lowered costs resulting in
enhancement of livelihoods in the area due to increase in financial capital of community members in the livelihood framework.

5.4 Conclusion
The study concluded that widely accessed financial services are appropriate for the poor to invest their way out of poverty through enhancement and strengthening of the livelihood strategies. However, there is still large gap between the financial services offered, the ones utilised and the needs of the poor. This is largely because the financial inclusive services offered does not lead to income incremental but mainly provides transaction facilitation facilities. The study also concluded that the rural livelihoods are in great need of credit lines and proper savings but there is still underutilisation of the available savings and credit services available thus reducing the impacts of these financial inclusion mechanisms on the livelihood strategies of the rural populace.

The study also confirms that mobile-money methodology has the capacity to mobilize resources for the poor especially income and savings for enhancement of their household livelihoods, due to its existence of community structures leading to better accessibility by the rural populaces with reduced cost. In that respect mobile-money methodology will help people to raise their incomes by offering safe place to save and capital accumulation thus ultimately strengthening their livelihoods.

5.5 Recommendations
Based on the research findings, the study recommends that:

- Rural planners and community service providers should facilitate for financial literacy programmes at local levels for instance EcoCash can introduce training and sensitisation on financial services they offer in the m-money service resulting in sustainable utilisation of the service package as a whole leading to sustainable income management leading greater beneficial impacts on the livelihoods of its clients; thereby benefiting both users and the service provider.

- There is need for the government to integrate rural finance into the broader development financial system. For instance facilitation of public-private sector integration plans which motivates financial institutions to expand their services in rural areas.

- There is need for the private sector to strengthen and redesign their financial inclusive programmes programme so that they become effective and target the most vulnerable
livelhood strategies and ultimately this will improve on the social well-being of communities leading to improved business opportunities for their programmes.

- There is need for the communities to develop alliance among types of institutions such as banks, local clinics and insurance houses so that they can be more utilisation of the mobile–money methodology in accessing services.

- There is the need for the government to improve road networks, clinics and well as schools all activities to operate effectively as these all contribute to the demographic characteristics of the rural populace their by contributing to the better adoption and appreciation of information technologies for development.
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Appendix 1

Household Questionnaire Guide

Good morning/afternoon. My name is Shelton Mutasa T, a Bsc (Honours) Development studies student at Bindura University of Science Education. I am conducting a research on “assessing the impacts of Mobile-Money on sustainable rural livelihoods: The case of EcoCash in Mapfuti Ward 7, Seke District”, for the partial fulfilment of the requirements of the programme. Your household is one of the households that have been selected by chance from the households in the area, for this study. The purpose of this research is to collect current information on the financial status, economic and social wellbeing of this community emanating from the Mobile-Money Services.

This research is voluntary and your answers to this interview are confidential and will not be released to anyone. With your permission, may I begin the interview?

Consent

Basic information

Date …………………………………………………..
Name of village………………………………………
Ward                     7         Number of respondent………………………………………

DEOGRAPHIC INFORMATION

100. Sex of respondent  1 Female     2 Male
101. Marital status
     1 Never married /single    2 Married     3 Widowed
     4 divorced/separated

102. Highest educational level
     1 Primary       2 Secondary  3 Tertiary     4 Not educated

103. Age group of the respondent
     1 Below 20     2 21– 30       3 31- 40
     4 41 – 50     5 51 +

104. House hold size
     1 1 – 3     2 4 – 7     3 8 - 12     4 13+

Financial and Related Non-Financial Services
105. Do you undertake any livelihood activity? 1 Yes 2 No
If answered “Yes” above state the activity…………………………………………………………………….

106. What is the major risk affecting your household livelihood strategy?
   1 School fees 2 Chronic illness 3 General expenses
   4 Pest and diseases 5 Limited financial access

107. Where do you get the money for financing your livelihood strategies?
   1 Family, friends and relatives 2 Churches 3 Government
   4 Microfinance society

108. Does any member of your household own a Mobile-Money account?
   1 Yes 2 No
If yes, specify the service provider ………………… N/A

109. What are the services and support you get from the financial services?
   1 Loans / credit 2 Savings 3 Insurance
   4 None financial support 5 All of the above 6 N/A

110. Is the financial service system of EcoCash aiding value of any form to your livelihood?
   1 Yes 2 No 3 N/A
If answered ‘yes’ state how……………………………………………….

111. Have you ever accessed a loan from the mobile-money service for your livelihood strategy?
   1 Yes 2 No

112. How would you rate the Eco-Cash service performance in livelihoods?
   1 Good 2 Fair 3 Bad

113. Which of these services do you prefer in Mobile Money services?
   1 Withdrawals 2 Savings 3 Loans

Justify why you start with that……………………………………………….

