



Harnessing Mobile Technology (MT) to Enhance the Sustainable Livelihood of Rural Women in Zimbabwe: Case of Mobile Money Transfer (MMT)

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ABSTRACT

The focus of the study was to ascertain whether there is the existence of women money saving clubs in rural Zimbabwe, explore their operations and avail data which highlight the need for implementing tailor made Mobile Money Transfer (MMT) for all. These authors performed literature review to guide the research. To gather information these writers employed focus group discussion and survey questionnaires to extract information from the research participants. Participants of the survey research were women who were actively participating in money saving clubs in rural Zimbabwe. The focus group dialogue participants incorporated leaders of these rural women money saving clubs. This study will contribute to the body of knowledge novel information which is imperative for MMT operators in Zimbabwe. Therefore MMTs or Banks in Zimbabwe should embrace it.

Keywords: ICTs, Money saving clubs, M-Pesa, Ecocash, MMT.

1. INTRODUCTION

The omnipresence of cellular phones has transformed the manner with which we interrelate among ourselves and unlocked out exhilarating and unexplored opportunities in support of trade. The prospective of cell phone is cosmic, as it is on the precipice to develop into, with the introduction of touchtone phones, the crucial special gadget of preference. The mobile phone is fast becoming multifunctional from being used to take photos, to typing and editing documents and to a portable wallet. A mobile money transfer is the transfer of cash/ credit from one entity to another, using a mobile device. Mobile money transfers typically entail sending money using the Short Message Service (SMS). With the rising popularity of cell phones



and the increasing need for fresh channels for money transfers, the mobile money transfer industry is growth bound.

Porteous (2006) differentiated two characteristics of mobile banking and these are: Additional or corroboration and transformational characteristics. Additional facets are those in which the mobile phone is merely another channel to an existing bank account. Mobile banking is classified as additive while it basically supplements the collection of choices or augments the handiness of existing clientele of conventional financial establishments. Transformational qualities arise once the pecuniary artefact associated with the utilisation of the phone is centred on those without formal bank accounts in the conventional banking institutions.

According to Sarker and Wells (2003) the solitary entrance requisite or hurdle to the ensuing mobile banking will be the cellular phone. However, this convolution is almost fully resolved with the international market infiltration of affordable cellular devices and growing network service, consequently setting a concrete plinth for cellular banking amplification. Currently, in Zimbabwe the total number of cellular phone subscribers stands at 13,518,887, this figure has increased by one (1) million since March 2013's total of 12.6m. While the Zimbabwe's current total population is 13.06 million. (<http://www.techzim.co.zw/2014/01/zimbabwes-telecoms-stats-2013-103-5-mobile-penetration-rate/>.)

However, this only looks at the SIM cards active on the mobile platforms in a specified period and not authentic exclusive persons and does not take into relation such matters as people with multiple cellular phones and dual SIM phones. "...mobile phones are a big hit in rural Zimbabwe and are owned by even most of the unemployed"(<http://nehandaradio.com/2013/09/04/mobile-phones-big-hit-in-rural-zimbabwe/>). The brisk swelling of cellular phone diffusion, against a dormant bank outreach, has fashioned a lush position for mobile money to blossom in Zimbabwe (Ibid). Cellular phone banking may possibly be the podium for express financial inclusion of citizens that currently simply require cell phones as a gate pass to an assortment of vital financial services they under no circumstances used to get before." The main intrinsic worth of cell phone money transfers are lower costs, more rapid swiftness and straightforwardness accessibility. In this paper the researchers will focus on Mobile banking from a transformational perspective



2. BACKGROUND TO THE STUDY

Zimbabwean rural women are engaged in savings and credit union club activities. Women in specific communities come together to discuss issues affecting them and identify solutions to problems bedevilling them. They then craft ways of combating these problems. Over the years the issue of women clubs has been prevalent in almost all communities in Zimbabwe. When a club is formed, a committee is selected to run the affairs of the club. This may differ from place to place but there are popular positions across clubs like Chairperson, Secretary and Treasurer, whether from which part of Zimbabwe each and every club usually has these positions.

The concept of money saving clubs first occurred in Zimbabwe in the early 1960s. This was facilitated by a Catholic missionary by the name Brother Waddelove who was based in Chishawasha a peri-urban area just outside Harare. According to literature available the very first club commenced in 1963 with merely 20 associates and since then the concept have spread all over Zimbabwe. By 1984 there were 5,700 clubs nation-wide (Chimedza, 1984). During this time eleven (11) Credit Unions were fashioned and membership surpassed one thousand (1000). Currently women savings clubs are a religious issue in every rural community in Zimbabwe.

