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**Timeline**

2022-2023

**Study Status**

In Progress

**Study Type**

Randomized Evaluation

**Sample Size**

136 localities (4700+ households)

**Research Implemented by IPA**

No

# What is the Impact of the Entry of Digital Financial Services on Financial Inclusion in Ghana?



*Mobile money agent outlet (right) that vend digital financial services (retail mobile money, airtime, SIM cards, etc) and a nearby, traditional corner store (left) that retail other goods and services (provisions, kenkey, fish, etc) in Akim Anamase — a village in eastern Ghana. © 2023 Bismark Adobaw, GCB Bank PLC, G-Money*

**Funded by IPA, researchers in Ghana are evaluating how providers within retail digital financial services markets react to the entry of providers from outside the market and how this impacts consumer demand for and trust in them.**

Mobile money is a recent digital financial innovation in low- and middle-income countries, comprising market vendors that provide cash-in and cash-out services to consumers. The rise in mobile money is robust in Sub-Saharan Africa, where the region accounts for 70 percent of the market globally. However, mobile money raises concerns about service quality, transparency, and consumer protection, especially in environments where consumers are uninformed, institutions are less strong, and fraud is more common. Overall, little evidence exists on the broader impacts of entry and competition—despite its importance—on payment services quality, transparency, consumer trust, and financial inclusion. This provides considerable research opportunities to close knowledge gaps and help increase consumer protection.

Ghana Commercial Bank Ltd recently launched a digital wallet called “G-Money Mobile Wallet Service” (G-Money) and is currently enrolling retail agents nationwide for G-Money. MTN Mobile Money is also enrolling retail agents and merchants to expand their financial services for the poor. While financial inclusion efforts have been made, consumer protection and inclusion issues are significant in Ghana, especially in the East where there are many small-scale market vendors and low-income consumers.

Researchers are developing an intervention in eastern Ghana to measure how providers within retail digital financial services markets react to the entry of providers from outside the market and how this impacts consumer demand for and trust in them. A total of 136 low-income localities will be randomly selected to have either entry or no entry of both MTN Mobile Money and G-Money agents and vendors into their markets. Researchers will vary the density of agents and vendors in localities where they enter the market. Ultimately, this intervention can impact the rollout of the services and other financial inclusion efforts in Ghana.

Results will be available later in 2023.

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## Implementing Partners



**MTN Mobile Money**

## Research Partners



**Ghana Statistical Service**