**Resource Mobilization for livelihoods**

114. What is the major source of income in your household for livelihoods strategies?
   1 Crop production 2 Friends and family remittances 3 Pensions funds
   4 Formal salary 5 Casual labour 6 Other (Specify)……….
116. What is the major type of savings in this household?

1  Asset based  
2  Cash  
3  in/ Cereal  
4  Lend Cash  
5  Don’t Save

117. Why do you prefer this type of savings?

118. What is the source of your savings?

1  Crop production  
2  Formal salary  
3  livestock  
4  Remittances  
5  Casual labour  
6  Others specify……….  
7  N/A

119. How do you use your savings?

1  Crop production  
2  Buy food  
3  School fees  
4  Social expenses  
5  Capital  
6  Medical  
7  Other uses(specify)………………

220. How do you save your cash savings?

1  Home  
2  Bank  
3  Group savings  
4  Mobile Money  
5  Don’t save

221. What challenges do you face in making savings?

Reasons for the Persistent Financial Exclusion of Community Members

224. What is average monthly income? ($) 

1  Below $100  
2  100-200  
3  200-300  
4  $300-400  
5  400 +

225. Which one of these challenges do you face in accessing financial services?

1  Collateral security  
2  Interest Rates  
3  Poor infrastructure  
4  Lack of information and knowledge  
5  Poor social networks  
6  Others

226. What is the major economic challenges do you face?

1  Lack of appropriate financial services  
2  Unemployment  
3  Poor markets  
4  Lack of productive assets  
5  Debt  
6  Others specify………..

227. What major challenges do you face that affect your livelihood strategies?

1  Low incomes  
2  Drought  
3  Lack of affordable financial mechanisms  
4  Low education  
5  Others specify……………………

228. Is EcoCash assisting in solving the above challenges?

1  Yes  
2  No

229. How would you regard the Mobile –Money system in aiding to your livelihoods?

1  Effective  
2  Ineffective

If it is effective, specify how it has improved your livelihoods ……………………..
Appendix 2

In-depth Interview Guide

Name of the organisation………………………………………………………………………………………………
Name of the respondent Mr/ Mrs. / Ms/Dr/Prof.…………………………………………………………………………
Position of the respondent………………………………………………………………………………………………
Date………………………………………………………………

Objectives of the Study

- To examine how mobile money has impacted on the livelihoods of the rural people.
- To explore the opportunities mobile money bring for financial inclusion in rural areas.
- To investigate how accessible mobile money services are to the rural populace.

Key informant guide: EcoCash Agents, NGO’s.

1. What is the role of your institution in servicing the financial needs of the poor in the alleviation of poverty in Mapfuti Ward Seven?

2. What are the impacts of Mobile-Money on the livelihoods of people?

3. What opportunities do Mobile- Money brought for the financial support to Ward Seven community?

4. Is the mobile money frequently used by societal members in your area?

Key informant guide: community leaders

1. Are there community structures offering financial services (savings, loans and insurance)?

2. Beside financial support what other support did this community get from EcoCash services?

3. What is the major form of savings (asset based, money, grain) in this community and why do people prefer these savings?

4. Is EcoCash offering solutions to social problems resulting in sustainable rural livelihoods in Mapfuti Ward Seven?

5. Is EcoCash offering solutions to economic problems resulting in sustainable rural livelihoods in Mapfuti Ward Seven?

6. What challenges are people facing in accessing financial resources and other financial support?
Appendix 3

Focused Group Discussion Guide

My name is Shelton Mutasa T. I am a student at Bindura University of Science Education. I am carrying out a research on assessing the impacts of Mobile-Money on sustainable rural livelihoods: a case of EcoCash in Mapfuti Ward 7, Seke District. The work is a partial fulfillment of the Bachelor of Science Honours Degree in Development Studies.

Your cooperation is greatly appreciated.

1. What challenges do you face in accessing financial services?
2. How do you usually access financial services?
3. Where do you get your loans/credits for your income generating activities?
4. What are the challenges do you face in making savings?
5. What is your major form of savings (asset, money, grain)?
6. Why do you prefer these savings?
7. What socio-economic factors have improved or declined since the inception of Mobile Money Services?
Appendix 4

Non-Participant Observation guide

1) To observe the living conditions of the respondents in Mapfuti community.
2) To identify the types of livelihood operations in the area.
3) To observe the frequency of use of the m-money facility.
4) To observe the perceived impacts of m-money enabled livelihood activities on the environment.
Appendix 5

The Sample Size Calculator

![Sample size calculator screenshot](image-url)