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**Timeline**

2021-2023

**Study Status**

In Progress

**Study Type**

Randomized Evaluation

**Sample Size**

750 women entrepreneurs

**Research Implemented by IPA**

Yes

# Does Repaying Loans with Mobile Money Increase the Economic Power of Women Entrepreneurs in Tanzania?



In This Image

A woman at a mobile money vendor in Tanzania © Kyu Khin Gar

**In collaboration with BRAC, researchers working with IPA are evaluating the impact of using mobile money to repay microfinance loans on female entrepreneurs' business outcomes, use of mobile money services for a wider range of activities and women's empowerment.**

Mobile money is a transformative technology that not only facilitates cashless transactions but also provides an avenue for individuals to save money without relying on a traditional bank account. However, despite their rapid expansion, mobile money services are still only used by half the population in sub-Saharan Africa, and only by a third of women.[1]

In Tanzania, women are 20 percent less likely than men to have an account.[2] Mobile money services are also not used widely for either saving or transactions beyond remittances, such as for purchases and payments, limiting their scope for positive impacts. Only 19 percent of mobile money users had ever saved with it and less than 4 percent had ever paid for a good or service using mobile money.[3] This represents a significant proportion of people — and women in particular — who are not taking advantage of mobile money services and experiencing the improvements in welfare their use might bring. As such, building women's

habit of regular mobile money usage may lead to them experiencing these benefits.

Researchers are partnering with IPA and BRAC Tanzania to measure the impact of using mobile money to repay microfinance loans on women entrepreneurs' ability to increase their economic power. A total of 750 women entrepreneurs have been randomly divided equally into three groups: one group will repay the loan weekly with mobile money alongside weekly group meetings, one group will repay the loan weekly with mobile money while attending group meetings every two weeks, and one group serves as the comparison and will repay the loan with cash at weekly group meetings. Following the intervention, researchers will conduct surveys and incentivized games to assess women's business outcomes, use of mobile money services, agency and well-being.

Results will be available in fall 2023.

## Source

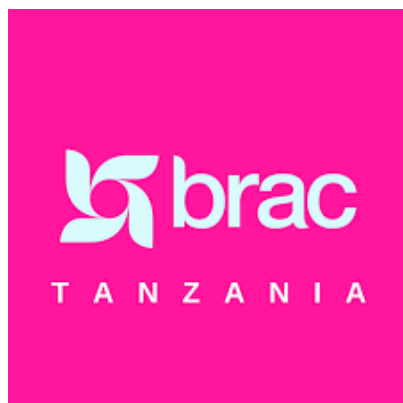
[1] Demirguc-Kunt, Asli; Klapper, Leora; Singer, Dorothe; Ansar, Saniya; Hess, Jake Richard. The Global Findex Database 2017: Measuring Financial Inclusion and the Fintech Revolution (English). Washington, D.C.: World Bank Group.  
<http://documents.worldbank.org/curated/en/332881525873182837/The-Global-Findex-Database-2017-Measuring-Financial-Inclusion-and-the-Fintech-Revolution>

[2] Devyn Holliday, "Limited usage: women and mobile money in Tanzania," GSMA, February 2, 2023,  
<https://www.gsma.com/mobilefordevelopment/blog/limited-usage-women-and-mobile-money-in-tanzania/>

[3] Financial inclusion Insights Survey Tanzania, 2017

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## Partners



**BRAC Tanzania**