The organization of the association was premised on the personage and the person's sense of accountability towards himself/herself and others. Club members contribute fixed agreed sums of money to the club for keeping on a weekly, fortnightly or monthly basis. This money is kept by the treasurer for a specified period which spans up to the whole year. The members will then gather at the end of the agreed period usually a year to decide what to do with the money. At times they buy kitchenware and groceries for all members. This routine goes on and on from year to year and these women prides themselves in doing that. This concept was borne out of the need by the poor rural women to develop themselves. This has the elementary endeavour of mobilising trivial individual financial possessions into substantial, handy and valuable groups.

In this paper the researchers are concerned with this valuable liquid cash that each and every women's savings club scattered all over rural Zimbabwe accumulate all year long and is kept idle by the club's treasurer. We believe this money could be used productively if the mobile money transfer is extended to tap into this valuable resource. This has a ripple effect:



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- a) It captures the valuable cash that lies unused for almost a year back into the economy for circulation.
- b) It can create more wealth for these clubs when they participate in the MMT as agents.
- c) It can bring convenience to the rural people who have to part with money to go and cash out money they receive through MMT.

3. LITERATURE REVIEW

Mobile money transfer

The terms *m-banking*, *m-payments*, *m-transfers*, *m-payments*, and *m-finance* refer collectively to a set of applications that enable people to use their mobile telephones to manipulate their bank accounts, store value in an account linked to their handsets, transfer funds, or even access credit or insurance products (Donner. J & Tellez. C. A. 2008 page 2). This concept is currently spreading fast across the globe, in both developed and developing countries and Zimbabwe is among them.

Mobile phones have undoubtedly become omnipresent and a standard facet of everyday life for numerous Zimbabweans. The ongoing developments in mobile finance being spearheaded by the three major players in the Mobile Telecommunication sector in Zimbabwe demonstrate some potential to revolutionize the manner with which people conduct financial transactions by offering them new services. Telecel Zimbabwe initiated its mobile money transfer facility, telecash, which permit the network's subscribers to use their cellular phones to transmit funds to anyone on any network, pay bills and buy groceries and other goods and services. "...Telecel's technological collaborator for telecash is Obopay and that it's banking associates consist of Afrasia, CBZ and Zim Switch, which make available links with most of the country's banking institutions". (<http://www.techzim.co.zw/2014/01/telecel-zimbabwes-telecash-launch-press-release/>). This is actually a rebirth of the now defunct 'Sikwama' (Telecel's first mobile money transfer platform).

Econet launched EcoCash in 2011 to be carried on its communications network. Econet envisages creating a separate company in mobile money, which will facilitate the precise intensity of spotlight on mobile money inside the overall business. Econet have been very promising and with its wide subscriber base have been very popular among the Zimbabwean folk. Ecocash account holders conduct transactions exceeding US\$200 million of volume over the EcoCash platform each and every. When we analyse this figure annually, that volume add up to an unparalleled amount equivalent to



22% of Zimbabwe's GDP (Levin. P. 2013). This clearly indicates the popularity of MMT among Zimbabweans. Regardless of this success Ecocash has still not reached the levels of success realised by M-Pesa the Kenya MMT, Yet Kenya has a strong banking system. Availability of financial services is more imperfect in Zimbabwe than that of Kenya at M-Pesa's launch in 2007. Netone's one wallet has been there for some time now but has not seen much progress due to lack of clear vision.

Despite all these positive massive achievements by MMT in Zimbabwe there is still room for improvement. This is evidenced by the fact that there is a high level of financial prohibition in Zimbabwe predominantly in the countryside areas of Zimbabwe. "However, an estimated 0, 0055 bank branches per 100 000 individuals in the countryside is testimony of the excessive altitude of financial faux pas in the country's rural regions." (Ibid)

Money saving clubs, roundtables or credit unions

Money-saving association, commonly recognized as "round tables" in Zimbabwe, are turning out to be life-changing experience for some folks (Zimbabwe Newsday February 26, 2013). Every member pays a predetermined amount of money to a central account on a periodical base, facilitating members to procure goods and services for cash. A Credit Union is a financial cooperative created for and by its members who are its depositors, borrowers and shareholders. (<http://www.businessdictionary.com/definition/credit-union.html#ixzz38-BGyNY 6W>.) It is operated on non-profit basis. "...it is difficult to get a loan from the bank and this conception has enabled us to borrow funds from this pool of money and repay at a small interest," a hairstylist Rudo said (<http://www.newsday.co.zw/2013/02/26/a-life-changing-experience-with-money-saving-clubs/>). This is a concept that is historical and also very common in rural Zimbabwe (Ibid).

There are over 10,000 clubs nation-wide and women account for up to 85 percent of membership (SDF, 1995). In the whole of Inyanga a district in Zimbabwe there are 1447 clubs, (Kufusa mari A Self Help Assistance Program survey report 2006). These clubs help to increase rural women in Zimbabwe's economic and social independence from their husbands. The savings club concept have stood the test of time because the clubs are usually established in accordance with already existing bonding factors like membership of the same church, local communities. Zimbabwean women see these clubs as a forum for saving money, educational opportunities, training as well as group meeting where new ideas are shared. The clubs



offer women the window of opportunity for development. The clubs promote social and economic development of women.

A survey by the Zimbabwe National Statistics Agency (Zimstats) showed that 40% of adults do not use any financial products. Should they desire to borrow, they turn to family and friends and if they opt to save, they do so at home (The Zimbabwe Herald 23 February 2014). These researchers believe that the MMT service providers in Zimbabwe need to do more than they are doing. They need to lower their costs of using their service to customers. They need to devise a framework whereby they can accommodate these clubs and in the process tape into this rich liquid cash lying idle for most of the time.

4. RESEARCH OBJECTIVES

In this study the writers' objectives were to ascertain the being of Money-saving clubs of women in Zimbabwe and determine how much each club is gathering regularly and give a national standard projection. The findings from this research will inform MMT service providers in particular and policy makers in Zimbabwe. In order to achieve the purpose of the investigation, the researchers used the following questions:

- a) What is the status of women's money saving clubs in Zimbabwe?
- b) How much do these money saving clubs generate periodically?
- c) Where do they keep their money?
- d) What can MMT service providers do tape into this valuable resource to maximize the benefits?

In the course of action of responding to these questions latest handy information for the MMT operators in Zimbabwe and probably the world at large was availed. This information is premium to all the MMT the world over in general and those in Zimbabwe to be particular.

5. METHODOLOGY

According to Powell & Single 1996 a focus group is 'a cluster of persons chosen and brought together by researchers to converse and remark on, from personal experience, the topic that is the subject of the research. (1996: 499)' Focus group investigation is a qualitative research technique which seeks to assemble information that is outside the compass of quantitative research.



These researchers used focus group discussions and questionnaires to draw out information from the research subjects. Contributors to the questionnaire research were women that were actively running and participating in money saving clubs in their communities. On the focus group discussion participants were women leading these clubs like The Chairpersons, Secretaries and Treasurers. Calder (1977) recommended that focus group interviews or discussions are an appropriate technique in conducting explorative studies. Jarvenpaa and Lang (2005) have also confirmed the practicability of focus group discussions in studying groundbreaking mobile services. The focus group scheme is 'unique not for its approach of examination, but for its data-collection actions, and for the character of the information so collected' (Wilkinson 1998, p. 182)

A questionnaire is a research tool consisting of a string of questions and other prompts for the rationale of gathering information from respondents (Chaudhuri, Ghosh & Mukhopadhyay, 2010). The principal rationale of a survey is to bring out information which, subsequent to appraisal, results in a sketch or statistical depiction of the population sampled (Chaudhuri et al, 2010).

The researchers chose to conduct their research in Shurugwi a district in Midlands province of Zimbabwe where the composition of the populace is more mixed than any other district in the country. These writers consequently chose 8 leaders from five money saving clubs in Shurugwi and requested them to look into the issues of money saving clubs, how much they generate periodically, where they keep their money and their understanding of MMT services before coming for session.

6. RESULTS

a. Results from stage one: Focus group discussion.

Every study is carried out to accomplish a particular purpose. Results from the focus group discussion indicated that there is indeed money saving clubs scattered all over the country. Participants concurred that there is 'no woman in their rightful sense that does not belong to a money saving club of their choice. Literature also supports the fact that money saving clubs are prevalent in African communities. The participants to the focus group discussion echoed the sentiments. Every village community has a money saving club and it is unheard of that a woman does not belong to a club. These clubs are said to meet religious on a particular day of the week depending on the community. If it happens that the club is a composed of woman who belong to the same church then they can meet after church,



otherwise the clubs usually meet on a “chisi” (‘sacred day’ *A day that is honoured in the community when people are prohibited to go to and work in the fields*).

According to participants there are also some elite money saving clubs and these cut across communities. These usually meet once every month and their contributions are larger than other common clubs. The money is usually kept by the treasurer of the club. The secretary simply records the minutes of the meeting and the money collected for the day and the current total collected at that time for the year. The Chairperson simply presides over the meeting. The money is kept for the whole year and at a particular date gazetted by the club; the committee will go to town and do some shopping from kitchenware to grocery. The members will then convene a meeting where will share those goods among themselves. On that particular day there will be a bit of feasting. Some other clubs do loan out money collected to members who are willing to borrow but at an interest. But this is less prevalent in many clubs because members are unwilling to borrow because of the interest attached.

The discussion further revealed that club members on average contribute in the range of US\$20-00 per months for most clubs. Some clubs who are composed of well up women contribute around US\$30-00 per months. The cross community clubs which are made up of the affluent members of the communities contribute around US\$50-00 to US\$100-00 per months. However, it must be noted that these are far and between. There can be one or two but not more than three of these cross community clubs in a district.

b. Stage two: Questionnaire

There were five clubs contacted by these researchers, club A had 32 members, B had 29 members, C had 18 members, D had 41 members and E had 37 members. All together these 5 clubs’ members summed up to 157. Sampling and sample size are central issues in portions of quantitative research, which seek to create statistically supported generalisations from the research findings to the general world. The researchers therefore designed 40 questionnaires and distributed them to the clubs’ members according to the membership of each club. We used the following formulae to allocate the questionnaires.

(Club membership/ Total sum) * 40

$$A = (32/157) * 40 = 8.15 = 8$$



$$B = (29/157) * 40 = 7.4 = 7$$

$$C = (18/157) * 40 = 4.6 = 5$$

$$D = (41/157) * 40 = 10.5 = 11$$

$$E = (37/157) * 40 = 9.43 = 9$$

The questionnaires were self administered and collected as soon as they were completed. On processing we discarded 3 questionnaires that contained errors. This made it 92.5 % response rate. The demographic profiles of the respondents of course all were women. Out of the 37 respondents six (6) were in the age group 24 years and below, seventeen (17) were in the age group 25 to 34, twelve (12) were in the age group 35 to 44 and the remaining four (4) were in the age group forty five (45) and above age group.

All respondents were a member of money saving club member in their communities. Twelve (12) respondents indicated that they contribute US\$25-00 or less per month, sixteen (16) indicated that they contribute US\$26-00 to US\$30-00 per months and nine (9) indicated that they contribute US\$31-00 or more per months. There were four (4) respondents who further indicated that they were also members of a cross community money saving club. The respondents concurred with the focus group discussion on the issue of how money is kept; they all indicated that the money is kept by the treasurer until the end of the year.

7. DISCUSSION

In this study we found out that there are women money saving clubs in Rural Zimbabwe and that these clubs meet religiously on a predetermined date. On average there are around one hundred (100) women's money saving clubs in a district in rural Zimbabwe and each has an average membership of Thirty (30). Assuming that each member contribute US\$20-00 this could amount to US\$600-00 per club per month. This money could be around US\$6 000 000-00 per month country wide and this could run into plus US\$60 000 000-00 per year potentially lying idle. This means that there is a lot that can be done by these MMT operators so that they can tap into this valuable liquid cash into the circulation system.

MMT operators should reduce their tariffs so that they become sustainable for the rural communities. They also need to come with a deliberate policy to cater for these money saving clubs, such a policy will see these clubs being taken on board and operating as Cash agents. Apart from the



capturing of valuable cash into circulation this process will also see these clubs saving in their communities thereby reducing the need for rural people to travel to shopping centres to cash out money they receive from their relatives via MMT. The clubs also earn some money by operating as agents and this is very important for uplifting of the club members welfare.

At the time of writing this piece of work Telecel was mulling the idea of going rural and other unexplored areas. “We want to expand our coverage in the rural area and we are willing to give up part of our commission to promote agents in those areas so that it is worthwhile for them because they are putting investment also,” (<http://www.techzim.co.zw/2014/01/telecel-zimbabwes-telecash-launch-press-release/>)

This was an explorative study so there is no much literature to support these results; however these researchers believe this to be a true representation of the situation on the Zimbabwean landscape.

8. LIMITATIONS

This research was conducted in one district of Zimbabwean and the researchers assumed that this is generally applicable to all districts in Zimbabwe. However in reality the findings may be confirmed in other districts and discarded in others. This was a result of resource limitations on the part of researchers. Hence future research can be conducted with more resources and on a wider scale. In this manuscript the authors have confined the survey research to rural women money saving clubs and therefore we believe in future research can also be extended to all gender clubs and in all parts of Zimbabwe.

9. CONCLUSION

In this paper the rationale of the researchers was to ascertain the existence of women money saving clubs and how much they are saving in rural Zimbabwe. Findings of this study point out that there is undeniably effervescent women money saving clubs in rural Zimbabwe. The club members contribute money every month and this money is kept by the treasurer for the whole year. The findings corroborate the view that the Zimbabwean rural women money saving clubs proffer mobile banking sector with a pleasant outlook for development. This signifies the actuality that MMT can breed a startling opportunity for income creation and redistribution among rural women. The need for exciting M-banking execution in rural Zimbabwe revolve around enhanced network coverage, better connections as well as reduced costs to guarantee affordability to the



entire potential partakers especially in this case, these money saving clubs. MMT operators might be better off availing the service at slighter costs to seize more users rather than insisting on lofty tariffs which scare off some prospective partakers. This will rake in hard liquid cash the economy is crying for.

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